

**9pm**  
**Compilation**

**January 2022**

## 9 PM Compilation for the Month of January, 2022

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# General Studies Paper – 1

### 1. Remembering Anil Agarwal — Forget Malthus: upside of population growth

**Source:** This post is based on the article “Remembering Anil Agarwal — Forget Malthus: upside of population growth” published in **Down to Earth** on 2<sup>nd</sup> Jan 2022.

**Syllabus:** GS1 – Population and Associated Issues.

**Relevance:** Population growth and natural resources

**News:** Views of Anil Aggarwal, Down To Earth founder editor, on population density and community resource management.

As per him, it's not always necessary to mock an increasing population. It can be seen as **an opportunity for moving towards real solutions**, including an end to excessive population growth.

**What are the conditions in which natural resource management by villagers is most likely to succeed?**

- a) Where common resources are substantial and, therefore, the benefits of ecological regeneration can be substantial as compared to existing needs;
- b) Where commons can regenerate rapidly; and
- c) Where communities are more homogeneous and not highly stratified.

**How the increase in population density can impact common resources?**

**Humid plains and irrigated arid and semi-arid plains:** Most of the land tends to be privatised. In such areas, the land is taken over by the rich and powerful, and settlements tend to be larger, and relatively inequitable.

– Increasing population density in such areas will lead to a **steady disappearance of common resources**, including wetlands, which will be brought under agriculture. The poor will depend heavily on the rich for their survival, and their desperate social and economic conditions can force them to suffer considerable violence and oppression.

**Hill and mountain regions, and unirrigated arid and semi-arid areas:** These are the areas with substantial common resources. In such areas the settlements tend to be small and less stratified. Moreover, these regions are also more ecologically fragile and relatively poverty-stricken.

– In these areas natural resources are relatively less privatised, and increasing population density **can lead to overuse of common resources**, especially if community rights are not properly defined.

**How granting definitive legal rights over areas help in community management of natural resources?**

With definitive rights over a certain area, each community will **take care of its own commons**. It will, first, keep people of other settlements out of its own commons, and then, because of internal needs, it will begin to set appropriate rules for caring for and sharing those commons.

This can also become an **important way of making people accept the fact that population growth cannot be unlimited**. As long as there are open, free-access commons (*that is, government land*), people will prefer big families to exploit these resources.

Community-managed commons will **push people towards better management and increased productivity** on a sustained basis.

Of course, if population growth increases without any check and local biomass demand goes beyond the capacity of the environment to meet it, community management systems will again begin to break down.

**2. Problem, solution, problem: India's population will start to collapse in two decades. It's a matter of celebration – and concern**



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**Source:** This post is based on the article “**Problem solution problem: India’s population will start to collapse in two decades. It’s a matter of celebration – and concern**” published in **Times of India** on **3<sup>rd</sup> Jan 2022**.

**Syllabus:** GS1-Population and associated issues.

**Relevance:** Declining population trends in India.

**News:** Population growth is a function of fertility and life expectancy. India had about 1.38 billion (138 crore) people in 2020. Two recent studies estimate the country’s population to peak at 1.5-1.6 billion somewhere between 2040 and 2048.

India’s population has been **on a decline**, and several figures point in this direction.

Every year since 2003 the number of **live births has been falling consistently**.

**Fertility rate** (*average number of children born to a woman*) **came down** to 2 – well below the world average in 2019.

It took **only 14 years for the fertility rate to fall** by 50% (from 3 to 2) in India, whereas in Bangladesh – globally acclaimed for birth control – a similar fall took 17 years.

### **What are the reason for these?**

Percentage of **women marrying before the age of 18 has fallen by half** in the past 15 years.

**Women participation in key family decisions** have shot up from 37% to 89% in the past decade and a half.

**Urbanisation** is another family size suppressor. In rural areas a child is a resource, a free labour to work on farms and tend to livestock. But in a city a child is a liability till adulthood.

**The higher cost of raising children** also prevents middle and upper middle classes from having a big family.

### **What can be the new set of challenges that can emerge due to this declining population trend?**

Compared to other countries with the same fertility rate, India’s infant **mortality rate is higher and life expectancy is lower**. That means the coming fall in population could turn into a collapse.

India is also home to the **highest number of underweight and stunted children**.

The peak of India’s **demographic dividend is already behind** it. The prospect of India ageing before prospering to the levels of Western countries is real.

It’s this fear that has caused China to abandon its draconian single child policy and encourage its youth to have more kids. India could be in a much worse situation than China as the productivity level in China are much higher than India.

### **Can this trend be reversed?**

Policy persuasion does not help in convincing people to go for smaller or no families.

The immediate task for India is to save more children at birth and ensure that they grow into healthy and educated adults.

#### **1. Solving migrant workers’ housing crisis**

**Source:** This post is based on the article “**Solving migrant workers’ housing crisis**” published in **The Indian Express** on **10<sup>th</sup> Jan 2022**.

**Syllabus:** GS1- Urbanization

**News:** Urbanisation and the growth of cities in India have been accompanied by pressure on basic infrastructure and services like housing, sanitation and health. Maharashtra and Uttar Pradesh are the two states with an acute housing crisis. The migrant workers, and their families, are the ones who bear the brunt of this problem. As per the Census of 2011, there are about 4.5 lakh houseless families, a total population of 17.73 lakh, living without any roof over their heads.



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Shelter, being a basic human need, and the fact that migrant workers are in dire straits due to the pandemic, immediately demands policy intervention by the government.

What are the issues migrant workers face in terms of housing?

Especially vulnerable to this issue are the **migrant workers**, who live in extremely unsafe conditions.

For them, **their workplace is their place of lodging too**. These places are often **unhygienic and poorly ventilated**.

They mostly **live in slums** and have access only to the poorest infrastructure and services. According to a **2020 ILO report** on internal labour migrants, the absence of dignified housing is further aggravated by a lack of adequate water, sanitation and hygiene (WASH) facilities.

How has the pandemic made the situation worse?

These places where migrants stay lack any means to maintain proper **social distancing**.

The wage and job loss during the pandemic made them **unable to afford the rental housing**. According to a survey conducted by Azim Premji University, around 88% of migrants reported that they could not pay the rent for April and May 2020.

What have been the government initiatives to tackle the problem?

**Swachh Bharat Abhiyan:** Even though there has been an installation of public toilets through Swachh Bharat Abhiyan, their availability may not be adequate in migrant-dense clusters.

**Smart cities initiative:** More about it [here](#). Although, Govt's data shows that 49% of 5,196 projects for which work orders were issued across 100 smart cities in India remain unfinished. **AMRUT:** Efforts like the Atal Mission for Rejuvenation and Urban Transformation (AMRUT) launched in 2005 intended to make the process of urbanisation smooth. It is now in its second phase to make cities water-secure and provide better amenities for the marginalised.

**Atmanirbhar Bharat package:** Rs 20 lakh crore Atmanirbhar Bharat package announced by the government in May 2020 included the provision of affordable rental housing complexes (ARHC) for migrant workers/urban poor. The plan was to convert government-funded housing in the cities into ARHCs through PPPs, and provide incentives to various stakeholders to develop ARHCs on their private land and operate them.

What is the way forward?

While developing social rental housing, the state should ensure that the **location has proper access to transport networks, education and healthcare**.

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The working group by **NITI Aayog constituted to study internal labour** has recommended that rental housing in the public sector could be expanded through the provision of **dormitory accommodation**. This would make public housing **affordable** and **reduce the conflict between owners and tenants**.

Also, government should ensure that **innovative policymaking** initiatives **reach their set goal** in time.

### 2. National Database of birth and death: Amendments that are unnecessary

**Source:** This post is based on the article “Amendments that are unnecessary” published in **The Hindu** on **11th January 2022**.

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

**News:** Government recently proposed creating a **national database of registration system** comprising births and deaths. This is proposed to be used to update every birth and death, and linked with other databases like the national population register, voter list and the Aadhaar database.

#### What is the current mechanism?

The current system is covered by the **Registration of the births and deaths act, 1969(RBD Act)**. Under the RBD act, it is the responsibility of the states to register births and deaths. States have set up facilities for the same and a chief registrar is an executive authority for the implementation of the act. The registrar general of India is responsible for coordinating and unifying the implementation of the RBD Act.

This system enables citizens to easily obtain the required services, prevent fake registrations. It also includes some personal information like the child’s parents and the deceased.

**What are the challenges in the newly proposed National Database of birth and death?** One should examine the need for each birth and death to be communicated to other databases. The population database may need the information instantaneously, but **other databases** like the voter’s list may need it only once in six months. For such databases, the **information should not be collected from the birth and death** databases.

There are other challenges like the **address of the newborn may be different from the current or present address**. This may require linkage with the Aadhaar number to verify across multiple databases. This can be done by amending section 8 of the act. However, this may be unnecessary as Aadhaar number can be included in the forms used for reporting births and deaths. And such directions have already been issued to the states.

Moreover, the information maintained for births and deaths by the states could **still be manual in some cases**. Also, extracting information from the state central level will lead to duplication of data without any value addition. Also, **data maintained by various states may not follow the same structure**.

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Also read: [Centre wants to keep birth, death database](#)

There is a proposal that the national database would be used to update population register, passport database, Aadhaar database etc. These provisions are not required, as the **law for each of these databases specifies the purposes for which the information can be used.**

What should be done going forward?

The central government **should prescribe standards for data items** in the birth and death databases to be maintained by the state governments.

Activities relating to the registration of births and deaths have undergone huge changes due to computerization. However, the laws have not kept pace. There is a need for **updating the laws to take care of present and future developments.** The proposed law should address these concerns.

A bill for this purpose was introduced in Parliament in 2012 to amend the RBD act, but it lapsed. The [Law commission](#) examined the issue in its 270th report and **called for amending the RBD act.**

So the proposed amendment should take care of these concerns first.

### 3. Reaping India's demographic dividend

**Source:** This post is based on the article "Reaping India's demographic dividend" published in [The Hindu](#) on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS1-Population and associated issues.

**News:** India is in the middle of a demographic transition. This is evident from its declining fertility rate which currently is 2.0, median age of 29 years, and a falling dependency ratio (expected to decrease from 65% to 54% in the coming decade). This provides a **window of opportunity** towards faster economic growth.

**Must Read:** [What is Demographic dividend and how it's beneficial to a society?](#)

#### What are the challenges in realising its true potential?

The demographic transition can turn into a demographic disaster without proper policies.

The increase in the working-age population may lead to **rising unemployment, fuelling economic and social risks.**

Has India reaped any benefits from demographic dividend till now?

Although India has already begun to get the dividend, but the benefit to the GDP from demographic transition has been lower than its peers in Asia and is already declining.

Hence, there is an **urgency to take appropriate policy measures.**

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How can India achieve the true potential of its demographic dividend?

Benefits arising out of a demographic dividend are not automatic. Following steps need to be taken:

**Need to undertake an updated National Transfer Accounts (NTA) assessment:**

India's per capita consumption pattern is way lower than that of other Asian countries. A child in India consumes around 60% of the consumption by an adult aged between 20 and 64, while the same ratio in China is 85%.

India needs to update its NTA data, prepare state-specific NTAs on the basis of which they can be ranked.

**India needs to invest more in children and adolescents**-India ranks poorly in Asia in terms of private and public human capital spending. There is need to spend on nutrition, learning during early childhood, help students transition from secondary education to universal skilling and entrepreneurship.

**Health investments**- The public spending on health in India has remained flat at around 1% of GDP. Evidence suggests that better health facilitates improved economic production.

**Making reproductive healthcare services accessible** -We need to provide universal access to high-quality primary education and basic healthcare.

**National Family Health Survey-5 (2019-21)** shows that there is an unmet need for family planning in India at 9.4% which is very high as compared to 3.3% in China and 6.6% in South Korea. This needs to be bridged.

**Education**- It works as an enabler to bridge gender differentials.

In India, boys are more likely to be enrolled in secondary and tertiary school than girls. In the Philippines, China and Thailand, it is the reverse.

**Need to increase female workforce participation in the economy**-As of 2019, 20.3% of women were working or looking for work, down from 34.1% in 2003-04.

Increase in female workforce participation will likely delay the age of marriage for women and make her participate in the economy more productively, as also exercise her rights and choices.

**India needs to address the diversity between States**-While India is a young country, the status and pace of population ageing vary among States.

Southern States are advanced in demographic transition and already have a higher percentage of older people while the north-central region is the reservoir of India's workforce. However, this also offers a lot of opportunities to states to work with each other.

**New governance model** which can enable policy coordination between States on various emerging population issues such as migration, ageing, skilling, female workforce participation and urbanisation.

India can **learn from other countries** like Singapore, Taiwan and South Korea.

They have already reaped the benefit of their demographic dividend to achieve incredible economic growth by adopting forward-looking policies.

### 4. Origins of the species – On human evolution

**Source:** This post is created based on the article "Origins of the species" published in **Business Standard** on 13th January 2022.



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**News:** The understanding of the Human evolution has evolved much more compared to early 20th century due to contributions of Leaky family.

The article highlights the contributions made by British-Kenyan Leaky family to the understanding of origins of Homo sapiens.

Until about the middle of the 20th century, it was a common belief that Homo sapiens evolved around 50,000-60,000 years ago in Eurasia. However, due to the work of Leakey family and a few others from 1940s onwards it was revealed that Homo sapiens evolved in Africa somewhere between 200,000 and 300,000 years ago. They evolved from one of the various branches of pre-sapiens hominids and hominids branched out from chimpanzee line between 5 and 7 million years ago.

What are the other major findings regarding human evolution from Leaky family?

From the post-1940 work of Leaky family in this area, several conclusions can be drawn:

**First**, the origins of man (including various species of hominids) stretch back six million years or more.

**Second**, our understanding of man's origin is still work in progress, due to the quite fragmentary nature of fossil records.

**Third**, the Homo sapiens 300,000-year long history is a short time span compared to the longevity of various other species, including several lines of hominids.

**Fourth**, the explosive growth of Homo sapiens in recent centuries has come at the expense of thousands of other species.

**Lastly**, Homo sapiens is the deadliest species, even for itself. Its actions are resulting into the way towards the Sixth Extinction

### 5. "Liberal economics creates illiberal societies"

**Source-** This post is based on the article "Liberal economics creates illiberal societies" published in *The Hindu* on 14th Jan 2022.

**Syllabus-** GS1- political philosophies like communism, capitalism, socialism etc.- their forms and effect on the society.

**News:** Capitalism and the idea of liberal economics has been proved to be counterproductive for the equality and democratic values.

It has given rise to nationalism and authoritarianism globally.

How liberal economics leads to authoritarian regimes?

Liberal economists are against "populist" policies of governments that subsidise the poor and adopt industrial strategies for self-reliance and jobs for their citizens.

The liberal policies in the last 30 years **reduced the taxes on incomes and wealth for the people at the top**. This was justified on the basis of the idea that this will lead to growth and there will be enough to share through the trickle down effect.

Although the **pie has grown larger but the richest few have been taking the major advantages** of that as shown by the various reports on inequality in the world.

With every global crisis like the financial crisis of 2007-08 and the ongoing COVID-19 crisis — the **rich are getting richer while the poor are getting poorer**.

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How is the ideology of liberal economics has harmed the world?

**Political Implications-** This has led to **weakening of democracy and secularism.**

**Rise of Authoritarian governments** – History shows that whenever hopelessness spreads in societies, they are fertile grounds for messianic saviours to form an authoritarian government. The rise of populist leaders around the world has shown that people still get swayed by the idea of messianic saviors. Authoritarian governments are now being democratically elected.

**Economic implications-** Capitalism has led to **Inequities within economies** and an unsustainability of economic growth. Economic despair is feeding the rise of authoritarianism, nationalism, and identity politics.

Liberal economics supports **Privatization** but this makes governments struggle for resources to provide public goods. It gives another opportunity in the hands of top most to buy what they need, while this prevents those at the bottom to even have basic health and education facilities. This **increases the gap between the haves and the have-nots.**

Why neither communism nor capitalism is the solution?

Although Communism had lifted living standards, and the health and education of masses of poorer people faster than capitalism could, communism's idea that there should be no private property was a failure. This deprived people of personal liberties.

**Capitalism's idea** of replacing all publicly owned enterprises with privately owned ones (and reducing taxes on wealth and high incomes) **has not worked** either.

It has **denied many of their basic human needs of health, education and social security**, and equal opportunities for their children. The private property solution has also harmed the natural environment as businesses work on the profit motive and not on ecological motive.

Due to this the ecological commons are harmed, and social equity suffers.

**What is the way forward?**

The extreme application of **both Communism and capitalism** has created negative consequences.

Climate change and political chaos around the world are both warnings that capitalism needs reform.

A new form of "Gandhian" democratic socialism, powered by cooperative economic enterprises is the way forward.

It will create wealth at the bottom, not only at the top, and save humanity and the planet.

**6. How women cadets benefit the army**

**Source:** This post is based on the article "How women cadets benefit the army" published in the Indian Express on 15th January 2022.

**Syllabus:** GS 1 Role of women and women's organization.

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**News:** Army chief general MM Naravane, while reviewing the army parade at NDA hailed the SC decision as a major step towards gender equality in the army.

### What is the status of women in the Indian Army?

The first batch of women officers was introduced in nonmedical roles via the Short Service Commission in 1992. Last year, the Supreme Court allowed women to compete for the seats and subsequent permanent commission in the Indian army in any corps they desire.

**Read here:** [SC allowing women to sit for NDA test is a welcome push for a substantive Gender reset in the armed forces](#)

Women were inducted as permanent commissioned officers in the legal and education corps since 2008 and as permanent commissioned officers in eight more non-combatative corps in 2020. But still, the count of women forces in the Indian army is significantly low i.e. 3% as compared to 6% in the US, 15% in France, and 10% in both Russia and the UK.

Also read: [Arms and the Women](#)

### How entry of women can help Army?

As more men gravitate towards the corporate world, entry of women can address the shortage of officers, which stands at 7476 officers as reported by the Minister of State for Defence.

### What are the Supreme directives on women's position in Army?

Recently, SC ruled that women officers should get command positions on par with male officers. It dismissed the military earlier objections that hiring women would lead to operational, practical and cultural problems and said this move is discriminatory.

**Read here:** [Gender parity in the Indian Army](#)

## 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.

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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.

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.

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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.

### 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

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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. State schemes can cast a lifeline to this welfare plan – On Pradhan Mantri Matru Vandana Yojana

**Source:** This post is based on the article “**State schemes can cast a lifeline to this welfare plan**” published in **The Hindu** on 3<sup>rd</sup> Jan 2022.

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

**Relevance:** Pradhan Mantri Matru Vandana Yojana (PMMVY).

**News:** There is vast scope for improvement in the Pradhan Mantri Matru Vandana Yojana (PMMVY). POSHAN Abhiyan and PMMVY are India’s initiatives to fulfill its commitment towards the Sustainable Development Goal of improving maternal health.

However, targets can be achieved only if we revisit the design and implementation of this scheme.

**Read about PMMVY here:** [Pradhan Mantri Matru Vandana Yojana](#)

#### What are the issues?

**Unchanged targets:** The target of the scheme has remained unchanged over the years.

The estimated eligible population of pregnant and lactating mothers in India was 128.7 lakh for 2017-18 according to the Centre for Policy Research 2019-20). The target set by the Government was 51.70 lakh beneficiaries. This is only 40% of the eligible population.

**Fall in enrollment and disbursements:** In 2020-21, more than 50% of registered beneficiaries did not receive all three installments and there was a 9% drop in enrollment under the scheme.

This is according to the data provided by the Ministry of Women and Child Development (WCD) in response to a parliamentary question.

**Reduced Budget allocation:** Budget allocation for the PMMVY has also been reduced as it has been clubbed under SAMARTHYA along with multiple other schemes such as Beti Bachao Beti Padhao.

The overall budget of SAMARTHYA is ₹2,522 crore, which is nearly equivalent to the budget of PMMVY alone in the previous financial years.

**State-level schemes:** States such as Odisha, Telangana, and Tamil Nadu, respectively, implemented State-specific schemes for maternity benefits.

For example, MAMATA (2011) in Odisha, the KCR Kit (2017) in Telangana, and the Dr. Muthulakshmi Reddy Maternity Benefit Scheme (MRMBS) in Tamil Nadu.

**States’ schemes had relatively increased coverage and higher maternity benefits.** For instance, Odisha’s MAMATA, has been offering a conditional cash transfer of ₹5,000 as maternity benefit for up to two live births for more than a decade now. It has led to better performance of this scheme, in comparison to PMMVY Scheme.

#### What are the suggestions for improvements in PMMVY?

**Extend the maternity benefit under the PMMVY to the second live birth,** similar to its predecessor, the Indira Gandhi Matritva Sahyog Yojana. This would be more imperative for women in the unorganized sector, who are more vulnerable to economic shocks and nutrition loss for all childbirths.

**Increase the maternity benefit amount:** The current entitlement of ₹5,000 provided over one-year amounts to one month’s wage loss (as per the MGNREGA wage rate of ₹202).

The Maternity Benefit Act, 1961 mandates 12 weeks of maternity leave for women with two or more children. Thus, pregnant and lactating mothers should receive 12 weeks of wage compensation amounting to ₹15,000.

**Address the implementation gaps that lead to reduced coverage.** These gaps stem from a lack of awareness within targeted beneficiaries and process level challenges.



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A **simplification of the process** can result in increased registration of beneficiaries. Further, the current registration form requires a mother and child protection (MPC) card, husband's Aadhaar card, bank passbook, and registration form for each of the three installments. This results in delayed, rejected or pending applications.

### **2. Why's pandemic policymaking still short of science?**

**Source:** This post is based on the article "Why's pandemic policymaking still short of science?" published in **TOI** on 3<sup>rd</sup> Jan 2022.

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

**Relevance:** Effective governance

**News:** Though science & technology has definitely played an important role in many decisions related to the containment of the pandemic, it has been ignored in many as well.

### **Instances where science & technology has been ignored in policy making w.r.t the containment of the pandemic?**

**Scrubbing of home furniture** and doors was advised by governments in early 2020.

The need for a **test report before entering one state** from another is completely meaningless. It places an unnecessary burden on travelers as we have porous interstate borders.

All **airports are crowded** with absolutely no possibility of social distancing, yet one continuously hears announcements asking people to maintain social distancing.

The **imposition of a night curfew** for Omicron, curtailing public transport, while political rallies continue. It looks unsupported by science.

According to the author's thesis, these are the outcomes due to the inclusion of false design in policymaking.

### **What are the flaws observed in policy-making?**

**Increasing nationalism and the rise of the 'exceptionalism' principle:** It results in the enactment of multiple local level rules, while science generally believes in universal rules.

**Unquestioned promotion of 'ancient science':** Pleas by scientists to make practices based on ancient knowledge systems, subject to the requirements of modern science, are discarded.

**Increase in competitive populism and dirty politics:** it is leading to silly interstate and inter-country travel rules. Each leader wants to be seen as more 'tough and decisive' than the other, and this leads to diversion from rationality.

Apart from this, there are also some concerns related to the scientist and business/private sector.

**Lack of consensus among Scientists:** On many occasions, scientists were seen arguing rather than providing a clear consensus decision to policymakers. This was worsened by TV and social media.

### **How scientists, institutions, the public can lead change?**

**Improving scientific temper among both the population and policymakers:** This is necessary to improve compliance with science-based decisions and, more importantly, for the public to question policymakers' unscientific decisions.

**Independent body to scrutinize every policy decision:** It allows public scrutiny before and after a decision and its evidence base and put this in the public domain.

**Scientists** should ensure that they have no vested interest. They need to generate consensus statements rather than individual opinions. They need to be aware of external influences in policy

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development and careful in their communication with the public and policymakers. These principles should be included as a course in science curriculums.

### 3. Unravelling what awaits us in 2022- On Network-Based Economy

**Source:** This post is based on the article “Unravelling what awaits us in 2022” published in **Business Standard** on 3<sup>rd</sup> Jan 2022.

**Syllabus:** GS 2 – Government Policies and Interventions for Development in various sectors.

**Relevance:** Governance reforms

**News:** India needs to update many of its governance laws so that India does not miss this epochal shift to a network economy.

Contrary to what many believe, Industry’s success is not dependent on economies of scale. Rather, the most important factor in the industry’s success in the network age is connectedness.

What matters in the network age is whether the “node” of your activity is “linked” to other nodes that matter in the space of your activity. For example; there can be nodes who are **securities traders**, their major links will be with **fellow securities traders**, which may be innocent. However, there can be links with nodes who are powerful corporate executives who then pass on insider information for trading.

Thus, network analysis becomes significant for the Securities and Exchange Board of India to spot insider trading.

#### Why the government should update many of its governance laws?

In the era of the network economy, the power of technology can be leveraged to affect competition between industries. For Instance,

Currently, large US and Chinese tech companies in e-commerce, social media, and fintech are reporting enormous losses in their Indian operations. However, they are applauded for their large-heartedness and for the foreign exchange they bring into India.

But a network-era-based analysis will reveal the true nature of these actions. They are “subsidising” one side of the network (it could be customers or suppliers) to gain market share, and thus abusing the system.

### 4. India’s foreign policy in 2021: From selective to universal engagement

**Source:** This post is based on the following articles “From selective to universal engagement” published in **The Hindu** on 3<sup>rd</sup> Jan 2022.

“The China hand” published in **Indian Express** on 3<sup>rd</sup> Jan 2022.

**Syllabus:** GS 2 – Effect of Policies and Politics of Developed and Developing Countries on India’s interests

**Relevance:** To understand India’s foreign policy in 2021.

**News:** India’s foreign policy in 2021 followed a style of openness and readiness to deal with friends and foes alike. From selective alignment, India moved to universal engagement, even to the extent of convening meetings with antagonists.

#### About India’s foreign policy in 2021

**Relations with the US and its allies:** India took active engagements with the U.S. and went beyond familiarisation with the new government to increased commitment to **Quad** and acceptance of **AUKUS** and **formation of the ‘western Quad’**, with the U.S., Israel and the UAE.

**Relations with Russia:** Major agreements were signed with Russia, despite the American threat of **CAATSA** against **S-400 missiles** and the Russian inclination to align with China in the days to come.

**Relations with China:** The relations with China met with limited success. China is confident that the growing hard power — economic and military — gives it the luxury to dispense with diplomatic niceties. Hence,

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1. China has not shown willingness to disengage in Ladakh and withdraw to the previous positions behind the Line of Actual Control, 2. Recently, changed the names of various places in Arunachal Pradesh, 3. Building villages on the unpopulated border with India, 4. Trying to create a wedge between India and its close Himalayan neighbours — Nepal and Bhutan, 5. Seeking to undermine Indian influence in the Maldives and Sri Lanka and, more broadly, in the Indian Ocean.

**Taliban in Afghanistan:** American notion of bringing in some civility to the Taliban in Kabul has failed. Now it is a high priority for India to face a Pakistan-China-Taliban axis with some support from Russia and Iran.

**Relations with Myanmar:** In 2021, the Foreign Secretary visited Myanmar to engage the military junta at a time when Aung San Suu Kyi and other opposition leaders are in prison.

**Climate Change:** India decided to stand out of the line on the matter of **net-zero emission target** years but succumbed to the pressure to commit more to promote renewable energy and phasing down coal.

**United Nations:** India took the presidency of the **UN Security Council** in August 2021 and provided significant contributions. But, India showed less interest in the demand for United Nations reform in 2021.

**Other issues:** India has been charged as “India only a part-democracy” received less Indian interest. As for Indian democracy, the Prime Minister’s assertion that India is the “**mother of democracy**” went uncontested at the political level.

### How to address the challenges in India’s foreign policy in 2021?

The extraordinary efforts made by India have not been fruitful in **Afghanistan and China**. Among them, China remains the most important national security task for India in 2022 and beyond. To redress the power imbalance with China, India has to

1. Along with diplomatic relations, India has to **rush the military modernisation and strategic coordination with its Quad partners**, 2. At the economic level, India will need to move rapidly to **end its isolation in the global trade domain**, 3. India has to **stay out of a China-dominated Asia-wide free trade agreement**, the Regional Comprehensive Economic Partnership (RCEP), 4. Negotiate **bilateral free trade agreements with strategic partners** like the United Kingdom, Australia, UAE, and Israel.

### 5. Recognize kids as Individuals and not just as learners

**Source:** This post is based on the article “**Recognize kids as Individuals and not just as learners**” published in **The Indian express** on **3<sup>rd</sup> Jan 2022**.

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

**Relevance:** Changing nature of classes in the pandemic.

**News:** Pandemic has brought a lot of problems for the education sector although students, teachers have tried to adapt to these ever-occurring disturbances, but challenges still remain.

- 1) **Issue of diversity and inequality**– While some students campaign to bring their various gadgets to the classroom for more integrated learning, plenty more continue to struggle for even a smartphone in working condition.
- 2) **Vaccinations, logistics, social distancing protocols** and the burdens of an ever-changing curriculum weigh down students and teachers alike.
- 3) **Recurrent opening and shutdowns between schools** has caused **psychological stress** among the students and teachers.
- 4) **Advent of hybrid learning and its challenges:** Teachers struggle to maintain the interaction between the two halves of their classroom.

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- 5) **Logistics and technical difficulties** impede the flow of classes, and the students who are online are often relegated to the position of passive spectators to an ongoing class.
- 6) The focus should be on the **social-emotional challenges** that children face at the moment and strategies should be devised on how to help them overcome these.

### 6. Picture of health

**Source:** This post is based on the article “**Picture of health**” published in Business standard on **2nd Jan 2022**.

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

**Relevance:** Status of health in India

**News:** **NITI Aayog** has recently released its **fourth Health Index report** for the year 2019-20, which was published in collaboration with the Ministry of Health and Family Welfare.

It ranked states on a weighted composite **score based on 24 indicators**, and offers a useful picture of the state of Indian health care.

#### What are the components of this index?

It is a very comprehensive index based on three broad domains —**health outcomes, governance and information**,

**For more:** Read [here](#)

#### What are the findings of the report and what are the issues related to them?

The comparison of states on the basis of the ranking can be **misleading due to the categorisation of states**.

**Example:** It shows that UP has registered first ranking in incremental performance despite the fact that many smaller states have performed better than UP.

UP's performance is not because of any drastic changes in the health infrastructure improvement but due to the fact that UP started from a very low base. Hence, any improvement will show up in terms of a disproportionate bump in the incremental score.

Proper analysis of the Index shows that nearly **half of the states and Union Territories did not pass the halfway mark** in the composite overall index score (the “frontier” in this case). Kerala, the top performer registered an overall index score of 82.2 only. This suggests that **there is considerable room for improvement** even in India's best state.

It is important that this ranking is just not limited as a tool for competitive federalism and comparing states but can be used as a **meaningful tool for health policy and resource allocation**.

### 7. A Chinese threat should not muddle Indian policy

**Source:** This post is based on the article “**A Chinese threat should not muddle Indian policy**” published in **Livemint** on **4<sup>th</sup> Jan 2022**.

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

**Relevance:** The economic policy fallout of the tense Indo-China relations

**News:** The proposed buyout of general insurance company RahejaQBE by Paytm Insuretech was rejected by the insurance regulator, the Insurance Regulatory Development Authority of India (IRDAI).

In trying to insure India against injury, India shouldn't push money away that could aid the rise of its economy.

#### Why the buyout has been rejected?

As per reports, the insurance regulator is not comfortable with the investment pattern offered by One97 communications, mainly because Chinese companies like Ant Financial and Alibaba are involved.



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### What are the issues with the IRDAI's decision?

Paytm's proposal does not flout FDI limits, and while concerns associated with the influence of the parental investors may be valid, the harm it might expose India to has not been spelt out.

### What are the implications?

The rejection of the deal will **hamper the investment plans** of several domestic and multinational insurance companies like Swiss Re that are hoping to expand their presence in India's fast-growing general insurance business.

### What is the way forward?

The actuarial and other Indian data could be leaked from any insurer's database. What calls for a **strict vigil** is how investor funds are applied, not their source.

With China set to add large sums to the globe's capital stock, we need a **proper cost-benefit analysis** of the blockade we opted for in response to the border hostilities of 2020.

India needs to **balance its need for security with the freedom of enterprise**.

An approach that's codified formally and calibrated closely by risk calculations is the need of the hour.

### 8. India's rights record, America's blinkered vision

**Source:** This post is based on the article "India's rights record, America's blinkered vision" published in **The Hindu** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – India – U.S bilateral relationship

**Relevance:** India – U.S relations

**News:** India's friendly diplomatic relation with the U.S is providing India a certain immunity from international criticism.

#### Instances where the U.S has taken an accommodating view w.r.t India, despite some concerns?

**Firstly, the issues of purchasing S-400 from Russia.** Despite the US voicing out their disinterest in purchasing military equipment, their administration did not think it was necessary to penalize India's actions.

**Secondly,** the US has taken an accommodating view despite India's downgrades in democratic norms and human rights. **For instance,**

The **U.S. State Department's Country Report on Human Rights Practices** itself recorded "significant human rights issues" in India. It includes extrajudicial killings, torture, arbitrary arrest and detention, violence against minorities, unjustified harassment of journalists, and censorship and blocking of websites.

India is rated poorly by the **U.S.-based Freedom House** which called it 'partly free'.

**Sweden's V-Dem Institute** dubbed India as an 'electoral autocracy'.

India was ranked 142 in the **World Press Freedom Index** of Reporters Without Borders.

The **U.S. Commission on International Religious Freedom** has for successive years recommended that India be listed as a 'country of particular concern' due to its treatment of Muslims and Christians.

India is ranked in the **Open Doors World Watch List** for 'extreme' Christian persecution below Syria, Iraq and Saudi Arabia.

The U.S. government has ignored all these findings due to Narendra Modi's positioning India as an indispensable partner.

**Thirdly,** criticism of India in world media has also been shielded to some extent due to India's close relationship with the U.S.

Western countries manage to shield their viewpoints, because, world media is being dominated by a handful of western capitals.

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

West-dominated English-medium news ecosystem dominates globally. Western countries can direct unjust criticism towards their opponents using this dominant media system. Many times other countries have tried to create rival media platforms, however, they have failed to compete.

Following are some of the unjust actions of western countries, shielded by western media.

**Dubious Sanctions:** Unilateral sanctions based on uncertain international laws have been the West's instrument of choice for penalising political adversaries. For instance, Threats of "massive consequences and severe economic cost" against Russia by G7 countries and the European Union.

**Selective criticism:** A boycott of the Winter Olympics in China by irrelevant western officials was promoted. However, the Football World Cup in Qatar was not opposed, even though, it is an absolute monarchy where there are scant civil and political rights, workers' rights are negligible and homosexuality is deemed illegal.

**U.S tries to protect fundamental rights in other countries, whereas,** in the last 12 months, its police have murdered 37 African-American people per million against 15 per million whites. African-Americans comprise only 13% of the population.

### 9. Forex party is ending: ON US Fed Balance Sheet Tapering

**Syllabus – GS Paper 2 – International Relations – Effect of policies and politics of developed and developing countries on India's interests**

**Source:** This article developed based on the article "Forex party is ending: ON US Fed Balance Sheet Tapering" in Times of India on 4th January 2022.

**News:** US Federal Reserve (Fed) is increasing the speed of balance sheet tapering.

As mentioned in the news, US Federal Reserve (Fed) will double the pace of its balance sheet tapering and end its net asset purchases by mid-March 2022.

**Balance sheet tapering means** gradual slowing of the pace of the Fed's large scale asset purchases, which was aimed at providing monetary stimulus to the economy. It may also lead to increase in interest rates.

US balance sheet policies always have a major effect on the economies of emerging countries. When US cuts interest rates and expands balance sheet, it triggers capital inflows, local currency appreciation and higher asset prices in emerging markets.

### Why India is better prepared against any ill-effect of US balance sheet taper?

Unlike 2013 taper, this time the affect will not be substantive in India, due to the following reasons:

**First,** federal reserve has communicated its intentions a bit early this time. It has provided some time to the economies, to be prepared.

**Second,** India is less vulnerable to external vulnerabilities now. It is because Rupee is not overvalued, as was the case in 2013. Also, India's current account is in surplus and Foreign Currency reserve currently cover nearly 12 months of imports.

**Third,** basic balance of payments (BBOP) is in surplus (BBOP is the sum of current account and net FDI inflows).

### What are the causes of concern?

However, there are also, reasons of concern:

–**The Current Account trend** is changing. Merchandise trade deficit is widening.

–**Higher commodity prices** such as crude oil, metals, etc., and improvement in domestic demand is increasing India's import bill.

–**Gold imports** have surged over the last year, rising to \$55 billion in the 12 highest since 2013.

–**India's BBOP** is going into deficit from surplus.

–**High relative inflation,** compared to competitor Asian countries can erode it's export competitiveness.



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### 10. The road to regulatory capture isn't paved with good intentions

**Source:** This post is created based on the article "The road to regulatory capture isn't paved with good intentions", published in **Live Mint** on **4th January**.

**Syllabus:** GS Paper 2 – Indian Polity – Statutory, regulatory and various quasi-judicial bodies

**News:** Regulatory Capture is affecting Indian Economy.

**Regulatory capture** is common in all industry segments that have a **sectoral regulator**. It is a situation, when act in favor of companies or special interest groups of the sector, instead of protecting and promoting the public interest.

**One example from US** defines regulatory capture perfectly. An **addictive medicine OxyContin** was labelled by regulator Food and Drug Administration (FDA) as a non-addictive medicine, on the lobbying of drug maker Purdue Pharma.

#### What are the examples of regulatory capture in India?

**First**, the case of Yes Bank's repeated attempts to recover its money from defaulter Dish TV. In this case, **Debt Recovery Tribunal (DRT)** ruling frozen the Yes Bank's voting rights in Dish TV. The Delhi High Court in this case observed that the DRT's orders exhibited complete lack of judicial discipline. Not only that, but a state's police also attempted to freeze Yes Bank's voting rights in this case.

**Second**, on many occasions, SC has criticized **National Company Law Tribunal (NCLT)** for its rulings. On 13 September 2021, SC expressed its concern over the NCLT's long delays in resolving insolvency cases under the Insolvency and Bankruptcy Code (IBC). A parliamentary panel report showed that over 70% of IBC cases were pending for more than 180 days.

**Third**, the **Director General of Civil Aviation** is the part of the civil aviation ministry. Its majority of duties, written on the civil aviation ministry's website are mostly linked to airlines and aircraft. Thus, it tends to rank airline viability and profitability over the protection of passenger rights.

**Fourth**, the trend of regulatory capture in India is not practiced just by industries, but also by governments. It is done by either influencing the existing regulators or creating new ones. **For example**, proposed **Digital Protection Authority**, which will not only exempt the state from most data privacy norms, but would also wield the power to select the chairperson and other board members.

### 11. Is GDP data a reliable way to measure the health of the economy?

**Source:** This post is based on the article "Is GDP data a reliable way to measure the health of the economy?" published in **Indian Express** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – Issues related to the development of the Indian economy.

**Relevance:** GDP calculation

**News:** There are serious problems with India's GDP data. Any analysis of recovery or growth forecast based on this data must be discarded.

The primary yardstick analysts use to measure the economy's health is GDP. The RBI and multilateral agencies use GDP statistics to make claims about the future growth path.

The NSO released the current GDP series in 2015, using 2011-12 as its base year. Since then, the new series has been involved in controversy.

Scholars have pointed to measurement issues, both in the nominal and real GDP growth rates. Yet none of those issues has been addressed. As a result, the measurement errors still persist.

#### Why the GDP data, as a measure of economic recovery, is questionable?

**First, the issue of Double deflation.**

The NSO calculates real GDP by gathering nominal GDP data in rupees and then deflating this data using various price indices. The nominal data needs to be deflated twice. Once for outputs and once for inputs. But the NSO, deflates the nominal data only once. It does not deflate the value of inputs.

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**How it affects GDP numbers:** Consider the following scenario. For instance, when the price of imported oil goes down, input costs will fall and the profits recorded by Indian firms will rise. Since NSO doesn't deflate away the increase in profits, it records a purely nominal increase as a real increase in GDP. Thereby, it ends up overstating growth.

Similarly, in the opposite scenario, when the oil price rises, the growth rate could be underestimated. Some have argued that the deflators were improved in the new series by shifting to the CPI. But the fact is that in many cases, the WPI (the cost of inputs is measured by the WPI) is still used for deflation.

**Second, NSO has not updated the sectoral weights.**

When NSO calculates GDP, it takes a sample of activity in each sector, then aggregates the figures by using sectoral weights.

To make sure that the weights are reasonably accurate, the NSO normally updates them once a decade. It has now been more than 10 years since the weights were changed, and there are no signs of a base year revision.

As a result, the sectoral weights are still based on the structure of the economy in 2010-11. The fast-growing IT sector is being underweighted, which implies that GDP growth is being underestimated.

**Third,** NSO has not made any adjustments to its methodology for estimating the growth of the unorganized sector.

Usually, to estimate the growth of the unorganized sector, NSO assumes that the sector has been growing at the same rate as the organised sector.

However, starting in 2016 the unorganised sector has been disproportionately impacted by a series of shocks. For example, demonetisation, the implementation of GST, the problems in the NBFC sector, and the Pandemic. All these have severely impacted the unorganised sector more than the organised sector.

### 12. For sports heroes-Government must consider innovative funding, including legalizing betting

**Source:** This post is based on the article “**For sports heroes-Government must consider innovative funding, including legalizing betting**” published in The Times of India on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS2- Government policies and interventions for development in various sectors.

**Relevance:** Development of sports in India

**News:** At a recent sports university inauguration, the PM of India said that Indian youth should be motivated to take up sports as a career.

Although India has had its best performance of the history at the Tokyo Olympics this year by winning 7 medals including a gold in Javelin, but the fact remains that except cricket other sports in the country lack an ecosystem of professionalism and excellence.

**Must Read:** [Sports sector in India: Issues and challenges – Explained, Pointwise](#)

#### Why is sports not a preferable career choice for most Indians?

Sporting **infrastructure** in the country remains very **underdeveloped and insufficient**.

**The lack of funding at the grassroot level:** Funding is mostly directed towards the few top athletes with international medal-winning potential. This makes sports a less viable career option for the majority of the others who lack the resources to pursue it.

**Must Read:** [Preparing India for a sporting future](#)

#### What is the way forward?

**Lessons from other countries:** India can learn from the sporting models followed by other countries. **For instance: USA** has strong **sporting cultures in universities** that not just produce top-ranked athletes but also employ trainers, sports doctors and scientists. However, India lacks any such university ecosystem.

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**Legalising betting:** It can yield substantial **revenue in the form of taxes** for creating sports talent hubs across the country. For instance: **UK's national lottery funding for sports** works on **legalising the sports betting**.

Also, Legalised betting would also **check illegal bookmaking and its link to match-fixing mafia**.

Once the foundational sports ecosystem are set up, the flow of private investment in the sector will be easier.

**Must Read:** [Making India a sporting nation | Every sportsperson is a champion | Why Funding sports is an Olympian hurdle](#)

### 13. Why is the IMF trying to be an aid agency?

**Source:** This post is based on the article “**Why is the IMF trying to be an aid agency?**” published in **Business Standard** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – Important International Institutions, agencies and fora – their Structure, Mandate.

**Relevance:** IMF

**News:** There are strong arguments for revamping the financial structure of the IMF.

The International Monetary Fund (IMF) attempting to modify itself into an aid agency, instead of embracing its traditional role of helping troubled debtor countries.

#### What is the issue with the IMF's financial structure?

**Due to the absence of strict conditionality requirements, the vast bulk of the funding they provide takes the form of outright grants, rather than loans. Some recent cases are,**

**One,** Argentina received a massive \$57 billion loan in 2018 with uncharacteristically weak IMF conditions attached and is now resisting repaying.

**Two,** Unconditional loans to the Nigerian government that is restricting food imports to an under-nourished population. Thereby exacerbating the problems caused by the government's own exchange-rate controls.

**Third,** giving approval to countries with exploding debt-to-gross domestic product ratios based on very optimistic assumptions. For instance, the 2021 Article IV report for Ghana is a case in point.

Similarly, providing funds for large emerging markets such as Brazil and South Africa, arguing that dealing with the pandemic is the absolute top priority, despite soaring debt levels, rising inflation.

**Consequence of irresponsible lending:** Since the IMF is still very much structured as a lending agency, it eventually will have to be repaid or go bankrupt itself.

#### What is the root cause of such problems?

The root cause lies in its faulty design.

**Firstly,** the Rapid Financing Instrument, a lending facility that does not require countries to enter into a “full-fledged” adjustment program and that in practice requires few conditions or none at all.

**Secondly,** it has persuaded its members to approve an emergency issuance of \$650 billion in special drawing rights, which also have essentially no conditions. SDRs are basically direct aid that goes to every IMF member, including Russia and Iran.

#### What are the suggestions to reform the IMF financial structure?

One key condition should be that IMF funds are not used simply to repay private creditors. Forceful IMF conditionality is essential to establish financial stability and ensure that its resources do not end up financing capital flight, repayments to foreign creditors, or domestic corruption.

In a world where private capital flows far outweigh official lending, traditional IMF programs still have a critical role to play in mitigating and managing financial crises.

### 14. The future of trade

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**Source:** This post is based on the article “**The future of trade**” published in **Business Standard** on **4<sup>th</sup> Jan 2022**.

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

**Relevance:** RCEP, India and global value chain

**News:** **Regional comprehensive Economic partnership (RCEP)** which was signed in 2020 , **came into force** on New Year’s Day. India was part of the RCEP process but eventually pulled out of joining. RCEP’s arrival is a reminder that the future of the international trading architecture increasingly seems to be coalitions of the willing i.e. **plurilateral or regional trade pacts**.

### Why India didn’t join the RCEP?

India has its reasons for not joining the RCEP like,

- The excess influence China will have in the pact
- Apprehensions regarding its impact on dairy sector
- Presence of a broader pessimism about trade may also be an underlying reason

However, some recent happenings show that India is softening its approach towards trade agreements.

**Must Read:** [India exits RCEP](#)

### What are these positive developments?

Renewal of discussion on **FTAs**, such as with the European Union, Israel and the United Arab Emirates, UK.

Attempts at “**early harvest**” agreements with larger and more problematic trading partners like the UK Though these will have a limited effect as compared to joining a trade pact like RCEP.

**Must Read:** [India must tread with caution on early-harvest deals, say experts](#)

### What is the way forward?

India’s continued **observer status in the RCEP** can be utilised to examine its pros and cons for the Indian economy, if India joins it in the future.

Also, there is need for a keener understanding of the **domestic reforms** necessary to become part of the value chains of the future.

Govt should work towards **introducing reforms and tariff rationalisation**. **New-age trade agreements** are as much about “**behind the border**” adjustments such as regulatory harmonisation as they are about tariffs.

**Lastly**, the tendency to increase tariffs on average in the Union Budget must end.

## 15. [CSR and NGOs: Aiding in governance](#)

**Source:** This post is based on the article “**Aiding in governance**” published in **The Hindu** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS 2 – The role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.

**Relevance:** To understand the cooperation between CSR and NGOs.

**News:** Recently, The Union Ministry of Home Affairs (MHA) refused the application for renewal of FCRA registration of Missionaries of Charity (MoC). Similar such instances impact the synergy between NGOs and Government. But, the research shows that it is the synergy of NGOs, Government and corporates is the way for development.

**Must read:** [Foreign Contribution \(Regulation\) Act and NGOs – Explained, pointwise](#)

## About the Corporate Social Responsibility (CSR) and NGOs



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**Section 135** of the [Companies Act](#) mandates corporates who are beyond a certain level of profits and turnover to pay at least 2% of their net profits before tax to the development space. This law gives corporates the necessary impetus to collaborate with non-state actors like Non-Governmental Organisations (NGOs) and Civil Society Organisations (CSOs).

[Corporate Social Responsibility \(CSR\)](#) grants have assumed importance to provide the much-needed sustenance to NGOs and CSOs as key players in non-state governance. This strengthening of citizenry-private partnerships is a major component of development activities.

**Read more:** [FCRA Amendments are Crippling Work of NGOs](#)

### How do CSR and NGOs help in India's development?

-Non-state actors bring capital to corporate companies and help the state by engaging in welfare activities. When non-state actors take a large load off the state's shoulder, the state can focus more on governance.

-NGOs and voluntary groups/organisations have played a significant role in building the capacities of citizens to hold governments accountable.

-The Right to Information (RTI) campaign became law after decades-long efforts by NGOs. The law has brought a dramatic change in the degree of transparency in India, with most Government ministries falling under its ambit.

-The District Collector calls on vetted NGOs/CSOs to implement various schemes during the normal course of the day.

-NGOs and CSOs sometimes do the heavy lift and ensure that schemes reach the last person, even in the face of disaster.

The CSR law created a legal framework for corporates to work with NGOs and CSOs. NGOs and CSOs in India will play a major role in mobilising citizen action to right various wrongs. They can help contribute to the better polity as well as better governance. Most importantly, they have the legitimacy to operate as integral cogs in the wheel of good governance.

### 16. The 21st century challenge for democracy

**Source:** This post is based on the article "[The 21st century challenge for democracy](#)" published in Indian express on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2

**Relevance:** Democracy, Nationalism, Erosion of democracy

**News:** The 20<sup>th</sup> century was seen as the century of **democracy's expansion**.

But the recent factors like rise of authoritarian regimes, parties with huge majority and hype of nationalism have somewhat endangered democracy.

If it has to be prevented from this decay, then the public discourse around questions of its meaning, purpose and limits needs to be revived.

What are the factors that are/may harm the institution of democracy?

**An oversized image of the leader:** Excessive majority and unbound faith prevents constructive criticism, which may lead to turning a democratic polity into an autocratic one.

If elected leaders are left unquestioned then they may use it for not just changing the physical structures of the polity, but to affect even the ideological foundations on which it stands.

**Electoral majorities are sometimes projected as representing the view of a single community** which may create **divergence** between different communities and may even lead to **prejudices and conflict** in the society.

And at the level of polity, this may lead to the sentiment of **communalism/ hyper-nationalism** overpowering the principles of **democracy**.

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All of these factors are so much a part of institution of democracy that it becomes difficult to tough to identify them, critique them and isolate them. That's why scholars have been calling these as **"democratic" ways of subverting democracy.**

What are the challenges that India faces in protecting its spirit of democracy?

### – Politicisation of Bureaucracy

- Allegations on **media of being biased towards** ruling party of the day at any time.
- Allegations that **Judiciary** has in some cases failed to prevent erosion of democratic credentials.

How can democracies adapt and overcome these concerns?

Path of Protests, agitations and movements: This has seen the involvement of students, farmers and many other sections of the society. While these protests may not substantially alter the course of democracy's erosion, they do have the potential of rejuvenating people's agency.

**Need of politics which is not person or one party centric:** India is a multiparty democracy and only this normal politics will do justice to it. Normal politics means that no party, no leader, no idea, no dream is final or invincible.

**Need for ideological engagement at the intellectual level:** There is need to ponder over the question that what we mean by democracy and what we need to do with it.

Democracy can be practised in real terms only if there is **emphasis on inclusion, institutions, procedures and deliberation and power-sharing.**

Globally, **governments have turned into regimes.** The challenge is to break this regime-ness and treat elected representatives for what they are — **just power-holders, deservingly scrutinised for their use of power.**

These changes will not happen through any set grand political theory, but these pathways have to be **utilised daily, in matters of routine nature** where democracy is being compromised. **Political criticism** keeps democracy alive.

## 17. Poshan Abhiyan- Its time for national self reflection

**Source:** This post is based on the article **"Poshan Abhiyan- Its time for national self reflection"** published in **Livemint** on **4<sup>th</sup> Jan 2022**

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

**Relevance:** Nutrition status, Child care.

**News:** [National Family Health Survey \(NFHS-5\)](#) which was released a few months back indicates slow improvement in India's malnutrition situation.

### What have been the positives regarding nutritional status in India?

Substantial improvement in **maternal-child health services, including antenatal care (ANC) services, child immunizations and diarrhoea** management.

Significant improvement in fixing the **underlying causes of undernutrition, such as improved sanitation services, a lower total fertility rate, 10 years of schooling** etc.

These positive outcomes were achieved through **greater political commitment**, and initiatives like Jandhan Yojana ,Mission Indradhanush and Janani Suraksha Yojana under the National Health Mission, Swachh Bharat Abhiyan, Ujjawala Scheme, Beti Bachao Beti Padhao .

### What are the areas where India needs improvement?

NFHS also presents some negatives facts and figures like

**Every third child under five and a fifth of women is undernourished**, while more than every second child, adolescent and woman is anaemic.



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Lack of essential nutrition interventions during the first 1,000 days of life (270 days of pregnancy and 730 days 0-24 months).

**No maternal nutrition policy and weak implementation** of Infant and young child feeding policy. Although, there has been an Infant and Young Child Feeding (IYCF) policy since 2000. **Caregivers are not well-informed about what, when and how often to feed a child over six months**, contributing to obesity, micronutrient deficiencies and increased chances of adult-onset non-communicable diseases.

**Behavioural Changes:** Some studies show that 20% of undernourished children are from communities with the highest wealth index which highlights that the main reason behind these issues is a failure to effect behavioural problems and lack of awareness.

**Nutrition care is divided into prevention and care between our health system and ICDS:** ICDS is the main government program to improve the nutritional status, but has no opportunities for direct contact with the young mother to influence nutrition practices.

On the other hand public health system that is in charge of ANC (Ante-Natal Care), child delivery and immunization has an advantage of a minimum of 15 contact occasions with mothers, from the start of pregnancy.

### What is the way forward?

**Training mothers for early care and breastfeeding:** Only 9.8% of the children of such trained mothers were underweight at six months, compared to 18.1% of the children of untrained mothers.

**Complementary feeding of semi-solids also needs attention.** Only one in 10 children above 6 months receives an adequate diet in line with the recommended frequency of semi-solids.

**Frequent interpersonal counselling by health workers/medical teams** at the right time can be a game changer.

**Merging the human resources of ICDS with India's primary healthcare system would strengthen maternal-child nutrition and healthcare workforce and teamwork.** This could cost-effectively lower child mortality, as 68% of India's under-5 mortality is associated with undernutrition.

## 18. Pangong message-India's border infra better than before. But China far ahead. Project turnaround has to improve

**Source:** This post is based on the article "**Pangong message-India's border infra better than before. But China far ahead. Project turnaround has to improve**" published in **Times of India** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS2- India and its neighbourhood- relations.

**Relevance:** Border infrastructure along Line of Actual Control (LAC), Indo-China relations.

**News:** China already has a superior border infrastructure than India and has recently also finished a lot of projects along the Line of Actual Control (LAC) in Ladakh.

Years of investment and an easier bit of topography of the Tibetan plateau gives China an advantage.

### What have been the recent Chinese advancements on the border areas?

China is ramping up its infrastructure along the LAC.

This includes a new bridge across the [Pangong Tso](#) as well as additional troop shelters, gun positions, helipads and jetties in the area between Finger 8 and its military bases at Sirijap-I and II.

### What have been the efforts from the Indian side to counter China's border development?

India has for the longest time believed that inaccessibility on its side would actually deter the Chinese from intruding across borders. But the border clashes over the years have proved the contrary.

So, **India changed its approach, especially in the last 15 years.** Since the **Galwan clash in June 2020**, the pace of Indian border infrastructure **development has quickened.**

- In June 2021, 63 bridges across six states and two Union territories along the LAC went operational.

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– Government implemented the **Shekatkar Committee recommendations** regarding border infrastructure that enhanced the Border Roads Organisation's procurement powers from Rs 7.5 crore to Rs 100 crore.

### What is the way forward?

India needs to focus on overcoming the problem of lack of **inter-ministerial coordination** and the **delayed environmental clearances**. **For instance:** Failure of the project involving the construction of over 40 integrated border outposts along the LAC due to poor coordination between the ministries of home affairs and Jal shakti.

To be able to counter China successfully, India must utilise its **limited resources smartly** by **cutting red tape** and **clearing border projects quickly**.

### 19. The bottom line in Blinken's foray into Southeast Asia

**Source:** This post is based on the article "**The bottom line in Blinken's foray into Southeast Asia**" published in **The Hindu** on 5<sup>th</sup> Jan 2022.

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

**Relevance:** Indo-Pacific, ASEAN centrality

**News:** Both China and the U.S. are trying to attract the Association of Southeast Asian Nation (ASEAN) countries to their side. The US wants to overcome the Chinese domination in the ASEAN by pitching the issue of ASEAN Centrality and by countering China's aggressive rise.

#### How the US is employing the ASEAN centrality tactics to attract South Asian nations?

In his speech at Universitas Indonesia on December 14, Mr. Blinken laid out the five core principles shaping the American strategy of a free and open Indo-Pacific. Alongside, he also underlined the mechanisms that the U.S. is adopting to implement these core principles.

He also stressed the following concerns made by ASEAN nations about China's aggressive actions. For example,

- Claiming open seas as their own,
- Distorting open markets through subsidies to its state-run companies,
- Denying the exports or revoking deals for countries whose policies it does not agree with,
- Engaging in illegal, unreported, and unregulated fishing activities.

#### How the US is trying to counter China's rise directly in the Indo-Pacific?

The US is trying to counter China mainly in two areas. One is the **South China Sea** and the second is the investment in the infrastructure development of Southeast Asian countries.

##### 1. South China Sea

The U.S. has continued its **Freedom of Navigation** Operations in the disputed waters of the South China Sea to challenge unlawful maritime claims by China.

The US has also brought up the 2016 international tribunal ruling which had rejected the Chinese nine-dash-line claims.

##### 2. Infrastructure development

Through infrastructural investments under its Belt and Road Initiative (BRI), China has attracted many ASEAN nations. For instance, Chinese investments have driven countries such as Cambodia and Laos to do China's bidding in the ASEAN, even at the cost of compromising ASEAN's unity.

To counter this, the US has reiterated that it remains committed to closing the infrastructure gap.

The US has pointed out that the members of the Quad (Australia, India, Japan, and the U.S.) have provided more than \$48 billion in government-backed financing for infrastructure for the region.

Further, the U. S is promising to do more under the **Build Back Better World initiative** and the **Blue Dot Network**.

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The U.S. is also trying to showcase a **comprehensive economic framework** in the Indo-Pacific.

### What is the way forward?

Providing proper alternative models of investments for development in sectors such as infrastructure, digital economy, supply chain, and health for the Southeast Asian nations will be critical.

The economic framework, investment plans, and promises outlined by Mr. Blinken need to be made operational quickly if the US is to show that it is indeed serious about sustained commitment toward the Indo-Pacific.

### 20. The state is not what one thinks it is

**Source:** This post is based on the article “**The state is not what one thinks it is**” published in **Business Standard** on 5<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – issues related to governance

**Relevance:** Idea of State

**News:** Conferring a limited form of legitimacy to traditional institutions is one way to bring society, nations and super-states back to reality.

The biggest challenge the world faces today is steady collapse of traditional institutions. For instance, From the United Nations and supra-national bodies like the European Union or the World Trade Organization, not one functions with any amount of efficacy.

Monetary authorities have failed which is why we see such economic disruption and growing belief in non-state currencies like cryptos.

The judiciary has failed almost everywhere except in small countries with a common ethnicity (like the Nordics).

The rise of cult-like leaders in many countries is a desperate move by citizens to see if strongmen can do somewhat better than their failing institutions.

### What is the reason for the collapse of traditional institutions?

The reason is we have defined the word “state” to largely conform to the Westphalian idea of it. State does not mean just government, legislature, judiciary or law enforcement. It has to include all institutions that exert authority on the individual.

The reality is many kinds of state which we can loosely define as any institution with some authority over individuals exist. For instance,

The family is a micro-state, for it exercises some control over a few individuals.

The tribe and community also constitute a state, for they influence how their members behave.

Corporate institutions are quasi states, for they can enforce behaviours among employees, vendors, and distributors.

Google, Facebook (now Meta), Twitter and Microsoft are cyber states, and often they exert more influence and know more about their “citizens” than the regular state authorities do.

### How the idea of flawed state is impacting Individual rights?

The idea of liberal state was originated to destroy the legitimacy of every other institution because other institutions had not been reformed, or were seen as instruments of oppression.

Though it is important to acknowledge that traditional institutions were oppressive to a greater or lesser degree, but using state power to destroy them completely makes state power itself illegitimate after a point. For example,

After some time when all traditional institutions are destroyed, state will gain so much power as to threaten individual rights itself.

This will force non state actors to overthrow the state and the state, allegedly to protect citizens, demands more powers to invade privacy and make laws that would have not been accepted earlier.

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### What is the way out?

Need to legally build some legitimacy back into traditional institutions and subject some freedoms of individuals to their rules and internal regulations.

State should be given overriding powers over traditional institutions, and individuals can always be given a right to appeal over the heads of these traditional forms of authority.

The social capital that exists within such traditional institutions, from religious authorities to khap panchayats, must be used for the greater good by making them more accountable and self-regulating.

### 21. The Chinese challenge uncovers India's fragilities

**Source:** This post is based on the article “**The Chinese challenge uncovers India's fragilities**” published in **The Hindu** on **6<sup>th</sup> Jan 2022**.

**Syllabus:** GS2 – India and its neighbourhood

**Relevance:** Indo-China relations

**News:** The Indo-China border crisis has brought out the political, economic and diplomatic problems between the two countries, which have been the result of choices made after 2014.

With the loss in the 1962 war against China, India lost its pre-eminent position in Asia. With the present display of weakness six decades later, India is in danger of losing its dominant influence even in South Asia.

It's time for the Indian PM to step up and personally resolve the crisis.

### How has China pushed on with its aggressive gestures against India?

After border crisis, China has taken various aggressive military and diplomatic steps like:

**Renaming of places in Arunachal Pradesh:** Beijing recently renamed 15 places in Arunachal Pradesh, following the six it had done in 2017, weeks after the Dalai Lama visited Tawang. China justifies the renaming as being done on the basis of its historical, cultural and administrative jurisdiction over the area. It said that ancient names of these areas were changed by India after “illegal occupation”.

**New land border law:** On January 1, 2022, it's [new land border law](#) came into force. This law supports, and mutually reinforces — the construction of **Xiaokang border villages** by China along its disputed border with India.

As per satellite images, at least two of these villages have been constructed on the Indian side of the LAC in Arunachal Pradesh. These villages will come in handy for Beijing when the **principle of 'settled areas'** is invoked to resolve the border dispute in the future.

**Emboldened Chinese diplomats:** Even the diplomats, posted at the Chinese Embassy in Delhi, have been emboldened by India's cautious response to Chinese Govt's gestures. Recently, Political Counsellor of the Chinese Embassy, Zhou Yongsheng wrote an angry letter to Indian Members of Parliament, including two Union Ministers, for attending a meet organised by the Tibetan government-in-exile. This angry missive (long official letter) from an Embassy official to two Ministers has earned no reaction or condemnation from the Government for the Chinese Ambassador.

### What are the challenges before India?

**Firstly**, India has **run out of proactive options against Beijing** that will force its leadership to change course on its India policy. Tibet and the Dalai Lama are no longer effective deterrents.

**Secondly**, **Beijing does not care for its declining popularity** among the Indian populace.

**Thirdly**, there is a **huge trade deficit b/w India and China**, which is driven by Indian dependency on Chinese manufacturing. This situation has further worsened by the Government's mishandling of the novel coronavirus pandemic.

### What is the way forward?



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The **Quad** has remained a non-military grouping. Moreover, the signing of the **AUKUS** and the humiliating American exit from Afghanistan proves that India will have to deal with the Chinese challenge on the border on its own.

India can prevent any further loss of territory to China with extensive military deployment on the LAC, while hoping that the crisis is resolved with **Moscow's help**. Russia has offered a Foreign Ministers meeting Russia-India-China grouping, but India has stressed on China to take some steps first to resolve the border crisis.

Government should adopt a **collegial and deliberative model of decision-making**, which requires cooperation and consensus among different stakeholders.

### 22. Supreme court must ensure hate speech guilty are punished

**Source:** This post is based on the article **"Supreme court must ensure hate speech guilty are punished"** published in **The Indian express** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Hate speech. Constitutional right.

**News:** Recently, some **hate speech incidents** have taken place in Uttarakhand and Delhi.

Here the speakers have given Speakers made statements about killing Muslims to make a Hindu Rashtra, shooting a former prime minister and calling upon the police, leaders and the army to take up arms to indulge in ethnic cleansing.

Although the **government has constituted an SIT** to look into the matter, there is need for **more concrete actions** in such which atters of this grave importance.

These can have **serious implications for peace and stability** in the country.

#### What has been the Supreme Court's views on hate speech?

Incidents like these involving the question of the **rule of law**, which is part of the **basic structure** of the Constitution.

SC in **Pravasi Bhalai Sangathan v. Union of India** had defined "**hate speech**" as "**an effort to marginalise individuals** based on their membership in a group."

It further said, "*Hate speech lays the groundwork for later, broad attacks on the vulnerable that can range from **discrimination to ostracism, segregation, deportation, violence and, in the most extreme cases, to genocide.***"

The court observed that: "*The root of the problem is **not the absence of laws but rather a lack of their effective execution.***"

#### How is Article 21 relevant to the current issue?

All citizens in India are guaranteed their right to life and personal liberty. Issuing threatening statements against anyone or any specific community is a clear violation of this right enshrined under Article 21.

**Right to life and personal liberty (Article 21):** Constitution of India affords all citizens equal rights.

SC has held that Article 21 must be interpreted in conformity with **international law**, as **India is a signatory to the [International Covenant on Civil and Political Rights, 1966](#)**.

The state therefore has an absolute obligation to ensure that this right is **not just preserved but protected**.

#### What are different views on the values of fraternity and equal rights?

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**Sardar Vallabhbhai Patel** had stated in 1949 that *“It would be in the interest of all to forget that there is anything like majority or minority in this country and that in India there is only one community.”*

Constitutional framers had advisedly incorporated **“fraternity” as one of the goals in the Preamble.**

**B R Ambedkar**, had stated in the Constituent Assembly that: **“Fraternity is the principle which gives unity and solidarity to social life.”** *“If we continue to deny it for long, we will do so only by putting our political democracy in peril.”*

In **I R Coelho v. State of Tamil Nadu** the Supreme Court itself held that *“Over the years, the jurisprudence and development around fundamental rights have made it clear that they are not limited, narrow rights but provide a broad check against the violations or excesses by the State authorities”.*

### What is the way forward?

Whenever there is an indication that rights of citizens or any section of it are compromised then **Supreme court must step in** as it is **the real custodian of the fundamental rights of citizens and their ultimate protector.**

### 23. On UGC’s letter to Central Universities: Wrong answer

**Source:** This post is based on the article **“Wrong answer”** published in The Indian express on **6th Jan 2022.**

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

**Relevance:** Higher education in India, UGC

**News:** University Grants Commission (UGC)’s letter has asked central universities to offer/teach courses **based on student demand** that is on the **basis of number of enrolled students.**

### Why it can be a problematic move?

Students often enrol for a course depending upon whether the course boosts their chances of employment or not.

For a University, this **should not be the sole criterion** in determining the span of its academic ambition.

Universities should not only provide a gateway to the job market but also focus on producing **knowledge**, training students in **critical thinking** and **pushing ideas towards new frontiers.**

### What will be the implications of the move?

This can have grim consequences **for social science and language** departments as they are given less value in the society as compared to science field.

It can also **lead to job losses** for those who teach in them.

### What are the challenges that Indian higher education system faces?

Although universities need to ensure the employability metric, but there are some other **challenges also that Indian higher education needs to overcome.**

**Degree of autonomy:** There is a need to give universities the **freedom to design courses, and draw up syllabi.** This is a basic demand, but only few public universities have this autonomy.

**Lack of funds and inequality between institutes:** There is huge gap in terms of funding requirement for research, availability of resources in different institutes, etc.

**National Education Policy (NEP)**’s emphasises for greater autonomy to higher, interdisciplinary learning, will be affected by the reduction in the number of courses.



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### What is the way forward?

Each university is **unique** and should find the answer for its **requirements on its own terms**.

UGC must **not impose a top-down criterion** that can further shrink the space for experimentation and innovation in higher education.

Higher education needs a **comprehensive** reform, not a lopsided one.

### 24. These islands of excellence must not be marooned

**Source:** This post is based on the article “**These islands of excellence must not be marooned**” Published in **The Hindu** on 6<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – issues related to Higher education in India.

**Relevance:** Reforms in National Law universities.

**News:** National law universities have been celebrated as ‘islands of excellence’ in a ‘sea of mediocrity’. However, the comments of CJI N.V. Ramana suggest otherwise.

HE made the following comments concerning legal education through his addresses in various universities

The national law universities were being perceived as ‘**elitist and detached from social realities**’ because not enough students were joining the bar.

Even among those who joined the bar, the trend was to practise at the levels of the Supreme Court of India and High Courts while ignoring trial advocacy.

Law graduates were ill-equipped to handle the profession, and that sub-standard legal educational institutions in the country were a worrying trend.

The focus on legal education should be on the practice and not theory.

Apart from the above-stated issues, there are other concerns related to the functioning of national law universities.

### What are the problem areas w.r.t the national law universities that require rectification?

**Pedagogy:** National law universities are criticised for imparting pedagogy focused on securing placements in corporates and corporate firms.

**State funding:** Even though they are referred to as ‘National’ Law Universities, they are established and partially funded by State governments. With state funding shrinking, most national law universities are facing a serious crisis.

**The ‘national’ character of these universities is being diluted due to state’s interference:** However, many States are able to exert influence on several key issues such as domicile-based reservations and pay scale choices as they are the primary funding agencies.

**Student protests in several universities for better curriculum and faculties:** The national law universities face stiff competition from upcoming private universities vis-à-vis quality faculties owing to many factors including rigid pay scales. The same results in a demand from students for better faculty, pedagogies and curricula.

Another reason for student protests in national law universities has been the inability of the leadership to respond to the needs of the students, faculty, and staff in an adequate manner.

### What are the suggestions for improvement?

**Need to focus on the promotion of research-driven academics:** to bridge the disconnect between social realities and legal education. To improve research, national law universities need to do the following,

-Need to move beyond the rigid framework created by the Bar Council of India and the University Grants Commission, which, for example, requires the faculty to undertake a minimum number of lecture hours per week, etc.

-Need to have separate faculties for teaching and research.

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-Research should also be promoted through institutional arrangements and incentive schemes.

**The pedagogy must be focused on practical aspects of law, rather than just the theory:** It can be done in the following ways,

-Judges and advocates must be obligated to contribute to the classrooms.

-They must be encouraged to offer paid internships to students to incentivize their learning experiences.

**Need to have different approaches towards imparting education at graduate and postgraduate levels:** The focus of education at a graduate level must be practice-oriented, with a focus on imparting students with the ability to learn and understand. On the other hand, the focus of pedagogy at the post-graduate level should be academic, with stress on imparting students with the ability to not only critically evaluate but also to apply the knowledge.

**Need to establish an independent regulator for legal education in India.**

### 25. Don't raise legal age of girls' marriage to 21: Odisha body to parliamentary panel

Source: This post is based on the article **“Don't raise legal age of girls' marriage to 21: Odisha body to parliamentary panel”** published in **Down to Earth** on **5<sup>th</sup> Jan 2022**.

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

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

**News:** The Odisha State Commission for Protection of Child Rights (OSCP) has urged the Parliamentary Standing Committee on Education, Women, Youth and Sports to consider not raising the legal age of marriage of girls to 21. It instead urged the Committee to keep 18 as the minimum legal age for both boys and girls.

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

#### What are the concerns raised by OSCP regarding raising the legal age of marriage of girls?

**First**, the proposed amendment would redefine the word 'child' to bring the age of marriage for both men and women at par, i.e. 21 for both boys and girls. This will have an overriding effect over every other law, custom, usage or practice.

**Second**, Legislation in isolation would never be able to stop child marriage unless there is a socio-behavioural change among the parents and community.

**Third**, factors like poverty and distress, patriarchal norms and practices, lack of opportunity for schooling and employment were still contributing to the prevalence of child marriage in a major way.

**Fourth**, If legislated, there would be no space to provide support to a child bride/groom between the ages of 19 and 21, if rescued from child marriage.

**Fifth**, Acts like [POCSO](#) have restricted consensual sex up to the age of 18. This implies that someone may engage in sexual activity after 18 but won't be able to marry till 21. (That) will create new sets of issues like increasing numbers of unwed mothers and foeticide thereafter.

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

There was a need to strengthen families by providing appropriate livelihood opportunities. [Juvenile Justice Care and Protection Act](#) and the [Integrated Child Protection Scheme](#) could be extended to such vulnerable children only up to the age of 18.

**Note:** *Currently the beneficiaries under the ICDS Scheme are children in the age group of 0-6 years, pregnant women and lactating mothers.*

### 26. Extinguishing the tobacco industry's main narrative

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**Source:** This post is based on the article “**Extinguishing the tobacco industry’s main narrative**” published in The Hindu on **7th Jan 2022**.

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

**Relevance:** Public health, Taxes on tobacco.

**News:** Tobacco’s detrimental impact on public health is well documented. It kills more than 13 lakh Indians every year, while casting an annual economic burden of more than 1% of GDP.

Yet there’s been no significant tax increases on any of the tobacco products for the past four years since the introduction of GST in 2017. This has made these products affordable.

Meanwhile, the tobacco industry falsely claims that illicit trade in tobacco increases with an increase in the taxes on tobacco products.

### **Why tax tobacco products?**

As per research, price and tax measures are one of the most cost-effective steps to reduce the demand for tobacco products.

Tobacco products become expensive and people either quit using them or use them less.

### **Do tax increments lead to growth in illicit trade of tobacco?**

Tobacco industry estimates show that **illegal cigarette trade accounts for as much as 25% of the cigarette market in India**, and this will only increase with more taxation.

However, these estimates and conclusions are **not based on any transparent studies**.

Two studies published in **peer-reviewed scientific journals** in recent years have estimated that the percentage of **illicit cigarette trade falls in the range of 2.7%-6.6%** of the total market. This is very less than compared to claims of tobacco industry.

Any increase in taxes on tobacco products will **hurt both revenue and profits** of the tobacco industry, so it has always tried to resist any attempt of increase in taxes on tobacco products.

### **What are the factors that actually affect illicit trade?**

Taxes and prices are **not the key determinants** of illicit trade. There are several countries where tobacco taxes are quite high and yet have low levels of illicit trade and vice versa.

Numerous factors are known to play a larger role in determining the scale and the extent of an illicit market, like

- the quality of tax administration
- Strength of the regulatory framework
- Govt commitment to control illicit trade, etc

### **How has the WHO responded to this public health issue?**

WHO had introduced **Protocol to Eliminate Illicit Trade in Tobacco Products** that has eliminating all forms of illicit trade in tobacco as one of its principal goals. **India has ratified the protocol**.

The protocol provides the tools and the measures to eliminate or minimise illicit trade, including **strong governance, establishing an international track and trace system, and securing supply chains**.

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

Although estimated percentage of the illicit market for cigarettes in India is far lower than world average, but it has to find ways to eliminate even this small percentage.

Government should :

- to increase tax on tobacco products.
- implement other measures as suggested in WHO’s protocol.

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### 27. Japan-Australia defence agreement signals that middle powers are willing to play a more active role in the Indo-Pacific

**Source:** This post is based on the article “Japan-Australia defence agreement signals that middle powers are willing to play a more active role in the Indo-Pacific” published in **The Indian Express** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS2- India and its neighbourhood- relations.

**Relevance:** Indo-Pacific.

**News:** **Australia and Japan** recently signed a defence treaty called the **Reciprocal Access Agreement (RAA)** which has a great strategic significance for Asia and the Indo-Pacific.

#### What is the significance of the recently signed RAA?

It marks the **move away from a US-centric outlook** towards a greater focus on bilateral ties and regional groupings.

It is also a sign that **Japan is willing to play a more proactive role** in the region. Tokyo is trying to seek RAA-like agreements with the UK and France as well.

It provides the **middle powers** like Japan, Australia, India to **expand their cooperation** and build on the momentum created by the Quad.

It has **generated some predictable negative reaction** from China.

The agreement further cements the trends that are part of the changing security architecture in the region.

#### How is the security architecture changing in the Indo-Pacific?

**After the Second World War, security order** in Asia and the Indo-Pacific was marked by the **US's bilateral ties with various players**, while in Europe, regional groupings like NATO played a key role.

However, this has been **changing** recently due to the **rise of an assertive China**.

The following positive developments are leading to a more **empowered and committed regional strategic network** –

– The region has seen the formation of many regional groupings and bilateral initiatives like **Quadrilateral Security Dialogue** (or the Quad, with India, Japan, Australia and the US), the **AUKUS**, and now the **RAA**.

– Also, recently there has been a **greater acceptance of Japan's role as a strategic player in the region**, as countries like Vietnam and the Philippines have started looking towards it for support against Beijing.

These positive developments will lead to a more **empowered and committed regional strategic network**.

#### What are the reasons for these changes?

This has been enabled, among other factors, by **Australia's willingness to stand up to China** on the question of a free and open Indo-Pacific and rules-based global order, despite their deep economic ties.

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

India already has “2+2” ministerial dialogues with both Japan and Australia and has done much to expand bilateral, trilateral and regional cooperation in the security domain.

It **must also reach out to other players in the region**.

### 28. What the pandemic has revealed about the arts in India



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**Source:** This post is based on the article “**What the pandemic has revealed about the arts in India**” published in **The Indian express** on **7<sup>th</sup> Jan 2022**.

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

**Relevance:** Art in Post pandemic World.

**News:** Pandemic has effected probably every sector of the world, but Art is one area where its impact and its effect doesn't get the required attention.

### How has the pandemic affected art and the artists?

Pandemic has brought the **digital medium at the core of every sector** and has made the content creation a more powerful and impactful genre than the local art.

It has brought about the dangers of allowing social media to dictate art-making, while the **local artists struggle** to keep their artistry alive.

With the onset of pandemic, they have encountered several problems like **public spaces becoming “no-entry” zones**, tackling the **unpredictability** of the pandemic.

This has caused **emotional distress and economic ruin** to the small artists who do not have the resources to bridge the digital divide.

Artists who have been unable to work on the digital space have been left behind.

### What is the way forward?

The pandemic has forced the art fraternity to face tough questions like **what it means to be an artist**, the **role of technology**, the lack of any **economic fallback** and the **relationship of the artist with the audience**.

Concrete steps are needed to plan for those who are on the margins or have been pushed to the margins. We as a society need to ensure that the art and the artists do not disappear.

It is society's responsibility to **take care of its artists** and ensure that tenets of social justice are followed.

## 29. Write laws for Bharat

**Source:** This post is based on the article “**Write laws for Bharat**” published in Times of India on **7<sup>th</sup> Jan 2022**.

**Syllabus:** GS2- Structure, organization and functioning of the Executive and the Judiciary.

**Relevance:** Laws, judgements, public policy.

**News:** In the year 2021 Indian Parliament passed laws that had themes ranging from surrogacy to transportation of cargo via rivers. Supreme court also passed around **866 judgements**.

These affect almost every aspect of a citizen's existence, but despite affecting our life so deeply, they **are hardly publicly discussed**.

### Why are laws not a part of public debates?

**Long judgements & usage of Latin words:** Laws in India are still drafted in the same pattern as was done in the colonial era. They still involve **over usage of Latin words and very long sentences**.

– This makes them understandable only by lawyers and experts, and ordinary **citizens are unable to even comprehend them**.

– They are inaccessible. One of the reasons which also makes laws inaccessible is **the long judgements**.

**For instance:** The judgement of seven judges of the Supreme Court in **Champakam Dorairajan's case** (*the first judgment on the constitutionality of reservation in medical and engineering colleges*) was of mere **4 pages**.



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In comparison, the judgement of nine judges of the Supreme Court in [Indra Sawhney's case](#) in 1992 on the constitutionality of OBC reservation was of **556 pages**.

This is not because the issue was significantly more complex than in Champakam. It is primarily because, over the decades, little to no efforts were made to keep judgements shorter.

### How should the laws be instead drafted?

Laws should be SARAL- **simple, actionable, reasoned and accessible**.

Law should be simple that is in **very simple language**, capable of easy, automated translation and summary into any language spoken in India.

Making laws actionable means that they **should have necessary teeth** to make them meaningful.

Reasoned laws mean that they are **based on evidence and data rather than guesswork**

Laws should be **accessible**. For example: They should be **machine-readable and visually impaired friendly**.

### What is the way forward?

Judgements over the years have **become long due to unedited quoting of case law**, quoting **foreign law** unnecessarily, **copy-pasted reproduction of arguments** made by lawyers. This should be discouraged.

**Laws should be drafted in plain English**. Long judgement with wide use of Latin words is an approach derived from the United Kingdom, which has itself switched to drafting laws in plain English so that its citizens understand them.

**Pendency of cases:** In 2021, the number of pending cases is around **69,855**. Amongst these pending cases are matters of grave constitutional significance – the nullification of Article 370 and the Pegasus spyware case.

The Supreme Court **should bring in reforms to clear backlog**, as justice delayed is justice denied.

## 30. Infrastructure power play at the India China border

**Source:** This post is based on the article “**Infrastructure power play at the India China border**” published in **Times of India** on **7<sup>th</sup> Jan 2022**.

**Syllabus:** GS2- India and its neighbourhood- relations.

**Relevance:** Border Infrastructure, Indo- China relation.

**News:** Recently, Satellite images have revealed that the Chinese People's Liberation Army is constructing a bridge in eastern Ladakh connecting the north and south banks of Pangong Tso.

This area has been one of the five stand-off points in the tussle between India and China, and would reduce the distance for Chinese forces by 140 km.

### What have been the Chinese efforts at developing formidable border infrastructure?

Since 1999, China has constructed **dual-use infrastructure** in Tibet under its western development strategy.

Also, after 2015 the **speed of development has increased many folds** due to introduction of military reforms in China.

China has initiated many projects for border infrastructure like construction of **feeder roads** on the border, **railway lines, airports, helipads** and **border villages** across India-China and Bhutan-China borders.

It has built **628 border villages** in the areas bordering India and Bhutan.

China is developing these infra for **dual purpose** and thus plans to strategically connect these border points to the nearest border defensive unit regiment HQs

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### How will these projects be advantageous to China?

On completing these projects, China would be able to **assert its sovereignty on the disputed territories with India.**

It would **reduce the turn-around time for mobilisation and deployment of forces** from the interior.

It would help **support the forward-deployed border forces** for a longer duration through **improved logistics capabilities.**

This border infrastructure construction along with renaming 15 places in Arunachal, which it calls 'south Tibet', and the implementation of the land border law will help China to **consolidate its claims on Indian territories.**

**Must Read:** [The Chinese challenge uncovers India's fragilities](#)

### What steps have been taken by India?

India has taken the following initiatives:

- Construction of **long-pending border roads and bridges** for swift troop movement.
- Raising a **strike corps for emergency action.**
- Attempts to **modernise armed forces.**
- Raising the strike and **surveillance capabilities.**
- Building capacity to **expand the theatre of conflict** to the high seas.

### What are the challenges that India needs to overcome?

India needs to ensure that following challenges are overcome

- **Bureaucratic inertia**
- **Lack of coordination** between civilian and military establishments.
- **Budgetary limitations**
- **Reactionary nature of weapons acquisition policy** and streamline it so that the demand and supply gap is plugged.

### What is the way forward?

India needs to **plug loopholes fast in its administrative structure** so that it doesn't have to face severe consequences in terms of National security.

### 31. Muslim personal laws: Is it right to increase the age of marriage of women to 21?

**Source:** This post is based on the article "Is it right to increase the age of marriage of women to 21?" published in **The Hindu** on **7<sup>th</sup> Jan 2022.**

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

**Relevance:** To understand the issues in Muslim personal laws.

**News:** Recently, the government introduced the Prohibition of Child Marriage (Amendment) Bill, 2021, to raise the age of marriage for women from 18 years to 21 years. Some Muslim MPs in Parliament have called the Bill an attack on personal laws because it proposes that it will override the personal laws of Muslims, Parsis, Hindus and Christians.

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

### What are the previous instances of corrections in Muslim personal laws?

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The British government brought the **Shariat Application Act** way back in 1937. Two years later, the **Dissolution of Muslim Marriages Act** codified the divorce law and gave the right to Muslim women for divorce.

In the **Mohd. Ahmed Khan v. Shah Bano Begum case**, 1986, the SC favoured giving maintenance to an aggrieved divorced Muslim woman as envisaged under **Section 125 of the Code of Criminal Procedure**.

**Note:** Section 125 of the Code of Criminal Procedure provides that any person who has sufficient means to maintain himself cannot deny the maintenance to the wife, children, and parents if they are not able to maintain themselves.

In 1986, the government passed the **Muslim Women (Protection of Rights on Divorce) Act** to dilute the Shah Bano case judgement. But later in the **Danial Latifi judgment** the court reinforced the protection.

More recently, the **triple talaq legislation** came after Muslim women demanded intervention by the state to end this practice.

Overall, the Muslim personal law does not have fully codified laws, instead, they have only piecemeal legislation.

**Read more:** [Explained: Personal laws in marriage](#)

### Does the state codify laws for religious minorities?

The **Hindu Marriage Act** was codified in 1955. It includes the **Sikhs** and the **Buddhists**, who are religious minorities. There are laws for the Hindu community, which includes **Sikhs, Buddhists and the Jains**, who are a religious minority. So, the state recognises that each community is to be governed by their personal laws and if there are problems with the personal laws, then it steps in.

### What are the reasons for not codifying Muslim Personal Laws?

Muslim laws are not codified because of the kind of politics that played out at the time of Partition. The communalisation and the violence that Muslims faced during partition delayed the codification, and the issue of family law reform always took a back seat for that community.

For instance, the process of codification of laws began in 1937 for Muslims. If Partition had not happened, then Muslims would have had a codified law probably earlier than the Hindu community.

### What are the drawbacks of non-codifying Muslim personal laws?

Muslims comprise 15% of the population of this country. But, Progressive laws were deprived to the Muslim community. For instance, 1. prior to Shah Bano Begum case, Muslim women were deprived of Section 125 of CrPC, 2. 18 years as the year of marriage for girls is not fully implemented in the Muslim community.

### What should be done?

The state has to play its role whether you are a majority or a minority. Even if 21 years is not implemented and then the law as it exists today (18 years), should be made applicable to Muslims. To that extent, an amendment is necessary.

## 32. Liberalize the funding of non-profit ventures

**Source:** This post is based on the article "**Liberalize the funding of non-profit ventures**" published in **Live Mint** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS 2- Development Processes and the Development Industry

**Relevance:** NGO's and FCRA regulations.

**News:** Non-profit Organisations are subjected to strict norms in India.

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### How strict regulations for NGOs is affecting their survivability?

In 2015, The Centre amended the Foreign Contribution (Regulation) Act, to require the renewal of non-profit funding permits every five years. This led to delicensing of many NGO's. For instance, in 2015 and 2017, over 15,000 entities had lost their FCRA registration.

In 2020, the revised FCRA norms altered the functioning of NGOs further. The following conditions are enforced upon the NGOs:

- Overseas funds to NGOs should be deposited only into accounts held with the State Bank of India's main branch in Delhi.
- No subcontract jobs can be farmed out.
- Expense sheets should be submitted four times a year to show administrative costs no higher than 20% of their foreign intake.

### Consequence

1. The reduction of this cap from 50% earlier has impacted the financial capacities of many NGOs.
2. Further, 6,000 privately-run non-profit organizations across India lost their licenses for foreign funding.
3. Moreover, Strict norms have resulted in delicensing of many NGOs. For instance, Recently, Mother Teresa's Missionaries of Charity, Oxfam, and Indian Medical Association lost their permit for an alleged failure to meet renewal conditions.

### 33. Worrying trends in nutrition indicators in NFHS-5 data

**Source:** This post is developed based on the article "**Worrying trends in nutrition indicators in NFHS-5 data**" published in **Indian Express on 7th January 2022.**

**Syllabus:** GS Paper 2 – Social Issues – Issues related to health

**News:** The [National Family Health Survey \(NFHS\)-5](#) data provides certain key data regarding the level of nutrition in the country.

**What are the findings of NFHS on nutrition?**

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

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

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

**What are suggestions to improve the situation?**

One of the reasons behind slow progress on nutritional indicators is the **foundational nutritional deficit**. The percentage of children below two years receiving an adequate diet is very low. Thus, for a rapid improvement in nutritional indicators, foundational nutrition must be improved.

**India's nutrition programmes must undergo a periodic review.** [Integrated Child Development Services](#) (ICDS), which is perceived as the guardian of the nation's nutritional well-being must reassess itself and address critical intervention gaps.

**The fertility divide** can have several socio-economic and political repercussions. Thus, adequate attention must be given in the policymaking and social levels to this issue.

**Read more:** [Don't ignore context of NFHS data](#)

### 34. China's new land boundary law fits in its expansionism

**Source:** This post is based on the article "**China's new land boundary law fits in its expansionism**" published in **The Indian express on 8th Jan 2022.**

**Syllabus:** GS2-India and its neighbourhood- relations.

**Relevance:** Indo-China relations.



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**News:** China has been over the years aggressively pushing for consolidating its claims on border territories disputed with India through various steps like building Border Infrastructure, modernising its armed forces etc.

The latest in line of these measures is the introduction of a **new land border law**.

### **What is this new land border law?**

Read [here](#).

### **How will this new law affect India?**

China with the help of this law will try to **convert a territory dispute over borders into a sovereignty dispute** and prevent any give or take of territory.

Also, China will attempt to **settle its Han population in the border villages** of Tibetan regions, reversing established demographic patterns.

It will also help it to make any negotiation beyond the limits of these villages an impossible process.

As according to the **Border Defence Cooperation Agreements of 2005 and 2012**, any negotiations for border settlements will be done keeping in mind the convenience of the local population in the border regions.

### **What has been China's history in terms of its expansionist tendencies?**

Chinese have always been an expansionist civilisation.

From the days of **Qing dynasty to the 20th century** they have resisted several occasions where the other parties have involved to delineate the boundary with China.

Even during the **Simla Convention of 1913-14**, China refused to recognise any demarcation of boundaries between Tibet and China.

**Note- Simla Convention** *officially the Convention Between Great Britain, China, and Tibet was an ambiguous treaty concerning the status of Tibet negotiated by representatives of the Republic of China, Tibet and Great Britain.*

Since then, China has attempted to increase its territorial reach through **alleged ancient maps, ambiguous treaties and declarations**.

### **What is the Current Chinese expansionist strategy like?**

China has till now used the strong-arm tactics with both India and Bhutan but has now changed its strategy of dealing with Bhutan.





It has offered to forgo its claims in the larger parts of North Bhutan in lieu of gaining a relatively smaller area in West Bhutan.

This will help China in **expanding into the Chumbi Valley** in the South, threatening the narrow and strategic Siliguri corridor in India.

It has also made a new claim on **Sakteng sanctuary in Bhutan** which may form a launchpad for future operations against Tawang in Arunachal Pradesh.

China has also strengthened its operation with its **all weather friend Pakistan**. China has a lot of **army personnel exchange program** with it.

China has been giving “**confrontational training**” to its troops and officers to prepare them for any emergency action.

#### **What can be the reasons for the recent aggressive expansionist tendencies of China?**

The recent stand-off at Ladakh may be triggered due to following factors apart from the general expansionist tendencies of Beijing:

- **Abrogation of Article 370** in Jammu and Kashmir.
- India's rapid **development of communications** in the border areas (roads, habitats and airfields).
- **Modernisation** of India's **Armed Forces**.
- Attempt by China to **physically link with Pakistan in the Northern Areas** by removing the Indian wedge of **DBO (Daulat beg oldie)** which can serve as **the doorway to the Karakoram Pass**.

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

India **cannot** rely exclusively on **purely military actions** and will need a **comprehensive strategy** to overcome its disadvantages and secure a long term solution.

#### **35. As parties get an EC raise, the high ambition and low reach of poll expense limits**

**Source:** This post is based on the article “**As parties get an EC raise, the high ambition and low reach of poll expense limits**” published in **The Indian express** on **7<sup>th</sup> Jan 2022**.

**Syllabus:** GS2- Salient features of the Representation of People's Act.

**Relevance:** Election expenses.

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**News: Election Commission** has raised the expenditure limit of candidates to **Rs 95 lakh** (up from Rs 70 lakh) each for Lok Sabha elections, and up to Rs 40 lakh (up from Rs 28 lakh) for Assembly polls. Similarly, for smaller states the new limit is Rs 28 lakh, up from Rs 20 lakh.

### What is meant by election expenditure limit?

Expenditure limit refers to the amount a candidate is allowed to **legally spend on election campaigning, including** public meetings, rallies, advertisements, posters and banners, and vehicles.

**All candidates** are required to submit their expenditure statement **to the EC within 30 days of completion of an election.**

There **is no limit on how much a political party can spend** on elections, but they have to submit a statement of their expenditure to the EC within 90 days of completion of the elections.

The money spent on star campaigners is credited to the party's account rather than the candidate.

### What are the reasons for the revision of the election expense?

**Rise in number of electors:** Number of total voters in the country has increased from 834 million in 2014 to 936 million now.

This means that each candidate is covering a much larger group of electors.

**Cost Inflation Index (CPI)**– has gone up from '240' in FY 2014-15 to '317' in current FY.

It is used to estimate the increase in prices of goods and assets and fall in purchasing power of money year-on-year due to inflation.

EC had also set up a **committee in 2020**, comprising retired IRS officer **Harish Kumar**, and other senior officers of the election commission to consider the change in the expense limits.

**Demand by Political Parties**–Political parties have time and again argued that the limit on the legal expenditure of candidates is not realistic.

They also wanted the election expense to be revised to cover the added expense parties had to bear due to **digital campaigning** on account of Covid.

### What are the legal provisions regarding election expenditure?

**Section 77** of the **Representation of the People Act (RPA), 1951** mentions that every candidate must keep an account of all expenditure incurred from the date on which they are nominated to the date of declaration of the result.

**Section 10A** of the Act also states that an incorrect account or expenditure beyond the cap can lead to disqualification of a candidate for up to three years.

### Have there been any studies about election expenses in India?

**Association for Democratic Reforms (ADR)** in 2021 did a study analysing election expenditure statements of 538 of 543 MPs elected in 2019.

This showed that they had on paper spent an average amount of Rs 50.84 lakh, or 73% of the expense limit.

### 36. Instability in Kazakhstan will resonate in regional geopolitics

**Source:** This post is based on the following articles: "**Instability in Kazakhstan will resonate in regional geopolitics**" published in the **Indian Express** on **8th January 2022.**

"**Russia led troops deployed in Kazakhstan**" published in **The Hindu** on **8th January 2022.**

**Syllabus:** GS 2 International Relations.

**Reference:** Understanding the ongoing crisis in Kazakhstan.

**News:** Violent unrest has been taken in Kazakhstan after the increase in fuel prices.

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### What are the reasons for the crisis in Kazakhstan?

1) Rise in LPG prices 2) Inflation 3) Unrest against the authoritarian government.

**Read more:** [India – Central Asia Relations – Explained, pointwise](#)

### What are the consequences of the protest?

- Killings of dozens of security and police personnel and arrest of over 2000 protesters.
- Possibility of bringing disturbance in the Central Asian region, especially after the Taliban takeover.
- It can complicate India plans to bring stability in the region.

**Also read:** [Explained: Why is India hosting an NSAs' meeting on Afghanistan with regional players?](#)

### Importance of Kazakhstan

Despite having an autocratic government and having a deeply unequal society, the country holds significant strategic importance in the region. This is the reason that neither China nor Russia can afford political instability, and Russia continues to be the main security provider in the region.

### How is the Kazakhstan government handling the crisis?

Kazakhstan is seeking military aid from the [Collective Security Treaty Organisation](#) — a Russia-led security alliance of former Soviet republics and Russian “peacekeeping” troops to bring stability to the region.

**Read More:** [India's quest for connectivity to Central Asia](#)

### 37. Suggestions to Improve the performance of BIS: BIS celebrates its 75th Anniversary

**Source:** This post is based on the article ‘[BIS celebrates its 75th Anniversary](#)’ published in **PIB** on **8th Jan 2022**.

**Syllabus:** GS2- Statutory, regulatory and various quasi-judicial bodies.

**Relevance:** Ways to improve the performance of BIS.

**News:** The Union Consumer Affairs Minister has addressed the 75th-anniversary event of the Bureau of Indian Standards(BIS).

[Click Here to Read about Bureau of Indian Standards\(BIS\)](#)

### What are the key suggestions given by the Union Consumer Affairs Minister to Improve the performance of BIS?

**Firstly**, BIS should move from the concept of 3S- Speed, Skill and Scale to 4S – Speed, Skill, Scale and Standards.

**Secondly**, BIS has been contributing to the national economy through its core activities of “Standardization and Certification”. Now it is time for BIS to plan and chart out a **25-year agenda until 2047**.

**Thirdly**, BIS should be a facilitator, not an obstructor. It should develop as a global organization by learning from the experiences of other countries and integrating with international standards.

**Fourthly**, BIS should bring a quality or standard revolution through [One Nation One Standard](#). But while ensuring quality, it should not become expensive.

**Fifthly**, BIS should work on GAP analysis to assess attesting laboratory needs of the country and set up high-quality modern labs across India.

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**Note: A GAP analysis is the process companies use to compare their current performance with their desired, expected performance.**

### 1. Control rather than Privacy

**Source:** This post is based on the article “Control rather than Privacy” published in **TheHindu** on 10<sup>th</sup> Jan 2022.

**Syllabus:** GS2- Parliament and State Legislatures – structure, functioning.

**News:** The Puttaswamy judgment and the Justice B.N. Srikrishna committee report led to the introduction of the Personal Data Protection Bill of 2019.

The bill was sent to a joint parliamentary committee for further scrutiny, which has now submitted its report.

Although there are some concerns regarding the same.

What are the concerns regarding the joint committee report on personal data protection bill?

**Greater compliance burden on private sector:** Report has divided the digital world into two domains — government and private, and puts a greater burden on private sector to comply with the privacy norms while almost exempting the state from the same.

– **Clause 35 exempts government agencies from the entire Act** itself. **Clause 12** states that personal data can be processed without consent for the performance of any function of the state. The issue is that this is an umbrella clause **that does not specify which ministries or departments will be covered.**

– In one of the clause of the bill, it states that, “harm includes any observation or surveillance that is **not reasonably expected** by the data principal”. This means if that someone faced a data breach situation as a consequence of their own action of say suppose installing an app or a software then the privacy clause will not apply there. This clause can be used against the data principals.

**Data protection authority:** The act also talks about a Data protection authority (DPA). The **conditions of appointment** of the DPA also raise concerns.

Although the Justice Srikrishna committee report provided for a judicial overlook in the appointments of the DPA, the bill approved by the committee **rests the power to appoint the panelists vests with the Central government.**

**Clause 86 bounds the authority to follow the directions of the Central Government** under all cases, and not just on questions of policy.

– Also, appointment of the authority **violates the principle of federalism.** Because the issue involves internal data flow and the States are key stakeholders in the process. Apart from this **‘public order’ is an entry in the State List** (which can be one of the reasons on which directions to allow processing of data can be issued), this makes involving states also important.

**Non-personal data:** The committee has included the non-personal data within the ambit of the Bill.

This will put a **lot of burden on the MSME sector and small businesses,** as technical processes involving data-sharing are very expensive.



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Government-constituted **panel headed by S. Gopalkrishnan** also opposed the idea of including non-personal data in the Bill as Mandatory data localisation will according to some estimates **squeeze the economy by 0.7-1.7%**.

### 2. Discretionary powers of the governor: Some Raj Bhavans are on the war path

**Source:** This post is based on the article “Some Raj Bhavans are on the war path” published in *The Hindu* on 10th January 2022.

**Syllabus:** GS 2 Functions and responsibilities of the Union and the States.

**News:** There have been some incidents that show the friction between the delicate relationships of the constitutional head of state and the elected government.

#### What were the incidents all about?

**Maharashtra:** Governor refused to accept the date of election of the Speaker recommended by the State government.

However, this refusal goes against the principle of constitutional government. Under **Article 178**, the constitution did not assign any role to the governor in the election of the speaker. It is the house rule which says the governor shall fix the date. So, if the governor refused to accept the date of the election, the house can make amendments to that particular rule which empowers the governor to fix the date. It is the **first time in the history that governor refused to fix the date of the election** and so the election has not been held.

**Kerala:** Governor alleged that he made the reappointment of Vice-Chancellor of Kannur University under the pressure of the Kerala government. Although, the reappointment has been done in accordance with the law. Further, the governor said that he does not want to hold the position of chancellor, which he got in an ex officio capacity.

This move has been in question as here the governor was not required to act on the advice of the Council of Ministers, also clarified by Supreme Court in **Gopalakrishnan vs Chancellor, University of Kerala** case. Here the governor can act independently, and make the choice considering the merit of the appointee before signing the appointment letter.

Other instances have been witnessed in other states like West Bengal, Rajasthan etc where the differences have been visible.

Also read: [Reasons for frictions between Puducherry CM and LG](#)

#### About the discretionary powers of the governor

Before independence, the governor was the absolute ruler of the province, who was answerable only to His Majesty. B.R. Ambedkar, while framing the constitution, ensured to make governor only a constitutional head and to vest executive powers in the elected government. But, at the same time, certain discretionary powers have been allotted to the government to ensure independence.

The powers of government in the constitution create some ambiguity. **Article 163**, which was simply re-produced from section 50 of the Government of India Act in 1935, introduced vagueness about the actual powers of the governor. This was corrected by the Supreme Court of India in **Shamsher Singh(1974) case** and later in **Nabam Rebia (2016)**. The courts have held that the executive power of the governor can only be exercised with aid and advice of the council of ministers, except

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in exceptional circumstances.

Read here: [Governor's discretion has its limits](#)

### How the governor should work?

It was seen that that confrontation takes place only in opposition-ruled states, which shows that **political expediency has overtaken constitutional propriety**. The governor should work in an impartial manner and should not try to create a parallel government.

In the words of **Pandit Thakur Das Bhargava**, “the governor will be a man above party, and he will look at the minister and government from a detached standpoint”

### 3. Unchanged: On EWS quota income norm

**Source:** This post is based on the article “**Unchanged: On EWS quota income norm**” published in **The Hindu** on **10th January 2022**.

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

**News:** Supreme Court has allowed the commencement of counselling for postgraduate medical admissions under [All India Quota scheme](#).

What is the background of the development?

**Read here:** [Income Criteria for the Economically Weaker Sections \(EWS\) in India](#)

**- Explained, pointwise**

### What is the decision made by the Supreme Court?

The court has upheld the 27% quota for OBCs. However, despite several hearings and the formation of an expert committee, the controversial criteria of income capping for economically weaker sections have remained unchanged for now.

**Read here:** [NEET counselling can begin under existing EWS criteria: Supreme Court](#)

### What should be the way forward?

The courts have held that the admissions process cannot be delayed further. The committee constituted to revisit the income criteria for OBC and EWS should submit its report at the earliest.

Read here: [Retain Rs 8 lakh EWS cap for admissions, recommends panel](#)

### 4. NFHS-5: Reading NHFS-5 data to understand India's health, population outlook

**Source:** This post is based on the article “**Reading NHFS-5 data to understand India's health, population outlook**” published in the **Indian Express** on **10th January 2022**.

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

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**News:** The government of India recently released National Family Health Survey 5 (NFHS-5) data. The data shows some promising trends and some areas of concern.

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

### What are the findings of the National Family Health Survey 5?

**Read here:** [What does NFHS-5 data tell us about state of women empowerment in India](#)

**Population stabilization:** The current levels of TFR set the stage for population stabilisation. Currently, the population growth rate is estimated to be 1.37% according to SRS(2018).

This will continue to decline, but the population will continue to grow because of population momentum resulting from a large number of people entering the reproductive age group of 15- 49 years. Thus, it can be said that the UN population division's estimate of population peaking at 165 crores around 2050 will be realized.

**Sex ratio at birth:** The SRB, as per the SRS report 2018, sex ratio at birth had declined from 906 in 2011 to 899 in 2018. Though NFHS-4 estimated it to be 919 in 2015–16, according to

NFHS-5 estimates, SRB has increased to 929. This is encouraging. However, it has decreased in states like Tamil Nadu, Kerala, Bihar and Jharkhand among others.

Read here: [Reading sex ratio trends in NFHS 5 data](#)

**Stunted children:** The proportion of stunted children below the age of five has marginally declined from 38.4% to 35.4%. This has been witnessed in all states except Himachal Pradesh, Kerala and Telangana. Poor diet among children less than 23 months of age is the major cause.

### 5. Health Infrastructure: PM bats for health infra at district level

**Source:** This post is based on the article "PM bats for health infra at district level" published in the **Livemint** on **10th January 2022**.

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

**News:** While putting vaccination for adolescents in "mission mode", the Prime minister stressed the need to ensure adequate health infrastructure at the district level.

Read more: [How to fix India's creaking health infrastructure?](#)

### What steps should be adopted to improve health infrastructure amid Omicron?

- Government should work towards Upgrading health infrastructure, testing capacity, availability of oxygen beds and ICUs, buffer stock of essential drugs under Emergency Covid Response Package (ECRP ii)
- 31% of adolescents aged 15-18 years have received their 1st jab of vaccination. Further, the contribution of various stakeholders is required to accelerate the vaccination drive for adolescents.
- Government should ensure the availability of telemedicine to ensure the availability

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of health- related guidance to people in remote and rural areas.

Read more: [PM ABHIM \(Ayushman Bharat Health Infrastructure Mission\)](#)

### - Explained pointwise

- Awareness among people to wear masks and adoption of physical distancing methods.
- Adoption of home isolation methods for mild symptoms or in case of asymptomatic cases.
- Dissemination of factual information to the community.

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

## 6. Tuberculosis(TB): We can't afford to neglect TB care

**Source:** This post is based on the article “We can't afford to neglect TB care” published in the Indian Express on 10th January 2022.

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

**News:** COVID-19 pandemic put health systems under great stress. The government announced a [policy to bolster public health](#) by pledging four new national virology institutes, nine new high containment laboratories and the National Institute of one health. Unfortunately, it did not address other infectious diseases like tuberculosis.

**Read here:** [COVID-19 reverses decades of progress in TB elimination, India worst-hit: WHO](#)

### **What is the challenge posed by tuberculosis in India?**

According to **WHO's global TB report 2021**, with 25.9 lakh TB cases, India is home to 25% of the global tuberculosis cases. India reported an 18% decline in case notifications. The country reported 18 lakh tuberculosis cases in 2020 as compared to 24 lakh in 2019.

Fear of Covid lockdowns, economic stress discouraged people from visiting medical facilities to notify of the disease and to get treatment.

Read here: [Fewer TB deaths in India: WHO:](#)

### **What steps have been taken for TB elimination?**

India has increased the budget to tackle disease by four times. The **National Strategic Plan for TB elimination** has taken initiatives towards the elimination of TB by 2025. TB elimination also requires an increased level of awareness among people.

Read here: [Eliminating Tuberculosis \(TB\)](#)

The government has organized **Active Case Finding (ACF)** drives Under the **National TB elimination programme**. This drive is implemented systematic screening of TB among vulnerable populations and has helped in early case detection. During the pandemic in 2020,

17.9 crore people were screened and 52,273 TB cases were identified.



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What should be the way forward?

A sense of **community ownership** and **public participation** is intrinsic to any TB elimination programme. Collectively, through a Jan Andolan against TB, the goal of TB Mukta Bharat can be achieved.

Read here: [Health Ministry explores AI for combating tuberculosis](#)

### 7. Why India Needs A Fiscal Council

**Source:** This post is based on the article “Why India Needs A Fiscal Council” published in **Tol** on 10<sup>th</sup> Jan 2022.

**News:** Recently, the Union Minister of State for Finance in a written reply to the Parliament ruled out setting up of a fiscal council, which was recommended by the FRBM Review Committee.

It was reasoned that, there are institutions that already perform some or all of the proposed functions of the Fiscal Council. For example, the Comptroller and Auditor General (CAG), National Statistical Commission and the Finance Commission.

However, this article argues the need for institutionalising Fiscal council and its consequent benefits.

What are the functions of the fiscal council?

The 15th Finance Commission has listed a number of functions for the Fiscal Council, which are

**One**, providing multi-year macro-economic and fiscal forecasts.

**Two**, evaluating fiscal performances vis-à-vis targets across all levels of government. **Three**, assessing the appropriateness and consistency of fiscal targets in the states. **Four**, undertake an independent assessment of long-term fiscal sustainability.

**Five**, assessing fiscal policy statements by governments under fiscal responsibility legislations. **Six**, advising on the conditions for using escape clauses under fiscal responsibility legislations. **Seven**, policy costing of new measures with significant fiscal implications.

**Eight**, providing analytical support to the Finance Commissions and publishing all their reports and underlying methodologies. FRBM mechanism hasn't delivered.

Why Setting up of the fiscal council is important?

**International Experience:** 30 developed and emerging market economies have found it necessary to have such an institution. For example, Congressional Budget Office in the US, Office of Budget Responsibility in the UK, Parliamentary Budget Office in Australia.

**Recommended by the 15th Finance Commission:** it has argued that setting up a Fiscal Council is an essential part of the 21st century fiscal architecture.

Further, it has stated that the absence of an independent fiscal institution to assess and evaluate the fiscal plan as well as performance and forecasts published by the governments has further diminished the capacity to monitor

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compliance.

**Case studies by the IMF and OECD:** It has confirmed that independent fiscal institutions effectively complements fiscal rules in monitoring their effective implementation and have contributed to improved fiscal performances.

**Work of Fiscal council is different from the work of other institutions:** For example, institutions like CAG or the Statistical Commission or the Finance Commission does ex-post analysis. Whereas the Fiscal council does Budgetary forecasts to evaluate the realism of the budget estimates, and monitor progress and conformity to fiscal rules.

**Fiscal Council will enhance the effectiveness of the FRBM process.** The FRBM process as it exists now has several shortcomings.

For example, failure to achieve the fiscal targets, lack of credibility on budgets due to shifting goal posts, creative accounting, creating new concepts such as effective revenue deficit, off- budget financing of expenditures etc.,

### Other advantages

It will safeguard against government failure.

It helps to bring in an additional layer of legislative scrutiny, raise public awareness and makes the system more comprehensive and transparent.

### 8. At WTO, China a developing country-Why many nations are raising concerns

**Source:** This post is based on the article “At WTO, China a developing country-Why many nations are raising concerns” published in The Indian express on 11th Jan 2022.

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

**News:** China’s status as a ‘developing country’ at the World Trade Organization (WTO) has become a contentious issue.

A number of countries have raised concerns over the upper middle-income nation deriving benefits reserved for developing countries under WTO norms.

Moreover, **concerns** have been raised over the ‘**least developed country**’ (LDC) status, with Bangladesh potentially losing this tag after surpassing India in terms of GDP per capita.

**Must Read:** [India questions China’s developing country status on per capita basis](#)

### What are the benefits associated with developing country status?

Certain WTO agreements give developing countries special rights through ‘special and differential treatment’ (S&DT).

More on this [here](#).

It also allows other countries to offer preferential treatment.

### How is a ‘developing country’ status decided?

WTO has not defined ‘developed’ and ‘developing’ countries and therefore member countries are free to announce whether they are ‘developed’ or ‘developing’.

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Which all countries have objected to China's developing country status?

Please refer [here](#).

Why are so many countries objecting to China's developing country status?

China's per capita income has come to a level of **upper middle-income country**, according to the **World Bank's classification**.

Apart from this it has been alleged of unfair trade practices such as preferential treatment for state enterprises, data restrictions and inadequate enforcement of intellectual property rights.

How has China responded? What would be the impact of China losing this status?

China has in the past reacted quite negatively to such views by the countries, and has also maintained that it is the "world's largest developing economy".

**For more:** Read [here](#).

However, it has **recently indicated that it may be willing to forego many benefits** of being a developing country.

**For example:** It may forego all exemptions available to developing countries in negotiations aimed at cutting fishing subsidies to curb overfishing.

If China in future decides to forego the developing country status, It would impact negotiations in future agreements.

What are LDCs, and what are the benefits of LDC classification?

WTO recognises **Least developed countries (LDCs)** relying on a classification by the UN. It is based on a criterion that is reviewed every three years.

LDCs are often exempted from certain provisions of WTO pacts.

**Bangladesh**, currently classified as an LDC, receives zero duty, zero quota access for almost all exports to the EU.

It is, however, set to **lose its LDC status in 2026** as its **per capita GDP has risen sharply, surpassing that of India in FY21**.

### 9. How India has approached customary international law

**Source:** This post is based on the article "How India has approached customary international law" published in **The Indian express** on **11<sup>th</sup> Jan 2022**.

**Syllabus:** GS2-Structure, organization and functioning of the Executive and the Judiciary.

**News:** Parliamentary committee on external affairs has presented a report titled "India and international law" in the Lok Sabha.

The report discusses how Indian courts have dealt with international law.

What is International customary law (CIL)?

CIL refers to **international law norms derived from a custom**. They are binding legal rules that have developed on global or region levels through continued practice.

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What has been India's stand towards CIL?

Committee observed that India follows the **principle of "dualism"**.

This means that international law does not automatically get incorporated into the domestic legal regime.

As per **Article 253** of the Indian Constitution, an act of Parliament is necessary to transform international law into municipal law.

However, according to the analysis of the committee, **the Supreme Court has digressed from the principle of dualism.**

What has been the Supreme Court's stand on CIL?

Supreme Court moved **from the principle of dualism towards monism.**

SC has been of the view that **customary international law (CIL)**, unless contradictory to domestic law, is **part of the Indian legal regime** even if the parliament has not enacted a law for that.

In **Vellore Citizens Welfare Forum v. Union of India** it held that CIL which is not contrary to the municipal law shall be deemed to have been incorporated in India's domestic law.

This principle has been affirmed in subsequent decisions like in **Research Foundation for Science v. Union of India**. Here, the SC, relying on the Vellore Citizen case, declared that the **precautionary principle**, an environmental law concept, **is part of CIL and thus part of Indian law.**

What are the positives of this practice?

Most countries have been incorporating CIL as part of the domestic legal regime, so the Supreme court's practice is **in line with international practice.**

It provides judiciary with an opportunity for **making the law progressive**, esp when the executive and the parliament for ideological or political persuasions fail to enact laws transforming a liberal international legal norm into domestic law.

What are the challenges that still remain?

CIL is sometimes very easily accepted as part of Indian law. For instance, the Supreme Court quite readily accepted the precautionary principle, but it is yet to get wide global acceptance.

However, SC **hasn't been consistent** in incorporating CIL. **Example:** In the Mohamad Salimullah v. Union of India, the court refused to stop the deportation of Rohingya refugees to Myanmar despite the principle of **nonrefoulement** being part of CIL.

It **goes against the democratic practice** and creates a **democratic deficit.**

As judicial incorporation of international law is the violation of separation of power and judiciary overtaking Parliament's right. The committee argues that this could become a bone of contention between the judiciary and the other organs of the state.



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What is the way forward?

India has indeed moved away from the principle of dualism towards monism by judicially incorporating not just CIL but also international treaties, including those treaties that India has not signed.

**Recommendation for executive:** However, the Committee recommends that the **executive** should try to fill in the vacuum in domestic legislation on customary international law and should develop adequate domestic law.

**Recommendation for the Judiciary:** Determination of whether a particular provision should be treated as a binding customary norm under international law requires the fulfilment of two conditions.

One that the **state practices it** and second of the **opinio juris** (belief that the custom is part of the law). The Supreme Court needs to conduct such an analysis before incorporating the CIL in domestic law.

### 10. Geopolitics of Eurasia: Understanding the Eurasian turmoil

**Source:** This post is based on the article “[Understanding the Eurasian turmoil](#)” published in the Indian Express on 11th January 2022.

**Syllabus:** GS 2 International Relations.

**News:** Protests in Kazakhstan and other areas like Belarus, Ukraine, Caucasus have the potential to reshape the geopolitics of Eurasia. Russia, with its geographic spread across Eurasia, is at the very centre of this restructuring.

What are the parameters involved in the geopolitics of Eurasia?

**The internal political evolution of Eurasian state:** post-Communist states have not been settled on a sustainable political path. In Central Europe and the Baltic States, the transition to liberal democracy appeared to be quick. While many other former Soviet republics drifted into the rule of strong men. Both models are under stress as democratic backsliding in Hungary and Poland challenges the norms of the European Union.

**Read here:** [Instability in Kazakhstan will resonate in regional geopolitics](#)

**The weaknesses of economic globalisation:** Despite being resource-rich and embracing economic globalisation, the leaders of Central Asian republics like Kazakhstan have ensured an inequitable society.

**The limitations of regional institutions:** The hope that regional institutes contributing to the stability of post-communist states have not been met. Even after joining the EU, the eastern and western halves of Europe are vastly different. Several issues related to the Rule of Law, migration, energy and geopolitics act as dividing factors. There is also resentment in the eastern half about the domination of the western half on EU policymaking.

Russia has launched the Eurasian Economic Union and the [Collective Security Treaty Organisation](#) to re-establish its primacy in Eurasia, but not been successful yet. Russia joined [SCO](#) with China, to bring stability in the Central Asian region.

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**The constraints on powers to shape the post-Russian space:** To lessen their dependency on Russia, many former members of the Soviet Union are engaging with all major powers to strengthen their strategic autonomy, which Nazarbayev called “**multi-vector diplomacy**”. But still, countries like Kazakhstan are dependent on Russia, when any crisis arises.

In [Ukraine Conflict](#), Russia prefers to negotiate with the USA rather than the EU. In Kazakhstan, Russia has shown it remains the main security provider despite the considerable economic salience of China. Hence, major economic power such as the EU and China have been unable to shape the political and security dynamic in Eurasia.

Read here: [Why the Russia-West equation matters to India](#)

Russia is the strong actor in the region, it still needs to accommodate European security with the west including areas such as independence and neutrality and de-escalation of little confrontation in heart of Europe.

### 11. The sail that Indian diplomacy, statecraft need

**Source:** This post is based on the article “**The sail that Indian diplomacy, statecraft need**” published in **The Hindu** on 11<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – India- Eurasia relation

**News:** Striking the right balance between continental and maritime security would be the best for India’s long-term security interests.

In this context, India’s decision to host the five Central Asia leaders at the Republic Day Parade holds significance for India’s continental security.

### How India has progressed in terms of Maritime security?

More recently, India has taken many ambitious steps to correct the historic neglect of India’s maritime power and also as a response to the dramatic rise of China as a military power. **For instance,**

- National Maritime Strategy,
- Security and Growth for All in the Region (SAGAR) initiative for the Indian Ocean Region
- Initiatives relating to the Indo-Pacific and the Quad.

**Why focusing only on Maritime security is not sufficient for India’s security interest?** Maritime security is important to keep sea lanes open for trade, commerce, and freedom of navigation.

It will aid in resisting Chinese territorial aggrandizement in the South China Sea and elsewhere.

It will also help littoral states resist Chinese bullying tactics in interstate relations. However, maritime security alone is not sufficient for India to deter Chinese unilateral actions and the emergence of a unipolar Asia.

Because China’s rise is not merely in the maritime domain. It is expanding on the Eurasian continent. For example, Belt and Road Initiative projects in Central Asia and its dependency- creating investments, cyber and digital penetration across the Eurasian continent.

Hence, a continental strategy focusing on the Eurasian continent is necessary for

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India.

### Why focusing on Eurasia is important for India?

For India's continental strategy, the Central Asian region is an indispensable link as India is faced with border and connectivity issues. For example, a persistent two-front threat from Pakistan and China.

Increased militarisation of the borders with Pakistan and China

India has been subject for over five decades to a land embargo by Pakistan. Difficulties have arisen in operationalising an alternative route through the International North-South Transport Corridor on account of the U.S.'s hostile attitude towards Iran.

With the recent Afghan developments, India's physical connectivity challenges with Eurasia have worsened.

### Why evolving an effective continental strategy focusing on Eurasia will be a complex and long-term exercise for India?

Eurasian continent is presented with many issues/challenges currently, so this will not be easy for India as we would need to work with different partners on different agendas. For example,

The assertive rise of China.

The withdrawal of forces of the United States/North Atlantic Treaty Organization (NATO) from Afghanistan.

The rise of Islamic fundamentalist forces

The changing dynamics of the historic stabilising role of Russia (most recently in Kazakhstan). Interests in multilateral mechanisms of that region. For example, the Shanghai Cooperation Organization (SCO), the Collective Security Treaty Organisation, and the Eurasian Economic Union.

Threat to Eurasian Security due to the ongoing rivalry between the U.S and Russia confrontation relating to Ukraine, Russian opposition to future NATO expansion, and new deployment of intermediate-range missiles.

### What are the steps taken to bolster India's relation with Central Asia?

In 2015, Mr. Modi visited all the five Central Asian states.

Recently, National Security Adviser Ajit Doval and External Affairs Minister S. Jaishankar also hosted their Central Asian counterparts in Delhi.

### What is the way forward?

India needs to acquire strategic vision and deploy the necessary resources to pursue our continental interests without ignoring our interests in the maritime domain.

Further, India should push for our continental rights, namely that of transit and access, working with our partners in Central Asia, with Iran and Russia.

Need for more proactive engagement with economic and security agendas ranging from the SCO, Eurasian Economic Union (EAEU) and the Collective Security Treaty Organization (CSTO).

Stabilising Afghanistan is also necessary.

India will need to define its own parameters of continental and maritime security consistent with its own interests.

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### 12. Bilateral Investment Treaties: A BIT to review

**Source:** This post is based on the article “A BIT to review” published in **The Hindu** on **11th January 2022**.

**Syllabus:** GS 2 Bilateral, regional and global groupings and agreements involving India

**News:** Recently, the standing committee on external affairs presented its report on India and [Bilateral Investment Treaties](#) (BITs). It is important as it comes a decade after India lost the first investment treaty claim in 2011 (White industries vs India).

**Note:** In November 2011, an arbitral tribunal found the Republic of India guilty of violating the India-Australia bilateral investment treaty (BIT). It is the first known investment-treaty ruling against India.

*In this case, an Australian mining company, White Industries Ltd. complained that the Indian court failed to enforce an ICC award rendered in its favour in 2002 in a commercial arbitration*

*between White and its local partner, Coal India Limited.*

Why such changes were needed?

**First**, since the White industries case, foreign investors have sued India around 20 times. This made India the 10th most frequent respondent state globally in the investor-state dispute settlement (ISDS) claims from 1987 to 2019 ([UNCTAD](#)).

**Read more:** [Cairn Energy dispute and Government disputes with private entities](#)

**- Explained, pointwise**

**Second**, India adopted a new model BIT in 2016 which was a significant departure from its previous treaty practice.

**Third**, India is in the process of negotiating new investment deals with countries like Australia and the UK.

**Read here:** [Need for a balanced approach on ‘Bilateral Investment Treaty’ for India](#)

**What are the recommendations made by the standing committee on external affairs? First**, it showed its discontentment at the fact that India has signed very few investment treaties after the adoption of model BIT. It recommended that India should expedite the existing negotiations.

**Second**, the committee recognizes the potential of BITs in attracting foreign direct investment. The committee recommended that India should sign more BITs in core or priority sectors.

**Third**, the committee recommended fine-tuning of BIT. Model BIT should keep two things in mind. **a)** It should tighten the provisions to curtail the discretion of ISDS arbitral tribunals. **b)** It should strike a balance between goals of investment protection and state’s right to adopt regulatory measures for public welfare.

**Fourth**, the Committee recommended strengthening the capacity of government



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officials in the area of investment treaty arbitration.

### What more should have been done?

Most of the ISDS claims against India are due to poor governance. For example, retro respective laws lead to the Vodafone issue, an element of agreements for imagined scams lead to Devas, and judicial delays lead to white industries cases. Thus, the committee should have emphasized on greater regulatory synergy, policy stability and good governance.

### 13. Dealing with Sri Lanka

Source: This post is created based on the article "Dealing with Sri Lanka" published in Business Standard on 11th Jan 2022.

**Syllabus Topic:** GS Paper 2 – India and its neighborhood

**News:** Sri Lanka is facing a debt crisis and it has asked for assistance from China. Sri Lanka is facing a debt crisis due to various factors, such as;

1. Fitch Ratings has downgraded Sri Lanka's debt to the level just above default.
2. Country's foreign debt had reached 42.6 per cent of gross domestic product. It has to pay off almost \$5 billion in debt before October.
3. Foreign Currency reserve of Sri Lanka has reduced from \$8 billion before the pandemic to a low of \$1.2 billion. It has to ban the import of certain items to preserve Foreign Currency.
4. High Inflation (11%), along with restriction on imports has led to shortage of food items.

### Why Sri Lanka has turned to China for assistance?

**First,** Closeness of Sri Lankan President Rajapaksa family with China.

**Second,** China is fourth largest external creditor of Sri Lanka.

**Third,** People's Bank of China's \$1.5-billion currency swap deal helped Sri Lanka in preserving its Foreign Exchange reserves.

**Fourth,** it is notable that the Hambantota port was famously handed over on a 99-year lease to a Chinese firm in 2017 under the debt restructuring agreement. However, China has shown sensitivity to the criticisms of its foreign infrastructure financing as a "debt-trap diplomacy". So, Sri Lanka is expecting debt restructuring from China over its \$1.5 billion debt, which is due this year.

### Why India has not been asked for help?

On the other hand, India has not acted with the required speed and scale. For example, the RBI last year renewed a mere \$400 million swap line to Sri Lanka, in comparison to its repeated request for at least a \$1 billion swap line. Delaying the request for assistance is likely to push Sri Lanka towards China, which has been more responsive with lesser efforts.

### 14. What a waste: Reviving India's sanitation systems

**Source:** This post has been created based on the article "What a waste: Reviving India's sanitation systems" published in **Down to Earth** on 11th Jan 2022.

**Syllabus :** GS Paper 2- Social Issues – Issues related to sanitation

**News:** India often confuse toilets with sanitation; but they are mere repositories to

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receive waste.

Poor sanitation and water-related issues resulted in 1.04 million under-five child deaths in India. Also, poor sanitation costs India 5.2 per cent of its gross domestic product (GDP) annually. In this regard, in the last decade, a massive push for sanitation, provided millions of the population with access to toilets.

However, much focus through big campaigns such as the Swachh Bharat (Clean India) Mission (SBM) has been given to **'before the flush' levels** in the process of sanitation.

The stage from emptying of toilets, safe reuse and disposal has not been given a proper attention. But toilets are mere repositories to receive waste; when we flush, the waste flows into a piped drain, which could be either connected or not, to a sewage treatment plant (STP).

Furthermore, sanitation systems of the country have been framed with the assumption that the human labour would be always available for the service.

**What are the issues associated with sanitation program of India? Issues linked to type of toilets**

SBM claims that a majority of toilets in rural India are "twin pit leach pit" type, which are self-contained treatment plants. They do not require any additional grey water or faecal sludge management.

However, the report **'From ODF to ODF Plus Rural Sanitation Strategy 2019-2029'** reveals that the country still has thousands of toilets with single-pits or septic tanks that require desludging from time to time.

**Improper Sewage treatment facilities**

78 per cent of sewage generated in India remains untreated and is unsafely disposed of in rivers, groundwater or lakes, contaminating 90 percent of all surface water.

**Issues facing sanitation workers**

At various steps across our sanitation value chain — from toilets to treatment plants — workers have to interact with faecal matter in extremely unsafe ways. They are inadequately provided with safety equipment and are not socially accepted. Even during covid-19 pandemic, workers have been working unprotected, unappreciated and ignored.

**What are solutions to the sanitation issue?**

First, Faecal sludge and plastic waste require proper management.

Second, Interventions such as the use of mini-sewer jetting machines, manual robots to access tapered lanes and clear clogged sewer pipes will enable upskilling and rehabilitating of manual scavengers.

**15. India's nuclear arsenal recently went up the sophistication curve**

**Source:** This post is created based on the article "India's nuclear arsenal recently went up the sophistication curve" published in Live Mint on 11th Jan 2022.

**Syllabus:** GS Paper 2- International Relations, India and its neighborhood

**News:** India's nuclear capabilities have been strengthened recently due to new weapons testing. It has ignited debates around its implications for the regional

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stability.

In the last months of 2021, India conducted 2 missile tests: 1) [Shaurya hypersonic](#) weapon test

2) [Agni-P missile](#) test. It has increased India's sophisticated nuclear arsenal with greater diversity of delivery systems.

Hypersonic weapons such as Shaurya are likely to be highly effective in taking out enemy early radars, static military installations such as airbases and command and control (C&C) facilities.

Whereas, Agni-P missile capable of delivering multiple independent re-entry vehicles (MIRVs) or multiple warheads against a single target.

Is it deteriorating strategic stability between India and Pakistan in the region?

Some analysts are taking it as a **shift from India's no-first-use policy**. However, India has not officially shifted its policy from no-first use but country's operational posture has undergone a shift in the form of **higher readiness levels**. For example, 'canisterization' of India's missiles of short, medium and long ranges enables their more rapid deployment.

Some experts believe that it is **leading to strategic instability in the region**. Because India could launch a pre-emptive strike against Pakistan's nuclear facilities in the heat of a crisis.

However, **no-first-use policy, combined with a higher degree of operational readiness** of its nuclear tipped-missile forces provides India with nuclear deterrence against its two nuclear adversaries, China and Pakistan.

How Pakistan's policies are increasing the strategic instability?

**First**, Experts overlook the fact that Pakistan has a larger nuclear arsenal than India's and it has also not adopted a no-first-use policy.

**Second**, Pakistan pursues an asymmetric escalation posture including development, deployment of tactical nuclear weapons and early use of atomic weapons. Which leaves India exposed to stand-off missile attacks.

**Third**, Pakistan presumes that the **tactical and strategic use of atomic weapons can be kept separate**, is the real reason behind the instability. This **decoupling has been rejected by**

**India** because there can be no real distinction between **counter value** and **counterforce** strikes. Because Pakistan's military installments are not that distant from civilian settlements. As per Wikipedia, in military doctrine, **Counter value** is the targeting of an opponent's assets that are of value but not actually a military threat, such as cities and civilian populations. **Counterforce** is the targeting of an opponent's military forces and facilities.

What are other reasons that justifies India's preparedness?

China has developed a significantly superior capabilities than India. It has deployed Dong-Feng (DF)-26 IRBMs in the Xinjiang region. India's Shaurya hypersonic weapon is an equal response to it.

India's counter-force strike options are more effective against China than Pakistan. It is because China's military settlements are distant from civilians. However, China's submarine-based nuclear capabilities give it an invulnerable second-

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strike capability.

Thus, India's hypersonic and canisterized Agni SRBM and IRBM capabilities are steps in a right direction.

**16. China-Sri Lanka ties: Chinese Foreign Minister's Sri Lanka visit highlighted Beijing's relentless drive in Indian Ocean region, and India's challenge**

**Source:** This post is based on the article "**Chinese Foreign Minister's Sri Lanka visit highlighted Beijing's relentless drive in Indian Ocean region, and India's challenge**" published in the **Indian Express** on **12th January 2022**.

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

**News:** Chinese foreign minister visit to five-nation countries- 3 African nations, Sri Lanka and the Maldives signifies its constant effort for influence over Indian Ocean region.

What are the highlights of the Chinese foreign minister visit to Sri Lanka?

Read here: [China-Sri Lanka ties: 'No one should interfere in China-Lanka ties'](#) What does the Chinese proposal signify?

China is only a dialogue partner of the [Indian Ocean Rim Association](#), along with Russia, the

US and several European countries. China is only an observer member in [Indian Ocean Navies Symposium](#). China already pumped so much money in the Indian Ocean region but not a full member in any of the regional groupings representing the Indian Ocean region. So, China proposed a new forum in which it can represent and influence the Indian Ocean region.

**17. Hate speech in the time of free speech**

**Source:** This post is based on the article "**Hate speech in the time of free speech**" published in **The Hindu** on **12th January 2022**.

**Syllabus:** GS 2 Indian Constitution—historical underpinnings, evolution, features, amendments, significant provisions.

**News:** Over the last few years' frequencies of hate speech has arisen in India.

What are the provisions for criminalising hate speech?

**Black's law dictionary** defines hate speech as a speech that carries no meaning other than the expression of hatred for some group, such as a particular race, especially in circumstances that are likely to provoke violence.

[Indian penal code](#) provides protection through various sections:

**Section 153A** – penalizes the promotion of enmity between different groups.

**Section 153B**– Punishes assertions prejudicial to national integration.

**Section 505** –punishes rumours and news intended to promote communal enmity.

**Section 295A** –Criminalises insult to religious belief. Various courts have also provided directions:



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**High Court of Karnataka** in the case against **hate speech Vs. the state of Karnataka** gave the opinion that the Indian penal code makes hate speech illegal.

The Supreme Court in **Pravasi Bhalai sangathan v Union of India (2014)** described hate speech as an effort to marginalise individuals based on their membership in a group and that seeks to delegitimise group members in the eyes of the majority.

The Supreme Court upheld the view that the objective behind these provisions is to check communal and separatist tendencies and secure fraternity so as to ensure the dignity of the individual and unity of the nation.

Supreme Court in **state of Karnataka V. Praveen Bhai Thogadia(2014)** emphasized the need to sustain communal harmony. In **Pravasi bhalai sangathan case**, the Supreme Court underlined the impact of hate speech on the targeted group's ability.

Madras High Court in **G. Thirumurugan Gandhi v. State (2019)** highlighted that hate speeches cause discord between classes. In **Amish Devgan v. Union of India (2020)**, the Supreme Court held that hate speech has no redeeming or legitimate purpose other than hatred towards a particular group.

### What are the challenges in controlling hate speeches?

There are uncertainties around the interpretation of hate speech, which have resulted in the adoption of varying standards. For example, The **Madras High Court, in Maridhas v. State (2021)**, quashed an FIR alleging hate speech by holding that the 'YouTuber' is entitled to protection under [Article 19\(1\)\(a\)](#) of the Constitution. The court distinguished this case from the application of the 'Who? What? Where? Test' laid down in the **Amish Devgan case**.

On the contrary, the Madras High Court, in the case of **Fr. P. George Ponnaiah v. Inspector of Police (2022)**, gave no relief to the petitioner.

Read here: [Issue of Hate speech in India](#)

Also, there is a **lack of clear legislative guidance** and the Supreme Court has been asked to review hate speech laws.

Read here: [Supreme court must ensure hate speech guilty are punished](#)

### What are the various recommendations?

[Law commission of India](#), in 267th report, recommended incorporation of 2 provisions: **Section 153C**: to cover offence committed when any person uses threatening words which are intended to cause fear or hatred including violence on the grounds of race, caste, religion, sex, gender identity and other characteristics.

**Section 505A**: include provisions penalising causing of fear, alarm or provocation of violence. [Parliamentary standing committee on home affairs](#), 18th report, recommended incorporation of provisions in the information technology act to deal with online hate speech.

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What should be the way forward?

**Specialised legislation** to govern hate speech propagated via the internet especially social media should be framed.

Read here: [Tackling Hate Speech](#)

Inspiration can be taken from Australian federal law called **criminal code amendment act 2019**, which imposes liability upon internet service providers such persons are aware of any and if it is seen as offensive.

Read here: [Need for social media Policies on hate and incitement](#)

### 18.A quest for social consensus against hate speech

**Source:** This post is based on the article “A quest for social consensus against hatespeech” published in The Hindu on **13th Jan 2022**.

**Syllabus:** GS2 – Fundamental Rights

**News:** Supreme Court of India has recently agreed to hear petitions that were asking for legal action to be taken against the organisers of, and speakers at, the ‘Haridwar Dharm Sansad’, held in Uttarakhand.

What happened in the above-mentioned event?

Read [here](#).

Why some petitioners have sought the intervention of apex court in the case?

Despite the fact that FIRs have been registered in the event, no arrests had been made. While in some cases like that of ‘Dharm Sansad’ in Chhattisgarh where there was no confirmation whether the accused had delivered hate speech or not, the State police has made arrests.

Why there is lack of immediate action on such events?

Due to involvement of factors like political angle and ideological divides, there is lack of uniformity in tackling such incidents.

However, the main reason is **the absence of any legal or social consensus** around what constitutes “hate speech”.

How hate speech is detrimental to society?

**Indirect and subconscious damage to hate speech to the psyche of society:**

Hate speech is not simply restricted to direct calls to violence.

It also **strengthens existing prejudices** and entrenches already existing discrimination.

**For example:** Anti-Semitism (*discrimination against Jews*) in Europe took its most extreme form in frequent pogroms and — ultimately — the Holocaust. However, it also on a daily basis, inculcated in society a “cultural common sense” about the Jewish people.

This “**cultural common sense**” was based on stereotypes and social prejudice, and justified ongoing discrimination, social and economic boycotts, and ghettoization.

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This in the end leads to **continued subordination of a section of society**, which then can be accomplished without direct calls to violence.

**No society can survive for long** when incitement to violence is normalised, and enjoys legal backing.

Hate speech **promotes inequality and subordination**, and in its extreme form leads to violence.

What are the challenges in tackling hate speech?

**Absence of sound legal definition of hate speech:** Legal provisions that deal with hatespeech and Supreme court judgements on the issue – Read [here](#).

Although SC in various judgements has **defined hate speech as** speech that targets people based on their identity, and calls for violence or discrimination against people because of their identity, however there is need for more clarity on it.

**Problem in Identification of Hate speech due to its ambiguous nature**-Due to its very nature, it's very difficult to identify what constitutes as hate speech and what not.

People who are involved in delivering hate speech do it under the disguise of self-defence rather than calls to violence or deliver it in an ambiguous manner. **Example**- A number of visual and verbal cues were used that everyone knew referred to the Jewish community, to the point where it was no longer necessary to take the community by name.

Indirect hate speech of this kind is known as a “**dog-whistle**”.

While it may escape the attention of an external observer, both the speaker and the listener know what — and who — is being referred to.

What is the way forward?

**Requirement of social consensus to overcome the subjective nature of hate speech-**

It is **very difficult to succinctly define hate speech**, it will inevitably reflect individual judgement. Therefore, there is need for social consensus about what kind of speech is nothing but hate speech.

**Social consensus** helps to distinguish cases of hate speech from other forms of confrontational or agitational speech.

**For example:** In Europe, Holocaust denial is an offence and is enforced with a degree of success.

This is because there is a pre-existing social consensus about the moral abhorrence of the Holocaust and the determination not to see it repeated.

**Consistent legal implementation and daily conversations** within the society will help to achieve this social consensus.

SC has a very appropriate opportunity to start this process.

**19. Act now, recast the selection process of ECs**

**Source:** This post is based on the article “**Act now, recast the selection process of ECs**” published in The Hindu on 13th Jan 2022.

**Syllabus:** GS2- Appointment to various Constitutional posts.



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**News:** Recently, several instances have cast some doubt on the independence and the impartiality of the Election Commission of India (ECI).

**For instance:** The meeting of the Chief Election Commissioner (CEC) and his Election Commissioner attending an informal meeting with the Principal Secretary to the Prime Minister

**Why these instances have called the impartiality and Independence of EC into question?** ECI is a constitutionally mandated body that should maintain its distance from the Executive, in perception and reality.

What have been the other such recent instances?

Read [here](#).

What is the current practice of appointment of EC and CEC?

Appointment of Election Commissioners falls within the purview of Article 324(2) of the Constitution.

Although the Constitution provided the 'subject to' clause in which Parliament has power to decide the appointment procedure for ECs, but Parliament has so far not enacted any changes to the appointment process.

Why the current practice of appointment has been called in question?

Various committees like **Justice Tarkunde Committee(1975)**, **Dinesh Goswami committee (1990)**, **Law Commission(2015)** have recommended that Election Commissioners be appointed on the advice of a committee comprising the Prime Minister, the Lok Sabha Opposition Leader and the Chief Justice of India.

**2nd Administrative Reforms Commission** additionally recommended that the Law Minister and the Deputy Chairman of the Rajya Sabha should also be included in such a Collegium.

Several **petitions in SC have called the current practice into question:** They argue that the current practice of appointment violates Articles 14, 324(2), and democracy as a basic feature of the Constitution.

The Election Commission is not only responsible for conducting free and fair elections, but it also has **quasi-judicial functions**, so the Executive cannot be a sole participant in the appointment process. This also gives the ruling party unlimited power to choose someone whose loyalty to it is ensured.

The **current process also lacks transparency.** This issue was also highlighted by a Supreme Court bench comprising the then CJI. It observed that *"The Election Commissioners supervise and hold elections across the Country, and this is the significance of their office, and their selection has to be made in the most transparent manner."*

What can be a better alternative method of appointment?

A **multi-institutional, bipartisan committee** for the selection of Election Commissioners can enhance the perceived and actual independence of the ECI.



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Such a **procedure is already followed** with regard to other constitutional and statutory authorities such as the Chief Information Commissioner, the Lokpal, the Central Vigilance Commissioner, and the Director of the Central Bureau of Investigation.

Changes in the appointment process for Election Commissioners can **strengthen the ECI's independence, neutrality and transparency**. Parliament can enact the law for the same.

### 20. How the Seventh Schedule affects delivery of public goods

**Source:** This post is based on the article "How the Seventh Schedule affects delivery of public goods" published in **Indian Express** on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – issues related to 7<sup>th</sup> schedule of the Indian constitution

**News:** There is a significant need to reform the 7<sup>th</sup> Schedule to deliver more powers to local bodies. The 7<sup>th</sup> Schedule should also incorporate a local body list apart from the Union list, Central list & the concurrent list.

#### Why Seventh Schedule need to be reformed?

**Obsolete:** The principles of 7<sup>th</sup> schedule were taken from the Government of India Act of 1935 and today's Seventh Schedule is identical to the one in 1950.

**Greater centralisation:** Items have moved from the state list to the concurrent list and from the concurrent list to the union list. Rather than progressing towards decentralization of power.

**Optimum delivery of services:** Every public good is optimally delivered at a certain level of government. Delivery becomes suboptimal both above that level and below that level. Most public goods people will think of are efficiently delivered at the local government level, not Union or state level. Most public goods are efficiently delivered at the local government level, not Union or state level.

**Effective delivery of services:** Citizens increasingly demand efficient delivery of such public goods. But without delegation of funds, functions, and functionaries, presently left to the discretion of state governments, local governments are unable to respond.

#### What are the reasons for the greater centralisation of Power? State's ineffectiveness in implementation of laws

For instance, states have been reluctant in implementing the 2006 Supreme Court ruling in the Prakash Singh case. This may be the reason why states frequently ask for Central police forces to enforce law and order.

This is similar to state highways being converted to national highways so that they are taken care of better.

#### What are the supportive arguments to bring reforms in the 7<sup>th</sup> schedule?

**Constituent Assembly debates:** B Das (former chief minister of Odisha) stated the need for having general principles involved in the selection of Items under Union, Concurrent, and State lists. Such principles will help us to understand the lists much better. However, it was not accepted.

Recently, the Vidhi Centre for Legal Policy brought out a report on how the

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Seventh Schedule might be cleaned up. N K Singh, Chairman of the 15th Finance Commission, has also often made this point.

Rajamannar Committee was set up by a state government to address the issue of greater centralisation.

However, the 1983 Sarkaria Commission and the 2002 National Commission to Review the Working of the Constitution avoided this issue.

### 21. Shifting demand patterns must guide state excise policy design

**Source:** This post is based on the article “**Shifting demand patterns must guide state excise policy design**” published in the **Live mint** on **14th January 2022**.

**Syllabus:** GS 2 -Government policies and interventions aimed at development in various sectors.

**News:** Policymakers need to design their tax policies after studying the market trends and available data carefully.

#### How a change in the consumer sector can impact the market?

The Indian consumer is **becoming from price-sensitive to quality conscious**, due to growing urbanization, rising incomes, and availability of innovative products and technology. The younger to middle age demography is focusing on nutrition, brand value and is willing to experiment with products. For example, in the case of food and beverages, Indian customers are comfortable with international cuisines.

This has made India an attractive market for global manufacturers and retailers. Both central and state governments want to attract this foreign investment in manufacturing and maximize

revenue collection. However, their policies are not in sync with the changing demand. An example of alcoholic beverages explains this issue.

#### What is the status of the alcohol beverage sector in India?

India is one of the fastest-growing markets for alcoholic beverages globally. Demand for Premium products including bottled imported spirits is increasing. This growth rate is driven by changes in consumer behavior.

According to the study, “**Developing principles for Regulation of Alcoholic Beverages sector in India**“, the attitude in India has changed towards the consumption of alcohol. Even drinking among women is now acceptable in many social interactions.

The studies show that the share of upper-middle-income consumers is driving premium product consumption, as the group is quality and brand conscious.

#### Why the data of consumer pattern change is useful for policymaking?

This data helps the state excise department to plan its revenue projections based on consumer demand.

Globally, various governments use data to guide consumers towards ‘**quality liquor consumption**’. For example, the Scottish government changed its duty structure to impose maximum taxes on low-priced products of liquor. These guided consumers towards premium liquor products.

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A study **'Tax design in the alcohol Market'** found that heavy drinkers tend to purchase the stronger types of alcohol. They suggested an alcohol tax system that increases the relative price of strong and cheap products to discourage their consumption.

### What is the status of data-based tax design in India?

In India, judicious use of consumer data to design tax rates is rare. This has led to ad-hoc and non-aligned excise policies models and duties.

However, many states have taken measures in this direction. **For Example**, West Bengal has proposed a **downward realignment of duties on Indian Made Foreign Liquor (IMFL)** to allow consumers access to better quality produce. The state also came up with a **policy for non- alcoholic beer** to promote the production of beer with an alcoholic strength not exceeding 0.5% v/v, which has no adverse impact on health

Thus, a current year revenue-centric ad-hoc model to design excise policy should be avoided. States need to **frame policies with a focus on consumer demand, welfare, and health**. Longitudinal data on consumer shopping and consumption can be used for this purpose.

### 22. Why India's Health data needs a booster jab

**Source:** This post is based on the article "Why India's Health data needs a boosterjab" published in the **Livemint** on **14th January 2022**.

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

**Relevance:** Understanding the importance of transparency in data collection and

**News:** India's health data system is not functioning properly. It requires a complete overhaul. About 16 years ago, HIV AIDS was threatening to become a pandemic. Then, no answers were available on the questions related to the prevalence of the disease, due to the unavailability of data. The situation, even today, has not improved much.

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What are the challenges associated with the present data collection system?

Today data is collected from multiple sources like [national sample survey Organisation](#), [national family health survey](#), etc. but these systems are opaque, Open water tight compartments and interoperability is difficult. These data sets are **not shared** even between ministries and not open-sourced to analysts and commentators.

What are the challenges posed by lack of data during pandemic?

First, Health officials are unable to determine the spread of COVID-19 infections among various age groups and were not able to focus attention on the most vulnerable.

Read here: [Need for real-time data on public health](#)

Second, due to inaccurate death-related data, adequate policies could not be made. The correct numbers would have helped in managing supplies, mortuaries, and even cremation facilities. Reliable data would have lessened the pressure on the healthcare staff and frontline workers.

Good governance demands evidence-based policy-making which depends on the availability of data. For example, NFHS-3 showed poor nutritional outcomes, after which nutritional policies were evolved.

What are the issues with the policies linked to data collection and dissemination?

Transparency: The first problem **is the transparency and confidence in releasing the information**. For example,

The technology and the maker of **Arogya Setu app** have not been declared. Nationalinformatics Centre first denied having information about this.

The government has declared a **policy of using open source software**, yet the existing complicated architecture is inflexible and expensive.

The **health management information system**, started 13 years ago, collects an enormous amount of data, but uses only 10th of this to generate health indicators. The information for various parameters such as gender, age is often not available. **Errors and Irrelevancy in data:** Also, **error in data entry and surveys** goes unchecked. Even if it is corrected, correction is done at the Central level only. There is also an issue of collecting lots of **irrelevant data**. There is also the problem of collecting data on multiple platforms or duplication of data. For example, various organisations place TB patients to be 10 million or 3 million.

**Exclusion of Private sector:** The private sector, which accounts for more than 70% of patient care, is not covered by a data policy.

What solutions can be adopted to improve health care services?

**Data collection in health centers:** Data collection at health centers should be broadened. Forexample, putting the weight of the child on the birth certificate and mentioning the cause of death on all death certificates would be handy in tracking child health and causes of mortality. **Private care and community-based health services:** All stakeholders must be aware of the end purpose of the collection of data. For example, knowing that NREGA data will be used for granting budget, all



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stakeholders actively participated in Data collection for NREGA.

**Openness:** The data should not remain hidden behind firewalls and should be accessible and useful. The ownership of data should be decentralized, and state comments should be encouraged for data collection.

**Inclusion of Private health providers:** Private hospitals and diagnostic centres should be incentivised to share information. Private data aggregators could be used for this purpose.

**Data policy:** There is a need for a new data policy on the lines of Israel and UK with real-time data and dissemination of data.

**Digital information security** in the healthcare act needs to be strengthened to ensure the security of data. Technology like GPS tools can be used for data collection and immediate verification.

The rollout of the **National Digital health Mission** was a step in the right direction. It aims to improve efficiency effectiveness and transparency of health services delivery. This may enable an integrated digital database for healthcare in India. But this requires a transparent collection and dissemination of data.

Also read: [Digital health mission in a click? Not yet](#)

### 23. On Pak's National Security Policy document: Pakistan gets serious

**Source:** This post is based on the article "Pakistan gets serious" published in Livemint on 15<sup>th</sup> Jan 2022.

**Syllabus:** GS2 – India and its neighbouring countries

**News:** Pakistani National Security Division's latest National Security Policy document released recently.

There are five key takeaways for India. By this, it can be inferred that Pakistan has started looking inwards (*domestic issues*).

**Must Read:** [Pakistan's National Security Policy: Pakistan security policy seeks 100 years of peace with India, but with caveat](#)

#### What are the five key takeaways?

**First,** there is no demand for the reversal of the August 4, 2019, changes made by India in the status of Jammu & Kashmir.

**Second,** there is a clear emphasis on the economy as the main bedrock of national security. Pakistan's economy is severely impacted by high inflation and Balance of Payment (BoP) crisis. Recently, Pakistan resorted to IMF for a bailout. Further, the threat from sectarian strife and internal separatist movements has forced Pakistan to look inwards.

**Third,** the policy document emphasises more on neighbouring countries (Afghanistan, China, India, Iran) with no specific reference to western countries is a significant policy shift.

**Fourth, with respect to US, the frustration with them is evident.** Pakistan says that it does not like the current reality where its ties with the US are purely located in counter-terrorism cooperation.

**Finally,** with respect to India, the document expresses that the current "Hindutva politics" in India is a threat to its security.

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### **24.If Siachen is back on Indo-Pak agenda, it is good news**

**Source:** This post is based on the article “Pakistan gets serious” published in Livemint on 15<sup>th</sup> Jan 2022.

**Syllabus:** GS2 – India and its neighbouring countries

**News:** Recently, the Indian Army Chief, General Naravane, in his press conference reportedly made a reference to the possibility of “demilitarisation of the glacial region” in Siachen.

He said that Pakistan would have to first authenticate respective troop positions along the 110- km long actual ground position line (AGPL) in the **Siachen-Saltoro Ridge region** for any talks on demilitarisation to take place.

The army chief’s remarks are significant because it is a departure from the uncompromising position that has been current in the recent past.

What is the historical background of the Siachen glacier issue?

**Ceasefire Agreement:** India and Pakistan signed a **Ceasefire Agreement in 1949** after their first armed conflict over Jammu and Kashmir soon after their independence in 1947

– The ceasefire line was drawn up to a point known as **NJ 9842** on the map. Beyond this, the agreement stated, the line would run “north to the glaciers” leaving an un-demarcated zone right up to the border with China.

This formulation was repeated in the **agreement on the Line of Control in 1972**, which followed the **Simla Agreement of 1971** in the aftermath of the Bangladesh War.

– This was an act of omission on India’s part. The **line beyond NJ 9842 was not demarcated** on maps in 1972.

**Operation Meghdoot:** In the later years of the 1970s, this issue came to the front, when official US maps began to show the LoC as extending right up to the Karakoram Pass on the India-China boundary.

Source: Tribune

– It implied that the Siachen glacier fell under the actual jurisdiction of Pakistan. The Chinese followed suit.

– As a result, roughly 2,300 sq km of territory in this glacier zone came to be shown as under Pakistani control.

– In response to this encroachment, the Indian Army launched what came to be known as **Operation Meghdoot**, in 1984, to occupy the Siachen-Saltoro ridge.

Pakistani attempts to dislodge the Indian troops from the heights did not succeed, though they did occupy and fortify the lower reaches on their side.

What were the steps taken to resolve the issues wrt AGL delineation?

**Rajiv Gandhi – Benazir Bhutto Meeting:** In December 1988, it was agreed that the two sides would hold talks to resolve the Siachen issue through mutual troop withdrawal.

However, there was no final outcome because Pakistan did not agree to map the actual

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ground positions of the two-armed forces from where they would withdraw.

### **Bilateral defence secretaries-level talks under the Narasimha Rao government:**

An agreement in principle was reached in 1992, when Pakistan reportedly agreed to the Indian proposal. However, later, PM Narasimha Rao took a decision to defer its actual signing to a later date, but then this did not happen.

### **Foreign secretary-level negotiations, 2006:** The following resolutions were agreed:

- There would be a formal agreement on mutual but phased withdrawal and joint monitoring of the demilitarised zone.
  - There would be an annex which would record the current locations of the forces deployed by the two sides and the locations to which they would withdraw.
  - There would be a schedule of withdrawals in different phases.
- However, the proposed agreement was dropped again due to opposition from both sides.

### **25. Explained: For how long can an MLA be suspended?**

**Source:** This post is based on the article “**Explained: For how long can an MLA be suspended?**” published in **The Indian Express** on **15<sup>th</sup> Jan 2022**.

**Syllabus:** GS2 – issues related to Legislative assemblies

**News:** 12 Maharashtra BJP MLAs have gone to Supreme Court against their year-long suspension from the Assembly.

### What is the background of this issue?

The leader of Opposition in Maharashtra objected to an attempt by a state minister to table a resolution demanding that the Centre release data on Other Backward Classes (OBCs), so that seats could be reserved for them in local bodies in Maharashtra.

This created a huge row between the ruling party and the opposition party. Subsequently, Maharashtra Parliamentary Affairs Minister moved a resolution to suspend 12 BJP MLAs.

Following this incident, the suspended MLAs filed a writ petition in the Supreme Court last year against the Maharashtra Legislative Assembly and the State of Maharashtra and asked for the suspension to be quashed.

### What is the argument laid down by the suspended MLAs?

According to them, suspension is “grossly arbitrary and disproportionate”. Because they were not given access to video of the proceedings of the House, and it was not clear how they had been identified in the large crowd. Therefore, it amounts to

- Denial of the principles of natural justice
- Violation of laid-down procedure.
- Violation of their fundamental right to equality (Article 14)

**Also, it was against Maharashtra Legislative Assembly Rules (53):** Because, the power to suspend can only be exercised by the Speaker, and it cannot be put to vote in a resolution as was done in this case.

### What has Maharashtra said in its defence?

**It denies any violation of Article 14:** The secretary of the state’s Parliamentary

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Affairs Department has pointed to the “undisciplined and unbecoming behaviour” of the 12 MLAs. It has also pointed the apology made by Leader of Opposition.

**Within Legislative competence:** The state has also referred to Article 194 on the powers and privileges of the House, and argued that any member who transgresses the legislative privileges can be suspended through the inherent powers of the House.

It has denied that the power to suspend a member can be exercised only through Rule 53 of the Assembly.

**Invoked separation of power principle:** It has stated that, under Article 212, courts do not have jurisdiction to inquire into the proceedings of the legislature.

For Supreme Court’s ruling on the issue of suspension, click [here](#)

### What are the rules on the length of suspension of a Member of Parliament?

**Rules of Procedure and Conduct of Business in Lok Sabha (Rules 373, 374, and 374A):** It provides for the withdrawal of a member whose conduct is “grossly disorderly”, and suspension of one who abuses the rules of the House or wilfully obstructs its business.

#### Maximum suspension:

- **Lok Sabha:** it is for five consecutive sittings or the remainder of the session, whichever is less.
- **Rajya Sabha:** under Rules 255 and 256, maximum suspension does not exceed the remainder of the session.
- **State legislative assemblies and councils:** Prescribe a maximum suspension not exceeding the remainder of the session.

### 26. Govt needs to plug loopholes, minimise irregularities, in implementation of NREGA in times when it is most needed

**Source:** This post is based on the article “Govt needs to plug loopholes, minimise irregularities, in implementation of NREGA in times when it is most needed” published in the **Indian Express** on **15th January 2022**.

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

**News:** Social audit has been conducted in Jharkhand for the implementation of the MGNREGA scheme where so many loopholes were visible. This questions the effective implementation of the MGNREGA scheme.

#### What is the importance of MGNREGA?

**MGNREGA** played a critical role in alleviating economic hardship as migrations increased and non-farm employment opportunities declined. In 2020–21, [11.19 core individuals worked under the scheme](#), where the count is 7.88 crore in 2019–20.

In the current financial year, 9.52 crore individuals have benefited from it. Apart from the budget allocation, additional allocations have been also made to meet the rising demands. The government has increased schemes allocation to 1.1 lakh Crore

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in 2020–21. So discrepancies coming up in the implementation of MGNREGA like in Jharkhand are a cause of concern.

Also read: [MGNREGA: Issues and Significance – Explained, pointwise](#)

### What are the irregularities found in the Jharkhand audit?

**The social audit unit (SAU)** of the Rural Development Department of Jharkhand has documented several instances of irregularities. For example:

- Workers were listed on the records but were missing from work sites.
- Beneficiaries had struck deals with contractors, allowing their names to be used on musterrolls in exchange for a cut.

- Instances of delays in payment, no attendance recorded in master rules, no material supply despite payments, wage payment done without work and work not found on the ground.

### What should be the way forward?

Audits serve a great purpose in identifying the gaps in the social security architecture. It provides the direction to strengthen systems and processes, especially during these stressful times. States should adopt measures to ensure that irregularities are minimised and effective implementation of schemes should be ensured.

### 27. In 2022, India should keep an eye on Indo-Pacific

**Source:** This post is based on the article “In 2022, India should keep an eye on Indo-Pacific” published in the **Indian Express** on 15th January 2022.

**Subject:** GS-2 Effect of Policies and Politics of Developed and Developing Countries on India's interests.

**News:** The year 2020 was transformational not just because of a pandemic, but because of massive geopolitical changes surrounding the Indo-Pacific. The region is central to emerging geopolitics and nine countries are the key players: the USA, China, Japan, India, Germany, UK, Russia, Australia and France.

### How USA and China impact the Indo-Pacific region?

The most important relationship is that of the USA and China. [China's aggressive South East policy](#), aggression towards Taiwan and human rights violations in Xinjiang, subjugation of Hong Kong's citizenry and assertive economic outreach and Indo Pacific will impact US-China relations.

Read here: [Chinese Threat to Hong Kong' Democracy](#)

The Trump era was marked by hostility. On the other hand, President Joe Biden is building coalitions and alliances against China. While President Xi Jing ping has adopted a confrontational approach, as seen in repeated incursions into Taiwan's air defense zone and PLA's adventures in eastern Ladakh.

### What is the role of various groupings in Indo-Pacific?

**Quad** is the most important group for strategic partners, The USA, India, Japan and Australia. Military groupings like an **AUKUS** (Australia, UK, US) have also

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emerged.

**European Union** announced its **Indo-Pacific strategy**, which is aimed at increasing its economic and security profile in the region. The policy needs to be more strategic and less mercantilist, more candid and assertive with China, and more cooperative with partners like India.

**ASEAN** is facing Chinese pressure and aggression. Its unity is under stress. President Biden's meeting with ASEAN members can help in bringing a sense of security.

**BRICS** – given India China's hostility, a visit of the Indian Prime Minister to China is an unlikely prospect to solve any purpose.

**G7** – to be held in Germany will have to assess the progress made by the “**build back better world**” initiative.

**G20**-to be held in Indonesia will test the depth of Indonesian diplomacy.

What more can be done by Japan?

Japan needs to **announce** a bold **national security strategy**. It should double its defence budget. It should make an effort to amend article 9 and expand military cooperation with the USA.

What should be India's strategy on India-Pacific?

**First**, it should strengthen the Quad and fulfil its commitment to deliver 1 billion vaccine doses to Indo-Pacific nations.

**Second**, it should strengthen its relationship with Russia.

**Third**, enhance its cooperation with key Southeast Asian partners like Indonesia, Vietnam, the Philippines and Thailand.

**Fourth**, Higher engagement towards Indian Ocean island states. This can be done through a clear economic and trade agenda and incentivizing corporate India to make inroads in this region.

While India has done well in fulfilling its humanitarian duties during the pandemic, it should learn to convert these into economic and strategic opportunities in 2022.

### 1. **Friend in need: On India-Sri Lanka ties**

**Source:** This post is based on the article “**Friend in need: On India-Sri Lanka ties**” published in **The Hindu** on **17th January 2022**.

**Syllabus:** GS2 India and its neighbourhood- relations.

**Relevance:** Understanding the importance of healthy India- Sri Lanka relations.

**News:** In the visit to Sri Lanka, External Affairs Minister assured to help Sri Lanka to overcome economic and other challenges that occurred because of the pandemic.

#### **What is the economic condition of Sri Lanka?**

Sri Lankan economy is in big crisis with a credit crunch, a slump in GDP, foreign reserves that reduced from \$7.5 billion in 2019 to \$1.6 billion in 2021 and pending debt repayments of more than \$7 billion.

Given these conditions, the Sri Lankan president has to make a tough decision in the coming weeks, whether to service debts to bonds with an instalment of \$500 million or leave it to default for the first time ever.

**Read here:** [Sri Lanka's economic crisis: Challenges for India – Explained, pointwise](#)

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### What are the issues in India-Sri Lanka relations?

1) [Fisherman issue](#) 2) Pending political solution for war-torn Tamil areas. 3) Concerns over Sri Lanka strategic ties with China.

**Also read:** [China-Sri Lanka ties: Chinese Foreign Minister's Sri Lanka visit highlighted Beijing's relentless drive in Indian Ocean region, and India's challenge](#)

### What steps were initiated by the Indian government to help Sri Lanka?

- India decided on a **"four-pronged" initiative** which includes Lines of Credit towards the import of fuel, food and medicines, currency swap and debt deferrals from India to Sri Lanka.
- MOU has been signed on the [Trincomalee project](#) after a decade of delays.
- India has extended \$400 million under the "SAARC currency swap" arrangement.
- India agreed to a partial [deferral of a \\$500 million settlement](#) from Sri Lanka by two months.
- The \$1.5 bn LoC for essential imports is in process.

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## 2. [Early Harvest agreements: Explained: Why India is trying to seal a free trade agreement with UK](#)

**Source:** This post is based on the article **"Explained: Why India is trying to seal a free trade agreement with UK"** published in **Indian Express** on **17th January 2022**.

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

**Relevance:** Understanding the FTA.

**News:** India and UK have formally launched [Free Trade Agreement \(FTA\)](#) negotiations, with the aim of concluding an [early harvest trade agreement](#) over the next few months.

**Read here:** [India's FTA ambitions in perspective](#)

### What will be the benefit of FTA with the UK?

According to India's commerce minister, this interim agreement aims to achieve up to 65% of coverage for goods and up to 40% coverage for services. Till the agreement has been finalized, it is expected that the coverage for goods goes up to 90 plus percentage.

**Read here:** [Things to watch for as India, UK launch FTA talks](#)

India is also negotiating a similar early harvest agreement with Australia.

### What are Early Harvest agreements?

Early harvest agreements initiate bilateral trade by focusing on a restricted list of goods and services. They act as a precursor for a comprehensive FTA.

### What are the challenges associated with the Early Harvest agreements?

-They can **result in delaying a comprehensive FTA**. For instance, with **Thailand**, India has signed a **restricted trade agreement in 2004** but has been unable to convert this into an FTA. Similar case with **Sri Lanka**, where India was not able to conclude an agreement on services and investments.

-Early harvest agreements can be challenged in WTO, as only comprehensive FTA's are exempt from WTO rules. **Article XXIV.8(b) of GATT** exempts only those deals which cover substantially all the trade between two countries.

-Expert notes that early harvest deals **reduce the incentive from one side towards a full FTA**.



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-But in the case of India, early harvest deals also serve the function of keeping trading partners interested, as India had become known for long-drawn negotiations for FTA's.

**Also read:** [India's 'early harvest' trade deals could run into trouble](#)

### What are the other trade pacts that are under negotiation?

India **currently has 10 FTAs and six PTAs** (preferential trade agreements). It is negotiating 16 new and expanding seven existing agreements, including with trading partners such as Canada, the EU, the US, alongside Australia and the UK.

**Read here:** [List of India's FTAs](#)

A majority of FTAs under negotiations are "comprehensive" and cover goods, services, investment, IPR, Non-Tariff Measures, regulatory procedures and trade facilitation etc. India is also simultaneously carrying out a review of the existing FTAs with South Korea, Japan and [ASEAN](#) on the ground of India's rising trade deficit with these trading partners.

### 3. Challenge arbitration awards carefully

**Source-** This post is based on the article "**Challenge arbitration awards carefully**" published in **Live Mint** on **17th Jan 2022**.

**Syllabus- GS2-** Government policies and interventions for development in various sectors.

**Relevance-** Alternative dispute resolution, Project delays, Multiplier effect.

**News:** Recent guidelines by the central government have asked its arms, including state-run firms to avoid appeal against every arbitration award, especially in the cases that have a low probability of success.

These guidelines are released to avoid project delays.

### What are the implications of these project delays?

Project delays and cost overruns cause a lot of **harm to the exchequer**.

Government has to at the end pay a **huge amount in the form of compensation and interest costs**.

This also negatively affects the **image of government**.

### What have been recent other government initiatives to avoid project delays?

The latest guidelines have removed several hurdles in project management from conceptualization of a project to land acquisition and award of a contract.

**Budget 2021-22** enhanced capital expenditure by 34.5% to ₹5.54 trillion.

The ₹111 trillion [National Infrastructure Pipeline \(NIP\)](#) is also expected to boost growth.

### What is the way forward?

As Public expenditure is key to accelerating growth and creating jobs(**multiplier effect**), it is important that projects get completed on time.

Both the parties in the dispute should be encouraged to resolve the issue through disputes through **discussion and mediation instead of resorting to legal recourse**.

### 4. India's watchwords in a not so bright 2022

**Source:** This post is based on the article "**India's watchwords in a not so bright 2022**" published in **The Hindu** on **18th Jan 2022**.

**Syllabus:** GS 2 – Effect of Policies and Politics of Developed and Developing Countries on India's interests, Indian Diaspora.

**Relevance:** Indo-pacific, Assertive China, Russia-Ukraine conflict, Tehrik-e-Taliban Pakistan, Jemaah Islamiyah, QUAD etc.,

**News:** Contemporary threats to the World and to India in 2022.



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### **What are the risks/threats that the world needs to confront this year?**

**One, the future of democracy is under threat.** The following reasons are

Rise of authoritarian rulers in many countries.

The attack on democratic tenets in recent years.

America, seen as a bulwark for democracy, has become weak.

The above situations are not a good sign for the future of democracy worldwide.

**Two, the challenges that China can pose to the existing international order.** The reasons are,

With increasing economic prosperity, China demands to be recognized as equal to the US in world affairs.

Militarily, China is openly challenging U.S. supremacy in many areas, including 'state-of-the-art weaponry' such as hypersonic technology.

China's unwelcome attitude towards Hong Kong and the existent threat for Taiwan posed by China could become one of the flashpoints of conflict in 2022.

Further, the Indo-Pacific has emerged as a conflict zone due to China's assertiveness. This could lead to new tensions in the Asia-Pacific region in 2022.

**Three, the Russia-Ukraine conflict.** With Ukraine backed by the U.S. and North Atlantic Treaty Organization (NATO) forces, the Russia-Ukraine conflict could result in a possible war or conflict. In the past three decades, NATO has expanded its reach almost 1,000 miles to the east in violation of an earlier tacit understanding. Russia might not be willing to concede more.

**Four, peace across vast regions of the globe in 2022 is severely constrained.** For example, the current unrest in Kazakhstan, which was one of the more stable Central Asian nations, lately. It demonstrates increasing friction between the U.S.-led West and its principal opponents, Russia and China.

### **What are the challenges for India in 2022?**

**First, the resurgence of radical Islamist activities in Afghanistan and Indonesia** is a potential threat to India's security.

Developments in Afghanistan have fuelled the ambitions of quite a few 'anti-state militant groups' across the region. For example, the Tehrik-e-Taliban Pakistan (TTP). In Indonesia, The Jemaah Islamiyah has reportedly become more active.

**Second, India's border issues with China are likely to intensify in 2022.** The transgressions across the Line of Actual Control in different sectors in Ladakh could well be expanded in 2022. Because, China is disturbed by India's decision to join QUAD, which is seen as an anti-China coalition.

**Third, Indian diplomacy will be under severe test in both regions, Central Asia and West Asia.**

In Central Asia, India will be challenged on how best to manage its traditional friendship with Russia with the pronounced tilt seen more recently in India-U.S. relations.

In West Asia, the challenge for India is how to manage its membership of the Second Quad (India, Israel, the United Arab Emirates, and the U.S.) with the conflicting interests of different players in the region.

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### **5. India-Taiwan relations: India Must Give Taiwan A Helping Hand**

**Source:** This post is based on the article "**India Must Give Taiwan A Helping Hand**" published in **The Times of India** on **18th January 2022**.

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

**Relevance:** Understanding Taiwan's importance and why India should help it to maintain its global position.

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**News:** To counter the aggressive China policies, India should not repeat its mistake and work towards consolidating Taiwan's position globally.

### **What China is doing to annex Taiwan?**

China has taken many steps to annex Taiwan. It is now working to wipe its international identity by bribing Nations to break off diplomatic relations with Taiwan. China is vetoing Taiwan's presence in international organizations. Today, only 13 Nations and Vatican City recognize Taiwan.

### **Read here: [Taiwan reports largest ever Chinese incursion](#)**

But Lithuania has taken a bold step by allowing Taiwan to open its embassy. Other Nations like the Czech Republic, Poland are seeking to deepen ties with Taiwan.

### **Why China's claim for Taiwan is not valid?**

Taiwan was inhabited by Malayo-Polynesian tribes and had no ties with China until the island's Dutch colonial rulers in the 17th century invited Chinese workers to emigrate. So, accordingly, Taiwan is closer to the Philippines than China.

### **What should Taiwan do to secure its place?**

Taiwan needs to create greater international space for itself. This will enable it to get the status of a nation, making it difficult for China to seize the island like it did in Tibet and Xinjiang in 1949.

Also, Taiwan needs to strengthen its defences with anti-Ship and anti-aircraft missiles and increase the cost on the Chinese of any attempted invasion.

### **What is the significance of Taiwan for India?**

Taiwan plays an important role in the defence of India, as it keeps a sizable portion of Chinese forces occupied.

### **Read here: [Hello Taiwan: New Delhi should boost ties with Taipei not just because of Chinese threat. There are other benefits](#)**

### **Why and how India should help Taiwan?**

India needs to learn from its mistakes in Tibet. India had opposed Tibet's plea for a discussion in the UN and handed over telegraph and postal services to China. To help Taiwan, India must reinforce its defences.

### **Read here: [Confronting Xi: India should engage both the Dalai Lama and Taiwan](#)**

India should follow Japan and USA in standing ties with Taiwan. It can also learn from Lithuania and allow Taiwan to rename its "Taipei Economic and Cultural Center" in New Delhi as the "Taiwanese Representative Office". India should rebrand its own mission in Taipei as the "India Representative Office".

### **Read here: [Potential opportunities in better India-Taiwan relations](#)**

Taiwan is on the front line against Xi's totalitarianism. Major democracies therefore must act to save Taiwan.

## **6. India-Japan relations: How the India-Japan friendship can help global peace, prosperity**

**Source:** This post is based on the article "How the India-Japan friendship can help global peace, prosperity" published in the **Indian Express** on **18th January 2022**.

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

**Relevance:** Understanding the relationship of India and Japan.

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**News:** The year 2022 marks the 70th anniversary of the establishment of diplomatic relations between Japan and India. It is based on the theme “**building a future for our centenary.**” which means to create a future and propel both countries towards the 100th-anniversary landmark and beyond.

**Read here:** [Prospects of India- Japan Relations](#)

### About the History of India-Japan relations

**Formal relations:** India and Japan started their formal relations in 1952. To ensure equality and honour after WW II, India chose to opt for a **bilateral peace treaty** with Japan instead of signing a multilateral **San Francisco Peace Treaty**. India also invited Japanese athletes in 1951 to the first Asian Games it hosted in New Delhi. It was an important occasion in Japan as it was one of the first occasions where the Japanese flag was hoisted after WWII.

**Cultural Relations:** In 752, an Indian monk, **Bodhisena**, performed the consecration ceremony for the **Great Buddha Statue at Todai-ji**, which is one of the most important temples in Japan.

**Industrial relations:** Many Japanese travelled to India to purchase cotton, iron ore, etc, in the late 19th century, when Japan was in need of natural resources to modernize its industry.

**Exchange of artists:** Exchange between artists was also visible like Nobel Laureate in literature, Rabindranath Tagore, and Okakura Tenshin, a Japanese philosopher.

### What is the present status of India-Japan relations?

Today, India and Japan are working as **natural partners** and working together for a “**Free and Open Indo-Pacific (FOIP)**” and various other global issues. Japan is the largest ODA (Official Development Assistance) donor to India. It is also one of the largest investors in India. For example, both countries are collaborating in the [Mumbai-Ahmedabad High-Speed Rail project](#).

**Read more:** [High-Speed Rail Project and its challenges in India – Explained, pointwise](#)

Apart from it, both countries have together promoted economic cooperation in other countries to enhance social infrastructure and connectivity.

**Also read:** [Sri Lanka Writes Off Strategic Colombo Port Deal With India & Japan](#)

### What are the future endeavours for India-Japan relations?

**First,** Both countries can work towards ensuring global peace and prosperity. Together, they can work in various fields like including cybersecurity, outer space, and economic security.

**Also read:** [India and Japan sign Memorandum of Cooperation in field of cybersecurity](#)

**Second,** India and Japan can work together to enhance their economic relations. This will help to further strengthen the economy of the Indo-Pacific, as well as the world economy.

**Also read:** [India, Japan, Australia to launch Supply Chain Resilience Initiative\(SCRI\)](#)

**Third,** There has been an increase in the number of Japanese learners in India. These cultural exchanges can be further strengthened to strengthen the foundation of both countries.

### 7. Pakistan’s National Security Policy: Can Pakistan put off change again?

**Source:** This post is based on the article “**Can Pakistan put off change again?**” published in the **Indian Express** on **18th January 2022**.

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

**Relevance:** Understanding the reasons behind changes in the National Policy of Pakistan.

**News:** Pakistan has recently released its National Security Policy, which acknowledges the need for change in its state. But the policy did not talk about how the change will go.

**Must read:** [Pakistan’s National Security Policy: Pakistan security policy seeks 100 years of peace with India, but with caveat](#)

## 9 PM Compilation for the Month of January, 2022

### What is the present crisis with Pakistan is struggling?

Most of the problems which Pakistan is facing today are similar to which India faced in the 1990s. These are:

1) Economic model, 2) Political instability which leads to weak coalition governments, 3) Social conflicts like caste and religion, 4) External pressure to bring domestic changes.

**Read more:** [On Pak's National Security Policy document: Pakistan gets serious](#)

### What are the reasons behind new changes in Pakistan National Security Policy?

Below policy has led Pakistan to bring changes in its National policy:

**Cross border terrorism:** With the end of the Cold War, Pakistan chose to opt for cross border terrorism to bring instability to Kashmir and turn Afghanistan into a protectorate.

**Economic modernization:** Pakistan has done little to bring reforms to its economy. As a result, its economy in 2021 (GDP at \$280 bn) is well behind that of Bangladesh (\$350 bn). The Indian economy at \$3.1 trillion is also more than 10 times larger than that of Pakistan.

**Foreign policy:** In the past, Pakistan played a large role in the Middle East and more broadly the Muslim world. But today, its equities in the West have steadily diminished. It does not get a call from Joe Biden since he has been elected as USA president.

**Backfire of policies:** Pakistan's support for violent religious extremism has also started to backfire. Militant groups which were once seen as valuable instruments for Pakistan have now turned against the state. Also, severe financial penalties have been imposed on Pakistan by the international system for supporting terrorist activities.

**Troubled relations:** After USA intervention in Afghanistan, Pakistan had a chance to change its course. Instead, it has chosen to bring them back to power. This may lead to the wrath of the USA. And Taliban on the other hand is signalling it is not a proxy of China.

India has also changed its tactics of engagement with Islamabad. Now, India is not shy of using military power in response to terror attacks.

### 8. India's rights record, America's blinkered vision

**Source:** This post is based on the article "India's rights record, America's blinkered vision" published in **The Hindu** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – India – U.S bilateral relationship

**Relevance:** India – U.S relations

**News:** India's friendly diplomatic relation with the U.S is providing India a certain immunity from international criticism.

**Instances where the U.S has taken an accommodating view w.r.t India, despite some concerns?**

**Firstly, the issues of purchasing S-400 from Russia.** Despite the US voicing out their disinterest in purchasing military equipment, their administration did not think it was necessary to penalize India's actions.

**Secondly,** the US has taken an accommodating view despite India's downgrades in democratic norms and human rights. **For instance,**

The **U.S. State Department's Country Report on Human Rights Practices** itself recorded "significant human rights issues" in India. It includes extrajudicial killings, torture, arbitrary arrest and detention, violence against minorities, unjustified harassment of journalists, and censorship and blocking of websites.

India is rated poorly by the **U.S.-based Freedom House** which called it 'partly free'.

**Sweden's V-Dem Institute** dubbed India as an 'electoral autocracy'.

India was ranked 142 in the **World Press Freedom Index** of Reporters Without Borders.



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The **U.S. Commission on International Religious Freedom** has for successive years recommended that India be listed as a 'country of particular concern' due to its treatment of Muslims and Christians. India is ranked in the **Open Doors World Watch List** for 'extreme' Christian persecution below Syria, Iraq and Saudi Arabia.

The U.S. government has ignored all these findings due to Narendra Modi's positioning India as an indispensable partner.

**Thirdly**, criticism of India in world media has also been shielded to some extent due to India's close relationship with the U.S.

Western countries manage to shield their viewpoints, because, world media is being dominated by a handful of western capitals.

### **What are the issues/ concerns associated with the US?**

West-dominated English-medium news ecosystem dominates globally. Western countries can direct unjust criticism towards their opponents using this dominant media system. Many times other countries have tried to create rival media platforms, however, they have failed to compete.

Following are some of the unjust actions of western countries, shielded by western media.

**Dubious Sanctions:** Unilateral sanctions based on uncertain international laws have been the West's instrument of choice for penalising political adversaries. For instance, Threats of "massive consequences and severe economic cost" against Russia by G7 countries and the European Union.

**Selective criticism:** A boycott of the Winter Olympics in China by irrelevant western officials was promoted. However, the Football World Cup in Qatar was not opposed, even though, it is an absolute monarchy where there are scant civil and political rights, workers' rights are negligible and homosexuality is deemed illegal.

**U.S tries to protect fundamental rights in other countries, whereas,** in the last 12 months, its police have murdered 37 African-American people per million against 15 per million whites. African-Americans comprise only 13% of the population.

### **9. Forex party is ending: ON US Fed Balance Sheet Tapering**

**Syllabus – GS Paper 2 – International Relations – Effect of policies and politics of developed and developing countries on India's interests**

**Source:** This article developed based on the article "**Forex party is ending: ON US Fed Balance Sheet Tapering**" in **Times of India** on **4th January 2022**.

**News:** US Federal Reserve (Fed) is increasing the speed of balance sheet tapering.

As mentioned in the news, US Federal Reserve (Fed) will double the pace of its balance sheet tapering and end its net asset purchases by mid-March 2022.

**Balance sheet tapering means** gradual slowing of the pace of the Fed's large scale asset purchases, which was aimed at providing monetary stimulus to the economy. It may also lead to increase in interest rates.

US balance sheet policies always have a major effect on the economies of emerging countries. When US cuts interest rates and expands balance sheet, it triggers capital inflows, local currency appreciation and higher asset prices in emerging markets.

### **Why India is better prepared against any ill-effect of US balance sheet taper?**

Unlike 2013 taper, this time the affect will not be substantive in India, due to the following reasons:

**First**, federal reserve has communicated its intentions a bit early this time. It has provided some time to the economies, to be prepared.

**Second**, India is less vulnerable to external vulnerabilities now. It is because Rupee is not overvalued, as was the case in 2013. Also, India's current account is in surplus and Foreign Currency reserve currently cover nearly 12 months of imports.

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**Third**, basic balance of payments (BBOP) is in surplus (BBOP is the sum of current account and net FDI inflows).

### What are the causes of concern?

However, there are also, reasons of concern:

- The Current Account trend** is changing. Merchandise trade deficit is widening.
- Higher commodity prices** such as crude oil, metals, etc., and improvement in domestic demand is increasing India's import bill.
- Gold imports** have surged over the last year, rising to \$55 billion in the 12 highest since 2013.
- India's BBOP** is going into deficit from surplus.
- High relative inflation**, compared to competitor Asian countries can erode its export competitiveness.

### 10. The road to regulatory capture isn't paved with good intentions

**Source:** This post is created based on the article "**The road to regulatory capture isn't paved with good intentions**", published in **Live Mint** on **4th January**.

**Syllabus:** GS Paper 2 – Indian Polity – Statutory, regulatory and various quasi-judicial bodies

**News:** Regulatory Capture is affecting Indian Economy.

**Regulatory capture** is common in all industry segments that have a **sectoral regulator**. It is a situation, when act in favor of companies or special interest groups of the sector, instead of protecting and promoting the public interest.

**One example from US** defines regulatory capture perfectly. An **addictive medicine OxyContin** was labelled by regulator Food and Drug Administration (FDA) as a non-addictive medicine, on the lobbying of drug maker Purdue Pharma.

### What are the examples of regulatory capture in India?

**First**, the case of Yes Bank's repeated attempts to recover its money from defaulter Dish TV. In this case, **Debt Recovery Tribunal (DRT)** ruling frozen the Yes Bank's voting rights in Dish TV. The Delhi High Court in this case observed that the DRT's orders exhibited complete lack of judicial discipline. Not only that, but a state's police also attempted to freeze Yes Bank's voting rights in this case.

**Second**, on many occasions, SC has criticized **National Company Law Tribunal (NCLT)** for its rulings. On 13 September 2021, SC expressed its concern over the NCLT's long delays in resolving insolvency cases under the Insolvency and Bankruptcy Code (IBC). A parliamentary panel report showed that over 70% of IBC cases were pending for more than 180 days.

**Third**, the **Director General of Civil Aviation** is the part of the civil aviation ministry. Its majority of duties, written on the civil aviation ministry's website are mostly linked to airlines and aircraft. Thus, it tends to rank airline viability and profitability over the protection of passenger rights.

**Fourth**, the trend of regulatory capture in India is not practiced just by industries, but also by governments. It is done by either influencing the existing regulators or creating new ones. **For example**, proposed **Digital Protection Authority**, which will not only exempt the state from most data privacy norms, but would also wield the power to select the chairperson and other board members.

### 11. Is GDP data a reliable way to measure the health of the economy?

**Source:** This post is based on the article "**Is GDP data a reliable way to measure the health of the economy?**" published in **Indian Express** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – Issues related to the development of the Indian economy.

**Relevance:** GDP calculation

**News:** There are serious problems with India's GDP data. Any analysis of recovery or growth forecast based on this data must be discarded.

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The primary yardstick analysts use to measure the economy's health is GDP. The RBI and multilateral agencies use GDP statistics to make claims about the future growth path.

The NSO released the current GDP series in 2015, using 2011-12 as its base year. Since then, the new series has been involved in controversy.

Scholars have pointed to measurement issues, both in the nominal and real GDP growth rates. Yet none of those issues has been addressed. As a result, the measurement errors still persist.

### **Why the GDP data, as a measure of economic recovery, is questionable?**

#### **First, the issue of Double deflation.**

The NSO calculates real GDP by gathering nominal GDP data in rupees and then deflating this data using various price indices. The nominal data needs to be deflated twice. Once for outputs and once for inputs. But the NSO, deflates the nominal data only once. It does not deflate the value of inputs.

**How it affects GDP numbers:** Consider the following scenario. For instance, when the price of imported oil goes down, input costs will fall and the profits recorded by Indian firms will rise. Since NSO doesn't deflate away the increase in profits, it records a purely nominal increase as a real increase in GDP. Thereby, it ends up overstating growth.

Similarly, in the opposite scenario, when the oil price rises, the growth rate could be underestimated. Some have argued that the deflators were improved in the new series by shifting to the CPI. But the fact is that in many cases, the WPI (the cost of inputs is measured by the WPI) is still used for deflation.

#### **Second, NSO has not updated the sectoral weights.**

When NSO calculates GDP, it takes a sample of activity in each sector, then aggregates the figures by using sectoral weights.

To make sure that the weights are reasonably accurate, the NSO normally updates them once a decade. It has now been more than 10 years since the weights were changed, and there are no signs of a base year revision.

As a result, the sectoral weights are still based on the structure of the economy in 2010-11. The fast-growing IT sector is being underweighted, which implies that GDP growth is being underestimated.

**Third,** NSO has not made any adjustments to its methodology for estimating the growth of the unorganized sector.

Usually, to estimate the growth of the unorganized sector, NSO assumes that the sector has been growing at the same rate as the organised sector.

However, starting in 2016 the unorganised sector has been disproportionately impacted by a series of shocks. For example, demonetisation, the implementation of GST, the problems in the NBFC sector, and the Pandemic. All these have severely impacted the unorganised sector more than the organised sector.

### **12. For sports heroes-Government must consider innovative funding, including legalizing betting**

**Source:** This post is based on the article "**For sports heroes-Government must consider innovative funding, including legalizing betting**" published in The Times of India on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS2- Government policies and interventions for development in various sectors.

**Relevance:** Development of sports in India

**News:** At a recent sports university inauguration, the PM of India said that Indian youth should be motivated to take up sports as a career.

Although India has had its best performance of the history at the Tokyo Olympics this year by winning 7 medals including a gold in Javelin, but the fact remains that except cricket other sports in the country lack an ecosystem of professionalism and excellence.

**Must Read:** [Sports sector in India: Issues and challenges – Explained, Pointwise](#)

### **Why is sports not a preferable career choice for most Indians?**

Sporting **infrastructure** in the country remains very **underdeveloped and insufficient**.

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**The lack of funding at the grassroots level:** Funding is mostly directed towards the few top athletes with international medal-winning potential. This makes sports a less viable career option for the majority of the others who lack the resources to pursue it.

**Must Read:** [Preparing India for a sporting future](#)

### What is the way forward?

**Lessons from other countries:** India can learn from the sporting models followed by other countries. **For instance: USA** has strong **sporting cultures in universities** that not just produce top-ranked athletes but also employ trainers, sports doctors and scientists. However, India lacks any such university ecosystem.

**Legalising betting:** It can yield substantial **revenue in the form of taxes** for creating sports talent hubs across the country. For instance: **UK's national lottery funding for sports** works on **legalising the sports betting**.

Also, Legalised betting would also **check illegal bookmaking and its link to match-fixing mafia**.

Once the foundational sports ecosystem are set up, the flow of private investment in the sector will be easier.

**Must Read:** [Making India a sporting nation | Every sportsperson is a champion | Why Funding sports is an Olympic hurdle](#)

### 13. Why is the IMF trying to be an aid agency?

**Source:** This post is based on the article “**Why is the IMF trying to be an aid agency?**” published in **Business Standard** on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – Important International Institutions, agencies and fora – their Structure, Mandate.

**Relevance:** IMF

**News:** There are strong arguments for revamping the financial structure of the IMF.

The International Monetary Fund (IMF) attempting to modify itself into an aid agency, instead of embracing its traditional role of helping troubled debtor countries.

### What is the issue with the IMF's financial structure?

**Due to the absence of strict conditionality requirements, the vast bulk of the funding they provide takes the form of outright grants, rather than loans. Some recent cases are,**

**One,** Argentina received a massive \$57 billion loan in 2018 with uncharacteristically weak IMF conditions attached and is now resisting repaying.

**Two,** Unconditional loans to the Nigerian government that is restricting food imports to an under-nourished population. Thereby exacerbating the problems caused by the government's own exchange-rate controls.

**Third,** giving approval to countries with exploding debt-to-gross domestic product ratios based on very optimistic assumptions. For instance, the 2021 Article IV report for Ghana is a case in point.

Similarly, providing funds for large emerging markets such as Brazil and South Africa, arguing that dealing with the pandemic is the absolute top priority, despite soaring debt levels, rising inflation.

**Consequence of irresponsible lending:** Since the IMF is still very much structured as a lending agency, it eventually will have to be repaid or go bankrupt itself.

### What is the root cause of such problems?

The root cause lies in its faulty design.

**Firstly,** the Rapid Financing Instrument, a lending facility that does not require countries to enter into a “full-fledged” adjustment program and that in practice requires few conditions or none at all.



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**Secondly**, it has persuaded its members to approve an emergency issuance of \$650 billion in special drawing rights, which also have essentially no conditions. SDRs are basically direct aid that goes to every IMF member, including Russia and Iran.

### What are the suggestions to reform the IMF financial structure?

One key condition should be that IMF funds are not used simply to repay private creditors. Forceful IMF conditionality is essential to establish financial stability and ensure that its resources do not end up financing capital flight, repayments to foreign creditors, or domestic corruption.

In a world where private capital flows far outweigh official lending, traditional IMF programs still have a critical role to play in mitigating and managing financial crises.

### 14. The future of trade

**Source:** This post is based on the article “**The future of trade**” published in **Business Standard** on **4<sup>th</sup> Jan 2022**.

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

**Relevance:** RCEP, India and global value chain

**News:** **Regional comprehensive Economic partnership (RCEP)** which was signed in 2020 , **came into force** on New Year’s Day. India was part of the RCEP process but eventually pulled out of joining. RCEP’s arrival is a reminder that the future of the international trading architecture increasingly seems to be coalitions of the willing i.e. **plurilateral or regional trade pacts**.

### Why India didn’t join the RCEP?

India has its reasons for not joining the RCEP like,

- The excess influence China will have in the pact
- Apprehensions regarding its impact on dairy sector
- Presence of a broader pessimism about trade may also be an underlying reason

However, some recent happenings show that India is softening its approach towards trade agreements.

**Must Read:** [India exits RCEP](#)

### What are these positive developments?

Renewal of discussion on [FTAs](#), such as with the European Union, Israel and the United Arab Emirates, UK.

Attempts at “[early harvest](#)” agreements with larger and more problematic trading partners like the UK

Though these will have a limited effect as compared to joining a trade pact like RCEP.

**Must Read:** [India must tread with caution on early-harvest deals, say experts](#)

### What is the way forward?

India’s continued **observer status in the RCEP** can be utilised to examine its pros and cons for the Indian economy, if India joins it in the future.

Also, there is need for a keener understanding of the **domestic reforms** necessary to become part of the value chains of the future.

Govt should work towards **introducing reforms and tariff rationalisation**. **New-age trade agreements** are as much about “**behind the border**” adjustments such as regulatory harmonisation as they are about tariffs.

**Lastly**, the tendency to increase tariffs on average in the Union Budget must end.

### 15. [CSR and NGOs: Aiding in governance](#)

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**Source:** This post is based on the article “**Aiding in governance**” published in **The Hindu** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS 2 – The role of NGOs, SHGs, various groups and associations, donors, charities, institutional and other stakeholders.

**Relevance:** To understand the cooperation between CSR and NGOs.

**News:** Recently, The Union Ministry of Home Affairs (MHA) refused the application for renewal of FCRA registration of Missionaries of Charity (MoC). Similar such instances impact the synergy between NGOs and Government. But, the research shows that it is the synergy of NGOs, Government and corporates is the way for development.

**Must read:** [Foreign Contribution \(Regulation\) Act and NGOs – Explained, pointwise](#)

### About the Corporate Social Responsibility (CSR) and NGOs

**Section 135** of the [Companies Act](#) mandates corporates who are beyond a certain level of profits and turnover to pay at least 2% of their net profits before tax to the development space. This law gives corporates the necessary impetus to collaborate with non-state actors like Non-Governmental Organisations (NGOs) and Civil Society Organisations (CSOs).

[Corporate Social Responsibility \(CSR\)](#) grants have assumed importance to provide the much-needed sustenance to NGOs and CSOs as key players in non-state governance. This strengthening of citizenry-private partnerships is a major component of development activities.

**Read more:** [FCRA Amendments are Crippling Work of NGOs](#)

### How do CSR and NGOs help in India’s development?

-Non-state actors bring capital to corporate companies and help the state by engaging in welfare activities. When non-state actors take a large load off the state’s shoulder, the state can focus more on governance.

-NGOs and voluntary groups/organisations have played a significant role in building the capacities of citizens to hold governments accountable.

-The Right to Information (RTI) campaign became law after decades-long efforts by NGOs. The law has brought a dramatic change in the degree of transparency in India, with most Government ministries falling under its ambit.

-The District Collector calls on vetted NGOs/CSOs to implement various schemes during the normal course of the day.

-NGOs and CSOs sometimes do the heavy lift and ensure that schemes reach the last person, even in the face of disaster.

The CSR law created a legal framework for corporates to work with NGOs and CSOs. NGOs and CSOs in India will play a major role in mobilising citizen action to right various wrongs. They can help contribute to the better polity as well as better governance. Most importantly, they have the legitimacy to operate as integral cogs in the wheel of good governance.

### 16. The 21st century challenge for democracy

**Source:** This post is based on the article “**The 21st century challenge for democracy**” published in Indian express on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS 2

**Relevance:** Democracy, Nationalism, Erosion of democracy

**News:** The **20<sup>th</sup> century** was seen as the century of **democracy’s expansion**.

But the recent factors like rise of authoritarian regimes, parties with huge majority and hype of nationalism have somewhat endangered democracy.

If it has to be prevented from this decay, then the public discourse around questions of its meaning, purpose and limits needs to be revived.

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What are the factors that are/may harm the institution of democracy?

**An oversized image of the leader:** Excessive majority and unbound faith prevents constructive criticism, which may lead to turning a democratic polity into an autocratic one.

If elected leaders are left unquestioned then they may use it for not just changing the physical structures of the polity, but to affect even the ideological foundations on which it stands.

**Electoral majorities are sometimes projected as representing the view of a single community** which may create **divergence** between different communities and may even lead to **prejudices and conflict** in the society.

And at the level of polity, this may lead to the sentiment of **communalism/ hyper-nationalism** overpowering the principles of **democracy**.

All of these factors are so much a part of institution of democracy that it becomes difficult to tough to identify them, critique them and isolate them. That's why scholars have been calling these as "**democratic**" ways of **subverting democracy**.

What are the challenges that India faces in protecting its spirit of democracy?

– **Politicisation of Bureaucracy**

– Allegations on **media of being biased towards** ruling party of the day at any time.

– Allegations that **Judiciary** has in some cases failed to prevent erosion of democratic credentials.

How can democracies adapt and overcome these concerns?

Path of Protests, agitations and movements: This has seen the involvement of students, farmers and many other sections of the society. While these protests may not substantially alter the course of democracy's erosion, they do have the potential of rejuvenating people's agency.

**Need of politics which is not person or one party centric:** India is a multiparty democracy and only this normal politics will do justice to it. Normal politics means that no party, no leader, no idea, no dream is final or invincible.

**Need for ideological engagement at the intellectual level:** There is need to ponder over the question that what we mean by democracy and what we need to do with it.

Democracy can be practised in real terms only if there is **emphasis on inclusion, institutions, procedures and deliberation and power-sharing**.

Globally, **governments have turned into regimes**. The challenge is to break this regime-ness and treat elected representatives for what they are — **just power-holders, deservingly scrutinised for their use of power**.

These changes will not happen through any set grand political theory, but these pathways have to be **utilised daily, in matters of routine nature** where democracy is being compromised. **Political criticism** keeps democracy alive.

### 17. Poshan Abhiyan- Its time for national self reflection

**Source:** This post is based on the article "**Poshan Abhiyan- Its time for national self reflection**" published in **Livemint** on **4<sup>th</sup> Jan 2022**

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

**Relevance:** Nutrition status, Child care.

**News:** [National Family Health Survey \(NFHS-5\)](#) which was released a few months back indicates slow improvement in India's malnutrition situation.

**What have been the positives regarding nutritional status in India?**

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Substantial improvement in **maternal-child health services, including antenatal care (ANC) services, child immunizations and diarrhoea** management.

Significant improvement in fixing the **underlying causes of undernutrition, such as improved sanitation services, a lower total fertility rate, 10 years of schooling** etc.

These positive outcomes were achieved through **greater political commitment**, and initiatives like Jandhan Yojana, Mission Indradhanush and Janani Suraksha Yojana under the National Health Mission, Swachh Bharat Abhiyan, Ujjawala Scheme, Beti Bachao Beti Padhao.

### What are the areas where India needs improvement?

NFHS also presents some negative facts and figures like

**Every third child under five and a fifth of women is undernourished**, while more than every second child, adolescent and woman is anaemic.

Lack of essential nutrition interventions during the first 1,000 days of life (270 days of pregnancy and 730 days 0-24 months).

**No maternal nutrition policy and weak implementation** of Infant and young child feeding policy

Although, there has been an Infant and Young Child Feeding (IYCF) policy since 2000. **Caregivers are not well-informed about what, when and how often to feed a child over six months**, contributing to obesity, micronutrient deficiencies and increased chances of adult-onset non-communicable diseases.

**Behavioural Changes:** Some studies show that 20% of undernourished children are from communities with the highest wealth index which highlights that the main reason behind these issues is a failure to effect behavioural problems and lack of awareness.

**Nutrition care is divided into prevention and care between our health system and ICDS:** ICDS is the main government program to improve the nutritional status, but has no opportunities for direct contact with the young mother to influence nutrition practices.

On the other hand public health system that is in charge of ANC (Ante-Natal Care), child delivery and immunization has an advantage of a minimum of 15 contact occasions with mothers, from the start of pregnancy.

### What is the way forward?

**Training mothers for early care and breastfeeding:** Only 9.8% of the children of such trained mothers were underweight at six months, compared to 18.1% of the children of untrained mothers.

**Complementary feeding of semi-solids also needs attention.** Only one in 10 children above 6 months receives an adequate diet in line with the recommended frequency of semi-solids.

**Frequent interpersonal counselling by health workers/medical teams** at the right time can be a game changer.

**Merging the human resources of ICDS with India's primary healthcare system would strengthen maternal-child nutrition and healthcare workforce and teamwork.** This could cost-effectively lower child mortality, as 68% of India's under-5 mortality is associated with undernutrition.

## 18. Pangong message-India's border infra better than before. But China far ahead. Project turnaround has to improve

**Source:** This post is based on the article "**Pangong message-India's border infra better than before. But China far ahead. Project turnaround has to improve**" published in **Times of India** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS2- India and its neighbourhood- relations.

**Relevance:** Border infrastructure along Line of Actual Control (LAC), Indo-China relations.

**News:** China already has a superior border infrastructure than India and has recently also finished a lot of projects along the Line of Actual Control (LAC) in Ladakh.

Years of investment and an easier bit of topography of the Tibetan plateau gives China an advantage.



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### What have been the recent Chinese advancements on the border areas?

China is ramping up its infrastructure along the LAC.

This includes a new bridge across the [Pangong Tso](#) as well as additional troop shelters, gun positions, helipads and jetties in the area between Finger 8 and its military bases at Sirijap-I and II.

### What have been the efforts from the Indian side to counter China's border development?

India has for the longest time believed that inaccessibility on its side would actually deter the Chinese from intruding across borders. But the border clashes over the years have proved the contrary.

So, **India changed its approach, especially in the last 15 years.** Since the **Galwan clash in June 2020**, the pace of Indian border infrastructure **development has quickened.**

- In June 2021, 63 bridges across six states and two Union territories along the LAC went operational.

- Government implemented the **Shekatkar Committee recommendations** regarding border infrastructure that enhanced the Border Roads Organisation's procurement powers from Rs 7.5 crore to Rs 100 crore.

### What is the way forward?

India needs to focus on overcoming the problem of lack of **inter-ministerial coordination** and the **delayed environmental clearances.** **For instance:** Failure of the project involving the construction of over 40 integrated border outposts along the LAC due to poor coordination between the ministries of home affairs and Jal shakti.

To be able to counter China successfully, India must utilise its **limited resources smartly** by **cutting red tape** and **clearing border projects quickly.**

## 19. The bottom line in Blinken's foray into Southeast Asia

**Source:** This post is based on the article "**The bottom line in Blinken's foray into Southeast Asia**" published in **The Hindu** on 5<sup>th</sup> Jan 2022.

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

**Relevance:** Indo-Pacific, ASEAN centrality

**News:** Both China and the U.S. are trying to attract the Association of Southeast Asian Nation (ASEAN) countries to their side. The US wants to overcome the Chinese domination in the ASEAN by pitching the issue of ASEAN Centrality and by countering China's aggressive rise.

### How the US is employing the ASEAN centrality tactics to attract South Asian nations?

In his speech at Universitas Indonesia on December 14, Mr. Blinken laid out the five core principles shaping the American strategy of a free and open Indo-Pacific. Alongside, he also underlined the mechanisms that the U.S. is adopting to implement these core principles.

He also stressed the following concerns made by ASEAN nations about China's aggressive actions. For example,

- Claiming open seas as their own,
- Distorting open markets through subsidies to its state-run companies,
- Denying the exports or revoking deals for countries whose policies it does not agree with,
- Engaging in illegal, unreported, and unregulated fishing activities.

### How the US is trying to counter China's rise directly in the Indo-Pacific?

The US is trying to counter China mainly in two areas. One is the **South China Sea** and the second is the investment in the infrastructure development of Southeast Asian countries.

#### 1. South China Sea

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The U.S. has continued its **Freedom of Navigation** Operations in the disputed waters of the South China Sea to challenge unlawful maritime claims by China.

The US has also brought up the 2016 international tribunal ruling which had rejected the Chinese nine-dash-line claims.

### 2. Infrastructure development

Through infrastructural investments under its Belt and Road Initiative (BRI), China has attracted many ASEAN nations. For instance, Chinese investments have driven countries such as Cambodia and Laos to do China's bidding in the ASEAN, even at the cost of compromising ASEAN's unity.

To counter this, the US has reiterated that it remains committed to closing the infrastructure gap.

The US has pointed out that the members of the Quad (Australia, India, Japan, and the U.S.) have provided more than \$48 billion in government-backed financing for infrastructure for the region.

Further, the U. S is promising to do more under the **Build Back Better World initiative** and the **Blue Dot Network**.

The U.S. is also trying to showcase a **comprehensive economic framework** in the Indo-Pacific.

### What is the way forward?

Providing proper alternative models of investments for development in sectors such as infrastructure, digital economy, supply chain, and health for the Southeast Asian nations will be critical.

The economic framework, investment plans, and promises outlined by Mr. Blinken need to be made operational quickly if the US is to show that it is indeed serious about sustained commitment toward the Indo-Pacific.

### 20. The state is not what one thinks it is

**Source:** This post is based on the article "**The state is not what one thinks it is**" published in **Business Standard** on 5<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – issues related to governance

**Relevance:** Idea of State

**News:** Conferring a limited form of legitimacy to traditional institutions is one way to bring society, nations and super-states back to reality.

The biggest challenge the world faces today is steady collapse of traditional institutions. For instance, From the United Nations and supra-national bodies like the European Union or the World Trade Organization, not one functions with any amount of efficacy.

Monetary authorities have failed which is why we see such economic disruption and growing belief in non-state currencies like cryptos.

The judiciary has failed almost everywhere except in small countries with a common ethnicity (like the Nordics).

The rise of cult-like leaders in many countries is a desperate move by citizens to see if strongmen can do somewhat better than their failing institutions.

### What is the reason for the collapse of traditional institutions?

The reason is we have defined the word "state" to largely conform to the Westphalian idea of it. State does not mean just government, legislature, judiciary or law enforcement. It has to include all institutions that exert authority on the individual.

The reality is many kinds of state which we can loosely define as any institution with some authority over individuals exist. For instance,

The family is a micro-state, for it exercises some control over a few individuals.

The tribe and community also constitute a state, for they influence how their members behave.

Corporate institutions are quasi states, for they can enforce behaviours among employees, vendors, and distributors.

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Google, Facebook (now Meta), Twitter and Microsoft are cyber states, and often they exert more influence and know more about their “citizens” than the regular state authorities do.

### How the idea of flawed state is impacting Individual rights?

The idea of liberal state was originated to destroy the legitimacy of every other institution because other institutions had not been reformed, or were seen as instruments of oppression.

Though it is important to acknowledge that traditional institutions were oppressive to a greater or lesser degree, but using state power to destroy them completely makes state power itself illegitimate after a point. For example,

After some time when all traditional institutions are destroyed, state will gain so much power as to threaten individual rights itself.

This will force non state actors to overthrow the state and the state, allegedly to protect citizens, demands more powers to invade privacy and make laws that would have not been accepted earlier.

### What is the way out?

Need to legally build some legitimacy back into traditional institutions and subject some freedoms of individuals to their rules and internal regulations.

State should be given overriding powers over traditional institutions, and individuals can always be given a right to appeal over the heads of these traditional forms of authority.

The social capital that exists within such traditional institutions, from religious authorities to khap panchayats, must be used for the greater good by making them more accountable and self-regulating.

## 21. The Chinese challenge uncovers India’s fragilities

**Source:** This post is based on the article “**The Chinese challenge uncovers India’s fragilities**” published in **The Hindu** on **6<sup>th</sup> Jan 2022**.

**Syllabus:** GS2 – India and its neighbourhood

**Relevance:** Indo-China relations

**News:** The Indo-China border crisis has brought out the political, economic and diplomatic problems between the two countries, which have been the result of choices made after 2014.

With the loss in the 1962 war against China, India lost its pre-eminent position in Asia. With the present display of weakness six decades later, India is in danger of losing its dominant influence even in South Asia.

It’s time for the Indian PM to step up and personally resolve the crisis.

### How has China pushed on with its aggressive gestures against India?

After border crisis, China has taken various aggressive military and diplomatic steps like:

**Renaming of places in Arunachal Pradesh:** Beijing recently renamed 15 places in Arunachal Pradesh, following the six it had done in 2017, weeks after the Dalai Lama visited Tawang. China justifies the renaming as being done on the basis of its historical, cultural and administrative jurisdiction over the area. It said that ancient names of these areas were changed by India after “illegal occupation”.

**New land border law:** On January 1, 2022, it’s **new land border law** came into force. This law supports, and mutually reinforces — the construction of **Xiaokang border villages** by China along its disputed border with India.

As per satellite images, at least two of these villages have been constructed on the Indian side of the LAC in Arunachal Pradesh. These villages will come in handy for Beijing when the **principle of ‘settled areas’** is invoked to resolve the border dispute in the future.

**Emboldened Chinese diplomats:** Even the diplomats, posted at the Chinese Embassy in Delhi, have been emboldened by India’s cautious response to Chinese Govt’s gestures. Recently, Political Counsellor of the Chinese Embassy, Zhou Yongsheng wrote an angry letter to Indian Members of Parliament,

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including two Union Ministers, for attending a meet organised by the Tibetan government-in-exile. This angry missive (long official letter) from an Embassy official to two Ministers has earned no reaction or condemnation from the Government for the Chinese Ambassador.

### What are the challenges before India?

**Firstly**, India has **run out of proactive options against Beijing** that will force its leadership to change course on its India policy. Tibet and the Dalai Lama are no longer effective deterrents.

**Secondly, Beijing does not care for its declining popularity** among the Indian populace.

**Thirdly**, there is a **huge trade deficit b/w India and China**, which is driven by Indian dependency on Chinese manufacturing. This situation has further worsened by the Government's mishandling of the novel coronavirus pandemic.

### What is the way forward?

The **Quad** has remained a non-military grouping. Moreover, the signing of the **AUKUS** and the humiliating American exit from Afghanistan proves that India will have to deal with the Chinese challenge on the border on its own.

India can prevent any further loss of territory to China with extensive military deployment on the LAC, while hoping that the crisis is resolved with **Moscow's help**. Russia has offered a Foreign Ministers meeting Russia-India-China grouping, but India has stressed on China to take some steps first to resolve the border crisis.

Government should adopt a **collegial and deliberative model of decision-making**, which requires cooperation and consensus among different stakeholders.

## 22. Supreme court must ensure hate speech guilty are punished

**Source:** This post is based on the article "**Supreme court must ensure hate speech guilty are punished**" published in **The Indian express** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Hate speech. Constitutional right.

**News:** Recently, some **hate speech incidents** have taken place in Uttarakhand and Delhi.

Here the speakers have given Speakers made statements about killing Muslims to make a Hindu Rashtra, shooting a former prime minister and calling upon the police, leaders and the army to take up arms to indulge in ethnic cleansing.

Although the **government has constituted an SIT** to look into the matter, there is need for **more concrete actions** in such which atters of this grave importance.

These can have **serious implications for peace and stability** in the country.

### What has been the Supreme Court's views on hate speech?

Incidents like these involving the question of **the rule of law**, which is part of the **basic structure** of the Constitution.

SC in **Pravasi Bhalai Sangathan v. Union of India** had defined "**hate speech**" as "**an effort to marginalise individuals** based on their membership in a group."

It further said, "*Hate speech lays the groundwork for later, broad attacks on the vulnerable that can range from **discrimination to ostracism, segregation, deportation, violence and, in the most extreme cases, to genocide.***"

The court observed that: "*The root of the problem is **not the absence of laws but rather a lack of their effective execution.***"

### How is Article 21 relevant to the current issue?



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All citizens in India are guaranteed their right to life and personal liberty. Issuing threatening statements against anyone or any specific community is a clear violation of this right enshrined under Article 21.

**Right to life and personal liberty (Article 21):** Constitution of India affords all citizens equal rights. SC has held that Article 21 must be interpreted in conformity with **international law**, as **India is a signatory to the [International Covenant on Civil and Political Rights, 1966](#)**.

The state therefore has an absolute obligation to ensure that this right is **not just preserved but protected**.

### What are different views on the values of fraternity and equal rights?

**Sardar Vallabhbhai Patel** had stated in 1949 that *“It would be in the interest of all to forget that there is anything like majority or minority in this country and that in India there is only one community.”*

Constitutional framers had advisedly incorporated **“fraternity” as one of the goals in the Preamble**.

**B R Ambedkar**, had stated in the Constituent Assembly that: **“Fraternity is the principle which gives unity and solidarity to social life.”** *“If we continue to deny it for long, we will do so only by putting our political democracy in peril.”*

In **I R Coelho v. State of Tamil Nadu** the Supreme Court itself held that *“Over the years, the jurisprudence and development around **fundamental rights** have made it clear that they are not limited, narrow rights but provide a **broad check against the violations or excesses by the State authorities**”*.

### What is the way forward?

Whenever there is an indication that rights of citizens or any section of it are compromised then **Supreme court must step in** as it is **the real custodian of the fundamental rights of citizens and their ultimate protector**.

### 23. On UGC’s letter to Central Universities: Wrong answer

**Source:** This post is based on the article **“Wrong answer”** published in The Indian express on **6th Jan 2022**.

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

**Relevance:** Higher education in India, UGC

**News:** University Grants Commission (UGC)’s letter has asked central universities to offer/teach courses **based on student demand** that is on the **basis of number of enrolled students**.

### Why it can be a problematic move?

Students often enrol for a course depending upon whether the course boosts their chances of employment or not.

For a University, this **should not be the sole criterion** in determining the span of its academic ambition.

Universities should not only provide a gateway to the job market but also focus on producing **knowledge**, training students in **critical thinking** and **pushing ideas towards new frontiers**.

### What will be the implications of the move?

This can have grim consequences **for social science and language** departments as they are given less value in the society as compared to science field.

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It can also **lead to job losses** for those who teach in them.

### **What are the challenges that Indian higher education system faces?**

Although universities need to ensure the employability metric, but there are some other **challenges also that Indian higher education needs to overcome.**

**Degree of autonomy:** There is a need to give universities the **freedom to design courses, and draw up syllabi.** This is a basic demand, but only few public universities have this autonomy.

**Lack of funds and inequality between institutes:** There is huge gap in terms of funding requirement for research, availability of resources in different institutes, etc.

**National Education Policy (NEP)**'s emphasises for greater autonomy to higher, interdisciplinary learning, will be affected by the reduction in the number of courses.

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

Each university is **unique** and should find the answer for its **requirements on its own terms.**

UGC must **not impose a top-down criterion** that can further shrink the space for experimentation and innovation in higher education.

Higher education needs a **comprehensive** reform, not a lopsided one.

### **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

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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](#)

### 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?**

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.



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### 1. 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.

**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.

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### 2. 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.

**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.

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**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.

### 3. 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.

**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.

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### 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).

### 4. 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.

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](#)

### 5. 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.



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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.

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.

### 6. 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".

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### 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](#)**

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.

## 7. 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?

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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.

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.

### 8. 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.

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

**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.

### **9. 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.

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



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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.

### 10. 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.

**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?**

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**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.

### 11. 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.

**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.

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**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.

### 12. 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.

**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

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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](#)**

### 13. 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.



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**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.

### 14. 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](#)

### 15. 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.

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

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).

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

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### 16. 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.

### 17. 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.

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

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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.

### **18. 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.

**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.



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**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.

### **19. 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](#)

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.

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**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.

### **20. 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

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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](#)**

### 21. 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.

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**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](#)

### **22. 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.



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**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.

**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.

### 23. 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 rounds of recruitment into the Karnataka Administrative Exam for over a decade. In which one round was stayed by High

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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.

### **24. 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.

**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.

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**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.



**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](#)

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### 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?

**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](#)



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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](#)**

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# General

# Studies

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### General Studies - 3

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#### 1. The crypto assets conundrum

**Source:** This post is based on the article “**The crypto assets conundrum**” published in **The Hindu** on **3<sup>rd</sup> Jan 2022**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Understanding issues with regulation of Crypto assets

**News:** Arguments for legalising crypto assets in India are weak, and in fact dangerous.

#### What is the case for Crypto regulation?

- Cryptocurrency enables relatively invisible transactions, with serious implications for crime, terrorism, money laundering, tax evasion, etc.
- Another worry is that the crypto mania is getting built of purely speculative investments. The eventual **bursting of such bubbles** will badly hurt people.
- Further, crypto threatens the state’s macro-economic role.
- Also, Govt wants to avoid any tech-unfriendly image.

**Read more – [The monetary, fiscal challenges of Cryptocurrency](#)**

#### Why legalising Crypto assets is dangerous?

**Firstly**, Crypto is **more divisible and portable** than land, gold, stocks and even physical currency. Hence, once legalised, crypto asset’s advance towards becoming a medium of exchange would be unstoppable.

**Secondly, Crypto is mostly a speculative asset:** The 2008 financial crash happened largely because some ‘assets’ lost all connection to any kind of underlying value. When this happens to Crypto, the bubble will burst, gravely hurting people. If the Govt legalises a purely speculative asset, it provides a green signal to investors to invest in it and blow into the bubble. When the bubble bursts, there may be a heavy political price to pay for the ruling dispensation.

**Thirdly**, any **underlying value** of Crypto is only in terms of an expectation of it’s **widespread acceptance** as a medium of exchange in the future. By legalising Crypto assets, Govt will inadvertently be promoting this expectation.

**Fourthly**, legalising crypto assets primarily to support **blockchain technology** is also not tangible. It’s like signing on to the use of space as a new frontier of war just because it would promote India’s space industry. Blockchain has thousands of applications other than crypto. Various innovations and services, including using blockchains are indeed possible over the top of a **Central Bank Digital Currency (CBDC)**, as an alternative to private cryptocurrencies.

**Fifthly**, the argument to let both public and private currencies co-exist, leaving it to ‘people’s choice’, is also **deceptive**. The powerful feel the distributive potential contained in public currency systems is unfair. Hence, they will all push private currencies. Their combined economic power itself would ensure an overwhelming dominance of private currencies over the public currency.

#### More articles on Crypto:

- [The Crypto conundrum](#)
- [Cryptocurrencies in India: Ban or regulation – Explained, pointwise](#)
- [Why arguments against Cryptocurrency regulation are very weak](#)

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### 2. Don't support minimum support prices

**Source:** This post is based on the article “**Don't support minimum support prices**” published in **The Indian Express** on **3<sup>rd</sup> Jan 2022**.

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

**Relevance:** Issues associated with legalising MSP

**News:** Legal MSP is an illogical, expensive and inefficient policy instrument.

Unless farmers move rapidly towards high-value agriculture, there is not much scope to achieve better incomes for smallholders in an economically efficient and sustainable way.

#### **What is the actual reach of MSP regime?**

If one uses the Census and National Accounts data,

- The **percentage of farmers** benefiting from MSP comes around to be **5.6%**
- The **value of agri-produce** benefiting from the MSP regime comes down to just **2.2%**.

The reach of MSP, both in terms of agri-Households or the value of agri-produce, is **not more than 9%**.

#### **Why legalising MSP is economically illogical?**

MSP **distorts the basic logic of the supply-demand mechanism**, slows down the process of diversification, and is economically a very expensive and inefficient policy instrument.

**For instance:** Procurement at MSP has spread to many other states, most notably in Chhattisgarh and Telangana for paddy, and Madhya Pradesh for wheat. This is taken as a success story. However, the point which is missed here is that most of these farmers also benefit from highly subsidised PDS. This is **irrational** and **economically inefficient**. Paddy is first bought from small and marginal subsistence farmers at MSP, and then same is given back to them after incurring 40% higher costs on top of MSP during the process of procurement, stocking and distribution.

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

**Providing direct income support:** It is much better to directly support small and marginal farmers with an income policy or through a diversification package towards high-value agriculture. This support can be on a per hectare basis, tilted towards small and marginal holders, which can be directly transferred to farmers' accounts without distorting markets or cropping patterns.

**For instance,** the PM-KISAN policy of giving Rs 6,000 into the accounts of agri-HHs can be refined and scaled up, by linking it with adopting farming practices that are environmentally sustainable.

#### **The government's focus needs to be directed towards**

- the development of efficient value chains
- forming of commodity-specific Farmer Producer Organisations (FPOs)
- equipping them to assay, grade, and package their products
- incentivise the private sector to invest in logistics, storage, cold chain, processing.

### 3. Preparing for green energy shift in 2022



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**Source:** This post is based on the article “**Preparing for green energy shift in 2022**” published in **The Indian Express** on **3<sup>rd</sup> Jan 2022**.

**Syllabus:** GS3- Infrastructure: Energy.

**Relevance:** Green energy transition and future policy making.

**News:** The world is preparing itself for an **energy transition** from fossil fuel to green energy. Around 133 countries have pledged to a “**net-zero carbon emissions** date. Most govts, corporates and civic entities have also shown determination to “**phase down**” and eventually phase out fossil fuels from their energy basket.

However, world is still highly dependent on fossil fuels. The natural gas and oil prices have also been turbulent in the past year due to demand supply mismatches and geopolitics.

### **What should be the factors that need to be considered while designing policies for green transition?**

Any future energy policy would have to overcome a paradox b/w the aim for a clean energy system and the wide availability of fossil fuel resource.

**1) Long and expensive:** Fossil fuel-based economic system will have to be redesigned and, in parts, rebuilt for clean energy to achieve scale.

This will take decades and also require massive capital infusion.

No country or multilateral institution can finance this transition individually. The **world will have to collaborate** otherwise the financing deficit will push back the transition even further.

**2) Fossil fuels will dominate the energy basket during this transition phase and their prices will be determined by the factors of demand, supply and geopolitics.**

**3) “OPEC plus”** will have a huge influence in the market. Countries which have huge resources of petroleum like Saudi Arabia, the Gulf nations, Iraq, Russia, etc will gain greater control over the petroleum market as private companies move beyond fossils under pressure from shareholders and regulators.

**4) Geology of the minerals and metals required for clean energy is skewed towards the geology of petroleum reserves:** The Democratic Republic of Congo controls, for instance, more than 50% of the global supply of **cobalt**; **Australia** holds a comparably large share of the **lithium** market; and **China** bestrides the mining, processing and refining of **rare earth** minerals.

This inequity in terms of resource availability will create new centres of energy power.

**5) National self-interest and short-term political ambition will be the defining determinant of future energy supply relations:** Though US and China are into a Cold War and may even fall into the “Thucydides trap”. However, they are still coordinating on the energy front.

**Example:** A few weeks ago, the two countries decided to coordinate the release of oil stocks from their strategic reserves to cool off the oil market.

**Note–** *Thucydides trap is the idea that the rise of a new power, as a competitor to an existing superpower, likely leads to political escalation and war.*

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

– India must **maintain and nurture its relations with its traditional suppliers** of oil and gas. It must not assume that their role in the energy market will diminish.

– It should accelerate the build-up of the **storage capacity for oil and gas**; the former to hold strategic oil reserves, the latter to store gas for conversion to **blue hydrogen**.

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- It must create a facilitative **ecosystem for the search and development of the minerals** and metals required for **clean energy**.
- A **single point executive** should be appointed which would act as a point of coordination for multiple stakeholders (*governments, regulators, farmers*) involved in this process and to develop common rules and standards.
- India should create a “**clean energy Aatmanirbhar supply chain**”
- It should also ensure that green **transition must not lead to import dependency** on raw minerals and manufactured inputs, especially from China.

### 4. It's in India's national interest to promote open-source software

**Source:** This post is based on the article “**It's in India's national interest to promote open-source software**” published in **Live Mint** on 3<sup>rd</sup> Jan 2022.

**Syllabus:** GS 3 – Awareness in the fields of IT, Computers.

**Relevance:** Open source software

**News:** Many volunteers around the world are resolving vulnerabilities in open-source Log4j software.

Open-source software is in India's national interest, given the unfolding economics and politics of the technology space. The promotion of Open Source software can be a source of competitive advantage for India in **high-technology geopolitics**.

#### What is Log4j & Why it is significant?

It is an open-source software found in millions of computer servers, from those owned by giants like Apple and Twitter to ‘smart’ televisions, security cameras, and other appliances in people's homes. It is maintained by the dedicated communities of volunteers.

**Significance:** It is very significant to the multi-trillion-dollar information economy. Because the Information Age rests on such foundations namely, Log4j, Apache, Kubernetes, and Linux.

#### How India is positioned w.r.t the development of open-source software?

Indian developers are major players in this ecosystem. According to GitHub, a leading platform for open-source software development, more than 7.2 million of its 73 million users in 2021 were from India. India ranks third after China and the US.

The fact that millions of Indian developers are plugged into the global open-source ecosystem is a good sign. It can be a source of competitive advantage for India in high-technology geopolitics.

#### What approach would suit India's interest w.r.t the development of open-source software?

India should **not aim at technological sovereignty** by reinventing everything and insisting on localization. It would be counter-productive.

A far more effective approach is to **focus on open-source projects**, build for the whole planet, and derive a strategic advantage. This is the only reliable way to reduce dependence on transnational technology companies.

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

The earliest attempts by governments to promote open source have mostly involved adopting Linux-based operating systems and open document formats. But it failed.

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More recent attempts involved building stacks, infrastructure, and platforms that allow varying degrees of source-code visibility and access. These are mostly targeted at delivering digital public services.

### How India can facilitate the creation of Open-source software?

**Promote an open-source economy:** Because governments can't build better consumer products than corporations or open-source communities. This is one reason why an earlier government attempt failed.

**Public policy:** Public policy should create incentives for developers and firms to invest more in building open-source software. The goal should be to create globally-competitive developers and firms that become important nodes in the tech ecosystem.

**Higher education:** Engineering colleges could be encouraged to get their students to participate in open-source projects.

**Corporate social responsibility:** India, with a big IT industry, should start recognizing the support for open-source projects under corporate social responsibility (CSR).

### 5. The lethal use of drones can't carry on as a global free-for-all

**Source:** This post is based on the article "**The lethal use of drones can't carry on as a global free-for-all**" published in **Livemint** on **3<sup>rd</sup> Jan 2022**.

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

**Relevance:** Increasing drone usage, Absence of global regulatory oversight

**News:** With the advancement in [drone](#) technology and a lack of global norms, the second drone age has been marred with high-end violence using drones.

Hence, the regulatory oversight of Unmanned Aerial Vehicles (UAVs) should be an international priority. Without it, the only certainty is that drone technology will continue to advance everywhere. There will be more civilian casualties, and no one will be held accountable.

**Must Read:** [Threats posed by UAVs – Explained, pointwise](#)

### What is the second drone age?

Today the international drone market has a vast range of offerings, like

– Tiny startups selling \$1,000-to-\$2,000 off-the-shelf technology that can be easily weaponized by terrorist groups like the Taliban

– High-tech unmanned vehicles that can carry laser-guided munitions and Hellfire missiles.

The proliferation of drones in the international market and the way these drones are shaping up the global military programmes, with equally significant applications in civilian sector, is being termed as the **second age of drones**.

The first age of drones, was dominated by the U.S. since its first attack using a remotely piloted craft in 2001. Now, it's an ungoverned space with billions of dollars to be made and thousands of lives at stake.

### How has drones impacted the global military programmes?

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102 countries now run **active military drone programmes**. It's replaced thousands of troops on the ground with controllers behind computers located in bases far away from the air strikes they are launching.

### **What are the issues/concerns with the widespread usage of drones?**

There's an **absence of any overarching regulatory regime** to protect civilians and uphold humanitarian laws, and to examine the operational and tactical ramifications of this remote-control warfare.

**For instance:** A US drone strike in Kabul in August 2021 that targeted terrorists instead killed 10 Afghan civilians, including seven children. It was a failure of military intelligence. Hence, experts are calling for a better regulation and more public scrutiny of drone operations.

Drones are a **gateway technology**. They've opened the door to weaponized AI, algorithmic and robotic warfare, and loosened human control over the deployment of lethal force. Today's armed drones, are tomorrow's killer robots.

The **Missile Technology Control Regime**, an informal political pact among 35 members, seeks to limit the proliferation of and trade in missiles and missile technology, which covers attack drones. But there's **no enforcement mechanism**. It's not equipped to regulate armed and networked drones, which can take as many as 200 people to operate.

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

Large-scale drone makers now **negotiate sales directly with prospective buyers** who have clear military and security uses in mind.

– **Turkey sold weaponized drones to Ethiopia**, where the government is suspected of using them against rebel forces in the Tigray region in a civil war that's killed thousands of civilians and forced more than 2 million people to flee their homes.

– The **conflict between Armenia and Azerbaijan** over the disputed [Nagorno-Karabakh](#) region saw Azerbaijan emerge as the winner, using Russian, Turkish, Israeli, and indigenous drones to overpower its neighbour's less sophisticated military

It has **allowed powers like the US to flout global norms** (*like the US drone strike that killed the commander of Iran's elite Quds force, Qassem Soleimani, in Iraq in January 2020*).

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

There's a need for a **Drone Technology Control Regime**. Nations should establish a multilateral process to develop standards for the design, export and use of drones, as well as stricter controls on the transfer of military technologies. Sales agreements, should include civilian protection and adherence to international human rights.

### **6. Food security policy formulation: What can India learn from other countries?**

**Source:** This post is based on the article "**Food security policy formulation: What can India learn from other countries?**" published in **Down to Earth** on **3<sup>rd</sup> Jan 2022**.

**Syllabus:** GS3 – Food Security

**Relevance:** Lessons from other countries, for India's Food security policy

**News:** India has transformed itself from a food-deficient country characterised by the ship-to-mouth situation of the 1960s, to the present day, when vulnerable sections of the population have enhanced access to food.

Many challenges still remain, and this is where India can learn from international experiences.



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**Must Read:** [Food security in India and its challenges – Explained, pointwise](#)

### **What lessons can India learn from other countries?**

**Sri Lanka** – Hasty and irrational policy decisions can lead to problems for the citizenry.

Chemical fertilisers have played a key role in boosting agricultural production in Sri Lanka. But, the dependence on chemical fertilisers to boost agriculture production has serious long-term implications. Hence, the Govt of Sri Lanka recently decided to replace chemical fertiliser and shift to organic farming.

But, the ban on the import of chemical fertilisers led to a **sharp decline in food grain production** and **severe inflation** in their prices.

Moreover, scarce foreign reserves (*due to decline in tourism because of COVID*) were used to clear the government's debts.

Thus, an ill-conceived policy led to food shortages and inflation in the country.

**Pakistan:** To overcome the food crisis in Pakistan, a central minister made a novel suggestion to people to reduce their consumption of wheat and sugar.

Such advice is not feasible when it is made to people suffering from malnutrition and hunger. At best, it can be considered as a short-term measure and not a long-run solution.

**Venezuela:** – Irrational policies may lead to economic disasters even in resource-rich countries. The economy of Venezuela, an oil-rich country, was severely affected due to its irrational policy of **distributing highly subsidised food grains** and providing **unemployment relief**. Consequently, **people preferred to remain idle**.

The **foreign entrepreneurs left the country** due to the non-availability of workers and remunerative prices. The decline in food imports due to the depletion of foreign reserves led to **food inflation**.

To appease the people, the government started printing currency notes recklessly, which led to **hyperinflation**.

**Zimbabwe** experienced similar hyper-inflation due to the reckless printing of currency notes

**Uruguay:** Diversification of agriculture is the key. Uruguay, for instance, focuses on **enhancing dairy products along with traditional crops**. There are about four cows for every person in Uruguay. Dairy products like milk, curd, butter and ghee are exported in large quantities.

Therefore, cattle are important in a tropical country with a pastoral culture.

**Morocco:** Excessive dependence on chemical fertilisers is not advisable. Phosphorous is a significant input in the production of chemical fertilisers.

About **70-80% of known world resources** of phosphorous are available only in **Morocco**. The country may control the production of fertiliser by manipulating the price of phosphorous.

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

**One**, is to learn from the policy mistakes of the other countries as mentioned above.

**Second, organic content of the soil needs to be maintained**, because low organic content in soil reduces it to sand. In Punjab, it is below 0.5%. At least a quarter of cultivated land in India is likely to become desert in 10-15 years if this process continues.

– Organic content can be enhanced by adding leaves from tree or animal waste. Thus, there must be a mandate to maintain a certain proportion of area under trees and adequate cattle herds.

**Thirdly**, to have environmentally friendly and sustainable agriculture, excessive dependence on chemical fertilisers has to be reduced in a phased manner.

### 7. The deafening silence of scientists

**Source:** This post is based on the article “**The deafening silence of scientists**” published in **The Hindu** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Science and Technology- developments and their applications and effects in everyday life.

**Relevance:** Scientific temper, pseudoscience.

**News:** Recently there have been various instances where many political representatives and public figures have presented ideas and boasted facts that are nothing but pseudoscience. But what is even more surprising is the lack of opposition from the leading scientists of the country.

#### What are these instances?

Many speakers at the **102<sup>nd</sup> Indian Science Congress** which was held in 2015 proposed unscientific facts.

- They argued that **ancient ‘Bharat’ was a repository of all modern knowledge**, some of which is yet to be invented in this century.
- Recently, a prominent public figure said that **DNA of all the people in India has been the same for 40,000 years**. His message clearly goes against the proven fact that Indians have mixed genetic lineages originating from Africa, the Mediterranean, and Eurasian steppes.
- **IIT Kharagpur** has now **issued a 2022 calendar**. The purpose of it is to argue for a **Vedic cultural foundation for the Indus Valley Civilisation** — a theory that goes against all the available evidence.

#### What are the implications of such incidents on the society?

- They encourage **intolerance and superstition**.
- **Endangers Freedom of thought:** For the creation of knowledge, all stakeholders should be able to think and express themselves freely. One also needs to have a space for dissent, which is a fundamental requirement for democracies to thrive.
- Pseudoscience provides a foundational base for a huge money-making industry that successfully **help sustain quackery by exploiting the people’s ignorance**. **Example:** Cow products to cure COVID-19.

#### What are the reasons for the lack of any opposition?

- Scientific research relies almost **entirely on funding from the government**, this makes dissent difficult.
- Contemporary science researchers remain entirely **cut off from liberal intellectual discourse**, unlike in the initial years after Independence. In the early **20<sup>th</sup> century**, many leading scientists were **deeply engaged with philosophy** and always thought that how **science will affect society**. They were much more proactive about societal issues.
- Globally, **STEM (science, technology, engineering and mathematics)** students demonstrate **less social concern** than students from other streams. This is because of the pedagogy followed in our science education system. For many of them, **exposure to the social sciences is minimal at university**.
- We are also living at a time when **scientific advice is marginalised in public policy debates** ranging from natural resource use to environmental impacts.

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### What is the way forward?

Science education must include pedagogical inputs that help learners take a stand against false theories that could undermine **progress of society and democratic structures**.

### 8. Safety at all costs: On implementation of safety protocols in fireworks industry

**Source:** This post is based on the article “**Safety at all costs**” published in The Hindu on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS3 – Disaster Management

**Relevance:** Accidents in firecracker Industry, reasons and way forward

**News:** Four workers lost their lives in a blast at a fireworks unit in Tamil Nadu on the day of the new year. The accident happened due to mishandling of chemicals.

### What are the reasons behind the accident?

**Non enforcement** of safety protocol.

Leasing out the industry unit to others and **unauthorised manufacturing products**.

### What can be done to prevent such incidents in future?

Although the Firecracker Industry has seen some improvements like reduction in child labour, but **adherence to safety protocols needs serious reforms**.

These incidents should not be termed as ‘accidents’. This **absolves those who are responsible for the implementation and the enforcement of safety protocols** from taking any responsibility for the incident.

Govt should consider implementing some of the recommendations of the **eight-member K. Kannan committee** (*former judge of Haryana, Punjab and Madras High Court*) **constituted by the National Green Tribunal** after a blast in the district that killed over 20 people in February 2021.

– The panel had suggested that the Explosives Act be amended to make **punishments more stringent than now**.

– Only **certified persons should be employed** for operations including mixing, filling of chemicals and the making of colour pellets, and using drones for surveillance of various units. Government should ensure that there is **no compromise on the enforcement of the safety protocols**. As it involves the question of precious lives and also their livelihood.

### What is the economic significance of Firecracker industry to Tamil Nadu?

The firecracker industry **employs around eight lakh people**, directly and indirectly, in a backward region of Tamil Nadu with no assured irrigation.

It also contributes to the economy of the state and thus of the Nation.

### 9. Taiwanese manufacturers face unfamiliar conditions in India

**Source:** This post is based on the article “**Taiwanese manufacturers face unfamiliar conditions in India**” published in **Livemint** on **4<sup>th</sup> Jan 2022**

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

**Relevance:** Ease of doing business in India, labour issues.

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**News:** Taiwanese firms like Foxconn, Wistron, Pegatron and Quanta Computer have come to dominate global electronics manufacturing Industry and have had a very strong presence in China till now.

But, recently, they have started to shift their base to India as China is facing labour shortages and to cut their overreliance on China.

However, they are facing some challenges in adapting themselves to the Indian business environment.

### **What have been the recent incidents that point out towards this?**

Incidents at Foxconn and Wistron's plants in India point out at the difficulties the Taiwanese firms are facing in adjusting to the local business ecosystem.

– **Foxconn Technology Group**, a Taiwanese supplier of Apple is facing **labour upsurges** due to concerns about food safety and accommodation standards. More than 17,000 people work at the facility, and in mid-December hundreds of workers contracted food poisoning. More than 150 were hospitalized.

An apple investigation has found that food sanitation and employee accommodation is below the optimal standard.

– A year earlier, **workers at a Wistron plant** near the tech hub of Bengaluru ransacked that factory after being fed up with **delayed and underpaid wages**.

### **How are Chinese and Indian business environment different from each other?**

India has its own unique traits and characteristics which are as follows-

**Language and cultural barriers:** Common language and successive leaders' pro-business policies in China made it easier to set up production units and hire workers there. In India, they face **language barriers, cultural differences** and **changed political set up**.

**Infrastructure:** India lacks the infrastructure Taiwanese companies are accustomed to relying upon when setting up local facilities.

**Management style:** Taiwanese businesses generally used their own executives in China, while in India they will have to increasingly rely on local leaders to set up and run operations. This requires adequate training and support so that they can mix the rigid Taiwanese approach to operations with a more relaxed worker culture found in India.

**Local governments:** Local governments in China will mostly side with companies over workers. That's less likely in India, where leaders need voter support at election time.

**Time availability:** When they were setting their plants in China the Taiwanese companies faced similar challenges like in India, but then they had decades to adapt to the local landscape and the demand was also low.

### **10. Climate crisis in Kerala: An integrated approach is needed to mitigate impact**

**Source:** This post is based on the article "**Climate crisis in Kerala-An integrated approach is needed to mitigate impact**" published in **Down to earth** on **4<sup>th</sup> Jan 2022**.

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

**Relevance:** Kerala and its vulnerability to climate disasters.

**News:** Kerala has seen various instances of heavy rains, floods, landslides and droughts over the last few years.

### **What are the natural disasters that Kerala is prone to?**



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**Landslides:** These are triggered by the slope of an area, rainfall intensity, soil saturation capacity, soil depth and geological structure of a location.

**Flash Floods:** Low-lying areas in the western part of Kerala are prone to flash floods. If the construction is done in areas with drainages, the natural flow of water can be obstructed. It is then highly likely that water will flow into areas where it can flow. It can sometimes be through cities or even places where houses are located. **Example:** Flood in Kochi airport in 2018.

**Must Read:** [Has Kerala learnt anything from extreme weather? Apparently not, say experts](#)

**Drought:** Although Kerala receives an annual average rainfall of 3,000 mm, but there is possibility of drought also. Kerala experienced drought in 2017. The southern parts of the state (Kollam), central Kerala (Palakkad) and North Kerala (Kannur and Kasaragod districts) generally experience summer droughts (February to May).

**What factors make Kerala more vulnerable to the climate change induced disasters?**

It is a **densely populated** (859 per sq km) and **geographically small state** (38,863 sq km). The maximum distance **between the eastern and western parts of Kerala is only 120 km** (*in some places it is only 35 km*). Within this 120 km, there are places above 2,695 metres (*Anamudi, Idukki district*) and places up to 2 metres below sea level. Therefore, in case of heavy rainfall, water needs to flow smoothly from the eastern hills of Kerala to the west coast. When this is interrupted, the effects worsen.

Further, Kerala has around **41 rivers and around 58 dams**.

**Must Read:** [Did poor Govt handling in Kerala cause 2018 floods? Yes, says CAG](#)

**What are the reasons for these recurrent natural disasters in Kerala?**

Climate change in Kerala is likely due to the **combined effect of geography, land-use change, urbanisation, development activities and population density** of the state.

**Large number of dams** impede the natural flow of rivers. Those living along the river banks are most affected when the dams are opened during the rainy season.

**Migration of people to the foothills of the Western Ghats** for agriculture and housing. The origin of many rivers in Kerala starts from these portions of the Western Ghats. Buildings, roads, agriculture and construction activities obstruct the natural flow of rainwater.

**Quarrying, mining and large-scale construction activities** can impact the ecological stability of the landscape and can even cause landslides. There are over 5000 quarries in Kerala.

**Must Read:** [Floods in Europe and lessons for India – Explained, Pointwise](#)

**What is the way forward?**

**Flood risk zones should** be prepared at the micro level to identify, locate and manage the regions most vulnerable to floods.

**Rainwater harvesting and protection of watersheds** can help alleviate drought to some extent, as this will replenish the groundwater level also.

There's **also a need to create awareness** in Kerala

An **integrated approach** is needed to manage climate change impacts

**11. Expect a torrid pace of policy action in our tech space**

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**Source:** This post is based on the article “**Expect a torrid pace of policy action in our tech space**” published in **Live Mint** on 5<sup>th</sup> Jan 2022.

**Syllabus: GS 3**– Achievements of Indians in Science & Technology; Indigenization of Technology and Developing New Technology.

**Relevance:** Reforms in tech space

**News:** In 2022, the tech policy space is going to witness a number of new regulations across a number of areas.

Over the past year-and-a-half, the government has undertaken a number of bold and progressive regulatory reforms. We need to ensure that there is no let-up in the pace and progressive approach to regulatory reforms, especially in the tech space.

### **What were the recent reforms/steps taken in the tech policy space?**

**Personal data protection Bill:** The Joint Parliamentary Committee has submitted its report, and, even though there is some dissent, the bill is on track to becoming a law.

Replacing the Other Service Providers regime with a more benign framework.

#### **Opening up map-making**

**Enacting new, industry-friendly drone regulations.**

**Account Aggregator ecosystem for lending.** As more banks and financial institutions come on board, many innovative lending products will enter the market.

**Launch of the health ID and the establishment of registries for healthcare professionals.**

### **What more reforms are required?**

**One,** the government can establish an easy-to-use framework that **enables companies to generate valid, electronically-signed contracts.** It would help to significantly streamline a major business bottleneck.

**Two,** measures should be taken to make it possible to pay stamp duty digitally and electronically register documents that need registration. It will radically simplify business processes, resulting in cost and time savings.

**Three,** by encouraging mediation and enabling online dispute resolution, the government could make our judicial system much more efficient. It will help in diverting the most contentious disputes away from the courts.

**Four,** integration of the Unified Payments Interface (UPI) into the administrative machinery of courts, will allow us to pay court fees digitally, resulting in more streamlined processes and greater accountability.

**Finally,** need to ensure that the digital systems reference a common, standardized data taxonomy. It will enable us to use data to provide insight into how the system can be improved.

### **What further developments are expected in the technology space in 2022?**

**Re-imagining digital commerce.** With all the building blocks are in place; such as robust payment infrastructure, delivery and fulfillment capabilities, and a large mobile-first consumer base. There will be significant progress in building this new paradigm over the year

**Crypto Assets:** With more effort being invested into integrating these technologies into the mainstream, there will be more activity in this space. India is also more likely to enact some sort of regulatory framework for crypto that will establish an enabling environment for crypto in the country.

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**Web 3.0 and Metaverse:** Though no clarity exists on these technologies, their arrival is imminent.

**Greater global cooperation between like-minded countries:** With more and more countries having begun to realize the value of developing population-scale data-sharing systems. There will be global cooperation to agree on a set of common principles that will guide the development of these systems.

### 12. A partnership to carry India into net-zero future

**Source:** This post is based on the article “A partnership to carry India into net-zero future” published in **Indian Express** on 5<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 -Issues related to Climate change

**Relevance:** Net zero emission

**News:** With active cooperation from the private sector, India will be able to help build a more sustainable world.

### What are the steps taken by India to reduce GHG emission?

**New climate targets have been pledged by India at COP26: Read here:**

<https://blog.forumias.com/indias-panchamrita-pledge-at-cop26-explained-pointwise/>

**New cutting-edge renewable technologies:** India has already announced a Hydrogen Energy Mission for grey and green hydrogen.

**Energy efficiency:** the market-based scheme of Perform, Achieve and Trade (PAT) has avoided 92 million tonnes of CO<sub>2</sub> equivalent emissions during its first and second cycles.

**e-mobility transition:** with the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles Scheme. It helps to support the electric vehicle market development and enable its manufacturing ecosystem to achieve self-sustenance. The government has also announced a slew of incentives for customers and companies to promote e-vehicles.

**Emission norms Upgraded:** India leapfrogged from Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) emission norms by April 1, 2020. A voluntary vehicle scrapping policy to phase out old and unfit vehicles now complements these schemes.

**Transition from coal:** Indian Railways is targeting the full electrification of all broad-gauge routes by 2023.

**Deployment of clean energy:** The Pradhan Mantri Ujjwala Yojana has benefitted 88 million households with LPG connections. More than 367 million LED bulbs have been distributed under the UJALA scheme. It has led to energy savings of more than 47 billion units of electricity per year and a reduction of 38.6 million tonnes of CO<sub>2</sub> per year.

**INDC commitment:** India has already achieved a reduction of 24 per cent in the emission intensity of its GDP between 2005 and 2016, and is on track to meet its target of 33 to 35 per cent by 2030.

**Contribution from Indian Industries:** for instance, The Indian cement industry has taken pioneering measures and achieved one of the biggest sectoral low carbon milestones worldwide.

### Why the role of Private sector is important?

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Since industries also contribute to GHG emissions, any climate action will need to reduce or offset emissions that emerge from industrial and commercial activity.

Transition is relatively easier for Service Sector companies. However, the low-carbon transition is a challenge for bigger companies that are largely coal-powered and contribute more than half of our country's emissions.

The business fraternity must make the best possible use of this opportunity to invest in climate technologies and expand the use of renewable energy sources.

### 13. Some ideas for the budget

Source: This post is based on the articles "**Shortfalls again,**" published in **Business standard** and on "**Some ideas for the budget**" published in **Times of India** on **4<sup>th</sup> Jan 2022**, respectively.

**Syllabus:** GS3 – Government Budgeting.

**Relevance:** Ideas for the upcoming Budget

**News:** Budget serves as an appropriate way in the hands of government through which it can shape the nation's destiny. Article presents with ideas for the upcoming Budget.

#### What are the reforms that the government needs to take in the upcoming budget?

- 1) **Free Trade agreements:** Impact of the reforms like [GST](#), [IBC](#), and [labor codes](#) etc, can be considerably enhanced by improving access to the world markets for entrepreneurs and exposing them to global competition via [Free Trade Agreements \(FTAs\)](#).

– FTAs with EU, UK, Canada, Australia and the UAE will serve our **economic interests as well as our geopolitical objectives**.

– Duty-free access for Indian products to these large markets would **accelerate growth**.

– These will also help in countering **China's growing influence** in the world and specially in Asia.

- 2) **Introducing some changes in the SEZ law:** This would make Indian manufacturing firms **globally competitive**.

– Firms within SEZs need to be given the right to lay off the workers after due compensation. This would contribute to the emergence of large-scale forms in labor-intensive sectors in SEZs.

- 3) **Need to bring some of the very high custom duties down:** This unjustifiably punishes the buyers while highly inefficient producers.

- 4) **Education:** Govt should bring [Higher Education Commission of India \(HECI\)](#) Act that was promised in the budget of 2019-20. Bodies such as All India Council for Technical Education and National Council for Teachers' Education should be subsumed in HECI.

– India needs to give **similar autonomy to at least its leading colleges and universities** like that given in the UK on which we have modelled our education system. UK abolished its own University Grants Committee in 1983.

– India must open the door to **foreign universities to establish campuses on its shores** and to domestic institutions to do the same abroad.

– Finally, **research should be moved to universities from the councils**, as they have not been very effective.



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**5) Disinvestment:** The government has been setting very huge targets for disinvestment and consequently failed to meet those targets. **For instance:** In the Union Budget for 2020-21, the target was Rs 2.1 trillion, and it was missed by almost Rs 1.8 trillion.

– The government needs to **detach the disinvestment and privatisation programme** from the year-to-year **fiscal needs**.

– It can introduce an **institutional set-up** which identifies the companies for privatisation on **some set rules and standards**, and not on the basis of the revenue they are likely to bring in. There is also a need to improve the standards and quality of their paperwork to the levels expected by private sector bidders.

### 14. Can people's behaviour change for better?

**Source:** This post is based on the article “**Can people's behaviour change for better?**” published in **Times of India** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Effecting behavioural change in people for pushing them towards an environmentally sustainable lifestyle.

**News:** Indian PM gave the idea of LIFE (Lifestyle for Environment) at COP26 climate summit at Glasgow.

But, in order to create a mass movement of an environmentally conscious lifestyle we need to bring changes in people's beliefs, habits and behaviours.

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

### How can we address the complex issue of behavioural change?

– **Behaviour change starts with the individuals.** Making small changes in individual habits, by spreading awareness and modifying existing beliefs and perceptions, can significantly impact the environment.

– **Making people think:** Often, there is a disconnect between people's values and actions. Being creatures of habit, people engage in activities either unconsciously or subconsciously. In such cases, mere issuing of rules, directives and memos may not be as effective. Research suggests these do not work, as people feel that someone else is attempting to control their lives and behaviour. Creating awareness and involving citizens is key to bridging the gap.

**For example,** instead of asking people not to waste water, questions like “Do you think you are wasting water?” can be asked. These questions ask people about their opinions, thereby forcing them to pause, reflect upon them, and appropriately behave as it will be harder for them to justify their wrong behaviour.

– **Not just data, but stories:** Focus must be on sharing stories, not just plain statistics. Data can only inform. Stories and personalised messages can connect by evoking emotion in the people. **For instance:**

“*Raising the AC setting by 1°C can save you 6% power, and such an energy conservation measure has the potential to save crores annually.*” – This statement doesn't elicit any emotion.

“*If we raise the AC temp by 1°C in 100 urban homes, we can help 10 rural children to study under an electric light bulb in place of kerosene oil.*” – This statement connects and inspires people to take action, effecting a behavioural change.

– **Making interventions rewarding:** Interventions are usually in the form of rules, mandates or penalties. Instead, they could also take the form of nudges. A nudge costs much less and

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steers people in a particular direction while also allowing them to choose their path. Research on behaviour change suggests the need for accessible, automatic and rewarding interventions.

**For instance:** An example of a nudge gaining popularity is providing nutrition facts of different foods on restaurants' menus. It is effortless and compelling for consumers to choose what they want while nudging them towards a healthier option

– **Using digital technologies:** Digitally enabled tailored recommendations on healthy food, engaging in exercise and other interventions can also help in changing people's eating habits and behaviours in the long run.

### 15. A must-surge year for climate goals

**Source:** This post is based on the article “**A must-surge year for climate goals**” published in **Business Standard** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Tackling climate change, renewable energy initiatives in India, Shift towards clean energy.

**News:** The year 2022 will be critical for India's renewable energy industry if it is to hit the country's ambitious 2030 and 2070 climate goals. If we don't speed up the pace in 2022, it will make the targets more difficult to reach in each succeeding year.

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

### What is the present situation wrt renewable energy in India?

India recently crossed **100 GW of renewable** capacity, leaving around 350 GW to install to hit 450 GW (excluding nuclear and hydro). This means adding 30-40 GW installed capacity annually for nine years straight.

The target is achievable, but not easy. **For example**, in 2021, India added 14 GW through solar and wind capacity, of which ReNew contributed 1.72 GW.

### Why India is optimistic to achieve its renewable energy climate goals on time?

The base prepared in the preceding years gives India a good shot in 2022 and beyond at hitting its climate goals.

**Enabling policy environment:** Govt's focus on public private partnerships and a conducive policymaking environment have created a strong base for RE that can be ramped up. **For instance**,

– it allowed up to **100% FDI in renewables via the automatic route**

– it announced a **productivity-linked scheme to boost manufacturing** in the sector.

**Friendly finance:** With climate change becoming a huge focus internationally among political and business circles, as well as concerned citizens, climate finance has attracted very serious funding. By the end of COP26, 450 financial firms have vowed to put green investments at the heart of finance.

**Renewable rush:** Another factor enabling the renewable sector to grow fast is the sharp increase in the number of participants, attracted by a generally enabling policy environment and massive scope for long-term growth.

### What is the way forward?

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**SECI and a demand boost:** Given that the country would need to conduct 20-30 auctions for a total of 30-40 GW a year, it would be important to **expand and strengthen SECI (Solar Energy Coporation of India)** in 2022 to ensure enhanced auction activity.

– For this we need **more electricity demand**. In this context, both the Govt and industry can take measures to boost demand, which, in turn, will lead to expansion of renewable capacity. The increased requirement can then be harnessed by SECI to undertake more auctions.

**Ease taxes:** India's renewable push over the next few years will require **strong local manufacturing to de-risk supply chains**, especially amid Covid-linked economic uncertainty. It is essential that **taxes and duties** on RE equipment such as turbines, modules, and electrolyzers (*including for battery storage*) are **lowered and rationalised**.

– **For instance**, the **GST** on renewable equipment should be capped at a maximum of 5% for viability of manufacturing, and electricity should be included under GST to reduce prices for end consumers.

**Pass the Electricity Amendment Bill, 2021:** The Bill needs to be urgently passed and implemented effectively, putting the 4 Cs —customer, competition, compliance, and climate—at the centre of the sector. Passing the Bill will allow the delicensing of distribution, letting private firms enter distribution and compete with discoms. This'll give **more choice to consumers** via lower tariffs and better service. This will **attract fresh capital and new technologies**, resulting in **lesser losses** for the sector overall.

**Green hydrogen:** India needs to push for **green hydrogen** to help meet its climate goals, especially in addressing the emissions from sectors responsible for significant carbon emissions, like such as chemicals, industrial, fertiliser and heavy transport.

### 16. Gains from trade

**Source:** This post is based on the article “**Gains from trade**” published in **The Indian express** on **6<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Indian Economy and issues relating to planning.

**Relevance:** Exports, Imports, Global trade.

**News:** Preliminary data from Ministry of commerce and Industry shows an **increase in exports and imports over the pre-pandemic level**.

#### **What are the indications of a positive momentum in India's export and imports?**

##### **Exports:**

– Merchandise exports rose to \$37.3 billion in December 2021, recording a **growth of 37% over last year**, and a similar increase over the pre-pandemic levels

– The mark of exports worth **\$300 billion has been achieved in the first nine months alone**, which was the amount of exports trade for the whole year in 2019 (*Pre pandemic*).

– Increase of **almost 25% over the pre-pandemic levels in exports**. This growth is observed **across product categories** from engineering and electronic goods to textiles.

##### **Imports:**

– Imports have **risen by almost 22% over the 2019 levels**, leading to a widening of the trade deficit. The surge in imports was led by **electronic goods, machinery and chemicals**, which suggests a broad-basing of demand.

#### **How is the global trade scenario currently like?**

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According to a report by UNCTAD, the **value of global trade in goods is about 15% higher than before Covid struck**,

- Trade in services is yet to recover to earlier levels.
- This means that the global trade has surpassed its pre-pandemic levels.

**What are the current government policies to promote India's share in global trade?**

- **Trade agreements with the EU, Australia, UK and UAE**, among others, are being worked upon with greater urgency.
- Government is also focussing on **gaining access to markets for textile products** through free trade agreements.
- The upcoming **Union budget** is also expected to focus more heavily on **trade-related packages**.

**What is the way forward?**

Govt should try to build on this momentum, which will help India **to increase its share in global trade**. This can be done if it reorients its **broader trade policy**.

Govt should further seek greater integration with **global supply chains**. This can be done by forging **FTAs**, moving away from **protectionism**, **bringing down tariffs**, and pushing for reforms that boost **export competitiveness**.

### 17. Protect the Aravalli Range

**Source:** This post is based on the article "**Protect the Aravalli Range**" published in **Business standard** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Degradation of the Aravalli.

**News: Forest Survey of India** has found that more than **30 hills** in the Rajasthan segment of **Aravalli range have vanished** due to the flattening of land by the mining mafia.

In recent years, Aravalli has seen **a lot of destruction** and this is impacting not just the area around it but also the surrounding areas up to NCR.

According to a desertification-related study undertaken by the Central University of Rajasthan this **menace is only going to exacerbate due to climate change**.

**About Aravalli**

It has characteristically **served as the green wall**, or a natural fence, **between the desert and adjoining fertile plains**.

Read more [here](#)

**What is causing degradation of Aravalli?**

- Increasing **population pressure**
- Changes in **rainfall pattern**
- Spreading of **sand dunes**
- Flawed **plantation drives**.
- **Unchecked quarrying** and **illegal felling** of trees
- **Clearing of land** for the construction of farm houses and residential colonies
- **Over-exploitation of resources** and **reckless urbanisation**.

**What are the implications of this damage?**



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Compromised capacity of the Aravalli to control the **spread of the desert**. Due to this, desert would spread towards the east, causing **aridity in the fertile plains**.

– **Thinning of the vegetative cover** creates large openings for the sand-loaded winds to cross over to Delhi and nearby areas, **aggravating urban pollution** in the region.

– Dusty winds from the desert are already raising the **PM<sub>10</sub> content of the NCR's air**, worsening pollution in Delhi. It is also posing a **grave threat** to the **ecology of the agriculturally vital north-western states**.

**Impact on the rich biodiversity of the Aravallis** comprising a large variety of plants, animals, and birds.

### What is the issue with the Draft NCR Regional Plan 2041?

Governments of the four north-western states are aware of the danger from the unrestrained denudation of the Aravallis, but **little substantive work** has been done to improve the situation.

**The draft NCR Regional Plan 2041** also does not deal with this issue with required urgency.

On the contrary, It redefines the natural conservation zone, **keeping most part of the Aravallis out of it**.

Curbs regarding construction activity will virtually be lifted if the Regional Plan 2041 is adopted and enforced in its present shape.

### What is the way forward?

**Draft NCR Regional Plan 2041**, therefore, **needs to be revisited and suitably modified** to include the entire Aravalli range in the natural conservation zone.

Although ideally, the govt should prepare a **separate plan for rejuvenating the Aravallis** to allow it to play its inherent role as the Thar Desert's outer barrier.

## 18. WHY DIVESTMENT IS AN ELUSIVE TARGET

**Source:** This post is based on the article **“WHY DIVESTMENT IS AN ELUSIVE TARGET” & “Let's exorcise the ghost of stalled asset sell-offs”** published in **Livemint** on 6<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to resource mobilisation.

**Relevance:** Disinvestment

**News:** In the Air India case, one of the prominent politicians(MP) is demanding a court-monitored or CBI (Central Bureau of Investigation) inquiry.

He had petitioned the Delhi high court alleging that Air India's disinvestment process was “arbitrary, unconstitutional, unfair, discriminatory and, therefore, shouldn't be allowed to go through.

The government regularly faces multiple headwinds in the sale of its holding in the public sector companies.

As a result, the overall performance of the government on the disinvestment front in 2021 is particularly disappointing.

Last year, it fell short of its ₹2.1 trillion aim by ₹1.78 trillion. Even pre-covid, it met its goal only twice in the six years starting 2014-15.

For 2021-22, the government had set a target of ₹1.75 trillion from strategic as well as non-strategic stake sales in public sector enterprises (PSEs). It also wanted to privatize two public sector banks and one national insurer.

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In this context, the various challenges posed to the Disinvestment process are analysed in this article.

### **What are the various challenges/issues posed to the Disinvestment process in India?**

**Firstly**, there are regular protests from unions and requests for reconsideration from state governments.

**Secondly**, rising uncertainty in the global markets due to the pandemic, divestment plans seem to have fallen short of their fiscal targets in the past two years.

**Thirdly**, litigation issues. For instance, as mentioned above, a court-monitored or CBI (Central Bureau of Investigation) inquiry in the Air India case is demanded.

**Fourth**, potential investors backing out at the last minute. For instance, the BPCL disinvestment program where the ISquared Capital opted out of the race.

**Fifth**, the lack of political will to back divestment is the biggest issue. The problem is that due to politics, selling at a lower price can create a problem for the government.

**Sixth**, the issue of bureaucratic risk aversion. No government official would want to be caught post-retirement, just in case, there is an investigation on selling at a lower price.

**Seventhly**, there are other internal factors that are stumbling blocks. These include certain preparatory activities at the level of the PSU such as addressing any special dispensation available to these entities, issues around the land title, identifying and carving out non-core assets.

**Eighthly**, one of the key issues stems from the value that the government aims to get from the stake sales. The value may be more than the actual value or real value of the asset on the block, more so in the case of loss-making units.

### **So, what could be done?**

**First**, the government should find ways of redeploying people, given that employment is a big issue today. It may help close down loss-making units.

**Second**, merging with other PSUs where possible if the product is the same (as has been done for banking) is another option.

**Third**, in order to address the concerns of the bureaucracy, more assurances need to be given through the disinvestment ministry, which takes ownership of the decision, also backed by the prime minister's office. Bureaucratic reforms may also be the need of the hour.

**Fourth**, decisions ought to be taken quickly. Else, the value of the unit (like plant and equipment) depreciates to a large extent. Timely divestment can increase the sale value and stakeholder returns.

**Fifth**, not all PSEs should be disinvested. Many of them are high performers in core economic sectors. Good units should not be sold, like NTPC or oil companies, which have either monopoly power or have sector benefits, as this becomes useful for the government to garner resources.

**A new PSE policy:** Read here: <https://blog.forumias.com/govt-releases-new-public-sector-enterprise-policy/>

### **19. The infrastructure push**

**Source:** This post is based on the article “**The infrastructure push**” published in **Business Standard** on 6<sup>th</sup> Jan 2022.

**Syllabus:** GS 3: Issues related to Infrastructure development.

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**Relevance:** Capital Expenditure/ Investments in infrastructural development

**News:** The Gati Shakti panel, led by the cabinet secretary, has asked the DPIIT (the Department for Promotion of Industry and Internal Trade) to identify high-impact projects that can be included in the Budget.

Projects related to rail, roads, and airports may be included. The department has also been asked to make sure that projects are completed on time. Besides, it is expected to review the infrastructure gap for long-term needs.

Since, Covid-related uncertainty would continue to affect output and growth, it is encouraging to see that the government is pushing infrastructure projects.

### **Why Infrastructure investments/capital expenditure push is important?**

**Firstly**, Infrastructure investment with better planning and focus would yield higher returns and make Indian businesses more efficient.

**Secondly**, private investment, which has been weak for quite some time, is unlikely to pick up. For instance, the Reserve Bank of India's recent "Report on Trend and Progress of Banking in India" noted, non-financial companies in the private sector have been net savers for the past three years. They are unlikely to make large investments in the near term because of existing capacity and weak demand.

**Thirdly**, it would not only help sustain the recovery, but also make it more durable by crowding in private investment over time.

### **What are the concerns that need to be addressed by the government?**

**First**, though the government had increased the allocation for capital expenditure by over 30 percent in the current fiscal year, the actual spending has been lagging.

**Second**, the government has increased expenditure in other areas. It will be critical to ensure that it doesn't affect capital expenditure. Since the government has to progressively reduce the fiscal deficit.

**Finally**, the government must make sure projects are not delayed. The latest report of the Infrastructure and Project Monitoring Division showed that delays in projects costing over Rs 150 crores had resulted in a cost overrun of more than Rs 4 trillion.

**The Gati Shakti platform**, hopefully, would be able to minimize delays. Cost overruns and delays will undermine the benefits of these projects and affect India's growth over the medium term.

## **20. It's the year to turbocharge our renewable-energy drive**

**Source:** This post is based on the article "**It's the year to turbocharge our renewable-energy drive**" published in **Livemint** on **7<sup>th</sup> Jan 2022**.

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

**Relevance:** Tackling climate change, attaining new climate targets set by India

**News:** 2021 saw the world joining hands to mitigate climate risks. 2022 will need a doubling down of efforts to achieve the renewable energy targets that were recently reset by India.

**Must Read:** [A must-surge year for climate goals](#)

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

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Govt needs to take the following key measures in 2022 to enable the Renewable Energy (RE) sector to accelerate its capacity expansion and innovate rapidly.

- **Protect Contracts:** Ensuring contractual sanctity is critical to ensure certain states don't question signed power purchase agreements (PPAs) or inordinately delay payments to RE players. If PPA contracts are not honoured, it impacts the business climate in any sector. While substantive legal precedents exist in the power sector for enforcement of contracts, the Centre can work more closely with states to ensure greater adherence to contracts.
- **Battery storage systems:** These will go a long way in addressing the challenge of intermittency of RE sources and improve the generation profile of renewable energy projects.
- Moreover, as the share of renewables in the country's energy mix increases, there will be a **need to improve grid flexibility and enhance transmission networks.**

### 21. Defence Ministry's year-end review: Looking ahead to 2022

**Source:** This post is based on the article “Looking ahead to 2022” published in **Business Standard** on 6<sup>th</sup> Jan 2022.

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

**Relevance:** Regarding Defence Ministry's Year-end review

**News:** The Ministry of Defence (MoD) has released its traditional year-end review. The review focuses almost exclusively on the military's successes and achievements during the year gone by, while playing down its shortcomings.

#### **What are some of the key achievements mentioned in the report?**

##### **Defence management reform:**

- **Appointment of a tri-service chief of defence staff (CDS) and the creation of a department of military affairs** – Report calls it the most significant and transformative defence reform undertaken by any government since independence.
- A comprehensive agenda for the “**optimum utilisation of scarce national resources, enhancing synergy and jointness between the three services.**” This was set forth by the first CDS, General Bipin Rawat.
- Towards revamping the logistics structure, three Joint Services Study Groups are developing **common logistics policies.**
- A pilot project has kicked off, based on **establishing Joint Logistics Nodes** at Mumbai, Guwahati and Port Blair.
- Three “**joint doctrines**” were formulated in 2021, while four new joint doctrines — namely **capstone, space, cyber and intelligence, surveillance and reconnaissance**— are at an advanced stage.
- Closing or scaling down of logistic installation of the Indian Army to **enhance combat capability and balance defence expenditure.** This has resulted in substantial savings to the exchequer, besides increasing the “teeth to tail” ratio.

**Atmanirbhar Bharat:** Under this slogan, the report talks about boosting indigenous equipment development.

- induction of the Tejas light combat aircraft into the Indian Air Force (IAF)

**Strengthening border infrastructure:** Since the Chinese intrusions into Ladakh in April-May 2020, the MoD has focused on developing border roads and transport infrastructure. This boosts defence preparedness while also supporting local economic development in the border



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regions. **For instance:** Inauguration of a road over **Umling La Pass** in Eastern Ladakh, which, at 19,024 feet above sea level, is now the **world's highest motorable road**.

**Ordnance Factory Board (OFB) has been converted into seven new Defence Public Sector Undertakings (PSUs).** This has been done to provide autonomy and enhance efficiency.

The **new Defence PSUs** will become operational from 1st Oct, 2021.

**Theatre commands:** A "Tri-services Joint working Group" has been established to work out the details of integrating communications networks between the services. Besides, a review is being carried out to right size/reshape army units.

**Indian Air Force:** During the face-off with the Chinese in Eastern Ladakh, the IAF moved its sensors, aerial platforms and associate equipment to the region to deal with any contingency.

– The Tejas fighter, Arudhra and Aslesha radars, Astra air-to-air missiles, Akash surface-to-air missile system, Dhruv Advanced Light Helicopter and Light Combat Helicopter were added to IAF's inventory.

**Indian Navy:**

– The first indigenous aircraft carrier, INS Vikrant, successfully accomplished its maiden sea voyage in August 2021.

– The first destroyer of Project 15B, INS Visakhapatnam, was commissioned in 2021.

– Two Scorpene submarines, INS Karanj and INS Vela, were commissioned, with over 75 per cent indigenous content.

– Meanwhile, five naval vessels were decommissioned, including the destroyer INS Rajput, a survey vessel, INS Sandhayak, and a missile corvette, INS Khukri.

**What are some issues mentioned in the report?**

– **Army's resistance to indigenous Arjun tanks:** The Army operates about 4,000 tanks. After accounting for the recently placed orders for Arjun Mark 1A tanks by the MoD, Army's Modern Battle Tank fleet will have just 6% Arjun Tanks. This is despite the fact that the tank proved itself a match to the Russian T-90 in a comparative trial conducted in the Rajasthan desert in March 2010.

An ingrained prejudice against indigenous tanks has been cited as a reason for this.

But it was officially stated that the Arjun tank was too heavy for roads and bridges along the Pakistan border, and too wide to be transported by train.

**22. Why India's policy to produce ethanol-blended petrol is short-sighted**

**Source:** This post is based on the article "Why India's policy to produce ethanol-blended petrol is short-sighted" published in **Business Standard** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to India's Energy & Food security.

**Relevance:** Ethanol Blending Programme (EBP)

**News:** Recently, the government revised the EBP program by advancing a 20 percent blend target (E20) to 2025 from 2030.

The ambitious policy to promote ethanol-blended petrol will be bad for India's food and water security.

Because, in a world moving towards electric vehicles (EVs), batteries and hydrogen, ethanol is less suited for India amid scarce land and water. We may end up compromising food security in the longer term.

In this context, this article illustrates the Ideological flaws/concerns with respect to the EBP program and the future challenges posed by it to India's economic and food security.

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### **Reasons why Ethanol was seen as a national imperative and an important strategic requirement?**

Niti Aayog's "Roadmap for Ethanol Blending" report was prepared primarily on the following Premises.

**Savings on crude imports from ethanol substitution:** shifting to Biofuels will help India to save on its import bill. For instance, a successful E20 program can save the country \$4 billion/year, or, Rs30,000 crores.

**Decarbonization:** Ethanol is a less polluting fuel.

**Price support system and income generation for sugarcane farmers:** blending was seen as a solution to the nation's growing sugarcane and grain surpluses

### **What are the issues/concerns associated with NITI Aayog's report?**

**First**, the damage to the water table from an overproduction of sugarcane, one of the most water-intensive crops, or from that of other food grains is never accounted for.

**Second**, the report did not adequately address the possibility of substitutes such as an EV environment.

As a result, implementing an Ethanol blending program based on NITI's Strategic vision will have implications on India's economic and food security

### **What are the issues in India's EBP program?**

**First, the issue of water scarcity.**

India has to produce much sugarcane (It takes 2,500 liters of water to produce one kg of sugarcane.) and then convert surplus molasses into ethanol.

A task force on sugarcane and the sugar industry, under Ramesh Chand (Niti Aayog), estimated that sugarcane and paddy combined are using 70 percent of the country's irrigation water.

On the other hand, India ranks 13th for overall water stress globally according to the World Resources Institute (WRI) data in 2019

Moreover, Groundwater resources are severely overdrawn in India for irrigation purposes. For instance, water tables declining at a rate of more than 8 cm per year over the 1990-2014 period.

Additionally, the government is promising thousands of crores in incentives for new distilleries and an administered price mechanism for the produce. Pricing guarantees may lead to excess sugarcane cultivation in the coming decade, sending underground water tables lower.

**Secondly, issues in the timing of the EBP Policy.**

The U.S decided to promote biofuels over two decades ago, when fossil fuels were critical and the US depended on West Asia for crude.

Moreover, The US was the world's biggest producer of corn and Brazil of sugarcane, and it made sense for both nations to divert a portion of the output to ethanol.

The ecosystem suited traders, farmers, and politicians. Ethanol also helped stabilize corn prices.

But in India's case, India is 20 years late to the ethanol party, when petrol is losing ground to EVs.

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**Thirdly, savings on crude imports from ethanol substitution is insignificant.** Given India's impressive revenues from in taxes on petrol and diesel alone in the last three fiscals (Rs8 trillion) and bulging forex reserve (\$650 billion).

**Fourthly,** it is also unclear where the excess ethanol will go if EVs gain traction, or how viable will ethanol be if crude prices fall down in the future on the account of a shift towards renewable energy sources.

**Fifthly,** recent protests against farm laws and minimum support prices show how difficult it is for any government to take back government support given to support higher crop production.

### 23. Electric vehicles, hydrogen and climate

**Source:** This post is based on the article “**Electric vehicles, hydrogen and climate**” published in **Business Standard** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS 3: Issues related to Energy, Transport, Climate change

**Relevance:** E-vehicles, Decarbonisation, climate change mitigation

**News:** The rising temperatures across the globe have forced the global countries to shift towards low carbon transport technologies (e-vehicles).

The financially devastating climate events of 2021 have forced global countries to search for low carbon technologies. For instance, hurricanes in the US, China, and India, floods in Australia, Europe, and Canada, cost \$170 billion in damages, according to a study by Christian Aid, a UK charity.

Currently, e-vehicles are being projected as one of the most prospective solutions for achieving decarbonization.

#### **How the adoption of E vehicles has progressed so far globally?**

Globally, 2021 for EVs has panned out far better than expected at the beginning of the year. For instance,

##### **India**

Sales of electric two-wheelers in India have jumped in 2021, and it is set for new records this year, as charging becomes easier and petrol becomes dearer.

Tata Motors announced the incorporation of a wholly-owned subsidiary for electric vehicles last month. The company's EV sales (Nexon, Tigor) reached a new quarterly peak.

##### **Global**

Tesla managed to deliver a record 308,600 cars in the last quarter of the year.

In Norway, 65 per cent of all vehicle sales last year are estimated to have been electric

Bloomberg NEF estimates total passenger car sales last year more than doubled to 6.3 million vehicles.

#### **What are the policy measures adopted to boost E- vehicles in India?**

##### **India**

As many as 15 states in India have dedicated EV policies, against only four in 2019. Many states offer upfront subsidies for EVs and provide support for charging-infrastructure deployment.

##### **Global**

In Norway, only electric vehicles will be sold from 2025.

In the U.S, The Joe Biden administration's big boost for electric vehicles is underway.

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### **What are the other measures taken to drive the global economy towards a low carbon economy?**

The US Department of Energy has revived its loan-guarantee program, unlocking more dollars for innovative decarbonization technologies. **For instance**, it offered a conditional commitment to guarantee a loan to Monolith Nebraska for a project to convert natural gas into hydrogen (via methane pyrolysis) to be used in the agriculture sector.

### **Why Methane pyrolysis?**

Current processes for making carbon black and ammonia emit greenhouse gases. Whereas, the methane pyrolysis process gives off no carbon dioxide.

### **24. Reformist laws for trading in farm output are best enacted by states**

**Source:** This post is based on the article “**Reformist laws for trading in farm output are best enacted by states**” published in **Livemint** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to agriculture reforms.

**Relevance:** Model APLM act 2017.

**News:** The Model Agriculture Produce and Livestock Marketing (Promotion and Facilitation) Act, 2017, or model APLM act is a better option compared to the central farm law. It is also more comprehensive than the recently repealed farm laws.

A model APLM act for doing away with the APMC-controlled regime was drafted for states in 2017 by the Centre.

In December 2019, the 15th Finance Commission, in its interim report, incentivized states to enact legislation based on the 2017 template

The 2017 model is a very comprehensive and carefully-worded legal provision for protecting farmers’ interests.

### **How many states had already gone with the 2017 template by 2019?**

The Union ministry of agriculture, at a conference of state agriculture ministers in July 2019, revealed that 22 states had provided freedom for farmers to sell their produce to private traders.

Further, Kerala and Manipur had never enacted an APMC law, and Bihar repealed its APMC law in 2005. That left, only three states of the present Indian total of 28 which did not give farmers the freedom to sell to private traders. (Haryana, Madhya Pradesh, and Tamil Nadu).

However, in the same July 2019 it was noted that, only four states have fully followed the 2017 template. So farmers are not completely free as per the 2017 model act. Thus, The issue remains struck in confusion.

### **Why the model act 2017 is said to be very comprehensive and effective?**

**The 2017 template has detailed procedures on rules:** For instance, procedures for setting market fees and how the revenue should be used are provided. This leaves no room for modification by the states.

**It is voluntary:** There was no compulsion on states to enact their own legislation based on the 2017 template. There are many successful instances of states having voluntarily followed a standard template on which to base their own legislation. **For instance**, The Fiscal Responsibility and Budget Management (FRBM) acts, the model VAT law, etc.

### **Why 2017 model act is better than the recently repealed farm laws?**



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**First**, the central law of 2020 is much shorter than the 2017 model, because it does not go into the kind of painstaking detail as the 2017 template does in order to secure the rights of farmers.

**Second**, there are two significant issues in farm laws.

1. One was that it explicitly ruled out **the levy of market fees**. It is important because a lot of initial investment and maintenance are needed for agricultural market yards. If no market fees are levied, investment and maintenance have to be fully borne by either government or private traders.
2. The second was that the central law required all traders in farm produce, barring farmer organizations, to have a **permanent account number (PAN) for income taxation**. This requirement should have been in a finance bill rather than a farm bill.

### 1. Worry about middle India

**Source:** This post is based on the article “Worry about middle India” published in **Business Standard** on 9<sup>th</sup> Jan 2022.

**Syllabus:** GS3- Indian Economy and issues relating to planning.

**News:** Indian has experienced a “**K-shaped recovery**” from the Pandemic.

Here on one side there are booming stock prices and start-ups and on the other side there are difficulties in most households which are termed as middle level India.

Must Read: [Pointers that India is witnessing a K-shaped recovery](#)

### How has been the economic recovery in India?

The situation has improved.

#### After 1st wave

With positive consumer sentiment and labour market conditions, there was a rapid recovery after the lockdowns of March and April 2020.

- **Market capitalisation** of the equity market has been Rs 266 trillion level.
- **Large private firms** are also registering growth.

#### After 2nd wave

A similar recovery has not come about after the second wave.

The **Omicron variant** is likely to make things worse for a month or three of 2022.

Although the number of persons of working age has grown steadily, many households have a lower income when compared with pre-pandemic conditions.

What is Middle India, and How has the pandemic affected the middle India?

Middle India refers to **small businesses and people without formal sector jobs**.

- It has experienced a **succession of shocks**, from demonetisation to goods

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and services tax to the pandemic.

– Apart from this, the recovery after the second wave was poor and now there is **renewed fear due to the Omicron**.

These sustained economic stresses have led to **drawing down of assets and increase in borrowing**.

A lot of households have borrowed in order to smooth consumption through the shocks of the recent years and could never have anticipated that something like the current pandemic will ever it.

– Due to which they are facing **tough loan recovery procedures, and have no recourse to individual insolvency mechanisms**.

– This may make these households **reduce their consumption** the most, and they may also default on their debt.

– This can also lead to the **loss of morale, and vulnerability to political radicalisation**.

The firms that sell to middle India worry about the prospects for demand growth in 2022 and 2023. This prospect of **reduced margins and weak demand growth** can induce weaker investment by these firms, thus **influencing the overall demand conditions** in the economy.

How the setback in middle India affects the overall economy?

There is **reduced financial depth** as consumption which is visible has been a result of selling assets and by borrowing.

Fortunes of many large listed companies **depend on the optimism and spending patterns** of hundreds of millions of households in middle India.

**For instance:** In the quarter ended Sept 2019, sales were 5.59 million and two years later this was at 5.22 million, which is 6.6% lower.

The difficulties of middle India have impacted large firms making two-wheelers and their component makers.

The difficulties faced by Middle India and the recurrent CoVID variants may cause problem of **demand shortfall from middle India in 2022**.

2. India climbing up the ladder of emerging tech patents, shows data

**Source:** This post is based on the article “**India climbing up the ladder of emerging tech patents, shows data**” published in **Business Standard** on 10<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues relating to Intellectual Property Rights.

**News:** Domestic and global companies in emerging technologies have filed over 80,000 applications in India between 2016 and 2020.

Areas ranging from Artificial Intelligence (AI), the Internet of Things (IoT), and big data to the cloud, Edge, cybersecurity, and real-time processing account for 70 percent of all technology patents.

India is now ranked 8th in terms of AI patent filing and 4th in terms of AI research papers. Consumer electronics, personal computing devices, and healthcare are the key focus areas for patents in India in AI.

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AI accounted for 6 percent of all emerging technology patents filed in the last five years.

In the vehicle infotainment, 78.85 percent of the 300 patents between 2011-2020 were filed in India in the past five years. This percentage share is the highest in any country. However, in terms of the total number of vehicle infotainment patents, India lags behind China and USA.

What are the possible reasons for the increase in patent applications in India?

**Firstly**, Indian and global companies see India as an important market at par with the US and China. For instance, From 2016-2020, 40 percent of the patents filed in IoT in India originated in the US.

Further, top players like chip design company Qualcomm, Xiaomi, Apple, and Alibaba have filed patents in India in the emerging ultra-wideband technology.

**Secondly**, India is increasingly becoming a key center for R&D in areas like AI, IoT, and electric vehicle technology.

3. What GDP data says about state of economy, its influence on budget

**Source:** This post is based on the article "What GDP data says about state of economy, its influence on budget priorities" published in The Indian express on 10<sup>th</sup> Jan 2022.

**Syllabus:** GS3- Indian Economy and issues relating to planning.

priorities

**News:** Both the **first advance estimate (FAE)** and the **Professional forecasters' survey, published by the Reserve Bank of India**, estimate the **Indian economy to expand at 9.2 percent** in 2021-22.

There is also an expected sharp increase in nominal GDP, which is estimated to expand by

17.6 per cent this fiscal, much faster than the 14.4 per cent growth the Union budget had assumed.

What has led to this rise?

**Double-digit wholesale price inflation** and the **persistence of high consumer price inflation** have led to the surge in nominal GDP and added an upside to tax collections this year.

But these estimates may often wary.

What may be the reason for this variation?

These estimates are based on the **limited information** available till December and can typically undergo a change when new information is available.

**Emergence of the Omicron variant**– Although it is yet to be seen that how will it impact it will have on the overall economy, it has certainly injected some uncertainty in the fourth-quarter.

The **National Statistical Office also** states that "the First Revised

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Estimates for 2020-21 (benchmark year), due for release on 31.01.2022, may also lead to a revision in growth rates reflected in FAE.”

The budget next month will need a flexible approach to account for these uncertainties.

What does the GDP data tell us about the state of the economy?

**Weak private consumption demand and weak consumer sentiment:**

The share of private consumption in GDP has been falling since the pandemic struck, and the latest RBI survey confirms the weakness. Budget needs to ensure that there is revival of consumption demand as it will lead to revival of investments.

**GDP in construction is barely above its pre-pandemic level**, while trade, hotels, tourism and other contact-based services, which are also **labour-intensive, lag the pre-pandemic levels.**

Omicron will again **hit and delay the normalisation of employment** in these segments. These activities are largely urban-centric and will likely **need hand-holding from the budget.** There has been a **rising demand for the MGNREGA jobs** which means a lack of rural employment opportunities. Additionally, **rural wages for agriculture and non-agriculture have been very low in real terms.**

Weak tractor and motorcycle demand mirror the weakness in the rural economy.

What must be budget priorities?

The **budget will need to extend support to rural areas** till the situation normalises.

Union Budget should also ensure that there is **infrastructure-focused capital expenditure**, as this has a higher multiplier effect on the economy and is known to crowd-in private investments.

***Note:** Crowding in occurs when higher government spending leads to an increase in private sector investment*

Together with higher allocations, attention should also be paid to **enhancing execution capacity.**

Fiscal policy (Budget) needs to play a **supportive role** while aiming for a **reduction in deficits over the medium run.**

It also needs to **ensure that the divestment targets are attainable** as this it will **improve the fiscal space** for the government which it can use to support the economy.

#### 4. On Track For 2070 Net Zero Target

**Source:** This post is based on the article “On Track For 2070 Net Zero Target” published in **ToI** on 10<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to Climate change



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**News:** India's announcement to reach net-zero emissions by sourcing 50% of its electricity from renewable energy by 2030 is a significant moment for the global fight against climate change.

Why it is imperative for India to achieve net-zero emissions?

India's economic growth has been among the highest in the world over the past two decades. However, the rapid growth has also resulted in the increase of fossil energy consumption. This has increased India's annual CO2 emission. Currently, India is the third-highest emitter in the world. Further, energy demand is set to grow more than any other country in the coming decades.

How is India's progress so far w.r.t clean energy transition?

It has overachieved its commitment made at COP21 in Paris by already meeting 40% of its power capacity from non-fossil fuels almost nine years ahead of schedule.

The share of solar and wind in India's energy mix has grown phenomenally. Renewable electricity is growing at a faster rate in India than any other major economy, with new capacity additions on track to double by 2026. The country is also one of the world's largest producers of modern bioenergy and has big ambitions to scale up its use across the economy. The International Energy Agency (IEA) expects India to overtake Canada and China in the next few years to become the third-largest ethanol market worldwide, after the US and Brazil.

What are the existing challenges to India's clean energy transition?

**Energy security risks:** The sharp increase in commodity prices has made energy less affordable.

Lack of reliable electricity supply for many consumers.

**Continued reliance on traditional fuels for cooking:** It causes unnecessary harm to many people's health.

**Financially ailing electricity distribution companies:** it is impeding the urgent transformation of the sector.

**High levels of pollution:** it has left Indian cities with some of the poorest air quality in the world.

What are the factors that India needs to work out for achieving net-zero?

**Access to low-cost long-term capital:** To reach net-zero emissions by 2070, the IEA estimates that \$160 billion per year is needed, on average, across India's energy economy between now and 2030. So, Support from the international community is essential.

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**Affordability, security and sustainability:** Achieving net-zero is not just about reducing greenhouse gas emissions. India's energy transition needs to benefit its citizens.

**Focus on Green hydrogen:** India could easily create 5 million tonne green hydrogen demand, thereby replacing gray hydrogen in the refineries and fertiliser sector. These 5 million tonnes will result in abatement of 28 million tonnes of CO<sub>2</sub>. This proportion will grow as we fructify green hydrogen economy and result in 400 million tonnes of CO<sub>2</sub> abatement by 2050.

### 5. Pay for news: CCI's Google probe must lead to rules on tech sharing much more revenue with news publishers

Source: This post is based on the article "Pay for news: CCI's Google probe must lead to rules on tech sharing much more revenue with news publishers" published in Times of India on 10th January 2022.

**News:** Competition Commission of India has ordered a probe against Google for its 'alleged'

abuse of dominant position in news aggregation.

This step of Indian government is followed by actions of Australian government. Australia has passed a law that required tech platforms like Google and Facebook to fairly pay local media outlets for showing their content in news feeds or search results.

On the similar lines, France has implemented the EU's updated copyright rules. These rules require digital platforms to compensate news publishers for previews of news content.

### Why Levy on tech giants for using News feeds is justified?

**First**, an independent and financially viable media is very important for a democracy like India. Google and Facebook take away the 70-80% of advertising revenue that comes from digital consumption of news.

**Second**, responsibly produced news is important against social media jungle of half-truths, lies, fake content, superstition, manipulation and hate-mongering. Thus, it is important that efforts, of producers of such news, be paid viably.

**Third**, Tech giants claim providing huge traffic to the news platforms, but it works both ways. Similarly, around 40% of trending queries on Google are news-related, bringing considerable traffic to it.

### 6. On Financial Resolution and Deposit Insurance (FRDI) Bill : Orderly failure options will help Indian financial firms flourish

Source: This post is based on the article "Orderly failure options will help Indian financial firms flourish" published in Live Mint on 10th January 2022.

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News: Government is aiming to modify and re-introduce the Financial Resolution and Deposit Insurance (FRDI) Bill.

Government is planning to modify and re-introduce the Financial Resolution and Deposit Insurance (FRDI) Bill. The bill puts in place a resolution mechanism to deal with the insolvency of firms in the financial sector.

The bill was introduced earlier in 2016 but was withdrawn in 2018, due to controversy around [‘bail-in’ provision](#). The provision distressed financial service providers with the option to restructure its debt internally. He was allowed to either write off its uninsured debt or convert deposits to other instruments such as equity.

However, there are other concerns also associated with the bill.

**Scope of the bill:** Pension funds and Housing Finance Companies (HFCs) are not clearly mentioned in the bill. So, whether FRDI provisions would be applicable to these sectors or not is ambiguous.

**Time bound payment to depositors:** Financial Stability Board (FSB) advocates time-bound payments to insured depositors. This aspect should be addressed in the revised bill.

**Deposit Insurance system:** International Association for Deposit Insurance (IADI) laid down **‘Core principles for effective deposit insurance systems’**. It includes pay-outs be made to depositors within seven working days. FRDI bill had no mention of any such timeline,

and only mentions about prompt pay-outs to depositors. The word prompt should be defined properly and not left to define per case basis on regulators.

**Coverage limit of insured deposits:** Deposit insurance limit has been raised to Rs. 5 lakhs by an amendment to Deposit Insurance and Credit Guarantee Corporation Act. However, it is still abysmally low compared to the coverage limit of insured deposits of about ₹1.84 crore in the US and ₹1.5 crore in Australia.

**Immunity to officers:** FRDI bill should also consider providing immunity to the directors and officers of the firm under resolution. In the absence of such immunity, challenges could arise in implementing resolution orders.

**Conflict of Interest:** Operational freedom of the resolution body should be ensured. Dual role of resolution body in the resolution process as well as deposit insurance of insured service providers would result in conflicts of interest.

**Resolution:** Government should prioritise creating the legal framework to encourage quick resolution of stress and insolvency.

**Bridge institutions:** The bill should provide for reverse-transfer powers to ‘bridge institutions’, as available across the world. This would help in resolving even the loss-making part of the business.

### 7. The baton of forest restoration in the net zero race

**Source:** This post is based on the article **“The baton of forest restoration in the net zero race”** published in **The Hindu** on 10<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Conservation, Environmental Pollution, and Degradation, Environmental Impact Assessment.

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**News:** For carbon sequestration, India must revisit its policy framework and reverse the decreasing participation of local communities.

After India's pledge to set a net-zero target by 2070, at the COP26 summit, Glasgow, saving forests has become much more important.

In a study by Griscom (2017), natural climate solutions that also include forests can provide up to 37% of emission reduction and help in keeping the global temperature below 2° C. However, the degradation of existing forests continues in India. As per the State of Forests Report (1989) on average, nearly 1.57 lakh hectare of forests were degraded.

Nearly 1.5 million hectares of forests have been diverted since 1980 for developmental activities.

Anthropogenic pressures due to encroachment, grazing, fire, are rising. For instance, India has lost nearly 1.48 million hectares of forests to encroachers.

Moreover, on account of increasing poverty and unemployment, India is witnessing enormous degradation of forests and deforestation.

This warrants the participation of people to achieve the desired target of carbon sequestration through the restoration of forests.

**What are the steps taken by India to involve Local communities in forest management? National Forest Policy, 1988:** it permitted to engage local communities in a partnership mode while protecting and managing forests and restoring wastelands with the concept of care and share.

**Forest development agencies:** It paved the way for fund flow from various other sources to joint forest management committees. It resulted in the formation of nearly 1.18 lakh joint forest

management committees managing over 25 million hectares of forest area. They implemented various projects financed by external agencies such as the World Bank.

**Eco-development committees:** It is a similar system of joint management in the case of national parks, sanctuaries, and tiger reserves.

It proved effective as it could attract the support of the participating communities for the protection and development of biodiversity, reduction in man-animal conflicts, and the protection of forests from fires and grazing.

### What is the current issue?

Many of the Centrally sponsored programs (Project Tiger, fire management, Integrated Development of Wildlife Habitats (IDWH), Compensatory Afforestation Management and Planning Authority (CAMPA)) **lacks policy support to ensure the participation of local communities** via the institutions of joint forest management committees.



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It slowly made their participation customary. This caused a gradual decline in their effectiveness.

The role of local institutions of gram panchayat or joint forest management committees is now restricted to be a consultative institution instead of being partners in planning and implementation.

The alienation of JFMC from the participatory planning and implementation of various schemes further affects the harmony between Forest Departments and communities, endangering the protection of forests.

### What is the way forward?

There is a need to incentivise the local communities appropriately and ensure fund flow for restoration interventions.

Political priority and appropriate policy interventions as done recently in Telangana need to be replicated in other States.

Telangana has created a provision for a **Green Fund/Telangana Haritha Nidhi** for tree planting and related activities.

Though India did not become a signatory of the Glasgow Leaders' Declaration on Forests and Land Use, the considerations of land tenure and the forest rights of participatory communities will help India in the race toward net-zero.

### 8. Why most countries are unable to take a firm decision on crypto

Source: This post is based on the article "**Why most countries are unable to take a firm decision on crypto**" published in **TOI** on **11<sup>th</sup> Jan 2022**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Regulating Cryptocurrency

**News:** Regulators across the globe have come up with various definitions of cryptocurrencies. But there is no consensus, even among major economies, on how to treat decentralised virtual currencies.

Considering the systemic risks that Crypto poses, countries should look to establish robust regulatory frameworks on cryptocurrency and educate investors accordingly.

### What are the problems that countries are facing in classification of Cryptos?

– Most countries are unable to formulate a policy on virtual currencies as there are **no precedents** apart from bans, and they have been largely ineffective.

– Further, lawmakers globally are also having **difficulties in understanding the technical aspects** of crypto.

– Moreover, **Classifying crypto as a commodity** can tackle market and compliance risks, but **not illicit activities**, financial stability, systemic and capital flight risks.

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– Also, making laws on paper and expecting **full compliance is infeasible** for a technology that makes it easy to bypass controls.

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

### What is the global situation wrt regulation of Cryptos

- **El Salvador** – the only country to legally recognise Bitcoin
- **Nine countries**, including China, have **completely banned** Crypto
- **Forty-two countries** like Bangladesh have **banned it ‘implicitly’**, which means banks are prohibited from dealing in crypto directly or indirectly and crypto exchanges are barred too.

### What is the way forward?

IMF and WEF have noted that though crypto can help make cross-border payments efficient and improve financial inclusion, its operational and systemic risks means that **regulation needs to be on the global agenda**. A recent WEF report had listed four ways in which countries can deal with crypto:

- ‘Wait & see’ like Brazil
- a balanced approach like Singapore and the EU
- Comprehensive regulation like Switzerland and Japan
- Restrictive methods like Turkey and Nigeria

### 9. Weaponising ED, tax authorities to expand counterinsurgency security umbrella in Kashmir is a fraught move

**Source:** This post is based on the article “**Weaponising ED, tax authorities to expand counterinsurgency security umbrella in Kashmir is a fraught move**” published in **The Indian Express** on **11<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Internal Security

**Relevance:** Kashmir Militancy, security architecture in India.

**News:** A new approach is being deployed against insurgency in Kashmir. Apart from security agencies, other organisations such as Enforcement Directorate (ED) are now being roped in to deal with the funding and financing of terror activities.

This new policy runs the risk of further alienation of the local population

### What has been the recent shift in government’s approach towards Counter-insurgency operations?

**Counter-insurgency operations** are usually understood to target the weapon wielded organisations and their leaders, usually termed as militants.

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Recently, Counter insurgency operations with a **different approach** have been in use to counter the militants.

Government agencies have now started to **focus more towards “over-ground workers”** rather than the militant ones.

The term over-ground worker may be used to refer anyone from any age group or any profession who are **supporting the militants and providing them with the required resources** to conduct their operations.

What are the advantages of this approach?

As this approach focusses more on **breaking the financial, logistical or ideological networks** of the militants. This will **stop alienation of more young people and prevent them from taking up arms** against the state.

As an intelligent crackdown on those who give these organisations money and shelter will **save lives** and will bring **more stability and peace** in the region, so this also has **high probability of garnering community support**.

What are the concerns regarding this approach?

There have been **several arrests** under laws such as the Unlawful Activities and Prevention of Terrorism Act and the Public Security Act over the last three years.

If there is not a set criterion or limit on who can be identified as an over-ground worker, this may lead to **profiling or labelling of some innocent people** with no such intention or track record. Government should ensure to that this does not happen.

This may result into **alienation of the population and a simmering militancy. What is the way forward?**

Government should focus on **bringing back “normalcy”** and to **enhance community outreach** as much as possible.

### 10. The difficulty in spending

**Source:** This post is based on the article **“The difficulty in spending”** published in **Business standard** on **11<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Indian Economy and issues relating to planning.

**Relevance:** Government spending, Fiscal deficit, Budget.

**News:** According to GDP accounting, Government consumption in the September 2021 quarter, was 17% lower than in September 2019.

If the government spending had instead grown at the pace seen pre-Covid, the overall GDP would have been 4% higher than in September 2019.

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Why, a shortage of funds is not the reason for this lack of spending?

The Govt has **unspent funds of Rs 4.7 trillion, or 2% of GDP**, with the Reserve Bank of India.

**Tax receipts** have been much **better** than estimated.

**State** governments have been **borrowing less than they were expected to** for the last two years.

It is thus a **problem of execution**, a difficulty in spending, also visible in actual deficits turning out to be much lower than planned.

What is the situation wrt Fiscal Deficit?

Revised estimates (RE) for the fiscal deficit last year (FY21) were at 4.7% of GDP. The estimates for this year suggest that a deficit ratio of close to 3%, and not far from the 2.5% to 3% levels seen pre-Covid.

**This** suggest that states are missing spending targets

Expenditure may fall short of the target by 1.5% of GDP, despite the extra spending on health and subsidy during the pandemic.

Although, **States have a long history of missing expenditure targets**, and of final deficits being lower than the RE, but the gap has widened substantially in the last two years.

Why revenue expenditure is important?

Higher deficits create a “**crowding out**” effect and thus push the interest rates up, but as the government spending has been low, the economy has not benefited from this.

The bulk of state spending continues to be revenue expenditure, with education, social welfare, pensions and interest adding up to nearly half of total spending and these sectors play a role as a growth catalyst in the economy.

Also, the **expenditure** (on roads, bridges, irrigation and water supply) **has a multiplier effect**.

**What may be the underlying reasons for this lack of spending? Economic volatility and lockdowns** aggravated the economic challenges.

Remote work and the hours lost due to the ravages of the disease also has a negative impact.

What is the way forward?

In order to get the increased debt-to-GDP ratios to safer levels, it is important to grow the denominator (that is, the GDP).

This can be done through **productive expenditure** rather than try to shrink government spending to reduce the numerator, which is the fiscal



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deficit.

However, such high cash balances raise the risk of governments getting tempted into **spending inefficiently**.

This **can cause economic distortions, or create permanent liabilities** (like salary increases) that can consume a lot of fiscal space for many years.

The **fiscal health of states varies widely**, and they have to build a comprehensive plan on how to spend productively.

**11. High costs, low use may derail the development of EV charging Infra**

**Source:** This post is based on the article **“High costs, low use may derail the development of EV charging Infra”** published in Livemint on **11th Jan 2022**.

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

**Relevance:** Infrastructure for Electric vehicles in India.

**News:** Electric vehicle (EV) industry may fall well short of its target of setting up a sufficient number of public charging stations in India this year.

**What is the current status of charging infrastructure in India?**

According to a report by Grant Thornton-Bharat and the Federation of Indian Chambers of Commerce and Industry (FICCI), India would need **4 lakh public charging stations** to cater to an estimated total of two million EVs plying on the roads by 2026.

However, according to data disclosed in the Parliament, India currently has only 1,028 public EV charging stations — almost 30% of which are in Delhi alone.

So there is huge demand-supply gap in charging infrastructure in India.

**What have been recent initiatives in this regard?**

Indian Oil Corporation, Bharat Petroleum and Hindustan Petroleum have set targets of 4,000 total EV charging stations by the end of 2022

Many Companies such as Tata Power, Ola have also set their targets.

**Why has been this huge shortfall?**

The previous efforts have been **very slow** as in the past two years, less than 1,000 public chargers compatible with all EVs have been installed.

Setting up EV charging stations **doesn't generate revenue**.

Around 94% of passenger vehicles are charged at home (in India), so there is very low demand for a public charging station right now. Hence, the **cost of setting up is very high, and use is very low**.

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**Lack of organised parking spaces** in India is also a big hindrance to setting up public chargers.

What is the way forward?

It is imperative to **make public charging profitable**.

There is need for **faster charging**.

Moreover, India cannot simply adopt an international model and will **need its own set of regulations** to suit the market.

**12.** Risks of three Cs: CVC curtailing CBI's scope for bank probes is excellent. But PSBs still face perverse incentives

**Source:** This post is based on the article "**Risks of three Cs: CVC curtailing CBI's scope for bank probes is excellent. But PSBs still face perverse incentives**" published in **The Times of India** on **11th January 2022**.

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

**Relevance:** Understanding the reforms in the banking sector.

**News:** The **Central Vigilance Commission** has amended rules to minimise the possibility of **CBI** taking unilateral decisions on investigations into alleged bank frauds. Also, bankers have asked GoI to have a "sunset" period for investigations, subject to conditions.

What approach should Government adopt?

It should revisit its entire incentive structure that influences credit disbursal in public sector banks (PSBs). In the Union Budget 2021, the finance minister said the financial sector is one of four strategic sectors and public sector entities will continue to function in the financial sector.

If the government wishes to run commercial enterprises, it should keep two considerations in mind

**First,** That any commercial enterprise has to take risks. So, the banking sector should not be hamstrung by the regulatory burden of 3C's CBI, CVC and CAG.

**Second,** Indian investigative agencies try to guess the motives behind the decisions taken by the banks. The culture of distrust has impacted the financial sector and economy. This has made PSBs risk-averse. This approach should be done away.

**Read here:** [Centre may continue to hold at least 26% stake in public sector banks](#)

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### What should be the way forward?

The ideal solution is that the government should exit the financial sector and stick to policymaking.

In the present situation, where PSB continues, there is a need to change the incentives for bankers. Also, CBI should develop greater domain expertise in financial matters to lower risks to India's economy.

Read here: [Public sector banks and corporate governance](#)

### 13. The new fintech department of RBI has its work cut out

**Source:** This post is based on the article “**The new fintech department of RBI has its work cut out**” published in **Livemint** on 11<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Role and Functions of RBI

**Relevance:** New Fin tech Department

**News:** Recently, the Reserve Bank of India (RBI) created a new department to supervise and regulate fintech.

Through the department, RBI plans to promote innovation in the sector and also identify the challenges and opportunities associated with it.

Fintech ecosystem has seen the entry of 'Big Tech' like Alibaba, as well as decentralized products and services based on blockchain technology.

In this context, the creation of a dedicated department within RBI for workflow allocation is much needed.

### What should be the main role/functions of the newly created department?

RBI has been so conservative on banking-sector liberalization, despite our need to improve the provision of credit to spur investment.

Further it has failed to nudge banks to think of digitization. For instance, banks refusing to upgrade digital payment infrastructure to meet RBI norms on things like e-mandates for subscription payments.

The Fintech Department will need to shift this model in three distinct ways.

**First**, the department must take a hint from climate-change discussions and adopt a ‘**common but differentiated responsibilities**’ ethos to regulate fintech.

-Rather than disallowing banking licences for new forms of financial intermediation, RBI should apply differential rules in cases where core policy objectives such as financial stability are secure.

-Further, RBI should not discriminate fintech businesses for providing Protectionism to the banking sector.

-Moreover, the Fintech Department should leverage ‘supervisory technologies’ to meet policy goals like consumer protection in fintech markets, while maintaining a light-touch regulatory approach.

-For instance, the Financial Conduct Authority (FCA) of the UK is

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experimenting with the use of 'supervised learning' techniques to predict the probability of mis-selling of financial products.

-Though RBI has embraced supervisory technologies, it needs to build real capacity through this new department.

**Second**, the department should recognize the interconnected nature of digital markets, and widen RBI's consultation perimeter beyond regulated entities like banks.

For instance, RBI mandated banks to adopt card-on-file tokenization. Tokenization technology allows e-commerce providers or 'merchants' to process payments via payment services and banks, without storing debit or credit card data.

Since merchants have service agreements with fintech firms, they are well-placed to share market information with RBI to enable evidence-based decisions.

Also, merchants have an incentive to build last-mile readiness, since they have a direct interface with consumers, unlike banks.

Consumer awareness and digital financial literacy can be greatly increased by leveraging this interconnected stakeholder.

**Third**, the Fintech Department must work upon the new concepts of digital money. It should aim to define the contours of our future digital financial ecosystem. For instance, central bank digital currency (CBDC), crypto Assets.

Irrespective of RBI's position on Cryptocurrency, the international society values Crypto assets. So, the Fintech Department should increase international coordination with regulators and agencies, such as the Financial Action Task Force, to understand the implications of cryptos.

### 14. Public sector banks: More sinned against than sinners

**Source:** This post is based on the article "**Public sector banks: More sinned against than sinners**" published in **Livemint** on 11<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to privatisation of public sector banks.

**Relevance:** PSB's role in social welfare

**News:** PSB's have played a key role in the "new welfarism" model of the government. However, the immense effort undertaken by the PSB agencies has not been rewarded adequately.

In this context, a mere comparison of PSB's with private sector banks is illogical. Because, three-fourths of the banking sector is burdened with social objectives in addition to commercial ones.

PSB's can perform better if they were given real functional autonomy in their loan, recruitment, salary and reward decisions. For instance, their ratio of the CEO's salary to that of an average employee is just 3, as against 67 in private-sector banks.

Hence, any measures taken for privatization of PSBs needs a wider debate in a country.



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How PSB's have played a key role in the "new welfarism" model? Jan Dhan Yojana (JDY) or National Mission for Financial Inclusion

JDY accounts are key to the successful distribution of various benefit schemes. (Pradhan Mantri Kisan Samman Nidhi scheme, Mahatma Gandhi National Rural Employment Guarantee programme, cooking gas subsidy etc.,)

As of the end of 2021, there were a whopping 442 million beneficiary accounts, 295 million of them in rural branches and 147 million in urban centres. Their combined deposits have crossed ₹1.5 trillion.

It was mainly due to the tireless effort of mostly public sector bank (PSB) employees. out of the 442 million accounts, more than 97% were with PSBs or regional rural banks. Barely 12 million were with private banks.

The case of Demonetisation

In a small window of less than two months, more than ₹15 trillion in denominations of ₹500 and ₹1,000 had to be counted, verified and accepted, and exchanged for new notes. Again, much of this was accomplished by staff of PSBs in far-flung branches across the country.

Insurance coverage

The PSB's also have to sell insurance policies such as Jeevan Jyoti (for life cover) and Suraksha (for accident cover), as also the Atal pension scheme, all of which are products from the government or Life Insurance Corp. These products are important for achieving financial inclusion. The key to success, of these products' rests chiefly with PSBs.

Emergency Credit Line Guarantee Scheme (ECLGS)

It was launched in the middle of the pandemic to help micro, small and medium enterprises (MSMEs). Even here, the networks and outreach of PSBs and their branches played a significant role.

15.No place for propaganda in PM's security breach probe

**Source:** This post is based on the article "No place for propaganda in PM's security breach probe" published in the **Indian Express** on **11th January 2022**.

**Syllabus:** GS 3 – Internal Security.

**Relevance:** Prime Minister security breach.

**News:** On January 5, the Prime Minister's convoy was halted on an overbridge along the MogaFerozepur highway for 20 minutes.

Must read: [Explained: How the Prime Minister's security is planned](#)

**Why is the event significant for PM's Security?**

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PM was trapped on and overbridge in a sensitive state. The place is just 30 km away from the border with Pakistan. The places around these have also seen the dropping of arms by drones from Pakistan. This is also the place where Bhagat Singh was cremated in 1931. Three wars have also been fought around this place.

### What lapses in PM's Security are evident from the recent incident?

When farmers and protesters had blocked the motorway, it is the responsibility of state police to clear the motorway and use the force if required. However, the police were seen negotiating and persuading the protesters instead of clearing the way for the Prime Minister's convoy.

An advance police party should have cleared the route, or the district SP and collector should have ordered the immediate clearance of the route.

It is also important that the Special Protection Group should have **activated the emergency clearance protocols** and moved the Prime Minister to the **nearest safe house**. So while SPG is accountable for proximate security, it is the Ferozpur SP and District collector that is accountable for the motor blockade.

### What should be done going forward?

While political propaganda and various conspiracy theories make rounds, it is important that truth should come out and accountability should be fixed on the persons responsible for the mishap.

### 16. How real is the GST boost?

**Source:** This post is based on the article "How real is the GST boost?" published in **Business Standard** on 12<sup>th</sup> Jan 2022.

**News:** The government is delighted over the steady improvement in the collection of goods and services tax (GST) in recent months

GST collections have crossed the Rs 1-trillion mark for each of the last six months beginning July 2021.

The buoyancy in GST collections provides the much-needed revenue cushion to government finances and for preparing the next year's Budget.

However, an analysis of GST tax collection over a three-year period reveals that the share of GST collections in GDP is not a cause for any excitement.

Because, from 6.22 per cent of GDP in 2018-19, it fell for two consecutive years to 6 per cent in 2019-20 and 5.75 per cent in 2020-21.

The ratio of GST to GDP is the true indicator of measuring how tax revenues have kept pace with the economy's growth.

### What are the other issues related to GST collection?

GST collections take place under four broad categories: Central GST (CGST), State GST (SGST), Integrated GST (IGST) and Compensation Cess.

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There is the need for specific administrative as well as policy interventions in each of these areas.

**First, the issue of slower growth in SGST** owing to the inefficient tax collection machinery that many states may be burdened with.

**Second, the issue of lower growth rate in IGST collections** on inter-state supplies. On the contrary, IGST for imports has increased.

**Possible reasons for higher growth in IGST collections:** Rise in India's imports, higher tariffs, Ease of tax collection at ports.

Third, the issue of stagnation in the collection of compensation cess.

### 17. Extending GST compensation as a reform catalyst

**Source:** This post is based on the article "Extending GST compensation as a reform catalyst" published in *The Hindu* on 12<sup>th</sup> Jan 2022.

**Syllabus:** GS 2 – issues related to GST

**News:** The agreement to pay compensation for the loss of revenue was for a period of five years, which will come to an end by June 2022.

However, the states are demanding to continue it for another five years. Because, it was hoped that the tax structure would stabilise in the first five years, however, the reform is still in transition.

GST compensation cess Background: [Read here](#)

**Growing mistrust between States and Centre with respect to GST compensation:** [Read here](#)

Why State's demand to extend compensation needs to be accepted?

The GST structure has many issues that need to be reformed, and the cooperation of states is very significant. Hence, it will be difficult to reform the GST structure without extension of compensation to states for another five years.

Thus, it is necessary not only to reform GST but also to provide comfort to States to partake in the reform.

What are the core issues in the present GST regime?

**First,** the technology platform could not be strengthened for a long time due to which the initially planned returns could not be filed. This led to large-scale misuse of input tax credit using fake invoices.

The adverse impact on revenue collections due to this was compounded by the pandemic- induced lockdowns.

**Second,** indirect taxes are the only major source of revenue for the States. Considering their increased spending commitments for public service delivery, states want to mitigate revenue uncertainty.

So, to address the issues in GST, the structure of GST needs significant changes.

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What are the reforms needed in GST?

**Firstly**, almost 50% of the consumption items included in the consumer price index are in the exemption list. To broaden the base of the tax, a significant assessment of these items is required.

**Secondly**, it is necessary to bring petroleum products, real estate, alcohol for human consumption, and electricity into the GST fold.

**Thirdly**, the current Multiple rates GST structure complicates the tax system. For example, the present structure is too complicated with four main rates (5%, 12%, 18%, and 28%). This is in addition to special rates on precious and semi-precious stones and metals, and cess on 'demerit' and luxury items. It causes administrative and compliance problems, creates an inverted duty structure, and leads to classification disputes. Reforming the structure to unify the rates is imperative

What is the way forward?

The 15<sup>th</sup> Finance Commission had pointed out that the compensation scheme of applying 14% growth on the base year revenue provided for the first five years was far too generous.

The issue can be revisited and the rate of growth of reference revenue for calculating compensation can be linked to the growth of GSDP in States to ensure the comfort of minimum certainty on the revenue.

This will incentivise them to accomplish the reform in the true spirit of cooperative federalism.

### 18. Tackling India's unemployment wave

**Source:** This post is based on the article "Tackling India's unemployment wave" published in Indian Express on 12<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 - issues related to employment in India

**News:** Unemployment in India has undeniably reached a critical stage.

**What are the available data that suggests India has undeniably reached a critical stage? Unemployment rate:** India's unemployment rate has been increasing. It increased to 7.91 percent in December 2021 from 6.3 percent in 2018-2019. It is very critical as 10 million young Indians are entering the job market every year.

**Unemployment rate (Urban vs rural):** In urban areas, this has gone up to 9.30 percent in December 2021 from 8.09 percent in January 2021. In rural areas, it has gone up to 7.28 percent against 5.81 per cent.

**Ruralisation:** Between 2019-20 and December 2021, the manufacturing sector has lost 9.8 million jobs; by contrast, agricultural jobs jumped by 7.4 million. Workers are back in their villages, even though urban jobs provide better wages.



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**Decreasing quality of jobs:** 9.5 million people have left the formal sector and have become jobless or part of the informal sector.

**India's Labour Force Participation (LPR) is low compared to other emerging countries:** According to the World Bank, India's LPR stood at 46 percent in 2020, while that of Brazil stood at 59 per cent.

**Majority of the Youth's (20 and 24 years) are unemployed:** according to the NSSO, in 2019, when India had the highest unemployment rate in the last 45 years, 34% of youths remained unemployed. This severely affects India's Demographic dividend.

**Inverse relation between Education and Employment:** An astonishing fact is that the more educated the people, the more unemployed they were. For instance, 63.4 per cent of graduates falling in the age bracket of 20-24 years were unemployed.

**Gender divide:** Unemployment among women is higher than men, both in urban as well as rural areas. For women, the average unemployment was 14.28 per cent and for men, it was 7.88 per cent.

LPR for women continues to decline over the years. This is happening even though more and more women are attending school and college in the country.

What are the reasons for decreasing LPR for Women?

**The absorption of women in the workforce, as compared to men, is much less due to, One,** most women were involved in agricultural jobs in rural areas. The mechanisation of these jobs has had a huge impact on female labour force participation in the country.

**Two,** India's manufacturing sector is not labour-intensive. This has made it difficult to compensate women who got displaced from agricultural jobs.

**Three,** women's role as primary caregivers and ownership of domestic chores is a reason for the low participation of women in the workforce.

**Four,** the cultural norms and deep roots of patriarchy apparently limit women's labour participation in India.

What are the factors hampering India's employment generation potential?

**Low private investments:** The investment rate is declining since 2011. It has dropped from

34.3 percent then to 27 per cent in 2020.

**Weak demand:** One of the reasons why companies are reluctant to invest. This vicious circle is also fostered by growing inequalities, resulting in the shrinking of the middle class.

**Access to credit:** Since banks are affected by NPA's and the ongoing inflation problem have led to increasing in interest rates. This in turn

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affects business access to low interest rate capital.

### 19. Treating the planet well can aid progress

**Source:** This post is based on the article "Treating the planet well can aid progress" published in **Live mint** on 12<sup>th</sup> Jan 2022.

**Syllabus:** GS 3- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

**News:** The 2020 Human Development Report of the United Nations Development Programme (UNDP), titled "The Next Frontier – Human Development and the Anthropocene" proposed a **planetary pressure-adjusted Human Development Index (HDI)**.

This adjustment has been worked out by factoring in **per capita carbon dioxide (CO<sub>2</sub>) emission (production)** and **per capita material footprint**.

The purpose is to communicate the risk involved in continuing with existing practices of resource use and environmental management to the larger society. And the effect that **environmental stress** can perpetuate on development.

It helps to predict the nature of **planetary pressure** generated by the developed countries and indirectly indicates their responsibility in combating the situation.

### How planetary pressure adjustment will affect country rankings?

The world average of HDI in 2019 came down from 0.737 to 0.683.

The global ranking of several countries will be altered, in both positive and negative sense. For instance, among 66 very high human development countries, 30 countries will record a fall in rank values.

Whereas, India will gain in global rankings by eight points (131st rank under HDI and 123rd rank under PHDI). Because its per capita carbon emission and material footprint are well below the global average.

However, India's natural resource use is far from efficient and environmental problems are increasing.

The twin challenges of poverty alleviation and environmental safeguarding that former Prime Minister Indira Gandhi stated in the Stockholm conference in 1972 still remain unattended.

### What are the present challenges faced by India regarding Human development?

India has 27.9% of people under the Multidimensional Poverty Index.

States like Kerala that have an exemplary achievement in human development lags on the environmental front.

India fares poorly in SDG goals 1(No poverty) and 2(Zero hunger). **For instance**, According to NITI Aayog (2020-21), India scored 60 (Performer grade, score 50-64) for no poverty and 47 (Aspirant grade, score 0-49) for zero hunger out of 100 points.

India's score in SDG 8 (Decent work and economic growth), SDG 9

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(Industry, Innovation, and Infrastructure), and SDG 12 (Responsible Consumption and Production) also warrant improvement.

However, one significant prospect for India is that there is now widespread awareness about the environment and several initiatives both at the level of the government and the community. **For example**, The Chipko movement (1973) in Uttarakhand and the Silent Valley movement (the late 1970s) in Kerala.

What is the way forward?

**First**, it is now well established that there are interdependencies of earth system processes, including social processes. It is now essential to consider people and the planet as being a part of an interconnected social-ecological system. Thus, an integrated perspective is necessary.

This can be addressed at the local level, for which India has constitutional provisions in the form of the 73rd and 74th Amendments.

**Second**, advances in earth system science and sustainability research along with enabling technology of remote sensing and geographic information system have helped to explain the impact of human activities at the ground level. They also provide insights into how to mitigate these impacts and improve life.

What is required is a reorientation of the planning process, adoption of a decentralised approach, a plan for proper institutional arrangements, and steps to enable political decisions.

### 20. Managing biomedical waste

**Source:** This post is based on the article “Managing biomedical waste” published in the *Business Standard* on 11th January 2022.

**Syllabus:** GS 3 – Environmental pollution and degradation.

**News:** Since the outbreak of Covid pandemic, there has been rise in the Safe handling and elimination of biomedical waste.

Read here: [23 states at additional Covid risk due to Biomedical waste](#)

### What are the challenges associated with biomedical waste?

- Mixing biomedical waste with household garbage led to infection, as most wastes were disposed of in the landfill sites.
- No proper management and waste disposal in hospitals and other covid designated medical centres.
- Littering of discarded Covid-related stuff, such as masks, face shields, etc alongside roads, hospitals, healthcare centres and other places.

**Read here:** [Use app to monitor COVID-19 biomedical waste, SC to civic bodies](#)

### What are the government initiatives to handle biomedical waste?

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The government introduced [Biomedical Waste Management Rules, 2016](#), which is regularly updated by the [Central Pollution Control Board \(CPCB\)](#) because of the ongoing covid pandemic. Some of the latest CPCB guidelines are:

- It requires the bio-waste to be packed in double-layered yellow bags and transported in specialised vehicles to the designated common biomedical waste treatment facilities for incineration, autoclaving or burning to generate energy.
- The CPCB has created a special mobile application, "[Covid-19 BWM \(Biomedical Waste Management\) App](#)", to keep a tab on pandemic-related information, including the handling of infectious junk.
- CPCB provides **training for handling perilous waste** in infection-prevention methods, such as hand hygiene, respiratory etiquettes, and other needed measures through video films and demonstrations.

What are the challenges associated with the government initiatives?

1) CPCB norms are not strictly followed. 2) Although mandatory, the required data is rarely uploaded by the concerned bio-waste handling agencies in the BWM App.

What should be the way forward?

Some healthcare experts suggested to **bar-coded the yellow bags to track the source** of the unsafe garbage and its movement to the waste treatment centres. Also, the Delhi-based union of waste collectors and sweepers is demanding to provide safety gear and to be treated on par with other front line Covid-19 workers. They also demand separate isolation houses, as are lacking in spaces for home quarantine. So, the Government should work on these suggestions. Also, the government should **initiate a public awareness campaign** about the safe handling of biomedical waste.

### 21. The pros and cons of big data used as economic signals

Syllabus: GS Paper 3 – Science and technology and economic growth

Source: This post is created based on the article "[The pros and cons of big data used as economic signals](#)" published in the Mint on 12th Jan 2022

**News:** Big data is being used for various types of analysis like economic growth. However, there are certain pros and cons linked to this type of analysis.

Google recently released some anonymized data for India, based on mobile phone locations of the users. As per the data, People are spending more time at home, rather than at work places or retail stores or parks. It means people are facing issue of restricted mobility once again.

The new forms of data are very useful in tracking economic activities in a country, without waiting for structured government surveys and quarterly estimates. These structured surveys fail to understand a rapidly evolving situation.



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For example; mobility data can predict a change in economic activities.

### How mobility data is linked to economic activities?

Economists at the Organisation For Economic Co-operation and Development (OECD) observed a link between mobility trends and economic growth. They found out that impact of mobility indicators on economic growth has weakened with successive quarters during pandemic. There are two possible reasons for this.

**First**, policymakers are restricting specific types of economic activity, instead of blanket ban on movement.

**Second**, Org and employees have learned to adapt to newer forms of work and leisure.

**For example**, in the second and third quarters of 2020, a 10% point change in mobility was associated with a 2.2% change in economic growth. While in 4th quarter, it only resulted in a 0.9% change in economic growth.

### Challenges associated with big data-based analysis

However, there are challenges associated with big data-based analysis.

For example, economists are using measurement of night lights past sundown as a proxy for economic activity. However, some research papers have observed that clouds interfere with the way data on night lights can be captured by satellites. Thus, during cloudy months, readings are low. Second, the data from e-way bills generated during goods movement is a very useful advance indication of economic activity. Such e-way bills are not generated for services. Thus, a shift of

demand from goods to services must result in a low number of e-way bills. So, it does not mean a slowdown in economic activities.

### 22. Cutting corporate debt

**Source:** This post is based on the article “Cutting corporate debt” published in **Businessstandard** on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS3-Indian Economy and issues relating to planning.

**News:** Indian companies are deleveraging i.e. that **is there is reduction** in their borrowed debt.

This trend is **likely to continue**, specially in the present pandemic situation.

### What are the indicators of deleveraging by Indian companies?

The **debt-to-equity ratio** of listed firms **dropped** to a six-year low of 0.59 in 2020-21, compared to 0.73 in the previous year.

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**Reserve Bank of India's recent report** on the banking sector has also revealed that non-financial private firms have been net savers over the last three years.

What can be the reasons for this?

**Improvement in corporate and banking sector:** As compared to the situation until a few years ago, the state of both the corporate and the banking sector has improved. The impact of pandemic-related disruption has been considerably lower than anticipated for both corporations and the banking system. In fact, earnings have improved for large corporations over the last few quarters.

Deleveraging process in the corporate sector is also **being helped by buoyancy in the stock market**, which has enabled firms to raise record money from the market.

*A buoyant market is the one which is witnessing a lot of trading activity and where prices of stocks are gradually increasing over time.*

What can be disadvantages of this?

While this points towards **strengthening of the corporate balance sheet**, but it also reflects the **unwillingness of investors to invest** and highlights the **underlying weakness in the economy**.

This may **impact the asset quality** in the banking sector once the pandemic-related support extended to borrowers begins to be removed. This may also lead to **sustained lower demand for credit**. Especially when the credit demand is **expected to remain low** due to relatively low level of industrial capacity utilisation and weak underlying demand in the economy.

Although Banks have been focusing **on retail lending**, but that too has limits as large number of households have suffered income losses

### 23. Trust deficit: On tech platforms and news publishers

**Source:** This post is created based on the article "Trust deficit: On tech platforms and news publishers" published in The Hindu on 13th Jan. 2022.

News: CCI has launched a probe against Google, following allegations by the country's digital news publishers.

Read – [CCI's Google probe](#)

In the recent years, many countries such as Australia and France have tried to correct the balance between the big tech companies and traditional journalism industry.

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### What is the case in India?

In India, the complaint has been made by India's Digital News Publishers Association against Google. It has alleged that Google abuses its dominant position by not providing a fair share of the advertising monies and by not providing adequate information.

Further the association has complaint that Google does not pay for the news snippets that appear in search. Also, the terms of engagement are "unilaterally and arbitrarily", which are dictated by Google without any consultation.

### What are the implications associated with this Issue?

Lately, news media industry in India is struggling to survive. Whereas big tech platforms are becoming more and more powerful.

**Sustainability of journalism** in the digital era is very important, especially in a democracy. When journalistic efforts do not get a fair value, they end up sacrificing quality to gain more users and in a quest for more emotional engagement.

### 24. Rooftop solar: Why India is now considered to be a laggard globally

**Source:** This post is created based on the article "Rooftop solar: Why India is now considered to be a laggard globally" published in DTE on 13th Jan. 2022.

**News:** Rooftop solar installation in India is lagging behind the target.

As a part of nationwide revamped target in 2014 for renewable energy installations, at least 40 gigawatt was earmarked for rooftop solar by 2022. However, only 6.11 GW (15 per cent of the target) was achieved as of November 2021.

Even the urbanized, high-income cities like Delhi could achieve only 20 per cent of the target. At the national level, the MNRE had allocated a subsidy for capacity of about 3,000 MW RTS to various states, but so far, 699 MW (23 per cent) has been installed.

### What are the Issues facing Rooftop Solar (RFS)?

**Regulatory framework:** The growth of the RTS segment is highly dependent on the regulatory framework. Absence or withdrawal of state-level policy support for the RTS segment has been a major issue.

**Net Metering:** Net metering regulations are one of the major obstacles facing the sector. Net metering allows surplus power produced by RTS systems to be fed back into the grid. Discoms compensate consumers for this surplus power.

**Price of RTS Panels:** The prices of residential RTS panels are frozen for as long as 18 months. It is the most critical flaw in the MNRE Phase II subsidy scheme. solar panels and other input costs are highly volatile. A one-price-fits-all approach fails to account for the disparities within a market.

**Rols of Discoms:** Discom's overarching role in the RTS framework is also

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a problem. It has a role in subsidizing the installation of RFS

What are the suggestions?

**Direct benefit transfer** must be applied, instead of transferring benefits to first discoms and then discoms transferring it to consumers.

The RTS needs easy financing, unrestricted net metering, and an easy regulatory process.

### 25. There must be fair competition in telecom sector

**Source:** This post is based on the article “There must be fair competition in telecom sector” published in **Indian Express** on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS 3- issues related to Telecom Sector in India

**News:** The board of Vodafone Idea (Vi) has approved the conversion of part of their liability owed to the government into equity.

Accordingly, Rs 16,000 crore of the interest on the deferred spectrum and adjusted gross revenue (AGR) liabilities will now be converted to government equity. This makes the government as the single-largest stakeholder, owning 35.8 percent of the entity.

The government proposed this relief package to save the Telecom operator from exiting and to protect competition in a market.

In this context, this article will discuss the issues troubling the Telecom sector in India.

What are the issues affecting the Telecom sector in India?

**Read more here:** [Vodafone Idea issue and the telecom sector in India – Explained, Pointwise](#) **Litigation issues:** leading to drain on resources. **For example,** retrospective taxation issue related to Vodafone-Hutch offshore deal.

**Access to government is unequal:** Instances of inequity have impacted the competition in the sector. **For example,** allowing “back door entry” into the mobile sector in 2003, Spectrum assignment through “first come first served” (FCFS) method, allowing Jio’s aggressive strategies in 2016.

**Bureaucratic inertia:** it results in decisions that favour one over the other operator not because there is bad intent, but because the system is such that the status quo is the dominant response.

**Other reasons:** Intense price war, Unreasonable definition of AGR, An extractive spectrum auction regime and, the development in technology, are impacting the revenue streams of operators.

**Telecom is not the domain of government:** After the implementation of this relief package, India will own stakes in two out of four major telecom operators in the country, namely BSNL (100 per cent) and Vi (35.8 per cent).

Excluding China, no other country in the world has wholly-owned government entities in the telecom sector. Telecom, almost everywhere, is the domain of private enterprise. In France and Germany, the government has diluted its stakes in erstwhile public sector entities to a minimum.

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Even, the Chinese government has been encouraging private sector participation to boost competition in a market.

What is the way forward?

The current telecom licensing policy, prohibit any company/legal person either directly or through its associates from having substantial equity holding (defined as equity of 10 percent or more) in more than one licensee company in the same area for the same service.

Accordingly, in order to comply, the government may have to dilute its share or explore the option of merging BSNL and Vi.

In this regard, the government should explore the option of merging BSNL and Vi as it is attractive for multiple reasons.

-Both BSNL and Vi can share their infrastructure.

-It can help revive Vi.

-Merger between these two entities can ensure fair competition within the sector.

**26.** Watch out for an official central bank digital rupee on its way in

**Source:** This post is based on the article “**Watch out for an official central bank digital rupee on its way in**” published in **Livemint** on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to Crypto currencies

**News:** The likelihood of launching a central bank digital currency (CBDC) in India is a credible possibility.

What are the challenges to introducing CBDC in India?

India has at least 500 million people with no access to a smartphone (Statista reports the use of 845 million phones in 2021).

Large numbers have neither an Aadhaar nor PAN card, or even if they do, are not in the habit of using phones except for making calls.

Many of our senior citizens have already been robbed by online scamsters

**How introducing CBDC will benefit Indian economy?** Read here:

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

[Everything you want to know about CBDC](#)

What are the areas/sectors that will be disrupted if CBDC is introduced in India?

The first is that it may lead to failure, decline, or stagnation of the entire financial system. Payment banks will need to close down, as savers will have to maintain accounts with RBI anyway. The UPI system would be redundant. Even commercial banks will see people move money out of savings deposits and probably opt for term deposits at higher rates. ATMs will have to shut down, for sure.

The other major challenge for our central bank will be technology disruptions. Hackers would be a threat, technical failures at banks will become a routine

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### 27. Establishing India's Apple

**Source:** This post is based on the article "Establishing India's Apple" published in The Hindu on 13th Jan 2022.

**Syllabus:** GS3- Science and Technology- developments.

**News:** U.S. tech company Apple has reached the \$3 trillion-mark in market capitalisation. This now makes it wealthier than most countries.

How can India advance towards creating such companies?

This will require India to establish ecosystems that are innovation driven. Following are some key steps to achieve this:

1) **Sustained public funding** to build world-class research and development infrastructure and **hiring the best faculty** in our university system. The **initial funding** to build large research infrastructures needs to come **from the public exchequer**. Then it can be financed by private investors, like angel investors and venture capitalists. Equally important is **encouraging and providing the faculty towards critical thinking**.

2) **Ecosystems can be build by connecting institutions nearby**. This will lead to facilitating easy access to tools and equipment for each others' students and faculty, creating an open, inclusive atmosphere, and encompassing each other's strengths. There should be availability of excellent tech transfer offices, access to legal counsel and law firms.

3) **Tech transfer offices and incubators play a vital role in commercialising technologies**. Their part is to make sure that the universities are incentivised while providing a physical space with technical and legal help for individual faculty-driven innovations to get commercialised

4) **Proper legal frameworks** are needed for university-driven innovation to mature. After consultations and modifications, Parliament needs to pass the **Protection and Utilization of Public Funded Intellectual Property Bill (PUPFIP), 2008** .

This will help remove the universities' lack of clarity on intellectual property rights to **commercialise inventions from government-funded research programmes**.

5) It is essential to broaden the **reach to cover all streams within the liberal arts** apart from the STEM (Science, Technology, Engineering, and Mathematics) field which will lead this innovation revolution.

**Curricula** need to get away from focusing exclusively on awarding degrees and also focus on **vocational training** towards developing students' skills for a specific task.

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### 28. Re-skilling and upskilling with digital interventions

**Source:** This post is based on the article “Re-skilling and upskilling with digital interventions” published in **Livemint** on 13<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to employment

**News:** In a world where technology advances with every passing day, employees need to keep updating their domain knowledge to keep their work performance up to the mark.

The responsibility to help them reshape their skills thus falls on the shoulders of every organization.

#### Why it is imperative to re-skill and upskill employees?

Here are a few reasons that have made the re-skilling and upskilling of employees vital, and the steps that could be taken to pursue this goal.

**Firstly, to ensure a smooth transition of the shift in the division of labour among humans and machines.** It is necessary to acknowledge and address the need to shape people’s skills for the future, starting today.

For instance, as per the Future of Jobs report of the World Economic Forum, as many as 75 million jobs may have been displaced by the end of 2022, by a shift in the division of labor among humans and machines. But it might also lead to the creation of 133 million jobs simultaneously.

**Secondly, it is crucial for everyone to adapt to future technology, i.e., Artificial Intelligence (AI).** With its huge potential to carry out complex calculations at lightning speed and conduct the research and analysis that is required to run a business, AI casts doubt on the jobs of millions of earners.

AI does more than just eliminate manual labor. It uses data and statistical tools to allow innovative forms of administration and equips employees in ways that can raise their productivity.

#### What can be done to re-skill and upskill employees?

**Every organization needs to build learning & development (L&D)**

**model:** It will help employees remain relevant to trends and thus benefit them greatly in the long run.

Under the L&D model, Productive training sessions must be conducted that would help everyone in the workforce to visualize their own career paths while simultaneously reforming

their skills accordingly. These sessions can also be used to increase their technical knowledge and create awareness of updates.

**Learning essential facts related to technology should be made a new normal in this digital age:** Employees must develop the habit of seeking

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any information related to their own field, especially in the context of digital growth.

**Instead of viewing automated technology as a threat to their livelihood, employees need to focus on how it will benefit them:** it is the responsibility of human resource (HR) leaders to help them communicate and strategize their path ahead. Seniors need to be assisted in this transition.

**The need for an open mindset:** The workforce should hence be positively reinforced to take an open-minded approach towards change, as it will help reduce friction in the face of a sharp transition. An open mindset could prove to be a valuable asset in upskilling employees for future endeavors.

### 29. Space for dreams: On ISRO's new chief

**Source:** This post is based on the article **"Space for dreams: On ISRO's new chief"** published in the **The Hindu** on **14th January, 2022**.

**Syllabus:** GS 3 Science and Technology – Institutions.

**News:** S. Somanath has been appointed as the chairman of the Indian Space Research Organisation (ISRO).

What are the upcoming programmes of ISRO? Human space flight programme – **Gaganayaan**

**Read here:** [Union Minister says, India's maiden human space mission "Gaganyaan" will be launched in 2023](#)

**Aditya L1:** The aim to take a space observatory to the Lagrangian point one (L-1) to study the Sun.

**Read here:** [Objectives and importance of ISRO'S Aditya-L1 mission.](#)

**Privatization of ISRO:** New chairman will work towards the privatization of ISRO. New Space India Limited (NSIL) has already been established in 2019 to commercially exploit the research and development work of the ISRO.

**Read here:** [Functions of "NSIL | New Space India Limited"](#)

Along with NSIL, [Indian National Space Promotion and Authorization Centre](#) came up in 2020. This was aimed up at channeling non-government private enterprises to watch space activities.

All these initiatives will enable greater participation of private industry into space and has a lot to contribute through technology transfers.

### 30. Propping up the property market – Issues facing Housing Sector

**Source:** This post is based on the article **"Propping up the property market"** published in the **Business Standard** on **14th January 2022**.

**Syllabus:** GS 3 – Changes in the Industrial policies



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**News:** Indian housing sector is struggling a lot due to stalled housing projects, which has led to a loss of output and jobs.

What are the problems associated with housing projects?

**Fear psychosis among buyers:** Customers today are reluctant to pay advances as they are not sure whether the project will complete or not. So, they are willing to pay only for projects that are completed or near completion. Also, they are willing to pay only when the builders have strong financial backing like corporate entities such as L&T, Godrej, and Adani.

**Lack of advances:** Builders are facing a financial crunch as they need advances in order to complete launched projects and to earn a decent return on their investment.

**Disinterest of Banking sector:** Banking sector can solve the finance problem. However, banks have been wary of taking exposures to developers even in the best of times.

What did the government do to address the problem?

The government introduced **SWAMIH (Special Window for Affordable and Mid-Income Housing)** scheme, to address this issue at affordable and mid-income housing projects. It set up a fund with a corpus of Rs 25,000 crore in which the government would contribute Rs 10,000 crore and the rest would come from LIC, SBI, and private insurers.

Read here: [About SWAMIH fund](#)

Although SWAMIH is a helpful initiative, it is limited in size. The problem of stalled projects has been worsened by the ongoing pandemic. According to a survey in 2021, 1,73,740 housing units were stalled across six cities (excluding Mumbai). However, SWAMIH covered less than 10% of these stalled and delayed housing units.

**Read here:** [81 stressed housing projects approved under Special Window fund](#)

**What measures can be adopted to solve the housing problem?**

Government can implement a **Credit Guarantee Scheme** for residential housing, on the lines of the [Emergency Credit Line Guarantee Scheme \(ECLGS\)](#) for small and medium enterprises. ECLGS was subject to stringent eligibility criteria to minimize risk. The similar following criteria can be adopted for CGS for housing.

- 1) Project must involve a certain minimum number of buyers.
- 2) Applicable to projects that have been delayed by over 12 months.
- 3) Must be for affordable and mid-income housing.
- 4) Project must be solvent, which means assets must exceed liabilities.
- 5) Bank must satisfy itself that there has been no diversion of funds.
- 6) Bank finance for projects that meet the above criteria should have a

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graded guarantee by the government, like 100% guarantee for projects that are 90% complete, 90% guarantee for projects that are 80% complete and so on.

CGS will provide a boost to the construction sector, which is a labor-intensive sector. It will provide jobs to people. The government will be able to ease the grievances of a large community of disaffected people with this scheme.

### 31. Time's Running out-Is India ready to handle 34,600 tonnes of solar waste?

**Source**– This post is based on the article “Time’s Running out-Is India ready to handle 34,600 tonnes of solar waste?” published in Down to earth on 13th Jan 2022.

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

**News:** India plans to **generate about 280 GW** of energy through **solar power by 2030**. While this may seem a climate smart move but it also leads to generation of **huge amount of solar waste**.

A holistic approach to solar energy includes not only a green and clean perspective, but also **resource and material management**.

#### Why India needs a solar waste management policy?

Discarded solar panels **generate solar waste** which is usually then sold as scrap. According to some estimates it can increase by at **least four-five-fold by the next decade**.

According to a report prepared by the **National Solar Energy Federation of India**, Country is expected to generate **34,600 Tonnes of cumulative solar waste by 2030**.

Although India has set ambitious solar power installation targets, it **does not have a solar waste management policy**. Even the latest **electronic waste management regulations of 2016 do not deal with the issue**.

#### What are the challenges in the management of solar waste?

**Not seen as an immediate problem**-Solar panels have a **life of 20-25 years**, so the problem of waste seems distant.

However, this may become a **major issue at the end of this decade**, and solar waste will end up being the most prevalent form of waste in landfills.

**High recycling cost**-Although the solar panels have valuable recoverable materials, which if recovered would be enough to power 630 GW with two billion solar panels.

However, this option is not viable as the benefit from recycling is far less compared to the cost of it. **Recycling a solar panel cost between \$20 and \$30 while sending it to a landfill costs**

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\$1-2.

### How are other countries handling the issue?

**Europe**-Waste Electrical and Electronic Equipment (WEEE) Directive of the EU imposes responsibility for the disposal of waste on the manufacturers or distributors who introduce or install such equipment for the first time.

Most of the EU member states have come up with directives for collecting, handling and management of PV waste.

**USA**-While there are no country wide regulations in the United States, there are some states who have proactively defined policies to address end-of-life PV module management.

**Asia**-Countries such as Japan and South Korea have already indicated their resolve to come up with dedicated legislation to address the PV waste problem.

### What is the way forward?

Following approach may help to deal with the problem holistically-

**Strong e-waste or renewable energy waste laws:** There is a need for introduction of EPR(Extended Producer's Responsibility) for the manufacturer and developers to take responsibility for end-of-life the solar panel. India should also focus its attention on drafting comprehensive rules to deal with solar waste.

**Infrastructure:** Good recycling infrastructure will help in reducing the cost of recycling.

**Power purchase agreement** Between DISCOMS / government and project developers should include rules for environmental disposal and recycling of solar waste.

It is imperative to ensure that the **Solar panel waste does not reach landfills** as it is harmful to the environment. It contains toxic metals and minerals that may seep in the ground.

**Recycling Industry should be incentivised** to participate more through new business models, green certificates.

**Research and Development:** Innovation in design may have an impact on the type of waste they generate. For example-New panels use less silicon and produce less waste during the manufacturing process.

### 32. Inflation heresy mustn't always be rejected out of hand

**Source-** This post is based on the article "Inflation heresy mustn't always be rejected out of hand" published in **Live mint** on 14th Jan 2022.

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

**News:** Inflation has been on the rise in most part of the world. This has once again started the debate on the best way to restore price stability.

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What are various strategies to deal with Inflation?

**Old/orthodox method**-This involves the **reduction in spending and raising of interest rates**. But this method often has **side effects (such as bankruptcies and rising unemployment)** and not always produced the desired results quickly enough.

**Lowering the interest rates** -This has been followed by **Turkey**.

The inflation-producing effects of high interest rates is called the '**Cavallo effect**'. This idea suggests that **inflation is associated with cost-push factors**, such as high interest rates, which boost the cost of working capital and thus make the production cost higher.

Although this theory has received some empirical support but as seen in Turkey's case **despite lowering interest rates, market rates have continued to rise**. It indicates that the inflation in Turkey is the result of more fundamental problems in economy.

**Price controls or by clamping down on large firms with price-setting power**-These measures have sometimes worked for example in Israel in 1980s, Latin America.

**Temporary wage-price controls** can help coordinate price-setters to move to a low-inflation equilibrium. It is useful when high inflation is driven predominantly by expectations rather than 'fundamentals'.

Why single strategy is not perfect?

Economics is **not a science with fixed rules**. Different countries face varying conditions which call for different policies.

**Economics** works contextually and not universally. What is the way forward?

Currently, **Inflationary pressure is the result of transitory set of factors**, like the pandemic-related reallocation of spending from services to goods, and supply-chain and other disruptions to production.

Transitory inflation **calls for a restrained response**, whether through regulation or the central bank's exercise of monetary policy. This should **not rely heavily on any one method**.

**33.A code for the committee of creditors**

**Source**- This post is based on the article "**A code for the committee of creditors**" published in **Business Standard** on 13th Jan 2022.

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



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**News: Parliamentary Standing Committee** of Finance in its report had argued for the need to have a professional code of conduct for the committee of creditors.

After this **Insolvency and Bankruptcy Board of India (IBBI)** had issued a discussion paper proposing a code of conduct (code) for the Committee of Creditors (CoC) to ensure transparency in its functioning.

### Why there is need for a code of conduct for the CoC?

Since CoCs are not regulated, there exists a **regulatory gap**. Several proceedings have also witnessed a **variety of contraventions of provisions** of the insolvency law by market players. IBBI has in the past tried options like directions to insolvency professionals to secure good conduct from players, filing of complaints in special court against the erring players, and filing of appeals. But these also had a **limited impact**.

### Who should bring this code? IBBI or RBI

Since banks are regulated by the Reserve Bank of India (RBI). Some argue that if the code is prescribed by the IBBI, this will subject banks to regulations of both the IBBI and RBI, creating regulatory overlap. However, this is not true as any entity being governed by several regulators for its different activities per se is not regulatory overlap. For example- An initial public offering (IPO) by a firm, whether in the business of insurance, banking, or telecom, is regulated by SEBI; not by the regulator of the business concerned.

### What is the way forward?

Successful implementation of the insolvency law **requires all stakeholders** follow the rules and are subject to regulatory discipline. **Any contraventions** should have **quick consequences**.

**Regulatory jurisdiction must rest with one regulator**, be it the IBBI, RBI or SEBI. Only one of them should specify a code of conduct, monitor compliance and adjudicate contraventions against all market players.

Also, it should be ensured that there is a **uniform application of regulatory norms across the market and no sectoral differences** exist.

### 34. The controversy over inclusion of the mm wave band in 5G auctions

**Source:** This post is based on the article “The controversy over inclusion of the mm waveband in 5G auctions” published in **The Hindu** on 14th Jan 2022.

**Syllabus:** GS3- Science and Technology- developments

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**News:** Telecom regulatory Authority of India (TRAI) had asked for Industry's view on various contours of 5G roll out in India. This plan of TRAI also included the **idea of adding millimetre (mm) wave band of 24.25-28.5GHz in the auction of 5G spectrum.**

Satcom Industry association-India (SIA) which represents the interests of the communication satellite ecosystem in India has **voiced concerns over inclusion of millimetre (mm) wave** in 5G auction.

Read more about 5G [here](#).

### What is the mm Wave band?

This is a particular segment of radio frequency spectrum that ranges from 24-100 GHz.

It has **short wavelength** and is very appropriate to deliver at **high speed and lower latencies**. The current available networks work optimally well on the shorter wavelengths, but they **don't work well on the parameter of speed, which is needed for 5G.**

So for 5G to work at its full potential, and speed up the **mm wave band is very essential.**

**What are the concerns voiced by the SIA regarding its inclusion in 5G spectrum action?** According to SIA, this particular band has been reserved for the satellite based broadband services as per **ITU (International telecommunication union)'s directive**. The 5G roadmap of European Union also follows this directive.

If **excess spectrum** is provided, it could pose a downside risk of bands going **unsold or underutilised.**

Also the mm wave band is very critical for the satellite communication industry, and it is very essential to ensure that 5G operations **do not interfere with their current operations.**

### How can this negatively impact the satellite communication Industry?

Recently, internet is being provided by the satellite based communication service providers apart from the fibre optic based systems. So the satellite communication industry is trying to keep the mobile telephony companies out of their competition for the band.

The Industry body also noted that the **330 MHz spectrum** in the 3.3-3.67 GHz band is **enough to satisfy India's mid-band 5G needs** while ensuring a competitive auction.

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### 35. Wishlist for the budget

**Source:** This post is based on the article “Wishlist for the budget” published in Times of India on 15th Jan 2022.

**Syllabus:** GS3- Government Budgeting.

**News:** Every budget offers an opportunity in the hands of the government to initiate a lot of reforms.

What should the upcoming budget focus upon?

**Simplify the tax calculations:** Instead of layers of taxation, there should be one simple tax rate.

**Prime land, long leases:** This will lead to increase in revenue, government here will sell land on prime locations at long leases (of 99 years or 999 years). This will help the public, it will cut commutes, make the cities more efficient, and raise money.

**Indian Special Administrative Region:** One of the existing Indian cities can be converted into a world-class, fully liberal, governed-by-different-laws city like Dubai or Singapore.

For this, government will need to legally carve out a territory to do business and have some flexible laws, best suited to it.

Government should lower GST on tourism and transportation, this will give the industry a much-needed boost.

**Minimum wage:** India should have a **minimum wage for labour.** **Domestic help,** for instance, can be hired at any salary, with no holidays all year around. That isn't dignified and creates huge scope for exploitation.

Dignity of people along with economic growth is what makes a country truly developed, not just rich.

What should be an ideal budget like?

A truly liberalised, economy is one where the budget day shouldn't matter as much.

No one day of the year should impact the economy or lives of 1.4 billion people. Budget announcement should be just a means with the government to collect and spend its money.

### 36. As cryptocurrency becomes mainstream, its carbon footprint can't be ignored

**Source:** This post is based on the article “As cryptocurrency becomes mainstream, its carbon footprint can't be ignored” published in Down to Earth on 14th Jan 2022.

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

**News:** Cryptocurrency has expanded rapidly. With its increased popularity, problems of environmental sustainability have emerged. These are related

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to the digital mining of Cryptocurrency, esp Bitcoin, as it creates a massive carbon footprint due to the staggering amount of energy it requires.

**Note:** In 2019, the global cryptocurrency market was approximately \$793 million. It's now expected to reach nearly \$5.2 billion by 2026.

What are the events that indicate increased adoption of Cryptocurrency?

- Goldman Sachs started trading Bitcoin futures (*agreeing to transact the coin at a predetermined future date and price*).
- Tesla invested \$1.5 billion in Bitcoin. PayPal announced in March 2021 that it would allow its U.S. customers to use cryptocurrency to pay its millions of online merchants.
- In September, El Salvador became the first country to make bitcoin legal tender.
- Big-name brands like AT&T, Home Depot, Microsoft, Starbucks and Whole Foods now accept bitcoin payments

What is the global carbon footprint of the Bitcoin?

- As per Bitcoin Energy Consumption Index from Digiconomist, an online tool, the carbon footprint of Bitcoin, is **equivalent to that of New Zealand**, with both emitting nearly **37 megatons** of CO<sub>2</sub> into the atmosphere every year.
- Bitcoin's total annual power consumption to be around 204.50 terawatt-hours, equivalent to the **power consumption of Thailand**.

How is Cryptocurrency contributing to carbon emissions?

Transactions in Bitcoin are tracked through a public ledger consisting of a network of computers around the world: the blockchain.

Mining allows this validation to take place, which is an **energy-intensive process**.

- In May 2021, at least half of China's significant share of bitcoin mining was located in the coal-rich province of Xinjiang, *Mining is a process in which computational puzzles are solved in order to verify transactions between users, which are then added to the blockchain.*

**Minting of digital artworks** as NFTs (Non-Fungible Tokens) is also done through Ethereum Blockchain, through a process called proof-of-work (PoW), which establishes its unique identity.

The carbon footprint of a single Ethereum transaction as of December 2021 was **102.38 kilograms of CO<sub>2</sub>**

- The electrical energy footprint of a single Ethereum transaction is about the same amount as the power that an average US household uses in **8.09 days**.



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Why the environmental challenges wrt Cryptocurrencies are likely to increase?

There is only a limited supply of Bitcoin available. So, as more bitcoin is mined, the complex maths problems needed for transactions get harder to solve, **demanding more energy in turn. Incentives attached to mining:** In terms of Bitcoin, each time a miner solves the complex hashing algorithm required to produce bitcoin (the “PoW”), they receive a small amount of the cryptocurrency itself. This means that as the price of Bitcoin continues to rise, so will the incentive to mine the cryptocurrency.

Is the criticism around Bitcoin energy usage right?

It's important that any valid criticism of Bitcoin considers the **broader perspective** around energy usage.

Bitcoin's energy transparency places it in a **better position than other, more opaque energy-consuming industries** such as the banking industry. As per reports, the energy consumption of Bitcoin is less than half that produced by the banking and gold industries.

Unlike traditional currency or gold, Bitcoin is not solely a store of value, and not solely a medium of exchange. This makes **Bitcoin's relative energy consumption productive** in comparison to comparative sectors, given its robust potential uses.

Also, there is often an assumption that the energy used by miners is either stolen from more productive use cases or results in increased energy consumption. But because of inefficiencies in the energy market, bitcoin miners are incentivized to utilize non-rival energy that may otherwise be wasted or underutilized, as this electricity tends to be the cheapest.

**For instance:** El Salvador, has announced the use of geothermal energy to power its bitcoin mining.

### 1. Taxing Cryptocurrency transactions

**Source:** This post is based on the article “**Taxing Cryptocurrency transactions**” published in **The Hindu** on **17<sup>th</sup> Jan 2022**.

**Syllabus:** GS3 – Economy

**Relevance:** Challenges in taxation of Cryptocurrency

**News:** As many as 10 crore Indians may already have investments exceeding a total of \$10 million in Cryptocurrencies.

This not only creates an avenue for generation of tax revenue, but also puts forth a huge challenge for the tax authorities who have to track and tax transactions involving cryptocurrencies.

### **What is the current legal framework for taxing Crypto transactions?**

The **Income Tax Act, 1961** does not specifically mention cryptocurrencies. Still, it has the following categories under which Crypto transactions can be taxed:

– **Capital asset:** Trading in cryptocurrency may be classified as transfer of a ‘**capital asset**’, taxable under the head ‘capital gains’.

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– **Business income:** However, if such cryptocurrencies are held as stock-in-trade and the taxpayer is trading in them frequently, the same will attract tax under the head 'business income'.

– **Other sources of income:** Even if one argues that crypto transactions do not fall under the above heads, Section 56 of the IT Act shall come into play, making them taxable under the head 'Other sources of income'.

But, this is not sufficient for an effective Cryptocurrency taxation regime. Many challenges need to be overcome.

### What are the challenges that need to be tackled with?

**1) Absence of explicit tax provisions** has led to uncertainty and varied interpretations related to mode of computation, applicable tax head and tax rates, loss and carry forward, etc.

**For instance**, the head of income under which trading of self generated cryptocurrency (*currencies which are created by mining, acquired by air drop, etc.*) is to be taxed is unclear.

**2) Identifying tax jurisdiction:** It is often tricky to identify the tax jurisdiction for crypto transactions, as taxpayers may have engaged in multiple transfers across various countries. Moreover, the cryptocurrencies may have been stored in online wallets, on servers outside India.

In such cases, it becomes difficult to pinpoint which jurisdiction's tax laws would become applicable, especially when various nations have differing tax structures for crypto assets.

**3) Anonymity provided by Cryptocurrency:** Each crypto address comprises a string of alphanumeric characters and not the person's real identity, giving tax evaders a cloak of invisibility. Tax evaders have been using this to park their black money abroad and fund criminal activities, terrorism, etc.

**4) The lack of third party information on crypto transactions makes it difficult to scrutinise and identify instances of tax evasion.** Crypto-market intermediaries like the exchanges, wallet providers, network operators, miners, administrators are unregulated and collecting information from them is very difficult.

**5) Even if the crypto-market intermediaries are regulated and follow KYC norms, there remains a scenario, where physical cash or other goods/services may change hands in return for cryptocurrencies.** Such transactions are **hard to trace**, and only voluntary disclosures from the parties involved or a search/survey operation may reveal the tax evaders.

### What is the way forward?

– **Clear Income-tax laws** pertaining to the crypto transactions with **detailed statutory provisions**.

– **Extensive awareness generation** among the taxpayers

– **Mandatory disclosure requirements** in tax returns for both taxpayers and intermediaries (as is the case in the United States)

– **Strengthening the existing international legal framework** for exchange of information. This will enable collecting and sharing of information on crypto-transactions. This will go a long way in linking the digital profiles of cryptocurrency holders with their real identities.

– **Training officers in blockchain technology.** United Nations Office on Drugs and Crime's 'Cybercrime and Anti-Money Laundering' Section (UNODC CMLS) has developed a unique

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cryptocurrency training module, which can aid in equipping tax officers with requisite understanding of the underlying technologies.

– Authorities should have access to **latest forensic software** (such as **Elliptic Forensics Software** is being used by the USA Internal Revenue Service and GraphSense used in the European Union) which can analyse a high volume of crypto transactions at a time and raise red flags in cases of suspicious transactions.

### 2. The Cryptocurrency deception

**Source:** This post is based on the article “**The Cryptocurrency deception**” published in **The Indian Express** on **17<sup>th</sup> Jan 2022**.

**Syllabus:** GS3 – Economy

**Relevance:** Need to scrutinise Cryptocurrencies

**News:** Cryptocurrencies are neither a currency, nor an asset. They are a fraud which needs extensive scrutiny by the government agencies.

#### **Why Cryptocurrencies are not a currency?**

For any instrument to classify as a currency, it must have the following features:

- **One**, it is a promissory note wherein the issuer is promising the bearer or the holder a value.
- **Two**, it is backed by a sovereign nation and, therefore, there is never a question of any default in executing the promise.
- **Three**, the printing of currency in either physical or digital form is always based on some tangible asset, like gold or a basket of goods.

From the above, it's clear that cryptocurrency can never be a currency.

#### **Why Cryptocurrency are not an asset?**

An asset is something that has a **tangible value**. Even if its immediate utility is intangible, an asset should have some tangible benefits.

The cryptocurrencies are nothing but gaming points.

**For instance:** Whenever a discussion on cryptos takes place, promoters talk of blockchain technology. This technology is just a technique to account for transactions. It has nothing to do with cryptocurrencies, except that the cryptocurrencies' digital exchange is being maintained in blockchain format. In other words, the points which are earned through a gaming application are stored and transferred through blockchain technology.

Therefore, cryptocurrencies have **absolutely no value** and cannot be considered an asset.

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

### 3. **How do SDRs help maintain balance of payments?**

**Source:** This post is based on the article “**Surplus liquidity in the system: How it came and how it may go**” published in **Live Mint** on **17<sup>th</sup> Jan 2022**.

**Syllabus:** GS 3 – issues related to Balance of Payment

**Relevance:** Balance of Payment, SDR, IMF

**News:** In July-September 2021, India received \$31.2 billion foreign exchange reserves. Out of this, \$17.86 billion was by way of Special Drawing Rights (SDR) support received from the International Monetary Fund.

SDRs being one of the components of foreign exchange reserves (FER) of a country, an increase in its holdings is reflected in the BOP.

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**What is SDR? Read here:** [Special Drawing Rights](#)

**What are the key components of BOP?**

**BOP:** It divides transactions of a country with the rest of the world into two accounts: the current account and the capital account.

**Current account:** it consists of net trade of exports and imports of products and services, net earnings on cross-border investments, and net transfer payments.

**Capital account:** constitutes a country's transactions in financial instruments i.e., assets and liabilities constituting of direct investment, portfolio investment, loans, banking capital, and other capital.

**International reserves and IMF transactions:** IMF transactions are also a key component of the BOP.

**What does the SDR support signify?**

The present support of \$17.86 billion in August 2021 by way of SDR indicates two things,

**One,** the domestic business environment is failing to attract foreign direct investment.

**Two,** FPIs move away from host countries such as India due to US Federal Reserve's plans to increase interest rates.

**Is dependence on SDR a matter of concern?**

A BOP dependent on an SDR-dependent capital account surplus to cushion the country's widening current account deficit is a matter of concern.

Because IMF support comes with conditions. For instance, in 1991, the support came with the condition that India has to initiate big-ticket economic reforms. It impacts India's sovereign rights to design its policy strategy.

**What has been India's BOP position in recent years?**

In the January-March quarter of FY20, the country's current account had recorded a surplus on the back of a higher decline in imports.

However, In the July-September 2021 quarter, India's current account slipped into a deficit of \$9.58 billion as against a surplus of \$6.57 billion in the April-June 2021

### 4. Account aggregators are ready to widen Indian access to credit

**Source:** This post is based on the article "**Account aggregators are ready to widen Indian access to credit**" published in **Livemint** on 17<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to financial inclusion.

**Relevance:** **Account aggregators framework, Pradhan Mantri Jan Dhan Yojna**

**News:** Complementing the PMJDY, India recently unveiled the [account aggregator \(AA\) network](#) to overcome the challenges of access to micro-credit for individuals and micro, small and medium enterprises (MSMEs)

The AA network along with [Pradhan Mantri Jan Dhan Yojna](#) (PMJDY) would help India formalize credit and boost economic growth in the post-covid era.

**What is the objective of PMJDY and how it has fared? Read**

**here:** <https://blog.forumias.com/7-years-of-pm-jan-dhan-yojana/>



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**What is an Account Aggregator (AA)?** Read here: <https://blog.forumias.com/account-aggregators-new-framework-to-access-share-financial-data/>

### **What are the Benefits of Account Aggregator?**

**First**, it is a paradigm shift from physical collateral to information collateral.

**Second**, it will unlock access to affordable credit in a streamlined and trustworthy way.

**Third**, it will reduce the transaction cost and time taken to sanction loans.

**Fourth**, it will make lower-sized loans more feasible for banks, and empower them to provide personalized loans and more innovative financial products.

### **How the account aggregator (AA) network privacy protection principles are different?**

Protection of user privacy is ingrained in the network. For example,

-It requires the individual's permission to share data with an FIU.

-The consent method is designed on the principles of [Data Empowerment and Protection Architecture](#) (DEPA), a policy proposed by Niti Aayog.

-The data shared on the AA network is end-to-end encrypted. It is encrypted by the sender and can be decrypted only by the recipient.

-AAs are not allowed to store, process, and sell the customer's data.

These design principles ensure that ownership of the data lies with individuals and is not monetized. So, no conflict of interest arises when data is shared across the AA platform.

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

**First**, there is a need to expand the adoption of the AA platform in India. All stakeholders in the AA ecosystem need to play a pivotal role in this. Only four Apps have operational AA licences. ( Finvu, OneMoney, CAMS Finserv and NADL)

**Second**, AAs should focus on marketing and create awareness of the services they provide.

**Third**, AAs should develop intuitive apps for feature phones. Because all four apps are available only on Android smartphones.

**Fourth**, the process to onboard other financial information providers (FIPs), like the goods and services tax network (GSTN), insurance companies, National Pension System, etc., needs to be fast-tracked. As of now, only 8 banks have joined the network.

**Fifthly**, any technical glitches on the platform should be quickly resolved to build trust in the AA ecosystem.

### **5. Search for tax evasion**

**Source:** This post is based on the article “**Search for tax evasion**” published in **Business Standard** on 17<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to India's fiscal policy

**Relevance:** Tax evasion

**News:** The tax department has conducted a record level of searches in the current fiscal year. As reported by Business Standard last week, so far, the department has found an undisclosed income of Rs 32,000 crore.

While it is encouraging that the tax department is working hard to make sure that everyone pays his or her share. However, the basic issues linked to tax collection have not been resolved.

### **What are the issues in India's present tax regime?**

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**First**, the tax-to-GDP ratio in India remains low and stagnant. Consequently, weak revenue collection puts pressure on government finances and limits the capacity of both the Central and state governments to spend on developmental needs.

**Second**, the underperformance of GST has put more pressure on direct tax collection.

**Third**, The Finance Act, 2017, did away with the need for tax officials to declare to a court as to why in their opinion a search is necessary.

Tax officials have now been given the powers to search if, they believe to have credible information that income has escaped assessment over the last three years.

This has predictably increased the level of searches and will affect taxpayers.

### What are the issues/challenges due to increased scrutinization?

**First**, only a small fraction of what the tax department has found, ultimately, reaches the treasury. For instance, in 2018-19, it filed over 3,500 cases for prosecution and got convictions only in 105.

**Second**, it has also resulted in numerous disputes with taxpayers. Many such disputes create an environment of fear and uncertainty. Further, it also burdens judicial capacity and significantly raises the implicit cost of tax collection.

### What measures were taken by the government to reduce income tax disputes?

The government introduced the [Vivad se Vishwas scheme in 2020](#) to settle direct tax cases with the disputed tax amount of about Rs 9.7 trillion in over 500,000 cases.

It is reported to have settled cases involving about Rs 1 trillion. However, most of these were disputes with relatively small amounts, and large taxpayers did not come forward.

### What is the way forward?

With increasing digitisation, it should become relatively easy for the tax department to detect evasion.

At the policy level, India needs to broaden its tax base significantly.

## 6. [Predatory pricing is prising Indian livelihoods apart](#)

**Source:** This post is based on the article “[Predatory pricing is prising Indian livelihoods apart](#)” published in **The Hindu** on 17<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to New age companies.

**Relevance:** Anti-competitive policies, Predatory pricing,

**News:** Recently, all consumer goods distributors in Maharashtra were protesting against Colgate’s alleged unfair treatment of traditional distributors with respect to B2B technology companies such as JioMart, Udaan, and others.

### What is the issue?

The manufacturer, Colgate, sells its product to the distributor for ₹40 and the distributors sell Colgate toothpaste to retail stores for ₹45.

The kirana stores further sell a 100g tube of Colgate toothpaste to the consumer at an MRP of ₹55.

Whereas, the new age technology B2B companies (JioMart, Udaan) were able to supply Colgate toothpaste to the local store for ₹35, lower than the ₹45 charged by the distributor.

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India's distributors claim **these are unfair practices** and want manufacturers such as Colgate to stop supplying goods to the technology companies.

Colgate has refused to do so and, hence, the distributors have decided to boycott its products.

### How B2B companies were able to sell at lower prices?

**Creative disruption:** B2B companies have developed technologies to connect directly to the retail stores through mobile phone apps, bypassing the intermediaries. This results in cost reduction. Also, the common citizen benefits from these lower prices at their local store.

However, this is not the only reason.

**Predatory Pricing;** These B2B companies are able to bear a 15%-20% loss on products they sell to the local stores. They deliberately offer their product at a price lower than what it costs them, to lure local stores away from the traditional distributors.

This predatory pricing becomes possible by the funds from big domestic and foreign venture capital firms. They are able to sustain huge losses for several years until they destroy existing market players and gain dominant market share. Also, this fund is available to only few

In other words, these technology companies rely not just on their mobile phone app innovation, but also steep price discounting and cheaper financing to win.

**For instance,** Udaan has suffered total losses of more than ₹5,000 crores in just five years and JioMart reports even greater losses.

### What are the implications of this disruption?

**Firstly, consumers** may benefit from lower prices for a shorter period. However, as soon as, big techs are able to eliminate the competition, they start raising their prices.

**Secondly,** in India, the **livelihood of more than 20 million families** (100 million people) depends upon the role of intermediaries. Whereas foreign funding is available to a few selected firms, who eventually can displace the millions. It can result in enormous social unrest in the country.

### Is it a problem in India only?

This is not just an Indian problem but a global one. For instance, social media companies such as Facebook give away their products for free and e-commerce companies such as Amazon sell at lower prices, benefiting consumers enormously, but also causing immense social strife and disharmony.

The new Chairperson of the Federal Trade Commission in America, Lina Khan, is seeking to frame new rules to check such anti-competitive behavior.

## 7. The deafening silence of scientists

**Source:** This post is based on the article "**The deafening silence of scientists**" published in **The Hindu** on **4<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Science and Technology- developments and their applications and effects in everyday life.

**Relevance:** Scientific temper, pseudoscience.

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**News:** Recently there have been various instances where many political representatives and public figures have presented ideas and boasted facts that are nothing but pseudoscience. But what is even more surprising is the lack of opposition from the leading scientists of the country.

### What are these instances?

Many speakers at the **102<sup>nd</sup> Indian Science Congress** which was held in 2015 proposed unscientific facts.

- They argued that **ancient 'Bharat' was a repository of all modern knowledge**, some of which is yet to be invented in this century.
- Recently, a prominent public figure said that **DNA of all the people in India has been the same for 40,000 years**. His message clearly goes against the proven fact that Indians have mixed genetic lineages originating from Africa, the Mediterranean, and Eurasian steppes.
- **IIT Kharagpur** has now **issued a 2022 calendar**. The purpose of it is to argue for a **Vedic cultural foundation for the Indus Valley Civilisation** — a theory that goes against all the available evidence.

### What are the implications of such incidents on the society?

- They encourage **intolerance and superstition**.
- **Endangers Freedom of thought:** For the creation of knowledge, all stakeholders should be able to think and express themselves freely. One also needs to have a space for dissent, which is a fundamental requirement for democracies to thrive.
- Pseudoscience provides a foundational base for a huge money-making industry that successfully **help sustain quackery by exploiting the people's ignorance**. **Example:** Cow products to cure COVID-19.

### What are the reasons for the lack of any opposition?

- Scientific research relies almost **entirely on funding from the government**, this makes dissent difficult.
- Contemporary science researchers remain entirely **cut off from liberal intellectual discourse**, unlike in the initial years after Independence. In the early **20<sup>th</sup> century**, many leading scientists were **deeply engaged with philosophy** and always thought that how **science will affect society**. They were much more proactive about societal issues.
- Globally, **STEM (science, technology, engineering and mathematics)** students demonstrate **less social concern** than students from other streams. This is because of the pedagogy followed in our science education system. For many of them, **exposure to the social sciences is minimal at university**.
- We are also living at a time when **scientific advice is marginalised in public policy debates** ranging from natural resource use to environmental impacts.

### What is the way forward?

Science education must include pedagogical inputs that help learners take a stand against false theories that could undermine **progress of society and democratic structures**.



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### 8. Safety at all costs: On implementation of safety protocols in fireworks industry

**Source:** This post is based on the article “Safety at all costs” published in The Hindu on 4<sup>th</sup> Jan 2022.

**Syllabus:** GS3 – Disaster Management

**Relevance:** Accidents in firecracker Industry, reasons and way forward

**News:** Four workers lost their lives in a blast at a fireworks unit in Tamil Nadu on the day of the new year. The accident happened due to mishandling of chemicals.

#### What are the reasons behind the accident?

**Non enforcement** of safety protocol.

Leasing out the industry unit to others and **unauthorised manufacturing products**.

#### What can be done to prevent such incidents in future?

Although the Firecracker Industry has seen some improvements like reduction in child labour, but **adherence to safety protocols needs serious reforms**.

These incidents should not be termed as ‘accidents’. This **absolves those who are responsible for the implementation and the enforcement of safety protocols** from taking any responsibility for the incident.

Govt should consider implementing some of the recommendations of the **eight-member K. Kannan committee** (former judge of Haryana, Punjab and Madras High Court) **constituted by the National Green Tribunal** after a blast in the district that killed over 20 people in February 2021.

– The panel had suggested that the Explosives Act be amended to make **punishments more stringent than now**.

– Only **certified persons should be employed** for operations including mixing, filling of chemicals and the making of colour pellets, and using drones for surveillance of various units. Government should ensure that there is **no compromise on the enforcement of the safety protocols**. As it involves the question of precious lives and also their livelihood.

#### What is the economic significance of Firecracker industry to Tamil Nadu?

The firecracker industry **employs around eight lakh people**, directly and indirectly, in a backward region of Tamil Nadu with no assured irrigation.

It also contributes to the economy of the state and thus of the Nation.

### 9. Taiwanese manufacturers face unfamiliar conditions in India

**Source:** This post is based on the article “Taiwanese manufacturers face unfamiliar conditions in India” published in Livemint on 4<sup>th</sup> Jan 2022

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

**Relevance:** Ease of doing business in India, labour issues.

**News:** Taiwanese firms like Foxconn, Wistron, Pegatron and Quanta Computer have come to dominate global electronics manufacturing Industry and have had a very strong presence in China till now.

But, recently, they have started to shift their base to India as China is facing labour shortages and to cut their overreliance on China.

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However, they are facing some challenges in adapting themselves to the Indian business environment.

### **What have been the recent incidents that point out towards this?**

Incidents at Foxconn and Wistron's plants in India point out at the difficulties the Taiwanese firms are facing in adjusting to the local business ecosystem.

– **Foxconn Technology Group**, a Taiwanese supplier of Apple is facing **labour upsurges** due to concerns about food safety and accommodation standards. More than 17,000 people work at the facility, and in mid-December hundreds of workers contracted food poisoning. More than 150 were hospitalized.

An apple investigation has found that food sanitation and employee accommodation is below the optimal standard.

– A year earlier, **workers at a Wistron plant** near the tech hub of Bengaluru ransacked that factory after being fed up with **delayed and underpaid wages**.

### **How are Chinese and Indian business environment different from each other?**

India has its own unique traits and characteristics which are as follows-

**Language and cultural barriers:** Common language and successive leaders' pro-business policies in China made it easier to set up production units and hire workers there. In India, they face **language barriers, cultural differences** and **changed political set up**.

**Infrastructure:** India lacks the infrastructure Taiwanese companies are accustomed to relying upon when setting up local facilities.

**Management style:** Taiwanese businesses generally used their own executives in China, while in India they will have to increasingly rely on local leaders to set up and run operations. This requires adequate training and support so that they can mix the rigid Taiwanese approach to operations with a more relaxed worker culture found in India.

**Local governments:** Local governments in China will mostly side with companies over workers. That's less likely in India, where leaders need voter support at election time.

**Time availability:** When they were setting their plants in China the Taiwanese companies faced similar challenges like in India, but then they had decades to adapt to the local landscape and the demand was also low.

### **10. Climate crisis in Kerala: An integrated approach is needed to mitigate impact**

**Source:** This post is based on the article "**Climate crisis in Kerala-An integrated approach is needed to mitigate impact**" published in **Down to earth** on **4<sup>th</sup> Jan 2022**.

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

**Relevance:** Kerala and its vulnerability to climate disasters.

**News:** Kerala has seen various instances of heavy rains, floods, landslides and droughts over the last few years.

#### **What are the natural disasters that Kerala is prone to?**

**Landslides:** These are triggered by the slope of an area, rainfall intensity, soil saturation capacity, soil depth and geological structure of a location.

**Flash Floods:** Low-lying areas in the western part of Kerala are prone to flash floods. If the construction is done in areas with drainages, the natural flow of water can be obstructed. It is then highly likely that water will flow into areas where it can flow. It can sometimes be through

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cities or even places where houses are located. **Example:** Flood in Kochi airport in 2018.

**Must Read:** [Has Kerala learnt anything from extreme weather? Apparently not, say experts](#)

**Drought:** Although Kerala receives an annual average rainfall of 3,000 mm, but there is possibility of drought also. Kerala experienced drought in 2017. The southern parts of the state (Kollam), central Kerala (Palakkad) and North Kerala (Kannur and Kasaragod districts) generally experience summer droughts (February to May).

**What factors make Kerala more vulnerable to the climate change induced disasters?**

It is a **densely populated** (859 per sq km) and **geographically small state** (38,863 sq km). The maximum distance **between the eastern and western parts of Kerala is only 120 km** (*in some places it is only 35 km*). Within this 120 km, there are places above 2,695 metres (*Anamudi, Idukki district*) and places up to 2 metres below sea level. Therefore, in case of heavy rainfall, water needs to flow smoothly from the eastern hills of Kerala to the west coast. When this is interrupted, the effects worsen.

Further, Kerala has around **41 rivers and around 58 dams**.

**Must Read:** [Did poor Govt handling in Kerala cause 2018 floods? Yes, says CAG](#)

**What are the reasons for these recurrent natural disasters in Kerala?**

Climate change in Kerala is likely due to the **combined effect of geography, land-use change, urbanisation, development activities and population density** of the state.

**Large number of dams** impede the natural flow of rivers. Those living along the river banks are most affected when the dams are opened during the rainy season.

**Migration of people to the foothills of the Western Ghats** for agriculture and housing. The origin of many rivers in Kerala starts from these portions of the Western Ghats. Buildings, roads, agriculture and construction activities obstruct the natural flow of rainwater.

**Quarrying, mining and large-scale construction activities** can impact the ecological stability of the landscape and can even cause landslides. There are over 5000 quarries in Kerala.

**Must Read:** [Floods in Europe and lessons for India – Explained, Pointwise](#)

**What is the way forward?**

**Flood risk zones should** be prepared at the micro level to identify, locate and manage the regions most vulnerable to floods.

**Rainwater harvesting and protection of watersheds** can help alleviate drought to some extent, as this will replenish the groundwater level also.

There's **also a need to create awareness** in Kerala

An **integrated approach** is needed to manage climate change impacts

**11. Expect a torrid pace of policy action in our tech space**

**Source:** This post is based on the article “**Expect a torrid pace of policy action in our tech space**” published in **Live Mint** on 5<sup>th</sup> Jan 2022.

**Syllabus: GS 3–** Achievements of Indians in Science & Technology; Indigenization of Technology and Developing New Technology.

**Relevance:** Reforms in tech space

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**News:** In 2022, the tech policy space is going to witness a number of new regulations across a number of areas.

Over the past year-and-a-half, the government has undertaken a number of bold and progressive regulatory reforms. We need to ensure that there is no let-up in the pace and progressive approach to regulatory reforms, especially in the tech space.

### **What were the recent reforms/steps taken in the tech policy space?**

**Personal data protection Bill:** The Joint Parliamentary Committee has submitted its report, and, even though there is some dissent, the bill is on track to becoming a law. Replacing the Other Service Providers regime with a more benign framework.

### **Opening up map-making**

### **Enacting new, industry-friendly drone regulations.**

**Account Aggregator ecosystem for lending.** As more banks and financial institutions come on board, many innovative lending products will enter the market.

### **Launch of the health ID and the establishment of registries for healthcare professionals.**

### **What more reforms are required?**

**One,** the government can establish an easy-to-use framework that **enables companies to generate valid, electronically-signed contracts.** It would help to significantly streamline a major business bottleneck.

**Two,** measures should be taken to make it possible to pay stamp duty digitally and electronically register documents that need registration. It will radically simplify business processes, resulting in cost and time savings.

**Three,** by encouraging mediation and enabling online dispute resolution, the government could make our judicial system much more efficient. It will help in diverting the most contentious disputes away from the courts.

**Four,** integration of the Unified Payments Interface (UPI) into the administrative machinery of courts, will allow us to pay court fees digitally, resulting in more streamlined processes and greater accountability.

**Finally,** need to ensure that the digital systems reference a common, standardized data taxonomy. It will enable us to use data to provide insight into how the system can be improved.

### **What further developments are expected in the technology space in 2022?**

**Re-imagining digital commerce.** With all the building blocks are in place; such as robust payment infrastructure, delivery and fulfillment capabilities, and a large mobile-first consumer base. There will be significant progress in building this new paradigm over the year

**Crypto Assets:** With more effort being invested into integrating these technologies into the mainstream, there will be more activity in this space. India is also more likely to enact some sort of regulatory framework for crypto that will establish an enabling environment for crypto in the country.

**Web 3.0 and Metaverse:** Though no clarity exists on these technologies, their arrival is imminent.

**Greater global cooperation between like-minded countries:** With more and more countries having begun to realize the value of developing population-scale data-sharing systems. There will be global cooperation to agree on a set of common principles that will guide the development of these systems.



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### 12. A partnership to carry India into net-zero future

**Source:** This post is based on the article “A partnership to carry India into net-zero future” published in **Indian Express** on 5<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 -Issues related to Climate change

**Relevance:** Net zero emission

**News:** With active cooperation from the private sector, India will be able to help build a more sustainable world.

#### What are the steps taken by India to reduce GHG emission?

**New climate targets have been pledged by India at COP26: Read here:**

<https://blog.forumias.com/indias-panchamrita-pledge-at-cop26-explained-pointwise/>

**New cutting-edge renewable technologies:** India has already announced a Hydrogen Energy Mission for grey and green hydrogen.

**Energy efficiency:** the market-based scheme of Perform, Achieve and Trade (PAT) has avoided 92 million tonnes of CO<sub>2</sub> equivalent emissions during its first and second cycles.

**e-mobility transition:** with the Faster Adoption and Manufacturing of (Hybrid &) Electric Vehicles Scheme. It helps to support the electric vehicle market development and enable its manufacturing ecosystem to achieve self-sustenance. The government has also announced a slew of incentives for customers and companies to promote e-vehicles.

**Emission norms Upgraded:** India leapfrogged from Bharat Stage-IV (BS-IV) to Bharat Stage-VI (BS-VI) emission norms by April 1, 2020. A voluntary vehicle scrapping policy to phase out old and unfit vehicles now complements these schemes.

**Transition from coal:** Indian Railways is targeting the full electrification of all broad-gauge routes by 2023.

**Deployment of clean energy:** The Pradhan Mantri Ujjwala Yojana has benefitted 88 million households with LPG connections. More than 367 million LED bulbs have been distributed under the UJALA scheme. It has led to energy savings of more than 47 billion units of electricity per year and a reduction of 38.6 million tonnes of CO<sub>2</sub> per year.

**INDC commitment:** India has already achieved a reduction of 24 per cent in the emission intensity of its GDP between 2005 and 2016, and is on track to meet its target of 33 to 35 per cent by 2030.

**Contribution from Indian Industries:** for instance, The Indian cement industry has taken pioneering measures and achieved one of the biggest sectoral low carbon milestones worldwide.

#### Why the role of Private sector is important?

Since industries also contribute to GHG emissions, any climate action will need to reduce or offset emissions that emerge from industrial and commercial activity.

Transition is relatively easier for Service Sector companies. However, the low-carbon transition is a challenge for bigger companies that are largely coal-powered and contribute more than half of our country's emissions.

The business fraternity must make the best possible use of this opportunity to invest in climate technologies and expand the use of renewable energy sources.

### 13. Some ideas for the budget

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Source: This post is based on the articles “**Shortfalls again,**” published in **Business standard** and on “**Some ideas for the budget**” published in **Times of India** on **4<sup>th</sup> Jan 2022**, respectively.

**Syllabus:** GS3 – Government Budgeting.

**Relevance:** Ideas for the upcoming Budget

**News:** Budget serves as an appropriate way in the hands of government through which it can shape the nation’s destiny. Article presents with ideas for the upcoming Budget.

### What are the reforms that the government needs to take in the upcoming budget?

1) **Free Trade agreements:** Impact of the reforms like [GST](#), [IBC](#), and [labor codes](#) etc, can be considerably enhanced by improving access to the world markets for entrepreneurs and exposing them to global competition via [Free Trade Agreements \(FTAs\)](#).

– FTAs with EU, UK, Canada, Australia and the UAE will serve our **economic interests as well as our geopolitical objectives**.

– Duty-free access for Indian products to these large markets would **accelerate growth**.

– These will also help in countering **China’s growing influence** in the world and specially in Asia.

2) **Introducing some changes in the SEZ law:** This would make Indian manufacturing firms **globally competitive**.

– Firms within SEZs need to be given the right to lay off the workers after due compensation. This would contribute to the emergence of large-scale forms in labor-intensive sectors in SEZs.

3) **Need to bring some of the very high custom duties down:** This unjustifiably punishes the buyers while highly inefficient producers.

4) **Education:** Govt should bring [Higher Education Commission of India \(HECI\)](#) Act that was promised in the budget of 2019-20. Bodies such as All India Council for Technical Education and National Council for Teachers’ Education should be subsumed in HECI.

– India needs to give **similar autonomy to at least its leading colleges and universities** like that given in the UK on which we have modelled our education system. UK abolished its own University Grants Committee in 1983.

– India must open the door to **foreign universities to establish campuses on its shores** and to domestic institutions to do the same abroad.

– Finally, **research should be moved to universities from the councils**, as they have not been very effective.

5) **Disinvestment:** The government has been setting very huge targets for disinvestment and consequently failed to meet those targets. **For instance:** In the Union Budget for 2020-21, the target was Rs 2.1 trillion, and it was missed by almost Rs 1.8 trillion.

– The government needs to **detach the disinvestment and privatisation programme** from the year-to-year **fiscal needs**.

– It can introduce an **institutional set-up** which identifies the companies for privatisation on **some set rules and standards**, and not on the basis of the revenue they are likely to bring in. There is also a need to improve the standards and quality of their paperwork to the levels expected by private sector bidders.

### 14. Can people’s behaviour change for better?

## 9 PM Compilation for the Month of January, 2022

**Source:** This post is based on the article “**Can people’s behaviour change for better?**” published in **Times of India** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Effecting behavioural change in people for pushing them towards an environmentally sustainable lifestyle.

**News:** Indian PM gave the idea of LIFE (Lifestyle for Environment) at COP26 climate summit at Glasgow.

But, in order to create a mass movement of an environmentally conscious lifestyle we need to bring changes in people’s beliefs, habits and behaviours.

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

### **How can we address the complex issue of behavioural change?**

– **Behaviour change starts with the individuals.** Making small changes in individual habits, by spreading awareness and modifying existing beliefs and perceptions, can significantly impact the environment.

– **Making people think:** Often, there is a disconnect between people’s values and actions. Being creatures of habit, people engage in activities either unconsciously or subconsciously. In such cases, mere issuing of rules, directives and memos may not be as effective. Research suggests these do not work, as people feel that someone else is attempting to control their lives and behaviour. Creating awareness and involving citizens is key to bridging the gap.

**For example,** instead of asking people not to waste water, questions like “Do you think you are wasting water?” can be asked. These questions ask people about their opinions, thereby forcing them to pause, reflect upon them, and appropriately behave as it will be harder for them to justify their wrong behaviour.

– **Not just data, but stories:** Focus must be on sharing stories, not just plain statistics. Data can only inform. Stories and personalised messages can connect by evoking emotion in the people. **For instance:**

*“Raising the AC setting by 1°C can save you 6% power, and such an energy conservation measure has the potential to save crores annually.”* – This statement doesn’t elicit any emotion.

*“If we raise the AC temp by 1°C in 100 urban homes, we can help 10 rural children to study under an electric light bulb in place of kerosene oil.”* – This statement connects and inspires people to take action, effecting a behavioural change.

– **Making interventions rewarding:** Interventions are usually in the form of rules, mandates or penalties. Instead, they could also take the form of nudges. A nudge costs much less and steers people in a particular direction while also allowing them to choose their path. Research on behaviour change suggests the need for accessible, automatic and rewarding interventions.

**For instance:** An example of a nudge gaining popularity is providing nutrition facts of different foods on restaurants’ menus. It is effortless and compelling for consumers to choose what they want while nudging them towards a healthier option

– **Using digital technologies:** Digitally enabled tailored recommendations on healthy food, engaging in exercise and other interventions can also help in changing people’s eating habits and behaviours in the long run.

### **15. A must-surge year for climate goals**

## 9 PM Compilation for the Month of January, 2022

**Source:** This post is based on the article “A must-surge year for climate goals” published in **Business Standard** on 6<sup>th</sup> Jan 2022.

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

**Relevance:** Tackling climate change, renewable energy initiatives in India, Shift towards clean energy.

**News:** The year 2022 will be critical for India’s renewable energy industry if it is to hit the country’s ambitious 2030 and 2070 climate goals. If we don’t speed up the pace in 2022, it will make the targets more difficult to reach in each succeeding year.

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

### What is the present situation wrt renewable energy in India?

India recently crossed **100 GW of renewable** capacity, leaving around 350 GW to install to hit 450 GW (excluding nuclear and hydro). This means adding 30-40 GW installed capacity annually for nine years straight.

The target is achievable, but not easy. **For example**, in 2021, India added 14 GW through solar and wind capacity, of which ReNew contributed 1.72 GW.

### Why India is optimistic to achieve its renewable energy climate goals on time?

The base prepared in the preceding years gives India a good shot in 2022 and beyond at hitting its climate goals.

**Enabling policy environment:** Govt’s focus on public private partnerships and a conducive policymaking environment have created a strong base for RE that can be ramped up. **For instance**,

– it allowed up to **100% FDI in renewables via the automatic route**

– it announced a **productivity-linked scheme to boost manufacturing** in the sector.

**Friendly finance:** With climate change becoming a huge focus internationally among political and business circles, as well as concerned citizens, climate finance has attracted very serious funding. By the end of COP26, 450 financial firms have vowed to put green investments at the heart of finance.

**Renewable rush:** Another factor enabling the renewable sector to grow fast is the sharp increase in the number of participants, attracted by a generally enabling policy environment and massive scope for long-term growth.

### What is the way forward?

**SECI and a demand boost:** Given that the country would need to conduct 20-30 auctions for a total of 30-40 GW a year, it would be important to **expand and strengthen SECI (Solar Energy Corporation of India)** in 2022 to ensure enhanced auction activity.

– For this we need **more electricity demand**. In this context, both the Govt and industry can take measures to boost demand, which, in turn, will lead to expansion of renewable capacity. The increased requirement can then be harnessed by SECI to undertake more auctions.

**Ease taxes:** India’s renewable push over the next few years will require **strong local manufacturing to de-risk supply chains**, especially amid Covid-linked economic uncertainty. It is essential that **taxes and duties** on RE equipment such as turbines, modules, and electrolyzers (*including for battery storage*) are **lowered and rationalised**.



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– **For instance**, the **GST** on renewable equipment should be capped at a maximum of 5% for viability of manufacturing, and electricity should be included under GST to reduce prices for end consumers.

**Pass the Electricity Amendment Bill, 2021:** The Bill needs to be urgently passed and implemented effectively, putting the 4 Cs —customer, competition, compliance, and climate—at the centre of the sector. Passing the Bill will allow the delicensing of distribution, letting private firms enter distribution and compete with discoms. This'll give **more choice to consumers** via lower tariffs and better service. This will **attract fresh capital** and **new technologies**, resulting in **lesser losses** for the sector overall.

**Green hydrogen:** India needs to push for **green hydrogen** to help meet its climate goals, especially in addressing the emissions from sectors responsible for significant carbon emissions, like such as chemicals, industrial, fertiliser and heavy transport.

### 16. Gains from trade

**Source:** This post is based on the article “Gains from trade” published in **The Indian express** on **6<sup>th</sup> Jan 2022**.

**Syllabus:** GS3- Indian Economy and issues relating to planning.

**Relevance:** Exports, Imports, Global trade.

**News:** Preliminary data from Ministry of commerce and Industry shows an **increase in exports and imports over the pre-pandemic level**.

#### What are the indications of a positive momentum in India's export and imports?

##### Exports:

- Merchandise exports rose to \$37.3 billion in December 2021, recording a **growth of 37% over last year**, and a similar increase over the pre-pandemic levels
- The mark of exports worth **\$300 billion has been achieved in the first nine months alone**, which was the amount of exports trade for the whole year in 2019 (*Pre pandemic*).
- Increase of **almost 25% over the pre-pandemic levels in exports**. This growth is observed **across product categories** from engineering and electronic goods to textiles.

##### Imports:

- Imports have **risen by almost 22% over the 2019 levels**, leading to a widening of the trade deficit. The surge in imports was led by **electronic goods, machinery and chemicals**, which suggests a broad-basing of demand.

#### How is the global trade scenario currently like?

According to a report by UNCTAD, the **value of global trade in goods is about 15% higher than before Covid struck**,

- Trade in services is yet to recover to earlier levels.
- This means that the global trade has surpassed its pre-pandemic levels.

#### What are the current government policies to promote India's share in global trade?

- **Trade agreements with the EU, Australia, UK and UAE**, among others, are being worked upon with greater urgency.
- Government is also focussing on **gaining access to markets for textile products** through free trade agreements.

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– The upcoming **Union budget** is also expected to focus more heavily on **trade-related packages**.

### What is the way forward?

Govt should try to build on this momentum, which will help India to **increase its share in global trade**. This can be done if it reorients its **broader trade policy**.

Govt should further seek greater integration with **global supply chains**. This can be done by forging **FTAs**, moving away from **protectionism**, **bringing down tariffs**, and pushing for reforms that boost **export competitiveness**.

### 17. Protect the Aravalli Range

**Source:** This post is based on the article “**Protect the Aravalli Range**” published in **Business standard** on **6<sup>th</sup> Jan 2022**.

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

**Relevance:** Degradation of the Aravalli.

**News:** **Forest Survey of India** has found that more than **30 hills** in the Rajasthan segment of **Aravalli range have vanished** due to the flattening of land by the mining mafia.

In recent years, Aravalli has seen **a lot of destruction** and this is impacting not just the area around it but also the surrounding areas up to NCR.

According to a desertification-related study undertaken by the Central University of Rajasthan this **menace is only going to exacerbate due to climate change**.

#### About Aravalli

It has characteristically **served as the green wall**, or a natural fence, **between the desert and adjoining fertile plains**.

Read more [here](#)

#### What is causing degradation of Aravalli?

- Increasing **population pressure**
- Changes in **rainfall pattern**
- Spreading of **sand dunes**
- Flawed **plantation drives**.
- **Unchecked quarrying** and **illegal felling** of trees
- **Clearing of land** for the construction of farm houses and residential colonies
- **Over-exploitation of resources** and **reckless urbanisation**.

#### What are the implications of this damage?

Compromised capacity of the Aravalli to control the **spread of the desert**. Due to this, desert would spread towards the east, causing **aridity in the fertile plains**.

– **Thinning of the vegetative cover** creates large openings for the sand-loaded winds to cross over to Delhi and nearby areas, **aggravating urban pollution** in the region.

– Dusty winds from the desert are already raising the **PM<sub>10</sub> content of the NCR’s air**, worsening pollution in Delhi. It is also posing a **grave threat** to the **ecology of the agriculturally vital north-western states**.

**Impact on the rich biodiversity of the Aravallis** comprising a large variety of plants, animals, and birds.

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### What is the issue with the Draft NCR Regional Plan 2041?

Governments of the four north-western states are aware of the danger from the unrestrained denudation of the Aravallis, but **little substantive work** has been done to improve the situation.

**The draft NCR Regional Plan 2041** also does not deal with this issue with required urgency. On the contrary, It redefines the natural conservation zone, **keeping most part of the Aravallis out of it.**

Curbs regarding construction activity will virtually be lifted if the Regional Plan 2041 is adopted and enforced in its present shape.

### What is the way forward?

**Draft NCR Regional Plan 2041**, therefore, **needs to be revisited and suitably modified** to include the entire Aravalli range in the natural conservation zone.

Although ideally, the govt should prepare a **separate plan for rejuvenating the Aravallis** to allow it to play its inherent role as the Thar Desert's outer barrier.

### 18. WHY DIVESTMENT IS AN ELUSIVE TARGET

**Source:** This post is based on the article **“WHY DIVESTMENT IS AN ELUSIVE TARGET” & “Let's exorcise the ghost of stalled asset sell-offs”** published in **Livemint** on 6<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – Issues related to resource mobilisation.

**Relevance:** Disinvestment

**News:** In the Air India case, one of the prominent politicians(MP) is demanding a court-monitored or CBI (Central Bureau of Investigation) inquiry.

He had petitioned the Delhi high court alleging that Air India's disinvestment process was “arbitrary, unconstitutional, unfair, discriminatory and, therefore, shouldn't be allowed to go through.

The government regularly faces multiple headwinds in the sale of its holding in the public sector companies.

As a result, the overall performance of the government on the disinvestment front in 2021 is particularly disappointing.

Last year, it fell short of its ₹2.1 trillion aim by ₹1.78 trillion. Even pre-covid, it met its goal only twice in the six years starting 2014-15.

For 2021-22, the government had set a target of ₹1.75 trillion from strategic as well as non-strategic stake sales in public sector enterprises (PSEs). It also wanted to privatize two public sector banks and one national insurer.

In this context, the various challenges posed to the Disinvestment process are analysed in this article.

### What are the various challenges/issues posed to the Disinvestment process in India?

**Firstly**, there are regular protests from unions and requests for reconsideration from state governments.

**Secondly**, rising uncertainty in the global markets due to the pandemic, divestment plans seem to have fallen short of their fiscal targets in the past two years.

**Thirdly**, litigation issues. For instance, as mentioned above, a court-monitored or CBI (Central Bureau of Investigation) inquiry in the Air India case is demanded.

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**Fourth**, potential investors backing out at the last minute. For instance, the BPCL disinvestment program where the ISquared Capital opted out of the race.

**Fifth**, the lack of political will to back divestment is the biggest issue. The problem is that due to politics, selling at a lower price can create a problem for the government.

**Sixth**, the issue of bureaucratic risk aversion. No government official would want to be caught post-retirement, just in case, there is an investigation on selling at a lower price.

**Seventhly**, there are other internal factors that are stumbling blocks. These include certain preparatory activities at the level of the PSU such as addressing any special dispensation available to these entities, issues around the land title, identifying and carving out non-core assets.

**Eighthly**, one of the key issues stems from the value that the government aims to get from the stake sales. The value may be more than the actual value or real value of the asset on the block, more so in the case of loss-making units.

### So, what could be done?

**First**, the government should find ways of redeploying people, given that employment is a big issue today. It may help close down loss-making units.

**Second**, merging with other PSUs where possible if the product is the same (as has been done for banking) is another option.

**Third**, in order to address the concerns of the bureaucracy, more assurances need to be given through the disinvestment ministry, which takes ownership of the decision, also backed by the prime minister's office. Bureaucratic reforms may also be the need of the hour.

**Fourth**, decisions ought to be taken quickly. Else, the value of the unit (like plant and equipment) depreciates to a large extent. Timely divestment can increase the sale value and stakeholder returns.

**Fifth**, not all PSEs should be disinvested. Many of them are high performers in core economic sectors. Good units should not be sold, like NTPC or oil companies, which have either monopoly power or have sector benefits, as this becomes useful for the government to garner resources.

**A new PSE policy:** Read here: <https://blog.forumias.com/govt-releases-new-public-sector-enterprise-policy/>

### 19. The infrastructure push

**Source:** This post is based on the article “**The infrastructure push**” published in **Business Standard** on 6<sup>th</sup> Jan 2022.

**Syllabus:** GS 3: Issues related to Infrastructure development.

**Relevance:** Capital Expenditure/ Investments in infrastructural development

**News:** The Gati Shakti panel, led by the cabinet secretary, has asked the DPIIT (the Department for Promotion of Industry and Internal Trade) to identify high-impact projects that can be included in the Budget.

Projects related to rail, roads, and airports may be included. The department has also been asked to make sure that projects are completed on time. Besides, it is expected to review the infrastructure gap for long-term needs.

Since, Covid-related uncertainty would continue to affect output and growth, it is encouraging to see that the government is pushing infrastructure projects.



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### Why Infrastructure investments/capital expenditure push is important?

**Firstly**, Infrastructure investment with better planning and focus would yield higher returns and make Indian businesses more efficient.

**Secondly**, private investment, which has been weak for quite some time, is unlikely to pick up. For instance, the Reserve Bank of India's recent "Report on Trend and Progress of Banking in India" noted, non-financial companies in the private sector have been net savers for the past three years. They are unlikely to make large investments in the near term because of existing capacity and weak demand.

**Thirdly**, it would not only help sustain the recovery, but also make it more durable by crowding in private investment over time.

### What are the concerns that need to be addressed by the government?

**First**, though the government had increased the allocation for capital expenditure by over 30 percent in the current fiscal year, the actual spending has been lagging.

**Second**, the government has increased expenditure in other areas. It will be critical to ensure that it doesn't affect capital expenditure. Since the government has to progressively reduce the fiscal deficit.

**Finally**, the government must make sure projects are not delayed. The latest report of the Infrastructure and Project Monitoring Division showed that delays in projects costing over Rs 150 crores had resulted in a cost overrun of more than Rs 4 trillion.

**The Gati Shakti platform**, hopefully, would be able to minimize delays. Cost overruns and delays will undermine the benefits of these projects and affect India's growth over the medium term.

### 20. It's the year to turbocharge our renewable-energy drive

**Source:** This post is based on the article "It's the year to turbocharge our renewable-energy drive" published in **Livemint** on **7<sup>th</sup> Jan 2022**.

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

**Relevance:** Tackling climate change, attaining new climate targets set by India

**News:** 2021 saw the world joining hands to mitigate climate risks. 2022 will need a doubling down of efforts to achieve the renewable energy targets that were recently reset by India.

**Must Read:** [A must-surge year for climate goals](#)

### What is the way forward?

Govt needs to take the following key measures in 2022 to enable the Renewable Energy (RE) sector to accelerate its capacity expansion and innovate rapidly.

– **Protect Contracts:** Ensuring contractual sanctity is critical to ensure certain states don't question signed power purchase agreements (PPAs) or inordinately delay payments to RE players. If PPA contracts are not honoured, it impacts the business climate in any sector. While substantive legal precedents exist in the power sector for enforcement of contracts, the Centre can work more closely with states to ensure greater adherence to contracts.

– **Battery storage systems:** These will go a long way in addressing the challenge of intermittency of RE sources and improve the generation profile of renewable energy projects.

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– Moreover, as the share of renewables in the country’s energy mix increases, there will be a **need to improve grid flexibility and enhance transmission networks.**

### 21. Defence Ministry’s year-end review: Looking ahead to 2022

**Source:** This post is based on the article “**Looking ahead to 2022**” published in **Business Standard** on **6<sup>th</sup> Jan 2022.**

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

**Relevance:** Regarding Defence Ministry’s Year-end review

**News:** The Ministry of Defence (MoD) has released its traditional year-end review. The review focuses almost exclusively on the military’s successes and achievements during the year gone by, while playing down its shortcomings.

#### **What are some of the key achievements mentioned in the report?**

##### **Defence management reform:**

– **Appointment of a tri-service chief of defence staff (CDS) and the creation of a department of military affairs** – Report calls it the most significant and transformative defence reform undertaken by any government since independence.

– A comprehensive agenda for the “**optimum utilisation of scarce national resources, enhancing synergy and jointness between the three services.**” This was set forth by the first CDS, General Bipin Rawat.

– Towards revamping the logistics structure, three Joint Services Study Groups are developing **common logistics policies.**

– A pilot project has kicked off, based on **establishing Joint Logistics Nodes** at Mumbai, Guwahati and Port Blair.

– Three “**joint doctrines**” were formulated in 2021, while four new joint doctrines — namely **capstone, space, cyber and intelligence, surveillance and reconnaissance**— are at an advanced stage.

– Closing or scaling down of logistic installation of the Indian Army to **enhance combat capability and balance defence expenditure.** This has resulted in substantial savings to the exchequer, besides increasing the “teeth to tail” ratio.

**Atmanirbhar Bharat:** Under this slogan, the report talks about boosting indigenous equipment development.

– induction of the Tejas light combat aircraft into the Indian Air Force (IAF)

**Strengthening border infrastructure:** Since the Chinese intrusions into Ladakh in April-May 2020, the MoD has focused on developing border roads and transport infrastructure. This boosts defence preparedness while also supporting local economic development in the border regions. **For instance:** Inauguration of a road over **Umling La Pass** in Eastern Ladakh, which, at 19,024 feet above sea level, is now the **world’s highest motorable road.**

**Ordnance Factory Board (OFB) has been converted into seven new Defence Public Sector Undertakings (PSUs).** This has been done to provide autonomy and enhance efficiency.

The **new Defence PSUs** will become operational from 1st Oct, 2021.

**Theatre commands:** A “Tri-services Joint working Group” has been established to work out the details of integrating communications networks between the services. Besides, a review is being carried out to right size/reshape army units.

**Indian Air Force:** During the face-off with the Chinese in Eastern Ladakh, the IAF moved its sensors, aerial platforms and associate equipment to the region to deal with any contingency.

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– The Tejas fighter, Arudhra and Aslesha radars, Astra air-to-air missiles, Akash surface-to-air missile system, Dhruv Advanced Light Helicopter and Light Combat Helicopter were added to IAF's inventory.

### **Indian Navy:**

- The first indigenous aircraft carrier, INS Vikrant, successfully accomplished its maiden sea voyage in August 2021.
- The first destroyer of Project 15B, INS Visakhapatnam, was commissioned in 2021.
- Two Scorpene submarines, INS Karanj and INS Vela, were commissioned, with over 75 per cent indigenous content.
- Meanwhile, five naval vessels were decommissioned, including the destroyer INS Rajput, a survey vessel, INS Sandhayak, and a missile corvette, INS Khukri.

### **What are some issues mentioned in the report?**

– **Army's resistance to indigenous Arjun tanks:** The Army operates about 4,000 tanks. After accounting for the recently placed orders for Arjun Mark 1A tanks by the MoD, Army's Modern Battle Tank fleet will have just 6% Arjun Tanks. This is despite the fact that the tank proved itself a match to the Russian T-90 in a comparative trial conducted in the Rajasthan desert in March 2010.

An ingrained prejudice against indigenous tanks has been cited as a reason for this.

But it was officially stated that the Arjun tank was too heavy for roads and bridges along the Pakistan border, and too wide to be transported by train.

## **22. Why India's policy to produce ethanol-blended petrol is short-sighted**

**Source:** This post is based on the article “**Why India's policy to produce ethanol-blended petrol is short-sighted**” published in **Business Standard** on 7<sup>th</sup> Jan 2022.

**Syllabus:** GS 3 – issues related to India's Energy & Food security.

**Relevance:** Ethanol Blending Programme (EBP)

**News:** Recently, the government revised the EBP program by advancing a 20 percent blend target (E20) to 2025 from 2030.

The ambitious policy to promote ethanol-blended petrol will be bad for India's food and water security.

Because, in a world moving towards electric vehicles (EVs), batteries and hydrogen, ethanol is less suited for India amid scarce land and water. We may end up compromising food security in the longer term.

In this context, this article illustrates the Ideological flaws/concerns with respect to the EBP program and the future challenges posed by it to India's economic and food security.

### **Reasons why Ethanol was seen as a national imperative and an important strategic requirement?**

Niti Aayog's “Roadmap for Ethanol Blending” report was prepared primarily on the following Premises.

**Savings on crude imports from ethanol substitution:** shifting to Biofuels will help India to save on its import bill. For instance, a successful E20 program can save the country \$4 billion/year, or, Rs30,000 crores.

**Decarbonization:** Ethanol is a less polluting fuel.

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**Price support system and income generation for sugarcane farmers:** blending was seen as a solution to the nation's growing sugarcane and grain surpluses

### **What are the issues/concerns associated with NITI Aayog's report?**

**First**, the damage to the water table from an overproduction of sugarcane, one of the most water-intensive crops, or from that of other food grains is never accounted for.

**Second**, the report did not adequately address the possibility of substitutes such as an EV environment.

As a result, implementing an Ethanol blending program based on NITI's Strategic vision will have implications on India's economic and food security

### **What are the issues in India's EBP program?**

#### **First, the issue of water scarcity.**

India has to produce much sugarcane (It takes 2,500 liters of water to produce one kg of sugarcane.) and then convert surplus molasses into ethanol.

A task force on sugarcane and the sugar industry, under Ramesh Chand (Niti Aayog), estimated that sugarcane and paddy combined are using 70 percent of the country's irrigation water.

On the other hand, India ranks 13th for overall water stress globally according to the World Resources Institute (WRI) data in 2019

Moreover, Groundwater resources are severely overdrawn in India for irrigation purposes. For instance, water tables declining at a rate of more than 8 cm per year over the 1990-2014 period.

Additionally, the government is promising thousands of crores in incentives for new distilleries and an administered price mechanism for the produce. Pricing guarantees may lead to excess sugarcane cultivation in the coming decade, sending underground water tables lower.

#### **Secondly, issues in the timing of the EBP Policy.**

The U.S decided to promote biofuels over two decades ago, when fossil fuels were critical and the US depended on West Asia for crude.

Moreover, The US was the world's biggest producer of corn and Brazil of sugarcane, and it made sense for both nations to divert a portion of the output to ethanol.

The ecosystem suited traders, farmers, and politicians. Ethanol also helped stabilize corn prices.

But in India's case, India is 20 years late to the ethanol party, when petrol is losing ground to EVs.

**Thirdly, savings on crude imports from ethanol substitution is insignificant.** Given India's impressive revenues from in taxes on petrol and diesel alone in the last three fiscals (Rs8 trillion) and bulging forex reserve (\$650 billion).

**Fourthly**, it is also unclear where the excess ethanol will go if EVs gain traction, or how viable will ethanol be if crude prices fall down in the future on the account of a shift towards renewable energy sources.

**Fifthly**, recent protests against farm laws and minimum support prices show how difficult it is for any government to take back government support given to support higher crop production.

### **1. A chance to support growth, fiscal consolidation**



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**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.

**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.

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

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**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.

### What is the way forward?

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**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?**

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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 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

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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.

**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?](#)

### 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.



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**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?

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

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**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.

**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.**

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### 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.

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

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**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?**

**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.

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### 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?

**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.

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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.

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.

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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.

### 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

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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](#)

### 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**.



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**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.

### 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.

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**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?

**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.**

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**Relevance:** Understanding the Digital Services Act.

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

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?**

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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.

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.



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### 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.

### **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?

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**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.

**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.

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- **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.

**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.

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**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.

**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-20<sup>th</sup> 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.



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**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.

## **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.

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### 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?

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.

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### 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.

### 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).

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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**.

### **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.



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**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%.

**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?**

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**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.

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?**

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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?

**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

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**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.

**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.



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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.

### 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”.

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### 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.

**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.

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**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?

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

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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**.

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.



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– 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?

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.