

9pm Compilation

December 2021

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General Studies Paper - 1

General Studies - 1

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.

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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.

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.

3. Explained: Personal laws in marriage

Source: This post is based on the article “Explained: Personal laws in marriage” published in **The Indian Express** on 23rd Dec 2021.

Syllabus: GS1 – Issues related to women

Relevance: Amendment in the Prohibition of Child Marriage Act, 2006

News: A Bill proposing to **increase the age of marriage** for women, and **ensuring harmony in the age limit across religions**, was introduced in Lok Sabha this week and then referred to a Parliamentary Standing Committee.

Both aspects of the proposed amendment to the Prohibition of Child Marriage Act, 2006 have raised a debate on female autonomy and the application of personal laws in marriage.

Must Read: [Raising the legal age of marriage for women – Explained, pointwise](#)

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What does the amendment propose?

It proposes three things:

- **Increase in the minimum age of marriage for a woman.** By amending the definition of a “child” in Section 2(a) to mean “a male or a female who has not completed twenty-one years of age”, the Bill makes the minimum age of marriage same for both men and women.

- **Increase in the window for a “child” to file a petition to declare a child marriage void.** Under Section 3(3) of the Prohibition of child Marriage Act, 2006 both the boy and the girl have the right to opt out of marriage until two years after attaining majority, i.e. up to the age of 20 years for a girl and 23 years for the boy.

The Bill proposes to **extend this window for both the woman and the man to five years** after attaining majority. Since the age of majority is 18 for both, this would mean that either the man or the woman can file a petition to declare the child marriage void before they turn 23, or until two years after reaching the new minimum age of marriage.

- **Introduction of a “notwithstanding” clause.** This essentially calls for equal application of the Prohibition of Child Marriage Act across religions, notwithstanding any customs.

What are the issues/concerns with the amendment?

- Since the age of majority is 18, increasing the age of marriage is viewed as a **paternalistic approach by the state** in personal matters of an individual.

- Additionally, the application of the child marriage law across faiths sets the stage for a debate on the **limits of personal law.**

- One of the views is that the bill may also be **violative of Article 25 of the Constitution**, which guarantees the freedom of conscience and free profession, practice and propagation of religion.

- Another criticism is that increasing the minimum age of marriage **will further push many marriages to illegality and marginalise vulnerable sections.** Since the existing Act does not make child marriage automatically illegal, the increase in minimum age might not really benefit women.

- Also, since Muslim law recognises “attaining puberty”, which is legally assumed at 15 years, as the minimum age of marriage, it raises **questions as to whether the child marriage law can apply to Muslims.**

Can secular law override personal law?

Courts have offered different interpretations:

Views of the Supreme Court

- In *Shayara Bano v Union of India (2017)*, the Supreme Court declared the practice of instant triple talaq as unconstitutional although it is provided for under Muslim law.

- In a 1960 case, the Supreme Court held that the Transfer of Property Act, 1882 would apply over Muslim law on transfer of property.

Views of the High Court:

The **Karnataka High Court**, in the case of *Seema Begaum D/O Khasimsab vs State Of Karnataka (2013)* – *no Indian citizen on the ground of his belonging to a particular religion, can claim immunity from the application of the P.C.M.*

In February 2021, the Punjab and Haryana High Court granted protection to a Muslim couple (*a 17-year-old girl married to a 36-year-old man*), holding that theirs was a legal marriage

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under personal law. The HC examined provisions of the PCM Act but held that since the special law does not override personal laws, **Muslim law will prevail.**

4. **India urgently requires resilient and empowered cities**

Source: This post is based on the article “India urgently requires resilient and empowered cities” published in **Live mint** on **24th Dec 2021**.

Syllabus: GS 1 – Issues related to urbanization

Relevance: Sustainable cities

News: Equitable and sustainable cities are the only solutions to balance the need for economic growth with the needs of people and the environment.

Cities across the world contribute about 80% of global gross domestic product. They are drivers of growth and dense labor marketplaces. However, recent developments have highlighted the severe economic, humanitarian, and ecological impacts of unbalanced urbanization in India.

What are the impacts of unbalanced urbanization in India?

Firstly, unbalanced development has made cities more vulnerable to environmental shocks that get more frequent and intense.

A World Resources Institute India report notes temperature rise and flooding as two key risks to Mumbai.

Mumbai's municipal commissioner has highlighted the possibility of 70-80% submergence of key parts of the city by 2050.

Secondly, lack of adequate health infrastructure. It resulted in the mass movement of laborers towards their homes during the Pandemic. This mass movement of labor paralyzed industrial units, apart from civic and other services in cities.

So, building equitable and sustainable cities is the solution. However, there are certain problems with it.

What are the challenges in building equitable and sustainable cities?

Firstly, the reactive approach to development rather than the proactive approach often results in short-term gains that don't keep pace with the city's changing face.

Secondly, the issue of disaggregated management of cities. For instance, there are many different departments running a city, both from a planning perspective and for the provision of government services. This hampers the way city infrastructure and land usage get rolled out and increases the challenges for citizens in their interactions with the city administration.

What is the consequence?

A combination of the above results in large informality in how people live.

Lack of quality housing: Around 50% of a city's population occupies 10% of the land and according to government data for 2016-17, 26-37 million families in urban India reside in informal housing. These areas are also more susceptible to natural disasters and crises

Poor access to state services: like water, sanitation, and health.

How implementing the 74th amendment act in letter and spirit can solve the issue?

It envisaged city planning, land-use regulation, and city services to be managed by local governments in a holistic way.

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Most importantly, it set out the basis for local empowered governments and active citizen participation. However, its roll-out is still slow in most cities.

What needs to be done to truly empower our city governments?

According to Praja's Urban Governance Index, an empowered city government is the first step towards building equitable and sustainable cities. It can be done by focusing on the following areas,

Empowered city-elected representatives: by investing in building capacity of the elected representatives. Municipal councilors are critical in this journey, given their structured participation in city processes and a better understanding of available resources and citizen needs.

Empowered city administration: Technology should be used to enable a data-based dialogue between local governments and the citizenry. It can be turned into a city data hub that is easily accessible to citizens and municipal employees for grievance redressal, or for sharing information on government services

Empowered citizens: citizens' understanding of a city's working and their ability to be a part of local governance needs to be enhanced. For example, Organizations like Mahila Housing Trust are attempting to innovatively do this at scale in places like Delhi and Gujarat.

General Studies Paper - 2

General Studies - 2

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

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

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

Relevance: State's direct intervention in digital tech initiatives

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

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

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

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

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

How has govt promoted the use of RuPay and UPI?

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

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

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

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

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

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

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

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

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

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

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

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2. Tehran's white flag in Vienna

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

Syllabus: GS 2 International relations.

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

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

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

What is the status of progress in talks?

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

What policies does Iran adopt?

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

Iran is linking its economy from JCPOA negotiations, is prioritizing economic diplomacy with Asia to ensure that any backtracking by the USA does not shock Iran economically. Iran is continuing its intensive diplomatic outreach with Gulf neighbors, including, UAE. Furthermore, Iran has delinked the JCPOA negotiations with its ballistic missile programmes, stating that they are different issues and will only be dealt with by regional partners.

What should be the way forward?

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

3. The need to reopen anganwadis

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

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

Relevance: Understanding the importance of Anganwadis.

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

What are the services provided by Anganwadis?

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

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

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Why Anganwadis are important?

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

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

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

What deficiencies were found by the survey?

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

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

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

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

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

What can be done to deepen the impact of Anganwadis?

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

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

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

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

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

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

Relevance: Understanding the reasons impacting India-Russia relations.

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

What are the expectations from the summit?

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

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

How do China and USA impact India Russian relations?

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

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

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

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

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

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

What can be expected in future?

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

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

What is the way forward for India and Russia?

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

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

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

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

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

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

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

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

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

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

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

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

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

What can be the possible repercussions of this incident?

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

– **Impact on Naga peace process:** There are multiple insurgent groups operating here for years. Among these groups, the **talks with the “NSCN-IM”** for a settlement to end the seven-decade-old Naga insurgency is at an advanced stage. This incident could impact the process.

– The **unrest in Myanmar may spill** over to Nagaland and Manipur. As unrest has reportedly influenced Naga and Manipur insurgent groups that have a base in that country.

What is the way forward?

Short term:

– End the violence, penalise those responsible for this tragedy, and institute peace in the region.

– The government should immediately reach out to the families of the victims to address the breach of trust between the local population and state agencies.

– All groups, political parties, community leaders, and the security forces, must get together to calm the situation.

Long term:

– **In future**, security forces of the region need to be **extra cautious and sensitive to local communities** while doing their job, even under extreme pressure.

– Nation-building here has to be an **extremely cautious** exercise and should be negotiated with multiple stakeholders, having a difference of opinion on different socio-economic and political parameters.

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

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

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

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

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

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

How access to various services varies with female education?

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

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

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

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

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

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

7. Why India will be scrutinised at Summit for Democracy

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

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

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

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

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

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

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

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

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

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

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

What has been India’s response to these criticisms?

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

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

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

Why is democracy seeing a decline all around the world?

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

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

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

The paradoxical stand of Asian countries: They talk of cultural relativism in their own matters, to suit their own interests, however the same model is not followed by these Asian countries when they talk about, let's say, Afghanistan matters. For example, in matters related to gender and minority stand of Taliban.

8. A new era in public procurement

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

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

Relevance: General Instructions on Procurement and Project Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Lowest Cost Winner framework is dismantled

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

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

Allows single bids

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

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

What are the issues that have not been addressed?

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

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

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

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

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

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

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

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

9. The way to tackle malnutrition

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

Syllabus: GS 2 Issues relating to poverty and hunger.

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

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

What are the findings of NFHS 5?

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

What are the lacunae in the system?

Real-time monitoring of PDS is required for ensuring food security. Unfortunately, PDS is a hunger mitigation mechanism and doesn't ensure nutrition. Further, the government tried to be averse to transparency when results of the Consumer Expenditure Survey 2017-2018 were withheld.

What steps can be adopted to improve the progress?

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

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

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

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

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

What should be the way forward?

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

10. A docket full of unresolved constitutional cases

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

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

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

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

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

What are the pending issues?

Kashmir: There is a constitutional challenge to the presidential order which diluted [Article 370](#). The question is whether the centre can use Article 356 at a time when there is no elected Government and assembly in the state, given the political impossibility of returning to the pre-

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2019 situation. Also, whether union legislature has authority to alter state boundaries under Article 3. The case still awaiting a hearing.

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

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

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

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

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

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

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

How does judicial evasion damage the judiciary itself?

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

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

Source: This post is based on the following articles

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

"Thanks to data gaps, NFHS provides a limited picture" published in **Indian Express** on **7th December 2021**.

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

Relevance: To understand the evolution of NFHS from Demographic and Health Survey.

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

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

About the Demographic and Health Survey (DHS)

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

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

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

About the evolution of NFHS

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

About the NFHS

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

What are the key reasons behind the success of NFHS?

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

What are the challenges associated with NFHS data?

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

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

What lessons did India learn from NFHS?

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

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

Note: Nutrition received more attention in India because

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

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

12. Mediation Bill: Not getting the Act together

Source: This post is based on the article “Mediation Bill: Not getting the Act together” published in **The Hindu** on 8th Dec 2021.

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

Relevance: Draft Mediation Bill, 2021

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

What is the significance of the bill?

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

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

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

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

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

Conciliation has been included under the wider definition of mediation.

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

What are the concerns associated with the bill?

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

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

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

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

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

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

13. Surveillance as governance

Source: This post is based on the article “**Surveillance as governance**” published in **The Hindu** on **8th Dec 2021**.

Syllabus: GS2 – issues related to Governance

Relevance: State surveillance, Right to Privacy, Data protection

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

How surveillance is carried out in Hyderabad?

It largely follows a three-pronged approach.

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

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

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

– **Facial recognition technology**

– **Cordon and search operations**

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

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

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

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

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

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

What is the way forward?

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

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

Source: This post is based on the following articles:

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

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

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

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

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

Relevance: Understanding the recent developments in India Russia Relations.

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

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

What are the challenges in India-Russia relations?

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

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

Why does Russia need India?

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

Why does India need Russia?

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

What should be done?

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

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

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

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

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

Relevance: Understanding Swacch Bharat Mission 2.0.

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

About Swacch Bharat Mission 2.0

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

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

Key components of SBM 2.0

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

What are the problems in SBM 2.0?

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

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

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

16. What schools need to do during pandemic

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

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

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

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

What is the exposure rate of adults and children?

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

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

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

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

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

Follow the advisories: Schools should work on

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

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

Safety measures: Proper precaution should be exercised when students will be on the playground or on school transportation. For children aged 12 years and above, Teachers and support staff should keep at least one-metre distance from each other. They should also wear masks and wash their hands regularly.

What are the World Health Organization recommendations?

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

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

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

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

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

17. Health account numbers that require closer scrutiny

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

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

Relevance: Understanding issues related to health.

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

How does NHA capture data?

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

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

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

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

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

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

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

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

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

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

18. High LPG prices are scorching the air pollution fight

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

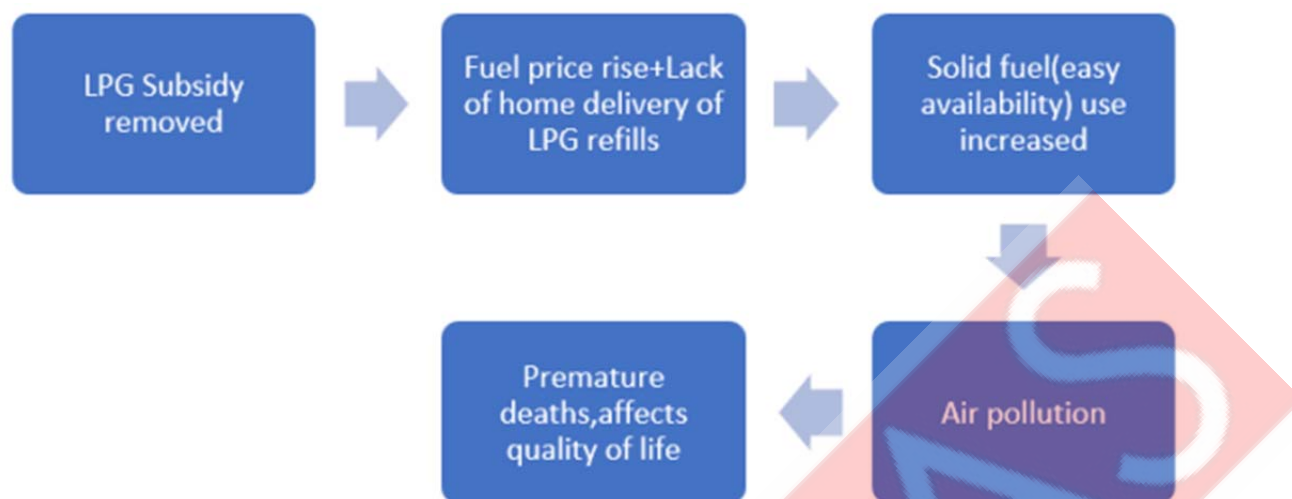
Syllabus- GS Paper 2 (Welfare schemes for vulnerable sections of the population by the Centre and States)

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

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

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

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

1. **Reinstating LPG subsidies for low-income households** -At the current refill prices, an average Indian household needs to spend **at least 10 percent of monthly income on LPG to meet its all cooking needs**. This becomes much more important when one factors the loss of livelihood and income due to pandemic.
2. **Government can reduce the number of beneficiaries** and thereby overall cost. It can be done by various methods such as **fixing an income cap on** who can get subsidy or giving subsidy to only those who got their connections through Ujjwala scheme.
3. **Strengthening LPG supply chain** – Around half of rural population has to travel faraway to procure LPG cylinder, urban slum pockets also face gaps in doorstep delivery. Plugging these loopholes is very important to **boost timely availability of LPG for all households in all parts of country**.
4. **Creating a new market for locally available biomass**– Government needs to pilot initiatives that prevent use of biomass in **decentralized processing units** that process that manufacture briquettes and pellets. Similarly, households can be incentivized to **supply locally available biomass like stubble, dung cakes** to compressed bio-gas plants (CBG) set up **under SATAT(sustainable alternative towards affordable transportation) scheme**. This would enhance local income and livelihood opportunities and also will promote regular LPG use.

19. Women in the post-pandemic workplace

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

Syllabus: GS2 Women and associated issues.

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

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

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

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

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

Where does the problem lie?

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

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

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

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

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

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

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

Why there is a need to continue the vaccination process?

- [Indian Medical Association](#) has demanded a booster dose for healthcare workers, amid concerns of a drop in the immunity level.

-With new variants constantly emerging, there is a need to fasten the vaccination process.

-WHO already raised its concerns over rising infection rates in children in Europe. GoI should issue guidelines to vaccine companies on stocks to be reserved for children. So, to quickly cover children with the first dose.

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

21. Low tobacco tax, poor health

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

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

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

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

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What is the status of tobacco consumption in India?

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

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

How is the government dealing with tobacco and associated products?

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

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

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

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

Revenue: Excise duty on tobacco is very low in India. The share of central excise duties including NCCD in the total tobacco taxes decreased from 54% to 8% for cigarettes, 17% to 1% for bidis, and 59% to 11% for smokeless tobacco products, on average, from 2017 (pre-GST) to 2021 (post-GST).

What should the government do?

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

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

22. Repealing AFSPA will not weaken, only strengthen Constitution

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

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

Relevance: Understanding the requirement of repealing the AFSPA.

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

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

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

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

How AFSPA is counterproductive for the army itself?

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

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

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

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

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

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

What should be done?

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

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

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

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

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

Relevance: Understanding the recent developments in India Russia Relations.

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

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

What are the challenges associated with India-Russia relations?

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

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

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About the dynamics of India-Russia Trade

The quadrilateral dynamics among India, China, the U.S. and Russia have different implications. The author explains the dynamics through primary and secondary antagonisms.

According to the author, China-U.S. antagonism is the first order relationship and the U.S.-Russia, China-Russia and Russia-India are the second-order relationships.

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

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

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

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

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

How the dynamics will favour India-Russia relations?

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

How India can cooperate with Russia and get benefits?

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

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

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

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

24. Don't ignore context of NFHS data

Source: This post is based on the article "**Don't ignore context of NFHS data**" published in **Indian Express** on **9th December 2021**.

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

Relevance: To understand the issues with criticisms of NFHS.

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

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

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What are the challenges associated with NFHS?

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

Why the challenges against NFHS are wrong?

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

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

Note: In The Inequality Report 2021: India's Unequal Healthcare Story published by Oxfam admitted that India at 1.1% had one of the lowest case fatality rates for Covid-19 as compared to richer countries like the US and France (1.8%) or Germany and Belgium (2.4%). The report mentioned this is due to the demographic dividend, which is tilted more towards the younger population. The report criticised India's low hospital beds to population ratio. But the report never acknowledged the state of infrastructure, medical providers' excellent jobs, etc.

What are the parameters India showed improvements in NFHS?

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

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

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

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

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

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

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

What are the steps that should be taken?

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

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

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

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

Relevance: Understanding the need of NJAC.

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

What is National Judicial Appointments Commission?

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

Why did the demand for NJAC arise?

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

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

How to make NJAC more accountable?

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

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

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

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

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

Relevance: Understanding the conceptuality of suspension rules.

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

What are the suspension rules of the Rajya Sabha?

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

Why the present suspension is a cause of concern?

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

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

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

What should be done?

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

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

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

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

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

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

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

What was the impact of the Covid pandemic on children?

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

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

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

What are the challenges faced by the recovery plan?

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

-Online education has an addictive effect on young children. This would require De-addiction from the digital world and reconnecting to the physical world.

-Digital activism and its ideology have deeply penetrated the minds of children. This would require counselling of children, teachers and even family members.

-There has been a large-scale shift of children from private schools to government schools owing to economic reasons.

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

What should be the way forward?

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

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

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29. India-Germany relations: After 16 years

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

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

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

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

About Germany's political system

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

What are the reasons behind the merger?

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

About the types of aid

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

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

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

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

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

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

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

What needs to be done?

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

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

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

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

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

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

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

Syllabus: GS 2 Fundamental Rights.

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

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

What is the issue all about?

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

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

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

Analysis of Gujarat HC opinion

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

32. Make the mental well beings of teacher a priority

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

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

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

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

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

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

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

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

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

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

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

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

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

How to improve the mental well-being of teachers?

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

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

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

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

What should be the way forward?

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

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

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

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

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

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

What is the major shift from the earlier policies?

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

How did India start building its relationship with neighbouring countries?

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

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

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

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

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

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

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

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

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

Syllabus: GS2 Indian Diaspora.

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

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

About Indian's performance in a global arena

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

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

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

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

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

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

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

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What about the diaspora of other countries?

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

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

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

35. ["Chinese Project at Balochistan port: local protests, global concerns"](#)

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

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

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

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

About Baluchistan-

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

What are Indian Specific concerns of India?

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

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

36. ["Future of jobs: Modernised labour market require social security"](#)

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

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

Relevance– Knowledge of Formal and Informal Job market in India

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

What are the other changes to the work models?

With the normalisation of work from home model, companies have also started providing **work contracts and complementarity flexibilities.** It means they are offering different combinations of flexi-work and financial security and medical benefits s per the combination.

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For instance, HUL has launched 'U-Work' and 'Open2U' offers to employees and gig workers respectively.

What would be the implications of new work models?

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

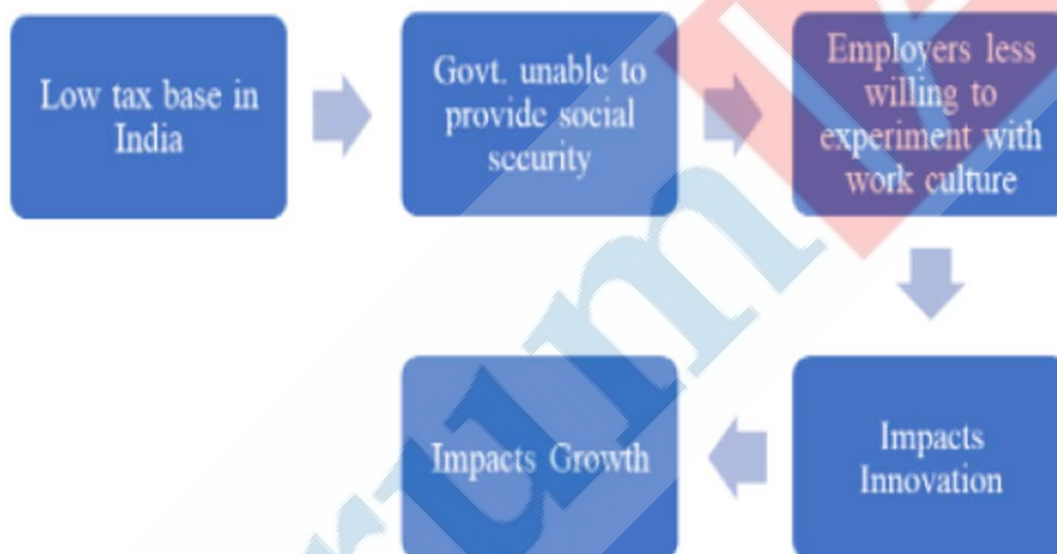
The office model was also blamed for failure to attract investment away from China.

Way forward

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

How Low social security affects growth in India

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

37. 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.

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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.

38. 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?

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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.

39. 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.

40. Fathoming the new world disorder

Source: This post is based on the article “Fathoming the new world disorder” published in **The Hindu** on 13th 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?

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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.

- **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.

41. 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 14th 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 they increasingly have to compete with foreign competitors that receive large support from their governments.

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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.

42. 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 **14th 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 3rd 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 4th in the global innovation index while India was ranked at the 46th 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 5th-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 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.

43. **"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.

44. **"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

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

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.

45. "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).

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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.

46. 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

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- 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.

47. 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 (viia) 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.

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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.

-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](#)

48. **“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

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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](#)

49. “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.

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

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).

50. “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.

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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.

51. 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.

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52. 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](#)

53. 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

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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.

54. [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.

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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.

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.

55. 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.

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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.

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.

56. 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 17th 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.

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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](#)

57. 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**.

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.

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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.

58. 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**.

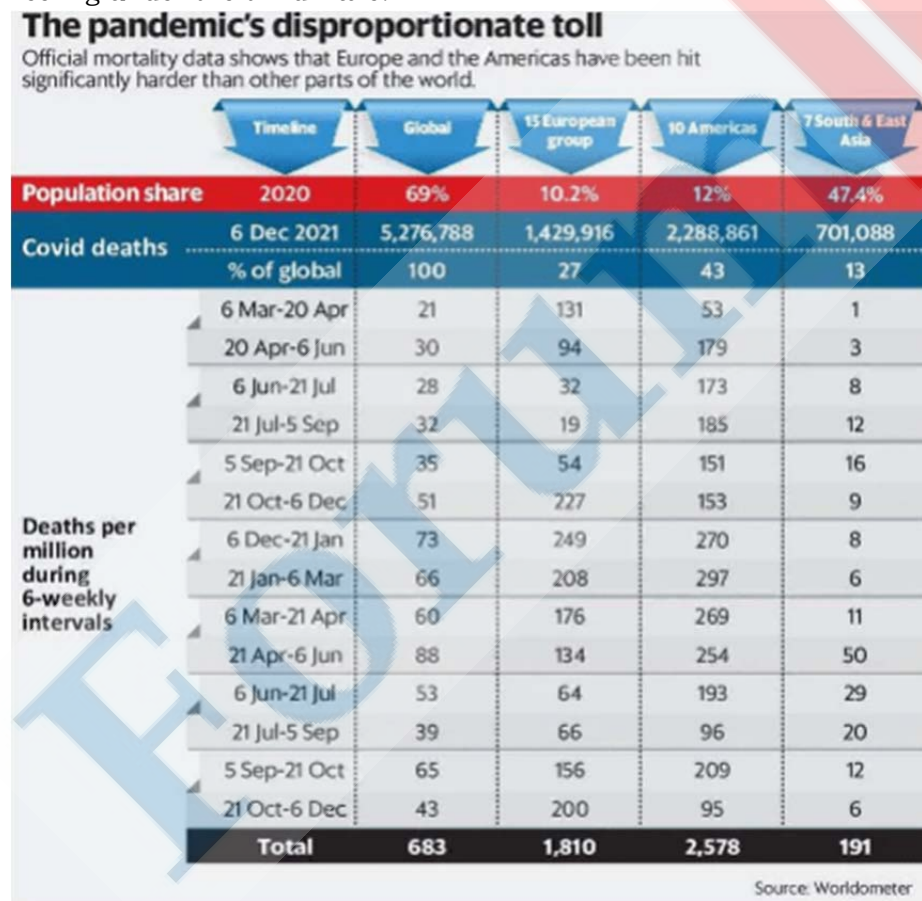
Syllabus: GS2 Issues relating to development and management of Social Sector/Services relating to Health.

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?

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.



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.

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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.

59. Addressing cross border insolvency

Source: This post is based on the article “**Addressing cross-border insolvency**” published in **Indian Express** on **17th 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.

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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”

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.

60. 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](#)

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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.

61. 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

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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?](#)

62. 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.

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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.

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](#)

63. 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.

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- 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.

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](#)

64. Testing the red lines in the Iran nuclear talks

Source: This post is based on the article “Testing the red lines in the Iran nuclear talks” published in **The Hindu** on **20th Dec 2021**.

Syllabus: GS2 – India and its Neighborhood- Relations.

Relevance: The negotiations for a renewed Iran nuclear deal

News: Multilateral nuclear talks have started once again in Vienna with a new Iranian negotiating team. For the time being, the talks seems to have no positive outcomes. Both US and Iran are completely rigid and want the other party to back down and make concessions before they will move.

Hence, it's unclear whether the negotiations in Vienna would be able to deliver substantive results.

Must Read: [Tehran's white flag in Vienna](#)

What are the reasons behind the current deadlock b/w US & Iran?

Due to the following factors:

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Firstly, Iran is playing the **North Korean card**, and is moving towards leaving the economic sphere of the United States and Europe and joining China and Russia.

Secondly, the US does not have a very clear direction for Iran's future. This is because the U.S. President is refusing to commit to lift sanctions on Iran during the remaining years of his presidency.

What is the stand taken by various stakeholders?

Iran insists on all sanctions being lifted. Its negotiators have talked of the fundamental injustice committed by the U.S., an injustice in which the Europeans have been complicit.

– Iran's Supreme Leader Ayatollah Ali Khamenei's demands have consistently centered on full sanctions removal.

– The newly elected government headed by Ebrahim Raisi is trying to leverage Iran's expanding nuclear programme to get more concessions from the international community, without paying significant costs. As a result, there is an **increasing pessimism** on whether the Iran nuclear deal can be revived.

The USA is asking Iran to **return to reduced enrichment** of uranium and accept full International Atomic Energy Agency (IAEA) inspections.

The U.S. Secretary of State, Antony Blinken, has warned Iran that *"the hour is getting very late"* to return to the nuclear deal. However, he also added that *"it is not too late for Iran to reverse course to save the deal aimed at curbing Tehran's nuclear capabilities, in exchange for an easing of sanctions from Washington"*.

Europe till now has been almost non-existent in these new talks. It is trying to close the deal as quickly as possible, as Iran ramps up uranium enrichment. But at the same time, it doesn't seem to be a **forceful mediator** in these talks, given that there are the Chinese and the Russians, who are in favour of the Iranians.

China: It has made comments regarding **"nuclear hypocrisy"** of the West, indicating that it is sympathetic to the fundamental arguments of the Iranian negotiators.

Israel: Israeli officials have been pressing European governments and the U.S. on a **real Iranian nuclear threat**. It continues to see the Islamic Republic of Iran as an **existential threat**. From the Israeli point of view, this threat can be justified by Iran's current **hegemonic military drive** into the Levant region.

Levant = *Historically, the region along the eastern Mediterranean shores, roughly corresponding to modern-day Israel, Jordan, Lebanon, Syria, and certain adjacent areas*

65. Bangladesh – Model or Miracle?

Source: This post is based on the article **"Bangladesh- Model or Miracle"** published in **Business standard** on **19th Dec 2021**.

Syllabus: GS2- India and its Neighborhood

Relevance: Learning for India from the developmental model of Bangladesh.

News: Bangladesh got Independence in 1971. The then war-torn country referred to by many as basket-case, is now a developmental model for growth and human development.

A basket-case is a country or organization that is in severe financial or economic difficulties, one that is unable to pay its debts.

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In which areas, Bangladesh is doing better than India?

Bangladesh has a **female labour force participation rate of 36% while India's is at 21%** (*Pre-Taliban Afghanistan had a higher ratio of women to men working than India*).

For a detailed comparison of India -Bangladesh on socio-economic growth indicators, click [here](#).

Must Read: [India-Bangladesh relations](#) | [Recent developments in India-Ban relations](#) | [Making of Shonar Bangla](#)

What are the probable reasons for Bangladesh's growth and development?

Unitary government, without competition between federal and provincial governments.

Outward orientation: An Openness to trade and investment which fuelled garment sector growth in the country.

Policy continuity: Bangladesh has better macroeconomic indicators than India. Before Pandemic, India's general government deficit was about twice Bangladesh's. Currently, also, its debt-to-GDP ratio is just 38% while that of India's is 90%.

Involvement of NGOs and civil society: The areas where the government couldn't provide the required services, were covered by active involvement of Civil society and non-governmental organisations (NGOs). This led to inclusion and development.

Most of these factors have not been an explicit outcome of Bangladesh's developmental policy but mere realities that the Nation came into existence with. However, India can still learn how Bangladesh has put to use its strengths and weaknesses to carve a niche development story of its own.

Must Read: [Lessons from Bangladesh's growth story](#)

66. The realm of ideas must always be free and fair

Source: This post is based on the article "The realm of ideas must always be free and fair" published in the **Livemint** on **20th December 2021**.

Syllabus: GS 2 Fundamental Rights.

Relevance: Understanding the concerns associated with freedom of religion.

News: US Congress recently approved a bill to ban imports from Xinjiang that might be the result of forced labor.

Must read: [U.S. imposes sanctions against China over abuse of Uighurs](#)

Why was the reason behind the USA move?

The new world order after World War 2 was based on liberal ideas like freedom of thought, which also included freedom of religion. According to the US, China's treatment of Uyghurs is a violation of that order.

Why religious conversions should be checked?

The religious conversion itself is controversial. "Vocational education and training centres" for Uyghurs in China seems to imprison and indoctrinate Uyghurs with Communist Party ideology—in effect, convert them.

Thus, any form of state incentive which favours a particular religion should be seen thoroughly investigated.

Also read: [People are Free to Choose Religion: Supreme Court](#)

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How religion is used in politics in India?

Polls in UP have raised **us-versus-them** debate. The agitation has lost traction. The appeals to Hindu revivalism are neither uniform and at times may induce harm to people or minorities. For many weeks in Gurugram people have been denied Muslims space to offer prayers in public. This does not reflect the nation's stand, but it does impact the sentiments of people.

What should be done to ensure religious freedom?

In India, Judiciary should evaluate the faith-based exclusion of citizenship enacted through the [citizenship amendment act 2019](#).

Last February, the Supreme Court said it would lay down the ambit of religious freedom under the Constitution's **Article 25**. This is a welcome move.

Article 25: says "all persons are equally entitled to freedom of conscience and the right to freely profess, practice, and propagate religion subject to public order, morality and health."

67. Age and marriage: On raising the age of marriage for women

Source: This post is based on the following articles:

"Age and marriage: On raising the age of marriage for women" published in **The Hindu** on 20th December 2021.

"Beyond the age barrier" published in **Business Standard** on 20th December 2021.

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

Relevance: To understand the challenges in raising the legal age for marriage.

News: Recently, the Union Cabinet has passed a proposal raising the legal age of marriage for women from 18 to 21 years — the same as men. The government has taken this decision based on the recommendations of the Committee headed by Jaya Jaitly.

Must read: [Raising the legal age of marriage for women – Explained, pointwise](#)

What are the recommendations of the Jaya Jaitly committee?

Read here: [Recommendations given by the Jaya Jaitly committee](#)

What are the arguments against raising the legal age of marriage for women?

Young women are **not yet financially independent**: They are reeling under familial and societal pressures. So, young women are unable to exercise their rights and freedoms.

Issues with Prohibition of Child Marriage Act, 2006: 1. Women's rights activists point out that parents often use this Act to punish their daughters who marry against their wishes or elope to evade forced marriages, domestic abuse, and lack of education facilities. So, the age limit will increase parents' authority over young adults, 2. Child marriage remains a recurring issue despite being outlawed, So the law is impossible to monitor.

Might create a communal flashpoint: The personal laws such as Hindu and Christian personal law, Muslim personal law has to be amended. This might create a communal flashpoint.

Read more: [Population control measures in India – Explained, pointwise](#)

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What needs to be done to increase the legal age for marriage?

Laws cannot be a shortcut in the path to social reform. A good way to achieve the stated objective is to take steps to counsel girls on early pregnancies and provide them with the network to improve their health.

The focus must be on creating social awareness about women's sexual and reproductive health and rights, and ensuring girls are not forced to drop out of school or college.

68. Reading sex ratio trends in NFHS-5 data

Source: This post is based on the article “Reading sex ratio trends in NFHS-5 data” published in **Indian Express** on **20th December 2021**.

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

Relevance: To understand the recent findings of NFHS 5.

News: The NFHS data is a well-structured and unique one. Further, the findings of NFHS and the Census figure are no means comparable.

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

About the NFHS

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

What do the NFHS findings signify on the sex ratio?

NFHS-5 results indicate an improvement over the last four years from 991 women in 2015-16 to 1,020 women in 2019-21 for every 1,000 men. This data is significant because,

- The NFHS is the world's largest household survey, (over 6,36,699 households), hence it has better reliability than any other national survey.

- The data has to be compared to similar surveys. For instance, Nationally representative household surveys like the second round of the Indian Human Development Survey (IHDS) shows a similar trend — 1,004 women for 1,000 men in 2011-12, an improvement over the first round.

- Though the NFHS data may not be a sole indicator of gender balance, there can be no denying the fact that the gender divide in many areas has narrowed.

- The progress in sex ratio as evidenced by the comparison between the last and the latest round of NFHS clearly conveys the improving sex ratio situation in the country.

Though it is premature to confirm a balanced sex ratio in India, the NFHS results do indicate progress towards that end.

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

69. Health will remain high on agenda

Source: This post is based on the article “Health will remain high on agenda” published in **Livemint** on **20th Dec 2021**.

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

Relevance: Health Infrastructure in India.

News: Both the first and second waves of COVID have shown that India needs to strengthen its inadequately resourced health system.

The new year calls for a renewed resolve to build an efficient, equitable and empathetic health system.

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What has been done since the onset of the pandemic to strengthen the health infrastructure in India?

Emergency steps by government during the first wave

Fifteenth Finance Commission's special attention to health infra and workforce

2021 budget provisions

Growth in domestic capacity for development, testing and manufacturing of vaccines in 2021

Digital Health Mission and Health Infrastructure Mission under the umbrella of Ayushman Bharat have been initiated that aim to strengthen rural and urban primary healthcare.

– Read more about the mission [here](#)

What is the significance of these initiatives?

These would advance **tele-health in diagnostics and treatment**.

Accurate data can be gathered which can then put to use in emergencies like COVID pandemic and for future **evidence-based policymaking**.

Robust Infra and digitisation will make health system **more efficient, with improved supply chain management of drugs, vaccines and equipment**, while streamlining health insurance programmes.

Good infrastructure and deployment of technology-enabled health workers will **add strength to primary care** in a relatively short time.

How can India cope with the new variant Omicron?

India needs to protect people, especially the vulnerable groups, against severe disease by speedily completing the **double vaccination schedule**.

Homecare will be the main support for the mostly mild cases, while **oxygen equipped beds** will be needed by a small fraction.

Read [here](#)

How India will assume a greater role wrt vaccine development in 2022?

India's role as a global supplier of vaccines will be amplified in 2022, due to the following factors:

– need for **boosters vaccines**

– **development and manufacture of new vaccines**, which can counter variants and provide mucosal immunity

– **Approval of new antiviral pills** will generate high demand for pre-hospital use, with Indian firms called upon to produce large quantities at low cost.

70. On India's Data Policy – The promise and peril of big data in India's policy space

Source: This post is based on the article “**The promise and peril of big data in India's policy space**” published in **Livemint** on **21st Dec** 2021.

Syllabus: GS 2- Issues related to Data Governance in India

Relevance: Need of effective open data policy.

News: Even years after India initiated an ‘open data’ policy, openness, of public datasets, is still very rare. Unlike in the West, the statistical ecosystem in India is not such that

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administrative datasets can be scrutinized by independent researchers and then deployed for policymaking.

What are the issues/ challenges in using administrative data for policymaking?

Firstly, the issue of the opaqueness of government departments on data.

Three years before, the 'long walk home' of migrant workers during the pandemic, a study in India's pre-budget Economic Survey, claimed that the actual number of migrant workers may be roughly double that of census estimates. This study was based on a dataset of unreserved passenger traffic between every pair of railway stations in India.

Thus, the study argued that social security benefits should be portable across states to provide protection to such workers.

However, prominent academics raised questions about the study, arguing that its estimates could not be taken seriously.

If the government had released the raw data behind this study, researchers could have verified the calculations of the study. It would have resulted in attention towards interstate migrants even before the pandemic.

Even our Census can easily miss out on short-term and circular migration flows. Because it is conducted only once in ten years.

Secondly, lack of respect for basic data norms. For instance, during the EPFO data-mining exercise, lack of respect for basic data norms has made it unusable.

The **Employees Provident Fund Organisation (EPFO)** maintains the digitized records of employees receiving provident fund benefits in this country. This data is a valuable resource to track the movement of people in and out of formal jobs across different sectors.

To obtain valuable information from this EPFO data, the Niti Aayog invited two economists. However, this was against the basic data norms.

In most mature democracies, a public agency would either have published the entire dataset for everyone to use or have invited researchers through a transparent process to mine the dataset for research.

The issue got strengthened when the 'selected' researchers suppressed the issue of the **incompleteness of EPFO records**, in their published version of the study.

As a result, the findings from EPFO data and data itself became questionable in the eyes of serious researchers.

Thirdly, the issue of using unverified administrative data sets without public scrutiny.

For instance, the [untested MCA-21 data](#), was used to calculate India's gross domestic product (GDP) 2014-15, despite being warned by an independent expert. This created a big controversy. If the government had opened up the MCA-21 dataset, suspicions could have been avoided in the early stages.

What are the reasons for the occurrence of such issues?

India's data facilitator [National Statistical Commission \(NSC\)](#) is severely under-equipped to perform such a role. It also lacks statutory backing, and independent funding has disenfranchised the National Statistical Commission.

What is the way forward?

An **empowered statistical regulator** should be set up in place of NSC. It would make sure that clear norms for data sharing and accessibility are in force.

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Many of India's big administrative datasets are flawed. Simply **opening up these databases for public scrutiny** will ensure that errors and inconsistencies are quickly identified. Transparency will lead to accuracy and raise public confidence.

71. Why WHO's Pandemic treaty is a smokescreen

Source: This post is based on the article "**Why WHO's Pandemic treaty is a smokescreen**" published in Times of India on **21st Dec 2021**.

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

Relevance: WHO, TRIPS waiver for COVID vaccines and other treatment.

News: A Special session of the World Health Assembly was held recently to negotiate the pandemic treaty. The proposal for a new pandemic treaty is mainly championed by the European Union.

Read more about this treaty [here](#).

What is the current mechanism to deal with any International health emergencies?

Currently, Global public health responses are guided by International Health Regulations (IHR).

IHR was adopted in 1969 and revised in 2005 following the SARS outbreak, there has been recognition of the fact that it needs further revision and that's why this new treaty is being negotiated.

Why this treaty is not a sufficient step to fight present or future pandemics?

Treaty only provides recommendations for tackling a particular issue while ignoring that the countries specially in the south require resources and capacities to reach the public health targets.

There is **no focus on bridging these deficiencies or capacity inequities**. That rich countries have given out far more booster shots in four months than poor countries have given out doses all year, reflects this capacity inequity b/w global North and the South.

Any global effort must ensure distributed capacities so that countries and regions in the south have sovereignty over essential medicines, materials, manufacturing and supply chains.

How has the North responded to this capacity inequity?

There is clear **lack of political will** on the part of developed countries to share essential technology and manufacturing know-how and waive intellectual property barriers. An example of this is that **WHO mRNA vaccine tech transfer hub** in South Africa has been stunted by the refusal of the US and Germany

They have been **unable to convince their corporations** to share public funded technology and IP with this initiative.

What is a TRIPS waiver and how will it help to counter this inequity?

Read about TRIPS [here](#).

Rich countries support the free market ideology but have been largely restricting the TRIPS waiver.

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What India can do to advance the cause for TRIPS waiver?

India can show leadership by sharing its technical know-how and manufacturing capacities. It must also resolve inconsistencies that exist in its policy positions between various ministries, while also simultaneously supporting the TRIPS waiver.

What is the way forward?

Public health interests should be placed before corporate interests.

There is need for consistent efforts to address deficiencies in global solidarity and improve access to essential lifesaving technologies.

72. Courting the stans: India's outreach to central Asia is vital to counter the China-Pakistan axis

Source: This post is based on the following articles:

"Meeting between India and Central Asian Republics underscores shared concerns on Afghanistan" published in the **Indian Express** on **21st December 2021**.

"Courting the stans: India's outreach to central Asia is vital to counter the China-Pakistan axis" published in the **Times of India** on **21st December 2021**.

"A strategic bulwark: On third India-Central Asia Dialogue" published in **The Hindu** on **21st December 2021**.

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

Relevance: Understanding importance of good Central Asia- India relations

News: Recently, a third India- Central Asia dialogue has been held. [Regional Security Dialogue](#) with his Central Asian Republic (CAR) counterparts was also held recently to discuss Afghanistan.

What were the key highlights of the 3rd India- Central Asia dialogue?

Improving connectivity: Discussions have been held on India's \$1 billion Line of Credit for projects in Central Asia. Further, India's connectivity initiatives are based on principles of transparency and respect for sovereignty. The formulation is used by India to oppose China's opaque Belt and Road projects that have already seen countries fall into debt traps and sign away strategic assets.

Read here: [India-Central Asia Dialogue: Six nations call for 'immediate' aid for Afghans](#)

How does instability in Afghanistan impacts CAR?

Tajikistan, Turkmenistan and Uzbekistan share land borders with Afghanistan, so instability directly affects these regions. Ethnic Tajik, Turk and Uzbek are significant minorities in Afghanistan and are the first to be impacted by the Taliban's exclusionary ideology. Also, CARs fears the increase in rising of radical Islam, terrorism and drugs into their own territories.

Read here: [What are Central Asian initiatives to resolve the Afghan crisis?](#)

Why does the Central Asian Republics are important for India?

CAR has massive natural resources like gas, uranium, etc. This can fuel India's next phase of industrialization. Also, linking Iran's Chabahar port with the International North-South Transport Corridor can give India direct access to Central Asia, bypassing Pakistan.

Read here: [India quest for a road to Central Asia](#)

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What are the roadblocks in prospering India- Central Asian Republics (CAR) relations?

- Russian continues to influence in CAR region and their government.
- China's Belt and Road Initiative and \$100 billion trade have made it a central figure in the region.
- The U.S. has also been seeking a foothold in the region, especially after Afghanistan.
- India's land connectivity to Central Asia is hampered by Pakistan. The alternative route, via Iran's Chabahar, has also received a setback after the Taliban takeover of Kabul. The development of the Indian-managed Shahid Beheshti terminal continues to suffer due to the threat of American sanctions.

Read here: [India and Central Asia](#)

What policies should India adopt?

If India wants to **counter the China-Pakistan axis** and 'Great Game' rivalries that are playing out in the region, it should redouble its efforts towards Central Asia. It should reclaim its shared history with countries that are an important market, a source for energy, and also a bulwark against the threats of extremism and radicalization.

73. Exam-conducting bodies must support candidates with disabilities

Source: This post is based on the article "**Exam-conducting bodies must support candidates with disabilities**" published in the **Indian Express** on **21st December 2021**.

Syllabus: GS2 Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections.

Relevance: Understanding the rights of disabled people.

News: Recently, a student who suffered from dysgraphia (a disorder that causes impaired handwriting), has not been allocated a 1-hour compensatory time who appeared for the [National Eligibility-cum-Entrance Test \(NEET\)](#) for admission to undergraduate medical courses.

What are the arguments presented by the National Testing Agency?

[National Testing Agency](#), said that the candidate failed to furnish a disability certificate in the format prescribed in the NTA's information bulletin for the examination. The NTA stated that the appellant's case would be considered on the certificate being furnished.

When the candidate tried to obtain this certificate, the appellant was told that the prescribed certificate had to be produced for seeking reservation at the time of admission to a medical college, not at the time of the examination.

What is the court observation?

Bombay High Court: It dismissed the petition due to the candidate's failure to produce the prescribed certificate

Supreme Court: It held that the prescribed certificate had to be produced at the admission stage, not at the examination stage, contrary to claims by the NTA. It further held that the appellant's invigilators lacked adequate training, owing to which, the appellant had been wrongfully deprived of compensatory time, by virtue of a "**tragedy of errors**".

SC said that the [Rights of Persons with Disabilities Act, 2016 \(RPwD Act\)](#) recognizes the principle of inclusive education for children and adults with disabilities, which in this case has been violated. Also, **compensatory time is a legal entitlement of the disabled** as per the

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guidelines issued by the Union Ministry of Social Justice and Empowerment. NTA failed to discharge its positive duty to protect the appellant's right to inclusive education.

Also read: [Disability rights over time](#)

What is the SC judgment?

It said that accepting the NTA's argument would result in the RPwD Act being reduced to a dead letter. It provides two weeks' time to NTA to devise and report a suitable compensatory mechanism for the appellant.

The judgment will help to bring systemic reforms in the NTA, and other exam-conducting bodies, so that in the future disabled people's rights will not get violated.

74. Summit for Democracy: What constitutes democracy is for actual democracy to define

Source: This post is based on the article **"What constitutes democracy is for actual democracy to define"** published in the **Livemint** on **21st December 2021**.

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

Relevance: Understanding the broader aspect of 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.

Read more: [About the Summit for democracy](#)

Why China and Russia are against the Summit for Democracy?

Both countries criticized the summit as they believe it exhibits a **"Cold War Mentality"** that would inflame **"ideological confrontation and rift in the world"**.

In retaliation, **China hosted its own International Forum of Democracy**, where it claims **China as true democracy** as it integrates process-oriented democracy with result-oriented democracy, direct democracy with indirect democracy, procedural democracy with substantive democracy. It further released a white paper titled **China: Democracy that works** which says there is no fixed model of democracy as China itself manifests democracy in various forms

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

What are the reasons for conflicts between the USA and China?

Former US President, Bill Clinton believed that economic freedom can eventually bring political changes in China. But, being the world's largest economy in purchasing parity terms, 2nd largest at market exchange rates, and the world's largest trading union, democracy is nowhere to be found in China. Instead, China started using its global economic influence for geopolitical ends, as reflected in trade coercion of Australia since 2000 and recently in Lithuania.

USA blamed China for drawing policies that are disadvantaged to the USA and other foreign companies in sectors that seemed strategic. To control China's distorted trade policies, the US urged its business community to not see themselves as mere bystanders in US-China strategic engagement, but to be mindful of how the activities can affect USA National Security and fundamental values.

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Read here: [U.S. imposes sanctions against China](#)

What is India's view of democracy?

At the summit, the Indian PM talking about democracy in India said that **democracy can deliver, democracy has delivered and democracy will continue to deliver.**

Read here: [Why India will be scrutinised at Summit for Democracy](#)

75. Fiscal Federalism: The sustained attack on federalism

Source: This post is based on the article “**The sustained attack on federalism**” published in **The Hindu** on **21st December 2021**.

Syllabus: GS2 Issues and challenges pertaining to the federal structure

Relevance: Understanding issues of Indian federalism.

News: A Muslim league member from Kerala in the constituent assembly, highlighted that concentrating all powers in the centre will lead to totalitarianism.

What recent measures suggest a concentration of power by the Centre?

1. Increasing monitory share of states in centrally sponsored schemes, 2. The terms of reference of [15th finance commission](#), 3. Imposition of [demonetization](#) without adequate consultation with the states, 4. The institutionalization of [goods and services tax](#) and the subsequent delay in transfer of [GST compensation](#), 5. [one nation one ration](#) etc.

Other policies or measures like the banking regulation act 2020, [the government of national capital territory amendment act, 2021](#), [draft electricity bill 2020](#), [Dam safety Bill 2019](#) etc have also concentrated power in the hands of the Centre.

What is the impact of the fiscal situation of the state?

A large share of non-divisible pool taxes in form of cess in petrol tax and creating the Agriculture Infrastructure Development Cess has resulted in a situation where union government continues to get exclusive benefits of tax collection. This share has jumped from 12.67% in 2019- 2020 to 23.46% in 2020–2021.

When the union government proposed borrowing as an option, states had to accept the proposal, but now they are forced into a debt situation. CAG found that the union government in 2018-19 wrongly treated 47, 272 crores of GST compensation cess in the consolidated fund of India. As per 2021-22 budget estimates, the state's share of unit tax has been reduced to 30% against the mandated 41% as prescribed by the 15th finance commission.

Read here: [Critique of Indian Fiscal Federalism during COVID 19](#)

States were seeking non-tax avenues to generate funds. Union government issued a clarification that funding to chief ministers disaster relief funds will not be considered as CSR expenditure. This is in opposition to the case with PM – CARES. This was followed by the suspension of [MPLAD](#) funds. All these demands resulted in demands for increasing borrowing limits under FRBM from 3 to 5%.

What steps should be taken to resolve this situation?

-It is time for the constitution of a committee like the **Rajamannar committee to study centre-state relations.**

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-As recommended by NCRCW, the state should demand the creation of an institutional framework to mandate and facilitate consultation between unions and the states in areas of legislation under concurrent lists.

-Chief ministers should try to create forums for regular engagement rather than just during times of crisis. For example, Finance Minister Thomas Isaac rallied finance ministers from different states during the initial stages of discussion on the terms of reference of the 15th finance commission. This would be crucial for a discussion on which demands like the extension of GST compensation to 2027 and the inclusion of cess in the divisible pool of taxes.

Read here: [Oxygen for fiscal federalism](#)

Federal flexibility will play a crucial role in shaping the future of democracy. Even come and needs to invest resources towards facilitating effective consultation with states in lawmaking and administration.

76. Raising marriage age won't lead to women's empowerment

Source: This post is based on the article "Raising marriage age won't lead to women's empowerment" published in **Indian Express** on **21st December 2021**.

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

Relevance: To understand the challenges in raising the legal age for marriage.

News: Recently, the Union Cabinet has passed a proposal raising the legal age of marriage for women from 18 to 21 years — the same as men.

Read here: [Recommendations given by the Jaya Jaitly committee](#)

Why India should raise the legal age of marriage for women?

1. India is usually near the bottom of the international rankings on gender indicators.
2. India also has the largest absolute number of girls who marry below the age of 18.

Why raising the legal age of marriage for women does not lead to women's empowerment?

Against Global consensus: Globally, the age of 18 is widely regarded as the age of adulthood. It is also viewed as an upper limit in terms of the physical and reproductive maturity of women, as well as the age of majority by child rights conventions to which India is a signatory. Thus, the proposed move will restrict the rights of already adult women.

Laws are meant to set minimum levels: The minimum age is a floor age, not a standard or desirable norm. Raising the age would create a debate on the minimum age at marriage vs the right age at marriage. This is an issue for legal experts to debate.

Raising the age will not ensure healthy mothers and children: If poor women remain poor and malnourished, raising their age of marriage will not ensure healthy motherhood. For example, National Family Health Survey (IV) data reveals that levels of anaemia show no change even at ages of marriage up to 25 years.

So, raising the age will punish the poorest sections of the population, since women from better-off groups tend to marry at higher ages.

Report of the multi-country study by World Bank: In 2017, World Bank estimated that "savings" of no less than \$5 trillion would accrue if marriage before the age of 18 was eliminated. The savings are due to reductions in fertility and consequent reductions in public health investments due to fewer births.

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The same study saw no significant gains from raised age of marriage for women's decision-making, for lowering the levels of violence they face or helping them find employment.

What are the complex problems that need attention?

NFHS-4 shows that only 6.6% were marrying below the age of 15. In other words, the problem in India today is no longer child marriage but late adolescent marriage. But that too is declining according to the NFHS and Census report.

Educational attainments have improved enormously in recent years. But all major data sets mention that the decline in early marriages has been accompanied by a fall in women's employment rates. In other words, the proportion of women not in paid work increases at higher ages of marriage.

What should be done to improve women's empowerment?

Must read: [Raising the legal age of marriage for women – Explained, pointwise](#)

77. Why the Russia-West equation matters to India

Source: This post is based on the article "Why the Russia-West equation matters to India" published in **Indian Express** on **21st December 2021**.

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

Relevance: To understand the present status of Russia-West relations and India's role in it.

News: Russia's geopolitics have always impacted India's international relations. Its present tussle with the west and US on Ukraine will also have great consequences for India.

India-Russia's historic connection and its present status

The Great Game of the 19th century between the British Raj and imperial Russia, the Soviet support for revolutionary movements in Asia, the Russian role in World War II, Moscow's extended Cold War with the West, and post-Soviet Russia's turbulent ties with the US and Europe have all deeply influenced India's national choices.

The 1917 Revolution, the Soviet model of economic development, and Russian geopolitics had a profound impact on 20th century India's worldview.

Why Russia-West relations matter to India?

The Soviet Union has collapsed thirty years ago in December 1991. The breakup of the Soviet Union put an end to the global power structure that emerged after the Second World War.

After 1991, along with India, Russia also roped in China to build a new coalition (RIC). The coalition aims to promote a multipolar world that would limit the dangers of American hyperpower.

The upswing in India's ties with America (since 2000), has coincided with a steady downturn in the relations between Russia and the US. This began to complicate India's great power politics. For instance, India's purchase of the [Russian S-400 missile](#) and the threat of [US's Sanctions](#) is a classic example.

Read more: [Recent developments in India-Russia Relations – Explained, pointwise](#)

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What is the present status of Russia-West relations?

The continuous escalation of tensions between Russia and the West culminated in the last few weeks in Ukraine-at the heart of Europe. The US and Russian presidents have been in touch to defuse the crisis.

Last week, Russia presented several proposals for a new European security architecture. The proposals demand to annul its promise to make Ukraine and Georgia — two former Soviet Republics — members of the military alliance. Russia is also proposing an agreement on reducing provocative military activity on its borders.

The US with its extraordinary military resources can't afford to fight in both Asia (with China) and Europe (with Russia). But the US, Belgium and other border countries of Russia see the Russian framework as a gambit of tough negotiations on European security. On the other hand, France and Germany support a reset in relations with Russia.

Read more: [For an honest broker: On Russia and India-China ties](#)

How India should take part in Russia-West relations?

India knew that Russia's international policies have been driven more by national interest and geopolitics, not by their past ideologies. India also knew that stabilising the Asian balance of power will be difficult without a measure of US-Russian cooperation in Europe.

Further, reconciliation of Russia-West relations will make it a lot easier for India to manage its own security challenges. So, India should welcome and support any mutually acceptable security order in Europe.

78. Why raising marriage age of women won't achieve its stated goal

Source: This post is based on the article "Why raising marriage age of women won't achieve its stated goal" published in

The Indian Express on 22nd Dec 2021 and "Raising marriage age won't lead to women's empowerment" published in **The Indian Express** on 21st Dec 2021. **Syllabus:** GS2 –

Government policies and interventions for development in various sectors, and issues arising out of their design and implementation. **Relevance:** Raising the age of marriage of women to 21

News: The move by Union Cabinet to raise the legal minimum age at marriage for women to 21, and introduction of an amendment to the Prohibition of Child Marriage Act, comes as a blow to women's rights.

The move is neither feasible, nor grounded in evidence, nor respectful of women's rights.

Why the move is not feasible or justified?

A lax record in enforcing earlier laws: The law prohibiting marriage below the age of 18 has been in effect in some form since the 1900s, yet child marriage persists. Moreover, even though more than one in five marriages took place below age 18, hardly any violations of the Act appear in our criminal records.

So when we have failed to even enforce a law against marriage before age 18, it is hardly feasible that we can succeed in enforcing a law that expands the age range

Not based on evidence: It is seen that those women who marry at the age of 21 and later are healthier, better nourished, better educated, and have better career opportunities than those experiencing child marriage. But the reason behind this is not their delayed marriages.

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It is because they come from better-off households, don't have to discontinue their education prematurely, have at least one better-educated parent, and do not come from socially excluded castes and tribes. Hence, raising of marriageable age is not justified by evidence too.

Denial of rights: Romantic relations are increasingly taking place in adolescence in India (*as in the world over*) and some young women will certainly make an informed decision to marry before they are 21. Thus, the present move denies women the right to make informed marriage decisions and their reproductive rights.

What is the way forward?

Enforce the existing law better: Growing evidence shows that the number of child marriages (*under 18*) may have increased in many states during the pandemic and lockdown periods. Hence, government should make efforts to ensure adherence to the present law, rather than raising the marriage age.

To empower disadvantaged women, and to ensure that delay in the timing of marriage happen on its own, without the need for legislation, the following steps can be taken:

- Investments in **reversing the fundamental structural disadvantages** that women who marry early face
- Addressing **issues of equity** – a) measures that will enable the disadvantaged women to complete their education, b) address safety issues of women in public places including public transportation, and d) change the perceptions of parents as they are the ultimate decision-makers on marriage related decisions for a majority of women.

79. How the Code on Wages 'legalises' bonded labour

Source: This post is based on the article "**How the Code on Wages 'legalises' bonded labour**" published in **The Hindu** on **22nd Dec 2021**.

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

Relevance: The Code on Wages, 2019, Debt bondage

News: The Code on Wages, 2019 gives legal sanction to Debt bondage, by allowing employers to extend limitless credit advances to their workers, and charge an unspecified interest rate on them.

What are the new changes brought in The Code on Wages, 2019?

Even, the weakest safeguards earlier in place under the Minimum Wages Act, 1948 has been removed.

Comparison of earlier code vs new code

| Minimum Wages (Central) Rules, 1950 | The Code on Wages, 2019 |
|--|--|
| Advancement: It provided that; advances made by employer to employee should not exceed an amount equal to wages for two calendar months of the employed person. | Changes made in Advancement criteria: 1) It allows deductions from wages for the recovery of advances of whatever nature, including advances for travelling allowance or conveyance allowance, 2) No Cap on the advance amount provided. 3) It allows the employer to charge interest rate on the advances made to the employee. |
| Deduction: It provided that the | Changes in Deduction criteria: The Code increases the |

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| | |
|---|--|
| monthly instalment deduction should not exceed 1/4 th of the wages earned in that month. | permissible monthly deduction towards such recovery, up to one-half of the worker's monthly wage. |
|---|--|

How the new changes in the Code on Wages institutionalises Debt bondage?

First, by removing the cap on the **advances made**, it allows employers to lend unlimited advances to their workers. This gives the employer more control over the employees.

Second, by adding the clause on **interest**. Moreover, with no details on what might be charged and increasing the deduction amount from 2 to 4 months will trap the employee in a vicious cycle of mounting debt and dwindling income.

The net impact is an open sanction for the bonded labour system to flourish.

Case studies related to Debt Bondage

Sahariya (a primitive tribal group) of Rajasthan: In 2011-12, a series of Sahariya families boldly came out one after the other and spoke of their experiences of violence and even rape at the hands of Sikh, caste Hindu, and Muslim landlords, for whom they had worked as 'halis' for generations.

Large-scale primary survey in a mining cluster of Nagaur district, Rajasthan: It revealed that, one in three workers interviewed had taken advances from their employers ranging from ₹1,000-₹1,50,000 at the time of joining work.

Why debt bondage still exists?

Despite our Constitution, the Labour Codes or various Supreme Court judgments, which have deterred the bonded labour system, it still exists because of the following reasons:

Firstly, Govt has done nothing to ensure the economic security of the labourers.

Secondly, the existence of bonded labour has simply been denied among elected representatives, or grossly understated.

Thirdly, dominant castes don't want to give away their power. According to Anand Teltumbde, the dominant castes understand that if Dalits came to own the means of survival, they will abandon their low status and the social bondage.

Fourthly, the deepening economic inequality to the advantage of the privileged castes and classes.

What are the negative implications?

Firstly, it denies the employee, their families and future generations, of their most basic rights.

Secondly, the disproportionate effect of this huge regression in the Labour Code will fall on Dalits and the landless. Because, the vast proportion of landless agricultural labourers in India, to date, are Dalits.

Thirdly, according to Ambedkar, economic enslavement was an extreme form of coercion, and it makes political freedom meaningless.

What is the way forward?

BR Ambedkar had suggested for state intervention in the economic structure to prevent such practices. He proposed a **complete recast** of rural and agrarian land structures, and state ownership of land.

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80. India is keeping an eye on Central Asia

Source: This post is based on the article “India is keeping an eye on Central Asia” published in **Indian Express** on **22nd December 2021**.

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

Relevance: Understanding the importance of India- Central Asia relations.

News: India has invited five Central Asian countries – Tajikistan, Uzbekistan, Turkmenistan, Kazakhstan and Kyrgyzstan – as guests for the Republic Day parade on January 26.

Read here: [About India and Central Asia relations](#)

Why has Central Asia become important for the region now?

Taliban takeover in Afghanistan has made Central Asia a prominent player in the region. A firm footing in the region is needed to gain leverage over the Taliban. Central Asia also has vast untapped resources in oil, coal, etc. Geopolitical rivalry as Regional and extra-regional powers are increasing presence in the region in the new Great-game.

Read here: [India-Central Asia Dialogue: Six nations call for ‘immediate’ aid for Afghans](#)

The USA also hopes to create a central-Asia axis to contain China and Russia. Economically, the centre is shifting from west to east, which is evident in the new silk route and inroads of BRI (China) in the region.

What should India do?

It should look beyond non-alignment and focus on the big-picture of Central Asia. Since India has no direct access to Central Asia, the support of Russia and China becomes essential. Due to this, India's membership of [SCO](#) and [BRICS](#) are welcome steps.

India should also resume the India-China dialogue with the assistance of Russia. This is important for Russia and China also, as Afghanistan falls within the First Circle of their national security agenda.

India should also look to open TAPI and IPI gas pipeline projects. Russia can act as a guarantor, and China would also benefit from the normalization of India-Pakistan relations.

Read here: [Courting the stans: India's outreach to central Asia is vital to counter the China-Pakistan axis](#)

India could also undertake the completion of a 600-KM railway line from Ghurian (near Herat) across northern Afghanistan. This would also facilitate cargo movement from Chabahar to Central Asia and beyond.

The tools like Indian Technical and Economic Cooperation (ITEC) are losing steam and new initiatives like logistics, regional and international transport, free trade agreements need to be brought in the Central Asia century.

Read Here: [India quest for a road to Central Asia](#)

What do India's recent moves signal?

There are challenges in meeting the “4Cs” concept, but the India-Central Asia dialogue and invite on 26th January shows that India has activated the regional diplomacy.

Read here: [Recent developments in India-Central Asia relations](#)

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81. Ladakh: A deeply insecure Union Territory

Source: This post is based on the article “A deeply insecure Union Territory” published in **The Hindu** on **22nd December 2021**.

Syllabus: GS2 Functions and responsibilities of the Union and the States.

Relevance: Understanding the present administration of Ladakh.

News: After the passing of the Reorganization Act, Ladakh has little autonomy or participatory democracy.

How did the administration work before the Reorganisation Act of 2019?

Before the Jammu and Kashmir Reorganisation Act of 2019 was passed, Ladakh enjoyed a classical three-tier administrative system.

Autonomous Hill Development Councils of Leh and Kargil : It had the powers over land in Ladakh

Bicameral legislative system: It gave Ladakh autonomy and participatory democracy. It also helped to secure the interests of the tribal majority population of Ladakh.

Public Service Commission: Gazetted officers were recruited through the State Public Service Commission (PSC). While the District Service Selection Board made recruitments at the district level.

What is the present situation?

Presently, there is no PSC in Ladakh and the Hill Councils' power to make recruitments at the district level has also been affected by the Lieutenant Governor (LG)'s presence. The Union Ministry of Tribal Affairs had recommended in 2019 that Ladakh be declared a tribal area but no action on it yet.

The reorganization Act has taken away participatory democracy from Ladakh. It took away 6 seats of the Members of Legislative Assembly and the Legislative Council and wakening the functioning of the Hill Councils. The increase in presence of bureaucratic power is visible there.

What is the problem with the working of the LG office?

It has followed a corporate model of working with the majority of the officers are of the Hill Councils and the rest have been recruited through outsourcing agencies. The officers are overworked and fail to address the issues arising due to the transition from State to UT.

There is limited actual engagement with the people on the ground. So, the LG's office has not been able to harmonize with the people of Ladakh.

People of Ladakh are of the opinion that the UT without a legislature is similar to disenfranchisement. This resulted in **Apex Body Leh and the Kargil Democratic Alliance**, two separate groups having differing agendas, now having a common demand of Statehood. They also seek other constitutional safeguards given to the Northeast.

Must read: [Explained: What is the Sixth Schedule, and can Ladakh be included under it?](#)

82. A delicate but necessary mission to Myanmar

Source: This post is based on the article “A delicate but necessary mission to Myanmar” published in **Times of India** on **22nd December 2021**.

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

Relevance: Understanding the India Myanmar relations.

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News: Indian foreign secretary is on a diplomatic mission to Myanmar.

What are the goals of the current visit?

Insurgent activity: Discussions on the reactivation of insurgent activity along the India-Myanmar border. The recent fatal attack on Colonel Viplav Tripathi and his family, together with four other men of the Assam Rifles is one of the incidents. Insurgent outfits – the People's Liberation Army (PLA) and Manipur Naga People's Front (MNPF), are known to be behind this attack.

An influx of refugees: Mizoram is under pressure to provide resources to the people escaping army oppression to seek shelter in Mizoram.

Read more: [Refugees from Myanmar and India's internal Security challenge](#)

Review the slowdown in the implementation of the bilateral megaprojects: the Trilateral Highway and the Kaladan multimodal connectivity between India's Northeast and Myanmar's Sittwe port is not going as in required pace.

How are Myanmar's relations with other countries?

ASEAN: Myanmar government's failure to adhere to the 'Five-Point Consensus' crafted by ASEAN has created an unprecedented situation. Recently, the PM of Myanmar got barred from attending the annual summits of ASEAN and the China-ASEAN summit.

Recently, Cambodia is planning to meet Myanmar counterparts to end its isolation

Also read: [ASEAN's Initiative to End Political Crisis in Myanmar](#)

USA: Despite its policy of sanctions, the US too is in touch with Myanmar with the visit of various officials, which resulted in the release of imprisoned US journalist Danny Fenster.

Russia: It stated that "joint efforts" can develop Russia-Myanmar cooperation in "economic, military-technical and educational spheres".

What strategy should India adopt?

India should project **dual-track diplomacy**. India was deeply disturbed by the court's unfair verdict delivered against Suu Kyi. India should adopt the balancing approach by cooperating with the military while extending clear support for democracy.

Humanitarian assistance: India has already supplied 2.7 million vaccine doses and wants to do more.

Myanmar on the other hand needs to make its democracy inclusive.

Read here: [Ways to Restore Democracy in Myanmar](#)

83. Looking beyond the Forest Rights Act

Source: This post is based on the article "Looking beyond the Forest Rights Act" published in **The Hindu** on 23rd Dec 2021.

Syllabus: GS 2 – Issues related to Indian tribes

Relevance: Forest right act, Tribal livelihood

News: The supporters of tribal rights allege that the Forest Department is overlooking the genuine claims of the tribal people.

A majority of the tribal communities in India are poor and landless. They practice small-scale farming, pastoralism, and nomadic herding.

On the Human Development Index, the tribal-populated States always rank lower than the national average.

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Acknowledging their poor status, the government passed the forest rights act to improve their livelihood.

However, even after 15 years, the Implementation of the Forest rights act is faced with many challenges resulting.

What are the issues in implementation?

Firstly, the act requires the constitution of a **Forest Rights Committee** comprising members from within the village by conducting a Gram Sabha with two-thirds of the members present at the meeting. This process is not followed in many places.

Reasons

-These committees were mostly constituted by the Panchayat Secretaries upon the directives received from District Magistrates at short notice.

-The nominations for members for the taluk-level and district-level committees were also not transparent.

Secondly, The FRA provides for equal rights in titles issued under the Act for women. They have the equitable role at every stage of decision-making. However, on the ground, the women were hardly visible in this regard.

Thirdly, in the initial stages of implementation, there was an **insistence on satellite images** as evidence while other admissible proofs were ignored, as happened in Gujarat. This resulted in mass rejections of claims by the authorities.

Fourth, various welfare and developmental schemes of the Rural Department were not extended everywhere to the tribal people who received documents of land possession under the FRA. Despite the directives issued by the Ministry to treat them on a par with others.

Fifth, poor awareness levels of FR act among the tribal people is also an issue, especially in the scheduled areas which are remotely located. To effectively present claims, a fair understanding of the Act and its implementation process is necessary.

Sixth, the involvement of NGOs was missing in some interior areas in States like Chhattisgarh, where the insurgency was affecting the lives of the people. Evidence suggests that implementation was better in areas that were fairly close to urban settings or where accessibility was easy.

What are the problems faced by Tribals?

Firstly, tribal areas are witnessing a decline in the quality of forest produce in their vicinity, thus forcing them to look for other sources of livelihood.

Secondly, earnings from activities such as a collection of tendu leaves for rolling local cigars were affected due to the influx of laborers from Bihar who were willing to work for low wages. For ex, Chhattisgarh.

Thirdly, Poor market and exploitation by local traders/middlemen.

Fourthly, they possess lands (including the lands recognised under the FRA) that are small, of poor quality (particularly lands located on hill slopes), and are not very fertile.

Fifthly, to enhance their income, they migrate to work as construction or road-laying labourers.

Lastly, due to the quality of education received by the youth in the remote districts, the possibility of acquiring meaningful jobs remains thin.

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What are the suggestions to improve Tribal Livelihood?

NGOs suggest that the livelihoods of the locals would improve if horticulture practices are promoted in addition to bamboo and aloe vera plantations with an assured market.

A popular recommendation to improve tribal livelihood is to enhance medical and ecotourism along the lines of the Kerala model.

Civil society groups suggest providing skill-based education with assured jobs on a large scale to tribals.

84. On Geopolitics of India – As a regional leader, not a victim of circumstance

Source: This post is based on the article “As a regional leader, not a victim of circumstance” published in **The Hindu** on **23rd Dec 2021**.

Syllabus: GS 2 – India and its relation with neighbors

Relevance: India's leadership role in South Asia

News: The changing geopolitics is demanding India's leadership role in South Asia. But India has failed to rise to the challenge on many occasions.

What are the changing Geopolitics that is impacting the Indian ocean countries?

In the Indian Ocean Conference this month, External Affairs Minister S. Jaishankar listed the following issues link to India's neighbourhood.

- 1) the rise of China that has resulted in territorial tensions.
- 2) American pull-out from Afghanistan
- 3) The challenges posed by the novel coronavirus pandemic

What are the issues linked to India's Afghan policy?

Firstly, India failed to recognize the U.S's Afghan policy, especially after it signed the Doha Agreement of February 2020.

The Doha Agreement made the Taliban a legitimate interlocutor, without the condition of a ceasefire.

India merely blindsided with the U.S. and the Troika Plus members (Russia, China, and Pakistan) without voicing out its interest. It paved the way for the fall of the Afghan republic.

Secondly, India failed to secure its friends in Afghanistan. India canceled all the visas that had been granted to Afghans prior to August. India resisted allowing Afghans, looking for shelter in India. Afghans felt betrayed by a country they once considered “second home”.

Thirdly, India has been reluctant to support or host those who pose a counter to the Taliban regime today. For instance, the “Resistance Front” led by Ahmad Massoud and former Vice-President Amrullah Saleh.

It was in contrast to the 1990s when India kept up its contacts with the Northern Alliance, supported their families in India, and admitted thousands of other Afghan refugees. This response helped India to build closer ties with Afghanistan after the Taliban was defeated in 2001.

What are the issues associated with India's policy in countering China?

Firstly, The Government's reservation towards acknowledging the Chinese actions in Indian territory is seen as an act of low self-esteem.

Secondly, despite dozens of rounds of military and ministerial talks, the Government is unaware of the reasons for the Chinese action. This exposes a lack of strategic thinking.

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Those who have analysed the situation more closely have pointed out few objectives behind China's aggression at the LAC

China is looking to reclaim the territories that it has lost over hundreds of years, from the South China Sea to Tibet.

- To restrict India's recent efforts at building border infrastructure, bridges, and roads right up to the LAC.
- To restrict any possible perceived threat to Xinjiang and Tibet.
- To restrict India's ability to threaten China's key Belt and Road project, the China-Pakistan Economic Corridor (CPEC), including a second link highway it plans from the Mustagh pass in occupied Gilgit-Baltistan to Pakistan.
- To blunt India's plan to reclaim Aksai Chin and Pakistan-occupied Kashmir (PoK) militarily.

What needs to be done to counter China's increasing role in India's neighborhood?

First, India should not make spaces for China in its immediate neighborhood. For instance, India's failure in keeping its promises to provide vaccines to its neighbors has impacted India's image as a leader.

Second, India can counter China by invoking its democratic system, which is admired by its neighbors. But before that, India should adhere to democratic principles such as pluralism, representative, inclusive power that respects the rights of each citizen, the media, and civil society.

Thirdly, India should forge its alliance with other countries more carefully, keeping in mind the interest of its neighbors.

Recent surveys by think tanks Carnegie and the Centre for Social and Economic Progress have found that India is a preferred strategic partner for most of the countries in the neighbourhood. However, possible Indian collaborations with the U.S., Japan, Europe, etc. are being seen as "anti-China" collaborations, which these countries would want to avoid.

These partnerships also hamper India's ability to stand up for its neighbours when required. For instance, India could not stand up for Bangladesh when the U.S. chose to slap sanctions on Bangladesh's multi-agency anti-terror Rapid Action Battalion (RAB) force.

Thus, India must stop behaving like a "middle power" and decide its best interests and chart its own course of action in its neighbourhood.

85. The troubling courtroom policymaking by the supreme court

Source: This post is based on the article "**The troubling courtroom policymaking by the supreme court**" published in **The Indian express** on **23rd Dec 2021**.

Syllabus: GS2- Structure, organization and functioning of the Executive and the Judiciary.

Relevance: Judiciary's involvement in administrative sphere, separation of power.

News: A Supreme court bench has sent proposal for the establishment of a National Judicial Infrastructure Corporation (NJIC) to the law ministry.

There are serious issues of constitutional propriety (*correctness*) with how the apex court is gradually taking over the administration of the district judiciary

More about NJIC , [here](#).

What are the issues with the Supreme Court's approach?

Supreme court entering into states and high court's domain: While the Supreme Court is the apex judicial institution, the Constitution clearly vests the administration of district

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judiciary (appointments, budgeting, daily running) **with the High Courts and state governments.**

– In the past also, the SC in various cases, has entered into domain of state government and high courts. **For instance:** Various SC judgements involving **All India Judges Association (AIJA)** where Supreme Court has been in a tussle with the government.

– In another case, **Malik Mazhar Sultan v. U P Public Service Commission**, the supreme court expanded the initial litigation question regarding UP Judicial Service Rules, 2001 to include the status of judicial infrastructure in the state.

SC in various cases has appointed an **amici curiae** to advise it on the nature of judicial reforms to be implemented. They are generally selected from amongst the senior lawyers of the Supreme Court only. The problem is that **neither they have any experience** of practising before the district judiciary **nor the skill and time required for policy research.**

Also, as they are appointed by court they are **highly unlikely to point fingers at the judiciary.**

Note – An amicus curiae often referred to as amicus brief is defined as the legal brief where someone who is not a party to a case assists a court by offering information, expertise, or insight

that has a bearing on the issues in the case.

Courtroom policymaking by the Supreme Court **lacks public participation.** Policymaking in a democratic polity should be done by political representative elected by the citizens.

It **compromises principle of federalism** (which the court has held to be part of the “basic structure”)

This “one size fits all” solutions does not accommodate the differences between states.

86. Common electoral roll: Electoral reform is welcome, but shouldn't be selective

Source: This post is based on the article “**Electoral reform is welcome, but shouldn't be selective**” published in **Indian Express** on **23rd Dec 2021**.

Syllabus: GS2 – Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Relevance: To understand the need for a common electoral roll.

News: Recently, Lok Sabha and Rajya Sabha have passed the Election Laws (Amendment) Bill, 2021. The bill facilitates a wide array of electoral reform, of which several of them have been pending for over two decades. A common electoral roll can be the next reform the government should consider. In the [recent meeting, the ECI also stressed the same](#).

Must read: [Linking Aadhaar with electoral rolls – Explained, pointwise](#)

What are the salient provisions of the Election Laws (Amendment) Bill, 2021?

-Extending the qualifying date for registration of young new voters.

Note: A committee of the Ministry of Law and Justice under **Sushil Kumar Modi** has proposed quarterly cut-off dates for voter registration — January 1, April 1, July 1 and October 1.

Read here: [Other provisions of the Election Laws \(Amendment\) Bill, 2021](#)

About electoral rolls

The process for making electoral rolls is laid down in the **Registration of Electors Rules, 1960**. The primary unit of electoral rolls is the assembly election constituency.

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Currently, separate electoral rolls are maintained for elections to the Lok Sabha, Vidhan Sabha and local government bodies. Since different elections are held at different times, these electoral rolls should be made every year and kept ready always.

The ECI conducts the Lok Sabha and Vidhan Sabha elections, and State Election Commissions (SECs) conduct panchayat and municipal elections. The SECs have the option of either adopting the electoral rolls created by the ECI or preparing such rolls on their own.

Most SEIs prefer to use the rolls prepared by the ECI. Some states, however, develop their rolls independently. For instance, Uttar Pradesh, Uttarakhand, Madhya Pradesh, Kerala, Odisha, Assam, Arunachal Pradesh, Nagaland and the Union Territory of Jammu and Kashmir.

Read more: [The proposal to link Aadhaar with Voter ID is unconstitutional](#)

Why there is a need for a common electoral roll?

1. The **officials** responsible for making both these rolls are the **same**, so a common electoral roll will reduce manpower and cost
2. Considering that a voter for all three tiers of elected bodies is the same, s/he is missing her/his name from one of the rolls, especially the panchayat rolls, is unacceptable,
3. **Reduce the workload of Teachers:** A major chunk of making electoral rolls fall in the hands of school teachers,
4. The only difference between the PRI and Vidhan Sabha rolls is that the former has information about the ward in which the voter lives. So, this can be integrated.

What needs to be done to adopt a common electoral roll?

-The SECs derive their powers to supervise local body elections from Articles 243K and 243ZA of the Constitution. Hence, all state governments would have to change their electoral laws to adopt ECI electoral rolls for local elections.

-Pilot studies may be conducted in random constituencies to identify the discrepancies between two sets of rolls and their reasons.

Apart from electoral rolls, the government must consider the 40-plus pending proposals, instead of selectively going for politically motivated reforms like [simultaneous elections](#) and [electoral bonds](#).

87. e-shram registration is a stepping stone towards protection of informal workers

Source: This post is based on the article “e-shram registration is a stepping stone towards protection of informal workers” published in **The Indian express** on **23rd Dec 2021**.

Syllabus: GS2- Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.

Relevance: Inclusive growth, Social security of Informal workforce.

News: Data suggests that Indian economy is coming to its pre-pandemic status. But recovery for informal workers and circular migrants is far from complete, as the employment is yet to recover.

Centre for Monitoring Indian Economy (CMIE) data shows that employment-population ratio for the period May-August 21 was 36.8 per cent compared to 39.6 per cent in the same period two years ago.

Note- *Circular migration or repeat migration is the temporary and usually repetitive movement of a migrant worker between home and host areas, typically for the purpose of employment.*

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About e-shram Portal

To provide social security benefits to informal workforce Supreme court directed the government to launch inclusive and universal registration system, which was launched this year and named **e- shram portal**.

MGNREGA and the National Food Security Act (NFSA) are also covered under e-shram initiative Read more [here](#).

Although e-shram is a positive step, but there is **need for a more comprehensive policy** for universalising the social security structure.

What are the implications of the absence of a comprehensive social security policy?

It can lead to **low income** which lead to **lower consumption** which can further lead to **higher hunger and poverty**.

It can increase the **inequality**. As the lack of social security leads to health and educational deprivation which fuels the cycle of inequality.

Hinders equitable and sustainable growth, as per detailed empirical analysis supported by the ILO and UN.

What is the way forward

Schemes should be clubbed and simplified: There are numerous schemes under the e-shram portal which have different eligibility criteria and require much more information than available from worker registration on the portal. The schemes require to be clubbed, and restructured with simpler eligibility criteria to make them universal.

Specific and compulsory benefits of social security should be proposed as are mentioned in [code for social security](#).

Government needs to allocate **sufficient funds for financing universal social protection**. Except in the crisis year 2020-21, expenditure by the central government on all major social security/protection programmes has shown a declining trend; from about **1.64%** of GDP in 2015-16 to **1.25%** of GDP in 2019-20.

In the current policy initiatives like code on social security, the role of states is limited to few areas. As states have been pivotal in extending social protection in the past, it is important that **states and all relevant stakeholders are involved** at all stages of the process.

88. On Omicron: Before the third wave

Source: This post is based on the following articles:

- “**Before the third wave**” published in **Business Standard** on **23rd Dec 2021**.
- “**WHO recommends boosters. India’s stand still not clear. And there’s little domestic research**” published in **TOI** on **23rd Dec 2021**.

Syllabus: GS2 – Issues related to Health

Relevance: Tackling the Omicron variant and containing its spread

News: It is clear that Omicron variant is present within the community and is spreading rapidly. Although, the symptoms from the Omicron variant are mild and rarely result in death, the fact that many infections are said to be asymptomatic is a concern.

This situation, therefore, demands renewed efforts to contain, and the vaccine policy urgently needs revision.

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What measures have been taken by the States to contain Omicron?

Some states such as **Delhi** and **Odisha** have been proactive in **limiting social functions and banning public festivities** over the holidays.

Chennai has made the Marina Beach and other **beaches out of bounds** for New Year celebrations.

Haryana has decreed that **only fully vaccinated people will be allowed into public places**, and that includes fuel pumps and mandis, with effect from January 1.

Delhi and Maharashtra have also **strengthened beds and oxygen supply**.

All these steps are praiseworthy, but unlikely to stop the spread of the virus unless they are taken on a national level.

What is the WHO's recommendation on boosters?

WHO's Strategic Advisory Group of Experts on Immunisation (SAGE) has recognised a "modest to minimal" reduction of vaccine protection against severe disease six months after second dose. It has, therefore, called for "**targeted**" **administration of boosters**.

What is the way forward?

Centre can also play a significant part in containing the Omicron variant:

Decrease the gap b/w first and second dose: A little under half the population is awaiting the second dose, which is known to offer viable protection against Omicron. Vaccine supplies are no longer an issue, hence, the government should shorten the gap between the first and second doses so that more Indians are fully vaccinated.

Booster dose for the vulnerable: The Centre urgently needs to consider booster doses for the elderly, the vulnerable, and front line workers. It would be a good idea if the states were given the freedom to take this decision.

Mix and match trials: With the West's growing reliance on **mRNA vaccines**, which are unavailable in India, GoI must invest in local research on **booster** and **mix-and-match trials**.

Must Read: [Mixing and matching of COVID-19 vaccines – Benefits and concerns](#)

Fast track approvals for foreign vaccines: A booster typically requires a different vaccine from the original two doses. Since the bulk of India has had the Covishield jab, the booster would have to be the indigenous Bharat Biotech-ICMR Covaxin. This is simply not being produced in large enough numbers to be available for boosters. Hence, fast-tracking approvals for foreign vaccines should be considered.

Further, as their safety is well established since they have been administered to large numbers of people across the world (including among the vast Indian diaspora), the foreign vaccine makers' **demand to waive indemnity** must be considered.

Must Read: [Indemnity issues hold up US vaccine donation](#)

89. Needed, a public health architecture for India

Source: This post is based on the article "**Needed, a public health architecture for India**" published in The Hindu on **24th Dec 2021**.

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

Relevance: Public health data in India and need for improvements in it.

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News: India conducts numerous health surveys, most prominent of which is NFHS. Lately, there have been various additions into NFHS which have made it disoriented and lacking any specific policy purpose.

There is need for selected comprehensive surveys that can broadly cover major public health themes for a complex country like ours.

What is the National Family Health Survey (NFHS)?

Read about NFHS [here](#).

NFHS is used by many researchers, policymakers and **is frequently used by NITI Aayog** for its various rankings.

It is conducted in a representative sample of households, where respondents are mostly women.

Funding for different rounds of NFHS has been provided by some international organisations like United States Agency for International Development (USAID), etc and Ministry of Health and Family Welfare.

Issues have been raised on the **quality of the agencies** conducting NFHS and their workers too.

What are other public health surveys in India, and the associated issues?

Apart from NFHS, Health Ministry conducts the National NCD Monitoring Survey (NNMS), the National Mental Health Survey (NMHS), etc.

- **Overinclusion**, like inclusion of questions on HIV, non-communicable diseases, or NCDs in NFHS, has lead to extremely huge NFHS questionnaires. This affects the quality of data. **Example:** In NFHS-4, the women's questionnaire was 93 pages long.

- Surveys done for **research** should not be confused with those done for **programme monitoring and surveillance needs**.

- **Irregularity and uncertainty of other surveys:** NFHS is the only major survey that India has a record of doing regularly. One does not know if and when the other surveys will be repeated.

- Multiple surveys also raise the **issue of differing estimates**, as is likely, due to sampling differences in the surveys. **For example:** wide divergence in sex ratio at birth reported by the NFHS and the Sample Registration System (SRS).

What should be the way forward?

- **Need to end overdependence on NFHS:** There is a need to **identify a set of national-level indicators and surveys** that will be done using national government funds at regular intervals.

- Need to ensure that the **data is collected in an orderly and regular** manner with appropriate budgetary allocation.

- There should be **clarity of purpose** behind conducting a survey and their need should be reanalysed.

- States should invest in conducting focused **State-level surveys**.

- For a detailed understanding of some issues, **each round of survey can focus on a specific area of interest**. Other important public health questions can be answered by specific studies (which may or may not need a national-level study), conducted by academic institutions on a research mode based on availability of funding.

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– It is also very essential to ensure that the **data** arising from these surveys are **in the public domain**. So that it can be analysed through **different viewpoints**.

90. This clean cooking fuel plan needs more firing up

Source: This post is based on the article “**This clean cooking fuel plan needs more firing up**” published in **The Hindu** on **24th Dec 2021**.

Syllabus: GS2 – Welfare schemes for vulnerable sections of the population by the Centre and States.

Relevance: Importance of clean cooking fuel and how to improve its adoption.

News: LPG Penetration in India has reached a significant level, but there is still need for some adaptations so that this momentum for clean fuel is maintained.

What is the status of adoption of clean fuel in India?

Around **eight crore customers** were enlisted in late 2019 for LPG connections.

Previously, there were hundreds of villages where there was not a single LPG connection, but they now have a noticeable presence of LPG users and distributors.

This all has become possible due to the successful implementation of [Pradhan Mantri Ujjwala Yojana \(PMUY\)](#)

How Ujjwala has delivered such positive results?

– Successful implementation of the **Direct Benefit Transfer of LPG (DBTL) or PAHAL** (Pratyaksh Hanstantrit Labh) scheme of 2014 freed up the **financial resources** needed to make large-scale programme for deposit-free LPG connections a reality.

– **Production of cylinders, pressure regulators, hose and affordable LPG stoves** was **enhanced**.

– New **distributors/dealers** were appointed to reach **remote pockets**.

– **Political representatives** helped to sustain **enthusiasm** for Ujjwala, and ensure its **implementation on ground**.

What are the environmental and health benefits of clean fuel?

– Adoption of LPG/Clean fuel by **pregnant women** is said to give **huge health gains** in future.

– LPG is **not a greenhouse gas** (Intergovernmental Panel on Climate Change) and assigned with a global warming potential (GWP) factor of zero.

What are the challenges in furthering the cause of clean fuel in India?

– In rural areas people use **multiple types of cooking stoves** – LPG, fuelwood, induction or electric heater, etc to **lower their dependency on any single** source.

– According to the recently released **National Family Health Survey (NFHS)-5**, there was a **higher prevalence of TB in households that were using solid fuels** when compared to those using clean cooking fuels in most States.

– **Pandemic** has resulted in **LPG prices having gone up** and governmental support focusing on other challenges.

What is the way forward?

– **Need for a sustainable basket:** Overall, the push has to be such that every household moves toward adopting a more sustainable cooking energy basket.

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Solar, electric heater, improved biomass chulha and biogas can be part of this as they also have similar health and environmental benefits as LPG. This can be done by **introducing alternative remunerative uses for cow dung and bio mass.**

Chhattisgarh has introduced a scheme on procurement of cow dung.

– Further **Improvements in demand-supply** chain of LPG with options for refill financing for poor households.

– **Women's incomes** can be given a boost through the **National Rural Livelihoods Mission** which can nudge them to choose a more sustainable cooking mix.

91. So, no one killed news television ratings: Ring a bell?

Source: This post is based on the article “**So, no one killed news television ratings: Ring a bell?**” published in **Livemint** on **24th Dec** 2021.

Syllabus: GS 2 – issues related to the regulation of TV, Print, Media

Relevance: News TV ratings, BARC

News: Suspension of news TV ratings is illogical. It would lead to a severe loss of credibility and revenue for the news genre. The ratings need to be restored at the earliest.

Why the news rating suspension is not justified?

Firstly, if the suspension was because of some case of television rating point (TRP) adulteration in Mumbai, then why did the suspension not apply to non-news channels.

Secondly, if the issues were Sample-size inadequacy, then channels that have even smaller samples than for news are not stopped. For example, English special-interest channels.

Even if the above-said issues (TRP adulteration & Sample-size inadequacy), are the reasons for stalling news TV ratings, there are solutions to address these issues.

What are the suggestions that could make BARC data malpractice (if any)-proof?

First, the raw data collected programmatically by BARC should be parallelly stored in the safe custody of an independent body like the Indian Statistical Institute, or the like, outside BARC control. This will ensure that such raw data stays as it is, tamper-proof, for any future reference.

Second, all interference in data analysis, like eliminating any exception or aberration, should be done under a transparent and uniform standard operating procedure. It should be available for an audit review.

Three, the sample homes should be audited and rotated periodically to ensure that they offer a fair representation of the country's TV-watching population.

Four, Sampling inadequacy can be addressed if minute-by-minute data is not collected for low-viewership genres. If the sample applies to the entire day/week/month, the inadequacy of its size could easily be dealt with.

Five, data ratings should be done on a monthly rolling average, so that TRPs are used only as a tool to measure advertising potential and do not adulterate journalistic content.

92. On Sports Culture – Every sportsperson is a champion

Source: This post is based on the article “**Every sportsperson is a champion**” published in **Indian Express** on **24th Dec** 2021.

Syllabus: GS 2 – Issues related to Sports sector in India

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Relevance: India's sporting culture

News: The belief that unless you are winning, you are not a champion is a fallacy. The very fact of participating in sport makes you a champion, and it's time to recognize that.

Over the last decade, India's sporting culture has seen tremendous improvement in terms of

-Parental support,

-The expansion of government and corporate programs such as Khelo India, Fit India, and TOPS,

-The overall social acceptance of sports as a career.

However, there is a lack of attention towards people who are not able to succeed in sports even after giving their best hard work.

The complete lack of definition about what makes a successful sports career further exacerbates this situation.

How Success in academic is different from Success in Sports?

Sports' definition of "success" is largely borrowed from academia. In academics, almost everyone succeeds eventually.

Whereas, In sports, it's the reverse. This eventually leaves less than 5 percent of those entering sport as good enough to be termed a "success". These are people who win medals at the Olympics, World Championships, World Cups, etc.

While others end up being categorized as "failures" and exit the sport at some stage or the other. Adding to their miseries, the lack of viable post-playing career options as a safety net makes their exit more painful.

Why do we need to look at education and sport from different lenses?

Firstly, in school/education, the number of successful/promoted/graduated/pass students is very high. Whereas in sports, medals are the sole benchmarks of success. Out of many finalists, only one will emerge as the winner.

Secondly, in education, people move on from board results. Whereas, in sport, people leave when they actually fail.

Thirdly, institutions have the support of positive, constructive alumni. But in sport, the scenario is like an organization that has to fire people and the attitude of the people/players is like employees who are laid off.

What needs to be done?

It is important to celebrate the stories of, 95% of people, who have taken successful careers outside sports. Unless these stories are celebrated like our Olympic and world champions, we will be missing out and losing huge human potential.

What is the way forward?

Sport gives us values for life, be it lessons about "failure" or the foundation for our health or the fun and re-creation.

It teaches discipline, the attitude of hard work, awareness and intelligence, planning, and teamwork.

These benefits in physical and cognitive areas should encourage each one of us to play sport.

The positives of sport are immense, but the abnormality discussed above needs to be challenged to have a sustained model for growth in our country.

93. India cannot take a black and white approach to Myanmar

Source: This post is based on the article “India cannot take a black and white approach to Myanmar” published in **The Indian express** on 24th Dec 2021.

Syllabus: GS2 – India and its neighbourhood- relations.

Relevance: Bilateral relations of India to its neighbours

News: Myanmar has seen a lot of political disorder since the military coup in February 2021. The Indian foreign Secretary’s recent visit to Myanmar will help India-Myanmar bilateral relation to adjust to this change.

India needs to adopt a pragmatic approach.

Must read: [India’s strategy for Myanmar](#)

What are the new and emerging challenges in the India-Myanmar relations?

1) Dilemma to engage with Military regime: Since the coup, India has been firm that the gains made by Myanmar over the last decade on the path towards democracy should not be lost.

Further, any **democratic transition** in Myanmar cannot be done without involving the Junta, so it is imperative that India keeps all channel of communication open with it.

2) Most of the countries in India and Myanmar’s neighbourhood like ASEAN members, Japan, Korea etc have started to deeply engage with the military regime in Myanmar and India can’t lag behind.

3) China’s growing dominance: Ever since the coup, China’s economic grip over Myanmar has only become tighter with a special focus on projects critical for the **China-Myanmar Economic Corridor**. Hence, India needs to have **continuous dialogue** with Myanmar keep the security situation in **North east under control**.

Chinese capacity to create trouble in the North East was visible recently, from the last month’s deadly **attack on an Assam Rifles** convoy near the Myanmar border in Manipur. Its increasing influence over Myanmar, only provides with further options to destabilise Indian border areas.

4) Porous borders and Pandemic: India-Myanmar have porous borders at many places. For India, a humanitarian crisis as a result of the pandemic-induced economic crisis in Myanmar can become a major issue.

94. A chance to tap India’s high equity in Myanmar

Source: This post is based on the article “A chance to tap India’s high equity in Myanmar” published in **The Hindu** on 27th Dec 2021.

Syllabus: GS2 – India and its neighbourhood.

Relevance: India’s post-coup bilateral relations with Myanmar

News: Indian Foreign Secretary’s recent visit to Myanmar was intended to deepen cooperation between the two countries. His mission succeeded to a large extent, as substantive discussions were held with the top State Administrative Council (SAC) leadership and political parties. But, despite this success, challenges still remain.

Must Read: [Ways to restore democracy in Myanmar](#)

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What was the approach taken by the Indian delegation during this visit?

India took on a **calibrated middle-path position**, unlike the West's policy of condemnation, threats and sanctions against the military regime. India's approach is similar to ASEAN's and based on following points: – Release of political prisoners – Resolution of issues through dialogue – Cessation of all violence; and full cooperation with ASEAN. It has to be remembered that India has no intention to act as a mediator in the military-NLD (National League for Democracy) conflict. That role is to be played by ASEAN.

Must Read: Coup in Myanmar and India-Myanmar relations – Explained

How has the world handled relations with Myanmar post-coup?

- **Russia** has looked to strengthen ties with the new rulers.
- **China** regretted the loss of Daw Suu Kyi as a valuable ally but took urgent steps to stabilise and expand cooperation with the military regime.
- **The Association of Southeast Asian Nations (ASEAN)** first gave its **'Five-Point Consensus'** formula, but Myanmar's top leader Senior General Min Aung Hlaing refused to cooperate in the formula's implementation.

What is the Myanmar military regime's view regarding India?

Military leadership's following actions show that it's desirous of cooperation with India:

- **Handing over five cadres** of the Manipur People's Liberation Army to Indian authorities before the foreign secretary's visit – It also **renewed the previous pledge** that its nation's territory would not be allowed to be used for any activities detrimental to India's interests.
- **Special gesture** made by Senior General Min Aung Hlaing (*who is Chairman of the SAC and Prime Minister*) to receive India's foreign secretary and hold detailed discussions in Yangon. This protocol departure of a highly protocol-conscious Myanmar leadership reflects the weight that India commands in Myanmar.

Must Read: India's strategy for Myanmar

What are some bilateral concerns b/w India and Myanmar?

- **Border security and stability in its neighbourhood:** There has been a noticeable escalation of activities of anti-India insurgent groups.
- **Refugee issue:** Several thousands of Myanmar people have sought shelter in Mizoram. This will only be reversed by a political settlement in Myanmar, through dialogue.
- **Economic cooperation:** The usual emphasis wrt economic sphere is on people-centric socio-economic developmental projects. Central to this is India's long-delayed commitment to "expeditious implementation" of mega initiatives such as the Trilateral Highway and **Kaladan** projects. Unfortunately, no revised deadlines were announced. These projects continue to be the Achilles heel of the relationship.

Must Read: India cannot take a black and white approach to Myanmar

What is the way forward?

India should keep up the momentum by inviting Myanmar's Foreign Minister & other important stakeholders such as leaders of political parties, civil society and think tanks to India for deliberations with their counterparts here. The single goal should be to put Myanmar back on the path of becoming "a stable, democratic and federal union".

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95. Explained | Right to be forgotten: govt position, court rulings, and laws elsewhere

Source: This post is based on the article “**Explained | Right to be forgotten: govt position, court rulings, and laws elsewhere**” published in **The Indian Express** on 27th Dec 2021.

Syllabus: GS2 – Fundamental Rights

Relevance: Understanding the debate around the Right to be Forgotten (RTBF)

News: Recently, the Centre told the Delhi High Court that the “right to be forgotten” is part of the fundamental right to privacy, but added it has no significant role to play in the matter. While the right is not recognised by law in India, courts in recent months have held it to be **an intrinsic part of the right to privacy**. Petitions across courts have been seeking enforcement of this right, but it is **not yet backed by statute** in India.

Must Read: Right to be Forgotten – Explained, pointwise

Do other countries have such laws?

The **European Union** in 2018 adopted the **General Data Protection Regulation** (GDPR), **Article 17** of which provides for the right to erasure of certain categories of personal data.

Russia in 2015 enacted a law that allows users to force a search engine to remove links to personal information on grounds of irrelevancy, inaccuracy and violation of law. The right to be forgotten is also recognised to some extent in **Turkey and Siberia**, while courts in **Spain and England** have ruled on the subject.

What is the position in India?

In a brief reply to one of the petitions recently, the Centre told the Delhi High Court that the right to privacy has been recognised as a fundamental right in the K S Puttaswamy judgment (2017) and that the **‘right to be forgotten’ is evolving in India**. The government said the Personal Data Protection Bill (*a Joint Parliamentary Committee’s report on which was tabled on December 16*), contains provisions to the doctrine of the ‘right to be forgotten’.

What is the opinion of the courts on this issue?

In May 2019, Justice Pratibha M Singh of the Delhi High Court, dealing with a case said that: *The **right to be forgotten** and **right to be left alone** are inherent aspects of the right to privacy, and restrained republication of these news reports.* In April 2021, the Delhi High Court directed **removal of a judgment from search results**; the order is now being opposed by Google. In January 2017, the **Karnataka High Court** ordered its registry to ensure that any Internet search engine does not reflect a woman’s name in an order passed in 2015. In November 2020, the **Orissa High Court**, ruling in a case relating to videos uploaded on Facebook by a rape accused, stated that: *Allowing such objectionable photos and videos to remain on a social media platform, without the consent of a woman, is a direct affront (offence) on a woman’s modesty and, more importantly, her right to privacy. It did not, however, pass an order on removal of the videos.*

96. How a universal constitution can save democracy across the world

Source: This post is based on the article “**How a universal constitution can save democracy across the world**” published in **Livemint** on 26th Dec 2021

Syllabus: GS2- Effect of policies and politics of developed and developing countries on India’s interests, Indian Diaspora.

Relevance: Democracy and its sustenance

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News: US President Biden recently conducted a **Summit for democracy** which focused on the question that how any threat to democracy can pose an existential crisis for the human civilization.

Why it is important to protect democratic norms and institutions?

Civilizations depend on twin pillars of **norms and conventions**. If one of the pillars becomes weak, a civilization will collapse. As has been seen across history, **Culture and institutions** have a huge influence on economy. Humans mostly learn through **social learning** which in turn shape norms (*socially acceptable rules*) which then sustain society. Since the pandemic, several such factors have emerged which have amplified the threat to democratic institutions.

For example: Strain due to rapid advance of digital technology, increased outsourcing leading to hyper-nationalism which in turn is fuelling the rise of anti-democratic leaders.

What can be done to sustain and protect democracy?

Pro social preferences can be instilled through **education**. We can do this through education, and by deliberating and deciding as citizens to promote certain kinds of collective behaviour. Strategy drawn from **game theory** involving a global guarantee of human rights can also work against authoritarian regimes.

Game theory is the science of strategy. It attempts to determine mathematically and logically the actions that “players” should take to secure the best outcomes for themselves in a wide array of “games.”

The outcome for each participant depends on the choices (strategies) of all. It works on zero-sum games and the interests of the players conflict totally, so that one person's gain always is another's loss.

There is need for a **minimal global constitution** that provides a set of guarantees, like basic human rights and press freedom, and authorizes countries to intervene when a government violates them. Drafting such a universal constitution cannot be left to any particular country, because it will invariably focus on self-interest first. Hence, an **autonomous group** to draft a strategy and then an **autonomous multilateral authority** needs to be created to help achieve it.

97. Iran nuclear talks reverberate in the Gulf

Source: This post is based on the article “**Iran nuclear talks reverberate in the Gulf**” published in **The Hindu** on **27th December 2021**.

Subject: GS2 – International relations

Relevance: Understanding Iran in nuclear deal and peace in West Asia.

News: Ongoing Vienna summit is exploring the possibility of the USA's re-entry into a **Joint Comprehensive Plan Of Action (JCPOA)**. Two parties that are not present, but will be most impacted, are Israel and the six states of the Gulf Cooperation Council (GCC).

Read more: [Talks on Iran Nuclear Deal Resumes](#)

What is the stand of various countries and groupings?

Israel: It is focused on Iran's progress towards nuclear enrichment and nuclear weapons programmes of Iran. It has mobilized many serving and retired security officials for pressing harsh military actions on Iran.

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GCC: It is pursuing a low-key but constructive approach to regional challenges – that of diplomatic engagement with Iran.

What factors are driving GCC's diplomatic engagement with Iran?

USA's credibility as GCC's security partner was dented when the US failed to protect their interest in wake of Iranians attacks on their assets in 2019. American credibility further degraded with its chaotic withdrawal from Afghanistan. This is further aided by Joe Biden's disengagement from the region in favor of containing China in Indo-Pacific. The maximum pressure approach or use of sanctions on Iran has failed to bring Iran to the negotiating table. USA and Israel have also highlighted difficulties in attacking Iran's nuclear facilities.

What steps have been taken by Gulf countries?

UAE: It reached out to Iran in July 2019 for discussing maritime security. Following the assassination of Irani General Qassem Soleimani, UAE and Saudi Arabia called on the USA to reduce regional tensions. They seek to focus on crisis management and contract resolution. Trade ties between the UAE and Iran's imports from the UAE are expected to reach \$12 billion. UAE is also mending ties with Israel. UAE-Israel trade reaching \$875 mn clearly demonstrates this. **Saudi Arabia** and Iran have had five meetings in Baghdad – to rebuild confidence and re-establish diplomatic ties and address areas of conflict like Yemen and Syria.

Iran: It is seeking to revive JCPOA and seeking guarantees that the USA will not withdraw from the agreement in the future. Iran's chief negotiator has visited Abu Dhabi to facilitate an agreement with the USA. To keep escalation levels lower, Iran said that it will not enrich uranium beyond 60% even if talks fail.

Also Read: Testing the red lines in the Iran nuclear talks

What are the models of regional security in West Asia?

There are two possible scenarios for regional security.

First, In the absence of a nuclear deal, Israel will push for the normalization of ties with Arab states to build a coalition of regional states against Iran. However, Gulf states will worry about regional instability due to this move.

Second, creating an **inclusive security arrangement** that will include Iran as a stakeholder. Steps for this have been taken through Saudi-Iran dialogue, UAE – Iran engagements, Baghdad conference and Riyadh summit of GCC states.

What will be the way forward?

The GCC states have taken matters into their own hands and are pursuing an inclusive regional security agenda aimed at normalizing ties and reducing conflict in the region. So, USA's return to JCPOA has the potential of bringing peace to the region.

98. Outpatient care: Prevention is better than cure

Source: This post is based on the article “Prevention is better than cure” published in **The Hindu** on **27th December 2021**.

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

Relevance: Understanding the need to extend coverage to outpatient care.

News: Outpatient healthcare is not getting the required attention.

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What is outpatient (OP) healthcare and how do OP expenses affect people?

It comprises doctor consultations, drugs, and tests. OP expenses have the majority share in total out-of-pocket (OOP) expenditure on health. As per the government and various representative surveys, OP expenses have a major impact on Indian households compared to IP expenditure.

Why OP care insurance has not been in India yet?

1) Lack of standards 2) Under-regulated OP practices 3) Difficulty to monitor OP clinical and prescribing behaviours 4) Higher chances of malpractices 5) Low public awareness of insurance products 6) Low ability to recognize entitlements and exclusions.

Read more: [Inside the unfolding healthtech revolution](#)

Why there is a need for extending OP care coverage?

First, Inpatient care (IP) consists of high impact and unavoidable episodes, which are costly and urgent. Thus, the majority of insurance coverage is for IP care. Whenever there is a health emergency, OP care suffers the first blow. Thus, the mantra of prevention is better than cure is lost.

Second, it goes against economic sense to prioritize IP care over OP care for public funds. Preventive and primary care services experience low demand and must therefore be incentivized.

Third, positive feedback would mean that greater investment in OP today would translate to even greater investment in IP care in the future. This would further lead to less money investment in OP care.

Why it is important to make note of a few challenges?

First, significant improvements in healthcare are not possible without sufficient finances and time.

Second, there is no perfect model for expanding healthcare. So, emphasis must be on innovation to find the best fit.

Third, implementing even the best fit could involve some drawbacks.

What lessons could India learn from the world?

India could learn lessons from countries like Thailand, which are closer to its socioeconomic fabric than from the USA. The decline in Out Of Pocket expenditure in Thailand was achieved through a Universal, tax-financed, public sector-dominated model of OP care. This calls for systematic, judicious and tiered payment models for OP services. Private players can be contracted with centralized supervision to deter any corruption.

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

99. Vaccination: Central control of health care

Source: This post is based on the article “**Central control of health care**” published in **Business Standard** on **27th December 2021**.

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

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Relevance: Understanding vaccination and market response.

News: India, in its vaccination process, obtained complete control and power over the doctor-patient relationships. This impacted the vaccination process and also the response of the market. The state should have allowed greater decentralization as the vaccination needs of people are different.

What are the different vaccination needs?

Some people have higher public exposure, have a higher need for vaccination. Choice of the vaccine varies with the person. The precise history of vaccination of each person shapes the optimal choices on boosters.

What were the challenges posed by the centralization of the vaccination process?

Union government obtained complete control of every action. So, other organizations could not make strategies, import vaccines, or determine prices. Therefore, prior to the second wave, a large number of people could not be vaccinated.

Read more: [Vaccine policy: Need and Concerns – Explained, Pointwise](#)

What are the benefits of private vaccination?

There is the presence of positive externality, in terms of benefit to society.

First, there is no harm to anyone when a person goes to a private provider and gets the vaccine. This imposes a benefit upon society, by reducing the impact of the virus.

Second, the difficulties are about the people who choose not to buy the vaccine. Here, the state can nudge by **providing Vaccine vouchers**.

Third, It can result in an undistorted market.

Must read: [One billion Covid Vaccines and beyond – Explained, pointwise](#)

What is the way forward?

Wisdom in public policy lay in respecting the market process as the best part to organize the production side of the economy. The price system would have automatically resulted in better wholesale vaccine availability in India.

100. Collaborative approach: Tackling a public health challenge is a team effort

Source: This post is based on the article “Tackling a public health challenge is a team effort” published in **Indian Express** on **27th December 2021**.

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

Relevance: understanding collaborative policy-making and implementation

News: All major public health problems need combined technical, bureaucratic and political efforts. As the friction between the different wings affects the health policies in India.

What different wings involves in health profiling?

The three important branches, technical, politicians and administration need to work together for achieving better policy formulation and implementation.

Technical people have the benefit of training and expertise in specific areas. They regularly update and provide advice based on evidence.

Policymakers or elected representatives choose the final set of points for making policy.

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Bureaucrats or the administration work through a hierarchical system to implement these interventions. All are expected to work to maximize the public good without any personal agenda.

What are the contributions of various agents?

Technical groups like the National Technical Advisory Group on immunization provided acceptance and recommendations by policymakers for the allocation of sufficient resources. Bureaucracy worked by arranging logistics and ensuring supply through administration.

What are the challenges in this collaborative approach?

There are challenges of **overstepping the boundaries**. During the current pandemic, many scientists took positions on different pandemic responses, including lockdowns and school closures, which are beyond science.

What are the challenges posed by bureaucratization?

Here the process becomes more important than the end. The best example is when targets are fixed for everything, and they become the end in itself. Often such targets are politically driven. For example, data from sterilisation drives shows that fixing targets creates problems such as fake entries or non-entries.

How can the problem be resolved?

In general, the thinking is that science is right or has the right answers. Politicians and bureaucrats are often in the lower pecking order. But this thinking is not valid as Knowledge is useless if it is not applied for public benefit, and it is the politicians and administrators who enable this to happen. According to German physician Rudolf Virchow, medicine is a social science and politics is nothing else but medicine on a large scale. Thus, there is a need to clear the boundaries between these three wings so that they don't overstep each other. The problem of overstepping boundaries can further be minimised by aligning public health, administrative and political goals by mutual dialogue.

101. The elderly are assets, not dependents

Source: This post is based on the article "The elderly are assets, not dependents" published in **The Hindu** on **27th December 2021**.

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

Relevance: Understanding issues of elderly healthcare.

News: India's demographic dividend implies that there is a larger pool of young population. This implies lower dependency and can boost the economy of a country, like was experienced by East Asian tigers and even in China. But in the future, India is likely to experience an increasingly elderly population.

Must Read: Elderly population in India

Instead of looking at them as a drag on the economy, they should be seen as a potential asset – a massive resource of experienced, knowledgeable people. This can be realized by focusing on their health and their capabilities.

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What are the healthcare needs of the elderly?

The elder population suffers from familial neglect, low education levels, socio-cultural beliefs and stigma and low trust in institutionalized healthcare services. As per the first-ever **Longitudinal Ageing Survey in India (LASI)**, 11% of the elderly suffer from at least one form of impairment (locomotor, mental, visual and hearing). Non-communicable diseases claim the lives of 58 lakh Indians. Cardiovascular diseases are estimated to be 34% amongst 60-74 years old. They require an array of specialized medical services at home, including tele or home consultations, physiotherapy and rehabilitation services including mental health counselling and treatment.

Read more:” **Quality of Life for Elderly Index assesses well-being of India’s ageing population**

Why existing schemes are inadequate?

As per the Healthcare Access Quality Index (HAQ), India improved its score from 24.7 in 1990 to 41.2 in 2016. But India is still below the global average of 54 points. The government provides insurance, but as per the Niti Aayog report, 400 million Indians do not have financial cover for health expenses. The pension schemes for the elderly provide very low-income support. A 2007 law (**Maintenance and Welfare of Parents and Senior Citizens Act**) required the state to provide geriatric care services in every district hospital. But as per a report filed in Supreme Court in 2019, 16 states and union territories did not have a single bed dedicated to elders. A large proportion of elders are from lower socio-economic strata. They are unable to afford the cost of healthcare and slip into poverty. Poor health implies poor earning capacity. So they are economically unproductive and also dependent on support from family. This adds to their mental stress. So, the net result is poor physical and mental health.

What steps should be taken by India?

Infrastructure: Presently, India has a major deficit in infrastructure and skilled medical care resources, with 1.3 hospital beds, 0.65 physicians, and 1.3 nurses for every 1,000 people. India should prioritize elderly health care over the next few years and decades.

Increase public healthcare spending: Apart from legislating pro-elderly healthcare and insurance policies, India needs to increase its public healthcare spending and invest heavily in the creation of well-equipped medical healthcare, home healthcare facilities and rehabilitation services.

Programmes: India should accelerate the implementation of programmes such as the National program for health care of the elderly. The Ayushman Bharat and PM-JAY ecosystems should be further expanded to cover senior citizens from lower economic strata. National Digital Health Mission has the potential to expand medical consultations into the interiors of the country. These steps will help convert the elderly into a massive resource for social-cultural and economic development, giving a totally new perspective to the demographic dividend.

102. How PMO letter to EC challenged institutional balance

Source- This post is based on the article “How PMO letter to EC challenged institutional balance” published in **Indian Express** on 17th Dec 2021.

Syllabus: GS2 – Separation of powers between various organs

Relevance- Separation of power, Independence of Election commission

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News: Earlier, a letter written by the Law Ministry to the Election Commission (EC) on November 15, has come under criticism. This letter created debates regarding India's institutional structure and its traditions and conventions. The recent press communiqué of the Law Ministry offer certain logical conclusions and clarifications.

Must read: Functioning of the Election Commission – Explained, pointwise

What are the clarifications given by the communiqué of the Law Ministry?

The PMO had only addressed its communication to convening the meeting to the cabinet secretary, law secretary and secretary, legislative department. It was the secretary, legislative department (SLD) who “thought it appropriate” to “invite officials of the Election Commission to this meeting”. The text of the legislative department’s letter has not been released. However, It is inconceivable for even a nodal department to take such an initiative on its own.

Read more: Summoning CEC, EC to PMO is outrageous

What needs to be done?

Follow constitutional and legal mandates: The national good requires that the three organs of the state and independent constitutional bodies function harmoniously in accordance with their constitutional and legal mandates. It also needs that their inter-relations should maintain each other’s dignity.

Follow the conventions and traditions: Like Kanhaiya Lal Misra said that the muscles, connective tissue and the coursing blood have given the institution like the High Court its strength, its resilience and even its glory. What Misra said about high courts applies generally to the polity as a whole. Conventions and traditions strengthened the foundations of Indian democracy in all its manifestations.

The political class should show respect for independent institutions: The historical experience of the ages shows that all political power is inherently expansive. They use notions such as “committed bureaucracy and judiciary” and stick and carrot approach. So, the consultations between independent institutions and the executive should occur, but the political class should show respect. In conclusion, It is time for the head of the organs of state and the institutions and the public to scrutinise the entire corpus of the Indian state’s conventions to strengthen India’s democratic polity.

Read more: CEC’s, EC’s interaction with the PMO-Why this raises questions and breaches a red line

103. Has India turned into a barricade nation

Source: This post is based on the article “Has India turned into a barricade nation” published in **Times of India** on 27th Dec 2021.

Syllabus: GS2- Important aspects of governance.

Relevance: Barricading and impact on civil rights.

News: A division bench of the Delhi high court has sought an explanation from the police regarding the deployment of barricades. Petition also seeks the removal of “unnecessary and hazardous” mobile barricades.

How barricading affects the civil liberties?

Round the year a lot of commuters lose their lives by crashing into barricades placed on the common public route. Sometimes, it is also used by the state to prevent citizens from exercising their right to peaceful protest.

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What is the way forward?

It is important that the states don't resort to **Orwellian methods** and help their masses to enjoy their civil rights to the fullest.

Note – “Orwellian” is an adjective describing a situation, idea, or societal condition that George Orwell identified as being destructive to the welfare of a free and open society.

104. Protection from data protection authority

Source: This post is based on the article “**Protection from data protection authority**” published in **Business Standard** on **27th Dec 2021**.

Syllabus: GS2- Statutory, regulatory and various quasi-judicial bodies.

Relevance: Data protection and regulatory authority

News: The **Personal data protection** bill was introduced in the parliament in 2019 and then referred to a joint parliamentary committee (JPC) which has recently submitted its report. Read the JPC's recommendation [here](#).

What is Data protection authority (DPA)?

The bill recommends setting up of a **statutory regulatory authority (SRA)** called Data protection authority.

It is empowered to take steps to protect the interests of individuals, prevent the misuse of personal data, and ensure compliance with the Bill.

Given that data is an integral part of our lives now, **probably every Indian and every commercial activity would be in the DPA's ambit.**

What are the powers given to DPA?

DPA can **draft regulations** to carry out the provisions of the Bill. These will have force of law. This also means that most of the obligation and rights related to data protection will be based on these regulations and not on the parliamentary law.

It has the power and the duty to promote **good data protection practices** and also facilitate their **compliance**

Some chapters of the bill also have an all encompassing omnibus general clause which give **wide powers to DPA.**

Judicial or quasi-judicial powers: DPA will have the **powers of a civil court** to call for information, as well as conduct inquiries on data fiduciaries. It can under extreme cases even deny the right of any entity to carry out the business of a **data fiduciary.**

Note-Data fiduciary is the entity that controls the storage of the data and defines the permitted ways it can be processed.

This can violate the Fundamental Right to do commerce through internet (Article 19).

It can impose **penalties for non-compliance.**

What are the apprehensions regarding its powers?

Compromises the **separation of power (part of basic structure of constitution)**- It is empowered to legislate, implement the legislation(executive function), as well as adjudicate on disputes on the very legislation that it writes and enforces.

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The Supreme Court (in 2004) stated, in the context of the SEBI Act, that ‘*Integration of powers by vesting legislative, executive & judicial powers in the same body, in future, may raise several public law concerns*’.

It will have **full time permanent members** who will have power to **draft directions** which are not subjected to the scrutiny which is applicable to regulations.

What is the way forward?

Public policy should strive to make a **balance between regulation and fundamental principles of the Constitution**.

Example: India Bankruptcy Code, 2016 has a clause that requires the Insolvency and Bankruptcy Board of India (IBBI) to “specify mechanisms for issuing regulations, including the conduct of public consultation processes before notification of any regulations”.

Financial Sector Legislative Reforms Commission (FSLRC) had recommended that there is need for **internal and external checks and balances**.

105. India Israel ties no longer just a close friendship

Source: This post is based on the article “**India Israel ties no longer just a close friendship**” published in **Times of India** on **27th Dec 2021**.

Syllabus: GS2 – Effect of policies and politics of developed and developing countries on India’s interests.

Relevance: India Israel ties and their current status

News: India and Israel are going to celebrate **30 years of diplomatic relations** in the year 2022. India has described its relationship with Israel as a **multifaceted strategic partnership**, which now includes negotiations on a **free trade agreement** as well.

What are the various areas of cooperation b/w India and Israel?

Technology: Israel is the **Start-Up Nation** and India is one of the **world leader in technology** so both the nations have a lot to gain from technological cooperation.

Israel has also opened a **consulate in Bengaluru**, the hi-tech capital of India.

Cooperation in green energy can further strengthen India and Israel’s positions as leaders in the global fight against climate change. To further cooperation in green energy Israel has also **joined ISA** (International solar alliance)

Health: During the COVID pandemic, both the countries cooperated in research, and exchanged both assistance and medical equipment. Both countries also reached an agreement for mutual recognition of vaccine certificates.

Geopolitical: India is one of Israel’s major partners in the **Indo-Pacific** region.

It has many important interests in the Indo-Pacific, which include overcoming the global pandemic, fighting terrorism, expanding trade and addressing the threat posed by climate change.

Human resources: There are a lot of **Indian students** who choose Israel for higher studies, they also influence relationship by being a bridge in the form of **diaspora**.

Agriculture: Israel has been a leader in sustainable agriculture practices, India can learn a lot of from cooperating with Israel on **agriculture and water resources management**.

Defence: Israel has been one of the India’s **top four arms supplier** apart from US, Russia, France.

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The relation has been further strengthened by the **launch of new QUAD economic forum between India, Israel, US, UAE.**

106. Opec+ should expect plenty of turbulence in the years ahead

Source: This post is based on the article “**Opec+ should expect plenty of turbulence in the years ahead**” published in **Live Mint** on **28th Dec** 2021.

Syllabus: GS 2 – Important International Institutions, agencies and fora – their Structure, Mandate.

Relevance: OPEC+

News: The OPEC+ group of oil producers celebrated their fifth birthday in early December. They first came together to face the threat posed by the US shale boom back in 2016. However, their future wasn't much easier.

The group was on the verge of collapse in 2020, but it was saved by the covid pandemic. The pandemic forced the need for a coordinated response to oil-supply management in the face of an unprecedented slump in demand.

They need to continue to stick together, as the world's need for oil will require changes in their production limits.

What are the current challenges before the OPEC+ countries?

First, the disastrous effect of the Pandemic has not eased yet. Further, there is a concern over the emergence of another new Coronavirus variant.

Second, the producer group faces the return of oversupply and a growing need to cut output once again. At the same time, it faces pressure from consumer countries, worried by soaring inflation, to keep the supply open.

Third, several OPEC+ members are already unable to meet their output targets, and a few other producers including Russia rapidly approaching full capacity. The group is struggling to add the output it would need to balance the market.

107. The problem of verbose policy documents – on National Electricity Policy

Source: This post is based on the article “**The problem of verbose policy documents**” published in **Indian Express** on **28th Dec** 2021.

Syllabus: GS 2 – Issues related to policy making

Relevance: National Electricity Policy (NEP) and the Electricity Act 2003.

News: Recently, the government had indicated its intention to amend the EA 2003 and also the tariff policy.

Policy documents should be crisp and should be able to convey the direction we intend on taking. However, some of our policy documents are not in line with the above-said parameters. For instance, the documents of National Electricity Policy (NEP) and the Electricity Act 2003/ Tariff policy.

Both these documents run into pages and, on several occasions, speak of issues that strictly do not lie within their respective domains. Thus, depriving themselves of clarity and sharpness. This is the appropriate time to revise various sections of the EA 2003 for having an integrated electricity policy that will have tariff as one of its constituents.

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What are the issues pointed out by the author with respect to the EA 2003 Policy document?

First, there are unnecessary warnings and provisions related to competitive procurement of power by distribution companies. This distorts the policy statement and dilutes the basic intent of the EA 2003 competition.

Second, the policy makes the entire process very cumbersome, and it makes implementation difficult. Further, it is prone to litigation. For instance, the problematic provisions for the determination of hydro tariffs.

Thirdly, many sections in the act actually do not add any substance but aim at only educating the consumer. Though educating the consumer is important, but a different forum should be used for this purpose.

Fourthly, portions of the document speak of issues that have nothing to do with tariffs but relate to standards of performance, such as quality, continuity, and reliability of power supply.

What are the issues pointed out by the author with respect to the NEP Policy document?

The issue is, should the NTP and NEP continue as two separate policies? The answer is no because there is inter-mingling of objectives in both policy statements.

For instance, both policies speak of providing power at reasonable rates, ensuring the commercial viability of the sector, and protecting consumer interests.

Thus, it would be appropriate to subsume the TP into the NEP since tariff is one of the several issues which is a matter of electricity policy.

108. E-com competition as a worthy policy response

Source: This post is based on the article “**E-com competition as a worthy policy response**” published in **Livemint** on **29th Dec 2021**.

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

Relevance: Regarding the Open Network for Digital Commerce (ONDC) project

News: The commerce ministry’s Open Network for Digital Commerce (ONDC) project is reportedly getting final touches for an online debut within a few months.

While India’s experience of state market ventures is bad, this project is indeed a worthy move.

Must Read: **How ONDC seeks to democratize digital commerce?**

Why state’s interference in the e-com market via ONDC project is needed and why it’s the right move?

In general, the state must not interfere in a functional market. The role of a government should be to frame policies that allow for market forces to operate freely, and it should refrain from pursuits better left to private enterprise.

But, due to the following factors, the state’s interference in the present case is justified:

– **Network effects and the internet’s low-cost reach** have given e-com majors a major hold over a growing sector. This clearly requires the Centre to intervene **against potential abuses of dominance**.

– **Unfair practices by big players:** Shopkeeper lobbies and seller collectives have accused big e-com businesses of unfair practices that threaten their survival.

Why ONDC is the right move?: Moreover, as the biggest platforms (websites) are privately run, they deserve the liberty to operate without being stifled by over-regulation.

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Hence, the ideal policy response, therefore, would be to set up an optional platform that can challenge private players. As the principal aim is to counter a concentration of market power, the creation of a competitor is the best way out.

How ONDC can achieve its objective?

Brand name: It will need a brand name that signals what differentiates it. As ONDC draws inspiration from the UPI, the **value of openness** could be pitched at people by a mass campaign.

Platform design, operational efficiency and other factors need to be taken care of.

ONDC must not drain investor funds on **loss-leader discounts**.

Govt's policy must not be abused to tip the e-com market's scales in this initiative's favour. An open network should attract customers like any other venture.

109. Centre's push to merge film archive and other film bodies will ill serve their original mandates

Source: This post is based on the article "**Centre's push to merge film archive and other film bodies will ill serve their original mandates**" published in **The Indian Express** on 29th Dec 2021.

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

Relevance: Merging of public-funded institutions with NFDC

News: The Centre has set a January deadline to merge four public-funded institutions, the *Films Division (FD)*, *National Film Archive of India (NFAI)*, *Directorate of Film Festivals (DFF)*, and *Children's Films Society of India (CFSI)*, with the National Film Development Corporation (NFDC).

This is an ill-conceived move.

What is the rationale behind this move?

The primary reason behind the push for restructuring these institutions seems to be that **they are loss-making entities**.

The NFDC is expected to turn around its finances once the merger takes place. This is a flawed assumption premised on comparing these cultural bodies with industrial units in the red.

Why these institutions should not be merged?

Contributions to nation-building process: The NFAI, FD, DFF, CFSI are institutions with a history. They have been a part of independent India's nation-building process and have made **stellar contributions** to producing, disseminating and preserving the labour and creativity of diverse film cultures in the country.

For instance: NFAI was set up in 1964 to archive Indian cinema history. Despite its delayed birth, the NFAI has done a commendable job of preserving Indian cinema history. Like any national archive, it is involved in the task of protecting national heritage. Countries such as the US and France allot public funds for their film archives precisely for this reason.

Even regional archives are necessary so that justice can be done to diverse, vibrant cinema cultures in numerous languages in India.

Production of art-house cinema: All these years, India's public-funded cinema bodies have focussed mostly on making of art house cinema and documentaries that would not find support from the market. This resulted in the production of works that boldly questioned the

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very systems and processes that enabled their existence. This fine balance b/w a film industry that defines itself in market terms & a cinema focussed on the politics and aesthetics of art production, should not be disturbed.

Must Read: Draft Cinematograph Bill – Explained, pointwise

110. An opportunity for Digital India

Source: This post is based on the article “**An opportunity for Digital India**” published in **Indian Express** on **29th Dec 2021**.

Syllabus: GS 2- issue related to e-governance

Relevance: Digital public goods, e-governance, External security

News: India is pioneering the concept of digital public goods. This provides India an opportunity to take its made-in-India digital public goods to hundreds of emerging economies across the world.

Further, owing to the advantage of digital goods over physical goods, the supply of digital public goods to other countries will act as a strategic counter to China's Belt and Road Initiative.

How India is pioneering in digital public goods?

Children have access to QR-coded textbooks across state boards and languages

Economically disadvantaged have access to the public distribution system

Beneficiaries of government schemes: Direct money transfer into their bank accounts.

Further, it is transforming the way we make payments, for example, withdrawing our PF, getting our passport and driving license and checking land records, etc.,

What are the advantages of digital goods over physical goods?

The digital codes are highly reusable, so the **cost for setting up the digital infrastructure** is very less.

The investments required for **transporting digital public goods** are minuscule, and there is no chance of a debt trap.

Digital public goods have short gestation periods and immediate, and visible impact and benefits.

Finally, the continuous growth of technology, the network effect, and the rapid creation of new layers of technology ensures that the digital public goods infrastructure intensifies the growth aspects. For example, the surge in UPI-based payments in India and the use of Diksha, the school education platform.

Since building digital public good infrastructure is more effective than building physical infrastructure, it will help India to **counter China's Belt and Road Initiative**.

How made in India digital tools can help other emerging economies?

Emerging economies are characterized by gross inefficiencies in the delivery of government services and a consequent trust deficit.

In this background, the use of digital goods will make governance more inclusive, transparent, and effective.

Some advantages of using digital tools in governance are:

Digital infrastructure can plug leaks.

– It **eliminates ghost beneficiaries** of government services.

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- It makes the individual-government-market interface transparent
- Processes get streamlined and wait times for any service come down dramatically.
- Productivity goes up and services can be scaled quickly.

Benefits can be rapidly extended to cover a much larger portion of the population.

How India will benefit?

It will provide India, with a chance to create digital diplomacy. It will take made-in-India digital public goods across the world and boost India's brand positioning as a leading technology player in the digital age.

Furthermore, It will benefit India's partner countries and earn India immense goodwill.

111. Edtech's teachable moment

Source: This post is based on the article "**Edtech's teachable moment**" published in Business standard on **28th Dec 2021**.

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

Relevance: Edtech sector, need for its regulation.

News: Government has issued an **advisory to citizens** that caution should be exercised while using the services of companies that offer **online and remote learning courses**.

These companies have been accused of **delaying refunds, suppressing information** about auto-debit facilities and luring subscribers to sign up for tuitions without explaining the financial implications.

What is the need for such an advisory?

Sector has seen **very high growth**, specially with the closure of schools during the pandemic.

The **K-12 (kindergarten to class 12)** segment operates **largely unregulated** and has seen the most unfettered growth.

China has put a lot of **restrictions on the Edtech companies**, one of which is that they can't raise foreign capital. This has **redirected investor interest** towards India.

Example: Sector attracted \$4 billion in funding since 2020 compared with around \$500 million in 2019. Moreover, India now boasts **five edtech unicorns** against just one in the pre-pandemic era.

What are the challenges in regulating Edtech sector?

Edtech has a wide presence and has been **growing exponentially** which makes **regulating** it a **complex task**.

The **business model** in Edtech sector is more conducive to **delivering revenues** rather than quality education, with **investors typically seeking an exit in five years**.

What is the way forward?

Government should plan for **standards-setting and certification process** for online schooling

Need for introducing **long lock-in** for investors.

There is need for a more extensive **campaign that spreads awareness** regarding this advisory to more and more people. This will save many parents in lower-income families from financial ruin.

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Govt should introduce **public distance learning education modules**, as this will increase access to education specially for the disadvantaged.

112. Step Motherly? Is the denial of FCRA renewal for the Mother Teresa founded NGO at all justified?

Source: This post is based on the article “**Step Motherly? Is the denial of FCRA renewal for the Mother Teresa founded NGO at all justified?**” published in **Times of India** on **28th Dec 2021**.

Syllabus: GS2- Development processes and the development industry-the role of NGOs.

Relevance: NGOs and their functioning

News: Missionaries of Charity (MoC), an NGO founded by Mother Teresa has been denied the renewal of its FCRA registration by the home ministry.

It should be noted that the FCRA registration is mandatory for any NGO or association to receive foreign funds or donations. MHA is the controlling authority of FCRA, and it conducts inspections and audits of NGOs to establish if their books are in order.

Must Read: **Impact of new FCRA rules on relief work of NGOs – Explained, pointwise**

Why is this refusal under criticism?

The government has given the reason for refusal as the **presence of adverse inputs**, while the FCRA rules only allows this refusal in case NGOs are involved in activities detrimental to the national interest.

What are the allegations faced by MoC?

A key suspicion it faces today can be seen in the **FIR filed against one of MoC’s children’s homes in Vadodara** earlier this month.

This followed **allegations of religious conversions**.

What have been previous instances of NGO facing charges under this law?

Amnesty International exited the country last year as a result of facing issues regarding flow of its finances.

Why are the challenges posed by these restrictions?

Services of NGOs are invaluable in a country where the state isn’t always there for everyone. NGOs serve the most needy, so it should be ensured that they don’t have to face administrative bottlenecks.

113. In Tamil Nadu, a lack of political will to end the Palk Bay conflict

Source: This post is based on the article “**In Tamil Nadu, a lack of political will to end the Palk Bay conflict** ” published in **The Hindu** on **29th Dec 2021**.

Syllabus: GS2- India and its neighbourhood relations.

Relevance: Bilateral disputes, Fishing industry

News: Palk Bay (*an important marine zone between south-eastern India and northern Sri Lanka*) has been a source of dispute for long.

It has come under news once again due to arrest of 68 Indian fishermen by the Sri Lankan authorities.

More on this arrest **here**.

What has been the history of the issue?

Efforts for delimitation of the Palk strait and **Gulf of Mannar** had started since 1921, but the agreements were finally signed in 1970 only.



The concept of **International Maritime Boundary Line (IMBL)** for Palk strait came into being through these agreements.

The IMBL made some former parts of India, a part of Sri Lanka.

So even these agreements were not free from disputes and thus could not settle the issue boundary and fishing jurisdictions permanently.

These loopholes in the pacts gave way to new problems, including the recurring incidents of Tamil Nadu fishermen crossing the IMBL and getting caught by the Sri Lankan authorities.

What are the other causes of the problem?

Asymmetric nature of fishing practices in Tamil Nadu and the Northern Province of Sri Lanka: While the fishing community of Tamil Nadu uses mechanised bottom trawlers, its counterpart uses conventional forms of fishing, as trawling is banned in Sri Lanka.

The **Sri Lankan side** of the Bay is considered to have **more fishery resources** than the Indian side which makes Indian fisherman to take the risk of crossing over to the Lankan side.

What is the way forward?

All stakeholders can decide to establish an **international institution of stakeholders** for regulating the fishing sector in the Bay.

Efforts to shift fishermen of Tamil Nadu away from **bottom trawling**: Government had launched the scheme by the name **Deep sea fishing project** for this, but it has not yielded the desired results.

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There is need to **incentivise deep sea fishing through subsidies and awareness** as it has higher recurring cost per voyage and also is more time-consuming.

Government can promote **seaweed cultivation, open sea cage cultivation, seaweed cultivation**, and **sea/ocean ranching**.

Fish farmer producer organisations will encourage fisherfolk to adopt sustainable fishing practices.

114. Judiciary is Indian democracy's only flicker of hope

Source: This post is based on the article “**Judiciary is Indian democracy's only flicker of hope**” published in **Indian Express** on **29th Dec 2021**.

Syllabus: GS2- Structure, organization and functioning of the Executive and the Judiciary.

Relevance: To understand the present challenges faced by Judiciary.

News: Even when other powerful institutions appear to be faltering and floundering, people continue to have faith in the judiciary as the last post of justice. But two issues that need immediate attention in Judiciary. These are 1. Lack of diversity, 2. The secrecy around the appointment of judges.

Must read: **The Collegium System – Explained Pointwise**

Why do these issues require immediate attention?

The appointment of judges requires attention because of **inherent issues**. Such as the selection is **individual-centric** rather than system-centric apparatus.

Particular caste domination: There is a massive under-representation of Dalits, OBCs, minorities and women in the Judiciary. Irrespective of who is in power, the Brahmin community hardly accounts for 4% of the population, occupying 30-40% of posts in the higher judiciary constantly. The Supreme Court didn't have a judge from the OBC, SC or ST communities until 1980.

Read more: **Issue of Gender Gap in Judiciary – Explained, Pointwise**

What should be done to strengthen the Judiciary?

The **executive, legislature, judiciary, the bar, the public** must be represented in the judicial appointments commission. The general **public should have a crystal-clear view** of the people who are going to be the judges of our top courts.

Indian democracy requires a vibrant judiciary to guide the other organs of states.

Read more: **Pendency of Cases and Rising Vacancies in the Judiciary – Explained, Pointwise**

What should be done to strengthen Indian Democracy?

The legislature, judiciary and the media are crucial to ensure checks and balances in a democratic system.

-As per the words of CJI, the “sorry state of affairs” on law-making and parliamentary debate has to be addressed.

-The Chief Justice also rued the demise of investigative journalism in the country. Courageous journalism makes democracy robust, So it has to be revived.

A judge of Bombay High Court said “Governments will come and go but the idea of India, the constitutional idea of India, parliamentary democracy must be protected. In the constitutional scheme of things, there is no such thing as too much noise or too much dissent.”

115. Medical postgraduates: Omicron's Here, Doctors Aren't

Source: This post is based on the article "Omicron's Here, Doctors Aren't" published in TOI on 29th Dec 2021.

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

Relevance: To understand the present challenges faced by India's health system.

News: Omicron is spreading faster than any virus in history. Latest reports from the UK show that patients with Omicron are 50-70% less likely to be admitted to hospital for treatment. However, observations in Europe and the US show that this milder virus could still put pressure on hospitals because of the speed of spread, overwhelming the medical infrastructure, especially the Medical postgraduates.

Read more: [Omicron slow to infect lungs, says Hong Kong study](#)

Why India should worry about Omicron?

Recently, the US recorded more than 2 lakh cases in a day, which stressed its critical care capacity. Since the US is a populous country, America's nurses and doctors are tired and exhausted, and several US states have called on the National Guard to provide extra support. This is the trailer of a movie about to be released in India.

How did India's health system evolve during the pandemic?

At the start of the pandemic, India started with no PPE, N95 masks, less than 30,000 ventilators and very few critical care beds. With active intervention by the government, in no time we became self-sufficient in every requirement to face the Covid battle.

India has 542 medical colleges, 64 standalone postgraduate institutions under the National Medical Commission and over 1,000 postgraduate institutions under the National Board of Examinations. They together manage approximately 6 lakh beds. With the rigid regulations of the Medical Council of India, medical college hospitals have excellent infrastructure, adequate staff and expensive equipment.

But, India's only weakness is the perpetual shortage of junior doctors in both public and private hospitals.

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

Why does the shortage of Medical postgraduates important for the battle against Omicron?

When patients became very sick, they were invariably transferred to one of the medical college hospitals or postgraduate institutions for critical care. Sick Covid patients in the ICU are managed predominantly by young postgraduate students and nurses. Currently, over 2 lakh young doctors undergoing internship or postgraduate training programmes in various specialities.

Counselling of the NEET-PG 2021 batch has already been delayed by nearly eight months. Due to the delay, 1. Medical colleges and postgraduate institutions facing a shortfall of nearly 60,000 junior doctors, 2. Second and third-year postgraduate student doctors are being made to compensate for absent first-year postgraduate student doctors. Overworked and tired, resident doctors are protesting across the country.

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What should be done to increase Medical postgraduates?

1. NEET-PG counselling should be conducted without any further delay by Medical Counselling Committee, 2. Ensure fresh resident doctors are posted in the ICU for a month to familiarise them with protocols and equipment.

If India tackled these challenges, India can emerge once again as able interdependent warriors in the battle against Covid waves.

Read more: On Omicron: Before the third wave

116. How to protect India's film heritage

Source: This post is based on the article “How to protect India's film heritage” published in **The Indian Express** on 30th Dec 2021.

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

Relevance: The importance of publicly-funded cultural institutions in India

News: The Govt has decided to merge four publicly-funded institutions with National Film Development Corporation (NFDC). Scholars are questioning this treatment, which is based on a misconception that cinema is either an object of information or broadcasting.

These cultural institutions have been known to perform better without the shackles of centralised power or unnecessary bureaucratic hurdles.

Their **ROCE (Return on the Capital Employed)** is the intangibility of their artistic creations.

In this context, it would be interesting to try and understand the history of the four so-called media units of the central government — Films Division, Children's Film Society of India, National Film Archive of India and Directorate of Film Festivals.

Must Read: Centre's push to merge film archive and other film bodies will serve their Original mandates

What is the contribution and importance of these publicly-funded cultural institutions?

National Film Archive of India (NFAI)

It was established in 1964. Had the NFAI been established a decade earlier, perhaps its vaults would have possessed the prints of India's first talkie film (Alam Ara) and much more.

Moreover, NFAI **organises regular screenings** of rare films from its collection in its campus auditorium in Pune (open to the public on nominal membership basis).

This only indicates **how important it is to empower the archiving exercises** at the national level.

Films Division

Films Division was established in 1948. It is not only a **production unit** but also a **repository of India's history** on analogue and digital media since independence.

Most of India's leading filmmakers, besides many younger filmmakers and artists, have made films for the FD, making the nation's cultural and audio-visual heritage rich. These need to be freely disseminated among people by preserving them carefully and compassionately.

Mumbai International Film Festival (MIFF), organized by FD, for documentary, short and animation films, has groomed many young filmmakers in India.

Children's Film Society of India

There are a number of national and international award-winners, providing **engagement to young minds** in CFSI's library.

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Over half a century ago, FD and CFSI made a wonderful range of fiction and non-fiction animation and puppet films for inculcating good civic sense, too.

Directorate of Film Festivals (DFF)

It was founded in 1973. Besides organising the **International Film Festival of India (IFFI)** and events abroad, it also takes care of several other films-related events, including the **Dadasaheb Phalke Awards**.

What is the way forward?

All these bodies under the Ministry of Information and Broadcasting function individually as well as in coordination, each carrying its own history, recording the many national ups and downs as public services with no monetary or profit objective.

– Federally, archival activities need to be prioritised, empowering the film archiving body as an independent, less bureaucratically burdened body without over-centralisation.

– India should have as **many archival facilities** as the number of states and Union Territories. This will ensure that poor students from far-off villages who wish to pursue research can have easier access to NFAI's collection of films, & its books and viewing materials.

– **An umbrella Chalachitra Academy:** The only state that has one is Kerala which effectively and efficiently manages all film-related activities under the Kerala State Chalachitra Academy. Such an umbrella academy would help retain the cultural ethos of a nation under an over-centralised framework.

117. Great Power Politics is back with a twist

Source: This post is based on the article “**Great power politics is back with a twist**” published in **Business Standard** on 30th Dec 2021.

Syllabus: GS 2 – Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

Relevance: Changing global order

News: Great power politics between US and China is shaping every dimension of the global order

China's rise has shaken the status quo in the global political order. As a rising power, it is challenging the foundation of the US-led global order. This has led to the US-China strategic competition.

Covid-19 has merely accelerated the trends that were already visible. As a result, the stage is set for a period of unrest.

How US-China strategic competition is shaping global politics?

First, the range of issues across which this competition is likely to be played out has expanded. From human rights to technology, from supply chains to defense. This contestation is now putting pressure not only on the other nations but also on the important institutions that shaped the present global order.

Second, the **Indo-Pacific has become the center of contestation**. The absence of any regional institutional architecture has led to the development of institutions such as the Quad and the Aukus.

Third, the **middle powers**, too, are actively engaging in this, by shaping the normative and institutional space as well as by pushing back against the Chinese aggression.

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Fourthly, the call to strengthen democracy has become more pronounced, in the wake of the rise of authoritarian systems like China and Russia. The US President's "**Summit for Democracy**" was aimed at generating a greater sense of solidarity among fellow democracies and preventing their "backward slide" around the globe.

What is the way forward for India?

The US-China competition is shaping every dimension of the global order, for instance, climate change and sustainable development, infrastructure and connectivity, trade partnerships, technological developments.

Indian foreign and security policies will have to contend with these shifts much like other nations.

Also, if India could make the right choices, this inflection point in global politics offers India an opportunity to emerge as a "leading power".

118. Joint development of oil tank farm by India, Lanka could alter dynamic of Delhi-Beijing rivalry

Source: This post is based on the article "**Joint development of oil tank farm by India, Lanka could alter dynamic of Delhi-Beijing rivalry**" published in **Indian Express** on 30th Dec 2021.

Syllabus: GS 2 – India and its Neighborhood- Relations.

Relevance: India – Srilanka relation

News: Sri Lanka's energy minister has said the India-Lanka development of the strategic Trincomalee oil tank farm will be finalised in January.

What are the reasons for the recent economic crisis in Srilanka?

The Easter killings of 2019: it dealt a hammer blow to the country's tourism industry, its main economic activity and source of revenue.

Dwindling foreign exchange earnings: it has led to restriction on imports, which in turn has led to shortages of food essentials.

High Retail inflation: it has led to skyrocketing of food prices.

An overnight switch to organic farming by government: it has threatened Sri Lanka's main export, the paddy and tea.

High External debt. In 2022, the country reportedly had to pay some \$4.5 bn to service its sovereign bonds. Nearly half of Sri Lanka's external debt is owed to international capital markets, and slightly below a quarter to international banks.

Lack of support from IMF: Sri Lanka has exited the IMF programme in 2019 because of the tough conditions, and is reluctant to approach the Fund again.

How India is supporting Srilanka ? : Read here : <https://blog.forumias.com/india-finalises-cooperation-plan-to-revive-covid-hit-sri-lanka-economy/>

119. A whiff of trouble in the Nord Stream pipeline

Source: This post is based on the article "**A whiff of trouble in the Nord Stream pipeline**" published in **The Hindu** on 30th Dec 2021.

Syllabus: GS 2 – Effect of Policies and Politics of Developed and Developing Countries on India's interests

Relevance: Nord Stream 2 project

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News: The Ukrainian authority has called the Nord Stream 2 project a 'dangerous geopolitical weapon'.

There is also strong opposition from the United States and most of the European countries (except for Austria, Germany, Hungary, and the Netherlands).

What was meant to be an ordinary energy project has transformed itself into a powerful geopolitical tool, available to every stakeholder involved.

Why the Nord Stream 2 project is important for Germany?

It provides energy security for Germany

According to data from 2015, Germany has only around 10% of its natural gas resources from its own gas fields.

Moreover, Germany has set out a plan to shut down its nuclear and coal power plants, with the objective of gradually moving towards renewable sources of energy.

Furthermore, there is an energy crisis in Europe, whereby wholesale energy prices have more than doubled in 2021, and there is a limited supply of fossil fuels altogether.

Diversify the sources: Apart from Nord Stream 2 project, Germany has plans to build its first LNG terminal to receive gas from Qatar, the U.S., and others.

What are the concerns raised w.r.t the Nord Stream 2 project?

US's concern

Once operational, the project would render more leverage and bargaining power to Russia while dealing with Europe and its energy market.

The Trump administration feared that the pipeline would give Russia more influence over Europe's energy supply and reduce its own share in the European market for American liquefied natural gas (LNG).

Some political experts view: They opine that Russia is trying to use Nord Stream 2 as a political weapon to put pressure on European security and 'undermine the democratic resilience of European institutions.

Europe's Concern: Russia has been blamed for the EU's energy crisis. They opine that Russia had intentionally decreased its gas supplies to Europe, aiming to speed up the controversial Nord Stream 2 gas pipeline by European Union (EU) market regulators.

However, Russian President Vladimir Putin dismissed these concerns, saying that 'Nordstream 2 is purely a commercial project.

Why the development of Nord Stream 2 project got delayed?

The project has undergone a series of sanctions and controversies. For instance, at the end of 2019, U.S. President Donald Trump imposed sanctions on any EU company that was involved in completing the Nord Stream 2 pipeline.

However, In July 2021, the U.S. and Germany reached an agreement to allow the completion of the Nord Stream 2 pipeline.

Earlier in May 2021, the Joe Biden administration decided to issue a national security waiver for the Nord Stream 2 AG. The main reason was apparently to restore trust and close cooperation between the U.S. and Germany.

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What are the latest challenges hampering the development of Nord Stream 2 project?

Bureaucratic hurdle: Recently, Germany's network regulator suspended the certification procedure for Nord Stream 2. It reasoned that it would only be possible to certify an operator of the Nord Stream 2 pipeline if that operator was organised in a legal form under German law.

Geopolitical: Amidst fears of Russia's invasion into Ukrainian territories, some EU leaders have called for stronger actions toward the controversial pipeline from Germany, in the event of further military escalation.

120. Questions still on how far labour codes will change gig workers' lot

Source: This post is based on the article "Questions still on how far labour codes will change gig workers' lot" published in **Business Standard** on 30th Dec 2021.

Syllabus: GS2- Welfare schemes for vulnerable sections of the population by the Centre and States.

Relevance: Social security, Gig workers.

News: Although companies claim that they take care of the social security needs of their workforce, but the various surveys suggest a different trend.

For example – Uber, incidentally, has scored a zero in the Fairwork India Ratings 2021 on the working conditions of app-based gig workers, as have Ola and Porter.

Covid-19 disrupted earnings, cab aggregators extended no help to the drivers – not even the bare minimum to pay their vehicle loan EMIs.

What are the challenges faced by gig workers?

Almost every Gig worker faces the twin issue of **tough working conditions and absence of social security**.

From the four new labour codes, only one (Code on Social Security) includes gig workers. More on the code [here](#).

Note: *Gig workers are people who perform work or participate in a work arrangement and earn from such activities "outside the traditional employer-employee relationship"*

Companies or aggregators are making use of legal means (Example-different wordings in contracts that would change nature of the clause) to stay away from the responsibility of providing social security to gig workers.

Lack of suitable insurance products and early pay loan/credit specifically customised for the gig economy.

Must Read: [Protecting the gig workers](#) | [The tug of war within the gig economy](#) | [Our expanding gig economy must treat workers fairly](#)

What are the implementation bottlenecks for the code?

Absence of data: Government has, till now, no idea about the number of gig workers. It has very recently operationalised the **e-shram portal** to register all unorganised sector workers, including gig/platform workers.

Although not the perfect solution, but Code on social security may help a lot in providing gig workers better social security benefits.

121. The efficiency myth of Aadhaar linking

Source: This post is based on the article "The efficiency myth of Aadhaar linking" published in **The Hindu** on 30th December 2021.

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

Relevance: To understand the challenges in the Aadhaar project.

News: Recently, Lok Sabha and Rajya Sabha have passed the Election Laws (Amendment) Bill, 2021. One of the key provisions of the Bill is linking Aadhaar with the electoral rolls.

Cash transfers in many welfare programmes, such as payment of MGNREGA wages, are done using the Aadhaar Payment Bridge System (APBS).

Read more: Linking Aadhaar with electoral rolls – Explained, pointwise

What are the claims made by the central government on the Aadhaar system?

The Union Government has repeatedly made claims on savings in welfare programmes due to Aadhaar. For instance, the Government continues to claim that “the estimated cumulative savings/benefits due to Aadhaar in MGNREGA till March 2021 is Rs 33,475 crores”.

The government claims that the “Savings are in terms of increasing the efficiency and reducing the delay in payments etc.”

What are the challenges associated with the Aadhaar project?

No clear methodology: A Right to Information has been filed seeking the methodology used to arrive at such savings. The government replied, for DBT Mission, “**on the assumption** that 10% of the wages in the year could be saved.”

Wage payment delays are persistent: An analysis of more than 18 lakh wage invoices for the first half of 2021-22 by LibTech India demonstrated that 71% of the payments were delayed (called stage 2 delays) beyond the mandated period by the Union Government.

Inefficiency in the Aadhaar system: A recently completed study of nearly 3,000 MGNREGA workers by Anjor Bhaskar and Preeti Singh shows that 57% of job cards of genuine workers were deleted in a quest to show 100% linking of Aadhaar with job cards.

Opacity surrounding APBS: The most common reason for payment failures through the APBS is called “Inactive Aadhaar.” This happens due to an error in software mapping failure with the centralised National Payments Corporation of India, the clearinghouse for APBS.

Miscredited funds: There are several cases of misdirected payments in APBS when the Aadhaar number of one person gets linked to somebody else’s bank account. These are very hard to detect, as these will appear as successful transactions on the dashboard.

Challenges in grievance redressal: As per UIDAI, its functions include “setting up of facilitation centres and grievance redressal mechanism for redressal of grievances of individuals.” However, no such mechanisms exist.

Read more: Inefficiencies in the Aadhaar project

What can be done?

1. The government has to emphasise the **need for a push towards constitutional propriety and accountability for technologies**,
2. It is time to **overhaul the nomenclature** for recipients of welfare measures. Instead of calling them “beneficiaries” **people should be referred to as “rights holders”**,
3. **Conducting pilot or independent cost-benefit analysis** along with user experience of the recipients or from field-level bureaucrats.

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122. Wrong medicine-Quota case delayed PG intake in medical institutes. Courts intervene too much

Source: This post is based on the article “**Wrong medicine-Quota case delayed PG intake in medical institutes. Courts intervene too much**” published in **Business standard** on 30th Dec 2021.

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

Relevance: Legal and administrative proceedings causing delay in NEET-PG counselling.

News: Widespread protests by resident doctors over delayed NEET-PG counselling come just when healthcare defences need to be strengthened against a feared Omicron surge.

The current fiasco is an example as to how legal disputes can trigger disruptions elsewhere.

It would be better if issues like income ceiling for EWS/OBC categories are policy decisions best left to governments.

Why the NEET PG counselling got delayed?

After the Centre introduced of OBC and EWS reservation in all-India quota seats and fixed a Rs 8 lakh creamy layer limit for both categories, the Supreme Court took up petitions challenging these policies.

Judicial and administrative proceedings have caused the inordinate delay in counselling over and above the pandemic.

What are the implications of the delay?

This delay is **overburdening the resident doctors** and leading to other challenges related to career, academic progression and work-life balance.

Further, coming March, the next NEET-PG examinations are due, leading to a situation where PG institutes will have to admit two batches in quick succession. This will put an **unwarranted strain on medical education too**.

123. J&K delimitation exercise sets a dangerous precedent

Source: This post is based on the article “**J&K delimitation exercise sets a dangerous precedent**” published in **The Indian express** on 31st Dec 2021

Syllabus: GS2- Structure, organization and functioning of the Executive

Relevance: Issues related to Delimitation of J&K

News: Delimitation Commission headed by Justice Ranjana Desai has completed the task of **delimitation of Jammu and Kashmir**, but there have been some concerns regarding its mandate.

What are the issues associated with the recently concluded delimitation of J&K?

Population base: This delimitation commission has taken the **2011 Census as the basis for delimitation** for J&K, however, in all other states, delimitation has been done on the basis of the **2001 census** in accordance with the Delimitation Act of 2002.

Increase in the number of seats: Circumventing the Delimitation Act of 2002, the Union government increased the number of seats in the legislative assembly of J&K from 107 to 114 through the J&K Reorganisation Act, 2019.

Problem is that **only the Delimitation Commission** has the sole prerogative to **decide on both these matters**.

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Note-Clause 8(b) of the Delimitation Act of 2002, mandates and empowers the Delimitation Commission to decide on the “the total number of seats to be assigned to the Legislative Assembly of each State and determine on the basis of the census figures”.

According to some, **the commission has introduced an imbalance in the regional representation** by increasing the assembly constituencies in Jammu. In the allocation proposed by the Commission, it **gives 47% of the seats to Jammu which accounts for 44% of the population** and **56% of the population living in Kashmir will have only a 52% share** in the assembly.

Considerations given primacy than criterion: In all the four previous delimitation commissions, the basis for the creation of constituencies was the **criteria of population**. In addition to this, some considerations, such as topography, geographical continuity and physical features were used for drawing the constituency boundaries. But commission this time seems to have given primacy to “considerations” over the “criteria.”

124. On FCRA & NGOs: Killing the license

Source: This post is based on the article “**Killing the license**” published in **The Hindu** on **31st Dec 2021**.

Syllabus: GS2- Development processes and the development industry-the role of NGOs

Relevance: NGOs, foreign funding, FCRA.

News: After 2020 amendment to the FCRA act 2010, NGOs are required to renew their FCRA (Foreign Contribution (Regulation) Act) license in order to be able to receive foreign funding.

Ministry of home affairs (MHA), which looks into these renewals recently **denied Missionaries of Charity group** (an NGO founded by Mother Teresa) renewal of its FCRA license.

It has also not yet scrutinised more than four-fifths of the applications of the 22,000-plus NGOs that have sought renewal of their FCRA license.

What are the issues associated with this present situation?

If government does not extend deadline by midnight, all NGOs whose application is yet to be scrutinised stand to **lose their ability to access international funding** in the coming year.

NGOs have to prove that their work does not qualify as **harmful to “public interest” or “national security”**. The 2020 amendment of FCRA act of 2010 has left these terms **undefined and ambiguous**. This may lead to **subjective interpretations** on the part of MHA officials.

Many **prominent NGOs** like Amnesty International, Greenpeace India, etc. have **lost** their FCRA licenses in the past few years.

Many of these NGOs work in **very critical fields and most often where state helps fails to reach, like** pollution and climate change issues, human rights, child labour and human slavery. They, therefore, have a strong **impact on the progress of the nation and welfare of the poor**.

Political parties are able to access foreign funds for their campaigns under FCRA while NGOs are denied the same.

125. Asia faces many regional security threats

Source: This post is based on the article “**Asia faces many regional security threats**” published in **Livemint** on **31st Dec 2021**.

Syllabus: GS 2 – Effect of Policies and Politics of Developed and Developing Countries on India’s interests

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Relevance: To understand the regional security threats in Asia.

News: In Asia today, the economy is global, politics are local, and security is local, regional and transnational. Asia is now the epicentre of security risks. More worrying is the international and regional system's inability to address these issues.

What are the present regional security threats in Asia?

The region is facing

1. Intensified **Sino-American tensions**,
2. Standoff on the **India-China border**,
3. The tensions over **Taiwan** and the **South China Sea**, the **Senkaku/Diaoyu Islands**,
4. The uncertain trajectory of **Iran's nuclear programme**,
5. The **Taliban's** rapid return to power in Afghanistan,
6. **Offensive arms acquisitions**: Asia now has a belt of nuclear-weapon states stretching from the Mediterranean to the Pacific, **from Israel to North Korea**.
7. Many members of the **Association of Southeast Asian Nations** seek **security from the US while relying economically on China**. They are forming local coalitions wherever it is possible, but they avoid choosing between China and the US,
8. Newer transnational risks like **cyberattacks, climate change, energy crises and pandemics**.

What are the initiatives taken to address the regional security threats in Asia?

China, Pakistan, Russia and the Central Asian countries all expect that **home-grown separatists and extremists** will find safe haven, weapons and support in the new Taliban-controlled Afghanistan. They collectively reinvigorate counterterrorism cooperation in the **Shanghai Cooperation Organization (SCO)**.

In September, the US hosted the first in-person summit of the **Quad** (Australia, India, Japan and the US) and unveiled the **AUKUS agreement** to supply nuclear-attack submarines to Australia.

Response to China's rise and the shifting balance of power in the Indo-Pacific: To counter China, the Asian countries engage in regional and maritime security, bilateral, trilateral and plurilateral cooperation arrangements and interoperability exercises such as the Malabar naval war games.

What should be done to avert the regional security threats in Asia?

1. **Nuclear deterrence should be promoted** and keep the peace between the major powers,
2. **Strengthen the global governance institutions**, 3. Try to **establish an effective regional security institution**.

The countries in Asia should address regional security issues or pursue multilateral solutions without relying more on nationalism and populism.

126. Judges & journos: CJI is partly right on the media mixing news and views. But judges should be less prickly too

Source: This post is based on the article "**Judges & journos: CJI is partly right on the media mixing news and views. But judges should be less prickly too**" published Times of India on **31st Dec 2021**.

Syllabus: GS2- Structure, organization and functioning of the Executive and the Judiciary

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Relevance: Judiciary, Independence

News: Chief Justice of India NV Ramana, in a recent event, expressed worry about how news and views are being mixed together in today's time. He also talked about the "recent trend to sermonise about judgments, and villainise judges"

The article urges the judiciary to be less prickly (*irritable*) about criticism, including when not just judgments but judges too are criticised.

Why the judiciary should take constructive criticism sportingly?

Separation of news and views is very essential for effective functioning of a democracy, but **constructive criticism is also equally important.**

Part of the media's job is to report on and analyse and, in its opinion columns, criticise not just political leaders but all powerful players in the system – from the police to armed forces and judges to corporates.

As these institutes take decisions of great public significance, they should be **encouraging of these criticisms** which also reflect the **plurality of voices** in a democracy.

In the same spirit, the Supreme court can also give a thought to **decriminalise what is termed as 'scandalising the court'**. This provision doesn't sit well in a democracy.

General Studies Paper - 3

General Studies - 3

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

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

Syllabus: GS3 – issues related to climate change

Relevance: Climate change, CoP27, Climate change governance.

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

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

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

What is the success of CoP26 summit?

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

What are the issues that are not addressed yet?

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

Why the world needs to address climate change sincerely?

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

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

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

What needs to be done to bring down carbon emissions?

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

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

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– **Remove carbon:** nature-based and engineering solutions

What is the way forward?

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

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

2. On Blockchain: The next big tech revolution

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

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

Relevance: Blockchain technology.

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

What is blockchain technology?

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

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

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

How the blockchain technology works?

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

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

Why the blockchain technology is so promising?

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

It has the following benefits,

– it makes transaction very quick.

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

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

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

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

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3. The brush with crypto offers some lessons for regulation

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

Syllabus: GS3 – Information Technology

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

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

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

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

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

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

Crypto exchanges:

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

They have circumvented responsible norms of advertising, like:

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

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

Unregulated digital lending:

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

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

Why sectoral regulators couldn’t act on this issue?

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

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What is the way forward?

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

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

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

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

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

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

4. Cooperation awaits its “finding Raiffesisen” movement

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

Syllabus: GS3 Money and banking.

Relevance: Understanding the relevance of cooperatives.

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

How did the cooperative movement start?

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

How did the cooperative movement start in India?

In India, it started in Madras presidency with the enactment of the Indian cooperatives act in 1904. Registrar of cooperative societies (RCS) acts as nodal agencies for the cooperatives.

Pioneers like Dr. John Mathai, who graduated from the London School of economics, assisted in the initial phases.

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

Why did cooperatives fail in India?

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

Some cooperatives like Amul, IFFCO performed successfully.

What should be done to improve the condition of cooperatives?

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

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

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

What should be the way forward?

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

5. Fresh air has become a luxury in Delhi

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

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

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

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

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

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

What are the reasons for this pollution issue?

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

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

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

What are the other challenges in tackling pollution in NCR?

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

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

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

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

What is the way forward?

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

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

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

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

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

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

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

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

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

Syllabus: GS3 – Disaster and disaster management.

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

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

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

What are the deficiencies with the present approach?

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

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

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

- **Delay in financial assistance** to those eligible for house reconstruction is often delayed beyond a reasonable time period.
- **Distress selling and premature** harvesting because of the cyclone.
- **Power failures for days.**

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What is the way forward?

Pre-cyclone:

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

– **Forewarning** the farming communities

Post-Cyclone:

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

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

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

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

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

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

Syllabus: GS3 – Information Technology

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

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

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

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

What are the types of Central bank money?

There are two types:

i) Physical cash

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

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

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

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

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

Why Central Banks want to have their own digital currency?

Preventing centralisation of digital payment infra: Digital transactions have increased over time. But in various countries, a bulk of this new digital payment infrastructure is being

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managed by a few private companies. **For instance**, in China, 94% of mobile transactions are supported by Tencent or Alibaba. This creates an increased overall risk in the financial system, with the entire digital payment infrastructure being dependent on a few private companies. It also leads to further problems:

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

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

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

Why India requires a CBDC?

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

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

For more: Please go through the following detailed article:

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

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

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

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

Relevance: Understanding issues related to Joint theatre commands in India

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

What India needs to do to effect theaterization?

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

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

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

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– It's still not clear whether the political leadership should communicate with the chief of defence staff, service chiefs or the prospective theatre commanders

– There's also the issue of **ownership of assets and their allocation to the joint commands**.

What is the way forward?

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

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

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

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

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

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

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

Together they form a toolkit for the future reformer.

What are key policy lessons from the farm law fiasco?

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

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

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

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

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

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

Lesson 5: Reformers need to take a holistic view. The Indian farmer is poor because there are too many people working on the farm. Our only hope is large-scale expansion of low-tech manufacturing to absorb this surplus labour. The farm laws would have provided breathing

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time for the economy to create these jobs. If this had been explained to farmers, it would have given credibility to the reforms.

Lesson 6: Reforms will hurt few in the short term: Reforms often hurt a small minority while helping the large majority. If the minority is well organised, it can derail the reform. The cartel of *arhtiyas* who stood to lose when the farmer got the freedom to sell outside the mandi funded the protests. Reformers in future need to incentivise and look after those who lose out.

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

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

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

Syllabus: GS3 – issues related to the banking sector.

Relevance: The idea of a Bad bank for farm loans

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

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

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

What are the arguments in favour of this idea?

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

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

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

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

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

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

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

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

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

What is the way forward?

There are better ways to help farmers –

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

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

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

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

Syllabus: GS3 – issues related to MSP

Relevance: Disparities in MSP benefits

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

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

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

Why legalising MSP cannot resolve India's farm crisis?

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

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

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

Read more in the following articles:

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

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

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

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

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

Relevance: Inflation, Reflation, Stagflation

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

Why the stimulus packages were given?

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

Firms around the world reacted with a swift reduction in capacity. Layoffs of employees followed, which decreased disposable income and contributed further to decreasing demand.

In this context, Central banks around the world responded with massive liquidity and monetary support, while governments relied on unprecedented fiscal spending.

What is the consequence?

– **Demand pull Inflation:** The increase in prices across various goods and services is now among the broadest the world has seen since the 1970s. From oil prices and food staples to semi-conductors and cars, prices have risen sharply.

– **Supply Shocks:** As demand recovered, this created massive supply bottlenecks, resulting in rising prices.

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

What are the implications for India?

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

Opportunity

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

Challenge

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

What is the way forward?

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

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

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

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

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

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

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

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

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

Why the Goa state govt took this step?

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

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

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

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

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

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

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

How did this help the MSMEs?

It addresses two issues facing MSMEs.

One, it enables the prompt encashment of receivables.

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

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

Other benefits:

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

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

- The **MSME Development (MSMED) Act of 2006**, provides for the naming and shaming of large buyers that don't pay small businesses on time for goods procured or services received.
- **MUDRA loans** were designed to widen credit availability.
- The **Emergency Credit Line Guarantee Scheme (ECLGS)** of the Centre extends new credit to small businesses.

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– The government has made it **mandatory for companies with a turnover of ₹500 crore or more to get registered on the TReDS** platform. The Government's e-Marketplace (GeM) is automatically linked to TReDS.

14. Draft extended producer responsibility policy: How gaps in achieving fundamental goals can be closed

Source: This post is based on the article “**Draft extended producer responsibility policy: How gaps in achieving fundamental goals can be closed**” published in **Down To Earth** on **6th Dec 2021**.

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

Relevance: Understanding the flaws in draft EPR policy on plastic waste management (PWM).

News: MoEFCC has released a **draft EPR** (Extended Producer Responsibility) **policy** for management of plastic waste in India.

The Plastic Waste Management Rules, 2016 introduced the concept of EPR to manage plastics in India.

It has seen **inadequate progress** in the last five years as the policy failed to translate into action, due to the lack of accountability of the producers and lack of enforcement from the authorities.

The latest draft rules have managed to take a small **step in the right direction**. However, the rules lack on certain parameters.

What are the gaps and flaws in draft rules?

Firstly, Plastic waste reduction / minimisation is neglected in rules. The ‘polluter pays’ principle, thus, failed to translate to policy. Though the PWM Rules, 2016, mandate the generators to minimise generation of plastic waste. However, it is not applicable to the PIBOs (Producers and brand owners).

Secondly, compostable or biodegradable plastic is not under the ambit of EPR. India should have an EPR mandate of collection and processing of the same.

– Globally, 1% of the entire plastics produced are from non-fossil sources and are biodegradable. India generates more than 250 tonnes of compostable and biodegradable plastic every day.

This plastic needs to be sent to industrial composting facilities and not be composted at home or littered in the environment. This doesn't find mention in the policy document. Also, these facilities itself are not available in India.

Thirdly, no standardised format of how an action plan is to be submitted by PIBOs. It is mandatory for PIBOs to submit an action plan, according to the draft EPR policy. However, due to ambiguity of words, it will result in a non-standardised action plan submitted by various PIBOs, which will not be comparable.

Fourthly, the centralised portal developed by CPCB can only be accessed by the PIBO's, recyclers, pollution control boards.

– Plastic waste processors are supposed to disclose the total amount of plastic waste handled on their website, while the PIBOs, have not been directed to disclose the amount of plastic they placed in the market.

– This has effectively left PIBO's on their own to ‘green’ their image in the market.

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Fifthly, the **informal sector's** waste recycling operations are unlicensed and unregulated, though their waste management operations generate a net profit. It doesn't find mention in draft rules, too. Even though most of the plastics in India are channelised by the informal sector.

What is the way forward?

EPR policy should encourage the brand owners to **diversify packaging** material with alternatives such as paper, glass, metals, among other things.

– Offering **EPR certificates** to the brand owners, who diversify their packaging, will also help the brands to develop a green image.

To promote compostable plastics and its bio-degradation, **testing, certification and proper labelling** become important.

– India does have standards for compostable plastic (Schedule I of the Plastic Waste Management Rules, 2021). But the **certification and labelling mechanism is very weak** and needs to be addressed through policy.

A **standard template**, developed by CPCB in consultation with all the stakeholders, is a must. The standardised data, thus obtained, will be comparable across all the PIBOs. It will also help us verify and avoid duplication of data.

15. Basking in reflected glory

Source: This post is based on the article “**Basking in reflected glory**” published in **The Hindu** on **7th Dec 2021**.

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

Relevance: Understanding the issue of brain drain in India.

News: The recent appointment of Parag Agrawal, as the CEO of US-based company ‘Twitter’ started renewed debate on brain drain from India.

What are the reasons for brain drain from India?

It started in the **late-1960s** when private sector companies were few and there were few good jobs available in public sector undertakings.

Unlike India, the **ecosystem** of the U.S. helps spot talent and allows people to rise to the top.

Better graduate and post-graduate **education** in foreign attracts bright candidates from India.

– Many Indian-origin Nobel Laureates in physics, chemistry, medicine and economics pursued their higher education in the U.S. and settled there.

What is the way forward?

India should **learn from China**. Chinese people did not need to go to the U.S. to rise to the top. They were able to create success stories for themselves, sitting in China.

– Chinese entrepreneurs founded world's most competitive companies in China.

India should provide a conducive ecosystem that creates world-beating companies and institutions that can produce Nobel Laureates.

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

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16. Nagaland killings should prompt a broad rethink

Source: This post is based on the following articles:

“End the impunity: On Nagaland killing” published in **The Hindu** on **7th December 2021**.

“Naga talks: What has caused the stalemate so far, and what impact can killings have?” published in **Indian Express** on **7th December 2021**.

“Nagaland killings should prompt a broad rethink” published in **Livemint** on **7th December 2021**.

“Justice in Nagaland” published in the **Times of India** on **7th December 2021**.

Syllabus: GS 3 Role of external state and non-state actors in creating challenges to internal security.

Relevance: Understanding the tense situations of Nagaland.

News: The army operation resulted in the tragic death of 14 civilians in Nagaland.

What can be the impact of the killings?

It can stall the ongoing Naga peace process and has the potential to revive the narrative of India versus the Naga people. The incident can be used by the insurgent groups to recruit and even strengthen the positions.

NSCN(I-M), the key Naga group negotiating with the Centre, has already declared the incident as a “black day” for all Nagas. While, **Naga National Political Group (NNPG)** has blamed the continued implementation of the **Armed Forces Special Powers Act (AFSPA)**, 1958 for such incidents.

Read here: [Nagaland killings aren't a mere 'blunder'](#)

What is AFSPA? Why controversies surrounding it?

Read here: [All about AFSPA](#)

The law gives security forces sweeping powers of arrest and to continue counterinsurgency operations. Security forces are not charged for their actions because of the shield provided under the AFSPA.

For example, In over 20 years, the Centre has denied prosecution sanctions under AFSPA in all cases recommended by the J&K government against army men. The same law prompted Irom Sharmila to begin her hunger strike because of the tragedies like the Manipur Malom Massacre in 2000.

Why there is a stalemate despite the Framework Agreement (FA)?

Demands: Naga people's demand a separate constitution and flag, which the centre is not ready to accept. On the other hand, NSCN (I-M) rejected the centre proposals to have a cultural flag instead of a national flag and deal with issues of a constitution after signing the agreement.

Read here: [How has the Naga peace process evolved?](#)

Vague wordings: NSCN (I-M) argued that FA states that India and Nagaland would coexist as two entities. This is acceptance of Naga sovereignty, and this consequently of separate flag and constitution. But the centre is clear that there is no question of granting sovereignty to any state within India.

The FA is so vague that it is becoming difficult to arrive at any final agreement. Moreover, since the agreement is with NSCN(I-M), it leaves out many Naga groups.

Read here: [Explained: Why has peace process for Naga Accord been stuck, what is the way](#)

forward?

What is the way forward?

With Myanmar is reverting to a military junta and India in a standoff with China, there is a need that the Centre should probe the incident in an impartial way. It should grant permission to prosecute soldiers if it requires and review the proceedings of AFSPA.

Also, the government should clearly declare what it cannot give and then ask NSCN(I-M) to negotiate on other issues.

17. How to regulate crypto, minus a crypto-specific law

Source: This post is based on the article “How to regulate crypto, minus a crypto-specific law” published in **Livemint** on **8th Dec 2021**.

Syllabus: GS3 – Information Technology

Relevance: Regulating Cryptocurrencies

News: Bringing a new legislation for [Crypto regulation](#) may not be necessary in India until [Cryptocurrency](#) transactions reach a widespread adoption.

Till then, a more prudent approach would be to extend our current regulatory frameworks, along with the associated enforcement apparatus, to regulate cryptos as yet another class of assets.

What are the challenges the Indian Crypto regulation need to address and possible solutions?

The following complexities and challenges need to be addressed by the proposed Crypto regulation:

| Challenges | Possible solutions |
|--|--|
| Money laundering due to anonymity offered by the Cryptocurrencies | mandating cryptocurrency exchanges to carry out customer verification checks Requiring them to retain transaction records for a stipulated period of time. In some jurisdictions, regulators also require exchanges to employ personnel trained to detect suspicious transactions. |
| Taxing Crypto transactions: It is hard to determine how services that have been paid for using cryptocurrencies should be taxed under indirect tax regimes such as GST. | Base the actual tax payable on the fair market value of the cryptocurrency as on the date of payment or receipt. |
| Taxing income from Crypto mining | Given that crypto mining income has no real world equivalent, it might be necessary to amend the tax code so that income earned from this activity is treated as a novel category of income. |
| Regulation of Crypto exchanges | Mandatory registration in India in order to bring them completely within the purview of Indian regulation. Impose licensing obligations on these exchange platforms, so that their continued operations are subject |

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| | |
|---|--|
| | to compliance with specified conditions. |
| Regulation of other crypto assets: Regulating other crypto assets (new kinds of crypto tokens, initial coin offers etc) that have all the characteristics of a security but which operate on a blockchain. | Bringing crypto assets under the ambit of securities regulation Requiring issuers to comply with specific disclosure requirements at the time of issue & abide by insider trading and market manipulation regulations while trading in these crypto assets. |

In light of the above challenges, a much better approach for the government would be to simply amend existing anti-money laundering, taxation and securities regulations to ensure that they additionally cover the cryptocurrencies and assets.

Must Read: [Cryptocurrencies in India: ban or regulation? – Explained, pointwise](#)

What is the issue with this approach?

This approach leaves out all those transactions through which certain goods and services can be directly purchased using cryptocurrencies.

At present, most governments have chosen to ignore this category of transactions, relying on the fact that these 'currencies' are still not widely accepted. Further, most people who want to spend the cryptocurrencies in their possession would have to first convert them into regular fiat currency.

18. NFTs are overhyped, but useful for a creative economy

Source: This post is based on the article “NFTs are overhyped, but useful for a creative economy” published in **Livemint** on **8th Dec 2021**.

Syllabus: GS3 – Information Technology

Relevance: Understanding Non-Fungible Tokens (NFTs)

News: The hype around NFTs may be a gold rush, but it has made an important idea mainstream: Creators need to take back control from Big Tech.

Are NFTs a speculative bubble?

Couple of factors due to which some experts believe to be speculative bubbles:

– **Relation of NFTs to Cryptocurrencies, which are in itself based on speculation:** Many NFT-based projects have issued their Crypto tokens and like Cryptocurrency, these tokens are also trading at very high prices depending upon the hype the marketing teams of such projects are able to garner.

– **Uncertainty over Crypto regulation in India:** With the proposed Cryptocurrency Bill to be introduced in the winter session of the Parliament, the regulatory uncertainty that looms over Crypto assets, prevails over NFTs too.

What is the main idea behind NFTs?

Over the years, there has been a relentless centralization and growth in power of Big Tech at the cost of everyone else.

NFTs have emerged as a way out of this Big Tech led monopoly wherein instead of creators, the platforms control everything. **For instance:** Take TikTok. Even if a creator is able to attract millions of followers, the ultimate authority rests with the platform. The platform controls how

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much a creator is paid. There is no direct relation with the fans, with the platform always being in the middle, like an intermediary, a gatekeeper.

What are the potential benefits of NFTs?

- Creators are connected directly with fans willing to pay for their creations
- Gives strength to the underlying idea of **direct creator-to-audience platforms**
- Presently, only a few select creators with millions of followers earn a sizeable income, and the rest earn peanuts or nothing at all. With the emergence of the '**paid internet**' mechanisms like NFTs, a **far wider array of creators could earn a good wage**.
- Moreover, it also **frees creators from the tyranny of chasing scale**, wherein they're not always running after the subscriber count. Just 1000 true fans, will be enough for individual creators to be able to earn a decent wage. This will also ensure that we have **truly creative content** instead of repeated rehashing of old ideas. This also increases the likelihood of the emergence of novel and revolutionary ideas.

For more on NFTs, please read these articles:

- [Is Non-Fungible Token \(NFT\), what digital art needs?](#)
- [The use of NFTs by cyber games can explain their utility](#)
- [Similarities between Non-Fungible Tokens and worldwide web](#)

19. India's labour market distress

Source: This post is based on the article "**India's labour market distress**" published in **Business Standard** on **8th Dec 2021**.

Syllabus: GS3- Indian Economy and issues relating to Growth, Development and Employment.

Relevance: Centre for Monitoring Indian Economy, Periodic Labour Force Survey, Employment.

News: Data from various employment surveys indicates that India's growth model is in trouble.

On what basis it is said that India's growth model is in trouble?

Labour participation has dropped: The recent data from the Centre for Monitoring Indian Economy (CMIE), suggests that, the labour participation rate has slipped for consecutive months.

As per CMIE, pandemic has made a structural transformation in India's labour participation rate, bringing it down by 3 percentage points to 40%. This is well below comparable levels, including in other middle-income developing economies.

Concern about the quality of jobs available: The CMIE data suggests that job growth in recent times has been concentrated in rural areas, and salaried jobs have been falling.

This is particularly disappointing, given the aspirations of India's youthful workforce for such jobs.

Thirdly, the revelations from the [Periodic Labour Force Survey \(PLFS\)](#) is in line with the findings of CMIE. PLFS data has made the following revelations

- The proportion of the non-agricultural workforce in the informal sector went up to nearly 70 per cent.
- There has been a notable increase in those who are working without pay for household enterprises.
- The workers in agriculture had, for the first time in recent memory, increased.

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What is the way forward?

Short term measures: increase in welfare measures and social protections.

Long-term measures: sustained increases in productivity, wages, and job security for the vast mass of Indians

20. On fiscal deficit: The turn of the Centre

Source: This post is based on the article “The turn of the Centre” published in **Business Standard** on 8th Dec 2021.

Syllabus: GS3 – Issues related to Fiscal policies of the government

Relevance: Budgeting, FRBM act, fiscal consolidation

News: The Union Finance Minister Nirmala Sitharaman will present her 4th consecutive Budget in just about eight weeks from now.

It is expected that Ms Sitharaman would achieve a 2.7 percentage point reduction in the deficit from 9.5% in 2020-21 to 6.8% in 2021-22.

This steep reduction will provide a lot of flexibility in managing the Budget not only for 2022-23, but also for the following couple of years.

Even targeting a reduction of just about 0.75 percentage point in each of the next four years will be sufficient to stay ahead of the target of 4.5% by 2025-26.

But it would become worse **if she adopts a slow process of fiscal consolidation** in the coming years, taking advantage of the easy target for the Centre by 2025-26. That is because the **condition of the state finances does not look good.**

In this context, it is said that Centre should take more responsibility by achieving a faster pace of fiscal consolidation and give states more room to cut down their deficit reduction.

What were the revised fiscal deficit targets for the centre and state?

Centre: Need to reach a fiscal deficit level of 4.5 per cent of gross domestic product (GDP) by 2025-26 from the current level of 9.5 per cent.

States: The target for the combined fiscal deficit of the states has been set at 4 per cent of GDP for 2021-22. Further, they must reach a deficit level of 3 per cent of GDP by 2023-24.

Why states should be given more room to cut down their deficit reduction?

Firstly, the states have been given a tougher target of fiscal consolidation. They must reach a deficit level of 3 per cent of GDP by 2023-24, while the Centre would reach 4.5 per cent two years later in 2025-26.

It appears unfair that while the Centre should enjoy a more relaxed fiscal consolidation schedule, the states should be expected to be more fiscally responsible.

Secondly, there is also an equity issue. Before the pandemic struck, the states kept their combined fiscal deficit below the target of 3 per cent, which gave the Centre some space to extend the fiscal deficit. This also helped to bring down the overall government deficit. Now, it is time for the Centre to return the favour.

What is the way forward?

The states should be given a longer period of time to cut down their deficit reduction to 3 per cent of GDP.

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21. Karnataka Government objects to implementation of Kasturirangan Report

Source– This post is based on the article “Why Implementation of kasturirangan committee recommendations for western ghats is important” published in The Indian Express on 7th Dec 2021.

Syllabus– Gs Paper 3 – Environment Impact Assessment

Topic– Conservation, Environmental Pollution and degradation

News – Karnataka Government has submitted its opposition to the Centre against the Kasturirangan Committee report as it can adversely affect the livelihood of people in the region.

What are the important recommendations under the report

1. It proposes **37 per cent of the total area** of Western Ghats be **declared as Eco-Sensitive Area (ESA)**.
2. (**Eco-Sensitive Zones (ESZs)** are notified by Ministry of Environment, forest and climate change, MoEFCC) around Protected areas. These are declared under Environment (Protection) Act, 1986. The purpose of declaring ESZs is to create some kind of “shock absorbers” to the protected areas by regulating and managing the activities around such areas. They also act as a transition zone from areas of high protection to areas involving lesser protection)
3. b)It recommended a **blanket ban on mining, quarrying, setting up of red category industries** and thermal power projects.

What are the concerns regarding report implementation

Some States of are of concern that it may lead to;

- Loss of **livelihood for people** dependent on forest resources.
- displacement of locals.**

What will be the implications if the recommendations are not implemented

Climate change has grave repercussions for all of the globe and specially India, thus, it is prudent that **governments accept these recommendations**. Otherwise, it can lead to not just an **ecological loss but also an economical one**, as the cost of conserving these ecosystems will be much lower than their restoration and rejuvenation. State governments should **focus on long term benefits** .

What is the way forward?

Central Government can firstly focus **on implementation of clauses that have wide acceptability** and then engage in **consultative process with all stakeholders** on other recommendations of the report, that are cause of concern.

About Western Ghats

Spread across six states—**Gujarat, Maharashtra, Goa, Karnataka, Tamil Nadu and Kerala**. It is a UNESCO World heritage site and one of the eight biodiversity hotspots in the world.

22. Check stubble burning, monitor policy implementation

Source– This post is based on the article “Stubble burning, monitor policy implementation dated” published in The Indian Express on 8th Dec 2021.

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Syllabus-GS Paper 3 – Environmental Pollution

Topic– Conservation, environmental pollution and degradation and Agriculture

What is stubble burning-

Stubble burning is the practice of **intentionally setting fire to the straw stubble** that remains after grains, such as rice and wheat, have been harvested. Farmers resort to the practice due to the limited time they have between the harvesting of kharif paddy and sowing of the rabi wheat. They find it **cost-effective and quick**.

What are the drawbacks of this method

1. a) It is also one of the **key causes for pollution in North India** specially in winter season.
2. b) It **reduces soil fertility** in the long run.

Government Initiatives against stubble burning and their effectiveness

–**Ministry of Power** has made **biomass pellets mandatory in some coal-fired thermal power plants that would utilise the agricultural waste** usually burnt by farmers.

–**Crop residue management machinery has been supplied to farmers**. However, reports suggest low utilisation as farmers perceive the purchase or rent of such machineries to be an additional expense. **Farmers prefer ex-situ management of crop residue** through equipment such as balers as opposed to in-situ machinery.

Although Government efforts have given some positive outcomes but these are mainly short lived and also need a comprehensive approach to significantly reduce stubble burning.

What is the way forward –

–**Awareness generation and trust building exercises** should be undertaken with the support of local civil society organisations.

–As Stubble burning is fairly concentrated in regions within states so a **targeted and cluster-based approach** can be undertaken. Districts with a higher number of stubble burning incidents can be identified and concentrated upon.

–**Introduction of a dynamic monitoring system**, which maps stubble burning events to beneficiaries of the schemes.

–**Ex-situ management of crop residue** can also be explored under the schemes covering products such as **bales and pellets for biomass power generation and supplementary feedstock in coal-fired power plants**.

23. What PLFS tells us about India labour market

Source– This post is based on the article “**What PLFS tells us about India labour market**” published in **Livemint** on **8th Dec 2021**.

Syllabus– GS Paper 3 and Prelims

Topic– Indian economy and issues relating to planning, mobilization of resources, development and employment.

News– Periodic Labour force survey (PLFS) data shows that the unemployment rate is close to pre-covid levels that as was in the year 2020.

What is PLFS

It was launched by **National statistical office (NSO)**.

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It **has two objectives** -a) To estimate the key employment and unemployment indicators (viz. Worker Population Ratio (WPR), Labour Force Participation Rate (LFPR), Unemployment Rate) **quarterly for the urban areas only** in the 'Current Weekly Status' (CWS). b) To estimate employment and unemployment indicators **in both 'Usual Status' and CWS in both rural and urban areas annually**.

What current data shows

Although the **unemployment rate is same for men for both quarters** (pre covid and 2021 first quarter) **but it has increased for women compared to last quarter**.

Higher unemployment rate in the recent report again shows that women bore the brunt of economic and social fallout caused by the pandemic.

Low LFPR for Women can have four key explanations

- 1) **Rising educational enrolment** of young women-India has made considerable progress in increasing access to education for girls.
- 2) **lack of employment opportunities**- the nature of economic growth in the country has meant that jobs were not created in large numbers in sectors that could readily absorb women, especially for those in rural areas.
- 3) **Effect of household income on participation**-Despite inadequate job creation, household incomes did rise, which potentially reduced women's participation, especially in subsidiary activities ("income effect") due to change in preferences.
- 4) **Measurement**- Finally, though most women in India work and contribute to the economy in one form or another, much of their work is not documented or accounted for in official statistics, and thus women's work tends to be under-reported.

What is the Way forward

This Problem requires a **comprehensive approach** to improving labour market outcomes for women through improving access to education and training programs, maternity protection, along with the promotion of a pattern of growth that creates job opportunities.

How are LFPR and WPR defined (Focus should be on constituents of formula and not the whole formula as such)

-LFPR (%) = $(\text{Persons employed} + \text{persons unemployed} \times 100) / (\text{Working-age population})$

-Worker Population Ratio-(WPR) = $\text{No. of employed persons} \times 1000 / \text{Total population}$.

24. Aiming for a high, quality of life does influence investment decisions, India needs to loosen up

Source- This post is based on the article "Aiming for a high, quality of life does influence investment decisions, India needs to loosen up." published in **The Times Of India** on **7th Dec 2021**.

Syllabus- GS Paper 3

Topic-Indian Economy and issues relating to planning, mobilization of resources.

News- GIFT(Gujarat International finance tech city) management is seeking relaxation in liquor laws in special economic zone (SEZ) area of GIFT city. Gujarat had **banned alcohol consumption since 1960** as a homage to Mohandas Karamchand Gandhi.

1. Why did such demand arose

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Investment decisions are influenced by the ease with which people can adapt to a new destination. Allowing people to lead their regular lives, without banning their usual habits will indeed attract investments from the people of other areas.

2. What action should the government take

As per the article, the Gujarat government should respond positively to the GIFT management's request if it wants to actualise its vision of a vibrant international financial centre. It might take business to a new high.

25. RBI must tackle surplus liquidity on way to policy normalisation

Source: This post is based on the article “RBI must tackle surplus liquidity on way to policy normalisation” & “RBI’s peculiar path to policy normalization” & “Monetary Policy Committee fails to read the signals right... Again!” published in Indian Express, Livemint on 9th Dec 2021 respectively.

Syllabus: GS3 – issues related to Monetary policy committee of RBI

Relevance: Monetary Policy Committee, Inflation, Growth.

News: Recently, the Monetary Policy Committee (MPC) voted to **maintain status quo on policy rates**.

Some of the key decisions that were taken at the recent the [Monetary Policy Committee](#) meeting are –

- The repo rate is maintained at 4% and the reverse repo rate at 3.35%.
- Forecasts of FY22 GDP growth and CPI inflation are retained at 9.5% and 5.3%.
- The RBI chose to maintain an accommodative policy stance, while many expected that RBI would move towards policy normalisation.

Why many experts were in support for a policy change?

Excess liquidity: Since the onset of the Covid-related lockdowns, RBI had injected an unprecedented amount of funds into banks and other intermediaries. This resulted in an excess liquidity in the financial system.

Inflationary pressure: Average inflation in the last fiscal was 6.2%, which is above RBI's target range of 4-6%. Latest numbers (October 2021) show wholesale price inflation at 12.54%.

International trend: The world over, policymakers are realizing that the limits of easy monetary policy have been reached and further easing is not sustainable. For Instance,

- Fed Tapering by the US Federal Reserve,
- BRIC economies like Brazil, Russia and South Africa have done a course correction,

IMF caution: The International Monetary Fund has warned the “Emerging markets,” stating that, tightening by advanced economies can cause capital outflows and exchange rate pressures.

Why RBI's decision to maintain accommodative policy stance is being criticised?

MPC's rationale is weak: Growth is really weak, and it needs a lot of support. However, considering India's economic recovery trends, MPC's judgement seems to be unsound.

Conditions are improving: The prospects for economic activity are steadily improving, including for contact-intensive services that were hit hard by the pandemic.

- The **production of capital goods remained above the pre-pandemic level** for the third month in a row during September.

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– **Imports of capital goods increased** by double digits during October for the eighth consecutive month

In such a scenario, where the growth prospects are promising, the decision by the MPC to support the growth by ignoring rising prices has been criticised.

What steps has RBI taken to control the excess liquidity in the system?

RBI has dynamically used multiple instruments to absorb the excess liquidity over the course of the year.

Firstly, Post the October MPC meeting, RBI had stopped buying bonds under the Govt Securities Asset Purchase (GSAP) and done negligible [Open Market Operations](#) (OMOs). It has restricted the addition of voluntary liquidity injection into the system.

Secondly, RBI has used the 14-day [variable reverse repo rate](#) (VRRR) auctions window to absorb almost all this liquidity surplus from banks.

Thirdly, RBI has again allowed banks the option to prepay the outstanding borrowings from the [Targeted Long Term Repo Operations](#) (TLTROs), thereby potentially extracting another Rs 70,000 crores.

Fourthly, RBI has tightened the amount that banks can borrow under its marginal standing facility to 2% of their net demand and time liabilities from 3% earlier.

What is the way forward?

Firstly, there is a likelihood of further increase in liquidity, largely through foreign currency funds inflow, particularly in FY23. So, there might be a need for other instruments to absorb these surpluses apart from VRRR auctions.

Secondly, RBI should shift to the tightening phase, with hikes in the repo rate followed by a change in stance from “accommodative” to “neutral”.

26. Real Cost of MSP For All Crops

Source: This post is based on the article “**Real Cost of MSP For All Crops**” published in **TOI** on **9th Dec 2021**.

Syllabus: GS3 – issues related to MSP

Relevance: Legalising MSP

News: Even as the central government has announced its withdrawal of the three farm laws, the demands for legalising MSP have grown stronger.

Why Legalising MSP is a bad idea?

Firstly, The expansion of MSP would impose trillions of rupees worth of additional burden on the taxpayer in the forthcoming decade.

With the current procurement already well in excess of storage capacity, the extension of MSP to all output can be done only in the form of a **deficiency payment**. However, deficiency payment need to be calculated on the basis of:

- Hectareage devoted by the farmer to the crop,
- Difference between the MSP announced & The market price of the MSP crop.
- Reasonable estimates of the average yield per hectare

This has the following implications

One, Farmers sell only a fraction of their output of these crops in the marketplace, keeping the rest for self-consumption.

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Evidently, under full-MSP coverage, the deficiency payment would have to be made not just on the output the farmer sells in the market but also on the part kept for self-consumption. This imposes **additional and irrational cost on the taxpayer**.

Two, since legalising MSP will fully eliminate price uncertainty for all farmers, every farmer will try to increase their annual output. This increases supply, and would lead to a progressive decline in the market price and a **corresponding increase in deficiency payment**.

Add to this the fiscal burden of the extension of MSP to the entire output of the remaining 21 crops. With minuscule or no procurement currently, It will definitely result in the increase of deficiency payment over time.

Secondly, India's MSP payments already violate the World Trade Organisation (WTO) rules on subsidies.

A temporary peace clause on public stockpiling for food security has so far protected India from retaliatory actions.

But the peace clause cannot provide a cover against the deficiency payments because

– Deficiency payments would have nothing to do with stockpiling for food security.

The extension of MSP to the numerous commodities are not even a part of the public distribution system.

For more info, kindly read these articles

[– On legalising MSP: supporting farmers](#)

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

[– MSP is no silver bullet to boost farmers income](#)

27. Open banking puts banks on notice-Digitise or perish

Source– This post is based on the article “Open banking puts banks on notice-Digitise or perish” published in **Livemint** on **9 th Dec 2021**.

Syllabus-GS Paper 3 (Indian Economy and issues relating to planning, mobilization of resources, growth).

News– India has **unveiled Account aggregator framework** in september,2021 that can that could revolutionize investing and credit, giving millions of consumers greater access and control over their financial records and expanding the potential pool of customers for lenders and fintech companies.

What is Account Aggregator (AA) framework?

An AA is a **new class of NBFC** approved by the Reserve Bank of India (RBI) to manage consent for financial data sharing of users. It will allow lenders to conduct an **easy and speedy assessment of the creditworthiness of the borrower**.

What advantages does account aggregator offer?

1)**Account aggregators can further ease credit processes**-Digital access to data from credit bureaus, know your customer norms, and GST has significantly reduced the credit processing time for small business and consumers. But there is **still some information like bank statements for which banks resort to hard copies. With the introduction of account aggregators, this data can be assessed digitally**, which would further improve the Indian lending landscape.

2) **Opportunities for new lenders** -All incumbent banks have lots of account related and behavioural data related to their customers which only few of them put to optimum use. **Account aggregators framework ensures that such an asset is made available to new**

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age lender which can put it to an optimum use and their digital capabilities will not be constrained due to their limited consumer base.

What is open banking?

Financial experts say opening the network to all customers, as has now been done, is the first step towards bringing open banking in India. Under open banking, banks allow access and control of customers personal and financial data to third-party service providers, which are typically tech startups and online financial service vendors.

How Banks can take benefit of this new opportunity(AA)?

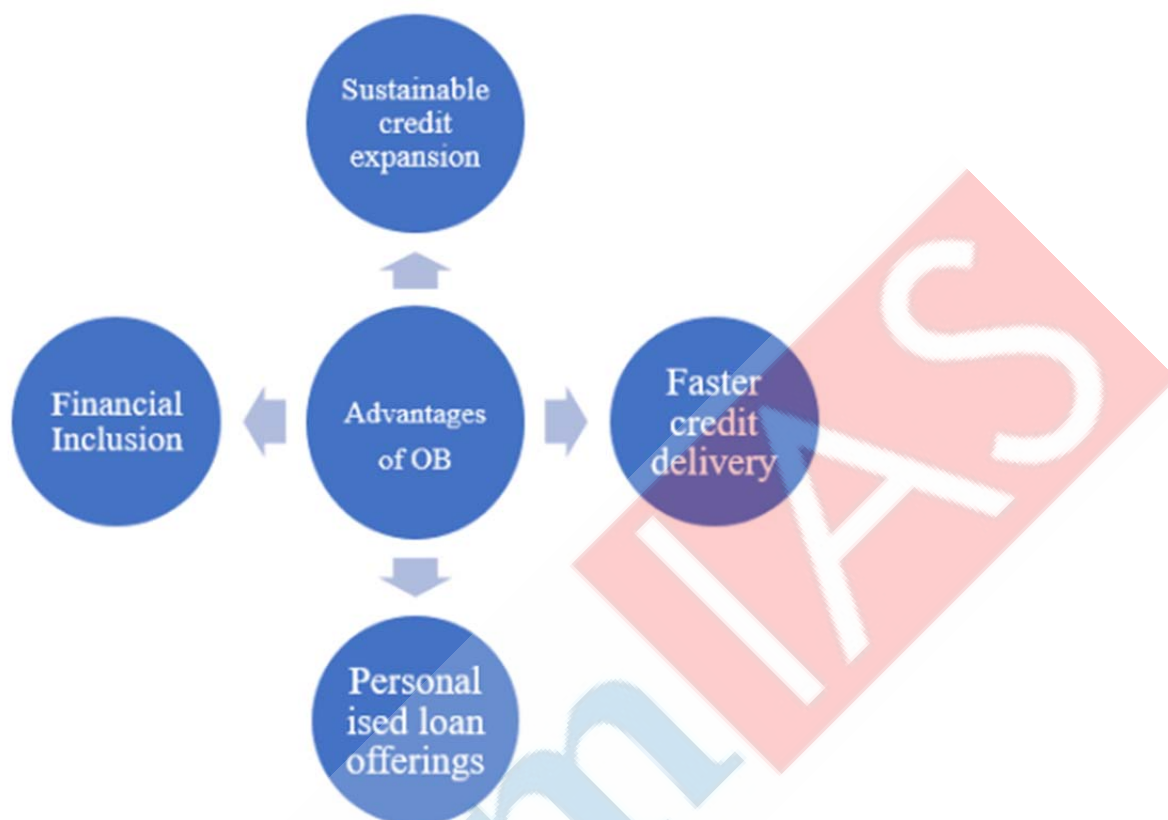
1) Banks should start **building up their data analysis capacity** and act by reaching out to customers with appropriate offerings.

2) They should **identify consumers who are dissatisfied with their services** and try to earn their loyalty

3) **Banks should see their data holistically**-Banks have customer data from websites ,branch visits, call centres, mobile apps. This **data if properly captured and analyzed can tremendously benefit banks and provide them with a sustainable source of competitive advantage.**

4) **Data privacy law** – All countries that have enacted OB have data privacy laws, India also needs to enact one soon. This would **provide customers confidence and also facilitate investment by various players in customer protection data system.** Also, government needs to legally enable data sharing to the extent needed.

Conclusion-Proper utilization of Account aggregator framework will help to harness the **potential of Open banking.** This has potential to give a **fillip to credit processing and help us achieve our goals of financial inclusion.**



28. A window of opportunity

Source– This post is based on the article “A window of opportunity” published in **Business standard** on 8th Dec 2021.

Syllabus– General studies paper 3 (Indian Economy and issues relating to planning)

News– How we can leverage the advantages that are generating due to Strict COVID policy of China and other restrictions going parallel to it.

Where we stand vis-a-vis China?

China's economy is over five times of India's. it has a **\$14-trillion economy**, to India's **\$2.7-trillion economy**. We are too dependent on China for everything from active pharmaceutical ingredients to smartphones. And China's total R&D spending is 20 times that of India's.

How the current situation offers a chance to India of catching up?

1) Even though China has fully vaccinated over 90 per cent of its total population (we are at 50 per cent of our adult population), it continues to **follow a zero-covid policy**. This self-isolation is **having an impact on China's economy** — **domestic travel is well below even last year's level, domestic consumption is depressed, and increasingly draconian zero-Covid practices are having an impact.**

2) Further, **new controls on China's tech giants** and **increasingly anti-business rhetoric** from top leaders of the country has generated concerns regarding ease of doing business in China. As a result, **private equity investors from across the globe are all expressing**

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concern about an excessive reliance on China. There is a **widespread undercurrent of wanting to diversify away**.

3) China has an extractive institution model in political sphere (due to its authoritarian regime) and inclusive economic institutions but as the book **why Nations fail** argue, this is not sustainable in the long run, and **inclusive economic institutions can only survive if they are supported by inclusive political institutions** and this may create some opportunities for India.

Conclusion-As China struggles, a window of opportunity for India to catch up has opened. We must take full advantage, but that means being clear of what makes us unique as a country, where our strengths really lie, and how we can play to them.

29. Covid impact on what we may call a relevant market

Source– This post is based on the article “**Covid impact on what we may call a relevant market**” published in **Livemint** on **9 th Dec 2021**.

Syllabus– General studies Paper 3 (Indian Economy and issues relating to planning, mobilization of resources).

News– All-India Mobile Retailers’ Association recently threatened to approach the Competition Commission of India (CCI) against Chinese phone-maker Xiaomi’s alleged bias in favour of online marketplaces over offline retailers.

Recently Supreme court allowed CCI to go ahead with an investigation against e-commerce players Flipkart and Amazon.

In all these cases terms like Relevant market, dominant position occurs recurrently. India’s Competition Act, 2002 defines these terms. Though the act provides a definition of relevant market but question is whether our online and offline markets constitute a single relevant market. Rulings by Indian courts have not been consistent in this aspect. Even though courts increasingly favoured the view that online and offline markets fall in the same relevant market, there have been contrary views.

Offline versus Online market ,advantages to the latter?

- 1) **Online retailers** have **significantly lower customer-reach costs** than offline retailers.
- 2) **Offline** retailers **bear the costs of setting up a warehouse, transporting products** there, and so on, while online retailers can serve customers across a large area with a single warehouse.
- 3) **Transportation costs of products are often passed on to end customers**. Savings on these allow online retailers to **sell customers the same products at lower prices**.
- 4) Internet retail services lower the transportation costs of customers, **allow quick and convenient product searches, offer a variety of products in a range of price brackets, and provide detailed product information** that is often not available at regular retail stores.

Conclusion-COVID pandemic has altered shopping circumstances, attitudes and habits over the past 20 months or so, with an increased number of retail consumers now relying on online purchases for reasons that go beyond price differences, it is imperative that the case for the definition of relevant market is settled.

30. On Agri reforms: Setback for reforms

Source: This post is based on the article “**Setback for reforms**” published in **Business Standard** on **10th Dec 2021**.

Syllabus: GS3 – Issues related to Agriculture sector

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Relevance: Agri reforms in India

News: Farm groups have ended the protests against the three agricultural laws.

The Green Revolution policies have **benefitted only those who grow wheat, rice, and sugar** and in limited regions. These policies offered heavily subsidised inputs and an assured market and price for their products.

For the **majority of the farmers** growing other crops and dependent on the monopolistic licensed marketing system, it has been a case of **diminishing returns**. For instance, according to the data released by the statistics office, farm income growth for (2013-2019), the all-India average earning per household stood at Rs 8,000 to Rs 10,000.

By repealing the laws, the **government has missed a big opportunity** to introduce meaningful reform in Indian agriculture to increase farm incomes.

Why repealing farm laws is a setback for reforms?

Price support schemes were introduced as a solution to increase farm incomes. However, this proved of limited value and have **imposed heavy burdens on government finances**.

Now, several states have started recognising that **farmers urgently need marketing freedom** to obtain better prices for their products and amended their marketing laws.

Had the farm laws been passed, it would have enabled this process on an all-India scale. However, such reforms will now have to wait.

What is the way forward?

First, the government should engage with farmers from across the country to find feasible ways to increase farm incomes.

Second, increasing the ambit of MSP could permanently damage the prospects of reform in the agriculture sector and must be avoided.

For more articles on issues related to MSP, please go through the following:

- [Legalising MSP: Challenges and way forward – Explained, pointwise](#)
- [Assessing the case for a legal MSP](#)
- [Real cost of MSP for all crops](#)
- [MSP is no silver bullet to boost farmers' income](#)

31. PM-AASHA, price deficiency payment scheme: A fact check on its progress

Source: This post is based on the article “PM-AASHA, price deficiency payment scheme: A fact check on its progress” published in **Business Standard** on 10th Dec 2021.

Syllabus: GS3 – Issues related to Agriculture sector

Relevance: Agri reforms in India

News: After the repeal of farm laws, farm groups are demanding for a legal guarantee for the minimum support price (MSP).

As of now, various options are being suggested to meet the demand of protesting farmers. One of the schemes that has found repeated mentions in various commentaries is the **price deficiency payment scheme (PDPS)**.

It was modelled on the lines of the [Bhawantar Bhugtan Yojana \(BBY\)](#) started by the Madhya Pradesh government a few years back.

What is PM-AASHA scheme?

- Read more here: <https://blog.forumias.com/pm-aasha-an-analysis/>

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What are the significant provisions under PM-AASHA scheme?

Cap on procurement: Under PM-AASHA, procurement is done on request from the state government and purchases are capped at 25% of the total production of the crop in the state. This can be expanded up to 40% if the commodity is used for PDS or for any other state welfare scheme.

No tax: No state could levy any tax such as mandi tax on such procurement.

Cap on central expenditure: The central expenditure on all the three components of PM-AASHA is limited to 25% of the state's total production of oilseeds and pulses.

The state would have to arrange funds from its own resources if it wants to procure or support over and above the mandated 25%.

Timely compensation: Another important guideline of PM-AASHA is that farmers, whether under PDPS or Price support scheme (PSS) or private sector pilot, will have to be paid their remuneration within a fixed time period.

For instance, in case of PSS, the purchase price should reach farmers within three days of receipt of their produce.

How the PM-AASHA Scheme has progressed so far?

Acc to the recent report of [The Commission for Agriculture Costs and Prices \(CACP\)](#), the **PSS has made significant progress** in terms of procurement of pulses and oilseeds by NAFED. However, **PDPS and PPSS have not made much progress**.

The commission pointed that **absence of regular disposal mechanisms and market infrastructure** unlike wheat and paddy for oilseeds and pulses as the main problem.

Recommendation: The commission recommended that **PDPS and PPSS can be strengthened by addressing the procurement issues of oilseeds and pulses**.

How was the experience with PDPS so far in Madhya Pradesh?

Since the beginning, the experience with the PDPS scheme in Madhya Pradesh is not favourable. The scheme is plagued with many issues such as,

Firstly, the method of calculation was complicated as well as the process of registration and the multiple paperwork involved.

Secondly, a large number of farmers did not register themselves on the portal, and they had to sell their produce at prices which were lower than the announced MSPs.

Thirdly, there were allegations that farmers were conspiring with traders to keep prices down to widen the differential between the actual price and MSP.

Fourthly, Madhya Pradesh farmers lost almost Rs 200 crore due to manipulation in the scheme as per a report by scroll.in, based on RTI responses.

32. On corporatisation of banks: Companies Needn't Own Banks

Source: This post is based on the article “Companies Needn't Own Banks” published in TOI on 10th Dec 2021.

Syllabus: GS3 – Issues related to banking sector

Relevance: Corporatisation of banks

News: Recently, RBI's Internal Working Group (IWG) on ownership guidelines of private sector banks recommended that large corporates and industrial houses be allowed to be promoters of banks.

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However, recent trends suggest that the **financial system can meet the growing demand for credit** for the next three to five years, without taking on the risk of issuing licences to industrial houses.

Read more: <https://blog.forumias.com/corporates-as-bankers-bane-or-boon-for-economy/>

Why it was proposed that large corporates and industrial houses be allowed to be promoters of banks?

Increased in demand for loans: Indian Economy needs new investments in the financial system to sustain its growth. If the economy has to grow in double digits every year in nominal terms (real growth plus inflation), demand for loans is likely to grow.

But the **credit growth from PSBs has been poor** compared to private banks. For instance, Private banks share of bank loans increased from 21% in 2010 to 36% in 2020, as the share of PSBs fell from 74% to 60%.

Considering, even if all current private banks grow at twice the nominal GDP growth and non-banks and bond markets show healthy growth, it will be **difficult to meet economy's future demand**.

In this context, it was suggested that large corporates and industrial houses be allowed to be promoters of banks.

However, the potential capacity of India's financial system has been boosted meaningfully in the last two years. This has forced a rethink.

What are the recent steps taken to boost India's financial system?

Decision to privatise two PSBs: This can hopefully trigger better governance and performance in the remaining PSBs.

Setting up of the new development finance company with a lending target of Rs 5 trillion within three years (this is 3% of total outstanding private credit in FY21), will supplement financial capacity.

Surge in equity investments in technology-enabled financial firms (FinTech): Through better use of data and analytics, these firms identify lending opportunities, making the risk more manageable compared to risk-averse lenders like PSBs.

IWG's suggestions helped to add equity capital in the system: For instance, Increasing Promoters' stake to 26%, higher than the 15% permitted earlier.

Non-promoter shareholding threshold being raised to 15% from 10% is a potential opportunity for getting more private equity investments into some of the smaller private banks.

Increasing bank base: Several existing licensed firms are also progressing from being payment banks to small finance banks, onward to becoming universal banks within few years.

33. The NFT promise is overhyped even for creative folks

Source: This post is based on the article "**The NFT promise is overhyped even for creative folks**" published in **Livemint** on **10th Dec 2021**.

Syllabus: GS3 – Information Technology.

Relevance: Non-fungible tokens (NFTs)

News: The NFT promise is overhyped.

Recently, a column titled '**NFTs are overhyped but useful for a creative economy**' appeared in Mint.

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The author of that article opines that non-fungible tokens (NFTs) and the allied technology can alleviate the work-monetization challenges.

Without NFTs, the artists and other independent content creators, are left at the mercy of online platforms.

But, the author of this article “**The NFT promise is overhyped even for creative folks**” has contradicting views. He has pointed out various flaws in the utility of NFTs himself.

What are the various flaws pointed out by the author?

NFTs are not plagiarism-proof. Because nothing stops counterfeits or piracy. **For example**, let's say a web pirate downloads a Bhuvan Bam's video from YouTube and circulates it on WhatsApp.

Now, BB stands to lose some ad revenue. This problem will persist even if he uploads all his videos as NFTs. While Bam may be the undisputed owner of the said video, he will not be protected from online piracy.

The argument that NFTs are a solution for independent creators seeking freedom from Big Tech is extremely weak.

Big techs earn a part of revenue generated by its users. Justifiably, they provide a range of services from streaming servers, seamless payment devices and subscriber management and more.

This is a simple function of demand and supply. So, there is nothing wrong in big tech charging content streamers.

The argument that NFTs will improve the gains of artist as it will help creators to directly connect with their audience is false. Artists must still depend on their fame or social media clout, or spend time and effort to market their art to a prospective buyer.

NFTs need heavy upfront investments. In comparison, it takes a single free Gmail ID and about 30 seconds to set up a YouTube channel.

Finally, the adoption of NFTs has no bearing on sale prospects or prices. Mere listing of NFTs on marketplaces does not guarantee sales. The chance of an artist successfully selling NFTs at high prices still depends on the individual's reputation and track record.

34. The mountains are calling and they need help

Source– This post is based on the article “**The mountains are calling and they need help**” published in **Live mint on 9th Dec 2021**.

Syllabus– GS Paper 3 (Conservation, environmental pollution, and degradation, environmental impact assessment) and GS Paper 1 (Geography Section), Essay Paper.

News – Plastic Pollution is increasing in the Mountains, especially Himalayas.

Mountains are most **environmentally sensitive ecosystems**, and are being impacted by the **adversities of climate change and other environmental hazards** such as increasing plastic waste, at a rapid rate. **Waste Management** in mountains is crucial for their sustainability.

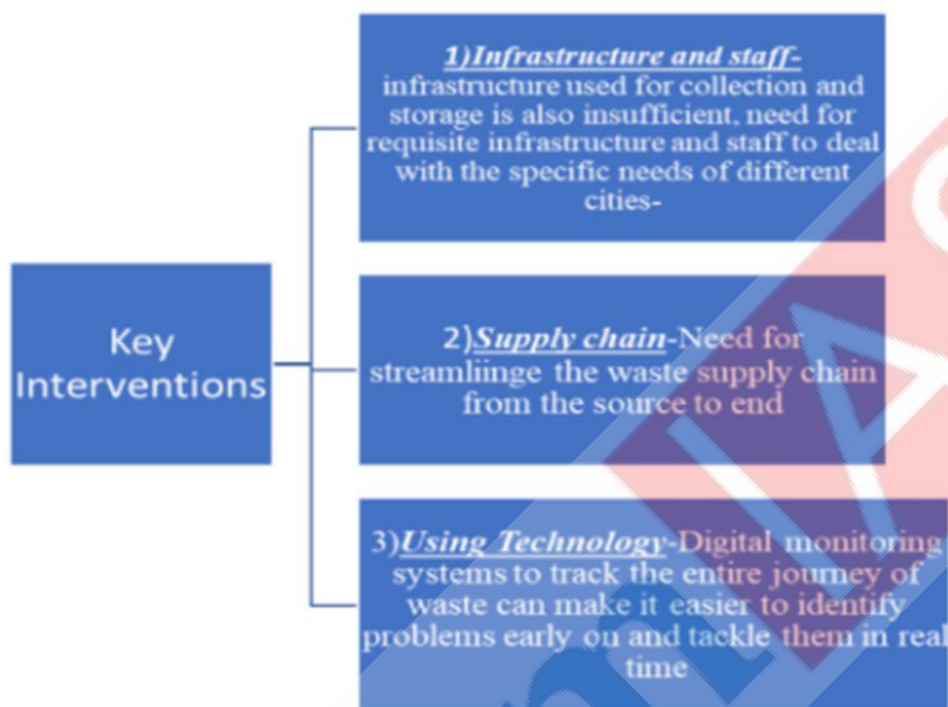
Sources of Plastic waste –

1. High **tourist** footfall.
2. Plastic used in **Packaging**
3. Presence of various **manufacturing industries**. **Example**– Pharmaceutical Industry in Himachal.
4. **Household waste**

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This problem requires **Multi stakeholder approach** as follows –

- 1) **Administrative level**– Following steps can be taken by civil administration for waste management.



2) **Business Level/Corporate responsibility** – Success of business relies on a healthy planet, they should strive to reduce the waste and emissions while simultaneously optimizing production measures through a comprehensive action plan.

3) **Community Participation and Behavioural Change** – **Littering and not segregating waste** at household level are two primary reasons which make waste management much more complex, **high tourism footfall** in hills makes it much more difficult. There is a need to **foster partnerships** among local non-profit organizations, trader associations and schools, **providing bins at key locations, door to door awareness drives** and sector-specific training modules.

Conclusion–True essence of sustainable development lies in **fulfilling present needs without compromising the needs of future generations**. We all have an obligation towards one another, our future generations and other species to sustain the planet and make it a better place, which would require a **collaborative approach**.

35. Clean Energy from cold nuclear fusion is our Planet's best hope

Source– This post is based on the article “Clean Energy from cold nuclear fusion is our Planet's best hope” published in **Livemint** on **9 th Dec 2021**.

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

Context–Author presents the view that although **most technologies and tech products deplete our natural resources and contribute heavily to global warming** and climate change. However, there is **one tech that stands out** and rather helps to save the planet that is –**Cold Fusion**.

What is Cold Fusion or Nuclear Fusion?

Nuclear fusion or cold fusion is **not a new concept**, scientists have known about it since Einstein's times. It is an **inexhaustible supply of energy, without pollution or global warming**, and the phenomena that **powers our Sun**.

How is it different from Nuclear Fission

Fusion is not the same as **fission**. **In fission, the nucleus of an atom splits into two or more smaller nuclei**, releasing the vast amounts of energy holding them together, thus powering nuclear reactors and thermonuclear bombs. **In a fusion reaction, two light nuclei merge to form a single heavier nucleus**. The process releases energy because the total mass of the resulting single nucleus is less than the mass of the two original nuclei. The leftover mass becomes energy.



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Do we have working Nuclear Fusion models?

Physicists have since 1950s **tried to generate energy through nuclear fusion** but the problem is that the energy used to make this happen exceeded the energy released. Which defeats the purpose and making the process 'hot' and not 'cold' fusion. But recent attempts by both government and private sector have been encouraging and there have been **definite progress if not complete success**.

If any of these attempts succeed, it will give us unlimited clean fuel to power our planet forever, much like the sun has been doing. Cold fusion energy could be our best bet against climate disaster.

36. Delhi Pollution-Looking at social, political facets of climate crisis can help in better adaptation

Source– This post is based on the article “**Delhi Pollution-Looking at social, political facets of climate crisis can help in better adaptation**” published in **Down to earth** on **9th Dec 2021**.

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

News– Rising Pollution level is a health hazard and a violation of Article 21.

India is currently ranked the fifth-most polluted country in the Global Air Quality Index list. interventions dictated by policies, so far, have been binary in nature. This is primarily because we have been treating air pollution as a technological problem or as one that requires the actions of individuals alone, **whilst ignoring its social and political facets**. Political action becomes crucial given the silent and short-spanned, yet cyclical nature of air pollution. **A shift from air pollution as a technological problem to a political one** will enable parties to be held accountable on this front.

How transition of pollution from technological solutions to social and political solutions will happen?

1) **Public Interest Litigation** – They Provide an excellent path to hasten policy drafting and enable public participation.

2) **Raising issue of pollution as a Violation of Article 21**–Degrading levels of air in cities can be approached as a violation of Article 21 of the Constitution. Article 21 **states “no person shall be deprived of his life or personal liberty except according to a procedure established by law”**. As supreme court has reiterated in various of its judgements that meaning of life under **Article 21 does not merely mean “the physical act of breathing, it does not connote mere animal existence or continued drudgery through life”**.

This becomes much more important in the light of the facts **that fund for Union Ministry of Environment, Forest and Climate Change has been halved and also many Environmental laws have been repealed those environmentalists deem important**.

3) **Public Participation** – Huge public awakening is paramount to solve this crisis and this requires not just moral action but also a democratic one based on human rights.

What are some measures to Prevent further worsening of pollution?

- Switching to clean energy sources for cook stoves
- Measures to reduce road traffic by raising parking fees
- Levying congestion charges
- Creating vehicle-free zones and cycle paths

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- Emphasizing on improving standards of industrial efficiency.

37. Government shouldn't rush to rein in fiscal deficit-NITI Aayog

Source– This post is based on the article “**Government shouldn't rush to rein in fiscal deficit-NITI Aayog**” published in **Times of India** on **10th Dec 2021**.

Syllabus– GS Paper 3 – (Indian Economy and issues relating to planning, etc.)

News–NITI Aayog has suggested that **government should not rush to lower fiscal deficit**. This would help economy and will provide a safety net to economy from new emerging variants. While the government has kept the fiscal deficit target for current financial year as 6.8 percent of GDP but it is targeting to lower it to 4.5 percent of GDP by year 2025-26.

What is Fiscal deficit and what has been its trend

A fiscal deficit is a **shortfall in a government's income compared with its spending**. It is calculated as a percentage of gross domestic product (GDP).

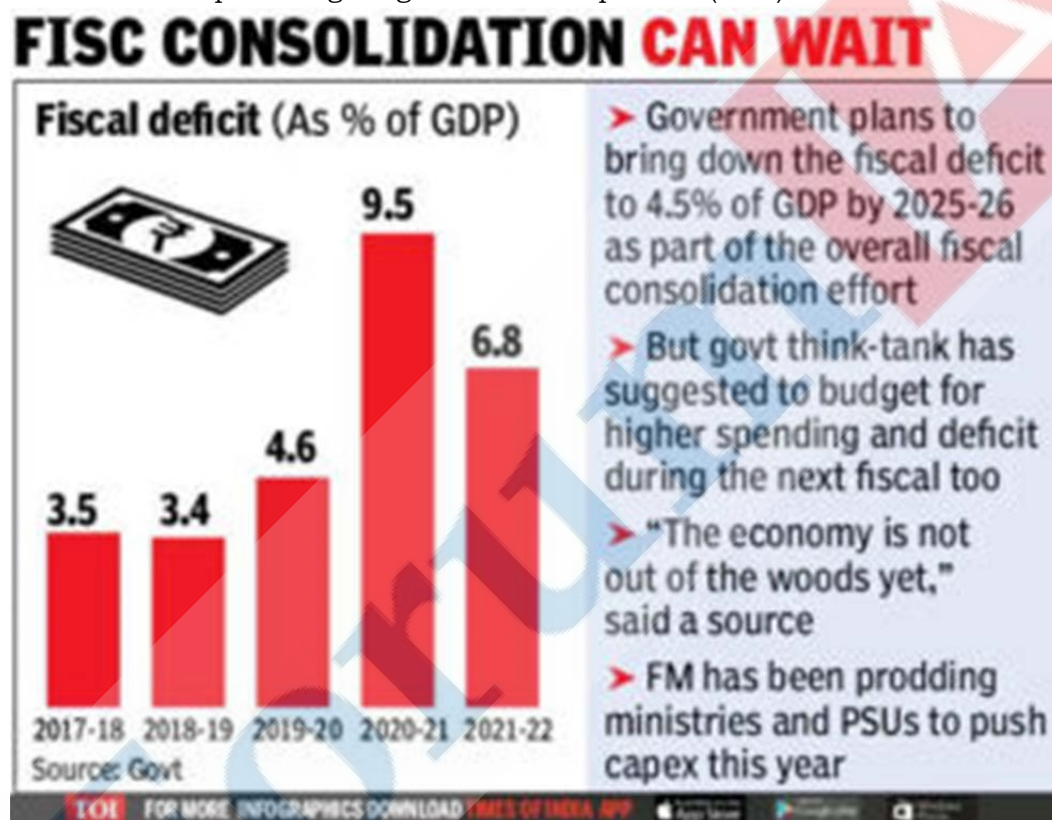


Figure. Fiscal Deficit trends over the last Five years.

Finance Ministry has also **been prodding ministries and public sector companies to spend more** but several ministries have not performed adequately on this aspect.

What will be the effects of stepping up Capital expenditure?

Stepping up Capital expenditure will **boost demand for raw materials** and **create jobs** which will **strengthen economic recovery**.

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38. Nagaland's people deserve neither AFSPA nor gun culture

Source: This post is based on the article “Nagaland's people deserve neither AFSPA nor gun culture” published in the **Indian Express** on 10th December 2021.

Syllabus: GS 3 Security Challenges and their Management in Border Areas – Linkages of Organized Crime with Terrorism.

Relevance: Understanding the present situation in Nagaland.

News: The death of innocent civilians by security officers in Nagaland caused outrage of repealing the Armed Forces Special Powers Act (AFSPA).

What is AFSPA? What are the challenges associated with it?

Read here: [All about AFSPA](#)

Regional Disparity of AFSPA: There is also a question that why AFSPA is only applicable to North-East states and J&K alone when other Indian states also face instances of internal rebellion like left-wing extremism. The reason behind this is NE and J&K is still considered “alien” to the nation because of racial and cultural dissimilarities.

Also read: [Repealing AFSPA will not weaken, only strengthen Constitution](#)

What are the various groups in Nagaland, and how do they proceed?

Naga National Political Groups (NNPGs): They are Nagaland-based groups and speak exclusively for Nagaland.

NSCN (IM): The majority of their cadres belong to Nagas from Manipur. In the past, they mercilessly gunned down rival factions.

Nagaland Gaon Bura Association: It is the apex body of Nagas, which includes all the 16 recognized tribes and the NNPGs. It barred the NSCN (IM) from its group.

The NNPGs and the Gaon Bura Association of Nagaland doubt NSCN(IM)'s ability to bring lasting peace in Nagaland.

Further, their representatives do not demand a separate flag or constitution or sovereignty. They also understand that Manipur, Assam and Arunachal Pradesh will not be reorganized. So, the group petitioned several requests to PM and Home Minister to solve the issues through peaceful means.

Read more: [Nagaland killings should prompt a broad rethink](#)

What is the present situation?

The **Free movement regime (FMR)** between India and Myanmar across the 1,643 km border allows movement up to 16 KM inside each other's territory for trade and commerce. This is misused by militants to smuggle drugs and arms.

Also, the People of Nagaland feel being held hostage by the Center and NSCN(IM). The incidents of misuse of AFSPA alienate people from the center.

What should the government do?

To bring stability in Nagaland, the government should work on these issues.

Further, To strengthen the nation-building process, the government should think of repealing the AFSPA to bring stability to the J&K and NE region.

39. How waterways can help improve competitiveness

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Source: This post is based on the article “How waterways can help improve competitiveness” published in **Live Mint** on **10th December 2021**.

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

Relevance: To understand the importance of Inland waterways and government actions to promote them.

News: Despite being cost-effective and environment-friendly, domestic waterways play a limited role in hinterland connectivity.

About inland waterways in India

India has an extensive network of inland waterways, but they are highly underutilized for freight transport.

The development of inland waterways has been effective in increasing the movement of cargo by about 13% in 2020-21, compared to 2019-20.

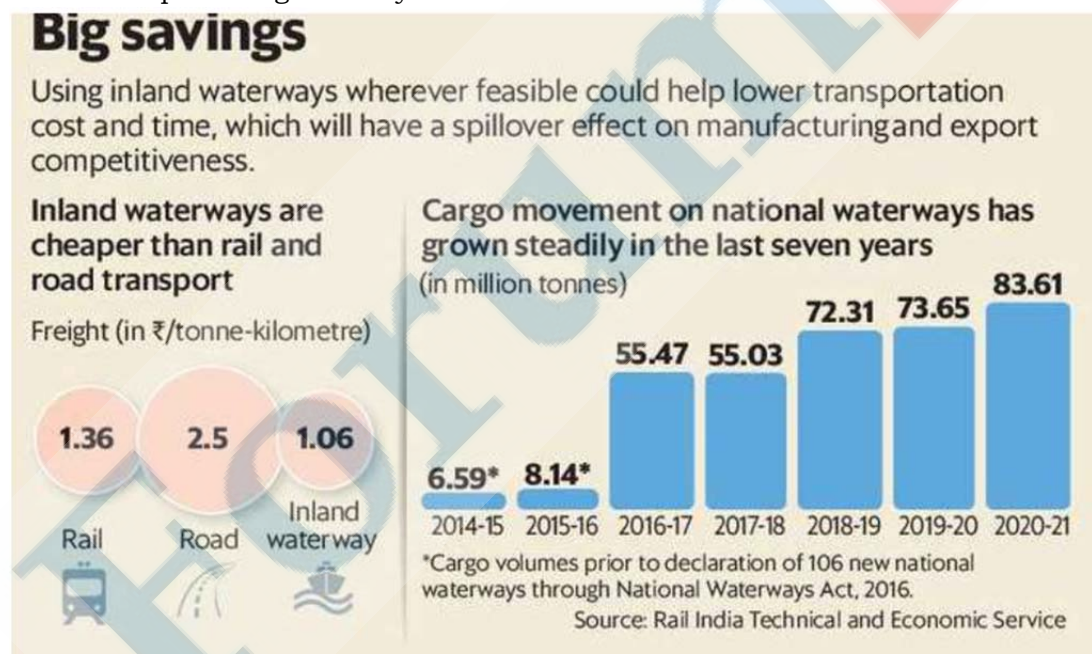
The [Inland Waterways Authority of India \(IWAI\)](#) says 25 of the 111 National Waterways (NWs) are fit for cargo and passenger traffic. Out of these 25, developmental activities are underway for 13.

Must read: [Inland Waterways in India- Issues and Challenges](#)

What are the benefits of Inland waterways?

Source: Livemint

According to Rail India Technical and Economic Service, an arm of the Indian Railways, inland water transport is significantly



cost-efficient compared to rail and road transport, 2. Help in de-congestion of overcrowded rail and road networks,

Inland waterways and regional trade

-the addition of seven new ports of call on each side of India and Bangladesh will increase the accessibility of inland water transport modes for trade,

-Inland waterway mode has been agreed for inclusion in the trade treaty between India and Nepal.

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-Stone exporters from Bhutan have identified inland waterways as an alternative mode of transportation. The IWAI supervised and executed the first such movement in July 2019.

Read more: [Connecting India by inland waterways](#)

Help the economy

India's logistics cost as a share of gross domestic product (GDP) is estimated to be at around 14%, and the Centre's aims to bring it down below 10%.

Inland waterways will help to lower transportation costs and time. This will have a spillover effect on manufacturing and export competitiveness, as the price of most items also depends on transportation costs.

How's India developing inland waterways?

1. Introduced various schemes, programs and Bills such as [Jal Marg Vikas Project, Interlinking of Rivers Programme, Sagarmala Project, Inland Vessels Bill, etc.](#)
2. Ministry of ports, shipping, and waterways last year waived user charges for a period of three years,
3. The government came up with digital solutions such as a portal giving information on cargo and cruise movement and a portal for river navigation and infrastructure information

Read more: [Indian Vessels Bill, 2021](#)

40. What true MSP means

Source: This post is based on the article "What true MSP means" published in **The Indian Express** on 11th Dec 2021.

Syllabus: GS3 – Issues related to MSP

Relevance: Understanding various dimensions of the demand for legalisation of MSP.

News: Farm laws have been repealed by the Govt. Further, it has also conceded to the demand of the unions to set up a committee to ensure minimum support prices (MSP) for all farmers along with other assurances. Amongst them, perhaps the most controversial and ambiguous is the demand for a guarantee of MSP.

As to what a legal guarantee for MSP entails, there are two prevailing opinions:

- As a mandatory enforcement of trade in agricultural produce, including private trade to be necessarily at or above the MSP for that crop, **or**
- The nationalisation of agricultural trade, whereby the government promises to buy all the crop produced at MSP.

Both these formulations are not correct.

Implementing MSP in the true sense requires the government to intervene when market prices fall below a pre-defined level, not buy all the produce.

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

What is the context in which farmers' demand for a statutory MSP needs to be seen?

- **twin droughts** of 2014 and 2015
- **declining commodity prices** since 2014.
- **The twin shocks of demonetisation and hurried rollout of GST:** It crippled the rural economy, primarily the non-farm sector, and also agriculture.
- **The slowdown in the economy after 2016-17, followed by the pandemic:** This has ensured that the situation remains uncertain for the majority of the farmers.

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– With **rural wages declining in real terms since 2014** and **lack of employment opportunities**, the crisis in the rural economy has actually worsened.

– **Higher input prices** for diesel, electricity and fertilisers

In this context, the demand for ensuring remunerative prices is only a repeat of the promise made by successive governments to implement the **Swaminathan Committee report** in letter and spirit.

What are the issues with current MSP regime?

Presently, the **current MSP regime has no relation to prices in the domestic market**. Political interventions have meant that actual procurement is way more than actual requirements for NFSA, leading to excess stocks. Apart from being a waste of resources, this is also inefficient and counterproductive, contributing to price distortions.

Despite repeated demands, **there has not been any progress in including pulses, edible oils and millets in PDS**.

What is the way forward?

A policy for market intervention: Govt should intervene whenever the market prices fall below a pre-defined level, primarily in case of excess production and oversupply or a price collapse due to international factors. It should buy only to stabilise prices at the MSP level. A mechanism to monitor the prices already exists, a policy for requisite market intervention is missing.

Boosting nutritional security: MSP can also be an incentive price for many of the crops which are desirable for nutritional security, such as coarse cereals, and also for pulses and edible oils for which we are dependent on imports. This will also

– ensure geographical balance, as most of these are grown in rainfed and arid regions.

– increase the pool of farmers likely to benefit from MSP interventions to include small and marginal farmers who grow millets, pulses and edible oil.

Less financial burden: A true MSP may also not cost much, given that the market intervention is needed only in the case of a price collapse and only for the commodity for which it occurs. The cost of such an operation is unlikely to be significant as long as the Govt has a mechanism to sell the grain procured in the open market or the export market.

41. Despite risks, there's great potential in cryptocurrencies

Source: This post is based on the article “**Despite risks, there's great potential in cryptocurrencies**” published in **The Indian Express** on 11th Dec 2021.

Syllabus: GS3 – Information Technology

Relevance: Regulation of Cryptocurrencies

News: Reports indicate that the Cryptocurrency and Regulation of Official Digital Currency Bill, 2021, is to be introduced in this winter session of Parliament.

While it is unclear what the Bill will contain, if India goes the China route and bans cryptocurrencies, **it would be unfortunate**.

What is the way forward?

– The underlying **blockchain technology** can make our payment systems more efficient and should be encouraged.

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- There should be a **regulatory mechanism that mandates the maintenance of customer and transaction records**.
- India can **learn from the mistakes and best practices of countries** like Dubai, Singapore, Switzerland and the United States which are struggling with legislation to regulate cryptocurrencies.
- Issues of money laundering and ransomware can always be dealt with by **modifying existing statutes**.

Read more: [Cryptocurrency in India: ban or regulation? – Explained, pointwise](#)

42. Before criticising AFSPA, a full probe is necessary

Source: This post is based on the article “**Before criticising AFSPA, a full probe is necessary**” published in the **Indian Express** on **11th December 2021**.

Syllabus: GS 3 Security Challenges and their Management in Border Areas – Linkages of Organized Crime with Terrorism.

Relevance: Understanding the present situation in Nagaland.

News: Recently, the army operation resulted in the tragic death of 14 civilians in Nagaland, due to mistaken identity as insurgents. The incident occurred in a district inhabited by the Konyak tribe, who have generally been supportive of the government.

Must read: [Nagaland killings should prompt a broad rethink](#)

What was the response to the incident?

The Army: Set up a court of inquiry headed by a Major General to probe the circumstances.

State government: Set up a special investigation team, which has been directed to complete its work within one month.

Read more: [Nagaland’s people deserve neither AFSPA nor gun culture](#)

How did security forces perform so far?

1. Security forces are performing an extremely difficult and complicated task in the midst of multiple insurgencies in the Northeast, 2. Security forces facing challenges for political mismanagement since the mid-Fifties when trouble erupted in the Naga Hills.

About the Naga peace process

Read here: [How has the Naga peace process evolved?](#)

Some global examples of such incidents

Global examples for such incidents include 1. In 2017 unintentional death of 14 civilians occurred while striking ISIS in Iraq, 2. In 2015, 13 civilians were killed in Syria due to the proximity to the target location, etc.

What is the present status of the Armed Forces Special Powers Act (AFSPA)?

In the last four years, the Government has already been gradually withdrawing AFSPA from different areas. The Act was withdrawn from Tripura in 2015 and Meghalaya in 2018 while in Arunachal Pradesh it is now restricted to the three districts of Tirap, Changlang and Longding. At present, the whole of Assam, Nagaland and Manipur (except the Imphal municipal area) continue to be under AFSPA.

Read more: [Armed Forces Special Powers Act \(AFSPA\) – Explained, pointwise](#)

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What should be done?

The present incident needs to be carefully investigated, and if there was any mala fide or excessive use of force, the guilty must be punished.

The government must re-examine the Jeevan Reddy Commission report to repeal AFSPA. The government must consult with all stakeholders and a well-considered decision must be taken with the view of national security.

43. "58 Percent of Potential oil palm acreage identified in 5 states: ICAR study"

Source-This post is based on article "58 Percent of Potential oil palm acreage identified in 5 states: ICAR study" Published in Business standard on 8 Dec 2021

Syllabus- GS Paper 3(Major crops and cropping patterns in various parts of the country)

Relevance- Knowledge of important agriculture imports and facts about palm oil cultivation.

News- Centre's relaunched National Mission for Edible Oil-Oil Palm (NMEO-OP) to expand area under oil palm, largely in southern and north-eastern parts of the country. Recently ICAR also launched report on palm oil cultivation in India.

What does ICAR study says about oil palm cultivation

ICAR analysis shows oil palm cultivation requires **less water than rice, banana and sugarcane**. Thus, it will be a suitable option for **crop diversification, especially as an alternative to rice**.

What is National Mission for Edible Oil-Oil Palm (NMEO-OP)

At present, less than 0.5 million hectares is under Oil Palm cultivation in India domestically, largely in Andhra Pradesh and a few North-Eastern states. **Mission plans to raise oil palm cultivation to 1.7-1.8 million hectares by 2029-30.**

How mission plans to Increase area under Oil palm cultivation-

- 1) **Price assurance to farmers**- Government has approved a benchmark purchase price for oil palm along the lines of the existing Minimum Support Price (MSP) and Provide Viability gap Funding to protect farmers' interest.
- 2) **Incentive to oil palm processors** if they set up their units in North-Eastern states.

What are the apprehensions regarding oil palm plantation

1. **Large scale deforestation**- According to World Wildlife Fund (WWF), the expansion of oil palm plantations is likely to cause huge forest loss.
2. Felling and burning of forests impact populations **of endangered wildlife, disrupts local livelihoods and contribute to global warming.**

What can be challenges in realising the goals of Mission

Previous such efforts have not yielded much results due to the following reasons

1. **Firstly**, farmers have to **wait for four years** for the trees in India to start yielding palm fruit bunches, which would then give palm oil and palm kernel oil.
2. **Secondly**, Indian farmers **generally have very small farm holdings**, making investments in a sector like palm with varied and geographically diverse marginal farm holdings challenging.
3. **Thirdly, Corporate sector investments** in oil palm are **limited** as compared with Malaysia and Indonesia.

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For plantations to be successful, these have to be taken up on a large scale to create efficiencies.

44. “Goods and services tax as an unfinished agenda”

Source–This post is based on article “Goods and services tax as an unfinished agenda” Published in The Hindu on 11 Dec 2021

Syllabus– GS Paper 3(Indian Economy and issues relating to planning, mobilization of resources)

Relevance– Knowledge of GST, Budget, tax collections.

News– GST was launched in July,2017 with the vision of “one nation one tax”, it has seen quite some adaptations since then but still lacks in some key aspects.

What was the vision behind GST’s Introduction

It was expected to improve tax-GDP ratio, end tax cascading, enhance efficiency, competitiveness, growth, and ensure lower prices. Many exemptions, along with different tax rates, have been accommodated to protect the interests of different stakeholders.

What are key features of GST

- 1) **GST Council and GSTN**–Its Foundation is built on GST Council and the GST Network (GSTN). While the former is the key decision-making body, chaired by the Union Finance, the latter generates high-frequency data and subjects them to analytics for informed policymaking.
- 2) **Revenue neutrality and GST compensation** for the States serve as its two key pillars. Although assured revenue neutrality remains a mirage and many States have experienced a declining tax-GDP ratio.
- 3) It is a **destination-based consumption taxation**, with **input tax credit**.
- 4) GST is **applicable to all goods and services except alcohol for human consumption and five specified petroleum products**.

International experience and need for improvement in GST

- 1) GST could be improved by **limiting zero rating, tax-exemptions and harmonising tax rates**.
- 2) Experience of other countries indicates that transfers through **social security or subsidies tend to be more progressive than subventions or exemptions**. It is because reduced rates or zero rating do not usually get passed on to target groups or industries as happening in India.
- 3) GST is shared equally between the Centre and States despite **two expert committees recommended for a higher share for the States**. Also, GST compensation has also recently gone through much debate and controversy, this is not conducive to sustainable co-operative federalism.
- 4) GST is sometimes seen as **discriminatory to manufacturing States**, indicating the need for a revenue sharing formula that duly incentivises exporting States.
- 5) Need for **swift and transparent functioning of the input tax credit system** through a flawless IT infrastructure, the **massive and invaluable data being generated via GSTN has to be put to effective use**.

GST should be seen purely from a revenue point of view and as a fiscal policy tool for efficiency, competitiveness and growth. Profiteering and cascading will prevent both states and consumer to take true advantage of GST and also prevent the true vision behind GST to become a reality.

45. “Radioactive Pollution in water: A global concern for human health”

Source-This post is based on article “Radioactive Pollution in water: A global concern for human health” Published in Down to earth on 10 Dec 2021

Syllabus- GS Paper 3(Conservation, environmental pollution and degradation, environmental impact assessment)

Context-Although Water pollution has been a concern since many decades .But, radioactive pollution of water is newly emerging threat. Recently, radioactive contamination and associated health impacts have been reported in many parts of the globe.

Radioactivity is the phenomenon of spontaneous emission of particles or waves from the unstable nuclei of some elements.

What causes radioactive pollution-

- 1) **Natural causes**- Percolation of naturally occurring radioactive materials (NORM) from the soil to the aquifer causes groundwater contamination.
- 2) **Anthropogenic sources**- These can be divided into two types-
 - a) **Major sources**-Nuclear reactors and nuclear warhead experiments, Nuclear submarines, nuclear power houses(which also use water as a coolant) and dumping of radioactive waste.
 - b) **Minor sources**- Application of radioisotopes in industries and scientific laboratories,

How these sources contaminate water

Dumping of these radioactive wastes in surface waterbodies causes water pollution. However, Radioactive contamination is more prevalent in groundwater as compared to surface water since it is much exposed to radioactive elements found in the rocks.

How does this effect human health

Small amount of radiation is found in all types of water but the extended amount of radiation is harmful to human health.

1. **Immediate consequences**- Distressing skin, lungs, genitals, and causing hair fall.
2. **Long term effects**-Exposure to radiation causes various disorders in human physiology, including cancer, leukaemia, genetic mutations and chromosomal disruption, etc.Sometimes it can be fatal also.
3. **Hereditary disorders** -Ionizing radiation induces mutations in germ cells resulting in structural alteration in germ cell DNA that are passed on to offsprings. Example of nuclear accidents- Chernobyl

What can be done to prevent this

Treatment methods like aeration, reverse osmosis, ion exchange and granule carbon Adsorption are effective remedial measures for treating the radioactive contaminated water.

46. 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 **13th 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.

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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.

47. 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 13th 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

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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.

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.

48. 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 13th 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/>

49. 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 13th 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.

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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. 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.

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50. 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

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.

51. 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**.

9 PM Compilation for the Month of 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.

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](#)

52. [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.

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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.

53. **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**

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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**.

54. **“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)**

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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.

55. "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.

56. "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**.

9 PM Compilation for the Month of December, 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 percent of CO₂ and NO_x 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.

57. 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 **13th 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.

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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. 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 CO₂ 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 CO₂ 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.

58. [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 13th 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.

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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 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.

59. [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 14th Dec 2021.

Syllabus: GS3 – Issues related to the Banking sector

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

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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.

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.

60. 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 14th 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.

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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 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.

61. [Why Farmers Won, People Lost](#)

9 PM Compilation for the Month of December, 2021

Source: This post is based on the article “**Why Farmers Won, People Lost**” published in **TOI** on **14th 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](#)

62. [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 **13th 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.

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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

63. 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 **15th 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.

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.

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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.

64. 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 **15th 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.

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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.

65. [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 15th 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.

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- 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 smoothen 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**.

66. 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 **15th 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:

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- **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.

67. [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 **15th 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.

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Svamitva scheme: In April 2021, the Centre launched a scheme called Svamitva 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 25th 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 3rd 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.

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68. [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 **14th 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.

69. [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.

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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'](#)

70. ["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.

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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.

71. [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 **16th 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

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- 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](#)

72. [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 **15th Dec 2021**.

Syllabus: GS3 – Issues related to Agriculture.

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.**

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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.

73. [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 **15th 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

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.

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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.

Biomineried 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.

74. 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 **16th 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,

- [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.

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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.

75. Protecting gig workers

Source: This post is based on the article "**Protecting gig workers**" published in the **Business Standard** on 16th 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.

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

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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.

76. 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 16th 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](https://www.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.

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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 13th December, and technology teams will have to ensure that this is incorporated in their systems.

77. Household biomass burning- The invisible polluter

Source-This post is based on the article “Household biomass burning- The invisible polluter” published in **Livemint** on **15th 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:

– 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.

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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

78. 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 UNFCC 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.

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, UNFCC should expand the scope of discussions to include climate-related security issues.

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79. 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 17th 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.

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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.

80. 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 **17th 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.

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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.

81. 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 17th 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.

82. 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 **17th 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

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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%.

83. 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.

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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.**

84. 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 18th 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.

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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.

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.

85. [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 18th 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.

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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.

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.

86. 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.

9 PM Compilation for the Month of December, 2021

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.

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:](#)

87. [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.

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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.

88. Neither ban nor regulate crypto

Source: This post is based on the article “**Neither ban nor regulate crypto**” published in **The Hindu** on **20th Dec 2021**.

Syllabus: GS3 – Information Technology

Relevance: Regulating Cryptocurrencies

News: Millions of Indians are gambling on cryptocurrencies in the hope that its value will keep rising. This hope is based on the ultimate belief that they will be socially accepted as a valid medium of exchange

Hence, to dampen the enthusiasm for investment and speculation, instead of banning or regulating Cryptocurrencies, the Govt can simply announce that India will never permit cryptocurrencies to be currency.

Must read: [Cryptocurrencies in India: Ban or regulate – Explained, pointwise](#)

What is the problem with the regulation of cryptocurrencies?

Regulation of cryptocurrencies as financial instruments is based on the fear of a systemic risk caused by events like the 2008 financial crisis. But, such policies have always led to excessive financialisation, reckless money supply and Wall Street control of economic policy, leading to huge disparities in societies.

Also, there is a ‘**moral hazard**’ risk of signalling official sanction of cryptocurrencies to speculators and implying government protection. This could **lead to more people trading in cryptocurrencies**. India does not have the resources and governance capacity to set up a new regulatory infrastructure to oversee the interests of speculators gambling in cryptocurrencies.

Hence, the Govt should neither legalise nor regulate cryptocurrencies.

And when it becomes very clear that the government will neither legalise nor regulate cryptocurrencies in India, speculative activity will reduce eventually, even if few investors lose in the process.

89. Interpretation of ARC maladies

Source: This post is based on the article “**Interpretation of ARC maladies**” published in **Business Standard** on **19th Dec 2021**.

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

Relevance: Regulatory reform of the Asset Reconstruction Companies (ARCs)

News: Search and seizure operations at 60 premises of four ARCs have exposed the “unholy nexus” between the borrowers and the ARCs.

The four are accused of “**unfair and fraudulent trade practices in acquiring**” the stressed loans.

– The bad loans acquired by them were “far less” than the real value of the securities covering such loans.

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– Also, the minimum cash the ARCs paid to the lenders for such loans, typically 15% of the value, came from the defaulting borrowers. The money had been routed through several layers of **dummy companies** controlled by the borrowers or through **hawala channels**.

In light of these events, the regulatory oversight and supervision of ARCs need a revamp and, like other regulated entities, rogue ARCs should be punished.

Must Read: [Asset Reconstruction Company \(ARC\) – Simplified](#)

What are the key recommendations of RBI's committee on ARCs?

1) The minimum capital required for an ARC sponsor to be increased from 10 to 20 per cent to ensure the infusion of capital from financially strong entities.

Meanwhile, the minimum requirement of net owned funds to be raised from Rs 100 crore to Rs 200 crore. This should curb the tendency of some smaller ARCs to acquire financial assets by any means, since they don't have enough capital.

2) Allow the ARCs to establish alternate investment funds (AIFs). This would not only invest in security assets (SRs) but also provide them with the resources to revive sick but potentially viable companies.

3) Widen the investor pool: Broaden the group of qualified buyers who can invest in SRs by bringing in high net worth individuals, corporations, non-banking financial companies, housing finance companies, trusts etc. This will widen the investor pool and deepen the SR market.

4) Reduce the ARCs' minimum investment in SRs from 15% to 2.5% where they have investors in their SRs. This will arm the ARCs with additional resources to acquire bad loans, while the seller banks will get more cash.

5) Creating a secondary market for SRs: Banks should fix the reserve price for SRs because presently there is a mismatch in prices since most SRs are not backed by underlying securities.

6) Permit the ARCs to acquire stressed loans taken by borrowers from overseas banks and financial institutions, asset management companies etc. The rise in the number of sellers of bad assets will facilitate debt aggregation, leading to an early resolution.

7) Lenders should prepare a list of bad loans up for sale every year and share it with the ARCs. They should also **give reasons why they are not selling all old bad loans** and fix the reserve price of assets to be sold based on two external valuations.

Must Read: [NARCL: Need and Challenges – Explained, pointwise](#)

What is the way forward?

Here are a few suggestions given by the author himself:

The **management fee should be linked to the actual recovery/SR redemption** instead of the net asset value, based on the ratings of the SRs. This will ensure that the earnings are based on recovery and not management fees alone.

ARCs should be mandated to have a **board with at least 50% independent directors** meeting the RBI's fit and proper criteria. This will help in raising AIF and bring in independent perspective in decision-making and monitoring performance.

Finally, a **sunset clause** for the ARCs, which is a global norm, should be looked into too.

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90. The overlooked case for food losses and waste

Source: This post is based on the article **“The overlooked case for food losses and waste”** published in **Livemint** on **19th Dec 2021**.

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

Relevance: Related to Food security, Climate change mitigation.

News: Food loss and waste although a major contributor to global greenhouse gas (GHGs) emissions does not get the attention it should. Even major climate negotiations like CoP 26 have failed to discuss it with the required urgency.

This food sector problem needs to be measured and mitigated as part of the country's fight against climate change.

How Food loss and waste contributes to the climate change?

Greenhouse gas emissions take place in the **production, storage, transport, processing, packaging, distribution and consumption** of the food produced; the **wastage** of this food leads to additional emissions if it ends up in a landfill.

Moreover, the agriculture sector is the **largest user of available freshwater**, which is already a scarce resource in countries like India.

Impact: This is doubly harmful as it adds to **global warming** and leads to **loss of the precious resources** that have gone into production of this huge amount of food.

*Nearly **30% of the world's agricultural land** is currently being used to produce food that is not going to reach our plates.*

IPCC's sixth Assessment Report (AR6) has recently pointed out that human induced global warming may contribute to increased agricultural droughts that may affect food production.

What is the way forward?

As the UN Food Systems Summit points out, prevention of food loss will improve the overall health of people and the natural ecosystem. Following steps can be taken:

Need to measure food loss and waste at the post-harvest and at consumption level: While around 14% of the food is lost between harvest and retail points of sale (also known as post-harvest losses), 17 % is wasted at the level of households, retail outlets, restaurants and other food services worldwide. India needs an understanding of the exact extent of food losses and waste, and its social, economic and environmental impact.

Benefits of relevant data: Evidence-based, coordinated policy action requires relevant data. It also helps to understand the true level of the problem. Good data would aid efforts to increase public awareness of food losses and waste at all levels. Once we have the requisite data, we can set targets for reduction and take specific actions focused on critical loss points and geographical hotspots.

Identifying critical loss points: Focus should be on identifying 'critical loss points' (stages that have the most loss/waste) in a food supply chain and also geographical hotspots for loss/waste in India.

91. MSP for all crops is fiscally unfeasible

Source: This post is based on the article **“MSP for all crops is fiscally unfeasible”** published in **Indian express** on **20th Dec 2021**.

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Syllabus: GS3- Issues related to direct and indirect farm subsidies and minimum support prices.

Relevance: Minimum support price, food subsidy, Budget, Fiscal policy.

News: Many Political parties and farmer organizations have recently been demanding to legalise the minimum support prices (MSP).

What is the current MSP policy?

Currently, Government declares MSP for 23 crops, although the main procurement happens largely for rice and wheat to feed the public distribution system (PDS).

– Read more [here](#).

Why legalizing MSP is neither good for the economy nor for the farmers?

Prices of commodities are decided by their overall demand and supply: Even if government decides to legalise MSP, if the MSP is above the market clearing price than the farmers will not get any private buyer, who will not be willing to pay a higher amount.

In that case, the government will have to become the buyer of last resort, putting a lot of pressure on already stressed government revenue. In 2020-21, the food subsidy bill was almost 30% of the net tax revenue of the central government.

Not a policy for 21st century India: MSP regime was introduced in 1965 when India was hugely short of basic staples and living in a “ship-to-mouth” situation. But now with granaries overflowing with rice and wheat, there is a need to rethink and redesign the public procurement system.

MSP policy not even showing desired results currently: Government in last fiscal procured more than 50% of the marketed surplus of rice and wheat. But the market prices of rice and wheat remained below MSP in several states due to leakage from the PDS.

What is the way forward?

Research tells us that the best way to support agriculture in a sustainable and competitive manner is to

– invest in Agri R&D, and

– connect farmers to lucrative markets by building efficient value chains.

For more: Read [here](#) and [here](#)

92. Data Protection Bill: National security, at the cost of citizens' privacy

Source: This post is based on the following articles: “National security, at the cost of citizens' privacy” published in the **Indian Express** on 20th December 2021.

“Disappointed report” published in the **Business Standard** on 19th December 2021.

Syllabus: GS3 Role of media and social networking sites in internal security challenges.

Relevance: Understanding the concerns that emerged over Data Protection Bill.

News: Joint Committee of Parliament (JCP) has tabled its report on the Data Protection Bill in both houses.

Also Read: [The draft personal data protection bill, 2018](#)

Background

Read here: [Why need of data protection bill arise?](#)

What are the recommendations by JCP on Data Protection Bill?

Read here: [Data Protection Bill: Explained: JCP prescription for data Bill](#)

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What are the controversies surrounding the Data Protection Bill?

Surveillance reforms: Bill evades the surveillance reforms which were omitted by the [BN Srikrishna committee](#). So there are no provisions to regulate mass surveillance projects like CCTNS or CMS or NATGRID. Data protection bill inserts the exception clause for the security of the state. This effectively overrides the norms of individual privacy.

Exemption clause: The order invoking the exemption is not a gazetted notification, so it will likely to be exempt from RTI proceedings. Also, the reasons for providing the exemption are not required to be tabled in Parliament.

In contrast, under the UK Data Protection Act, 2018, the national security exemption does not extend to the entire Act. It requires a certificate to be signed by the Minister of the Crown and can be challenged by the affected person before a tribunal.

Read here: [JPC retains exemption clause, adopts personal data Bill](#)

Appointment committee: BN Srikrishna committee proposed an appointment committee consisting of judicial members, with the Chief Justice of India as chairperson, to choose members of DPA (Data Protection Authority).

But the panel now included the cabinet secretary, law secretary and the IT secretary. Also, Under **Clause 87**, the JPC has expanded the power of the central government, as it states, “the authority should be bound by the directions of the central government under all cases and not just on questions of policy”

The move is criticized for compromising the independence of the appointment process. Also in **clause 92**, it makes policies made by the central government override any protections under the Data Protection Bill 2021.

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). This move is criticized as it would add a layer of red tape and could lead to rent-seeking.

Also read: [Opposition Dissent without Basis or Foundation: About the data protection bill](#)

How the bill is different from European Union's General Data Protection Regulation?

[GDPR](#) covers all individuals regardless of nationality if their personal data is held in the EU. It also offers granular protection against government surveillance, along with a “Right to Forget” clause.

While, In India, the bill doesn't address concerns about over-reaching government access to private data. The inclusion of social media platforms also appears unnecessary.

93. Insurgencies are defeated by democratic politics, not force

Source: This post is based on the article “Insurgencies are defeated by democratic politics, not force” published in the **Livemint** on **20th December 2021**.

Syllabus: GS3 Linkages between development and spread of extremism.

Relevance: Understanding issues of AFSPA.

News: The incident of Oting, Nagaland has revived the debate of AFSPA. There is a need to hold state authorities accountable and also review how the democratic Indian republic holds together its diverse population.

Read here: [Nagaland killings aren't a mere 'blunder'](#)

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What is the current status?

Decades after AFSPA was legislated and invoked, many issues of grievance, disaffection, and separatism are still present. AFSPA has become a major tool in the hands of authorities to fight insurgency. This raises many questions like why is AFSPA necessary and how should one politically handle the issue of insurgency?

Read here: [All about AFSPA](#)

Why does AFSPA is necessary?

The army is not a police force. Its personnel are trained to function as a lethal force, risking their own lives. If the army is called in, it is because all other options have failed. To protect both civilians and their uniform counterparts in the conflict zone, there is a need for clear laws and political norms and extra protection for the person serving in the conflict zone.

Read here: [Before criticising AFSPA, a full probe is necessary](#)

Why must AFSPA be lifted after 6 months?

The army is the final resort and must be used minimally, sparingly and for as short as possible. The army must be called in only when a political crisis escalates into armed conflict and is beyond the capability of the state.

Army's task should be to reduce the violence and hand the control back to the state. This is the reason why the duration of six months is built into the legislation.

Read here: [Needed: repeal of AFSPA, not regret](#)

Continuous deployment has a risk of making the army a scapegoat for the failings of political leaders. This may also enmesh soldiers in the political economy of conflict, corrode their professional culture and combat readiness.

Read here: [Repealing AFSPA will not weaken, only strengthen Constitution](#)

How should insurgencies be handled?

There is a need to look at restructuring Rajya Sabha. Giving equal seats to all states will ensure the interest of each state is protected. For example, currently, Nagaland has only one Rajya Sabha seat while Uttar Pradesh has 80. While in comparison to the USA, every state has an equal number of seats in the council of states irrespective of their size.

National integration cannot be achieved by force, it acquires genuine political empowerment of all constituents. Therefore, there is a need to balance the Rajya Sabha.

94. How to get PLIs transform manufacturing

Source: This post is based on the article "How to get PLIs transform manufacturing" published in TOI on 20th Dec 2021.

Syllabus: GS3 – Issues related to manufacturing industries

Relevance: Production linked incentive scheme

News: Recently, the government approved Rs 76,000 crore incentives for promoting domestic semiconductor manufacturing.

There is a need to understand the role of trade and industrialisation in colonisation and its impact on our external trade policy.

It will help us to shape India's current policies in sync with our aspirations of becoming a global economic powerhouse.

Must Read: [Semiconductor manufacturing in India – Explained, pointwise](#)

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What are the lessons of the colonial trade regime?

During the colonial trade regime, industrialisation of the west was fuelled by access to cheaper raw materials and access to captive markets from their colonies.

Impact: It limited the industrial growth in the colonies and also subdued their dream to become independent. Because the colonies became dependent for their livelihood on trade with the imperial power.

Lessons Learnt: To become Self-reliant India needs strong domestic manufacturing industries.

How it impacted India's external trade policy?

The above experience was the reason for India to strategize its post-Independence economic development around the central pillar of **rapid industrialisation**.

Protectionism was offered to safeguard industries from the competition of foreign producers. Whereas, the private sector, was confined to non-core sectors in a protected market.

However, due to many systemic issues, the doors of the economy have been opened to FDI in manufacturing and services after 1991.

Currently, the global disruptions caused by the Covid-19 pandemic have again triggered the need for setting up domestic critical manufacture units owing to supply chain disruption.

What are the policy challenges that needs to be addressed to get the most out of the PLI schemes?

As global tech giants seek to diversify their production base and supply chains, indigenous efforts towards self-reliance can be achieved by attracting hi-tech manufacture in India.

However, there are some policy challenges that needs to be addressed to get the most out of the PLI schemes.

First, issues related to Free Trade Agreements (FTAs) with the EU, UK, Canada and Australia hamper India's access to markets. If India needs to manufacture on a global scale, these issues need to be addressed.

Second, there is a need to maintain consistency in import of critical subcomponents at par with other 'ease of doing business' parameters, especially for PLI-based production. Because, value addition will increase only over time, since the supply chains of hi-tech manufactures are highly diversified.

95. Focus on local bodies in govt push to improve ease of doing business

Source: This post is based on the article "**Focus on local bodies in govt push to improve ease of doing business**" published in **Livemint** on **20th Dec 2021**.

Syllabus: GS 3 – issues related to Ease of doing business in India.

Relevance: Ease of doing business

News: India wanted to break into the top 50 nations on the Ease of doing business index.

India has moved up from 142 among 189 nations in 2014 to 63 in 2019 in the World Bank's ranking. Experts pointed out that the following steps taken by the government have helped India to break into the top 75 nations in ease of doing business

What are the steps taken so far to improve ease of doing business in India?

Cutting down outdated procedures

Infusing transparency

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Minimizing citizen-state interface

Bureaucratic discretion at the sub-national level up to local bodies.

Ranking of states based on their performance

Nudging the states

-For instance, extra borrowing by states was linked to implementing ease of doing business reforms at the state level. The targets given by the Centre included

Eliminating the need for renewing registrations and licences by businesses under various laws setting up a computerized central and random inspection system to ensure the same inspector is not assigned to any unit in subsequent years.

Businesses were to be given prior notice before inspections, and the reports were to be uploaded within 48 hours.

But there is still a long way to go.

What are the existing challenges to ease of doing business in India?

Need for Improvement in the enforcement of a contract: currently, the judicial procedure in India is prone to undue delays. Sometimes it takes 15-20 years for civil disputes to be adjudicated. As a result, India's global rank on enforcement of contracts is a low 163.

Efforts to make land acquisition easier for setting up new factories by legislative amendments have not been successful.

High compliance cost.

What needs to be done further?

Firstly, judicial reforms are needed to simplify dispute resolution.

Secondly, implementing labour codes passed by Parliament would significantly improve the ease of doing business

Thirdly, the cost of compliance, as well as logistics, power, and credit, needs to be addressed.

In this regard, suggestions to policymakers include simplifying GST, revision in GST exemption limit for MSMEs and professionals, and even faster bankruptcy resolution.

Fourthly, the individual states should take efforts to make changes in the local laws. Otherwise, the efforts at the national level in easing businesses in India, will not be felt

What are the steps taken so far?

Steps were taken to improve the quality and efficiency of commercial courts: several rounds of meetings have been held with law firms, corporate bodies, chambers of commerce, and industry to work in an integrated manner along with the judicial fraternity.

Steps taken to simplify dispute resolution in India.

After the 2015 legislation, India had set up dedicated commercial courts in Delhi, Mumbai, Kolkata and Bengaluru with dedicated infrastructure for quick disposal of cases. It will help in disposing of cases in a swift and time-bound manner.

Niti Aayog is currently advocating online dispute resolution, to improve ease of dispute resolution. It helps in handling disputes outside courts, particularly of small and medium-value cases, using digital tech and techniques of alternative resolution such as negotiation, mediation and arbitration.

Steps taken to reduce compliance cost

Niti Aayog has reached out to states to weed out irrelevant compliance requirements.

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The department for the promotion of industry and internal trade (DPIIT) is guiding the efforts of central ministries and states to simplify the regulatory architecture and ranks states on the basis of its business reform action plan.

Way forward

it is time to transition from the ease of doing business to the cost of doing business.

96. Can India become a technology leader?

Source: This post is based on the article “Can India become a technology leader?” published in **The Hindu** on **20th Dec** 2021.

Syllabus: GS 3 – Science and Technology- Developments.

Relevance: Technology development in India.

News: India-born techies are chosen as the leader by technology giants.

Despite having so many celebrated technologists around the world, India is still not a major player in technology. As a consequence, the talent in India left the country. For instance, as of 2019, there were 2.7 million Indian immigrants in the US.

How other countries are able to succeed in becoming a major player in technology?

In the US: the Invisible hand of the government has been behind the Success of enterprise and the free market:

For instance, research by Mariana Mazzucato shows that the state has been crucial to the introduction of the new generation of technologies, including the computers, the Internet, and the nanotech industry.

Example: Public sector funding developed the algorithm that eventually led to Google’s success and helped discover the molecular antibodies that provided the foundation for biotechnology.

The case of China: The role of the government has been prominent in shaping the economic growth of China.

For instance, before a decade, China was known for its low-wage manufacturing. However, due to sustained government efforts, it has made successful ventures into ‘new strategic industries’ such as alternative fuel cars and renewable energy.

What India can learn from China’s Experience?

Strengthening the role of the public sector in strategic sectors:

The Chinese state restructured its state-owned enterprises (SOEs) instead of privatizing.

SOEs were strengthened in strategically important sectors such as petrochemicals and telecommunication and in technologically dynamic industries such as electronics and machinery.

On the other hand, the state retreated from light manufacturing and export-oriented sectors, leaving the field open for the private sector.

Localization: China has used its large market size as a bargaining chip in negotiations with foreign firms. Foreign firms were allowed to stay in their markets only when they were ready to localize production and share technologies with the local firms

Aggressive efforts to enhance technological strengths: through its research institutions and SOEs.

What steps were taken by India for the development of the technological sector?

India’s planning and industrialisation in the early 1950s: Public sector funding was provided in the latest technologies of the time, including space and atomic research and the

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establishment of institutions such as the Indian Institutes of Technology (IITs). As a result, many of these institutions have over the years attained world-class standards.

The growth of information technology and pharmaceutical industries in Bengaluru and Hyderabad: was mainly due to government support.

What are the impediments for India in becoming a major player in technology?

Firstly, India's poor achievements in school education.

Secondly, the **spending on research and development** as a proportion of GDP declined in India from 0.85% in 1990-91 to 0.65% in 2018. In contrast, this proportion increased over the years in China and South Korea to reach 2.1% and 4.5%, respectively, by 2018.

Thirdly, the country is operating far below its **potential in electronic manufacturing**. For instance, electronic goods and components are the second-largest items, after oil, in India's import bill.

What are the existing Prospects for India to become a major player in technology?

India still possesses favorable supply and demand factors that can propel it into the frontlines of technology.

First, the number of persons enrolled for tertiary education in India (35.2 million in 2019) is way ahead of the compared to all other countries except China.

Second, graduates from STEM (Science, Technology, Engineering, and Mathematics) programs as a proportion of all graduates was 32.2% for India in 2019, one of the highest among all countries (**UNESCO data**).

Third, India has a large market for all kinds of new technologies. India will soon have twice the number of Internet users as in the U.S.

What needs to be done?

First, increase public spending to improve the quality of and access to higher education.

Second, universities and public institutions in the country need to be facilitated to enter areas of technology development for which the private sector may have neither the resources nor the patience.

Third, the 'Make in India' initiative will have to go beyond increasing the 'ease of business' for private industry. It should support Indian industry to deepen and broaden its technological capabilities.

Fourth, Strengthening PSU's. So that they can create, and the strategic and knowledge assets they can build.

A strengthened public sector will create more opportunities for private businesses and widen the entrepreneurial base.

Finally, there is a need to establish a mechanism in place for the diffusion of publicly created technologies, along with greater availability of bank credit and other forms of assistance.

97. How does the Fed's taper move impact Indian economy?

Source: This post is based on the article "How does the Fed's taper move impact Indian economy?" published in **Livemint** on **20th Dec 2021**.

Syllabus: GS3 – Issues related to Inflation.

Relevance: Fed tapering and its impact on Indian economy

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News: The US Federal Reserve has decided to speed up its taper timeline because of higher inflation, expanding economic activity and a stronger labour market.

What did the Federal Reserve decide?

In response to the coronavirus pandemic, the Fed had been buying \$120 billion worth of bonds every month.

Now, the US central bank said it would double the reduction of its monthly asset purchases to \$30 billion, thereby concluding the tapering programme by March 2022 as against the previous timeline of mid-2022.

Why did the Fed speed up the timeline?

The following factors put pressure on the Fed to increase interest rates sooner than planned:

High inflation: US inflation levels spiked to 6.8% (the highest in three decades) in November 2021, due to

- Supply chain disruptions
- Increasing consumer demand led to

Read more: [US inflation and impact on India](#)

Improved labour conditions: Expanding economic activity has also resulted in improved labour market conditions. With the US economy picking up substantially and retail prices going up dramatically, the Fed is caught between rising inflationary trends and the need to revive the economy.

What are the potential impacts on the Indian economy?

Higher supply side inflation: A weakened rupee would result in increased landed price of crude oil.

Ensuing Impact on RBI's monetary policy: Higher crude oil prices will only worsen the inflation situation in India and might put pressure on RBI to raise rates faster than anticipated.

– **Read more:** [The question of US monetary policy](#)

98. Why bugs should be a bigger part of the human food chain

Source: This post is based on the article “Why bugs should be a bigger part of the human food chain” published in **Livemint** on 21st Dec 2021.

Syllabus: GS 3 – Issues related to Food & environmental security

Relevance: **Insect proteins, Environmental sustainability**

News: Recently, the EU (European Union) approved the use of insects for human consumption.

The decision paves the way for an alternative protein source that can play a critical role in food & nutritional security. Further, the Insect protein Industry has huge economic and environmental potential.

How insect proteins can ensure sustainability in our food system?

Currently, the animal feed industry relies heavily on water and carbon-intensive farming of grains. Globally, animal farms consume more than a third of the world's total grain production. But the cost of agrochemical inputs is increasing, and freshwater resources are becoming increasingly unreliable.

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In this context, Insect proteins become a valuable indirect food source as feedstock for poultry, farmed fish, pork, and beef which are currently dependent on environmentally costly soy and corn feeds.

Insect-based animal feeds could be this industry's best solution for building climate resilience, while also helping us manage a food waste crisis.

How insect proteins are environmentally beneficial?

Consider the case of **Black soldier fly larvae** (BSFL). These infant bugs serve as high-quality chicken and fish feed.

However, it requires 1,000 times less land per unit of protein produced compared to soy production, between 50 and 100 times less water, and zero agrochemical inputs.

A notable advantage of BSFL is that they are fed with food waste. It can play a significant role in keeping the organic waste out of landfills and reclaiming those nutrients, so they can re-enter the food chain.

Moreover, the larvae produce a valuable fertilizer rich with nitrogen and microorganisms as a by-product. It is capable of restoring soil quality and enhancing its carbon storage capacity.

What are the present Challenges to the insect proteins Industry?

The issue of cost: While a unit of poultry feed costs several hundred dollars and fish feed costs about \$1,000, insect feeds can cost more than \$2,000. As the industry scales up, these costs are expected to rapidly decline.

What more needs to be done?

Need to focus on reforms in three key areas.

- Increasing the varieties of bugs that can be farmed.
- Expanding the uses for these insect proteins. Now permitted only in certain pet foods and limited poultry and aquaculture applications.
- Enabling insect farmers to utilize post-consumer food waste.

99. India's FTA ambitions in perspective

Source: This post is based on the article "India's FTA ambitions in perspective" published in **Business Standard** on 21st Dec 2021.

Syllabus: GS 3 – issues related to India's FTA policy.

Relevance: FTA's, Regional trade blocs.

News: Recently, India's commerce secretary, stated that trade will find a specific focus in the forthcoming Budget and that India's FTAs will be "very deep".

The statement appears to be in line with recent global developments. For example, The US-Mexico-Canada Agreement (USMCA), the EU-Vietnam FTA, and the 15-member Regional Comprehensive Economic Partnership (RCEP).

China and Taiwan, request for membership to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

The UK has initiated its negotiations for membership to the CPTPP earlier this year.

However, to make FTA negotiations successful, India needs to address some of the following issues that are hampering India's FTA with other regional trade blocs.

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What are the issues hampering India's FTA with other regional trade blocs?

Firstly, issues related to labor laws and investor protection provisions impact India's ability to negotiate deep-trade agreements.

Deep trade agreements have been designed over the last two decades to facilitate complex global value chains and the underlying trade-investment-services linkages.

The predominant focus in these agreements is linked to investor protection, intellectual property rights (IPRs) and labour standards.

India has found it difficult to negotiate these issues in its earlier free trade agreements. For instance, issues related to labour laws led to the suspension of the FTA negotiations with the EU in 2013 and pushed these negotiations to 2023.

Furthermore, India's 2016 template for a [model investment treaty](#), may make it difficult for India to negotiate the investor protection provisions. Because it is more state-friendly and includes some burdensome provisions for the foreign investor.

Secondly, a protectionist tariff structure, if not corrected, could remain a hurdle at the preliminary stage of FTA negotiations.

India's tariff structure has been relatively higher than the average MFN tariffs in the manufacturing sector. For example,

As per World Bank data, the applied, weighted mean tariff rate for manufactured products in India increased from 5.5 percent in 2008 to 6.6 percent in 2019. Whereas it decreased in the case of Vietnam from 5.6 percent to 1.4 percent over the same period.

Thirdly, India's proposed FTAs with Israel, the UAE, Australia, and the UK will not be effective. India should aspire to participate in any of the three major regional hubs. (North America (NA), Europe, and East Asia).

Because FTAs with these hubs will facilitate deeper integration and value chain consolidation. **For instance,**

The EU, whose evolution has resulted in progressively deeper economic integration, has shown the highest levels of intra-regional GVC (Global Value Chain) activity. Later accession of the Central and Eastern European economies to the EU, resulted in their integration in the EU production networks.

Similarly, the China-ASEAN FTA helped intensify regional value chain trade in the sector.

Further, India's inability to participate in any regional GVC hub through a regional FTA is hampering India's investment flows.

100. What rising inequality means

Source: This post is based on the article "What rising inequality means" published in The Hindu on **21th Dec 2021**.

Syllabus: GS3- Inclusive growth and issues arising from it.

Relevance: Inequality in India and world, its causes and impacts

News: COVID Pandemic has exposed the inequality present globally.

The middle 40% has 40% of the share in income. This distribution shows the tendency of a **rising middle class** with lower disparity in income. But it also shows that the **status of the poor is worsening** day by day.

The menace of inequality needs to be controlled as it has led to an increase in the number of billionaires in the world while billions don't have the means for a decent life.

Education and similar such domains have the capacity to break the cycle of inequality.

Must Read: [Rising inequality in India – Explained, pointwise](#)

What is the actual reason for this inequality?

Inequality is actually a **result of poor redistributive policies** and **lack of discouragement of accumulation** by governments.

The **Kuznets theory** presents the view that the **average level of income is indicative of inequality**. But this seems to be false as high-income countries such as the U.S. have higher levels of inequality as against countries such as Sweden, which have moderate levels of inequality.

Also, Inequality is sometimes understood to be an **outcome of rising levels of income** in the post-liberalization era. But this preposition also appears to be false as the rise in inequalities in the U.S. and India is higher against a moderate rise in China.

What are the implications of rising inequality?

Rising inequality leads to **rich nations but poor countries**. As inequality rises, resources gradually move into private hands and governments become poor and resource deficient. This may result in the following outcomes:

Firstly, Governments will have a **limited capacity** to act on measures required to tackle inequality.

Secondly, distributional fairness of wealth will be compromised due to private interests.

101. An over-engineered social stock exchange?

Source: This post is based on the article “**An over-engineered social stock exchange?**” published in **Business Standard** on **21st Dec 2021**.

Syllabus: GS 3 – Regulatory bodies in India and their functioning.

Relevance: social stock exchange

News: Securities and Exchange Board of India (SEBI) in its recent board meeting approved the creation of a social stock exchange.

SEBI has announced the setting up of Social Stock Exchange, on the basis of proposals from the working group under **Ishaat Hussain**, and a technical advisory committee under **Harsh Kumar Bhanwala**.

What are the advantages of setting up a Social Stock Exchange(SSE)?

Firstly, according to SEBI working group, SSEs will facilitate developing a set of procedures, that act as a filter to select only those entities that are creating measurable social impact and reporting such impact.

Secondly, setting up an SSE will bridge the funding gap for the social sector players. For instance, the NGOs operating in diverse sectors. It will enable entities that are listed on the SSE to access donations to help them meet their objectives through predefined instruments.

Will the exchange take off?

International experience shows that only just three of the seven exchanges that were set up, still survive (Canada, Singapore, and Jamaica).

However, Social stock exchanges will take off in India because India's social sector is very deep. For instance, Rs. 246 billion spent by companies on corporate social responsibility in FY20. Further, there are lakhs of NGO's operating in very diversified sectors. So,

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Will regulation of social stock exchanges hamper its functioning?

Pushing for registration will bring greater transparency to their operations without the burden of a full listing, while giving them much-needed visibility.

For instance, donators can be sure of how efficiently the entity is spending money. Moreover, Registered entities will disclose their governance structures and processes, financial parameters and publish their impact studies on an ongoing basis.

What is the way forward?

NGO Darpan, a database maintained by the Niti Aayog, has self-declared data for over 129,000 NGOs.

SEBI should take things forward by collecting the data from NGO Darpan, validating it, and evaluating it with an evaluation framework across well-defined governance and financial parameters.

102. Blue sky thinking-Net zero aviation is more than a flight of fantasy

Source: This post is based on the article “Blue sky thinking-Net zero aviation is more than a flight of fantasy” published in **Down to earth** on **20th Dec 2021**.

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

Relevance: Emissions from aviation sector and efforts to reach net-zero target.

News: Emissions from aviation industry **have almost doubled since 2000** and reached **one billion ton** in 2018.

To reduce emissions from aviation sector and make it net-zero will require a **huge collaborative effort between industry, government and consumers**.

What has been the efforts by the aviation sector towards the net-zero goal?

The aviation sector's progress in cutting emissions has been **very slow**.

At the **COP26 climate change summit in Glasgow**, the industry put forth a plan known as the **Carbon offsetting and reduction scheme for international aviation**.

But the drawback of the scheme is that it is based on carbon offsetting, which means even its implementation will not lead to absolute emission reduction from aviation sector.

It will only encourage another actor to reduce emissions on its behalf at lowest cost.

Although on a positive note the scheme does encourage alternative cleaner fuels.

Why governments have failed to lower emissions from aviation sector?

1) Pollution from aviation is **not counted in the emissions of any country**, leaving little incentive for governments to act.

2) Aviation involves **multiple stakeholders** which makes introducing changes difficult.

What is the way forward?

1) **Enhance production and deployment of new aviation fuels and technologies:** Jet fuel can be replaced with alternatives such as sustainable fuels or electric or hydrogen propulsion.

2) **Update regulatory and certification processes for new types of aircraft**– Electric and hybrid aircraft have been a latest development in this regard but are yet to become a commercially viable option.

They are powered by hydrogen or a battery/ any sustainable fuel.

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They not only reduce carbon emissions but also reduce non-CO₂ climate impacts such as oxides of nitrogen (NO_x), soot particles, oxidized Sulphur species, and water vapour.

They also have lower maintenance costs.

3) **Fuel demand can be reduced through efficiencies in route and air traffic management.**

4) **Greener airport and infrastructure** will significantly help lower emissions.

5) Experts like **Pilots and aerospace engineers can be consulted** while designing policies.

103. **Gati Shakti: A much-needed fast track to development**

Source: This post is based on the article "**Gati Shakti: A much-needed fast track to development**" published in **Indian Express** on **21st December 2021**.

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

Relevance: To understand the various Infrastructure projects and the need for Gati Shakti.

News: Gati shakti master plan would help India to converge its infrastructure spending.

Must read: [PM Gati Shakti – National Infrastructure Master Plan – Explained, pointwise](#)

What is the Gati shakti master plan?

Read here: [PM launches Gati Shakti- National Master Plan for infrastructure development](#)

What are the past initiatives to boost infrastructure?

Some of the mega initiatives include the Sagarmala and Bharatmala projects, the establishment of the [National Investment and Infrastructure Fund](#), revisiting Public-Private Partnership (PPP) models on the lines of the Kelkar Committee recommendations, etc.

Other initiatives include Delhi-Mumbai Industrial Corridor (DMIC), the Bengaluru-Mumbai Economic Corridor (BMEC), the Chennai-Bengaluru Industrial Corridor (CBIC), and others.

Read more: [How India's Gati Shakti Plan can have an impact beyond its borders](#)

What are the challenges faced by Infrastructure projects despite various measures?

According to the World Economic Forum's Global Competitiveness Report 2019, India was ranked 70th. On utility infrastructure, India's rank was 103rd which was inferior to many countries like China, South Korea, Malaysia, Indonesia, Thailand and Vietnam.

This is because the infrastructure sector is facing the following challenges,

1. Increase in the supply-demand gap, 2. Inadequate investment, 3. Increasing dependence on the private sector, 4. An underdeveloped financial sector, 5. The infrastructure sector falls under various ministries and departments which have their own priorities, and above all 6. Lack of synergy among different infrastructure sectors, ministries and departments.

All these issues pose challenges to India's dream to be a five trillion economy with an enhanced share of manufacturing in GDP.

Read more: [Gati Shakti can spur behavioural changes for superior governance](#)

How Gati Shakti will resolve the challenges faced by the infrastructure sector?

Gati Shakti will help in realising the goal of the proposed national logistics policy. The Draft National Logistics Policy (2019) aims to reduce the logistics cost from 13-14% to 10%.

Read more: [Gati Shakti: Connecting the silos](#)

104. **Delink the good, bad and ugly of online gaming for apt regulation**

Source: This post is based on the article "**Delink the good, bad and ugly of online gaming for apt regulation**" published in **Livemint** on **20th Dec 2021**.

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Syllabus: GS3- Science and Technology- developments and their applications and effects in everyday life.

Relevance: Presence of Gaming Industry in India, Steps by government to regulate it

News: Recently, a parliamentarian urged the government to come up with a comprehensive framework to regulate online gaming.

The need to regulate online gaming industry is clear as India is home to over 275 gaming companies, more than 15,000 game developers, and around 300 million gamers.

But the issues of illegal betting and gambling should not be mixed up with online gaming. They need to be delinked from each other.

How illegal betting and gambling is carried out in India?

Offshore gambling websites: Most of the betting in India is done on cricket matches, through **websites like Betaway, Bet365 and DafaBet**. These websites are headquartered in tax havens like Malta, Cyprus and Gibraltar but are accessible to Indian users.

Third party wallets: In India, third-party wallets like Skrill and Neteller are used to funnel money into gambling sites. Users deposit money from their bank accounts into these prepaid wallets, which can be used to make payments anonymously.

What is the game of skill versus chance debate?

Various High courts have legitimized gaming formats like fantasy sports etc as online games of skill.

Rulings like **Varun Gumber vs Chandigarh (Punjab & Haryana High Court)**, **Gurdeep Singh Sachar vs Union of India (Bombay High Court)** and **Avinash Mehrotra vs Rajasthan (Supreme Court)** – have found fantasy sports of a predominant format to be games of skill.

In the **Junglee Games case**, the Madras High Court ruled that games like Poker and Rummy are games of skill.

Fantasy sport is a type of game, often played using the Internet, where participants assemble imaginary or virtual teams composed of proxies of real players of a professional sport.

How can the Govt address the issue?

Firstly, the centre can take steps to **block sites under Section 69A of the Information Technology (IT) Act**. Stringent measures are also required to **prevent illegal services being advertised or promoted** through direct or surrogate means online.

– **Rule 3(1)(b) of the IT Rules, 2021** prohibits intermediaries from posting or hosting content that encourages gambling or money laundering. But rules to penalize such advertisements **need to be extended to the entire online ecosystem**.

Second, since the blocking of illegal websites lies in the Centre's jurisdiction, states may follow the **Maharashtra Police's model** to deal with digital piracy.

The Maharashtra Cyber Digital Crime United (MCDUCU), formed in 2017, works with media and entertainment businesses to identify and take down websites engaged in the dissemination of pirated content.

States can undertake a similar exercise against illegal betting websites, with support from the gaming industry.

Moreover, **consumer interest groups** should be brought in into anti-gambling efforts, to spread awareness and provide forums to **report illegal platforms**.

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Finally, the Centre should formulate an overarching **regulatory framework for online games of skill**. India must move beyond skill-versus-chance debates to keep up with the global gaming industry.

Advanced jurisdictions have mostly taken a **hands-off approach** towards skill-based games.

The **UK exempts skill games** from licensing requirements that apply to games of chance.

Likewise, the **US's Unlawful Internet Gambling Enforcement Act** carves out a **safe harbour** for fantasy sports.

What is the way forward?

A legal codification of judicial rulings, along with a nuanced classification of different types of online games, could enable targeted and risk-based rule-making.

Such a framework will offer clarity and separate skill-based games from gambling.

Online games represent the best of both Digital India and Make in India, they need a proper legislation for Industry to function smoothly.

105. A fair playing field for ARCs to rival our new bad bank

Source: This post is based on the article “**A fair playing field for ARCs to rival our new bad bank**” published in **Livemint** on **22nd Dec 2021**.

Syllabus: GS3 – Issues related to banking sector

Relevance: NPAs, Bad banks and ARCs

News: ARCs should be treated equally with National Asset Reconstruction Company Ltd (NARCL).

In many countries, the national bad banks, set up to help clean the balance sheets of banks, make losses. This is because they buy non-performing assets (NPAs) from banks at **inflated value**, and sell them at **market value** after efforts to revive the underlying businesses. So, they require government support to thrive.

However, India can change this trend with the help of Asset Reconstruction Companies (ARCs). A level playing field to ARCs will improve the asset recovery and allow ARC industry to participate in the process of price discovery in competition with the national bad bank. This can reduce the burden on taxpayers.

Must Read: [Asset Reconstruction Company \(ARC\) – Simplified](#)

How the ARCs have performed till now?

The performance of ARCs has been **poor** till now. **For example**, during the period from 2003-04 to 2012-13, banks and other investors were only **able to recover** about **14.29%** of the amount owed by borrowers.

What are the factors affecting the performance of ARCs?

Constraints imposed by the regulations: Adequate infusion of capital, a pre-condition for successful recovery, was limited by regulations that constrain an ARC's ability to take control of a distressed company. **For instance**, the current proposal allows the NARCL to buy NPAs with a 15-85 split between cash and securities, with the value of these securities guaranteed by the government.

Whereas, Private ARCs will be allowed to place counter-bids, but **ARCs must pay 100% cash**. This does not create a fair playing field. This gives a distinct advantage to NARCL.

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NARCL is backed by the government and 15-85 split between cash and securities criteria allows it to infuse more money, whereas ARCs are constrained by capital.

Must Read: [Interpretation of ARC maladies](#)

What are the steps taken to improve the functioning of ARCs?

The panel set up by the RBI had recommended that ARCs should be allowed to **set up alternate investment funds** for the purpose of bringing in capital and competencies for reconstruction.

Must Read: [NARCL: Need and challenges – Explained, pointwise](#)

What needs to be done?

First, it is essential to create a fair playing field between private ARCs and the National Asset Reconstruction Company Ltd (NARCL). The **pre-condition of cash requirement needs to be addressed**.

– An **economic model developed by Yogesh Mathur** reveals that the maximum amount any ARC (NARCL included) would be willing to bid rises steeply, as the cash proportion of the deal falls.

Second, setting reserve prices conservatively and adopting a multi-round auction format will result in NPAs moving off the books of banks at fair price.

106. On Plastic pollution

Source: This post is based on the article “**Plastic pollution**” published in **Business Standard** on **22nd Dec** 2021.

Syllabus: GS3 – Issues related to Environmental protection

Relevance: Plastic pollution

News: India's track record in managing plastic pollution compares poorly with that of many other countries.

The latest global **Plastic Management Index**, ranks India 20th among 25 major plastic-producing nations.

What are the reasons?

Lack of infrastructure: According to the [Central Pollution Control Board](#)'s estimates, India produces 3.5 million tonnes of plastic waste every year. The per-head plastic generation, has doubled in the past five years. But the infrastructure for proper handling and disposal of the used plastic stuff has not expanded.

Consequently, the plastic trash lands either at garbage dumping grounds or is scattered on roads, waterways, and other public places.

Negligence in enforcing the regulations by local authorities and pollution control bodies: For instance, “**Extended Producer Responsibility**” principle that binds the stakeholders to collect the same amount of plastic as they generate for proper recycling or disposal remains largely on paper.

What are the negative implications?

The problem concerns mostly the single-use plastic products that tend to last in the ecosystem almost forever because of their non-biodegradable nature.

Impact on Environment: The discarded plastic items, causes traffic hazards or blocking drains, inundating the surrounding areas.

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Impact on Live stocks: Stray cattle die, in trying to ingest plastic bags.

Impact on Humans: Human beings also run the risk of plastic toxicity on consuming food items, especially cooked food, packed in non-food grade plastic containers.

What are the steps taken?

The government had announced **phasing out single-use plastic carry bags** with thickness of less than 50 microns, by September 2021 and other items by the end of 2022.

India had piloted, and got passed, a **resolution at the 4th United Nations Environment Assembly in 2019** to mitigate the menace of single-use plastic pollution at global level.

The [Plastic Waste Management Rules, 2016](#), has been updated recently, contains several well-advised measures to control plastic pollution.

Few consumer goods companies using plastic materials have prepared **plans to reduce their plastic footprint** to turn plastic-neutral in a phased manner.

What is the way forward?

At present, the bulk of the plastic rubbish is handled by the unorganised sector, including rag-pickers and waste-dealers (kabadiwalas). They **need to be made part of the overall plastic waste management system**, as they are serving essentially as aggregators of junked plastic stuff.

The governments and pollution control boards at both Central and state levels has to **ensure strict implementation of plastic waste-handling policies and norms**.

107. Our Harmed Forces?

Source: This post is based on the article “**Our Harmed Forces?**” published in **TOI** on **22nd Dec 2021**.

Syllabus: GS3 – issues related to Armed forces

Relevance: AFSPA, politicisation of the services

News: Recent tragic incidents have once again brought the public focus on the long-standing issue of the relationship between the defence services and domestic politics. The time has come to pay attention to the issue of the politicisation of defence services.

What events have attracted attention towards the relationship b/w services and politics?

Recent events

- The demand for the withdrawal of the [Armed Forces Special Powers Act \(AFSPA\)](#), and
- the political gains sought to be derived by politicians from nationwide sympathy for the families of soldiers ‘killed’ in a tragic accident, most recently involving the CDS.

Misc event

- The election of a former chief of army staff on a party-political platform and his subsequent induction into the Union council of ministers shows **politicisation of the services**.

What are the issues that needs to be considered w.r.t the demand for the withdrawal of the AFSPA?

Firstly, it's not just a demand for the withdrawal of AFSPA but in fact for the withdrawal of the armed forces from internal security.

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Internal security, be it in Jammu & Kashmir or in Manipur or Nagaland or anywhere else for that matter, should be left to the police and paramilitary forces.

Secondly, even the army members feel that it should not be drawn into internal security, including counterinsurgency operations targeting disaffected citizens, often just civilians. **For instance**, after the recent tragic incident in Nagaland several ex-servicemen, including senior leaders of the defence services, have publicly articulated this view.

Long-term deployment of army as in the case of J&K and some North-eastern states has risked the **reputational loss to army** that is not in the national interest.

What are the other issues that needs consideration?

The issue of politicisation of defence services and their operations for party political benefit.

For instance, the **'surgical strikes'** issue was politicised in the run-up to the 2019 Lok Sabha elections. Further, undertaking a professional assessment of that operation has been hampered due to the fear of political leadership.

The same issues have repeated with regard to a professional assessment of the **India-China stand-off along the LAC**.

In a democracy, informed public discussion even on what are often regarded as purely 'military' decisions is a legitimate activity.

The country deserves an analysis of the handling of 'surgical strikes and border clashes similar to the professional assessment made by Kargil Review Committee.

108. The data protection bills' reduced emphasis on privacy

Source: This post is based on the article **"The data protection bills' reduced emphasis on privacy"** published in **Livemint** on **22nd December 2021**.

Syllabus: GS3 Challenges to internal security through communication networks.

Relevance: Understanding the data protection bill.

News: Joint Committee of Parliament (JCP) on the Personal Data Protection (PDP) Bill, 2019 has submitted its report in the Parliament.

Also Read: [The draft personal data protection bill, 2018](#)

What are the key recommendations of the bill?

Children data: It recommended children's personal data be processed in the manner best fitted for the interest of the children. The decision of what constitutes the child's best interest to be left to parents and natural guardians.

Grievance Redressal: Under Section 62 data principals can approach to Data Protection Authority (DPA) if they are not satisfied with how their grievance was redressed by the data fiduciaries.

New definition: Under the new definition of "data fiduciary" and "data processor", it specifically includes nongovernmental organizations also. Although the term "company and any juristic entity" had already been there in an existing one.

Also read: [Data Protection Bill: Explained: JCP prescription for data Bill](#)

What are the concerns associated with the data protection bill?

Section 36: Under the Section 36 clause, the drafts exempts the applicability of Chapter II through VII for law enforcement purposes. These restrictions existed earlier but were qualified

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like the 2018 draft called for the process to be fair and reasonable. The current draft does away with all such qualifications on the processing of personal data.

Read more: [Draft Personal Data Protection Bill](#)

Section 12: Earlier, the scope of Section 12, permitted personal data to be processed without the consent for performing functions on the grounds – a) provision of services or benefits, b) issuance of certifications, licenses, or permits. Now the scope has been expanded through the insertion of the word “including” to suggest that these categories can be expanded in the future.

Appointment of data protection officers: New draft limits that only the chief executive officer, chief financial officer, or whole-time director of an overseas company can be appointed as data protection officer and not the low-level officials of any company. This might cause a resource-crunch.

Read here: [What are the controversies surrounding the Data Protection Bill?](#)

109. Our semiconductor shortage is likely to persist for a long while

Source: This post is based on the article “**Our semiconductor shortage is likely to persist for a long while**” published in **Livemint** on **22nd Dec 2021**.

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

Relevance: Regarding semiconductor chip shortage

News: The semiconductor chip shortage, currently impacting the automobile industry, is likely to last longer.

How the semiconductor industry evolved in the mid-80s?

The semiconductor industry underwent a major change in the mid-80s as chips started getting commoditized.

– To protect against price risks and secure heavy investments that go into fabs, chipmakers started asked for **purchase commitments at pre-agreed prices**.

– And to cover for demand variability, **excess capacity was maintained**.

This means that now, around 80% of all production goes to pre-committed buyers, while the remainder is set for the traders.

Auto industry buys semiconductors from this remainder pool of low cost supplies.

Must Read: [Chipped & vulnerable: GoI must make public investments to encourage private manufacturing in strategic semiconductor industry](#)

What is the way forward?

Short term

In the near-term, the industry can revert to older systems, reducing features in vehicles, and delaying deliveries of vehicles.

Long term

A longer-term response has also started to emerge.

– Samsung has announced a **new chip plant** in Texas. Also, both Ford and GM have said they would get into long-term design and manufacturing arrangements.

– Further, national governments have also started treating chip supplies as a **strategic imperative**. **For instance:** India’s newly announced \$10 billion incentive scheme for high-end

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chip-making can go a long way in establishing a strong electronics manufacturing base in India.

Must Read: [Semiconductor manufacturing in India – Explained, pointwise](#)

110. Will India Pay For RBI's Hurry?

Source: This post is based on the article “Will India Pay For RBI's Hurry?” published in TOI on 23rd Dec 2021.

Syllabus: GS3 – Changes in Industrial Policy and their Effects on Industrial Growth.

Relevance: RBI's guidelines on storage of card payment data

News: The RBI, in Mar 2020, issued guidelines prohibiting merchants (*including all e-commerce websites, streaming platforms*) and payment aggregators (*such as Razorpay and Instamojo*) from storing customer card information. These will come into effect from 1st Jan 2021.

In September 2021, an alternative to the current system was permitted. The alternative system is called **Card-on-file Tokenisation (CoFT)**.

But, even though RBI's move is well-intentioned, **a hurried transition can end up disrupting payment systems in India**, adversely affecting both customers and merchants.

Must Read: [Merchants, companies can't store card data from Jan 1: RBI](#)

What is Card-on-file Tokenisation (CoFT)?

CoFT is the process of de-identifying sensitive cardholder data by replacing the actual card details with an alternative code called the “token”, which is unique for every combination of card and merchant.

The 16-digit credit or debit card number will be **converted into unique codes**. This set of code is called a token. This makes the storage of card details securer than before.

In the tokenisation system, only the **card network** and **issuing bank** will have **access to card data**.

While seemingly ‘simple’, this modification requires an ecosystem-wide change in tech systems and workflows, with sequential compliance from the many entities in the digital payments transaction chain.

Must Read: [Tokenisation: Advantages and Challenges](#)

What are the potential implications of RBI's move?

– Can impact Indian startups and small businesses, which may not be well-equipped to transition to the new system in a short period of time.

– **Lack of operational readiness:** Banks and card networks are not implementation ready. And, it is only post-operational readiness, that merchants will receive the relevant application programme interfaces (APIs) to build, test and integrate a consumer-ready tokenisation solution.

– **Reversal of digital adoption gains:** If merchants and payment aggregators purge card data and transition to the new system before the ecosystem is ready, consumers will be forced to manually input card details for every transaction. This will make digital payments tedious and can lead to a situation where less tech-savvy customers go back to using cash.

– **Increased consumer risk:** The need to repeatedly input card details for every transaction could potentially make consumers more vulnerable to phishing attacks, thus increasing consumer risk rather than reducing it as was intended by the regulations.

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- **Impact on small businesses:** It can also disproportionately hurt India's small businesses and startups that make use of the digital payments ecosystem to retain and grow their customer base.
- **Impact on merchants:** Purging of all existing card data without an effective replacement system can also make merchants unable to support customers with subscriptions, refunds, cancellations and other customer service requirements. And at the same time reduce their ability to mitigate frauds during the transition period.

What is the way forward?

RBI should undertake a **thorough assessment of the ecosystem's readiness** before enforcing guidelines.

Phased implementation: Card networks and banks should be mandated to set up their infrastructure first, followed by merchants.

Allow the current system of card storage and the new tokenisation alternative to **co-exist**

Lessons can be learnt from the implementation of the **revised Payment Services Directive (PSD2)** in Europe. In the case of the PSD2 norms, the European Commission set up several working groups & worked closely with industry to adopt standards acceptable to a majority of stakeholders.

111. On PSB privatisation: Avoidable delay

Source: This post is based on the article "**Avoidable delay**" published in **Business Standard** on **22nd Dec 2021**.

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

Relevance: Privatisation of Public Sector Banks (PSBs)

News: Although, the Finance Minister had announced in this year's Budget that the government will take up the privatisation of two PSBs.

Yet, it unlikely to happen this year.

The Finance Minister, in a written reply to the Parliament, said that the Cabinet has not taken any decision in this regard.

Moreover, the government will need to get the Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980, and the Banking Regulation Act amended to privatise PSBs.

But the Govt must address a variety of other issues before privatising PSBs.

Must Read: [Privatization of PSBs – Explained, pointwise](#)

What are some issues that need to be addressed?

Govt's stake in privatised banks: It is being reported that the government will retain a 26% stake in the privatised banks. The government holding a significant stake could discourage potential bidders, as it would leave the **scope for interference** in management. This would also mean that the government will be able to **influence appointments**, which will defeat the purpose of privatisation.

Regulatory constraints: There are also regulatory constraints in terms of equity holdings in banks. These can be addressed by putting out a clear road map for reducing Govt stake over a period of time. This would provide clarity to potential investors.

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Concerns of the employees: The Govt will also need to address the concerns of existing employees of these banks. Bank employee unions are protesting against privatisation. Govt will need to provide exit options to those not willing to work after the ownership change.

What is the rationale behind privatisation of PSBs?

There are strong reasons for privatisation of PSBs –

- They have been a **burden on public finances** and the government has been borrowing to infuse capital in PSBs.
 - Privatisation will allow these banks to **raise growth capital** from the market.
 - Bankers in the public sector fear that their business decisions can be questioned by investigative agencies. This reluctance to take decisions affects the flow of credit in the economy. Thus, privatisation will allow the management to **make decisions freely**.
- It will not be easy for the government to privatise PSBs. But postponing is unlikely to help.

112. On WTO Ruling against Indian Sugar industry – Lasting solution

Source: This post is based on the article “**Lasting solution**” published in **Business Standard** on **23rd Dec 2021**.

Syllabus: GS 3- issues related to sugar industry

Relevance: World Trade Organization, sugarcane subsidies

News: The World Trade Organization (WTO) ruled against India's sugar and sugarcane subsidies

Though, the ruling is inconsequential for the country's current policies concerning the Sugar industry. But it does provide an opportunity to address some of the chronic issues that often require the government to bail this industry out.

Read more here: [WTO panel's sugar report against India](#)

Why the ruling is inconsequential for India as of now?

Firstly, the subsidizing of sugar exports by India is not required now. Sugar prices are spiking globally, due to crop damage in Brazil.

As a consequence, the Indian sugar mills are said to have already secured export orders for about 3.8 million tonnes without any government support. The industry seems confident of exporting at least 6 million tonnes of sugar this year.

Secondly, the sugar mills have been permitted to produce ethanol directly from sugarcane juice and sugar for blending with petrol. It has improved the sugar industry's financial health.

Thirdly, Analysts anticipate the global and domestic prices, and supply situation to remain favorable for the local sugar industry in the next season as well.

The current good run in the sugar sector seems like the ideal time to complete the unfinished reforms in this sector.

What are the issues facing the sugar industry?

Disconnect in the prices of sugarcane and sugar (read input and output): This often causes a liquidity crisis in the sugar industry, leading to the accumulation of cane price arrears.

The fair and remunerative prices (FRP) for sugarcane are generally fixed prior to the cane crushing season, without estimating the market price of sugar.

The state-advised cane prices are generally pitched higher than the FRP, due to political reasons.

What are the suggestions to address the issue of disconnect in the prices of sugarcane and sugar?

Implementation of C Rangarajan committee suggestion: The C Rangarajan committee on sugar sector reforms had suggested that the mills should share 70 percent of their revenue from sugar with cane growers. This is in line with the pricing mechanism followed in many other sugar-producing countries. The sugar industry had accepted the Rangarajan formula, but it has been implemented rarely.

Alternative suggestion: To club the prices of sugarcane with the minimum support prices of other crops and refer it to the agricultural pricing committee.

113. Sleepwalking into Chinese control of critical tech

Source: This post is based on the article “Sleepwalking into Chinese control of critical tech” published in **Times of India** on 22nd Dec 2021.

Syllabus: GS3- Challenges to internal security through communication networks.

Relevance: Cybersecurity threat, NavIC.

News: ISRO has signed an agreement with Chinese smart device manufacturer Oppo to work towards providing NavIC (*Navigation with Indian Constellation*) messaging services in mobile phones.

This has wide implications for the national and cybersecurity in the country as there will be huge exchange of data and technical information through this collaboration.

What are the features of this messaging service?

It will **broadcast safety alerts** in areas with poor or no communication, particularly in oceans and during times of disaster.

It will have **military applications** and is the fastest method of informing the citizenry in cases of nuclear, biological or chemical threats.

The news reports also mention exchange of technical information of the NavIC messaging service so as to build various **application-specific solutions**.

What are the issues with this development?

Weaponisation of data: Smartphones are the primary sources of population control in the information age and are a mine for critical personal data. This data from here can be weaponised in multiple ways.

As per **China's National Intelligence and Data Security Law** every individual, organisation and institution have to assist the Chinese Communist Party in all national security interests. Under its '**comprehensive concept of national security**' virtually any issue – military, political, economic, social, technological, cultural etc, comes under intelligence work. This Law also has **extraterritorial jurisdiction**. Therefore, in event of any future contestation between the two armies, this kind of data breach can severely harm our National security.

It will help the Chinese to further embed themselves in the Indian market using the trusted brand image of the Indian space agency. This can be used to enhance **Chinese surveillance of the Indian population**.

Another concern is the **ability of Chinese Original Equipment Manufacturers (OEMs) to surveil, block or edit the content of NavIC** messaging application. The application is on layer

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7 of the Open Systems Interconnection (OSI) model and vulnerable to both the handset OEM and the OS provider.

About NavIC

USA had denied India the access to GPS data during the Kargil war which would have provided it with vital information. To bridge this gap ISRO developed NavIC.

Read more about NavIC, [here](#) and [here](#)

What is the way forward?

There is need to support genuine Indian product companies based in India, especially in the strategic domains.

114. Turmoil on the high seas-Indian shippers need stability assurers

Source: This post is based on the article “**Turmoil on the high seas-Indian shippers need stability assurers**” published in **Livemint** on **22nd Dec 2021**.

Syllabus: GS3- Infrastructure: Energy, Ports.

Relevance: Shipping Industry in the post pandemic world

News: Global shipping Industry is facing several challenges in the post pandemic world like surging freight rates, logistical bottlenecks and various supply-chain disruptions.

What are the challenges being faced by the shipping industry?

Less capacity, more demand: Due to an unexpected increase in consumer demand for goods after the March 2020 lockdowns, shipping companies have **struggled to locate adequate capacity**. This led to chronic shortages of vessel space, container equipment, warehouses, intermodal hubs, and labour.

Congestion at major regional trans-shipment ports has reduced the daily container sailing capacity, causing backlogs in export shipments.

Increase in shipping rates: Global container shipping rates have increased four to five times from their 2019 levels.

If left unaddressed, these supply-chain issues **can decrease competitiveness of India's booming export industry** and drag down the overall economic recovery.

Must Read: [Winners and losers in shipping crisis](#)

What is the way forward?

– Companies must **strengthen their end-to-end real-time visibility** of supply and demand through a ‘global nerve centre, in place of Individual control towers of companies. This will have data all the way from their **international suppliers to their customers**.

This could also help companies spot international multi-modal solutions which may speed up delivery.

To implement this idea in India, companies should provide **technological aid to their distributors** who may lack such IT infrastructure.

– Companies need to immediately revisit **global inventory norms**, especially for critical components like automotive chips that are either fully dependent on imports or have a single supply channel outside the country.

– **Optimization** in supply chain and its **diversification** will lead to better health of shipping Industry.

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– Shippers must monitor shipping capacity closely and **track where capacity is being deployed**.

They should **invest resources in materials** which will provide them **high revenue with lower proportionate shipping cost**.

115. The spirit of disinvestment

Source: This post is based on the article “**The spirit of disinvestment**” published in **Business standard** on **24th Dec 2021**.

Syllabus: GS 3 – issues related to mobilisation of resources

Relevance: Disinvestments

News: The Comptroller and Auditor General (CAG) of India has raised questions in a recent report on a smaller deal, involving the purchase by Chennai Port Trust.

What is the issue?

The government is forcing one PSU to buy another to achieve its disinvestment target. For instance, in the recent past, the ONGC took over HPCL.

In the more recent incident, the Chennai Port Trust (ChPT) was forced to buy the government's two-thirds stake in Kamarajar Port Ltd (KPL).

The CAG has rightly pointed out that the current ChPT deal and other similar deals defeat the spirit of disinvestment.

What are the issues/challenges associated with it?

Firstly, It reduces a company's ability to invest and operate. The ChPT is burdened by further debt and an additional interest burden of Rs 142 crore a year. In the case of ONGC, it was forced into a very adverse cash situation.

Secondly, high cost of borrowing. ChPT had to borrow a large part of the Rs 2,400-crore it had to pay for acquiring KPL. This had to be borrowed from the market at 8 per cent interest, according to the auditor. The government could have borrowed the same amount at a much lower interest rate than ChPT did.

Thirdly, the overall drag of public sector borrowing on India's financial savings increases.

Fourthly, the government is not ready to provide the benefits of ownership to the PSU's. For instance, even after ONGC has taken over the HPCL, the government continues to appoint the senior management of HPCL.

Why are the reasons behind the government's steps?

First, the government is faced with a stressed fiscal resource.

Second, an inadequate realization of disinvestment targets; For example, only 5 percent of the 1.75 trillion targets has been achieved so far.

Third, if one public sector unit buys another, then disinvestment does not amount to a higher private share in ownership.

116. What to look at before investing in ESG funds

Source: This post is based on the article “**What to look at before investing in ESG funds**” published in **Indian Express** on **27th Dec 2021**.

Syllabus: GS3 – Investment Models.

Relevance: ESG funds, NSE prime.

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News: Earlier this week, the National Stock Exchange (NSE) launched NSE Prime. Environment, social responsibility, and corporate governance have of late emerged as key themes for investors in India. The asset size of ESG funds has increased nearly five times to Rs 12,300 crore over the last couple of years. In this context, recently NSE has launched NSE Prime, to strengthen corporate governance in India. Experts say that companies that are part of the ESG or NSE Prime will not only benefit in the long term but will also have a better reputation and potentially command a premium on valuation in the long run. However, despite their potential benefits, there are some concerns associated with ESG investments.

What is ESG investing?

It is synonymous with sustainable and socially responsible investing. While selecting a stock for investment, an ESG fund shortlists companies that score high on environment, social responsibility, and corporate governance, and then looks at financial factors.

What are the criteria's used for ESG investment?

ESG funds use parameters such as **greenhouse gas and carbon emissions**, and employment generated to assess the ESG impact of the companies. Thus, companies with higher carbon outputs such as tobacco manufacturers, coal miners, oil and gas companies, and fossil fuel-based power generators typically do not feature in ESG fund portfolios. On the other hand, companies in the technology, renewable energy, healthcare, and FMCG space feature heavily in these portfolios.

What is NSE prime?

NSE Prime allows companies to submit to higher standards of corporate governance compared to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations. Some key requirements for companies to qualify for NSE Prime are, A minimum 40% public shareholding Mandatory segregation of the posts of chairman and ceo Independent directors as chairpersons of the risk management Stakeholder relationship Nomination remuneration, and audit committees.

Why it is needed?

The idea is to nudge companies to raise levels of corporate governance practice on their own. The creation of such a group of companies will result in better decision-making and protection of shareholder interest.

What are the implications?

Firstly, companies will be forced to improve governance and ethical practices, and act with greater social and environmental responsibility.

Secondly, it will lead to loss of revenue and profits in the long term for the companies that do not alter business models or become more environmentally sustainable. For instance, Globally, many pension funds and sovereign wealth funds do not invest in companies that are seen as polluting or socially not responsible.

Thirdly, encourages public investment in social development and environmentally sensitive sectors of the economy. For instance, cleanliness, skill development, expanded healthcare coverage, and education.

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Fourthly, it will facilitate greater attention on issues such as climate risk, emissions, supply chains, labour rights, anti-corruption, etc.

What are the concerns?

First, the issue of “greenwashing” – It is an act of providing misleading information about how a company’s products are more environmentally sound.

For instance, the **World Economic Forum** noted that greenwashing is a top concern among global institutional investors while selecting sustainable investments.

Second, Investment experts have also pointed to the tendency of fund managers to over-weigh certain stocks and companies. Notably, when most large investment-friendly companies have fallen short of the qualitative and quantitative parameters used for ESG investing.

117. Let’s re-emphasize the ‘social’ aspect of our ESG investments

Source: This post is based on the article “**Let’s re-emphasize the ‘social’ aspect of our ESG investments**” published in **Livemint** on **27th Dec 2021**.

Syllabus: GS3 – issues related to resource mobilisation

Relevance: Biomedical research.

News: Need to start a new ‘bio bond’ asset class to support Biomedical research. In Environment, social and governance investing, while many of the investments goes to environment and governance aspect, Social-welfare investments are often neglected. But there is an urgent need to change this, especially in biomedical research, to make it more sustainable, and affordable.

What are the issues/concerns associated with the funding of Bio medical research in the US?

When a treatment or cure shows promise, it then needs to be tested in clinical trials of increasing **size, complexity and cost**. At the start of these trials, they get funding mostly from university tech-transfer operations, philanthropy and outside investors. When a trial shows promise, the next step is another clinical trial and the **expense for advancing the proposed cure goes up**. Likewise, it takes a **lot of expensive trials** before finding third-party investors willing to carry promising research for the end-stage trials essential for drug or medical-device approval. However, there is a concern, the equity investors on which biomedical research now depends **demand major stakes** in high-profile projects with high drug prices to meet their own market imperatives. Many nations bypass this equity-based, high-cost, high-risk business model with public investment. But the US has never done it, due to its historic aversion to direct federal investment in for-profit firms. **Translational valley of death** – The gap between promising early-stage clinical research and the end stage at which big money is needed.

What can be done?

The best way to bridge the translational valley of death is to **change the biomedical-funding model** that is currently dependent on equity investments. The proven way to create safe, sound, sustainable, and affordable financing is via a **limited federal guarantee**. This can be done by **creating a new ‘bio bond’ asset class**. This will reduce risks dramatically via the government guarantee and eligibility and diversification requirements. These requirements also ensure that **guaranteed debt funding isn’t misused by big biopharma** in the form of a new

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subsidy or as a back-door backstop for venture capital.

118. Avoid policy adventurism

Source: This post is based on the article published in Business Standard 27th Dec 2021.

Syllabus: GS3 – issues related to fiscal policy of government

Relevance: Goods and services tax

News: Goods and services tax (GST), one of the biggest reforms in recent decades, will complete five years in July next year. It was expected that after some initial implementation difficulties, the system would stabilise and boost revenue collection along with output. But that doesn't seem to be happening. While **revenue collection** has improved, partly because of better compliance, it is **still considerably below potential**. In this regard, government has taken some measures to boost GST revenue. However, there are some concerns associated with this. So, Experts warns that government should avoid not policy adventurism

Why there is a need to enhance GST revenue collection?

First, from next year, states will not receive their guaranteed compensation for the shortfall in revenue collection.

Second, Enhancing GST revenue would also be critical in addressing the overall fiscal stress in the country, which has significantly been exacerbated because of the pandemic.

What are the concerns associated with the recent changes in GST policy?

Some new provisions that will come into force on January 1 could further affect the GST system.

Issue of retrospective enforcement: According to one provision, the members of clubs, associations, and societies would be liable to pay GST on fees from July 1, 2017. Experts believe this will lead to litigation, particularly because of its retrospective enforcement. There are court orders from the pre-GST period that exempted such associations from service tax on the principle of mutuality.

Issues that may arise due to discontinuation of issuing notices: Another provision that will come into force on January 1, empowers tax officials to visit the premises of businesses to collect tax in the case of a discrepancy in filings. The provision has been introduced to curb fake billing. Earlier, **notices were issued** to firms that had not cleared their dues. If a company was unable to explain the discrepancy in filings even after giving a specific time period, then the tax authority proceeds with penal action. However, now, in the case of a discrepancy, the **government will now make the recovery directly** without issuing any notice. Giving tax officials the powers to make direct recovery will inevitably result in harassment. This will also go against the stated objective of the government to increase the ease of doing business in the country and will **bring back the fears of inspector raj**. This is also inconsistent with the direction in which the government is moving in the case of direct tax.

What is the way forward?

The GST Council should expedite addressing the issue of revenue-neutral rates and the inverted duty structure. GST rates were reduced prematurely and need to be corrected to make government finances more stable in the medium to long run. The Council's recent move on correcting the inverted duty structure for man-made fibres is welcome.

119. Goodbye shadow banking

Source: This post is based on the article "Goodbye shadow banking" published in Business Standard 27 Dec

Syllabus: GS3 – issues related to banking sector

Relevance: PCA framework for NBFCs

News: Recently RBI passed a string of new norms to strengthen the regulations for NBFC sector

What is a shadow bank?

A shadow bank is into the business of lending but is not subject to any regulatory oversight. The shadow banking system also refers to unregulated activities by regulated institutions.

What is the significance of NBFCs?

As of January 2021, there were 9,507 NBFCs registered with the RBI. Of these, just 64 were deposit-taking NBFCs, six of them have been barred from taking fresh deposits. Collectively, deposit-taking NBFCs and non-deposit-taking NBFCs have lent around Rs **29.04 trillion** till March 2021.

Why there is a need to strengthen the regulations for NBFC sector?

Infrastructure Finance and Leasing Services Ltd and Dewan Housing Finance Corp Ltd had collapsed in 2018. Bankruptcy proceedings have recently started against Srei Infrastructure Finance Ltd, Srei Equipment Finance Ltd and Reliance Capital Ltd. All these firms collected money from the public. Such NBFCs need to be tightly regulated as they pose systemic risk. Particularly those that are interconnected, with exposure to mutual fund and insurance businesses, should not be left unregulated.

What are the new rules for NBFCs?

– Read [here](#)

What is scale-based regulation?

The scale-based regulation divides the NBFCs into four layers in accordance with their size, activity and perceived risks.

The base layer consists of **a)** NBFCs with an asset size of under Rs 1,000 crore, **b)** Peer-to-peer lending platforms, **c)** Account aggregators, **d)** Non-operative financial holding companies, **e)** NBFCs not accessing public funds belong to this category.

The middle layer consists of **a)** All deposit-taking and non-deposit-taking NBFCs with an asset size of Rs 1,000 crore and above, **b)** The primary dealers who buy and sell government securities, **c)** Core investment companies, **d)** Housing finance companies and Infrastructure finance companies.

The upper layer: it consists of ten largest NBFCs by asset. According to RBI, they warrant close scrutiny based on a set of parameters and scoring methodology.

The top layer: it remains empty for now, but any NBFC in the upper layer may migrate to the top layer if t

he RBI senses it can become a risk for the system.

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How the PCA framework impacts the NBFCs now?

First, according to rating agencies, Rater Crisil Ltd, most of the medium and large NBFCs rated by it should not face any challenge, either on capital adequacy or asset quality.

Second, according to Icra Ltd, some NBFCs could breach the net bad loan criterion (more than 6 per cent) if the asset quality does not improve. At least three large NBFCs with assets of Rs 25,000 crore or more have already breached the non-performing asset (NPA) criterion.

Third, the uniform income recognition, asset classification and provisioning norms for lenders across segments that are already in place could impact the balance sheets of many NBFCs.

Fourth, Bad loans in certain segments will definitely rise following the new norms. Because, now the RBI wants NDFC's to treat loan as a standard asset only when the entire arrears of interest and principal are cleared by the borrower.

120. Agriculture needs a booster dose

Source: This post is based on the article "Agriculture needs a booster dose" published in **Business Standard** on 27th Dec 2021.

Syllabus: GS3 – issues related to Agriculture sector

Relevance: Erosion of profitability in agriculture

News: The cure for the farm sector's ills lies primarily in making agriculture remunerative.

Why are farmers discontented and uneasy?

Income from crop farming has become insufficient for the livelihood of an average farm family: The "Situation Assessment of Agricultural Households" survey, carried out by the National Sample Survey Organisation in 2018-19, clearly indicates that an average farm family now earns more from wages than from farming.

Must Read: The state of agriculture in India is only going from bad to worse

If farmers rely solely on growing crops, they would earn less than what an unskilled labourer does. This is the reason why numerous farmers are giving up this occupation. The **count of non-cultivator rural households has increased** from around 66 million in 2013 to nearly 80 million in 2019. It needs to be supplemented with earnings from other sources, notably wage employment and agriculture's allied activities.

Increase in the indebtedness of farm families: Most farmers need to borrow even to meet their household expenses. The average outstanding loan per household has risen from around Rs 47,000 in 2012-13 to as much as Rs 74,121 in 2018-19. Thus, while the farmers' income (nominal) has increased by around 60% during this period, their average debt has also simultaneously shot up nearly by the same proportion. Since a sizable part of these loans is generally taken from informal sources, notably moneylenders, the **debt-servicing cost** is usually far higher than normally presumed.

The terms of trade for agriculture (the ratio of agricultural versus non-agricultural prices) are also turning unfavourable to farming: The data compiled by the agriculture ministry, shows a decline from 99.07 in 2016-17 to 96.43 in 2018-19.

Productive assets of farmers, such as land and water, are decreasing in terms of both magnitude and quality: The size of an average landholding has shrunk from 0.8 hectare at the beginning of 2000s to 0.5 hectare in 2019.

Increasing landlessness in rural areas: Some of the lands have become too tiny to cultivate. As a consequence, many farmers opt not to till these uneconomic holdings and, instead, let them out, or sell them resulting in landlessness.

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What needs to be done to make the farming sector remunerative?

Firstly, there is a need to facilitate increase in the size of farm holdings to make them economically viable: Consolidation of holdings, as was done during the post-Independence land reforms, can be one way of doing so. The success of that exercise in some states had created the base for the green revolution. But its replication does not seem feasible today. The practical option now is to **legalise land leasing**. This would let farmers lease in or lease out land without fear of losing its ownership, resulting in an expansion of operational holdings.

Secondly, there is a need to shift focus from maximising output to optimising profits: Solo crop farming should give way to integrated farming systems. It should use judicious blending of crop cultivation with agriculture's allied activities like animal husbandry, poultry, fisheries, beekeeping, horticulture, agro-forestry, and similar others. The by-products and wastes of some of these activities can serve as inputs for the others, thereby reducing production costs and elevating productivity.

Thirdly, In the case of agricultural marketing, **the growers can be compensated for lower returns through mechanisms like** the Madhya Pradesh's price deficiency payment system. Farmers can also be assisted in deferring the disposal of their produce until the off-season, when the prices are usually high.

Fourthly, processing farm produce into value-added and shelf life-enhanced products, needs to be encouraged to ensure higher returns.

Finally, the direct income support, now fixed at Rs 6,000 a year, can be increased appropriately.

121. It's not too late for India to gain a global edge with high-end chips

Source: This post is based on the article **"It's not too late for India to gain a global edge with high-end chips"** published in **Livemint** on **27th Dec 2021**.

Syllabus: GS3 – Changes in Industrial Policy and their Effects on Industrial Growth.

Relevance: Semiconductor chip manufacturing

News: The opportunity in high-end semiconductor chip manufacturing is huge, but India must create an entire ecosystem that can deliver innovative products.

Must Read: Semiconductor chip manufacturing in India – Explained, pointwise

Moreover, India also needs to be wary of cheaper chip alternatives from Taiwan and China, especially considering the Chinese plans of controlling most of the world's semiconductor manufacturing capacity within 4 years under its 'Made in China 2025'.

How to counter Chinese plans of dominating world semiconductor manufacturing?

A two-step transition can be planned:

First, **fund local fabless companies** to design substitute chips that reduce dependence on China in 2-3 years, and then migrate to next-gen products.

Note: *Fabless manufacturing is the design and sale of hardware devices and semiconductor chips while outsourcing their fabrication to a specialized manufacturer called a semiconductor foundry.*

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What are the future growth estimates for the semiconductor industry?

The industry is poised to touch \$53 billion by 2025, propelled by technologies like 3D printing, artificial intelligence, Internet of Things and blockchain, and with the rise of EVs, online games, cryptocurrencies and ever-increasing cloud use.

Considering this huge opportunity and the fact that this is a rapid obsolescence industry, it's still not late for India.

Note: Semiconductor industry is a rapid obsolescence industry, as in whatever is produced gets obsolete in 4-5 years.

What is the way forward for India?

If India is eyeing the chips industry in view of future opportunities, then policy should focus more on creating a **sustainable ecosystem of collaborative innovation**, and not just on manufacturing. Following steps need to be taken:

Building an ecosystem: With economies short of supply and high on the demand, chip-makers will need to produce value-added offerings to be globally competitive. Building a robust ecosystem that aligns all stakeholders—from policymakers, scientists, businesses and media to landowners, suppliers, customers and producers of complementary products and services—will hold the key to that.

Here's what the government can do to **help create an innovation ecosystem**:

One, increase sharply the number of **high quality integrated-circuit (IC) software and system design engineers**, as opposed to the currently dominant IC design and testing engineers.

Two, aid manufacturers in adapting to new processes that can save three months to market (*the benchmark time is 19 months for a new design and 14 months for an upgrade*).

Three, create an open and collaborative environment where foundry and other suppliers can **share information** on production, future technology and expansion with manufacturers

Four, ensure that the ecosystem has a **vibrant group of complementors**, beyond just suppliers and manufacturers.

Five, attract more players for application-specific IC/ASIC/ASSPs microprocessors, graphics ICs, and also software players for applications, programming, etc. Energy conservation efforts, for example, could go a long way.

Lastly, India must **cultivate global media relationships** that could help it position its emerging industry as a producer of differentiated products of high quality and value. China mustn't get to corner the global market.

Public Funding: India needs to deploy public funds for tax incentives and to foster collaborative innovation among key stakeholders. The **Shakti project at IIT Chennai**, that resulted in the creation of India's first-ever indigenous RISC-V microprocessor, is a good example.

Allocating funds to innovations, even if these are in their trial phase, is critical. Developed nations provide grants to private researchers for projects that can generate value for society or ecosystems. In contrast, India exhibits impatience by offering no more than ₹10 lakh to a startup.

122. Our expanding gig economy must treat workers fairly

Source: This post is based on the article "Our expanding gig economy must treat workers fairly" published in **Livemint** on **28th Dec 2021**.

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

Relevance: Gig workers, Gig platforms and the Gig economy

News: 50 women partners of Urban Company's (UC) salon and spa vertical are protesting against policy changes that will come into effect from January 2022. These, they claim, will affect their ability to earn and are therefore unfair labour practices.

UC, India's largest home-services provider, has filed a lawsuit in Gurugram's district court against the protests. The judgement in this case could have an impact on the future of employment in India's gig economy.

Must Read: Gig workers and their challenges – Explained, pointwise

What is the potential of India's Gig economy?

A joint report by the Boston Consulting Group and Michael & Susan Dell Foundation in March 2021, pointed to the potential of India's gig economy.

Gig economy in India has the ability to **sustain up to 90 million jobs** in India's non-farm economy alone, besides adding **1.25% to the GDP**.

What are some concerns/issues related to the Gig economy?

– Platform businesses have to manage a workforce that they see as less committed, given its temporary engagement, and also consider it to be **'less productive'**.

– **Exploitative rating system:** Platform companies also appraise the performance of gig workers on a rating system based on customer feedback. While companies use this feedback to improve performance, gig employees often reject it. This is particularly true for service-dominated platform businesses, where close engagement between a service-provider and the recipient results in a high possibility of negative feedback from the customer.

– **Enculturation of workforce:** Sometimes the gig platforms expand into new cities and countries. This presents another challenge in terms of the enculturation of geographically-dispersed temporary workers.

– **Contractors, not full-time employees:** Platform companies like Uber and Amazon have frequently been questioned in the UK and European Union, wrt their stance on treating gig employees as 'contractors'. Being contractors, they are not given the attendant benefits such as minimum wages, holidays and pensions.

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

What is the way forward?

Reforming the exploitative rating system: A better way to rate them can be to **take the onus for any poor performance** and then work to improve ratings by training and motivating workers. This would also ensure the loyalty of the gig workforce.

Tackling enculturation problems: For this, the companies will need to 'imprint' its cultural norms, so that even temporary workers come to possess shared values.

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123. The cold truth about India's income inequality

Source: This post is based on the article “**The cold truth about India's income inequality**” published in The Hindu on **28th Dec 2021**

Syllabus: GS3- Inclusive growth and issues arising from it.

Relevance: Social and economic equality.

News: Recent the **World Inequality Report** has shown that India has very high levels of inequality. It also shows that the gap between the people at the top and bottom of income scale is higher in India than the USA, UK, China.

Read the detailed findings of the report [here](#).

What are the causes of this widely present inequality in India?

Deregulation and liberalisation policies after 1980s have led to an increase in inequality, while the five-year plans which were inspired by the socialist principles reduced the same.

While the top 1% has majorly profited from economic reforms, growth among low- and middle-income groups has been relatively slow due to which poverty has persisted.

What has been the trajectory of inequality in India?

The income of the bottom 50% in India grew at the rate of 2.2% per year between 1951 and 1981, but the growth rate has remained exactly the same over the past 40 years.

This makes it clear that irrespective of the economic policy, the **state of the bottom half of India barely changed**.

This has been caused by the **social conditions and constraints in Indian society**.

How can we ensure economic progress?

Global experience and studies by premier universities has shown that **old social structures need to be demolished** for economic progress.

For example: secularisation only predicts future economic development when it is accompanied by a respect and tolerance for individual rights.

Our neighbourhood is a good example where countries have suffered huge loss due to their support to archaic social structures.

States like Tamil Nadu ,Kerala , Karnataka which made efforts in breaking the old social structures or adapting them with the needs of today, have seen more mobility and well-being.

B.R. Ambedkar had issued a grim warning in 1949 that **if social and economic inequality persists then for long then political democracy will cease to exist**.

124. Panel to explore withdrawal of AFSPA in Nagaland is a step in the right direction. Centre must build on it

Source: This post is based on the following articles

“**Panel to explore withdrawal of AFSPA in Nagaland is a step in the right direction. Centre must build on it**” published in the **Indian Express** on **28th December 2021**.

“**A progressive step: On setting of panel for AFSPA by Nagaland**” published in **The Hindu** on **28th 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.

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News: Recently, the Centre's decided to constitute a panel to consider withdrawal of the Armed Forces Special Powers Act (AFSPA) from Nagaland. The panel will be headed by the Additional Secretary (Northeast) from the Ministry of Home Affairs (MHA).

The AFSPA panel has to submit a report in 45 days. Earlier, the Nagaland Assembly passed a unanimous resolution for repealing the Act.

About the AFSPA

Must read: Armed Forces Special Powers Act (AFSPA) – Explained, pointwise

What is the present status of AFSPA?

Read here: Before criticising AFSPA, a full probe is necessary

About the AFSPA and Nagaland

Insurgency in Nagaland is as old as Independent India. The Army was entrusted with the task of securing peace against insurgents with bases across the international border in Myanmar.

The AFSPA was imposed to entrust the Army with the legal protection to secure peace against insurgents who have bases across the international border in Myanmar.

The 1997 ceasefire signed between the government and the NSCN-IM has enabled a conversation towards ending the insurgency. Subsequently, the 2015 Framework Agreement signed between the Centre and NSCN-IM raised hopes of a resolution, including on the question of Naga sovereignty.

Read more: How has the Naga peace process evolved?

What should be done?

The Centre should revive the spirit of dialogue and peace, as the onus is on the Centre to win back the people's trust after the recent event. The government should take steps to end the vicious cycle of violence in the region.

Read more: Repealing AFSPA will not weaken, only strengthen Constitution

125. Transforming lives-The job creation potential of livestock transition

Source: This post is based on the article "Transforming lives-The job creation potential of livestock transition" published in Down to earth on 27th Dec 2021

Syllabus: GS3- Economics of animal-rearing

Relevance: Harmful effects of livestock rearing.

News: Around the world farmers are transitioning from livestock operations to plant-based operations.

Why are farmers all over the world transitioning from livestock to plant based production?

Demand for plant-based products is growing.

Farmer specific issues-Animal farming usually has exploitative contracts, with poor working conditions, low income, high vulnerability to market forces and extreme stress.

Industrialised livestock production is a **dangerous business** that poses a serious threat to human health and psychological well-being. **For instance**, new strains of bird and swine flu, which have the potential to become zoonotic diseases, emerge each year posing a major threat to human health.

Many of the workers at these plants were from racialised communities and already **face multiple socio-economic challenges** that were exacerbated by the spread of the virus.

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Environmental concerns-The livestock sector is projected to account for up to 81% of the 1.5°C emissions budget by 2050 if production continues unabated. To remain within environmental limits and planetary boundaries, researchers have shown that the global production of animal-sourced foods must be reduced by at least half.

What are the advantages of a just livestock transition?

According to the International Labour Organisation (ILO), transitioning to environmentally and socially sustainable economies can **drive job creation, create better jobs, increase social justice and reduce poverty.**

What is the way forward?

Farmers should be guided to identify new market opportunities for plant-based operations and access guidance on making the transition away from livestock production financially viable.

These measures should also be **complemented by policies aimed at increasing plant-based food consumption** to prevent emissions leakage and to enable an overall transition.

126. The gaps in the plan to tackle plastic waste

Source: This post is based on the article “**The gaps in the plan to tackle plastic waste**” published in **The Hindu** on **28th Dec 2021**.

Syllabus: GS3 – Issues related to Environmental protection

Relevance: Waste management

News: Recently, the Environment Ministry published draft regulations on Extended Producer Responsibility. It is set to come into effect by the end of this year.

What is Extended Producer Responsibility?

EPR requires the manufacturer of a product, or the party that introduces the product into the community, to take responsibility for its life cycle. It mandates the FMCG company to account for the costs of collection and recycling of the packet.

What are the issues with the recently notified draft regulations on Extended Producer Responsibility?

The guidelines fall short in three areas i.e., people, plastics and processing

Disregards the contribution made by Waste pickers: The guidelines fails to mention waste pickers or outlining mechanisms for their incorporation under EPR, despite their **significance**. It **directs producers to set up a private, parallel plastic waste collection and recycling chain**. This amounts to dispossessing waste pickers of their means of livelihood.

Issues in Plastic management norms: The EPR guidelines are **limited to plastic packaging**. Multi-layered and multi-material that includes plastic items like sanitary pads, chappals, etc, pose a huge waste management challenge today, but have been left out of the scope of EPR.

Issues in processing of waste: Despite the harmful impacts of end-of-life processing technologies, the draft regulations legitimise them to justify the continued production of multi-layered plastics. **For instance**, a number of gasification, pyrolysis and other chemical recycling projects have figured in accidents such as fires, explosions and financial losses.

Further, recycling processes like waste-to-energy, co-processing and incineration have been proven to release carbon dioxide, particulate matter, harmful dioxins and furans that have negative climate and health impacts.

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How recycling of plastic packaging can be made more effective?

Plastic packaging can be roughly grouped into three categories.

First category plastics: Recyclable and effectively handled by the informal sector. Ex – PET and HDPE

Second category plastics: Technologically recyclable but not economically viable to recycle. Ex- LDPE and PP bags.

Third category plastics: Technologically challenging to recycle. Ex – Multi-layered and multi-material plastics

In the First category plastics, the government need to support and strengthen the informal recycling chain by bridging gaps in adequate physical spaces, infrastructure, etc.

In the Second category plastics, the costs of recycling are prohibitively expensive relative to the market value of the output. So, there is a need to make it economically viable.

It can be done by increasing the market value for these plastics by increasing the demand for and use of recycled plastics in packaging.

In the third category plastics, the Plastic Waste Management Rules mandated the phase-out of these plastics. However, in 2018, this mandate was reversed which needs to be undone.

What is the way forward?

First, an effective EPR framework should address the issue of plastics and plastic waste management in tandem with the existing machinery. It should aim to minimise duplication and lead to a positive environmental impact, with monitoring mechanisms including penalties for non-compliance.

Second, the scope of plastics covered by the guidelines could be altered to exclude those plastics which are already efficiently recycled and to include other plastic and multi-material items.

Third, end-of-life processing technologies should be closely evaluated, based on their health and environmental impacts, and on the implications for continued production of low-quality and multi-layered plastics.

127. Why online gaming in India needs regulation

Source: This post is based on the article “Why online gaming in India needs regulation” published in **The Indian Express** on 29th Dec 2021.

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

Relevance: Regulation of online gaming

News: Online gaming has flourished during the pandemic. The average time spent on online gaming has gone up almost 65% from pre-Covid levels. More than 43 crore people have spent time on virtual gaming.

In light of this, this industry needs to be regulated in India. Moreover, regulation of online gaming will not only open up economic opportunities, but also address its social costs.

Must Read: [Delink the good, bad and ugly of online gaming for apt regulation](#)

What is the present legal framework wrt online gaming in India?

Presently, online gaming falls in a **regulatory grey area** and there is no comprehensive legislation with respect to its legality.

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Games based on skills are allowed in most parts of the country, while **games of chance are categorised under gambling**, treated as immoral and prohibited in most parts of the country. As betting and gambling is a state subject, different states have their own legislation.

Must Read: What are various types of online gaming?

– Every state in India prohibits any sort of gambling, betting or wagering on games of chance. **Exceptions: Goa, Sikkim, and the UT of Daman.**

– Assam, Andhra Pradesh, Nagaland, Odisha, Tamil Nadu and Telangana have placed restrictions on games of skill as well.

Centre, in a recent advisory to states, has laid out useful dos and don'ts to educate parents and teachers.

Chinese have announced rules to limit online video games for those under 18 to three hours a week. The Chinese state media has called online gaming the 'opium of the mind'.

What are the issues associated with online gaming?

Gaming addiction: Numerous people are developing an addiction for online gaming. This is destroying lives and devastating families. Compulsive gaming by children is affecting their performance in schools and impacting their social lives & relationships with family members.

Impact on psychological health: Online games like PUBG and the Blue Whale Challenge were banned after incidents of violence and suicide. This addiction is also said to be causing near-sightedness in our youth.

Threat to Data privacy: Inadvertent sharing of personal information can lead to cases of cheating, privacy violations, abuse, and bullying.

Betting and gambling: Online games based on the traditional ludo, arguably the most popular online game in India, have run into controversy, and allegations of betting and gambling.

What are the benefits of regulation?

Economic benefits

– This industry is expected to **generate revenues** in excess of Rs 29,000 crore in 2025 with over 65.7 crore users. It is estimated that more than 15,000 **direct and indirect jobs** will be created.

– The GST and Income Tax generated from this industry will add to the **economic multiplier**.

– Potential to attract significant **global investments** — current investments in gaming companies like Dream11 are good indicators.

What is the way forward?

– Strengthening of **KYC norms**

– Implement an **age-rating mechanism** wherein minors are allowed to proceed only with the **consent of their parents** — OTP verification on Aadhaar could resolve this.

– **No in-game purchases** to be allowed without adult consent and wherever possible, the **in-game chat option should be disabled**.

– Gaming companies should proactively **educate users about potential risks** and how to identify likely situations of cheating and abuse. **Anonymity of participants** should be removed and a robust **grievance handling mechanism** needs to be built.

– A **Gaming Authority at the central government** should be created. It could be made responsible for the online gaming industry, monitoring its operations, preventing societal

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issues, suitably classifying games of skill or chance, overseeing consumer protection, and combatting illegality and crime.

– Moreover, **various forms of self-regulation** should also be encouraged for the industry.

128. Trade defence: On anti-dumping duty on Chinese goods

Source: This post is based on the article “Trade defence: On anti-dumping duty on Chinese goods” published in **The Hindu** on **29th Dec 2021**.

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

Relevance: Anti-dumping duty on Chinese goods

News: The Central Board of Indirect Taxes and Customs (CBIC) recently notified the imposition of **anti-dumping duty on five products manufactured in China**, including certain aluminium goods and some chemicals, for five years.

What is the rationale behind this move?

The step was taken in order to **safeguard domestic producers from certain lower-priced imports**.

The move is based on the Directorate General of Trade Remedies (DGTR)’s findings that import of these items constituted ‘dumping’, and it was **causing injury to local producers**, thereby warranting a protective duty.

What is the anti-dumping duty?

It is a remedy **sanctioned by the WTO** to protect a member country’s domestic industry from imports that have been priced at levels below those prevailing in the exporting nation’s home market.

It has become one of **India’s most widely used trade weapons**, especially against a flood of cheaper Chinese imports.

As of February 2020, India had imposed anti-dumping measures on 90 Chinese products, with another 24 China-specific anti-dumping investigations in progress at the time.

What are some related concerns?

Imposition of anti-dumping duty, if the domestic applicant is a significantly large and relatively resilient manufacturer of the product, risks **tilting the market dynamics in the Indian company’s favour**. Both downstream industries, in the case of intermediate goods, and consumers likely face the **consequences of reduced competition** on final prices.

No impact on trade deficit: Also, efforts to narrow the sizeable trade deficit with China by targeted use of the levy have made little progress in addressing the widening gap, as imports have continued to largely outpace India’s exports.

Lack of personnel: The effectiveness of the measure in providing timely relief to smaller domestic manufacturers facing an existential crisis on account of suspected dumping has also been undermined in the past by shortage of personnel at DGTR.

What is the way forward?

In the wake of the COVID pandemic, companies worldwide, are looking to de-risk their businesses from an over-reliance on China. This means there is an increased likelihood of more capacity in that country turning surplus and being used to produce goods for dumping overseas.

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Hence, Indian policymakers should be ready with their strategy to boost India's trade defences.

129. Strengthening IBC

Source: This post is based on the article “**Strengthening IBC**” published in **Business Standard** on **28th Dec 2021**.

Syllabus: GS3 – Changes in Industrial Policy and their Effects on Industrial Growth

Relevance: Proposed changes to the Insolvency and Bankruptcy Code (IBC)

News: The need for quicker resolution of insolvencies cannot be overemphasised. It makes capital more efficient, improve credit culture, and help boost growth.

In this light, it is encouraging to see that the government is consistently working to strengthen the IBC by addressing the emerging gaps.

Recently, it proposed another set of changes that would help address insolvency issues more effectively by reducing delays.

Must Read: **IBC process needs a re-look – Explained, pointwise**

What changes have been proposed by the Govt in the IBC?

Fixed time for approval or rejection of a resolution plan: the Code should provide a fixed time for approving or rejecting a resolution plan by the adjudicating authority (AA).

The Supreme Court has noted that the resolution plan approved by the committee of creditors should not be delayed.

Record reasons in writing: If the resolution plan is not approved or rejected within 30 days, the AA will be expected to record reasons in writing. This proposal should reduce the time taken by the AA.

Also, written reasons for delays will enable the government to make targeted interventions in the future.

Must Read: **Has IBC delivered on its lofty promise?**

Authentication of records by Information Utilities (IUs): Further, the government has proposed that financial creditors may be required to submit records authenticated by information utilities (IUs) to establish default for admitting an application for insolvency resolution.

According to the Code, the AA is expected to decide within 14 days whether it should accept or reject the application, but in practice the time taken is much longer. Thus, it is envisaged that considering IU-authenticated records **will help make quick decisions**.

Change in the look-back period: The Code provides for a look-back period for avoidable transactions. The commencement of the insolvency process takes more time than the mandated 14 days. Hence, the Govt has proposed that the threshold for the look-back period be changed from the date of commencement of the insolvency process to the date of filing the application.

This would **reduce the incentive for debtors to delay the admission** and also help protect value for creditors. Besides, the government has proposed to make voluntary liquidation easier.

What is the way forward?

The changes proposed by the government are in the right direction and will help reduce the time taken to resolve insolvencies, which is critical to protect value.

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However, the Govt should also **consider augmenting capacity at the National Company Law Tribunal (NCLT)**. The NCLT would require about 360 members, given the caseload, and two-member Benches.

At present, its strength is just 63 members. The government would be well advised to provide an **adequate level of human resources to the NCLT**.

130. What the pandemic has taught us about the economics

Source: This post is based on the article “What the pandemic has taught us about the economics” published in **Livemint** on **29th Dec 2021**.

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

Relevance: Economic lessons from the pandemic

News: Economy is affected by **two types of shocks** exogenous and endogenous.

Exogenous shocks are those that come from outside the system, like the COVID-19 pandemic.

Endogenous are those which come from within the system, like the **2008 North Atlantic financial crisis**.

What are the economic lessons that one can draw from the pandemic?

The pandemic provides some economic lessons, as well as some lessons for economists

Strengthening the supply side: Pandemic has shown that broken supply chains can worsen both the economic cycle as well as inflation. Supply-side impacts growth over the long term. Strengthening of supply chain is not only important to tackle challenges of the pandemic, but also those posed by the climate change.

Human action matters: Controlling the pandemic is extremely dependent upon the human actions like wearing of masks and following government guidelines. In essence, the behaviour of the people also matter, other than things like the number of susceptible, infected and recovered citizens etc. It is essential to understand and incorporate understanding about human behaviour (both rational and irrational) when deciding on policies or economic models.

State capacity is important: Public health has externalities. It is believed that Indian state has ample capacity at the top, but get increasingly weaker down the line, till it is almost broken at the street level. But, the reality is far more nuanced. Frontline workers like Asha workers, police personnel, etc did a commendable job in the pandemic. They were the first line of contact that citizens had with the system. Thus, it needs to be strengthened.

Scenarios along with forecasting: Economic forecasts are often wildly off the mark, and epidemiological models too. The world is uncertain, in the sense that there is much that cannot be assigned objective probabilities. It is sometimes better to be data-driven, and then adjust to the emerging reality as the evidence emerges.

For the possibilities of the decades ahead, it is better to build scenarios, from an approach partly inspired by the work of the English economist **G.L.S. Shackle**.

Inequality: The pandemic era shows that, in India at least, both the costs of lockdowns as well as benefits of the economic recovery have been unequally distributed. This highlights the importance of **reintegrating distributional issues into economic policy**.

Usually, fiscal policy deals with distribution issues through taxes and spending. However, a new class of models called **HANK (Heterogenous Agent New Keynesian models)** which take distributional issues into account are also becoming popular.

131. Farm reform: the Achilles' heel of any Indian government

Source: This post is based on the article “Farm reform: the Achilles' heel of any Indian government” published in **Livemint** on **29th Dec 2021**. **Syllabus:** GS 3- Issues related to the Agriculture sector

Relevance: Farm reforms

News: The withdrawal of the farm laws has pushed back reforms that could have helped in commercializing this sector.

The farm reforms did not introduce anything that was not happening in the pockets of the country already. Yet, reforms have been rejected for vested interests. Reversal of these reforms will hamper the growth of the Agriculture sector, as has been discussed below:

Reversal of APMC reforms

First, selling outside the mandi is already possible where the Model APMC laws have been passed. For instance, over a dozen states have passed these laws.

Second, the operation of eNAM (e-National Agricultural Market) is well in progress. Yet, a national law that overtly allows farmers to sell their produce outside the mandi has been opposed.

Consequence: The farmers will continue to struggle within the ambit of the mandi system, where oligopolistic structures prevail and impede fair play.

Reversal of contract farming

The concept of contract farming is not new. For example, most of the supermarket groups have backend relations with farmers, which ensures that standardized products are available.

The same can be seen with fast-food chains, which have tie-ups with farms to get standardized quality of vegetables.

There was actually little reason to oppose this idea, but it has led to exaggerated claims of India Inc buying up the entire agricultural sector that will lead to pauperising the agricultural sector.

Banning future trade in agri commodities

The decision taken to ban futures trading in certain commodities to curb inflation is clearly not backed by economic rationale. Because the latest CPI and WPI inflation data for pulses shows that there has been low inflation.

Similarly, inflation in oil is not related to domestic reasons. The cause is global, with edible oil prices increasing sharply by 40 percent, according to the World Bank. Since India imports around 60 percent of its requirements, the same gets translated here

Consequence: The present ban, virtually ends the futures trading in Agri commodities. The efforts made by major agri exchange, NCDEX, to successfully reach out to farmer producer organisations and get them on board will become useless.

Why the government wants to replace MSP?

The government has been trying to use direct benefit transfers to replace the PDS to ensure that there are no leakages. Further, there is a need to abandon buffer stocks as the carrying cost is high.

Impacts of MSP: Read here: <https://blog.forumias.com/legalising-msp-challenges-and-way-forward-explained-pointwise/>

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How MSP can be effectively replaced?

Guaranteed prices for farmers can be ensured: if farmers are brought on the futures platform for selling their grains, the government could pay the option premium to ensure they get a good price.

Food security can be ensured: The PDS beneficiaries can be served by cash transfers, where households buy their food grains locally. This will also reduce the pressure on FCI.

132. The capital market: Then and now

Source: This post is based on the article “**The capital market: Then and now**” published in **Business Standard** on 29th Dec 2021. **Syllabus:** GS 3 -Issues related to resource mobilization

Relevance: Capital markets, public issue, gross fixed capital formation

News: Public issues in capital markets are the route for corporate finance.

How the trends of capital markets in India are changing post-liberalisation?

Firstly, the share of the private corporate sector in Gross Fixed Capital Formation (GFCF) has increased sharply.

Secondly, the share of the public sector in GFCF has fallen. Further, the public sector, which accounts for nearly half the investment, is also now more dependent on market-based funding than on budgetary support.

Thirdly, the growing involvement of the private sector in infrastructure investments, which were largely budget-funded public sector projects in the pre-liberalization phase.

For instance, now the private sector owns;

- Practically all the renewable energy power capacity,
- Nearly 40 percent of the thermal capacity and
- It is involved in about 1,000 public-private-partnership (PPP) projects, mainly for roads and ports.

What are the steps taken to boost financial systems in the post-liberalization era?

The easing of the issue of shares by private companies.

Easing of trading: The establishment of the National Stock Exchange that introduced screen-based trading and the dematerialization of shares.

Opening up the mutual fund market to private asset management companies.

Opening of financial intermediation to private entities: the banking sector was opened to new private sector banks. Along with this, non-banking financial institutions have become a significant force in the capital market.

Liberalization of rules for foreign direct and portfolio investment.

Further, the spread of telecommunications and the internet and the spread of internet banking and digital payment systems has also boosted the financial system in India.

What further reforms are needed to strengthen the financial systems in India

First, the main issue, pending for decades, is the **health of public sector banks**. A large accumulation of NPA's is affecting the health of PSB's. Further, the finance ministry and the public sector banks need to be separated to allow them to function as market entities.

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Second, the flow of commercial finance from the capital market (public issue of shares) is inadequate/ negligible. For instance, taking an average of the three years ending 2019-20, only 2 percent of the flow of commercial finance came from public issues. The major source remains bank credit, which accounted for 49 percent of the flows. This needs to be addressed.

What is the reason for low dependence on the public issue?

A family-dominated corporate management structure, and the reluctance to dilute control, is the reason. This has to change if India is to make a transition to a proper market-based economy.

In the more mature market economies, this happened when corporate ownership widened with indirect share purchases by retail investors through mutual funds and pension funds.

What are the suggestions to boost financial resources in India?

First, there is a need for formal financial arrangements for non-corporate enterprises and households. According to a 2018 study, out of the total debt of Rs 69.3 trillion incurred by the micro, small and medium enterprises (MSMEs) only ₹10.9 trillion came from banks and other formal sources.

Second, domestic venture funds are required to fund MSME vendors and technology or business-model-driven start-ups in manufacturing and in socially desirable activities.

133. The value and vulnerability of centralized data storage

Source: This post is based on the article “**The value and vulnerability of centralized data storage**” published in **Livemint** on **29th Dec 2021**. **Syllabus:** GS 3 – issues related to public data management

Relevance: Data governance

News: Data-sharing infrastructure projects in India are accelerating.

The most visible developments in Data-sharing infrastructure projects are seen in the financial sector. For instance, the recently-launched **account aggregator framework** made it possible for over 300 million users to share their data with different financial entities across the credit ecosystem.

Similar activity is also underway in many other sectors, notably the health sector.

In this situation, there is a debate on how to build robust digital infrastructure. This article analyses the challenges and advantages of the proposed options to build digital infrastructure in India.

What are the suggestions put forwarded to build robust digital infrastructure in India?

Data to be stored in the central repository: data should be extracted from the silos (repositories) in which they currently reside and aggregated into a central repository.

Federated model: data should be simply left where they are but interconnected, so that the data, at the directive of the user, can be transferred from one entity to another.

What are the challenges and advantages of the proposed options?

Data to be stored in a central repository

Advantage: A central repository makes data management easier by allowing individuals greater control over their data without the need to rely on data collectors to provide them access to their own data.

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Disadvantage: A security breach in the central repository would place the sensitive personal data of the entire population at risk.

Federated model

Advantage: it ensures that all this data does not end up in a single archive. If data can remain where it currently is and be transferred on request, this model offers the same benefits with significantly less risk.

Disadvantage

Data users want their personal data to be available indefinitely so that they can use it many years and even decades into the future.

Data collectors, on the other hand, have no incentive to store the data any longer than necessary, particularly since storage comes at a cost and their liability for a data breach is on the rise.

Further, these entities could go bankrupt or change the focus of their business, and the data under their care could be lost forever.

What are the solutions proposed to tackle this issue?

The government should establish a centralized data repository and offer it as a public good for the benefit of all its citizens, along the lines of Digi Locker.

Data that is currently stored in different databases throughout the federated data architecture could be backed up by this repository. It will ensure that even if any one of the service providers goes down, the data is not lost.

What are the issues in the proposed solution?

It would be a bad idea because this is not a job for the state. The core function of government is to govern.

The government should only be involved in prescribing the data sharing protocols, establishing the regulations that will govern participants in the ecosystem, and ensuring compliance.

134. Maximising the boost-on mixing the COVID vaccines

Source: This post is based on the article “Maximising the boost-on mixing the COVID vaccines” published in **The Hindu** on **30th Dec 2021**

Syllabus: GS3- Science and Technology- developments and their applications and effects in everyday life.

Relevance: Vaccines development, Public health.

News: India currently has three available vaccines and recently two more along with a drug have been approved for emergency use authorization.

Despite this wide range of vaccine availability, India has been **extremely dependent on just one vaccine COVISHIELD**.

This may become a cause of concern specially with the directives that focus on precaution doses(/booster shots).

What are the newly approved drugs by India?

Corbevax (by *Biological-E*) and **Covovax** are protein sub-unit vaccine . Serum Institute of India will manufacture both of them. Both, however, differ in their manufacturing process.

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Molnupiravir is a drug for those with mild and moderate disease and easily administered as a pill.

Must Read: [What is Molnupiravir, the COVID-19 pill approved by India?](#)

What are the advantages of having more number of approved drugs?

In the **uncertain scenario of the pandemic**, having more vaccines is a good precautionary step. Example: Emergence of new variant Omicron.

This will help in application of **booster shot** specially as India has a large population.

Governments new directives say that “**precaution doses**”, which are third doses of the vaccines an individual has already been inoculated with, will be available for health-care and frontline workers and those above 60 with comorbidities.

What studies say about mixing up the vaccines?

One study in Uttar Pradesh on **mixing Covaxin and Covishield** showed that antibody levels were higher than two doses of either vaccine.

More about vaccine mixing, its benefits and concerns: Read [here](#)

What is the way forward?

India's top medical institutions must **immediately test the feasibility of mixing all available vaccines** so that people have the option of an informed choice.

Till then, It is also important to ensure that the currently available vaccines and treatments are **not hoarded or indiscriminately used** which can have potential side effects.

135. Banks have fared better than expected in pandemic, but there are also signs of stress building up

Source: This post is based on the article “**Banks have fared better than expected in pandemic, but there are also signs of stress building up**” published in **The Indian express** on 30th Dec 2021

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

Relevance: Indian economy's recovery in the post pandemic phase.

News: According to the RBI's **Report on Trends and Progress of Banking in India, 2020-21**, Indian banking system has performed better than the expectation during the pandemic. But, it is still far from full recovery and there are still impending threats.

How has banking sector performed during the pandemic?

The **asset quality of banks** has **improved** over the past year.

Banks gross non-performing assets (**GNPAs**), which had begun to decline before the pandemic are **still declining**.

Banks have seen an **improvement over the past year in capital buffers and provision coverage ratios**.

Why still there are concerns?

Report also cautions that the banks may well caution about a rise in bad loans over the coming year as the pandemic is still not over and there still are **evolving risks**.

Currently, banks are getting support **through lot of monetary and fiscal measures**, but banks need to prepare themselves for the post withdrawal phase.

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The improvement is **predominantly due to write-offs** (banks wrote off Rs 2.08 lakh crore of bad loans), and policy measures taken by the central bank to lessen the fallout from the pandemic.

SMA-2 (*special mention accounts where the principal or the interest payment was overdue for 61-90 days*) **have risen, signalling impending stress.**

Stress is also building up in the **MSME category.**

Bad loans may increase in the coming months. As per the financial stability report, **GNPAs could rise to 8.1% by September 2022** under the baseline scenario.

What is the way forward?

Banks may thus need “higher capital infusion” to meet credit requirements and deal with the challenges.

136. On India's Employment Situation – India's most abundant resource remains tragically underutilized

Source: This post is based on the article “**India's most abundant resource remains tragically underutilized**” published in **Livemint** on 30th Dec 2021.

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

Relevance: Employment, Human capital

News: In a world of ageing affluent societies, with big mismatches of labour demand and supply across the developed and developing world, India can convert its largest and youngest labour force into an advantage. The American economy is actually overheating despite Omicron. Its labour market is not only hot, but it is also going through what has been dubbed “**the great resignation**”. Since April, on average, more than 4 million people have quit their jobs every month in the US. There are about 10 million unfilled vacancies across various sectors. But the situation in India's labour market is quite the opposite. Despite an expanding workforce, the pace of job creation is woefully inadequate.

What are the issues in India's labour market?

Declining Labour force participation(LPR) in India

According to the monthly survey of the Centre for Monitoring Indian Economy(CMIE), the LPR is down to 40%. This means 60% of able-bodied adults between 18 and 60 years of age are not even looking for work.

The LPR for women is barely 21%, and down to single digits in states like Uttar Pradesh and Bihar.

India's LPR is lower even compared to its neighbors, with Bangladesh at 53%, Pakistan at 48%, and Nepal at 74%.

Poor pace of Job creation: overall job growth during the past few years has been low, given the demands of the country's demographic bulge.

Demand for MGNREGA has increased: This is another indicator of distress in India's labor market. During the last fiscal year, demand for these state-assured jobs was up by 42%, with work provided to 112 million people.

India's major exports, like software, can employ only a few million people with high skills, compared to nearly 500 million, looking for jobs.

There has been a stagnation in rural wages.

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India's urban unemployment rate is increasing: it has reached 9.3% in the first quarter of 2021, as per data from the Periodic Labour Force Survey of the National Statistical Office. The government also has around 2 million unfilled vacancies at various levels. But these jobs are not opening up anytime soon on account of fiscal constraints.

All this means that income will be distributed in a skewed manner, a problem confirmed by increasing inequality, as was reported by the recent World Inequality Report.

What needs to be done?

First, need to focus on labor-intensive exports and capitalize on the current boom in Western economies like America.

Second, need to focus on growth led by labor-intensive exports. Even though industrial jobs are vulnerable to being eliminated by automation, there is a sufficient window still open for job creation that will support livelihoods. Bangladesh's relentless focus on apparel exports has proved the risk of automation wrong, now it has per capita income more than India's.

Third, the real drivers of job growth outside agriculture such as construction, textiles and apparel, footwear, tourism, retail, and increasingly logistics need to be focused to improve job creation.

137. Trading on a buffer-Can India afford to commercialize its fuel reserves

Source: This post is based on the article "**Trading on a buffer-Can India afford to commercialize its fuel reserves**" published in **Business Standard** on 30th Dec 2021.

Syllabus: GS3- Infrastructure: Energy.

Relevance: Strategic reserves, energy security.

News: Govt earlier this year allowed the Indian Strategic Petroleum Reserve (ISPRL), which runs the SPRs, to lease 30% of capacity and trade another 20%.

The decision to commercialise half of India's paltry SPRs is ill-conceived.

What is a Strategic Petroleum Reserve (SPR)?

SPR initiative was launched in 1998 as India to bolster energy security of India as it had little foreign exchange available to import oil.

The SPR inventory acts as a supply buffer in the event of unexpected disruptions or surges in demand.

Read more [here](#).

Why is government deciding to commercialize SPR?

India's decision to commercialise SPRs came after it filled the reserves cheaply in early 2020, averaging \$19 a barrel.

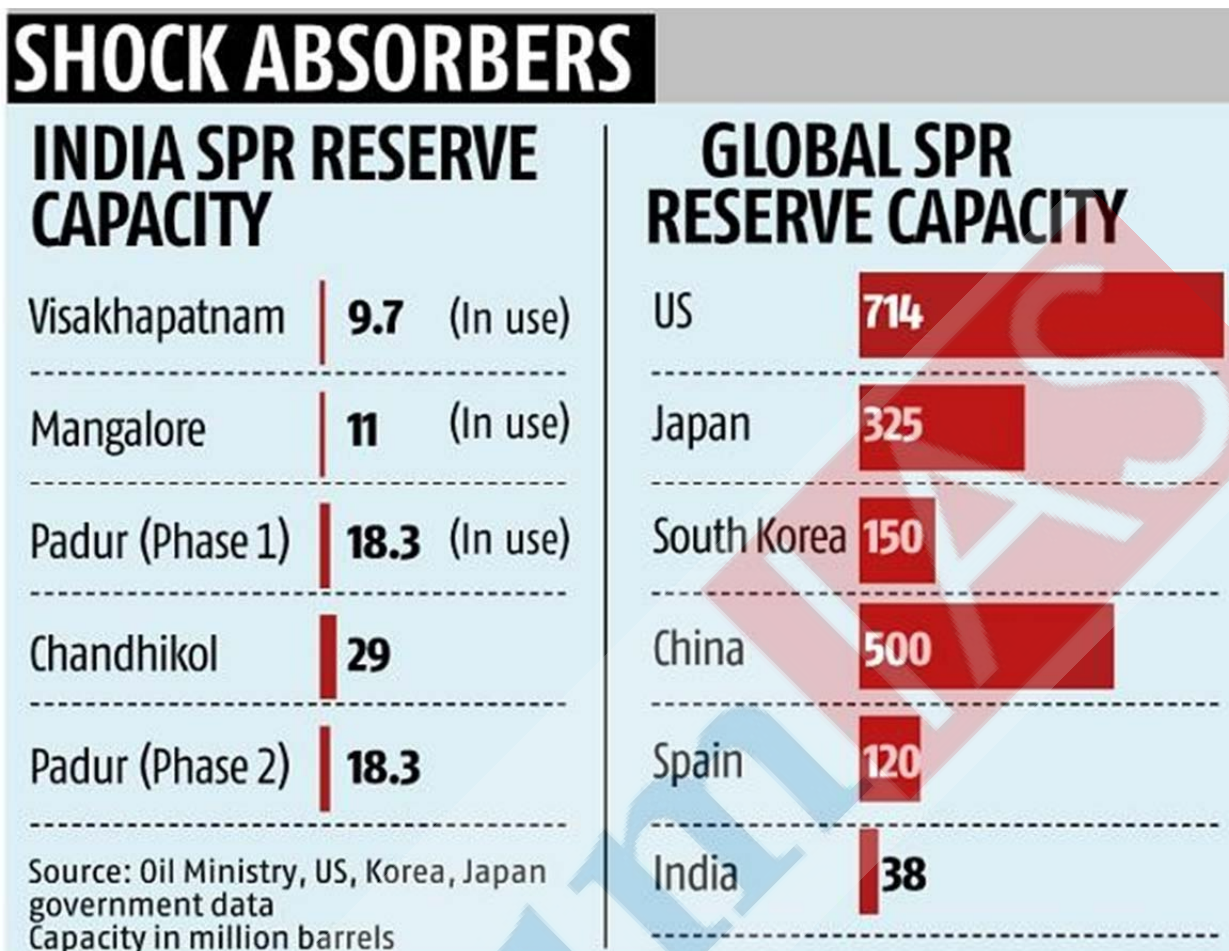
State oil companies, which were forced to honour term purchase contracts for crude, diverted fuel to underground caverns.

Government will earn around \$900 million with this.

Must Read: [Govt approves two more new strategic oil reserves of capacity](#)

What are the associated challenges?

India is surrounded by **hostile neighbours and is dependent on imported crude** thus cannot afford to commercialise its energy security.



India still has **very high crude oil demand** which is only going to increase in future-It consumes around 4 million barrels a day of fuel, but its reserves can just about meet **nine days** of demand.

Even **developed nations** such as the US, Japan and South Korea commercialised the reserves decades after **building it to a position of strength** in line with the IEA's guidelines.

– IEA mandates **90 days of the previous year's net oil imports** in storage (*India is an associate member and this requirement is not binding*).

– The IEA **forbids trading** and typically allows release of stocks only during **emergencies or supply shocks**.

SPR is not for commercialisation as it can serve as India's first line of **defence during a calamity or conflict**.

Further, the SPR inventory acts as a **supply buffer** in the event of unexpected disruptions or surges in demand. Specially for net importers like India, Japan, Korea.

How is China's policy on SPRs different from India's?

China has built around 500 million barrels of SPRs in a little over a decade and filled more than half the capacity, according to analyst estimates.

India has a tenth of what China has despite planning a decade earlier, reflecting the priority Beijing gives to energy security.

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What is the way forward?

India should build capacity fast and **grow stocks to a comfortable level** before considering trade.

Specially in light of the fact that India is poised to face the fastest growth in oil demand in the next couple of decades, and its dependency on overseas crude is going to climb to over 90% by 2040 as per IEA.

South Korea has one of the best SPR models. It has a storage capacity of around 300 mb with nearly half coming from SPRs.

138. Legal MSP: A right and a necessity

Source: This post is based on the article “**Legal MSP: A right and a necessity**” published in **The Indian Express** on **31st Dec 2021**.

Syllabus: GS3 – Issues related to MSP

Relevance: Legalisation of Minimum Support Price (MSP)

News: The demand for legal guarantee for the MSP has become the subject of much debate since the start of the farmer agitation. Many arguments have been given centred around its economic and legal feasibility. But, most are not supported by data or sound economic logic.

Must Read: **Legalising MSP: Challenges and way forward – Explained, pointwise**

What are the farmers' actual demands wrt MSP?

Farmers are not demanding that the government or a trader be forced to buy all the market surplus at MSP. Irrespective of the quantity of a crop they are willing to buy, they must not buy it below the declared MSP.

For more: Read [here](#)

What is the economics behind the MSP demand?

The total value of the output of the 23 crops at MSP prices for 2020-21 was about **Rs 12 lakh crore**. This total produce is not sold or marketed.

Farmers retain a big part of their produce for self-consumption, animal feed, and seeds. Some of it is also exchanged within the village and a part is also eaten by rodents or perishes during harvesting, transportation and storage.

Thus, amount of produce consumed = **Rs 4 lakh crore**

Only about **Rs 8 lakh crore** worth of MSP crops is actually marketed.

– Out of this, amount purchased by the Govt = **Rs 4 lakh Crore**

– Amount purchased by pvt sector = **Rs 4 lakh Crore** (Farmers are seeking the legal enforcement of MSP on this portion as well). Pvt sector purchases this amount at 25% below the MSP, thereby paying **Rs 3 lakh crore**. Thus, if there was legal status for MSP, the private sector would have paid a maximum of **Rs 1 lakh crore** more to the farmers for the same quantities in 2020-21.

Thus, the Govt would not be under any added financial burden.

What are the benefits of legalisation of MSP?

By giving legal status to MSP, the extra Rs 1 lakh crore would flow from the private sector to the farmers, who will spend it and create more demand in the economy.

– This will lead to an **increase in employment, investment and eventually, government taxes**.

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For more: Read [here](#) and [here](#)

A legal backing for MSP is a great instrument to **control the production quantities of various crops** to match demand.

The country could also become **self-sufficient in edible oils and pulses** by ensuring remunerative MSPs for these crops. This has been proven in the case of pulses where production has increased substantially, reducing import dependence over the last four years.

Ensuring remunerative prices for our farmers is also **essential for food security**. And food security is tied to national security and sovereignty.

Why concerns against legalisation of MSP are flawed?

- Some economists argue that if the MSP is legally enforced, the private sector won't purchase the crops and all the quantities would have to be purchased by the government. Sugarcane prices are prescribed by the government, but private mills have not stopped their procurement.
- Industries have not closed due to the Minimum Wages Act.
- Purchasing of petrol, diesel has not stopped because the government is charging exorbitant taxes.

139. Disinvestment needs a different approach

Source: This post is based on the article “**Disinvestment needs a different approach**” published in **Business Standard** on **30th Dec 2021**.

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

Relevance: Formulating a strategy for boosting the disinvestment programme

News: The overall performance on the disinvestment front in 2021 is particularly disappointing. The government has raised only about Rs 9,300 crore compared to the target of Rs 1.75 trillion.

This needs to be changed because, India's post-pandemic medium-term growth, to a large extent, will depend on how government finances are managed, and the disinvestment programme will be critical in this context.

Must Read: **Privatization of Air India – Explained, pointwise**

Why a better disinvestment performance was needed?

This is because of the following two reasons:

Firstly, despite higher tax collection, higher receipts from disinvestment would have helped push up capital expenditure, enabling faster and more durable economic recovery.

Secondly, market conditions were extremely favourable. The private sector has raised record sums, and the momentum is likely to continue in the near term.

What are the issues wrt disinvestment policy of the Government?

Despite being on the agenda for decades, disinvestment **has not been approached more systematically** over the years.

For instance: The government has made one public sector enterprise (PSE) buy another to meet disinvestment targets in the past. In a recent report, the Comptroller and Auditor General (CAG) objected to such an exercise and noted that it defeats the spirit of disinvestment.

Further, the gains from disinvestment have been used to **lower the fiscal deficit**.

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Why Govt should not run a large number of enterprises?

Many of the enterprises are a burden on government finances and impose high costs.

Only few contribute to the overall profits: As per a 2019 CAG report, which reviewed over 600 central government PSEs for the financial year ending 2018, **over 70% of profits** earned by state-owned firms were **contributed by 52 companies** in sectors such as petroleum, coal and lignite.

Accumulation of losses: PSEs tend to do well in areas where competition is limited, as adapting to a rapidly changing business environment and handling competition is inherently difficult in the public sector with all its constraints.

This is one of the main reasons why public sector firms lost in sectors such as telecom and aviation despite massive financial and other support from the government. **For instance:** In the CAG's sample, 184 companies had accumulated losses of over Rs 1.42 trillion.

What is the way forward?

First, Govt should **announce a medium-term target** for attaining the stated policy objective of reducing its presence, except in a select few firms in strategic areas. This selected list should also be made public to provide more certainty.

Second, the government should have **a rolling list of PSEs to be disinvested/privatised**, at least over the next three years. Finding firms/shares to sell depending on budgetary needs will not help. Every company/sector has its own set of issues that will need to be addressed—and the process will take time.

Third, the government should **declare the yearly fiscal deficit number**, both with and without accounting for disinvestment proceeds. This will be important because proceeds in some years could be much higher. Thus, the focus of should be on managing the deficit without disinvestment receipts.

The government should **identify large projects** that can be financed with disinvestment funds. It can clearly show in the budget documents where the proceeds are going. This would send a signal that Govt is not only selling assets but **also building new ones** while improving the growth potential of the economy.

140. On James Webb Space Telescope (JWST): A new universe

Source: This post is based on the article “**A new universe**” published in **Business Standard** on **30th Dec 2021**.

Syllabus: GS3 – Science and Technology

Relevance: Importance of the James Webb Space Telescope

News: The 25-year saga of the **James Webb Space Telescope** (JWST) illustrates the difficulties in doing pure science, and the way **international cooperation** can overcome such difficulties. The JWST was conceptualised in 1996 when development began with an initial R&D budget of \$500 million.

It took a **combined effort** from America's National Aeronautics and Space Administration (NASA), the European Space Agency (ESA), and the Canadian Space Agency (CSA) to launch the JWST. The lifetime mission cost will be over \$10 billion.

The technical difficulties were considerable. It took **thousands of scientists and engineers** to iron out the problems, and create the JWST. A total of 258 companies, government agencies, and academic institutions have contributed, over the past 25 years.

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Key points

- Apart from distant galaxies, it would also analyse exoplanets (*planets orbiting other star systems*) in great detail.
- One of the wonderful features of this project is that anybody can submit a proposal for JWST observations, and the data gathered and transmitted back to Earth will all eventually be publicly available.

Read more about JWST:

- **JWST in the centre of a LGBT debate**
- **Explained: NASA's flagship telescope, and its successor**

141. Debt-for-climate swaps an effective means for relief

Source: This post is based on the article “**Debt-for-climate swaps an effective means for relief**” published in **Livemint** on **30th Dec 2021**.

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

Relevance: Understanding importance of Debt-for-climate swaps

News: A global transition to a net-zero economy requires huge amounts of annual financing by vulnerable and low income countries.

Moreover, the pandemic has induced a debt distress around the world. This debt pressure and the climate crisis can be addressed jointly via Debt-for-climate swaps.

International Monetary Fund Managing Director Kristalina Georgieva said that “it makes sense” to seek to address debt pressures and the climate crisis jointly. The idea is to arrange “green debt swaps”

How the problem of debt distress risen in the pandemic and what are the implications?

Debt distress is at historic levels.

– During the pandemic, low-income countries’ overall debt burden increased 12%, reaching \$860 billion in 2020.

– **Debt Service Suspension Initiative:** When the pandemic struck, there was a visible threat of a sudden stop to capital flows and an emerging-markets financial crisis. The G20 responded by adopting the Debt Service Suspension Initiative, which was used by more than 40 countries to postpone repayment.

– Still, an IMF analysis of 70 low-income countries finds that **seven are already in debt distress**, and that 63 are at high or moderate risk of debt distress.

Implications of debt distress:

– Future borrowing becomes more expensive, resulting in less access to funds. This means many countries start relying more on exporting natural resources to pay back what they owe.

Must Read: What are Green Debt Swaps?

Is the idea of green debt swaps new?

No. The idea is something similar to the **Brady bonds** that have been tested since the 1980s. Debtors used official loans from the IMF and the World Bank to acquire US Treasury bonds as collateral. This allowed them to exchange existing bank loans at a heavy discount for tradable, guaranteed Brady bonds.

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For instance: In 1987, Conservation International used donor funds to acquire \$650,000 of Bolivian external debt at the heavily discounted price of \$100,000. In return, Bolivia undertook to protect the Beni Biosphere Reserve, furnishing \$250,000 (in local currency) for its management.

There were doubts about the effectiveness and durability of green debt swaps, so the amounts involved remained small.

What is the issue with addressing climate crisis and debt distress jointly?

Climate-mitigation financing is needed most in high-income countries, which are not facing any debt distress at all.

On the other hand, even in many low-income countries that are highly exposed to climate change, only few are facing both problems together.

Hence, the match between financing needs and addressing the environmental externality is imperfect at best.

What is the way forward?

Bilateral debt-relief can be granted to low income countries in the form of **conditional fiscal transfers** and grants to incentivise climate-adaptation spending.

Mobilizing both private and public funding will also be essential. It will require the creation of liquid markets for climate bonds and probably some credit enhancements in a tripartite Brady arrangement.

The IMF could use **recycled special drawing rights** to lend to low-income countries the resources they need to acquire collateral for green Brady bonds.

Management and monitoring of abatement and climate investments could be carried out using the **model of the trust funds**.

142. Should vaccination be made mandatory?

Source: This post is based on the article “**Should vaccination be made mandatory?**” published in **The Hindu** on **31st Dec 2021**.

Syllabus: GS3 – Science and Technology- developments and their applications and effects in everyday life.

Relevance: Vaccination, Pandemic, Public health

News: It has been approximately one year since the introduction of vaccines. Despite many achievements there are still numerous challenges to be tackled like vaccine hesitancy and shortage in supplies.

In this light, calls are being made to make vaccination mandatory.

We need to understand that in public health, the **education and service approach works much more** than the legal approach.

At the same time, legal measures could be used appropriately — by restricting entry, incentives or disincentives — to convince people to get vaccinated.

What have been the positives in the Indian vaccination program?

There is **reasonable vaccination coverage** across the country and many issues in vaccine supplies and logistics have been rectified now.

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Transparency in reporting adverse events: Reporting of adverse events is systematically done at the primary, sub-centre, block and district levels. There are various committees that include specialists who go through the reports.

What are the challenges that still remain?

Vaccine coverage: Although many eligible people are getting vaccinated. But **the last mile reach** has become a challenge, particularly among, the 50-plus population who have either received the first dose but are reluctant to get their second dose or have not received even their first dose yet.

– Many countries are moving towards booster doses, but we have **not completed vaccination of all the eligible persons with even the first dose** of the vaccine.

– Almost 23% of healthcare and frontline workers are yet to get their second dose in India.

Rumours being spread against vaccines: Anti-vaxxers are actively spreading a lot of rumours, pseudoscience and unscientific information. Rumours are spread on social media and through WhatsApp.

Although vaccines have reached the remotest corners but there is challenge is to reach the **population reluctant to get vaccinated**.

What is the way forward?

Reach out to people who are still reluctant to get vaccinated and **educate** them about the importance of getting vaccinated. Involve doctors, community influencers such as religious leaders, political leaders, panchayat leaders and other influential groups, frontline and healthcare workers.

Govt can **promote awareness** through using example of previous successful vaccination campaigns. **Example** – How vaccination has eradicated smallpox and Polio is on verge of eradication.

Governments can focus on **particular population subgroups** where vaccination is low and take **targeted efforts** to create awareness.

Incentives for people who get vaccinated.

Rumour-mongering groups and anti-vaccine lobbies must be dealt seriously, and legal action should be taken against them. Governments can come up with advertisements on television or newspapers.

Children should be vaccinated, while booster doses should be administered to the eligible population.

Developed countries should understand the problems faced by developing and low-economic countries. The **huge vaccine inequity present in the world should be resolved**.

Some cities have already achieved 100% coverage (*first dose*). There is **need to study such models**.

Is it possible to make vaccination mandatory?

Although some states have made vaccination mandatory for entry into public places and workplaces while the **Central Govt has maintained that vaccination is voluntary**.

Govt can introduce mandatory vaccination by giving more importance to the community health vis a vis Individual's right for denying vaccination.

For Example – Smallpox was eradicated by making vaccination compulsory from 1965 to 1975.

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Local health authorities have the power to make vaccination mandatory as COVID has been declared a notifiable disease under different Acts of the States or the Epidemic Diseases Act. If anyone seeks exemption, they will have to approach the Judicial Magistrate.

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