

9pm

Compilation

24th to 31st Jan 2022

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General Studies Paper - 1

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General Studies - 1

1. Bose's legacy

Source- This post is based on the article "Bose's legacy" published in Business standard on 24th Jan 2022.

Syllabus- GS1- The Freedom Struggle.

Relevance- Subash Chandra Bose, Indian Independence struggle

News

Government has decided to place a statue of Subash Chandra Bose at India Gate. occupying a prominent place in the upcoming administrative complex will serve as a daily reminder of Bose's core political beliefs to citizens.

What were the basic political ideas that Subash Chandra Bose believed in?

He was attracted to **military discipline**. At the 1928 session of the Indian National Congress in Calcutta, he organised a display replete with military pageantry, dressing up in the uniform of a senior officer in the British army.

He was **non-communal and deeply secular**. He appointed many Muslims to senior positions in the Indian National Army (INA).

Despite serious **political differences** with Mahatma Gandhi and Jawaharlal Nehru, he accorded them a **lot of respect**. He was the **first who referred to Gandhi as Father of the Nation**, in a radio speech, and also named two of the four INA regiments by the name of Gandhi and Nehru.

He was **attracted by the ideology of Marxism** and his ambition for post-independent Indian society was strongly egalitarian.

He also believed in **gender equality**. The famed **Rani of Jhansi regiment** he set up under the aegis of the INA remains a unique experiment in women's empowerment in Southeast Asia to this day.

2. Remembering the Holocaust

Source: This post is based on the article "Remembering the Holocaust" published in The Hindu on 27th January 2022.

Syllabus: GS 1 communalism, regionalism & secularism.

Relevance: Understanding the need to remember the holocaust.

News: United Nations marked 27th January every year as **International Holocaust Remembrance Day**.

What is International Holocaust Remembrance Day?

The day marks the anniversary of the liberation of the Nazi German concentration and extermination camp Auschwitz-Birkenau in January 1945. It provides an opportunity to recount the atrocities of the Holocaust that resulted in the death of an estimated 6 million Jews.

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Why there is a need to remember the holocaust?

As society moves away from the holocaust, forces of antisemitism, racial and religious intolerance, discrimination, and hate speech pose new challenges to global civilization and values. **The Anti-Defamation League Global 100**, An index of antisemitism, found that an estimated 1 billion people harbor antisemitism attitudes. It was found that

Across Asia, only 23% of persons surveyed had heard of the Holocaust and believed the historical account.

North America and Europe show that younger people are less likely to be aware of the historical accounts of the Holocaust, with less than half of those surveyed under the age of 35 has ever heard of the Holocaust.

Read more: [Genocide convention: Preventing genocide](#)

Why India's youth is vulnerable to hate speech and racial ideologies?

India growing global efforts towards digitization provides an opportunity to expand youth networks. But misinformation on social media needs to be monitored, as it can leave youth vulnerable to hate speech online and racial ideologies.

According to the **Center for Countering Digital Hatred**, online hate speech is more challenging for languages other than English, as social media companies like Facebook and YouTube lack global content moderation teams.

This marks the importance of empowering youth with knowledge, educating them about the Holocaust and antisemitism today to deepen reflection about contemporary issues that affect societies around the world, like the power of extremist ideologies, propaganda, the abuse of official power, group-targeted hate etc.

What steps did world countries initiate to educate students about the holocaust?

India: through its [National Education Policy 2020](#), already creates a fertile ground for working on Holocaust education programmes.

Embassies of Israel and Germany: Together with the support of [UNESCO](#), are organizing a workshop on antisemitism for policymakers, school principals and educators. The aim is to equip educators with the knowledge and use history to teach the lesson of **'Never Again'**.

What should be the way forward?

As the memory of the Holocaust fades, its lessons must not. It is important that youth are given the knowledge to combat myths and falsehood. Only this can lead to an enlightened society.

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3. Mahatma Gandhi, the out-of-the-box thinker

Source: This post is based on the article “Mahatma Gandhi, the out-of-the-box thinker” published in the Times of India on 31st January 2022.

Syllabus: GS 1 Modern Indian history from about the middle of the eighteenth century until the present- significant events, personalities, issues.

Relevance: Understanding the personality of Mahatma Gandhi.

News: Mahatma Gandhi is an important figure of history, whose thinking and qualities offer us a lot of things to learn from him.

What are the qualities of Mahatma Gandhi?

Out of box thinker: Mahatma Gandhi understood categories of people and identified himself with the weakest. His concept of just and truthful politics stressed that the weakest should have the same opportunities as the strongest.

Simplicity: Gandhi is remarkable for his simplicity and transparency. His simplicity reflects in his actions and his mode of life. Instead of being driven by the corporate mindset of being successful, Gandhi drew joy and fulfilment in pursuing less. Gandhi was a perpetual truth seeker. With Gandhi's ideals, people are never confronted with absolute Truth.

Read more: [Gandhi and Savarkar shared goal of independence, differed on means](#)

Ambiguous Personality: There was a moral or spiritual interrogation in all of Gandhi's historical actions. He did not mask himself or Indian history. He, therefore, let Indians to historical and civilization awareness. He also guided Indians to spiritual conversion non-violence.

Method of thinking: Gandhi, like Socrates, is guided by an inquisitive method of thinking. Gandhi believed that the true test of life lies in – **self-discipline and self-restraint**. Gandhi's version of community is also inspired by these two ideals. According to Gandhi, a self-realized and self-conscious community can reconcile the self-determination of an individual along with recognition of shared values.

Read more: [Recognising Gandhi the philosopher](#)

Self-transformation: According to Gandhi, the real strength of democracy lay in the self transformative nature of citizens. This self-transformation should influence individual life and public life. Also, solidarity is not just compassion but people's responsibility of loyalty towards mankind.

Read more: [New education policy follows Mahatma Gandhi's "Nai Talim" in terms of mother tongue: Vice President](#)

General Studies Paper - 2

1. **False dichotomy: On merit versus reservation**

Source: This post is based on the article “False dichotomy: On merit versus reservation” published in The Hindu on 24th January 2022.

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

Relevance: Understanding debate of merit versus reservation.

News: Recently, the Supreme Court ruled in favor of extending reservation to OBCs in All India quota (AIQ) of seats in admission to undergraduate and postgraduate medical and dental courses.

What is All India Quota?

It is a quota that has been implemented since 1986. It is envisaged as a domicile-free quota to access medical education in all colleges in the country. It consists of 15% of undergraduate medical seats and dental seats, and 50% of postgraduate seats.

These seats were surrendered by states for admission through a central pool. In 2007, courts allowed the introduction of 15% reservation for SC's and 7.5% reservation for STs.

Why is reservation important?

Reservation ensures that backward classes can avail opportunities that typically evade them because of structural barriers.

What are the arguments in favor of the ruling?

Now, a 27% quota for other backward classes has been introduced in all India quota. Courts argued that affirmative action is vital for substantive equality.

Formal equality, the principle that everyone competes on equal footing, is inadequate to address social inequalities and inherent disadvantages faced by less privileged sections. It does not enable equal opportunity for those competing without the aid of social and cultural capital, inherited skills, and early access to quality schooling.

Also, Good performance in examination is not the sole criteria of merit.

Also read: [Supreme Court upholds validity of OBC quota in NEET admissions](#)

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2. Budgeting for the education emergency

Source: This post is based on the article “Budgeting for the education emergency” published in The Hindu on 24th January 2022.

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

Relevance: Understanding the importance of bringing more allocation in the education sector.

News: Less resource allocation is seen in the education sector.

What is the public resource allocation in the education sector?

In the 2021-22 Budget, it was seen that the Centre’s allocation for the Education Department was slashed compared to the previous year. Delhi and eight major states reduced or just about maintained their budget allocation for education departments in 2021-22 compared to 2020-21. Only six States increased their allocation by more than 5%.

Even before the pandemic, public spending on education in most States was below than that of other middle-income countries. According to the **Ministry of Education’s Analysis of Budgeted Expenditure on Education**, most major States spent 2.5% to 3.1% of State income on education compared to 4.3% of GDP that lower-middle-income countries spent on their education between 2010-11 and 2018-19. Low-income countries increased their spending from 3.2% to 3.5% of GDP in the same period (World Bank, Education Finance Watch, 2021).

World Bank study also states that India spent 14.1 % of its budget on education, compared to 18.5% in Vietnam and 20.6% in Indonesia, countries with similar levels of GDP.

What is the difference in data observed from various surveys?

According to the **Economic Survey of 2020-21**, the combined central and State government spending on education was estimated to be 2.8% of GDP in 2018-19. This figure had remained at the same level since 2014-15. While, data from the **Ministry of Education** indicate that public spending on education had reached 4.3% of GDP in the same year, rising from 3.8% of GDP in 2011-12.

The difference is due to the inclusion of expenditure on education by departments other than the Education Department like the Ministry of Tribal Affairs, the Ministry of Social Justice and Empowerment etc. These departments constitute one-quarter of the education expenditure by the States in 2018-19, and half of the Centre’s expenditure on education. However, the composition of these expenditures is done by rough estimates.

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

What is the impact of the pandemic on children?

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

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What methods can be adopted to increase access to education?

1) Increase resource allocation especially in technology, 2) Back-to-school campaigns and re-enrollment drives, 3) Expanded nutrition programmes to address malnutrition, 4) Reorganisation of the curriculum to help children learn language and mathematics, 5) Support socio-emotional development, especially in early grades, 6) Teacher training and ongoing support; additional education programmes, 7) Increased instructional time during vacations and weekends, 8) Additional teachers and teaching aids, to cope with the transfer of students from private schools, 9) Collection and analysis of data.

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

3. Side by Side

Source–This post is based on the article “Side by Side” published in Indian express on 24th Jan 2022.

Syllabus– GS2-Government policies and interventions.

Relevance– Indian army, National war memorial.

News

Indian government’s recent move to shift the Amar Jawan Jyoti from its location under India Gate to the National War Memorial (NWM) faced some protest.

Why some people are regarding the current place as inappropriate?

Read [here](#).

What are these arguments in favor of moving the flame to National war memorial?

NWM houses the **names of all the soldiers** who died in wars that took place after independence in 1947. While, the Amar Jawan Jyoti set up in 1972 seeks to **commemorate those who laid down their lives in the 1971 war**, but their names are not inscribed on the monument itself. It will be a practical move to have both at the same place.

NWM is where all the official functions are now held to honour the country’s soldiers, and having a flame there would be more apt.

What are the arguments against this move?

India should not also forget the sacrifice of 15,000 men who laid down their lives as part of the British Army in the two world wars, and whose names are inscribed on the arch, but not at the NWM.

The present day Indian Army is a legatee of the British Indian Army, organised much along the same lines as it was 75 years ago, and cannot turn its back on its own heroes.

What is the way forward?

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The best way out of the present controversy would be to leave the Amar Jawan Jyoti burning at India Gate, along with the one at the NWM. Keeping the flame alive there will ensure that none of India's war heroes is forgotten.

4. Let's universalize India's employment assurance

Source: This post is based on the article "Let's universalize India's employment assurance" published in Livemint on 25th Jan 2022.

Syllabus: GS2- Welfare Schemes for Vulnerable Sections of the population

Relevance: Need of urban job guarantee scheme

News: Recently head of Hindustan Unilever has suggested that it's time for the government to launch an urban job guarantee along the lines of India's rural employment scheme.

What is the need urban employment scheme?

First, India's rural employment scheme helped village-dwellers during the covid crisis.

Second, service sector has been severely affected by the pandemic and the livelihoods of large numbers in cities depend on this sector.

For example, restaurants, hotels, tourism-reliant businesses, and proximity-based services were hit so severely that only a few could sustain their payrolls. Jobs in cities remain scarce, which has ultimately resulted in income loss.

Third, acute distress was witnessed in 2020 when people started moving away from urban centers to the interiors after an all-India lockdown.

Fourth, According to ICE360 Survey (2021) conducted by People's Research on India's Consumer Economy, the country's poorest 20% saw their household incomes decline by 53% over the last five years. On the other hand, the richest fifth saw a 39% increase.

Fifth, the burden of formalizing the economy through GST rollout and demonetization was also borne by informal-sector workers. Similarly, COVID restrictions also targeted informal workers.

What are the challenges associated with the urban job guarantee schemes?

One, the fiscal strain is one of the major concerns, and opponents argue that it will attract jobless to cities, which will create a further burden on public infrastructure.

Two, urban living is costlier, and it would be difficult for migrants if wages are kept the same as for rural jobs.

What is the way forward?

First, rural jobs were discussed in the 2000s on the ground that an emergent economy must not let anyone go hungry for want of work. Hence, the safety net must cover everyone to ensure minimal welfare conditions.

Second, a universalizing job guarantee is both fair and useful as a relief measure. India's e-Shram portal is seen as an opening to an urban employment program.

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Third, post-covid circumstances have pushed up the rural employment scheme's annual allocation to over ₹ 1 trillion. Now, additional resources must be made available for urban coverage.

Fourth, a job guarantee should be available for all adults, with proof of identity as the sole requirement. It may prove fiscally expensive, but it would also help in increasing consumption among those with a high tendency to spend. Hence, it will help in the revival of the economy.

5. Rules For a Civil Service

Source: This post is based on the article "Rules for a Civil Service" published in Times of India on 25th Jan 2022.

Syllabus: GS2- Role of Civil Services in a Democracy

Relevance: Civil services and federalism

News: Recently the chief minister of West Bengal and other states objected to the central government's proposed amendments to the rules governing the deputation of IAS officers.

What are the amendments proposed by the government?

Read: [What are the proposed amendments to Rule 6 \(deputation of cadre officers\)?](#)

Why changes are proposed?

First, IAS officers are recruited, appointed, and trained by the central government and allotted to various state cadres. But IAS officers are mandated to serve not only the state cadre to which they belong but also the central government whenever they are called upon to do so.

Second, the central government has the ultimate authority in matters relating to the service conditions. The state governments also have a participating role in these matters by way of the relevant rules.

Third, Senior positions in the central government from the level of deputy secretary/ director to the secretary are manned by IAS officers on central deputation and officers from other services for their domain knowledge.

Fourth, there is a steep fall in the number of officers going on central deputation from 69% of the mandated reserves in 2014 to 30% in 2021.

What are the issues associated with the proposed amendments?

One, states should be consulted to make any drastic changes in the rules to ensure effective governance and cooperative federalism.

Two, officers of the IAS are under the dual control of the state governments and the central government, as the latter is their appointing authority.

Three, the scheme and structure of the IAS are based on sharing of power in order to enable both the Centre and states to utilize the officers' services.

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Fourth, grassroots-level administration remains with the states. Hence, any arbitrary and sudden transfers of officers from the states to the Centre will undermine governance in the state.

Fifth, states consider it as an infringement of the right to govern through their institutions of governance.

What is the way forward?

First, there is a need to review the conditions of service in the Centre and their standards, which has made central deputation a less attractive option.

Second, other issues like selection systems at higher levels and uncertainty regarding tenures of service for IAS officers on central deputation shall be re-examined.

Third, the solution to this problem lies in Cooperative federalism. The consultation process should include the officers to decide whether the proposed amendments are in the right direction. It should all be done without undermining the authority and functional efficiency and causing undue distress to officers.

6. The country must criminalize marital rape right away

Source: This post is based on the article “Why India must engage with Myanmar” published in Indian Express on 25th January 2022.

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

Relevance: Criminalization of Marital rape

News: The Delhi high court is hearing whether the marriage exception to Section 375 of the Indian Penal Code should be struck down. It will provide legal recourse to married women if they are forced into sexual intercourse by their husbands.

What is the present legal position?

According to law, consent is presumed and continuous for the duration of the marriage once the woman is married. It means that consent does not need to be negotiated before each marital sexual encounter.

What does NFHS-5 reveal about marital rape?

According to National Family Health Survey (NFHS-5), over 24% of Indian women reported facing either domestic or sexual violence.

Instances of forced sex in the absence of consent are high in Karnataka (31%) and low in Odisha (2.5%). 5.4% of women in all-India reported that they had been forced into sex by their husbands, and over 27.4% reported being physically abused.

Why marital rape needs to be criminalized?

One, legal consequences attached with marital rape will act as a deterrent.

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Two, forced sex and other forms of sexual violence is a violation of women's human rights. It damages India's global standing because India is a signatory to the **convention on the elimination of all forms of discrimination against women (CEDAW)**.

Three, marital rape has long-term consequences on women's and their children's health and well-being. For example, injuries, unwanted pregnancies, poor reproductive and sexual health and high risk of sexually transmitted infections along with poor mental health.

Why consent is a complex matter?

One, people see it as a marital obligation, and that is why many women give consent unwillingly. It is also justified on the ground that men have higher sex drive and sexual needs to be fulfilled.

Two, women are not comfortable in discussing sexual violence due to lack of vocabulary or imagery to describe forms of marital rape, presumption of consent, or lack of legal option.

Three, men's rights activists have raised the issue of the misuse of marital rape law. For example, due to opposition and misuse, Section 498(A) is diluted, and now the Supreme Court has said that there is no need for immediate arrests of husbands and in-laws unless complainants bear visible signs of injury.

What is the way forward?

First, there is a need to change the law to give the problem visibility and acknowledge the harm.

Second, the law to criminalize marital rape should not make an exception only because consent is violated by a person known to the woman (her husband in this case).

7. Why India must engage with Myanmar

Source: This post is based on the article "Why India must engage with Myanmar" published in Indian Express on 25th January 2022.

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

Relevance: Understanding the importance of health India Myanmar relations.

News: Following the military coup in Myanmar, India should adopt a policy that should be a balance of India's interest and India's norms.

What is the importance of Myanmar for India?

Read here: [Coup in Myanmar and India-Myanmar bilateral relations – Explained](#)

What should be India's policy after Tatmadaw (military) took over?

India should implement an **unbiased** and proactive "**Neighbourhood First**" strategy that facilitates the [Act East policy](#) crucial for India's long-term security and economic interests.

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To strengthen its relationship with Myanmar, India should **support its critical requirements of systems** and platforms like UAVs, surveillance systems, and communication equipment. It should also fasten the completion of the earlier agreement on the operationalization of the Sittwe port, the establishment of an oil refinery, and joint vaccine production facilities for \$6 billion.

Considering this, the Indian foreign secretary's visit in December 2021 to Myanmar marks great importance. It was the first visit by a senior official from the liberal world and has set the stage for rapprochement and dialogue with Myanmar

Read here: [A delicate but necessary mission to Myanmar](#)

What should India need to do to strengthen its relationship with Myanmar?

1) Kick-start the process of peace and stability 2) Proactively employ the existing “people-to-people” goodwill 3) Proximate ties between the two armies

Read here: [India's strategy for Myanmar](#)

8. India's challenge in European geopolitics

Source: This post is based on the article “India's challenge in European geopolitics” published in Indian Express on 25th January 2022.

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

Relevance: Understanding European role in Indo Pacific.

News: The resignation of Germany's Naval chief over his comments made in India, show the complexity of European geopolitics.

He commented on the importance of **Russia in balancing China, NATO's difficulty in admitting Ukraine**, and told that **taking Crimea from Russia might be impossible**. Though the comments reflect common sense, but they are against the diplomatic positions held by many countries in Europe.

What geopolitical contradictions does it reveal?

First, Europe remains **geopolitically unstable**. The European settlements of 1919, 1945, and 1991 have not provided stability.

Second, Europe is **struggling to integrate Russia on mutually acceptable terms**. Bolshevik revolution of 1917 put Russia and the West at odds with each other. The collapse of the Soviet Union has not resolved this contradiction.

Third, there is **growing tension between the US and Europe**. Though Europe relies on the US for its security, it resents American dominance over its geo-politics. This was stated by EU's foreign policy chief Joseph Borrell and also by French president Emmanuel Macron.

Fourth, The emergence of the idea that **Europe must look after its own security**. Though the EU is a powerful economic entity (\$17 trillion), it is still a weak security actor.

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Despite these contradictions, India must realize that re-balancing China in Indo-Pacific cannot be done by the USA alone. It also needs the support of the EU.

Read more: [India-Germany relations post-merkel era – Explained, pointwise](#)

What lessons can India learn from the Indian national movement?

In the **18th century**, Indian princes took advantage of contradictions between Britain and France to preserve their independence.

In the **19th century**, Indian revolutionaries turned to Berlin to take advantage of Germany's emergence. Germany supported the formation of the nationalist government of India in Kabul in 1915 headed by Raja Mahendra Pratap Singh.

Indian communists turned to Soviet Russia when it declared its cause of championing Asian liberation from European imperialism.

During the Second World War, Netaji turned to Germany and Japan. With Japan's support, a provisional government of India was formed in Singapore in 1943.

What can India learn from its past?

India's struggle for independence involved exploiting the contradictions between different imperial powers. As the world enters a similar movement, and there is an emergence of tensions between the US, UK, Europe, Russia, China, and Japan, India should leverage these contradictions for its national benefit.

9. In conjunction: On evolution of democratic society

Source: This post is based on the article "In conjunction: On evolution of democratic society" published in The Hindu on 25th January 2022.

Syllabus: GS 2 Indian Polity – Fundamental Rights.

Relevance : Understanding the significance of Fundamental Rights and duties.

News: Indian PM in his speech recently stated that India had wasted a lot of time "fighting for rights" and "neglecting one's duties".

What is the relationship between rights and duties?

The evolution of democratic society is centered on the expansion of individual and group rights. Duties are important for reinforcement of those rights. Thus, Duties and rights complement each other.

Any notion of rights and duties being opposite or hierarchical (superior/inferior) is incorrect.

The Indian Constitution enshrines equality and freedom as fundamental rights, along with rights against exploitation, freedom of religion, cultural and educational rights, and the right to Constitutional remedies.

Read here: [List of Fundamental Rights in Indian Constitution](#)

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At the same time, citizens have duty to protect the integrity and sovereignty of the nation. Other duties include the duty to promote harmony and brotherhood and to develop scientific temper, humanism, and spirit of inquiry.

Read here: [A false conflation between duties and rights](#)

What is the relationship between duties and state?

A shift of state policy with an emphasis on duty is not correct. Duty is not something that citizens owe to the state. Obligation or duties of individual citizens can only be meaningful when their rights are guaranteed by the state.

E.g. When a citizen has the right to use a public road, they have the duty to obey traffic rules also. Citizens here cannot be obligated to obey traffic rules, without giving them the right to use public roads. Both rights and duties here can happen only in conjunction.

But with rising state coercion, restrictions on the rights of the citizens are on the rise.

10. India needs a national vision

Source: This post is based on the article “India needs a national vision” published in *The Hindu* on 25th January 2022.

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

Relevance: Understanding how India should frame its national vision policy.

News: In India, announcements are made in various sectors without a stated national vision. There is no official document to guide policy and decision-making.

What are the National vision documents of other countries?

China: It released a ‘**Made in China 2025**’ document in 2015, that talks about a 10-year plan for the development of 10 key high-tech industries. The target is to be 70% self-sufficient by 2025 and to achieve a dominant position globally by 2049. **China’s 2019 defence white paper** stated that by 2035, the armed forces would complete the “modernization of national defence and the military” and by 2049, “fully transform the people armed forces into world-class forces.”

USA: USA introduced its vision in 1969 to put a man on the moon by the end of the decade. A 10-year time frame was given to scientists with required financial support, and they met the national goal.

India: India announced its aim of sending astronauts into space by 2022. India carried out only two space launches in 2021 (of which one failed) while China set a world record of 47.

What lessons does India need to learn from other countries?

China initiated its economic reforms in the 1980s, when Deng Xiaoping asked his countrymen to “**hide your capability and bide your time.**” They were focused on first augmenting national power by gaining economic capability. Now, it is taking further strides with Made in China 2025 plan, a long-term space exploration program, and a military technology enhancement vision.

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In the case of India, the announcements are made first, and later we think properly about it. For example, **Atmanirbhar campaign**. In the era of globalization where technologies are protected by nations, international cooperation is the only way out. Some advancements by DRDO in UAV and drone technology have been made.

During the pandemic, India was not able to fulfill its vaccine export commitments during the second Covid wave showed that the world is interdependent. This also raised questions about India's self-sufficient capabilities.

How should India frame its national vision policy?

The fact that every military emergency, like Kargil or Pulwana, has resulted in emergency arms purchase shows that there is a lack of national vision. There is a need of formulating a comprehensive and coherent multi-sectoral and multi-ministerial policymaking.

This calls for a three-step process:

1. First, adequate time should be given to experts to draft national policy.
2. Second, the vision should include economic and technological analysis to ensure a realistic national dream.
3. Third, the plan should be implemented by an experts body that will have political backing.

11. The devastating impact of school closure

Source: This post is based on the article "The devastating impact of school closure" published in The Hindu on 25th January 2022.

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

Relevance: Understanding the need to open the schools again.

News: Schools are becoming an easy target for politicians. A decision of closing the schools makes them caring and sensitive, but it impacts the lives of children.

Why the reasoning provided for the closure of schools is not correct?

Protect children: The main reason given for closing the school is to protect the children. According to data, the risk of COVID-19 for those under 25 years is much lower than the risk from traffic accidents. So, school closure to "protect children" is not a good idea.

Schools as super-spreaders: There is an assumption that school acts as a hotspot, which is proved wrong scientifically. According to a study in Spain data from over 1 million children of all ages in schools, found that the **R-value** (rate of virus spread) is less than one for all schoolchildren and is as low as 0.2 for pre-primary children. So, the practice of shutting Anganwadis and primary schools in India is unscientific, when every other place in India is crowded: banks, markets, buses, etc.

Read here: [The need to reopen anganwadis](#)

Online education: It is a poor replacement for physical classes, especially for children in primary and pre-primary classes. These students require human interactions with teachers and peers, to learn, as well as to connect socially and emotionally.

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

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Increase of mental health problems in children: An increase in mental health issues has been noticed in UK children due to schools closure. **American Academy of Pediatrics** also called the mental health crisis among children a national emergency. In India, apart from mental health, other issues are also on the rise among children. As per the 2011 Census, India had an estimated 10.1 million children in child labor.

Read here: [Getting nutrition back on the school high table](#)

Vaccination: There is a myth that schools are safe only after children are vaccinated against COVID-19. This is not true, as schools were open in several other countries even before adults were vaccinated. It is visible that current COVID-19 vaccines (even boosters) do not prevent infection or transmission. Also, the question of emergency authorization of vaccines for children is not required, as there is no COVID-19 emergency for children.

What is the way forward?

Education is a constitutional right. By closing schools for a long period and providing a poor substitute with online education, children's rights are being violated. There is a need to reopen the schools again so that children can gradually come to their normal routine.

12. Voter turnout: Targeting 75%: With migration on the rise, EC must evolve strategies so that migrants don't lose out on voting day

Source: This post is based on the article "Targeting 75%: With migration on the rise, EC must evolve strategies so that migrants don't lose out on voting day" published in Times of India on 27th January 2022.

Syllabus: GS 2 Powers, functions and responsibilities of various Constitutional Bodies.

Relevance: Understanding the achievements and new areas where Election Commission needs to work upon.

News: Indian PM urge citizens and party workers to achieve 75% voter turnout in upcoming elections. As it is achievable due to the extraordinary work done by the Election Commission to expand the voting rights of citizens.

How India electoral process is different from the USA?

Indian Constitution makers favoured an independent constitution body "[Election Commission](#)" to oversee elections. This works better than the US model of a decentralized electoral process. That model is sewing chaos and leading to voter suppression.

Read here: [US Federal Election Commission Vs Indian Election commission](#)

In fact, owing to the efforts of the Election Commission, India has moved in the direction of easier enrolment and improved access to voting for citizens.

What are the achievements of the Election Commission in voter turnout?

The body gave special attention to regions with low women enrolment. This resulted in new female voters having grown at a faster rate (5.1%) than male voters (3.6%) and also resulted in increased female participation in elections. For e.g. Bihar in 2020 has witnessed 60% of eligible women turning out to vote against 54% of men.

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Read here: [Functioning of the Election Commission – Explained, pointwise](#)

What are the areas of voter turnout, that needs the Election Commission's attention?

It has been noticed that **urban voters are not turning up** for voting despite rapid urbanization. Voting percentages in 2017 Mumbai's BMC and Delhi's MCD elections were low at 52% and 54%, respectively. Similarly, in the 2014 Lok Sabha polls, Chennai's turnout was 61% against TN's 73%, Bengaluru's was 48% against Karnataka's 58%, and Hyderabad's 52% against undivided AP's 72%.

According to the **2017 EPW paper**, the authors argued that it is **recent migrants to cities that are not turning out to vote**. With increasing internal migration, migrants are losing their votes at their source and destination. This needs the immediate attention of the Election Commission.

13. Keeping faith – On India- Pakistan Relations

Source: This post is based on the article "Keeping faith" published in The Hindu on 27th Jan 2022.

Syllabus: GS2- India and its Neighborhood- Relations

Relevance: India-Pakistan Relations

News: Recently, Pakistan Hindu Council has sent a proposal to India to allow pilgrims of both countries to travel by air to avoid complicated procedures. The proposal is sent at a time when other India-Pakistan exchanges are suspended.

What is the scenario in religious exchanges?

First, the Kartarpur corridor came up in 2019 due to attempts made by both governments. This was the year when the two countries nearly went to war over the Pulwama attack.

Second, religious exchanges between both countries are governed by a protocol signed in 1974.

Third, the routes for Sikh pilgrims from Punjab to the Pakistani Punjab province are easy. But pilgrims who cross over at the Wagah/Atari border to travel to the Hinglaj Mata Mandir in Balochistan, the Paramhans Mandir in Khyber Pakhtunkhwa, the Ajmer Sharif dargah in Rajasthan, the Nizamuddin Aulia in Delhi faced difficulty due to complex routes.

What is the proposal?

The Pakistan Hindu Council has signed an MoU with Pakistan International Airlines (PIA) to facilitate faith-based tour groups. It has asked that PIA charters from Karachi and Lahore be allowed to fly direct to Indian cities.

It has proposed this with a view of reciprocal air charters from India. This is the first time ever that pilgrimages would be given this facility.

Why is the present state of India-Pakistan relations?

One, India-Pakistan ties are at worst currently even when there is peace. There is no political dialogue at a bilateral or multilateral level for over five years.

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Two, due to many attacks, India has stopped normal communications and cultural exchanges. Pakistan also stopped all trade ties after the Government's moves on Article 370 in Jammu and Kashmir. Both countries have also reduced their diplomatic missions.

Three, the COVID-19 pandemic has further resulted in the virtual sealing of borders. Now, only a few direct routes are operating.

What is the way forward?

First, there is a need for proper security checks to avoid any security threat.

Second, people-to-people initiatives can help build goodwill in an atmosphere of tension. For example, the LoC ceasefire announcement in February and the decision to reopen the Kartarpur corridor or the Government's approval for cricket under the T20 World Cup. Hence, it is wiser to give the proposal some consideration.

14. Credibility of govt accounting – On Public Account Committees

Source: This post is based on the article "Credibility of govt accounting" published in Business Standard on 27th Jan 2022.

Syllabus: GS2- Appointment to various Constitutional Posts, Powers, Functions, and Responsibilities of various Constitutional Bodies

Relevance: Reforms needed to improve the PAC's oversight.

News: The Public Accounts Committee (PAC) completed a hundred years of existence, and this article discusses ways to improve the PAC's oversight.

What is the significance of the PAC?

One, it plays a crucial role in **scrutinizing the use of government funds**. The PAC is a parliamentary committee, and customarily the leader of the largest opposition party in the Lok Sabha is the chairperson.

Two, the Comptroller and Auditor General's (CAG) reports are submitted to Parliament, which are examined by the PAC.

What are the issues existing with government accounting?

First, both central and state governments use cash flow accounting, while private Indian companies follow accrual-based accounting standards.

Second, there are issues related to the appointment of CAG (article 148). For example, usually serving or recently retired government officer is appointed as CAG, and CAG is repeatedly selected from the Indian Administrative Service rather than from any other service.

Third, CAGs can be influenced to overlook errors, intentional or otherwise. The final appointing authority for the CAG appointment is the prime minister (PM). The selection process of the CAG is driven by the ruling central government, compared to that for the CVC or director, CBI.

Similarly, the dismissal of the CVC requires the recommendation of the Supreme Court, but only a special resolution has to be approved by both houses of Parliament to remove the CAG.

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Fourth, PAC members are usually generalists and CAG's reports require independent expert evaluation in the simplest of terms.

Fifth, Separate sub-committees of the PAC consider expenditures, and their reports are made available on Parliament's website. However, these reports lack in-depth scrutiny of the government's accounts.

What are the changes required to improve the PAC's oversight?

First, the selection panel for the CAG's office should include the PAC chairperson and the chief justice of the Supreme Court.

Second, there is a need to choose a professional who can present complex audit reports in simple terms. If CAG reports are complex, it becomes difficult for the PAC to go through the details and unjustified government spending go undetected.

Third, the PAC chairperson should have a reasonable understanding of accounting principles and practices.

Fourth, two independent private sector accounting firms can be selected by the PAC to provide analytical comments about CAG reports confidentially to the PAC. It would help in realizing transparency in government spending.

Fifth, huge volumes of funds are allocated repeatedly to recapitalize public sector banks (PSBs). The CAG needs to assess the extent and manner in which taxpayer funds are used to recapitalize PSBs.

Similarly, the implementation of farm loan waivers is also puzzled. The PAC should check if the net present value of the amounts waived added up to more than the announced total amounts.

What is the way forward?

First, the need is to correlate the budget numbers with recent CAG reports or the deliberations of the PAC.

Second, accounting statements of several state governments too, need careful examination by the PAC as they collectively spend more than the central government.

15. Reservations in super-speciality courses: The Dravidian model of public health

Source: This post is based on the article "The Dravidian model of public health" published in The Hindu on 27th January 2022.

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

Relevance: Understanding why the Tamil Nadu scheme would be implemented throughout India to facilitate social advancement.

News: Supreme Court judgment upholding OBC reservation in NEET is a landmark judgment. Merit has to be contextualized socially and seen as an instrument of advancing social goods like equality. Tamil Nadu model where merit also takes historical privileges into account can be replicated in the rest of India.

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Read here: [Supreme Court upholds validity of OBC quota in NEET admissions](#)

What is the model adopted by Tamil Nadu?

It introduced a scheme that provide 50% reservation of postgraduate and super-speciality medical seats for government doctors. To avail of the reservation, candidates have to serve three years in Primary Health Centres (PHCs) in rural areas.

The scheme also introduced a **superannuation bond**, to ensure that the doctors who are availing the reservation benefits must serve the government till their retirement. It's legally binding to **prevent the brain drain** of the doctors either to the private sector or to places abroad.

How the scheme proves beneficial to Tami Nadu?

Expansion of public health infrastructure: It contributed to a steady rise in the availability of multi-speciality experts in metropolitan cities like Chennai, Coimbatore and in Tier-2 cities. Presently, the public health sector in Tamil Nadu has 900 super-specialists in different disciplines like Urology, Nephrology, Cardiology etc

No shortage of doctors in rural areas: It encouraged young MBBS graduates to serve in rural areas. State PHCs and government hospitals never witnessed a shortage of doctors and people got better healthcare facilities at their doorsteps.

How does the introduction of NEET affect this scheme?

With the introduction of NEET and Regulation 9 by the **Medical Council of India (MCI)**, weightage for government doctors who serve in rural areas has been reduced. According to MCI policy, only 50% of postgraduate diploma seats are reserved for service doctors, and MCI also exempted service doctors for postgraduate degrees.

Read here: [NEET fails the multidimensional construct of merit](#)

It is now compulsory for individual States to surrender all the seats of super-speciality courses to the central pool for common counselling. The new rule also abolished the government doctors' reservation.

Read here: [NEET hasn't created the equality of opportunity it had promised](#)

What is the Supreme Court view?

Service Doctors and Postgraduates Association filed the case for the reintroduction of 50% of service doctors' reservations in super-speciality courses. The court has now directed the Centre to provide reservations for service doctors in super-speciality courses.

Read here: [Inequity and injustice writ large – Regarding NEET](#)

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16. A proposal that has stirred up questions of IAS control

Source: This post is based on the article “A proposal that has stirred up questions of IAS control” published in Livemint on 27th January 2022.

Syllabus: GS 2 Separation of powers between various organs, dispute redressal mechanisms and institutions

Relevance: Understanding of the need of bringing changes in IAS cadre rules.

News: The Union Government proposal to amend IAS Cadre Rules has attracted the opposition of various states.

Must read: [Deputation of Cadre Officers and the Proposed Amendments – Explained, pointwise](#)

What is All India Services?

IAS, IPS and Indian Forest Services comes in the list of AIS. According to **P.S. Appu**, these services play a pivotal role in holding the country which holds great diversity. Members appointed to these services stand by the constitution and gave fearless advice to the politicians.

Also read: [Indian Bureaucracy – Explained, pointwise](#)

Why did centre propose the amendments to the deputation of cadre officers?

Read here: [Why changes are proposed](#)

Why did state governments oppose the proposed amendments?

Trust deficit: Officers often caught in the political battles, raised issues like who really controls members of Indian bureaucracy and raised the trust deficit between centre and states.

Read here: [Why did the state government oppose the move of deputation of cadre officers?](#)

What should be done to resolve the problem?

First, Cadre and career planning should be scientific and future-looking.

Second, Each officer should be motivated to work at the centre and this process should be included in the induction training itself.

Third, The list of the officers who are to be deputed should be finalized in the annual joint exercise between the states and the centre.

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17. Finding a way to share IAS officers

Source: This post is based on the article “Finding a way to share IAS officers’ ” published in the Indian Express on 28th January 2022.

Syllabus: GS 2 issues and challenges pertaining to the federal structure.

Relevance: Understanding why the amendment is required in IAS cadre rules.

News: The Union Government proposal to amend IAS Cadre Rules has attracted the opposition of various states.

What are the present rules for the deputation of cadre officers?

Read here: [Deputation of Cadre Officers and the Proposed Amendments – Explained, pointwise](#)

Why there is a decline in the number of officers who opt for central deputation?

1) Inadequate recruitment, 2) Comparatively better service conditions in the states

Generally, of the total cadre strength of the states, about 25-30% used to be on central deputation. But presently, less than 10% are working in various central ministries. According to reports, in states like UP, Bihar, Odisha Tamil Nadu and Kerala, the number is between 8-15%.

What steps should both centre-state initiate to work in harmony?

Deputation of officers: Both centre and state should work in a coordinated manner while selecting the officers. If the centre wants a certain officer and the state is not ready to give it, the Centre should respect their views, even though they have the power under cadre rules to do so.

Improve the working conditions of officers: Officers who opt for central deputation have many concerns like education of their children, transport and the higher cost of living in Delhi. The centre should sort out these issues. It can provide for a deputation allowance for the period of deputation in Delhi.

Dispel fears of states: The Centre should dispel fears of states about the misuse of central power.

Read here: [A proposal that has stirred up questions of IAS control](#)

18. Why Supreme Court’s order in Alapan Bandyopadhyay case is worrying

Source: This post is based on the article “Why Supreme Court’s order in Alapan Bandyopadhyay case is worrying’ ” published in the Indian Express on 28th January 2022.

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

Relevance: Understanding tribunals and writ jurisdictions.

News: Recently Supreme Court set aside the Calcutta High Court ruling which cost the Central administrative channels decision in the Alapan Bandyopadhyay case.

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What is the subject matter of the case?

Then West Bengal Chief Secretary did not attend a meeting chaired by the Prime Minister. He was charge-sheeted by the Centre for this event. He approached the Central Administrative Tribunal (CAT) Kolkata bench against the charge sheet and the case was admitted for hearing. The Centre then petitioned the CAT's chairperson at Delhi to transfer the case out of Kolkata.

Mr Bandyopadhyay filed a writ petition in Kolkata High Court. The division bench ruled in the chief secretaries favour. However, Supreme Court has allowed the Centre's appeal and ruled that Kolkata High Court lacked jurisdiction to entertain the Bandyopadhyay's writ petition.

What is the scope of the High Court writ petition under article 226?

[Article 226](#) confers upon high courts the power to issue writs against an authority. In **1950**, Article 226 limited the jurisdiction of the High Court to issue writs only to authorities resident within its territory.

In **1963**, Clause 1A was inserted under Article 226 to allow for extraterritorial jurisdiction so that the High Court could issue writs to authorities resident outside its territory.

In **1966** Delhi High Court was established to address writs being issued against central authorities.

In **1977**, Clause 1A was renumbered as Clause 2.

Thus, Article 226, Clause 1 and Clause 2, cumulatively determine the writ jurisdiction of the High Court.

How does CAT come under High Court jurisdiction?

CAT was set up under [Article 323A](#) by the administrative tribunals act 1985. Section 28 excludes the jurisdiction of all courts except the Supreme Court. In **L Chandra Kumar case**, it was ruled that the writ jurisdiction of the High Court under article 226 is part of the basic structure of the constitution and cannot be limited by statute.

What are the differences associated with the current ruling of the Supreme Court?

The Supreme Court held that the CAT chairperson was a resident in Delhi, so Kolkata High Court jurisdiction does not apply. The jurisdiction cannot be equated to territory, as provided in Article 226 (2). This clause specifically provides for extraterritorial jurisdiction.

In fact, not a single case from **L Chandra Kumar to Roger Matthew (2019)**, describe the extraterritorial jurisdiction of high courts.

Moreover, the judgement also creates different remedies against tribunals under Article 323A and 323B, and other tribunals and authorities. Not all tribunals have been created under Article 323A and 323B. While for other tribunals, a litigant can seek remedy under Article 226(1) and Article 226. But for tribunals under Article 323A and 323B, A litigant can seek remedy only under article 226 (2).

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Writ remedies are constitutional safeguards for the citizens. But in this case, the Supreme Court seems to have curtailed it instead of expanding it.

19. India's Ukraine 'challenge'

Source: This post is based on the article "India's Ukraine 'challenge'" published in the Business Standard on 27th January 2022.

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

Relevance: Understanding the geo-political implications and how India should handle this.

News: The stand-off between Russia and Ukraine, China, and Taiwan has put several questions for India on how to respond to the development.

How did the change in USA policy lead to a change in Russia and China policy?

Russia and China seem to believe that the USA has diminished its economic and military capacity and has lost its **will of power**. They see the USA's domestic issues, pandemic, chaotic withdrawal from Afghanistan as proof of American decline.

China seeks to utilize this opportunity to include Taiwan under it.

Russia seeks to assert its predominance in what it considers its near neighborhood-eastern European Central Asia

What will be the geopolitical impact of China and Russian actions?

Chinese reunification with Taiwan will alter the geopolitical landscape of Indo-Pacific. [Quad](#) will lose its relevance. It could lead to a Chinese lead Asian order.

Read here: [Taiwan-China conflict and India's stand on it](#)

If the **Russian invasion** of Ukraine goes unpunished, it could weaken the credibility of the USA.

Read here: [Ukraine Conflict: Why India needs to pay attention Russian military build-up in Ukraine](#)

What is the way forward for India?

To shrink the power gap with China, India needs to **increase its economic and military capabilities** at a rapid and sustainable pace. Along with that, there is also a need for **political leadership**, that focuses on getting India back to a higher growth trajectory.

20. India and Israel relationship: Namaste, Shalom to friendship

Source: This post is based on the article "Namaste, Shalom to friendship" published in the Times of India on 28th January 2022.

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

Relevance: Understanding the developments in India and Israel relationship.

News: India and Israel today celebrated their 30th anniversary of the establishment of full diplomatic relations.

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Read here: [India Israel ties no longer just a close friendship](#)

What are the areas of cooperation between India and Israel relationship?

Agriculture: Israel is helping India in water management and other innovative solutions. It is also providing training to Indian farmers with advanced agricultural technologies, according to their specific needs.

Read here: [How Israel's expertise in climate innovation can help India](#)

Security cooperation: Both countries participated together in the **Blue Flag exercise**, held in Israel.

Economic relation: India is one of Israel's most important trading partners. Israel is the original "Start-up Nation" while India has the world's third-largest start-up ecosystem. Israeli start-ups and entrepreneurs, large Indian companies, programmers, and IT specialists are becoming natural partners. Israel also established a [for advanced technological innovation fund](#) in water, agriculture, healthcare, energy, and communications. The two countries are also about to start negotiations on a Free Trade Agreement.

New grouping: [India, Israel, UAE, and U.S. launch quad forum](#)

Establishments: "India Trail" is established in Israel to commemorate the Indian soldiers who fell in World War I. Similarly, a "Jewish Trail" is established in Mumbai to emphasize the Jewish community's contribution to India.

People-People ties: The Indian-Jewish community contributed to the building of the Indian nation. Various experts like **David Sassoon** who helped found the Bank of India, **Lt General JFR Jacob**, the hero of Bangladesh's Liberation War in 1971, medical doctor **Dr. Jerusha Jhirad**, and poet **Nissim Ezekiel** have their contributions in building the friendly relationship.

21. Early Childhood Care and Education (ECCE): Anganwadis should provide early childhood care and education

Source: This post is based on the article "Anganwadis should provide early childhood care and education" published in the Indian Express on 28th January 2022.

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

Relevance: Understanding the need for Early Childhood Care and Education (ECCE).

News: [National Education Policy](#) highlighted the importance of Early Childhood Care and Education (ECCE) for young child's early cognitive, social, and emotional development. But still, [National Family Health Survey-5](#) found that only 13.6% of children enrolled in pre-primary schools.

What are the problems with the existing system?

Overwork on anganwadis: They have more focus on health and nutrition. Multiple administrative duties also leave little time to anganwadis to focus on ECCE.

Inadequate care: Present system best serves the age group of 3-6 years, but ignores infants and toddlers.

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The economic condition of parents: A child's early learning begins at birth, initially through stimulation, play, interactions, non-verbal and verbal communication, and through observation etc. But, due to a lack of parental awareness complemented with the daily stresses of poverty, disadvantaged households, Anganwadis are unable to provide an early learning environment to their children.

Inappropriate teaching: It is seen that mostly low-cost pre-schools have a developmentally inappropriate teaching approach.

Read here: [Need of Early Child Development](#)

What steps can be initiated for a successful implementation of ECCE?

First, there is a need to design and implement a **meaningful activity-based ECCE framework** that recognises the ground realities of that area.

Second, Routine tasks of Anganwadi workers should be reduced and non-ICDS work, such as surveys, to be removed altogether. Also, **proper training** should be provided to anganwadis so that they can be redesignated as childcare workers and handle routine work.

Third, Anganwadi **hours can be extended** by at least three hours, with an increase in their present remuneration, with the additional time devoted to ECCE. A similar model has already been adopted in Karnataka state.

Fourth, All ICDS functionaries need to be fully trained in ECCE. Also, there is a need to bring the **policy reforms** both at the centre and state level to prioritise and monitor ECCE.

Fifth, Anganwadi workers should be asked to **closely engage with the parents**, as they play a crucial role in the cognitive development of young children. Low-cost affordable teaching materials should be designed and made accessible to parents.

Sixth, ICDS should supply **age-appropriate activity-based play material** in adequate quantities regularly. Anganwadi workers should also encourage utilising them in a liberal manner.

Last, states should **invest in research and training** to support early childhood education.

22. Electoral bonds: To the poll booth, with no donor knowledge

Source: This post is based on the article "To the poll booth, with no donor knowledge" published in The Hindu on 28th January 2022.

Syllabus: GS 2 Electoral Reforms.

Relevance: Understanding electoral bonds and transparency.

News: Recently, the Union government authorized State bank of India to issue and encash a new tranche of electoral bonds. This again revived the debate of transparency around electoral bonds.

What is the electoral bond scheme and challenges associated with it?

Read here: [Electoral Bond and its challenges – Explained, Pointwise](#)

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What is the stand of the government on electoral bonds?

According to government, voters have no fundamental right to know how political parties are funded. Also, the scheme helps eliminate the role of black money in funding elections.

Read here: [Govt. defends electoral bonds scheme in SC](#)

What are the challenges with government arguments on electoral bonds?

First, the Supreme Court has held that voters have the right to freely express themselves. So they are entitled to all information, including political parties and funding.

Second, affidavits filed by [Election commission of India](#) have demonstrated the potential of black money in elections.

Read here: [Electoral Bond and its challenges – Explained, Pointwise](#)

What is the stand of Courts, and what is the impact of court views on electoral bonds?

The court asserted that the bonds were not anonymous. Since both purchases and encashment are made through banking channels, an interested person can look through the financial statements of corporations and match these records with account details filed by parties with election commission of India.

Read here: [Why Electoral Bond Scheme should be declared unconstitutional?](#)

Political parties have no obligation to provide their records. So individuals may not have resources to run through records of all corporations in India. Even if someone can, the matching detail from political parties records cannot be disclosed. So anonymity is written into the system. In fact, government has further relaxed norms on funding.

What further steps have been taken by government and how the courts react?

Amendments have been made to remove the cap on companies which had set a limit of not donating more than 7.5% of its net profits over the preceding three years. The mandate which required a company to be in existence for at least three years before it could make donations was removed.

Judges have warned about potential threats posed by limitless corporate funding of elections. For instance, the **Bombay High Court** predicted that such funding would overwhelm and even throttle democracy of our country. The **Calcutta High Court** mentioned that individual citizens will be handicapped, as they can never hope to equal the contributions of big companies.

Thus, it falls upon judiciary to take corrective actions against the lack of transparency built into the system.

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23. Problems associated with North Eastern states: A more meaningful commitment to the Indian republic

Source: This post is based on the article "A more meaningful commitment to the Indian republic" published in the Indian Express on 28th February 2022.

Syllabus: GS 2 Functions and responsibilities of the Union and the States,

Relevance: Understanding the problems of North-Eastern states and problems to rectify them.

News: India celebrated its Republic day where several exercises were held to demonstrate the state's power and patriotism. Along with these exercises, there is a need to adopt constitutional ideals and values in ways that embed the state and the nation in the harmony, especially in the North East.

What are the problems associated with North Eastern states?

The founding fathers recognized that to politically integrate different tribal groups it is necessary to **reconcile equal citizenship rights and group differentiated rights**. Eg: the popular mobilization for self-rule like the 1951 Naga plebiscite was believed to be supported by 99.9% of the Naga population. So, the formulation of differential rights in the sixth schedule would lead to the constitutional recognition of differentiated identities.

But this system is problematic as it is based on an **unequal two-tiered right regime**. It distinguishes tribal citizens from non-tribals by excluding them from ownership and acquisition of property in tribal areas. There is a **need to accommodate the distinctive needs of non-tribal outsiders**.

Read here: [problems associated with sixth schedule](#)

The sons of soil movement in Assam and Tripura since the 1970s are driven by a sense of insecurity about identity and land ownership. The state's inability to control illegal immigration makes the problem more complex. These have led to the targeting of Bengali Muslims as illegal. The sense of insecurity created by **[national register of citizens](#) and [citizenship amendment act 2019](#)** are reminders of this reality.

What steps should government initiate to resolve the insecurity of N.E states?

The above problems call for renewing the state's commitment to democracy and constitutionalism. This should not only promote democratic justice but should also check abuse of state power.

Also, the government should commit itself to **promote substantive democracy by protecting the rule of law**. Institutions should be encouraged to give various groups, including women, effective voice and participatory rights not only in democratic deliberations but also in policymaking and implementation.

Government should further **stop measures** like labelling human rights activists as anti-nationals, use of **[UAPA](#)** on grounds like criticising the government, use of **[AFSPA](#)** etc.

Read here: [Needed: repeal of AFSPA, not regret](#)

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24. At the Centre: On India-Central Asia summit

Source: This post is based on the article “At the Centre: On India-Central Asia summit” published in The Hindu on 28th January 2022.

News: Recently, the Prime Minister has hosted the India-Central Asia Summit in virtual format. Both India and Central Asian Republics (CARs) have agreed on more structured engagement, including the setting up of joint working groups, on Afghanistan and Chabahar, and more educational and cultural opportunities.

Must read: [India-Central Asia Virtual Summit](#)

What are the challenges highlighted in the India-Central Asia summit?

Lack of access to land routes: With **Pakistan denying India transit trade**, India is forced to explore other options. But these options have certain challenges. For instance,

a) **Chabahar port initiative:** It involves greater investment in rail and road routes to Iran’s northern boundaries with the CARs, something India is hesitant to do in the face of U.S. sanctions.

b) **International North South Transport Corridor(INSTC):** This is not fully operational and at least two CARs (Uzbekistan and Turkmenistan) are not members of INSTC.

Low trade volume between India and Central Asia: A paltry \$2 billion, spent mostly on Kazakhstan’s energy exports to India. In comparison, China’s CAR trade figures have exceeded \$41 billion — they could double by 2030 — apart from the billions of dollars invested in the Belt and Road Initiative.

The situation in Afghanistan: It is a weak link between Central Asia and South Asia. After the Taliban takeover, there is no official government, a humanitarian crisis is building, and there are worries of terrorism and radicalism spilling over its boundaries.

Apart from that, India – CARs relations are also hampered by other players in the region. For instance, **1) Pakistan** has signed transit trade agreements with CARs, offering trade access to the Indian Ocean at Gwadar and Karachi, **2) China** is now the biggest development and infrastructure partner to the CAR countries, **3) Russia** is one of the most strategic players in the CAR Region.

Must read: [India – Central Asia Relations – Explained, pointwise](#)

What should India do to improve its relations with the CARs?

First, India should institutionalise exchanges and increase the trade, investment and development partnerships with the CARs.

Second, India should take active steps to make future ties more closely resemble the deep ties of the past.

Read more: [Recent developments in India-Central Asia relations](#)

25. Neglected Tropical Diseases Day: India can beat them but that needs bold action

Source: This post is based on the article “Neglected Tropical Diseases Day: India can beat them but that needs bold action” published in Down To Earth on 29th Jan 2022.

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

Relevance: Need to focus on elimination of NTDs

News: Neglected tropical disease day is on January 30 and it reminds that India needs an integrated approach to eliminate NTDs.

What is Neglected Tropical Diseases (NTDs)?

NTDs is an umbrella term that refers to 20 medically diverse, communicable diseases that flourish in impoverished environments, tend to coexist, cause significant mortality.

Why there is need to pay attention to NTDs?

One, NTDs can cause permanent disabilities, impact mental and emotional health. NTDs affect over 1.7 billion people across the world. For instance, Lymphatic Filariasis which is known as haathipaon in hindi or Elephant Feet is the second-leading cause of permanent disability in the world.

It attacks the human lymphatic system and can cause painful swelling of limbs (lymphoedema), genitalia (hydrocele) and disfigurement of breast.

Two, some NTDs are deadly. For instance, Visceral Leishmaniasis known as Kala-Azar or Black Fever. It is transmitted by sandflies.

Three, in case of India, Lymphatic Filariasis is endemic in 328 districts across 21 states / Union territories. Kala-Azar is endemic in 54 districts across four states of India. These diseases affect 650 million and 140 million people in the country, respectively.

What steps have been taken by the government to eliminate NTDs?

One, government has set a target of 100 per cent elimination of Lymphatic Filariasis and Kala-Azar in line with global targets. The government also supports morbidity management and disability prevention for those affected by lymphoedema and hydrocele.

Two, preventive methods like Mass Drug Administration (MDA) rounds are periodically deployed in endemic areas during which anti-filarial medicines are provided free-of-cost to at-risk communities. Vector-control measures like Indoor Residual Spraying are undertaken to prevent sandfly breeding.

Three, State and central governments have introduced wage compensation schemes for those suffering from Kala-Azar and its sequela. Sequela is a condition which is the consequence of a previous disease known as Post-Kala Azar Dermal Leishmaniasis.

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Four, India adapted to COVID-19 led disruptions and bounced back. For instance, using bowls to distribute medicines from a safe distance. Over 70 per cent of the districts that had targeted Mass Drug Administration (MDA), distributed anti-filarial medicines to eligible populations.

Dynamic dashboards helped in better planning and implementation. As a result, MDA coverage and compliance have improved and 134 districts have stopped MDA after passing Transmission Assessment Survey (TAS).

This test determines if the prevalence of Lymphatic Filariasis in an evaluation area has decreased with no chance of re-emergence.

Five, even after health system was burdened, India in 2021 witnessed improved case surveillance, case detection and case prevalence rates with respect to Kala-Azar. There is decrease of 35 per cent in all reported case as compared to 2020. Also, 99 per cent of Kala-Azar endemic blocks having achieved the elimination target.

What is the way forward?

First, improving access to quality healthcare, water, sanitation, hygiene, addressing climate change and ensuring gender equity, mental health and well-being should be made core of elimination strategy.

Second, multi-stakeholder and cross-sectoral partnerships and collaboration is required to play a central role in sustaining the momentum gained.

26. State administrative services are crucial to federalism

Source: This post is based on the article “State administrative services are crucial to federalism” published in the Livemint on 31st January 2022.

Syllabus: GS 2 Issues and challenges pertaining to the federal structure.

Relevance: Understanding changes required at state level.

News: The Union Government proposal to amend IAS Cadre Rules has attracted the opposition of various states. But the state's failed to recognise the challenges associated with the State administrative services.

Read here: [Deputation of Cadre Officers and the Proposed Amendments - Explained, pointwise](#)

What is the problem with the State administrative services?

1) State failure to recruit an adequate number of civil servants, 2) Inadequate training, 3) Not fairly managed, 4) Unsatisfied performance, 5) Dysfunctional machinery.

Shortage of officers/required staff in various departments

Manpower shortage is found in almost all the departments. For e.g. in fire department, staff employed is below the prescribed international strength. Same thing is with nurses and doctors. Over 20 states have a doctor to population ratio below the WHO norm of 1:1,000.

On average, the state police force is 24% under their sanctioned strength. The condition is same with the best-governed states of India. Like Karnataka, which has conducted only 3

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rounds of recruitment into the Karnataka Administrative Exam for over a decade. In which one round was stayed by High Court due to irregularities, another one was notified in 2015 conducted in 2017 and the recruitment remained incomplete.

A similar shortage has been experienced in almost all the departments like teachers, tehsildars, engineers etc.

What is the reason for the crisis in State administrative services?

In India, government jobs have become the spoils of power, to be distributed along the caste and regional lines, mostly to help politicians win elections. When this political reality meet the government recruitment rules, things got stuck. The deeper reason for state failure to nurture competent and professional civil services is the **political economy**.

How to improve State administrative services?

The best solution will be adopting the same examination for union and State Public Services. States can also adopt the similar criterion of UPSC examination ranks for their state-specific tests. This will help to reduce the status disparities between the centre and states and can also raise the standards of state officers.

27. Explained: India, Oman ties and why its top defence official's Delhi visit important

Source: This post is based on the article “Explained: India, Oman ties and why its top defence official's Delhi visit important” published in the Indian Express on 31st January 2022. **Syllabus:** GS 2 Bilateral, regional and global groupings and agreements involving India and/or affecting the Indian interests.

Relevance: Understanding India – Oman relationship.

News: Oman's top defence official Mohammed Nasser Al Zaabi is on an official visit to India, this signifies India – Oman relationship.

What is the purpose of the visit?

He is going to co-chair the 10th **Joint Military Cooperation Committee (JMCC)** with Indian Defence Secretary. JMCC is the highest forum of engagement between India and Oman in the field of defence. It evaluates and provides guidance to the overall framework of defence exchanges between the two sides.

The present JMCC is expected to comprehensively evaluate the ongoing defence exchanges and provide a roadmap for further strengthening defence ties in the upcoming years.

What are the salient features in India – Oman relationship?

Historical: Oman's longest-reigning leader, Sultan Qaboos bin Said, was a great friend of India. He was also a student of President Shankar Dayal Sharma. On his demise, India had announced national mourning for one day in his honour. He was also conferred with [Gandhi Peace Prize](#), in recognition of his leadership in strengthening the ties between India & Oman and his efforts to promote peace in the Gulf region.

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Indian diaspora: About 6.2 lakh Indians are living in Oman, of which about 4.8 lakh are workers and professionals. There are also Indian families living in Oman for more than 150-200 years.

Defence: Oman is India's closest defence partner in the Gulf region. It provides critical operational support to Indian naval deployments in the Arabian Sea for anti-piracy missions.

It is the only country in the Gulf region with which all three services of the Indian armed forces conduct regular bilateral exercises. Oman also actively participates in the [Indian Ocean Naval Symposium \(IONS\)](#). Forces of both the countries also engaged with each other in various training programmes.

Read here: [Royal Navy of Oman ships arrive in Goa for naval exercise Naseem Al Bahr](#)

Strategic: To counter Chinese maritime influence, India has secured access to the key Port of Duqm in Oman for military use, reconnaissance aircraft, and logistical support. Recently, India had deployed an attack submarine to Duqm port in the western Arabian Sea.

Duqm port: It is situated on the southeastern seaboard of Oman, overlooking the Arabian Sea and the Indian Ocean. It is strategically located, near the Chabahar port in Iran. With the Assumption Island being developed in Seychelles and Agalega in Mauritius, Duqm fits into India's proactive maritime security roadmap.



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Economic: Port of Duqm also has a special economic zone, where Indian companies invested around \$1.8 billion. The Adani group had signed an MoU with Duqm port authorities in recent years.

In the context of strategic oil reserves near Duqm, India had extended an invitation to Oman to participate in building strategic oil reserves in India.

MoU in various fields: To strengthen bilateral defence ties, both countries had signed the MoU on Military Cooperation, in 2005 and renewed it in 2016. Another MoU was signed in 2016 on cooperation in maritime security and between Coast Guards of the two countries. Both countries are also committed to supporting each other towards promoting regional peace and security, counter-terrorism, information-sharing and capacity-building, etc

Also read: [India, Oman agree to isolate sponsors of terror](#)

28. A year on from Myanmar's 'annus horribilis'

Source: This post is based on the article "A year on from Myanmar's 'annus horribilis'" published in The Hindu on 31st January 2022. **Syllabus:** GS 2 Bilateral, regional and global groupings and agreements involving India and/or affecting the Indian interests.

Relevance: Understanding military takeover in Myanmar.

News: February 1 marks one year of military seizing power in Myanmar. The decade-long experiment of hybrid Democracy ended, paving way for violence, oppression and instability.

What is the background of the issue?

Read here: [Political crisis in Myanmar](#)

What has been the result of the military takeover?

The opposition formed a parallel government named **National Unity Government**. But it lost momentum and Myanmar denounced it as a terrorist. The national economy has weakened as pointed by [World Bank](#) terming it as critically weak. Government support to manage the pandemic was also greatly impacted.

What has been ASEAN's role in Myanmar's development?

[ASEAN](#) persuaded the senior general of Myanmar to accept a **five-point consensus**. It included cessation of violence, national dialogue and mediation by ASEAN. When Myanmar did not implement this, The senior general was barred from ASEAN summits.

The Cambodian Prime Minister has adopted a softer approach, which is backed by Thailand and Laos. It seeks compromise on denial of access to Suu Kyi to ASEAN mediators and little dilution of the 2008 Constitution.

Read here: [ASEAN's Initiative to End Political Crisis in Myanmar](#)

What is the role of other players?

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The West was unable to comprehend the dynamics of power as the USA and EU failed to resolve the issues in Myanmar. The policy of imposing sanctions has been ineffective.

China, the principal player: China has enormous leverage in golden land through control over separate ethnic armed organisations and projects like the Belt and Road initiative. China also protects the military regime in the Security Council via veto.

But Myanmar rulers also desire independence and balance in their external policy. **Japan** understands this, but it is acting alone and cannot make much difference.

What is India's policy towards Myanmar?

India is always happy to work with fellow democracies. But it is not keen on exporting democratic values to other countries. India supports diplomatic efforts through the UN and through ASEAN. India also engages in humanitarian efforts by providing 1 million made in India vaccine doses.

India is following a **two-track policy** of supporting democracy and maintaining cordial relations with the government in power. Guided by realism and pragmatism, India is driven by the desire to protect India's interests.

Read here: [India's strategy for Myanmar](#)

What should be the way forward for India?

India has to discourage the mass influx of refugees, check cross-border insurgency in the northeast, safeguard ongoing projects and investments and also counter China's growing influence.

Read here: [Why India must engage with Myanmar](#)

General Studies Paper - 3

1. A chance to support growth, fiscal consolidation

Source: This post is based on the article “A chance to support growth, fiscal consolidation” published in The Hindu on 24th Jan 2022.

Syllabus: GS3- Indian Economy and issues relating to Planning

Relevance: Factors to be considered to achieve higher growth

News: Recently, the National Statistical Office (NSO) released the first advance national accounts estimates for 2021-22.

What are the growth prospects for India?

IMF and OECD forecasts have indicated growth rates at 8.5% and 8.1%, respectively, for 2022-23. However, these are optimistic as the base effects characterizing 2021-22 are limited.

However, India may expect real GDP growth in the range of 6%-7% only. The implicit price deflator (IPD) based inflation may come down to about 5%-6%.

What are the factors responsible for constraining the growth rate?

First, the basic determinants are the saving and investment rates in the economy. As per NSO, the gross fixed capital formation (GFCF) stands at 29.6% in 2021-22.

Second, there is inefficient capacity utilisation in India. NSO's data indicate a capacity utilisation ratio of 61.7% on an average in the preceding four quarters. This delays recovery in private investment.

Third, there is a low growth of 6.9% in private final consumption expenditure (PFCE). Hence, high growth would be required for the sectors which are characterised by a high marginal propensity to consume (MPC). For example, trade, transport, and the Micro, Small, and Medium Enterprise (MSME).

Fourth, other issues are supply-side bottlenecks, high prices of global crude oil, and primary products.

What is the way forward?

First, the Government may consider extending the time limit for availing benefits. For example, extending concessional corporate income tax (CIT) rate of 15% for fresh investment and the extension of compensation arrangement under GST by two years.

Second, India needs to prioritize expenditure and should focus on reviving both consumption and investment demand. The National Infrastructure Pipeline (NIP) should be reassessed to make up for existing deficiencies. For example, the health sector.

Third, the scope of the National Monetization Pipeline (NMP) should be extended, and disinvestment initiatives should be accelerated to increase non-tax receipts.

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Fourth, a high-powered inter-governmental group suggested by Fifteenth Finance Commission should be constituted to re-examine the sustainability parameters of debt and fiscal deficit of the central and State governments in the light of new realities.

Fifth, to improve consumption demand, urban counterpart to Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) can be considered.

2. Climate change for practical people

Source: This post is based on the article “Climate change for practical people” published in Business Standard on 24th Jan 2022.

Syllabus: GS3- Conservation, Disaster and Disaster Management

Relevance: Climate change and its significant impact

News: Due to lack of availability of data there is a reasonable chance that impact of climate change is not measured accurately and to confront the climate problem we need to think more strategically.

What is current scenario of climate change?

Climate scientists warn that an increase in the global average temperature of more than 1.5 degrees will trigger catastrophic events. The baseline is from 1850-1900. The rise in temperature for the world has been about 1 degree and for India it has been 0.7 degrees. But many practical people think that a change of about 1 degree is not that bad.

Why should India worry about climate change?

First, small rise in temperature cause disastrous changes. For example, long breaks in the monsoon and unseasonal rain. For example, July 2021 rainfall in Maharashtra killed over 100 people.

The frequency of cyclones in the Arabian Sea has gone up by about 50 per cent. In Kerala, there was no significant flood from 1924 till 2004. In the recent period, floods have been increased.

Second, knowledge of climate change is limited due to limited data and there may be mistakes in analysis. Even with the most powerful computers work on rough approximation.

Third, Climate models predict that the rise in temperature will have least impact in south India and more as we go north.

The aggregate amount of rain will go up by about 7 per cent for each 1 degree increase in temperature. This rain will come down to the earth on a smaller number of days, and there will be increase in dry spells within the monsoon months.

What are the challenges present in front of India?

One, there is need to think about the present variation of population density in India across locations with respect to climate change.

When climate change takes place, people will have to migrate. For example, coastal areas will experience rising sea levels and changing patterns of cyclones. Interior areas will suffer heat

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waves and altered rainfall patterns. These may result in economic slowdown worse than the Indian Covid lockdown of 2020.

Two, there will be challenges for human institutions. In India state capability are poor and perform poorly during pressures. For example, the Dutch dealt with the rising seas by building dykes and protecting their way of life.

What is the way forward?

First, the need is to focus on disaster relief and disaster risk resilience.

Second, volatile agricultural incomes call for financial sector development. For example, crop insurance and commodity derivatives trading.

Third, households which are over-weighted with immobile assets in the wrong places will experience destruction of wealth. It demands relocation. However, the problem is illiquid Indian land market. There are large transaction costs and delays.

3. Can inequality be solved or is it a natural human state?

Source: This post is based on the article “Can inequality be solved or is it a natural human state?” published in Live Mint on 24th Jan 2022.

Syllabus: GS3- Inclusive Growth and issues arising from it.

Relevance: Inequality as a natural consequence of human nature

News: Recently, Oxfam revealed that India’s richest 10% had 45% of Indian wealth, while the bottom half had only 6%.

This article says, even if inequality is a natural consequence, it is evil. There is no need to declare it as sacred. Also, money can never be the correct measure of inequality.

Is inequality a natural consequence of human nature?

There are different arguments given for the reason behind inequality:

First, some experts argue that social inequality began with the invention of mass production i.e. rise of capitalism.

Second, others argue that social inequality is not caused by capitalism, and it is fundamental to human nature, even before the Industrial Revolution.

What should be the criterion to measure poverty and inequality?

Some experts argue that poor of today have much better living standards, compared to the Mughal era. But it is not a correct perception of poverty. Deprivation today must be measured by the availability of wealth and facilities to rich people of present.

Thus, the Indian policy makers’ notion of ‘basic necessities’ is false. The fact is that people don’t live to just eat starch and sugar. Humans invented so many things for fun and comfort and whenever something improves lives, its denial to the majority becomes one of the new meanings of poverty.

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What is the way forward?

First, we need to stop using money as a measure. Money is so easy to measure that many get conditioned to consider themselves lesser people than some.

Second, we also need to persuade people to see the truth that money is just one of the many things that matter. For example, happiness indices.

4. Poverty, Wellbeing, Hunger: Where Do We Stand?

Source: This post is based on the article “Poverty, Wellbeing, Hunger: Where Do We Stand?” published in ToI on 24th Jan 2022.

Syllabus: GS 3 – Issues related to Poverty

Relevance: Poverty Estimation

News: Recently, there have been comments that hunger in India has increased, based on the GHI 2021 report that showed a decline in India’s ranking to 101 from 95 in 2020.

This article examines the question – how best to measure poverty? It also stresses that poverty based on consumption is still important and there is a need for strengthening the quality of consumer expenditure data.

What are the different methods used for Poverty estimation?

Consumption method: Any household failing to meet the minimum level of consumption expenditure or poverty line can be treated as a poor household. This minimum level of consumption expenditure can be derived from minimum expenditure on food and non-food items.

The Multidimensional Poverty Index (MPI): It was developed in 2010 by the Oxford Poverty & Human Development Initiative (OPHI). It is based on 10 indicators related to health, education, and standard of living.

A person is MPI poor if they are deprived of at least one-third of the weighted MPI indicators. Recently, NITI Aayog, using the same methodology, released the report ‘India: National Multidimensional Poverty Index, Baseline Report’.

The Human Development Index (HDI): It is a summary measure of achievements in three key dimensions of human development (a long and healthy life, access to knowledge, and a decent standard of living).

Global Hunger Index (GHI): it is based on four indicators (undernourishment, child stunting, child wasting, and child mortality). The scores are aggregated to calculate the GHI score for each country. Countries are ranked based on the GHI score.

Why Consumption method is best?

Issues with other Indexes

The Multi-Dimensional Poverty Index arbitrarily sets a cut-off of one-third of weighted indicators. The same criticism applies to Niti Aayog’s MPI for India.

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HDI only shows country rankings. And GHI is a partial index, not related to entire household poverty.

Whereas, the Consumption method can determine the poverty line and poverty ratio as well.

What are the trends in poverty-estimation methods?

Estimates of poverty based on consumer expenditure, using the Tendulkar Committee methodology, show the poverty ratio came down from 37.2% to 21.9% and the number of poor came down by 137 million (between 2004-05 and 2011-12).

MPI was almost halved between 2005/6 and 2015/16.

HDI values for India increased significantly from 0.536 in 2005 to 0.624 in 2015 and to 0.645 in 2019.

What are the issues in consumption-based estimates?

Presently, there are no officially released estimates after 2011-12.

There is an alarming difference between aggregate private consumption expenditure in the National Sample Survey and the figure provided by the National Accounts Statistics. From a difference of less than 10% in the late 1970s, it has widened to 53.1% in 2011-12.

What is the way forward?

The NSSO Advisory Group or the National Statistical Commission must study the problem and come out with possible suggestions for improving the collection of data through both routes and narrowing their differences.

The National Statistical Office can collect the consumer expenditure data for a normal year after analyzing the reasons for the difference between NSS and NAS estimates.

5. A combative federalism

Source: This post is based on the article “A combative federalism” published in Indian Express on 24th January 2022.

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

Relevance: Understanding the problems under GST.

News: There has been friction between center and state over the lack of compensation cess.

What is GST?

It is a “**consumption-based destination tax**”, which means that the revenue will go to the state in which the goods/services are consumed.

What are the steps that can be initiated by the state to cover the financial loss?

The state governments are short of funds, so the industry may face financial issues as the state may aggressively use its power to augment its finances. Attachment of bank account, blocking

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of the input tax credit, arrests are likely to rise to increase tax collections. Information under RTI revealed that ITC of about Rs 210 crore of businesses assessed by Central tax officers in Punjab, Haryana, Himachal Pradesh, and Jammu and Kashmir has been blocked.

The GST regime has over four tax slabs and offers many exemptions. Industries that enjoy exemptions will first come under increased tax scrutiny. Since service tax was administered only by the Center, state officers are not experienced in tax services. So, issues that have been settled for the service industry could be reopened to increase revenue.

Why did the issue between the center-state arise over GST?

It is because of the lack of trust of states on center over administering GST fairly.

Read here: [Goods and services tax as an unfinished agenda](#)

Also, there is a lack of consensus over the decision-making. Even the proposals are not best suited to the interest of each state. The [delay in the release of compensation- cess](#), further increases friction between center-state relations.

Read here: [Extending GST compensation as a reforming catalyst](#)

How the distorted center-state relations can affect federalism?

Fiscal desperation could lead to the emergence of various issues. Under the GST, States could refuse to adopt the administrative orders issued by the central government, leading to different interpretations and implementation. As the state can make changes in the GST law applicable in the state (including change in tax rate) to suit its finances.

This would lead to a constitutional crisis, where the Supreme Court will be forced to address the question of; whether a state legislature, comprising democratically-elected members, is sovereign or is it submissive to an executive body with recommendatory powers — [the GST Council](#).

Read here: [Problems with “one state one vote” structure of GST Council](#)

6. Stemming water insecurity

Source: This post is based on the article “Stemming water insecurity” published in Business Standard on 24th January 2022.

Syllabus: GS 3 Environment: Conservation of water.

Relevance: Understanding the major source for water exploitation and the need to conserve water.

News: Although water is a renewable source of energy, its scarcity is visible in many places owing to the mismanagement of water resources.

What is the present status of water availability in India?

NITI Aayog, states that nearly 600 million people are facing “**high to extreme water stress**“. The yearly per capita availability of water has dipped from 5,178 cubic metres at the beginning of the 1950s to merely 1,441 cubic metres now. This is below the water-stress threshold of 1,700 cubic metres. **Economic Survey of 2019** also states that India could be a global hotspot of water insecurity by 2050.

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Read here: [India faces worst water crisis: NITI Aayog](#)

What are the reasons behind water scarcity in India?

India receives average annual precipitation (rainfall plus snowfall) of around 120 cm, which is far higher than the global average of about 100 cm. Still, the country faces an acute shortage of water owing to not carefully managing the water resources.

- Most of the water **flows down wastefully** to the seas
- Only a small fraction of the rainwater is actually conserved in surface water bodies or underground aquifers.
- Even the accessible water is **not used judiciously**.
- **Underpricing of water** is a major cause. India was earning revenue from canal irrigation before independence, However, now, it has become a liability.

Read here: [Not many lessons learnt from water planning failures](#)

What are the major sources of water exploitation in India?

Agriculture: It uses more than 80% of the water and most of it is used inefficiently because of the over-irrigation of farmlands. According to various estimates, only 30 to 40% of the applied water is actually utilized by crops. The rest either percolates down to deeper layers or evaporates.

Also, there are cases of groundwater depletion in states like Punjab, Haryana, Andhra Pradesh etc. Liberal subsidies, free supply of power for operating water pumps, are largely responsible for the indiscriminate use of groundwater in these areas.

What reforms should initiate by the government to preserve water?

Revision of water rates: The main objectives of charging an appropriate price for irrigation water are to **incentivise its economic use, promote its conservation, and facilitate its equitable distribution**. According to studies, even a 10% increase in water-use efficiency in agriculture can save enough water to irrigate an additional 14 million hectares of cropland.

Read here: [National Water Policy](#)

Adoption of micro-irrigation systems: This will help to save water around 60 to 70%. **Federation of Indian Chambers of Commerce and Industry (Ficci)** has found that drip irrigation elevates the water-use efficiency to as high as 85 to 90%. Also, it helps reduce power and fuel consumption and the wastage of applied fertilizers.

Government efforts to promote the concept of “**more crop per drop**” through the [Pradhan Mantri Krishi Sinchai Yojana](#) is a welcome step for the efficient use of water resources.

Read here: [How Punjab and Haryana are switching to sustainable cropping techniques to preserve groundwater?](#)

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7. Why the Personal Data Protection Bill is bad news for business

Source: This post is based on the article “Why the Personal Data Protection Bill is bad news for business” published in the Indian Express on 24th January 2022.

Syllabus: GS 3 – Role of media and social networking sites in internal security challenges.

Relevance: Understanding Personal Data Protection Bill.

News: Personal Data Protection Bill seeks to regulate the use of data and to foster a privacy protection framework in the country. However, it fails to strike the balance between privacy rights and ease of doing business.

Read here: [Union Cabinet approves introduction of Personal Data Protection Bill in Parliament](#)

What are the areas of concern with the Data Protection Bill?

Read here: [Issue of privacy and Personal Data Protection Bill 2019](#)

How the Personal Data Protection bill is bad for business?

First, It imposes **several regulatory burdens** on businesses. The burden of these regulations can be fatal to new entrants/startups.

Second, Some portions of the bill are **out of sync with international data protection practices**. This could hamper India’s competitive advantage as a digital market and can stunt the growth of our digital economy.

Third, The bill entirely prohibits the transfer of ‘critical data’ to move outside India. The definition of this **critical data is entirely decided by the authorities** and not defined in the bill. These requirements can destroy the basic value of the digital economy and can place India in the same category as protectionist China.

Fourth, The bill requires companies to have data protection officers physically located within India. This step can be seen as less about protection and more about protectionism by the outside world.

Fifth, JPC has recommended monitoring, testing and certification of all hardware to ensure its integrity and trustworthiness. This is to ensure that no malicious software may cause a data breach.

However, this may **contradict the goal of electronics manufacturing** as such wide requirement is unheard of even in the EU’s [GDPR](#). This also ignores existing requirements under the bureau of Indian standards.

Sixth, Extensive compliance requirements like conducting audits, impact assessments are not known in any data Protection regime. This may deter wholesome participation by businesses in the Indian market. Also, technology companies that thrive on competitive advantage will be reluctant to share information.

What should be the way forward?

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Search regulatory mechanism is more likely to be interventionist than facilitative. This will negatively impact innovation and ease of doing business. The government should consider its provisions and the unintended consequences of such a rigid regulatory regime.

8. There's No Blame in Shifting The Flame

Source: This post is based on the article "There's No Blame In Shifting The Flame" published in ToI on 25th Jan 2022.

Syllabus: GS 3 – Issues related to Defence.

Relevance: The National War Memorial, The Amar Jawan Jyoti

News: Some sections of the society are against the merging of the Amar Jawan Jyoti flame with the torch at the National War Memorial.

The Amar Jawan Jyoti: it was a tribute to the 3,483 martyrs of the 1971 Bangladesh War.

India Gate: it was built as a tribute to the fallen soldiers who fought under the British flag in World War I and the Third Anglo-Afghan War.

The National War Memorial: It was inaugurated in 2019. It is intended as a homage to martyrs of conflicts after Independence.

Why is the current place inappropriate?

Read more here: <https://blog.forumias.com/relocating-the-amar-jawan-jyoti-to-national-war-memorial-is-logical-and-beyond-approach/>

Why the New National War Memorial is by far better suited to house the eternal flame of the Amar Jawan Jyoti?

Firstly, the Amar Jawan Jyoti has not been "extinguished". It has merely been merged with the National War Memorial.

Secondly, the Amar Jawan Jyoti was always a "makeshift" memorial housed temporarily under the arch of India Gate. Ever since it was dedicated to the nation in 1972 the understanding was that the flame would be shifted to a more elaborate and permanent memorial.

Thirdly, soldiers inscribed on India Gate 'a symbol of our colonial past'. They had no choice but to fight someone else's arguably unjust war waged to preserve illegal colonial acquisitions

9. Covid-19 pandemic has widened economic inequities. Government interventions must be mindful of this challenge

Source– This post is based on the article "Covid-19 pandemic has widened economic inequities. Government interventions must be mindful of this challenge" published in Indian express on 24th Jan 2022.

Syllabus– GS3- Inclusive growth.

Relevance– Inequality, Pandemic

News

Since the onset of the pandemic, there has been growing concern that income and wealth disparities have widened in the country during this period.

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What are the factors that support this view?

Pandemic has led to rise in unemployment rate, increase in **casualisation** of the workforce, **rising dependence on MGNREGA** and **financial distress** among MSMEs, along with rising profits of large firms and a soaring stock market.

This all point out towards the fact that Covid-19 has exacerbated inequality.

What does the data from various survey says about the trend?

Surveys in India tend to underestimate household consumption and income when compared to data from the National Accounts. This makes it difficult to arrive at precise estimates of the distribution of income, consumption or wealth.

However, recently a think tank called **People's Research on India's Consumer Economy (PRICE)** has conducted a survey. It provides a good estimate of how pandemic has led to an increase in inequality.

What does this survey indicate?

The survey indicates that the **annual income of the poorest 20 per cent of households in India declined by around 53 per cent in 2020-21** compared to levels observed in 2015-16. In comparison, incomes of the top 20 per cent households grew by 39 per cent over the same period.

The decline in incomes isn't just limited to the bottom 20 per cent of households. Households in the second and third quintiles also witnessing a income fall, though of lower magnitudes.

The urban poor have borne a disproportionate burden of the loss.

What is the way forward?

Since large parts of the economy continue to face financial distress, government should intervene through the **upcoming Union budget** to bridge this growing inequality.

10. Price we pay for privatisation delays

Source– This post is based on the article “Price we pay for privatisation delays” published in Live Mint on 25th Jan 2022.

Syllabus– GS3-Indian Economy and issues relating to planning.

Relevance– Disinvestment, Strategic sector.

News

Government has been missing its disinvestment targets by huge margin and this delay has been hurting its revenues and PSUs both.

What has been government's progress on its disinvestment target?

For 2021-22, the Centre set a disinvestment target of ₹ 1.75 trillion however so far it has collected just ₹ 9,329 crore.

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Although the finance minister's budget speech in February 2021 listed BPCL, Air India, Shipping Corporation of India, Container Corporation of India, IDBI Bank, etc for disinvestment. The only transaction that has materialized is Air India going to the Tata Group.

How is the delay in disinvestment hurting the PSU sector?

This index has risen only 16% while the Sensex has nearly doubled since.

Note- Bombay Stock Exchange's S&P BSE Bharat 22 Index measures the stock performance of 22 companies that had seen different degrees of disinvestment by the Centre.

The sale of BPCL, for instance, was approved by the Centre on 21 November 2019. In the three-month period prior to that announcement, the BPCL stock surged 60%. However, the sale process did not receive the appropriate response, with global majors staying away. And the stock has dropped 10%.

A company can either retain its surplus (for expansion or improvement in operations, or for tighter days) or distribute it to shareholders as dividends. Government to enhance its revenues is seeking huge dividends from PSUs leaving less with them for expansion.

At the same time, the market value of PSUs (which is a marker of how investors see them) has stagnated.

In recent times, most disinvestment has involved giving away small stakes in the stock market or merging two PSUs. Both these ways are not profitable for PSUs and also lower the revenue potential for the Centre.

What is the way forward?

While on one hand Centre is presenting the view that its disinvestment policy is "being guided by the basic economic principle that government should discontinue in sectors where competitive markets can utilize the economic potential of such entities through strategic investors".

While at the same time, it is also forming new ventures. According to the Department of Public Enterprises, Government has a plan to bring 96 new PSUs. Government should try to sort out these dichotomies and should start execution of its other disinvestment Plans.

11. Unlock India's food processing potential

Source: This post is based on the article "Unlock India's food processing potential" published in The Hindu on 27th Jan 2022.

Syllabus: GS3- Food Processing and Related Industries in India

Relevance: Significance of food processing sector for India

News: There is a challenge in front of all of us to feed the 10 billion population by mid-century. Hence, food production needs to be both economically viable and ecologically sustainable.

How Production-Linked Incentive Scheme (PLI) scheme is helping in the growth of the food processing sector?

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One, India is one of the largest producers of fruits and vegetables in the world. PLIs aims to boost the processed food sector and incentivize incremental sales.

60 applicants have already been selected and beneficiaries have to commit a minimum investment. It will attract ₹ 6,500 crores worth of investment over the next two years.

Two, a 1% increase in public infrastructure increases the food manufacturing output by 0.06%, as per a study in the United States. This correlation is good as a higher investment is concentrated in states such as Andhra Pradesh, Gujarat, Maharashtra, Tamil Nadu, and Uttar Pradesh.

According to Good Governance Index 2020-21, these States performed well in terms of public Infrastructure and Utilities parameters and Connectivity to Rural Habitations.

Three, the PLI scheme earmarks a dedicated Category 3 for supporting branding and marketing activities in foreign markets.

It will help in increasing the share of value-added products in the exports basket and also help in reaping benefits of unique geographical proximity to the untapped markets of Europe, the Middle East/West Asia, Africa, Oceania, and Japan.

Four, PLI is helping in the growth of new brands and aims to create an enabling ecosystem for innovation in both food products and processes. Now there are technologies that change the traditional approach of farm to fork and also reduce the environmental footprint.

What are the growth opportunities available for the food processing sector?

First, the pandemic has increased the number of people working from home and that has increased the sale of ready-to-eat products by 170% in sales volume between March-June 2020(Netscribes).

Second, it has also increased consumer awareness of functional foods that offer health benefits beyond their nutritional value. This will provide an opportunity for health-orientated start-ups and micro-food processing units.

Third, India has a growing population with changing food habits. These factors along with unrestricted use of natural resources require a sustainable food ecosystem.

Fourth, new alternatives are explored in India which can replace rice and wheat with Nutri-cereals, plant-based proteins, fermented foods, health bars.

What are the challenges still existing?

Access to finance is a continuing problem and another challenge is the lack of a proper credit history mechanism for MSMEs. MUDRA has helped more than 1,18,000 small businesses. Trade Receivables Discounting System (TReDS) is also a platform for facilitating the financing/discounting of trade receivables of MSMEs through multiple financiers.

What is the way forward?

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First, smart financing alternatives such as peer-to-peer (P2P) lending need to be explored for micro-food processors. However, the platform needs to grow in size and focus on the enforcement of strict measures for corporates.

Second, integrating the TReDS platform with the Goods and Service Tax Network's e-invoicing portal will make TReDS more attractive and give relief to financiers.

Third, policymakers need to lay out a road map for a common efficient food value chain.

12. A brief history of Indian budgets as economic constraints shifted

Source: This post is based on the article "A brief history of Indian budgets as economic constraints shifted" published in Live Mint on 27th Jan 2022.

Syllabus: GS3- Government Budgeting

Relevance: Significance of budgeting

News: India will complete 75 years as an independent nation in August 2022 and the Finance minister will present the annual budget against the backdrop of this anniversary.

This article analyses the budgets of the following years 1948, 1972, 1997, and explains the various reforms undertaken to overcome the constraints/challenges faced during those budgeted years.

What do 1948 budgetary episodes tell us?

Challenges faced

Independent India began its development journey with a very weak fiscal capacity. The amount of tax collected was very low.

More than half of annual tax revenues came from direct taxation, and the tax base was narrow.

The government had very few financial resources due to the minimum budget deficit in 1948.

Economic policy was severely constrained by shortages in food grain supplies, domestic savings, and foreign exchange.

Reforms undertaken

The Nehruvian strategy of rapid industrialization required a fiscal base, and hence tax rates were increased.

Higher fiscal deficits were funded by new money created by the Reserve Bank of India.

Since domestic financial resources were not enough, there was a need for foreign aid.

What do 1972 budgetary episodes tell us?

Significant improvements between 1948-1972 budget years

The Green Revolution had helped in reducing the food shortage.

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Nationalized banks mobilized higher deposits, Life Insurance Corp, and provident funds helped in facilitating market borrowings.

Challenges faced

During this period, much of the revenue came from indirect taxation. It meant that the Indian tax system was most regressive.

The major issue during that period was that very little money was left for the country's private sector. Also, the money was not used efficiently. **For example**, many capital goods and intermediate goods sectors were operating below capacity.

There was **still not enough foreign exchange** to import goods that were in short supply. India had enough foreign exchange to cover only 2.9 months of imports.

What do 1997 budgetary episodes tell us?

Significant improvements between 1972-1990 budget years

The three old macro constraints on Indian economic policy i.e., inadequate domestic savings, shortages of wage goods such as food, and the unavailability of enough foreign exchange for imports were eased by the late 1990s.

Challenges faced

There were new constraints related to energy, infrastructure, and institutional quality. These were dealt with in 1997.

Reforms undertaken

The tax reforms of the 1990s also helped push up the contribution of direct taxes in total tax collections. In other words, the Indian tax system became more progressive.

What are the present challenges to the 2022 budget?

The budget will be presented at a time when the economy is recovering from the covid shock. The recovery in domestic demand is uneven.

Inflationary pressure is increasing further, crude oil prices are also increasing.

Indian economy continues to be underfunded. The tax/GDP ratio was barely increased over the past 30 years.

Hence, Budget 2022 should focus on these challenges along with fiscal consolidation.

What is the way forward?

The tax/GDP ratio needs to be increased so that the state's growing infrastructure, development, subsidy, and welfare commitments are funded adequately.

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13. Lesson from Air India sale: Do more by doing less

Source: This post is based on the article “Lesson from Air India sale: Do more by doing less” published in Indian Express on 27th January 2022.

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

Relevance: Understanding the need for privatization.

News: Air India’s sale is important for three reasons priorities, resources, mindset. It is a template for the Indian state to do more by doing less.

Read here: [Will privatization take off after the Air India sale?](#)

What are the reasons that make the Air India sale important?

Priorities: Public commercial enterprises do not perform well in Human resource efficiency. Air India had 12 trade unions and employee cost was as high as 20% of the revenues.

The state’s job should be to maintain security, family healthcare, education, justice delivery, etc. Activities in which the private sector can do better should be left with a private sector.

Resources: In 1953 Hungarian economist **Janos Kornai** pointed out that state firms indulge in “**investment hunger**”, they don’t fear losses because they know they will be bailed out. For example, Air India costs the government only Rs.2.5 crore to buy. But it has consumed Rs 1.1 lakh crore since 2009. Kornai termed this as a soft budget constraint.

Even Supreme Court termed Air India’s acquisition of 111 planes in 2007 as excessive. This resulted in the loss of Rs.20 crore per day.

Mindset: The “**fatal conceit**” represented by Air India’s seven-decade tragedy suggests that India need a better role balancing between the three pillars of team India — private, public, and nonprofits.

Read here: [India must keep the momentum of Air India’s privatization going](#)

What India should learn from other countries?

China: China converted over two-thirds of its state-owned enterprises to private ownership under its various leaders. China is considered powerful because of a \$14 trillion GDP fueled by private entrepreneurs, foreign investors, and multinational companies. It today accounts for half of Asia’s military spending

Even, the top ranks of **Norway, Sweden, and Finland** in government spending are because a share of GDP is financed by their private efficiency. Hence, the government **should further divest the remaining 360-plus central PSU’s**. Given state finances after the pandemic, privatizing over 1500 poorly run state PSUs could ease the financial burden.

Read here: [Disinvestment needs a different approach](#)

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14. The consequences of an ill-considered green strategy

Source– This post is based on the article “The consequences of an ill-considered green strategy” published in Indian Express on 27th Jan 2022.

Syllabus-GS3- Infrastructure: Energy

Relevance– Climate Change, Renewable energy, Energy basket.

News

Europe’s push for renewable energy at the cost of conventional fuel may lead to some second and third order effects, which will have global ramifications.

What is the issue?

As it cannot depend entirely on energy generated through Sun or wind, Europe has been relying more on natural gas to make up the electricity shortfall.

Europe’s sudden increased demand for natural gas has **pushed up the prices of Liquefied Natural Gas (LNG)**, the form in which gas is traded globally. Higher gas prices have pushed up energy bills globally for households and are expected to impact household spending and consumption as well.

The sudden dependence on natural gas during winter has also made European countries wary of upsetting Russia amidst the Ukraine conflict.

What are the implications of this upsurge in Natural gas demand on other sectors of global economy?

Natural gas is used to produce urea – if gas prices go up, **fertiliser also becomes expensive.**

Expensive fertilizer means more **expensive food** – that will hurt the world’s poor disproportionately.

What are the lessons for India?

India is relatively less affected as the share of natural gas in the country’s energy mix is low but will still face **problems due to high food prices.** This will be above the **negative effect that pandemic** has already inflicted on the poor and disadvantaged.

India though has ambitious plans for using renewable technologies but doesn’t have the financial resources that are available with the European nations. So India should adopt **a balanced approach in energy transition.**

Cheap and reliable energy sources should not be abandoned until the alternatives have been stringently tested. India will be especially hard hit if oil prices spike as it is highly dependent on import.

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15. “Taxing Drama-on Retroactive tax disputes”

Source– This post is based on the article “**Taxing Drama-on Retroactive tax disputes**” published in The Hindu on 27th Jan 2022.

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

Relevance– Tax disputed, Invest in India

News

Cairn energy, a British firm will be getting around 7,900 crore rupees from Indian government. It has won an arbitration proceeding against India regarding the retroactive tax dispute.

What was this dispute?

Government of India had introduced a retroactive tax in the year 2012. Accordingly, it pursued proceeding against Vodafone and Cairn energy asking them for paying these taxes retroactively.

More on the dispute [here](#)

What has been the result in two disputes?

Cairn and Vodafone initiated arbitration proceedings against Indian tax authorities and won in late 2020. The Permanent Court of Arbitration also directed Indian government to pay penal damages worth 1.2 billion dollar to Cairn energy.

Government in return worked out a compromise with Cairn. Under which it will drop all legal proceeding seeking to enforce the arbitration award against India, forgo the damages and indemnify the Government against all future claims or liabilities.

What is the way forward?

Government should now try to work swiftly to process their paperwork and preferably remit their dues before the financial year concludes. This is especially necessary to restore some of the damage caused to Brand India.

India needs to demonstrate greater certainty and predictability across economic policy. This will bolster its credentials as an ideal investment destination.

16. About India State of Forest Report 2021: Plantations, invasive species... what all India counts as ‘forest’

Source: This post is based on the article “**Plantations, invasive species... what all India counts as ‘forest’**” published in the Down to Earth on 28th January 2022.

Syllabus: **GS 3 Environment.**

Relevance: Understanding the changes required in conducting FSI report.

News: [Forest Survey of India](#) has recently released its reports which show an increase in forests by 2,261 square kilometres. But, various researchers and environmentalists do not agree with this claim.

What are the findings of the Forest Survey of India?

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Read here: [India State of Forest Report 2021 – Explained, pointwise](#)

What are the arguments presented by the environmentalists?

Definition of forests: It was set by FSI in 2001. According to the definition, a mere 10% of a hectare of land which has trees, is regarded as a forest. This criterion should need to be looked at critically.

New parameters: In 2001, FSI adopted a fully digital analysis workflow, which changed its definition of a forest. According to the report, private tea gardens, coconut plantations in suburban areas, and offices were counted as ‘very dense’, ‘moderately dense’, and ‘open’ forests.

Environmentalists disagree with these parameters, as natural forests and plantations are two very different things. A forest is a web of relationships, where it harbours more biodiversity and provides more for livelihoods. While plantation is more of single species, where more timber is produced.

How there are discrepancies in the Forest Survey of India Report?

According to a paper published in 2002, there was a loss of over 14,000 hectares of forest between 1999 and 2001. But, FSI had claimed there was a gain of over 50,000 hectares in forest cover in the same period.

Read here: [About the India State of Forest Report \(ISFR\) 2021: Counting trees properly](#)

How the survey should be conducted?

According to environmentalists, a survey:

- Should measure the quality of forests like which are the major kinds of forests, what’s their location and area represented by it.
- Should show the ecological, social, economic, and cultural state of forests.
- Should take into account threats to existing forests
- Should not only focus on trees alone to represent the status of forests. It’s a limited approach and looked more like a tool to show compliance with the Centre’s national and international climate goals.

17. Digital Services Act: No online targeting

Source: This post is based on the article ” **No online targeting**” published in the Business Standard on 27th January 2022.

Syllabus: GS3 Data protection.

Relevance: Understanding the Digital Services Act.

News: The European Parliament has passed the **Digital Services Act (DSA)**, which aim towards protecting the privacy of users.

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What is the earlier Data Protection Rule EU had?

The EU already had the [General Data Protection Regulation \(GDPR\)](#), which offers granular privacy protection to anybody (not only EU citizens). GDPR classified data about race, ethnicity, political opinions, religious beliefs, etc. An online platform cannot use such data for targeted advertisement. Dark patterns are prohibited. These refer to links that include users to affiliate websites or advertisements.

What does the Digital Services Act talk about?

It lays down the **dos and don'ts** about the removal of harmful, illegal content, facilitating sales of illegal products, targeted advertising, and the way interfaces are designed. It also makes it mandatory for large **online platforms to do the risk assessment** annually or semi-annually about the dissemination of illegal content, the malfunctioning of the given service, and any "actual and foreseeable negative effects on the protection of public health".

New requirements have been added to tackle deep fakes. The act prohibits platforms that distort recipients' ability to make free and informed decisions. It is against alleged practices which induce users to purchase goods that they do not want or reveal any personal information.

What are the conditions specified in the DSA act to protect users?

- Intermediaries should not make websites that make certain consent options more prominent.
- Use of targeting techniques that reveal the personal data of minors is prohibited.
- Deep fakes should be clearly labelled.
- Platforms must provide information as how the data will be monetized to recipients so that they can make informed consent.
- Platforms are prohibited from disabling users access to functionalities if they refuse to give consent.

18. Devas: Dead But Biting

Source: This post is based on the article "Devas: Dead But Biting" published in Times of India on 28th Jan 2022.

Syllabus: GS3- Effects of Liberalization on the Economy

Relevance: Foreign investment and related challenges

News: India needs to amend law on investment treaties to protect its foreign assets and calm global investors.

What is the Devas issue?

[Read here](#)

What does the Supreme court verdict say?

SC has confirmed that Devas was created for fraudulent purposes. It neither had the technology nor IP rights when entering into the agreement with Antrix.

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The court has also held that Devas did not obtain a license for the intended purpose, and Devas shareholders are guilty of this fraudulent conduct of business.

What will be the impact of SC's judgment?

Devas's domestic award pending challenge before the Delhi high court will now be set aside. However, foreign awards are enforced under the laws of the country where the assets of the debtor are situated.

The enforcement of foreign arbitral awards is codified in the 1958 UN Convention on Recognition and Enforcement of Foreign Arbitral Awards (New York Convention). India has also ratified the convention but with the condition.

Why India needs to amend its investment treaties?

One, Indian courts have found BIT awards are not strictly commercial but arise from sovereign guarantees. This is what helps the BIT award holders to target Indian assets overseas.

For example, Devas's foreign shareholders claim Indian assets abroad, citing their bilateral investment treaty (BIT) awards.

Two, a Canadian court recently ordered the seizure of Air India and Airports Authority of India funds. Similarly, French court ordered the freezing of Indian assets.

Three, according to government the Devas-Antrix deal was a fraud carried out under previous government, but this will not protect India's foreign assets against BIT awards. Also, calling investment fraud post facto doesn't go well with India's efforts to attract foreign investments.

Four, the timing of the petition by Antrix and seeking findings of fraud after 10 years of termination of agreement raise questions. It will keep investors guessing if their investments will be called into question with a change in government.

Why interference of courts is not a viable option to resolve disputes?

First, interference of courts can be defended only on the basis of provisions of the convention, and enforcement of foreign awards can only be refused in very limited circumstances.

For example, when it is contrary to public policy or if the underlying dispute is incapable of settlement by arbitration under the laws of the country where enforcement is sought.

SC has called Devas case a fraud which is in conflict with the "public policy of any country". But it may not help, as "public policy" varies from country to country.

Second, Indian law says that serious allegations of fraud cannot be settled through arbitration. However, it is not a universal law. For example, England has limited this exception to cases where the fraud relates directly to the arbitral agreement and not the transaction in general.

What is the way forward?

GoI should amend the Arbitration and Conciliation Act to clarify that BIT awards shall be treated as commercial under Indian laws and be enforced in India.

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19. Fiscal policy must take centre-stage for a broad revival

Source: This post is based on the article “**Fiscal policy must take centre-stage for a broad revival**” published in **Livemint** on 28th Jan 2022.

Syllabus: GS3- Inclusive Growth and issues arising from it

Relevance: Inequality in India, ways to reduce inequality

News: The third wave of the pandemic is receding but the impact of the pandemic on the economy may last longer. However, response of the government in dealing with the pandemic-induced disruptions can change the scenario.

This article discusses the need to reduce inequality and how fiscal measures can help in that.

Why inequality is central to any attempt at reviving the economy?

One, recent findings by the ICE360 Survey 2021, reveal a decline in income of the bottom 20% of the population by 53% between 2015-16 and 2020-21. However, there is an increase of 39% for the richest 20%.

Two, tax exemptions given to increase private investment have benefited better-off and widened the income divide. The recent data on increased tax collection is a reflection of inequality and consumption largely by the rich. It has given a false sense of economic recovery. On the other hand, rising incomes of the rich have failed to revive the ‘animal spirits’ of the economy.

Three, private consumption in the country is lagging even its 2018-19 level in real terms due to different burdens borne by different segments of the population. There is always more burden on the poor when there is a policy or natural shock to the economy.

Why fiscal policy should take center stage to deal with current slowdown?

First, the government has relied majorly on monetary policy rather than a fiscal route to revive the economy. But easy-money policies in the developed world are tightened sooner than expected. Hence, monetary policy in India is not enough to revive the economy.

Second, private investment has failed to revive, and consumption demand also continues to show signs of weakness. It shows that the current approach is the result of a flawed understanding of economic reality.

Third, policymakers have focused on investment-led growth financed by the savings of the rich, but the real challenge in India is increasing the consumption demand. Indian economy is a demand-constrained economy. Also, capacity utilization is less in India. Hence, an investment push is not enough to help.

What is the way forward?

First, since inflation will further reduce purchasing power, hence, budget needs to ensure that real incomes increase.

Third, there is a need to ensure a leakage-proof delivery of benefits provided to the country’s poor and vulnerable. For example, rural employment guarantee scheme, National Food Security Act provisions and various income-transfer initiatives.

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Fourth, the fiscal health of the economy is expected to improve. That is why public expenditure needs to be expanded to ensure social protection and basic infrastructure.

20. Political economy of regulatory reform

Source: This post is based on the article “**Political economy of regulatory reform**” published in **Business standard on 28th Jan 2022**.

Syllabus: GS3- Government Budgeting

Relevance: Regulatory reforms

News: This article discusses the status of implementation of regulatory reforms announced in the last seven budgets.

Why financial regulatory reforms are needed?

Financial regulatory reforms clarify the role and objectives of regulation, establish sound agency architecture and institutionalize sound governance and processes within a statutory regulatory authority (SRA).

For example, Securities and Exchange Board of India (Sebi) was announced in the 1991 budget speech.

Similarly, the Insurance Regulatory and Development Authority of India and the Competition Commission of India were announced in budget speeches of 1993 and 1999. There is continuation of this practice in the post-2014 budgets.

How budget announcements have focused on reforming regulatory structure?

The first category of reforms attempts to bring structural changes in the regulatory architecture or a fundamental revision of the legislative framework. These are:

- **Indian Finance Code**– recommended by Financial Sector Legislative Reforms Commission (FSLRC) led by Justice B N Srikrishna. Its objective is to strengthen and modernise the legislative regulatory framework for better governance and accountability.
- **New monetary policy framework:** recommended by many committees, including Raghuram Rajan, Percy Mistry and Urjit Patel committees to have a modern monetary policy framework to meet the challenge of an increasingly complex economy.
- **Merger of the Forwards Markets Commission with SEBI:** recommended by the FSLRC to strengthen regulation of commodity forward markets.
- **The Insolvency and Bankruptcy Code (IBC):** drafted by the T K Viswanathan committee to bring about legal certainty and speed and improve the ease of doing business.
- **Creation of a public debt management agency (PDMA):** recommended by the RBI in 2001 to deepen the Indian bond market and to bring it to the same level as the world-class equity market.
- **Code on the resolution of financial firms:** recommended by the FSLRC to provide a specialised resolution mechanism to deal with bankruptcy situations in banks, insurance companies and financial sector entities.
- **Unified financial redress agency (FRA):** recommended by the FSLRC to address grievances against all financial service providers.

The second category of reforms relates to the consumers.

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First, the introduction of uniform KYC norms and inter-usability of the KYC records across the entire financial sector.

Second, the introduction of one single operating demat accounts so that consumers can access and transact all financial assets through this one account.

What is the implementation status of the above-mentioned reforms?

Creation of MPC, merger of FMC with SEBI, and the enactment of IBC, have been implemented. On IFC, there has not been much progress. However, in last year's budget, it was proposed to consolidate the various securities markets related legislation into a rationalised single Securities Markets Code.

On KYC Identification Number, consumers today are where they were in 2014. The unified FRA is still under discussion.

What is the way forward?

First, technological and financial innovations are growing. Hence, there is a need for coherent financial regulatory architecture with an updated IFC and a unified FRA.

Second, the issue of regulatory independence and regulator versus government is now getting public attention. Hence, there is a need to continue to engage with the SRAs to work on announced reforms to bring about greater accountability.

21. India's economy and the challenge of informality

Source: This post is based on the article "India's economy and the challenge of informality" published in **The Hindu on 28th Jan 2022**.

Syllabus: GS3- Inclusive Growth and issues arising from it

Relevance: Informal economy and challenges related to it

News: This article says that fiscal policy efforts to formalize the economy are not enough in the case of India. There is a need for a coherent approach that focuses on the productivity of workers, efficiency, and overall economic growth.

What is the fiscal perspective of formalization?

One, according to international financial institutions such as the International Monetary Fund, the informal sector exists due to excessive state regulation. It drives genuine economic activity outside the regulatory ambit.

Second, it believes that simplifying registration processes, easing rules for business conduct, and lowering the standards of protection of formal sector workers will increase formality.

How the efforts in India are based on the fiscal perspective of formalisation?

First, small enterprises engaged in labour-intensive manufacturing were protected by providing fiscal concessions, and large-scale industries were regulated by licensing. Hence, the fiscal perspective has a long history in India. For example, tax reforms in the mid-1980s.

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Second, the Government has made several efforts to formalise the economy. For example, Currency demonetisation, introduction of the Goods and Services Tax (GST), digitalisation of financial transactions, etc

What is the impact of fiscal perspective?

One, it reduced efficiency and led to many labor-intensive industries getting distributed into the unorganised sectors.

Two, sub-contracting and outsourcing arrangements have increased. For example, the rise of power looms at the expense of mills in the organized sector.

Three, this has helped enterprises in staying out of tax nets even after getting benefited from the policy.

Why informality is not reducing even after steps taken by the government?

First, economic development is a movement of low-productivity informal sector workers to the formal. It is also known as structural transformation. India witnessed rapid economic growth over the last two decades but still, 90% of workers are informally employed and produce about half of GDP.

For example, East Asia rapidly industrialized in the mid-20th century by drawing labor from traditional agriculture.

Second, a well-regarded study, 'Informality and Development', argues that informality is a sign of underdevelopment. The finding suggests that informality decreases with economic growth. Hence, the existence of informal employment is due to a lack of adequate growth or continuation of underdevelopment.

Third, informality in India is many-layered. As per International Labour Organization's and India's definition, the share of formal workers in India stood at 9.7%. Also, PLFS data shows that 75% of informal workers are self-employed and casual wage workers. About half of informal workers are engaged in non-agriculture sectors.

Four, there are industries that are growing without paying taxes and there are numerous low productive informal establishments that work as household and self-employment units. These establishments are not identifiable, thus very difficult to be formalised.

Five, State Bank of India recently reported that the economy formalized rapidly during the pandemic year of 2020-21, but this was not due to structural transformation rather due to shock due to lockdown.

What is the way forward?

The economy will get formalised when informal enterprises, like household and self-employment units, become more productive through greater capital investment and increased education and skills are imparted to its workers.

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22. Punjab assembly election 2022-Ignoring the ground water depletion problem

Source- This post is based on the article “Punjab assembly election 2022-Ignoring the ground water depletion problem” published in Down to earth on 27th Jan 2022.

Syllabus- GS3- Conservation, environmental pollution and degradation.

Relevance- Water conservation, decline in Ground water table in Punjab.

News

Election are around the corner and Punjab is one of the states going for the elections.

However, like every other election there is lack of concern and debate on some of the urgent issues of Punjab like the Ground water depletion.

What it is the magnitude of this problem?

Groundwater depletion in Punjab has been a growing concern. The groundwater level in most parts of the state has fallen to a dangerous level.

Why Punjab is facing severe Ground water depletion?

Government under the Second Five Year Plan (1956-1961) shifted the focus from agriculture to the industrial sector, leading to a severe shortage of food grains in India. Due to this country had to resort to import of food grains from the United States.

To overcome this crisis Government introduced ‘The New Agricultural Technology’. This technology was a package of high yielding variety seeds, assured irrigation, chemical fertilisers, and modern agricultural practices. The essence of this technology was commercial in nature. Government introduced it in Punjab on priority.

What was the effect of this new technology on Punjab’s Ground water levels?

Prior to the adoption of ‘The New Agricultural Technology’ in Punjab, irrigation was done with canals and wells and there was no serious problem with groundwater levels.

But after the introduction of this technology there was a huge increase in the number of tube wells. In 1961, the number of tube wells in Punjab was only 7,445. This has risen to around 1.5 million in 2021 mainly due to the adoption of this technology. This led to the continuous fall in the groundwater level in most of the development blocks of the state.

How this also negatively affects farmers?

Increasing debt- After the adoption of the ‘New Agricultural Technology’, irrigation was done with diesel engines, and mono block motors. But due to a continuous fall in groundwater level, the farmers were forced to bring in submersible motors, which is one of the reasons for their increasing debt.

This along with high cost of diesel (that goes into running these motors through tractors due to insufficient supply of electricity) have made agriculture a loss-making occupation.

What is the way forward?

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Government should promote **alternative crops** suitable to state's agro-climatic conditions by fixing remunerative prices for them.

The canal irrigation system should be streamlined and water in the rivers of Punjab distributed in accordance with '**The Riparian Principle**'.

Note- Under the riparian principle, all landowners whose properties adjoin a body of water have the right to make reasonable use of it as it flows through or over their properties.

Wastage and misuse of groundwater in industrial units and residential areas in cities and villages must be **stopped immediately**.

Farmers and all other citizens as well should be familiarized with **water saving techniques**.

23. Our broken system of environmental clearance

Source– This post is based on the article "**Our broken system of environmental clearance**" published in **Down to earth on 27th Jan 2022**.

Syllabus– **GS3**-Conservation, environmental pollution and degradation.

Relevance– Environmental Impact Assessment (EIA), Ranking of state agencies.

News

Environment Ministry's move to rank state environmental impact assessment authorities based on their speed of environmental approval can have negative consequences for the environment.

What can be the negative consequences of this move?

Read [here](#).

How has the EIA regime in India has evolved?

Environmental Impact Assessment (EIA) started way back in 1994. Although building projects were brought into its ambit in 2000 but system was never upgraded to handle the huge volume of such projects. This has often led to delays and high transaction costs.

In the year 2006, Process was decentralized and the work was outsourced to states.

However, despite going through changes the quality of scrutiny has not improved and development projects are not more environmentally compliant.

What are the problems in India's EIA regime?

The project proponent is expected to pay consultants to do the EIA which creates a **conflict of interest**.

The projects are **rarely rejected**, between July 2015 and August 2020, of the 3,100 projects submitted, only 3 per cent were not recommended. Even these have the option of coming back with more information and get the clearance.

There is **not a proper follow up** on clearances as monitoring is done by regional offices of Environment ministry which are many a times lacking manpower to do it.

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24. India needs a new social contract

Source: This post is based on the article “India needs a new social **contract**” published in **Indian express on 29th Jan 2022.**

Syllabus: GS3- Inclusive growth and issues arising from it.

Relevance: Inequality, Pandemic

News: The hardship visible in the form of deaths, joblessness, hunger is not just the direct consequence of the pandemic alone, but it is the result of the prevailing inequality in India.

What is the level of inequality in Indian society?

While the number of **dollar billionaires in India expanded by 39% in the past year, at the same time, as many as 84% of Indian households suffered a fall of income.**

According to RBI, **120 million jobs were lost**, of which 92 million were in the informal sector.

As per FAO, **India is home to a quarter of all undernourished** people around the world.

Oxfam reports that daily-wage workers topped the numbers of people who committed suicide in 2020, followed by self-employed and unemployed individuals.

Income inequalities make pandemic like **situation even worse** for those **disadvantaged** by caste, gender and religious identities.

What are the causes?

Lack of decent social housing and clean water supply, **secured jobs, free necessary healthcare.**

According to Oxfam, **India spends** only 3.54% of its budgetary resources on **healthcare, much less than other middle-income countries** like Brazil (9.51), South Africa (8.25) and China (5.35).

Also, **60% of health spending in India is out-of-pocket** which among the highest in the world, and is also a major cause of poverty.

What is the way forward?

State should assume **responsibility** to provision **quality healthcare, education, food, pension, clean water and housing** in affordable ways for all citizens

The resources for all of this can be managed by expanding the taxation on the super-rich. Government can **introduce wealth tax and inheritance tax.**

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25. Climate and food price rise: Extreme weather events triggering unprecedented food inflation

Source: This post is based on the article “Climate and food price rise: Extreme weather events triggering unprecedented food inflation” published in the Down to Earth on 28th February 2022.

Syllabus: GS3 Inflation

Relevance: Understanding the impact of changing weather on agriculture.

News: Unfavourable and unreliable weather hurt agriculture resulted into pushing food prices out of reach across the world.

What is the situation of Indian economy?

India's wholesale inflation rate in November 2021 was the highest in three decades i.e 14.23%. Although, it reduced marginally to 13.56% the next month, but still December 2021 was the ninth straight month of double-digit percentage increases in the WPI

Increase of [Wholesale price inflation \(WPI\)](#) is a cause of concern as it can raise retail inflation (RI). Rising prices of food items, particularly of vegetables, caused retail inflation to rise to a 68-month high of 7.59 per cent in January 2020.

Read here: [High food prices push retail inflation to eight-month high of 3.18% in June](#)

What are the reasons behind increase in inflation?

India's wholesale price inflation peaked in November 2021 **due to a surge in primary food inflation**. Price of seasonal vegetables also emerge in many states. Similar trend is also visible in rest part of the world. According to [FAO Food Price Index](#), food prices were at a decade-high, with an average rise of 28% over the previous year. Adjusting for inflation, the average food prices in the first 11 months of 2021 were at the highest in 46 years.

Read here: [What rising foodgrain output means for India](#)

Climate conditions: According to RBI, between 1956-2010, there were nine double-digit inflation. Of these, seven were caused by drought conditions. Globally also, inflation occurred in 1970s, 2007-08 and 2010-14 because of factors like increase in oil prices, trade policy interventions and biofuel consumption. On the basis of year-on-year comparison, vegetable prices had gone up by 50.19% since January 2019. They increased by 45.56 % in rural areas and markets during this period and by 59.31% in urban areas.

Read here: [Explained: Will food become costlier?](#)

Impact of food inflation

The current global food inflation is driven predominantly by wheat, which reported price rise due to drought and high temperature in major producing countries. **Non-profit Oxfam** simulated the impact of adverse climatic conditions on food price. Its estimates in 2012 show the average world market export price for wheat would rise by 120 % by 2030 compared with 2010; the figures for processed rice is 107 % and for maize is 177 %. According to various trade reports in 2021:

USA: spring wheat production declined by 40%.

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Russia: Instead of the world's largest exporter of wheat, it has now imposed a tax on wheat export to ensure ample stock for domestic consumption. This is because of the less harvesting.

Brazil: There is a production dip of up to 10 % in coffee bean producing areas. According to International Coffee Organization, the climatic onslaught on the world's top coffee producer can lead to price rise for the next two years.

Overthrow of government: Increase in food prices contributed to the overthrow of governments in Libya and Egypt.

26. Flying Home – on Air India privatisation

Source: This post is based on the articles “Flying Home” and “Win-win deal: Why Air India privatization has drawn little to no criticism” published in Indian Express & Business Standard on 29th Jan 2022.

Syllabus: GS3- Changes in Industrial Policy

Relevance: Disinvestment and their significance

News: Recently, the Tata group regained Air India by winning the bid of Rs 18,000 crore and acquired Air India after seven decades. Tatas will gain 100 percent ownership in Air India, Air India Express, and a 50 percent stake in the ground handling firm AI-SATS.

Why Air India privatization is seen as a beneficial move?

One, the airline had been losing money for the last 15 years. There are other government companies with a similar record, but the scale of losses was huge in the case of Air India.

Two, there was less hope available to transform the airline. The other difficulties with Air India were empty airport slots, 100 poorly maintained aircraft, and staff to be given terminal benefits. Hence, the write-off of the remaining Rs. 44,000 crore has been a win-win.

Three, the merger of Air India and Indian Airlines during the previous UPA government also resulted in disastrous consequences because the expected synergies were not realized. The then civil aviation minister was also questioned for ordering a huge number of aircraft, which led to the accumulation of more debt.

What does this sale symbolize?

One, it marks the first major complete privatization of a public sector entity in recent years. Officials in the finance ministry worked out how to finance the liquidation of Rs 61,000 crore, the left-behind debt.

The non-aviation assets left with the government are worth Rs 14,000 crore. However, the government is criticized for the speed and manner in which privatization is going on.

Two, the aviation industry is already struggling to recover from the shock of a pandemic. It will have to deal with legacy issues. For example, an aging fleet and human resources.

Three, it will have to retain all employees for a one-year period as per bidding conditions. The group has to face the claims on international assets of Air India by Devas Multimedia and its investors, who are trying to enforce its arbitration awards.

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For this, Air India is seeking an end to the case on grounds that the ownership change prevents any claims of recovery of arbitration awards.

Four, it has to deal with other competing airlines such as Vistara and AirAsia India. It is possible that the Tatas will consider integrating their aviation ventures under a single entity.

Five, Air India will be added to Tata Group's list of loss-making entities. It has been in the red for three years. However, Tata Steel may report higher profits due to increased steel prices. Hence, the scale of losses should reduce, which may reduce the cost of the remaining debt.

What does this sale imply for the government?

It is a milestone in terms of disinvestment, but it does not support the government's disinvestment proceeds. Only Rs 2,700 crore is to be paid to the government and the rest will be retained in the form of debt.

The government has set the target of Rs 1.75 lakh crore and till now it has collected only Rs 9,330 crore. DIPAM data shows that the government's proceeds from disinvestment still remain short of the target.

27. PM's Punjab Security Breach: Lessons For SPG

Source: This post is based on the article "PM's Punjab Security Breach: Lessons For SPG" published in **Times of India on 29th Jan 2022**.

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

Relevance: SPG and its role

News: The Special Protection Group (SPG) has been in news recently due to security lapse in Punjab. The Supreme Court has also set up a five-member panel to probe the security breach.

What is SPG?

The SPG was created in 1985 as a specialized armed force of the Union to provide undivided attention to the safety and security of the PM. Its sole mission and responsibility is the protection of the Prime Minister of India.

How SPG is trained?

One, the training regimen's objective is to create a workforce that is physically tough and mentally alert, mature, confident, and courteous. SPG follows a rare training doctrine combining attention to both strength and brain.

Two, SPG officers are trained to maintain their calmness and composure even in the face of extreme provocations. Hence, training is given to function under extreme conditions of physical and mental stress, playing out mock attacks, responding in split seconds, providing body cover, and defensive driving techniques to escape surprise attacks.

Third, since PMs are highly popular leaders, they are likely to intermingle with the people. Hence, SPG officers have to be sensitive to this sentiment along with the enforcement of security drills.

Why Punjab security lapse needs to be probed?

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First, there are times when the PM may be required to undertake an emergency journey or a road journey and helicopter flights are dependent on the vagaries of weather. Also, whenever helicopter journeys are planned, it is mandatory to draw up a contingency plan for a road journey as well.

Therefore, arrangements for emergency road journeys are elaborate and strict. Hence, the state police have no excuses to be negligent while planning for a contingency road journey.

Two, the decision to clear the road journey is jointly taken by all the agencies concerned after analyzing all the risks involved. Hence, a gathering of demonstrators on the VVIP route exposes the gap in route security.

What is the way forward?

First, the reason why the SPG officer on the ground did not use their authority and why the motorcade did not follow standard emergency drills which allowed the VVIP to remain exposed for a relatively long period need to be put in the public domain.

Second, an emergency evacuation should be entirely a professional decision of the SPG and subject to the complete discretion of the SPG officer in charge of the PM's close protection and no further consultations are mandated.

Third, the need of the hour is to rise above narrow political considerations, show the honesty and courage to learn from mistakes. It is equally important for SPG officers to strengthen their professional independence and the ability to be firm.

28. Good News Before Budget

Source: This post is based on the articles "Good News Before Budget", "Case for a health booster", "Budgeting for farmer" published in Times of India, **Indian Express, Indian Express respectively, on 31st Jan 2022.**

Syllabus: GS3- Government Budgeting

Relevance: Significance of export sector, Needs of health and agriculture sector

News: The 2022 budget session of the Parliament commenced today.

This article discusses the need of sustaining export growth. Also, it emphasizes that budget 2022 should focus on the agriculture and health sector to ensure efficiency and inclusiveness in government expenditure.

Performance of exports

One, India's goods exports are at a record high of \$393 billion and the global share of exports also rose to an all-time high.

Two, India has made good progress in exports of electronics, fine chemicals, pharmaceutical, textiles, and apparel exports.

What is the reason behind the growth in exports?

One, labor-intensive industries are moving out of China due to shrinking industrial workforce. Indian demography makes it a suitable alternative.

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Two, government policies provide incentives for CAPEX. For example, speedy permissions, electricity, skilling reimbursement, and tax moratorium.

Three, there are some sector-specific factors as well. For example, specialty chemicals are growing due to the high price of chemicals. In the cotton sector, growth can be seen due to the US ban on Xinjiang cotton.

Health Sector Growth

Why budget 2022 should focus on health sector?

First, expenditure on health has been low for a decade, and pandemics created a consensus to strengthen the health system.

Second, the 15th Finance Commission recommended greater investment in rural and urban primary care, a nationwide disease surveillance system, a larger health workforce, and the increasing capacity of critical care hospitals.

Third, there is also a lack of availability of accredited healthcare facilities under PMJAY in tier-2 and tier-3 hospitals.

How the Budget 2022 can push for health system transformation?

First, the Union budget of 2021 increased allocation to the health sector by 137%, prioritized Pradhan Mantri Aatmanirbhar Swasth Bharat Yojana (PMASBY). Further, It merged the allocations to water, sanitation, nutrition, and air pollution control with the health budget.

Budget 2022 can ensure adequate funding for missions such as Digital Health Mission and Health Infrastructure Mission under the Ayushman Bharat.

Second, there is also a need to increase expenditure on new primary healthcare infrastructure, especially urban primary healthcare.

Third, there is also a need for a multi-skilled health workforce. The training of Accredited Social Health Activists (ASHAs) and Auxiliary Nurse Midwives (ANMs) can be done in a shorter time. Public health cadres must be created in every state.

Fifth, district hospitals need to be upgraded especially in underserved regions to become training centers for students of medical, nursing, and allied health professional courses.

Agriculture Sector

One, the burden of subsidies (food, fertilizers, and payments under the PM-Kisan Samman Nidhi) is multiple times of government's expenditure on agri-R&D.

However, according to ICRIER, investment in agri-R&D brings five to 10 times higher returns and helps in poverty alleviation. Hence, there is a need to increase the amount of agri-R&D and extension, especially in horticulture, medicinal plants, livestock, fishery, etc.

Two, there is leakage of rice in the open market, and rice export unit value is below the MSP of rice. It reduces the global price of rice, and it means India has to export more quantities of rice to get the same amount of dollars.

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What is the way forward?

First, there is a need for improvement in technology, skill development, investments in infrastructure to reshape value chains and sustain export competitiveness.

Second, in the agriculture sector, ICAR needs to be revamped to collaborate with the private sector and FPOs to make its research outcomes marketable.

Third, to reduce the burden of subsidy, the economic survey recommended reducing the coverage to 30 percent of beneficiaries under NFSA. Also, according to NITI Aayog, only 25 percent of the population is multi-dimensionally poor based on NFHS data.

Furthermore, beneficiaries should be given the option to receive the money in cash in their accounts to reduce leakages and also save on the high economic costs of these grains.

29. Show commitment to equity in the Budget

Source: This post is based on the article “**Show commitment to equity in the Budget**” published in The Hindu on 31st Jan 2022.

Syllabus: GS3- Government Budgeting

Relevance: Need to reduce inequality

News: Recently, Oxfam International presented “Inequality Report” with the title “Inequality Kills”.

What does the report say?

One, the report highlighted the growth in wealth of a few and the simultaneously increasing poverty among millions.

Two, more than half the world’s new poor are from India and 84% of Indian households have suffered a loss of income during the pandemic, with 4.6 crore people falling into extreme poverty. However, Oxfam says the combined wealth of India’s 142 billionaires has increased by a massive ₹ 30 lakh-crore.

Why budget should show commitment to equity?

Inequality threatens basic rights, and there is also a constitutional mandate to reduce inequality. Directive Principles of State Policy should be a guiding light for the budget. For example, **Article 38(1) states** that the State shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic, and political, shall inform all the institutions of the national life.

Article 39 (c) states that the State shall secure an economic system that does not result in the concentration of wealth and means of production.

Which issues should be immediately addressed by Budget 2022?

First, India witnessed a decline in health budget during the COVID-19 pandemic by a huge 10% in the last year. Social security expenditure has declined from 1.5% in 2020-21 to 0.6% of the Union Budget in 2022.

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Second, people are deprived of the most basic services and entitlements. Social security pensions, for the elderly, the disabled, and widows have been frozen at ₹ 200-₹ 300 a month for almost 15 years.

Third, during the pandemic, National Food Security Act (NFSA) and the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) have saved millions of Indians from hunger and premature death.

However, after increasing allocations in the first phase of the pandemic, allocations were frozen in Budget 2021-22. It undermines the legal guarantee of work on demand.

Fourth, the priority list of households under the NFSA is based on the 2011 Census. However, the population has increased, and therefore 12% of legally entitled people cannot get subsidized food grain.

Fifth, the pandemic has affected formal education and many teenagers from poor households have already joined the workforce. But the budget 2021 reduced the education budget by 6%, which will further institutionalize multidimensional poverty.

What is the way forward?

First, programmes such as the food security Act should receive the quantum of allocations needed, as India has food grain stocks of more than 90 million tons.

Second, The People's Action for Employment Guarantee (PAEG) has estimated that ₹ 2,64,000 crore will be needed to guarantee 100 days' work for currently active job cards. Hence, there is a need to increase allocation to MGREGA.

Third, to deal with resource scarcity and to reduce inequality, the budget should introduce a 2% wealth tax and a 33% inheritance tax on the top 1% of our population. It will fetch an estimated ₹ 11 lakh crore per annum to support basic social sector entitlements.

Fourth, it is time to introspect, generate robust data, and follow a rights-based policy framework to protect the poor and the marginalized.

30. Wait for SC: Let the court's committee find answers on Pegasus. Broader point: we need a national security law

Source: This post is based on the article "Wait for SC: Let the court's committee find answers on Pegasus. Broader point: we need a national security law" published in the Times of India on 31st January 2022.

Syllabus: GS 3 Challenges to internal security through communication networks.

Relevance: Understanding Pegasus controversy.

News: Pegasus controversy has raised many questions on the privacy right of citizens.

Read here: [Pegasus spyware issue – Explained, pointwise](#)
What is the Supreme Court view on Pegasus controversy?

Read here: [SC Judgment on Pegasus spyware case – Explained, pointwise](#)

What should be the way forward?

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India needs a **National Security Law**– a set of rules that will govern surveillance.

Read here: [Law for national security: Vital point on rights is sidestepped in the way SC's Pegasus case is framed](#)

31. We should expect the economic cost of the closed minds to increase

Source: This post is based on the article “We should expect the economic **cost of the closed minds to increase**” **published in Live Mint on 31st Jan 2022.**

Syllabus: GS3 – Economy

Relevance: Global economy, impact of the Pandemic

News: Although the Omicron variant has not caused the expected damage and this is seen as a positive development in global fight against the pandemic. However, the **World Bank's biannual Global Economic Prospects report** shows that the effect of the pandemic is far from over.

What are the predictions in the report for global economy?

It forecasts that **global economic growth will slow** to 4.1% in 2022, from 5.5% last year. This is because **governments globally are losing the capacity to provide further fiscal support** because of rising debt burdens, supply-chain bottlenecks that impede the flow of goods and services, and resultant rising inflation. This also means that several economies are at **high risk of debt distress**.

Energy prices will **surge** further.

Although the report projects a **high growth rate for some economies** like 10% for Argentina, 8.3%, for India but there is a catch in this statistic. This growth is the result of the **base year effect**, as the pandemic caused a contraction in many of the economies in 2020.

Usually, emerging market and developing economies (EMDEs), helped by their lower base, grow faster than advanced economies. But, they will perform poorer than advanced economies in 2023. This is because EMDEs have limited policy space to provide additional support.

What are the reasons for this uneven growth?

One of the main reasons for the uneven recovery is the recent growth of **hyper nationalism**. It is typically **disastrous for an economy in the long run**.

Countries under the influence of hyper nationalism try to become self-sufficient by **raising barriers to trade, capital and ideas from elsewhere**.

What are the possible implications of this hyper nationalism?

This **may stagnate growth** (*as happened in Argentina in the early decades of the 20th century*) and **prevent the development of the society**.

In this globalized world, new ideas and research is emerging everywhere. Countries should try to absorb the **best from everywhere**, and uphold the vision of a **common human identity**.

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32. [For the finance Minister to note](#)

Source: This post is based on the article “For the **finance Minister to note**” published in **The Hindu on 31st Jan 2022**.

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

Relevance: World inequality report, Global minimum taxation.

News: World Inequality Report 2022 has pointed out that India is now among the most unequal countries in the world. Inequality today is as great as it was at the peak of western imperialism in the early 20th century. The pandemic has only worsened it.

What does the report says about the inequality in India?

Read [here](#).

Nations have become richer, but governments have become poor. Global multimillionaires have captured a disproportionate share of global wealth growth over the past several decades. And companies continue to devise novel ways to escape the taxation.

What are the factors that may lead to an increase in inequality?

Government have recently tried to **lower the tax rates**.

- This reduces government revenue at a time of growing public deficit and declining public wealth.
- Also, due to lower taxation on corporates, High-income individuals choose to incorporate their business so that they can shift income from personal income tax to corporate tax.

Further, there has been recently a lot of discussion around the issue of **global minimum taxation**.

- Around 130 countries had in July 2021 agreed for the introduction of the global minimum tax of 15% on MNCs. This is lower than what working class and middle-class people in high-income countries pay.
- Most of the Big MNCs are working in the digital space like Metaverse, Microsoft, etc but as the digital access has not been equitable it will be a challenge to implement the proposed global minimum tax.

What are the possible positive implications of global minimum tax on India?

Read [here](#).

What are the apprehensions regarding India joining the implementation of global minimum taxation?

Read [here](#).

What is the way forward?

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The World Inequality Report suggested a minimum global tax on MNCs at 25%.

MNCs and their shareholders have been the main winners from globalisation. Their profits have boomed due to the ever-closer integration of world markets. Therefore, there is need for a socially conscious policymaking that supports equity.

