# 9 PM Compilation

27th Jun to 2nd July, 2022

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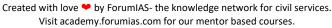
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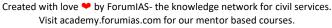
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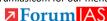


# General

Studies

Paper -1





### 1. Rewriting 'old history' for a New India

Source: The post is based on an article "Rewriting 'old history' for a New India" published in the "The Hindu" on 27th June 2022.

Syllabus: GS 1 India History; GS 2 Education

**Relevance**: Education Reforms

News: Recently, the Parliamentary Standing Committee on Education, Women, Children, Youth, and Sports, tabled its Report on the Reforms in Content and Design of School Textbooks. The National Council of Educational Research and Training (NCERT) is in the process of formulating the new National Curriculum Framework. At the heart of this process is the rewriting of school textbooks.

### **Objective**

It is to reduce the load on school students who have suffered a loss of learning due to novel coronavirus pandemic-induced lockdown.

### What are the proposed series of curricular changes?

As per the Report, school textbooks share a single narrative across millions of students through the multitude of diversity. Therefore, it proposes to delete various facts. For example, to delete the history of the practices at the Akbar's court like the translation of Sanskrit texts such as the Ramayana, the Mahabharata, and the Rajatarangini into Persian, etc.

The government is working to rewrite history textbooks, to remove 'un-historical facts and distortions about national heroes. It believes that the real story of India lies in the ancient period. It was, subsequently, changed by frequent invasions, battles, and bloodshed, which were mostly the Muslims

The proposals suggest that the use of audio-visual resources and digital content through QR **codes** would be promoted to make school textbooks interesting for students.

### What are the issues with the proposed changes?

The changes made in the history textbooks specifically target certain areas of India's past. Therefore, it will result in an ideological shift in history teaching at the school level.

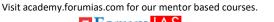
India's history is at the heart of the **political discourse today.** The majoritarian political rhetoric calls the Muslims of India 'outsiders' and 'invaders. Therefore, it can lead to communal disharmony.

This is a limited and unimaginative approach to school education in general and history **education** in particular.

The present content of school textbooks involves pedagogic techniques. The students are challenged in the realm of ideas. This makes education more engaging and meaningful.

The changes would suspend critical thinking about the world around them and reduce the past to statist and static in their imagination.

The proposed changes in textbooks would not show the diversity in our past. It would reduce the space for exploring other histories, like that of inequality, whether of caste or gender, etc.



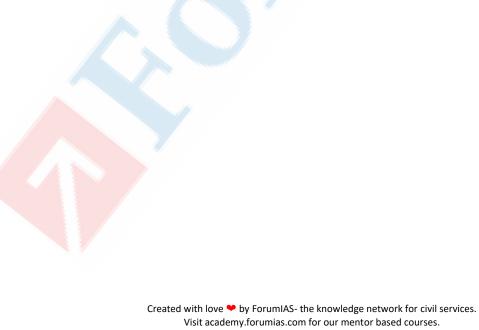


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# The Way Forward

The **Historians of New India** should rewrite histories that would create a 'national community', one which rose above all differences of community and caste, and where citizens were to be subject to national laws.

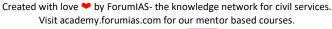
India's past is very complex and diverse. It is unjust to fit it into simple accounts of the golden and dark ages.



# General

# Studies

Paper – 2





### 1. Indian laws on abortions

Source: The post is based on the article "Indian laws on abortions" published in "The Hindu" on 27th June 2022.

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

**Relevance**: To understand the challenges associated with the MTP Act.

**News**: Recently, the US Supreme Court overturned the landmark Roe v. Wade judgement of 1973. The 1973 judgement gave women in America the right to have an abortion before the foetus is viable outside the womb or before the 24-28 week mark.

According to a 2018 study in the Lancet, 15.6 million abortions were accessed every year in India as of 2015.

What are the key provisions of the Medical Termination of Pregnancy (MTP) Act?

The Union government ordered the constitution of the **Shantilal Shah Committee** to deliberate on the legalisation of abortion in the country. In order to reduce maternal mortality owing to unsafe abortions, the Medical Termination of Pregnancy Act came into force in 1971. The Act was amended in 2021.

Aim: To reduce maternal mortality owing to unsafe abortions.

The 2021 Act increased the upper limit of the gestation period to which a woman can seek a medical abortion to 24 weeks from 20 weeks permitted in the 1971 Act. But this renewed upper limit can only be exercised in specific cases.

Further, if the pregnancy has to be terminated beyond the 24-week gestational age, it can only be done on the grounds of foetal abnormalities if a four-member Medical Board, as set up in each State under the Act, gives permission to do so.

**Exceptions**: Indian Penal Code (IPC) provisions 312 and 313.

Under Section 312 of the IPC, a person who "voluntarily causes a woman with child to miscarry" is liable for punishment, attracting a jail term of up to three years or fine or both, unless it was done in good faith where the purpose was to save the life of the pregnant woman.

Under Section 313 of the IPC, a person who causes the miscarriage without the consent of the pregnant woman, whether or not she is the in the advanced stages of her pregnancy, shall be punished with life imprisonment or a jail term that could extend to 10 years, as well as a fine.

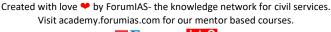
# Read more: Medical termination of pregnancy bill 2020 - explained

What are the judicial interventions in cases of abortions?

**Justice K.S. Puttaswamy v. Union of India and others case, 2017**: In this Right to Privacy judgement, the court held that the decision by a pregnant person on whether to continue a pregnancy or not is part of such a person's right to privacy as well and, therefore, the right to life and personal liberty under Article 21 of the Constitution.

A private report says that, in the 15 months leading up to August 2020, High Courts across the country were hearing 243 petitions of women seeking permission to abort.

Read more: The MTP Amendment Act 2021 is against Women's Rights





What are the challenges associated with the MTP Act?

The MTP Act requires abortion to be performed only by doctors with specialisation in gynaecology or obstetrics. However, the Ministry of Health and Family Welfare's 2019-20 report on Rural Health Statistics indicates that there is a 70% shortage of obstetrician-gynaecologists in rural India.

The law does not permit abortion at will. This pushes women to access illicit abortions under unsafe conditions. Statistics put the annual number of unsafe and illegal abortions performed in India at 8,00,000, many of them resulting in maternal mortality.

Read more: Issues in the MTP Amendment Bill

### 2. How Hanoi and New Delhi are fortifying defence ties

Source: The post is based on the article "How Hanoi and New Delhi are fortifying defence ties" published in "The Hindu" on 27th June 2022.

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

**Relevance**: To understand the India-Vietnam relationship.

News: India and Vietnam recently deepened their bilateral cooperation with the signing of the Joint Vision Statement on India-Vietnam Defence Partnership towards 2030.

Apart from that, the early finalisation of the \$500 million Defence Line of Credit extended by India to Vietnam and the implementation of existing projects which would complement India's 'Make in India, Make for the world' was also discussed.

About Joint Vision Statement on India-Vietnam Defence Partnership towards 2030

**Aim**: To boost the scope and scale of the existing defence cooperation between the two nations.

The vision document facilitates both sides to expand avenues of effective and practicable collaboration in bilateral defence engagements pertaining to regional and global issues.

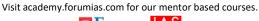
**Significance**: This is the first agreement of its kind that Vietnam has entered into with any other country. The agreement also elevates the standing of the Comprehensive Strategic Partnership (CSP) which Vietnam shares with India since 2016 (along with only Russia and China).

### How do India-Vietnam ties evolve over time?

Maritime domain: This occupies a central focus of India - Vietnam relations. Both countries find convergence in their approaches toward the maintenance of stability and security of the Indo-Pacific which has translated into diplomatic and political support in the context of developments within the region.

**Geostrategic collaboration**: China's expanding footprints in the Indo-Pacific made emphasis on cooperative mechanisms and frameworks across the region. Vietnam, like India, supports freedom of navigation and opposes any threats to sovereign maritime territorial rights.

India has supported Vietnam's position in the South China Sea with respect to Beijing's destabilising actions and coercive tactics. India has also not backed down from continuing ONGC





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Videsh Ltd (OVL)'s oil exploration project in Block 128 (which is within Hanoi's EEZ) despite China's protests.

These instances deepened India's operational outreach in the Indo-Pacific and have successfully cemented India's role as a capable, willing and reliable partner.

**Defence partnership**: Ever since India and Vietnam signed the Defence Protocol in 2000 the defence collaboration has been growing steadily.

Today it covers extensive navy-to-navy cooperation spanning the exchange of intelligence, production and logistical support for Vietnam's defence requirements, development of naval facilities such as Nha Trang, defence dialogues, high-level visits and the supply of warships and cruise missiles.

Further, India's Act East Policy, maritime multilateralism, maritime security outreach and the building of stronger networks across the Indo-Pacific are some of the key elements which have made India and Veitnam natural partners.

3. Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive

Source: The post is based on the article "Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive" published in "Indian Express" on 27th June 2022.

**Syllabus**: GS2 – issues and challenges pertaining to the federal structure.

**Relevance**: To understand the issues surrounding anti-defection law.

**News**: The political crisis in Maharashtra has brought focus back on the anti-defection law. The law has failed to provide the stability of elected governments.

What is anti-defection law?

Read more: "Nominated members" and "Anti-defection Law" in India

What are the challenges associated with the anti-defection law?

**Repeated ceding of political power to the judiciary**: Political parties are repeatedly giving primacy to legal instead of political battles since these issues inevitably end up in court. This repeated ceding of political power to the judiciary is a serious deviation from the democratic paradigm and must be checked.

**Polarization**: The anti-defection law has undermined not just the very principle of representation but has also contributed to polarization in the country. This is by making it **impossible to construct a majority on any issue** outside of party affiliation.

Many governments have fallen due to defections in recent times. Further, **defectors have not suffered any cautionary consequences**.

Read more: The success of anti-defection law in India and its relevance in multiparty parliamentary system





What should be done to prevent defection?

**Firstly**, The way forward is to **amend the anti-defection law**. By mandating time-bound decisions by the Speaker and disqualifying defectors from standing for the next election as well.

But there are certain challenges with the amendment as well. For instance, a disqualified representative may simply choose to have a family member stand in their stead.

**Secondly**, **political parties must address organizational and ideological infirmities**. This will address the mass defections in the first place. Political organizations' vulnerability to mass defections calls for urgent introspective and corrective measures at the level of the leadership.

Political parties need ideological clarity and the ability to attract individuals with a sense of purpose and not a love for power alone. This will give members the ability to withstand lean periods of power.

**Thirdly, Scrapping the anti-defection law**: This would provide some institutional leverage to express intra-party dissidence. Though it may be more chaotic in the short term would lead to greater stability and political strength in the long term.

Read more: Anti-defection Law: What can disqualify a legislator

# 4. What'll help us come to terms with India's past

Source: This post is created based on the article "What'll help us come to terms with India's past" published in Live Mint on 27th June 2022.

**Syllabus**: GS Paper 2, Issues related to Education

**News:** Many state boards and NCERT are making changes to the social science textbooks, specifically history books. For example; NCERT) has proposed sweeping changes to social science textbooks for Classes VI to IX.

**Read More** – Objections to rewriting of the history textbooks

# What are the issues with making changes to the social sciences?

History is not about good guys or bad, or a quest for a singular story of heroism. It is an objective assessment of complex and often paradoxical facts to know what's likely to have happened and what lessons can be learned from it.

Future generations of India should be trained to use history and social sciences as tools of critical thinking.

History students must be able to understand everything clearly, from ruthless invaders or a syncretic past of harmony. They must learn everything without shutting their minds to uncomfortable facts.





### 5. Why India Should Become A Rare Earths Powerhouse

Source: This post is created based on the article "Why India Should Become A Rare Earths Powerhouse" published in The Times of India on 27th June 2022.

**Syllabus**: GS Paper 2, Government policies and interventions

**Context**: India has huge reserves of Rare Earth Elements, but is still dependent on imports.

Rare Earth Elements are a group of 17 elements: scandium, yttrium, lanthanum, cerium, praseodymium, neodymium, promethium, samarium, europium, gadolinium, terbium, dysprosium, holmium, erbium, thulium, ytterbium and lutetium.

Demand for Rare Earth Elements is on the rise for many critical applications in modern manufacturing, including electric vehicles, renewable energy, and high-tech electronics.

However, India is almost 100% import-dependent for most rare earth elements, despite possessing the fourth-highest reserves of rare earths in the world.

# **Example of Strategic importance of Rare Earth Minerals**

**Neodymium** is a critical component for permanent magnets. It has the ability to carry material 1,300 times its own weight. Neodymium-based permanent magnets are key components in EV traction motors and wind turbines.

The demand for neodymium is estimated to rise sharply with the domestic production capacity of India. It is expected to increase 6-7 times by 2025 (6,000 tonnes) and by 18-20 times by 2030 (20,000 tonnes).

The global price of neodymium has risen sharply, from under \$100 per kg in 2018 to over \$200 per kg at present.

Europium is necessary for LED bulbs and colour television screens.

Samarium is used in optical lasers.

Several rare earths also have important uses in emerging hi-tech medical technologies.

China's share in global rare earths has reduced to 60%, after aggressive production by US, Australia, and Canada. However, it is still dominant.

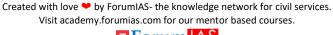
### Status of Rare Earth Minerals in India

India has greater reserves than the US and Australia in the extractable form in beach sands (of which the country has abundance) and in rock formations known as monazites.

In India, rare earths are classified as atomic minerals because some of these elements occur on the earth's surface along with radioactive thorium and uranium minerals.

Mining for rare earths is reserved exclusively for government companies. In India, there are only 2 such companies i.e. Indian Rare Earths Ltd (owned by GoI) and Kerala Minerals and Metals Ltd (owned by the Kerala government).

However, their production and technological capacities are limited, thus India has to depend upon imports.





**Beach sand mining was banned in 2016** to conserve strategic minerals including rare earth and thorium.

### What should be done?

A pragmatic approach to increase production is by allowing mining.

The Ministry of mines has recently proposed moving the 17 rare earth elements outside the ambit of atomic minerals. It will enable the commercial mining of rare earth by private entities and other PSUs.

The issue of the presence of radioactive minerals and their use must be addressed via regulation, then a blanket ban.

Private players can be mandated not to extract thorium and uranium from monazite, or they may be permitted to extract any radioactive minerals, but the sale can be restricted to the government.

### 6. Making sense of New Delhi's Taliban rapprochement

**Source**: The post is based on an article "Making sense of New Delhi's Taliban rapprochement" published in the "The Hindu" on 27<sup>th</sup> June 2022.

**Syllabus**: GS 2 – International Relations; Bilateral relations

**Relevance**: India-Afghanistan Relations

**News:** Recently, India sent a senior diplomatic delegation to the Taliban-occupied Kabul. The visit was the culmination of Delhi's months of quiet diplomacy and signaling.

# **India's Foreign Policy**

Just hours after the Taliban's takeover, in 2021, India was the first country to immediately ban all Afghans traveling to India, including students and patients with a valid Indian visa.

India chose to abstain from the UN Security Council's call on the Taliban to open girl schools. Further, India remains silent about the worsening situation in Afghanistan.

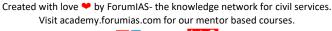
India's apparent **reorientation** can be described and understood as an example of **realpolitik**, and **supremacy of national interest**.

# What are India's key strategic interests in Afghanistan?

India is facing various security concerns due to the developments in Afghanistan. There is a nexus of Islamic militancy, illicit drugs, and proxy warfare in Afghanistan. And, India is a primary target for this alliance. The Taliban aims to establish a "pure Islamic Government" in the Heart of Asia, and secure Pakistan's "Strategic Depth".

In addition, the Taliban also possess imperial ambition. For example, to establish **Ghazwa-e-Hind, implied in Mahmud Ghaznavi's** plunder of India more than 1,000 years ago. The British also tried to topple **Afghanistan's progressive King Amanullah Khan**.

In its first war against India in 1948, Pakistan mobilized a tribal army to attack India.





Pakistan has a geo-strategic vision for Afghanistan, i.e., to create a "Greater Waziristan", to be ruled by an isolated, ruthless and dogmatic Taliban reign. This would become a major center for producing, training, and sheltering different Pakistan-sponsored terrorists. Pakistan's military-intelligence establishment is determined to maintain its monopoly on its proxies.

India wishes to capitalize on the personal grudge some Taliban commanders have against Pakistan. It aims to create an India-friendly faction within the Taliban.

# What are the challenges with 'India First policy'?

It will destroy a central pillar of India's foreign and security policy, which refers to the dismantling of the region's "terrorist infrastructure".

India as a "civilizational state" and an inspiring global power cannot behave as a bandwagoning, transactional, opportunistic salesman.

India has attained the status of **ideational** and **trustworthy partner** among most of the Afghan people. They look at India as an example of a fellow developing nation that will support them. Therefore, this policy can lead to loss of the **trust** and **goodwill** of Afghans toward India.

### The Way Forward

The prospects for peace and stability in Afghanistan are not feasible if **Afghanistan** continues to work in the direction of Pakistan. Because Pakistan itself is facing multiple internal and external challenges.

India has been seen as a sincere friend of Afghanistan, unlike many double-faced actors

Afghanistan needs a strong UN mandate, including a UN-led political transition process. The process can be supported by a UN peacekeeping / making force.

### 7. On GST, the problem is trust deficit

Source: The post is based on the article "One GST, the problem is trust deficit" published in the **Indian Express** on 27<sup>th</sup> June 2022.

Syllabus: GS 2 Issues and Challenges Pertaining to the Federal Structure

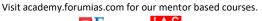
Relevance: Fiscal Federalism; GST Regime

News: On 1st July 2022, India's goods and services tax (GST) will be five years old. Further, the GST Council will be meeting over the next few days.

### What are the issues with GST?

- (1) The breakdown of trust and cooperative federalism between states and the Union government,
- (2) The expiry of the revenue guarantee that protected states' revenues. The state governments were given five-year insurance from the Centre of a minimum revenue guarantee. However, the GST failed to live up to its economic promises to states.

In the past, the Union government levied and appropriated cess revenues for itself without sharing them with the states.





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The center is reluctant to provide compensation because of its **deteriorating fiscal situation**, foisted by high global crude oil prices, rising fertilizer imports, and expanding welfare expenditure.

- (3) Recently, the Supreme Court awarded its judgment highlighting that the GST Council's recommendations are not binding on the states. The states can comply fully with the Council's recommendations or modify them as they deem necessary.
- (4) Democratically elected state governments in India do not have **sole powers** for both direct and indirect taxation. This is in very contrast to the rest of the **federal democracy**. GST centralized India's indirect taxation.
- (5) The GST regime has witnessed flawed implementation. There has been GST's economic failure
- **(6)** The SC's judgment has opened the window for states to override the **fundamental GST** premise of a "one nation one tax". If pushed to a corner, states may now use the SC ruling as a shield.

### The Way Forward

The cooperation between states and the Union cannot just be an **economic compact**. It should be a broader **political ethic**.

Recently, the SC observed that it is in the national interest to have both cooperative and competitive federalism.

In the larger and **longer-term interest** of GST, it is prudent to extend the **compensation guarantee**. All the state governments want an extension of the compensation guarantee. The focus should be on the GST revenues buoyancy rather than on eroding the **states' confidence**.

To address trust deficit and revenues issues, there is a need for **rationalization of rates** and ease of GST compliance. The Union government should commit to the states that it will not resort to cesses and surcharges that are outside the **shareable pool of revenues**.

The union government must resolve to honor the **revenue guarantee commitment** to the states. It must respect and uphold the true spirit of **fiscal federalism**, as well as **political and constitutional federalism**.

Now, the government should move towards decentralization by giving states powers for direct taxation.

### 8. On women's rights, West takes a backward step, and India shows the way

**Source**: The post is based on an article "On women's rights, West takes a backward step, and India shows the way" published in the Indian Express on 27th June 2022.

**Syllabus:** GS 2 Social Sector; Programmes for the vulnerable section

Relevance: Women Related Policies and Programmes

**News:** At present, there is a **distressing furore** on social media and the streets against the near-total bans on abortion in the West.





# What are the reasons for India's forward-looking policy?

### About The Medical Termination of Pregnancy (Amendment) Act, 2021

It allows the abortions up to **24 gestational weeks** on grounds of risk to the mother's life, mental anguish, rape, incest, contraception failure, or the diagnosis of foetal abnormalities.

India's medical pregnancy termination regime is very generous in nature. It safeguards reproductive autonomy.

India's constitutional ethos commits to the **protection of personal liberty** through Article 21. It means abortion or termination of pregnancy is a woman's prerogative.

It ensures that expectant mothers exercise **self-determination** in welcoming new life to their homes.

Women's readiness for and desirability for children decisively shape the life trajectories of mothers, families, and children alike.

It is an established fact that **unwanted pregnancies** unexpectedly curtail the **life choices** of parents, especially mothers. It may also limit their **mental well-being** and **personal growth**.

Further, children born unwanted may suffer reduced opportunities because parents invest more in the education of wanted children.

# The Prohibition of Child Marriage (Amendment) Bill, 2021

The government has introduced a bill to raise the **legal marriageable age** for women from 18 years to 21 years, in order to delay pregnancy.

As per the study, adolescent mothers aged 10 to 19 years are prone to higher risks of eclampsia, puerperal endometritis, and systemic infections in comparison to women aged 20 to 24 years.

Further, children born to adolescent mothers face higher risks of low birth weight, **preterm delivery**, and severe **neonatal conditions**. This happens because such young mothers are poorly aware of feeding practices and baby care, making them more likely to have stunted or wasted children.

# The Surrogacy (Regulation) Act, 2021,

India has become a lucrative "bio-market" for surrogate mothers. India witnessed the **commodification o**f women and the reduction of their reproductive capacity.

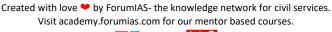
The act has replaced commercial surrogacy with ethical, altruistic surrogacy.

The Act prohibits couples who are not of Indian origin from availing of surrogacy in the country.

It allows only locals with certified, medical reasons necessitating gestational surrogacy to avail of it.

# Other Importance Women-Centric Measures

The government policies, under the aegis of **Ayushman Bharat- Jan Arogya Yojana (PM-JAY)** provide a health cover of Rs 5 lakh per family per annum for a wide range of packages pertaining to obstetrics and gynecology.





The **Pradhan Mantri Matru Vandana Yojana (PMMVY)** partially compensates wage loss before and after pregnancy

The **Pradhan Mantri Surakshit Matritva Abhiyaan (PMSMA)** provides free antenatal care to pregnant women every 9th day of the month. It eases the financial burden of pregnant women.

The government is also promoting safe motherhood through institutional deliveries under **Janani Suraksha Yojana**.

The government also provides quality, respectful care in **labour rooms** during deliveries under schemes like **LaQshya**.

The government regards daughters' role at various points in their lives as mothers, students, valuable employees, and valorous entrepreneurs.

The Beti Bachao, Beti Padhao campaign has been launched to ensure that girls are born and nurtured bore fruit.

In addition, **Ujjwala** and **Jal Jeevan Mission** wants to provide much-needed respite from the drudgery of collecting fuelwood or water

The Mudra Yojana has provided aspiring women entrepreneurs with loans without collateral. In addition, **the Prime Minister's Employment Generation Programme** has advocated for higher subsidies for women.

### **Achievements**

There has been a manifold increase in institutional deliveries, from 79% in NFHS-4 to nearly 89% in NFHS-5.

India has achieved the greater longevity of mothers, as evidenced by the declining Maternal Mortality Ratio (MMR) from 167 per lakh live births in 2011-13 to 103 per lakh live births as of 2019.

### 9. Sedition needs a clear definition for it to be retained in law books

Source: The post is based on the article "Sedition needs a clear definition for it to be retained in law books" published in "Livemint" on 28th June 2022.

**Syllabus**: GS 2 – Important aspects of governance, transparency and accountability.

**Relevance**: To understand the issues surrounding Section 124A.

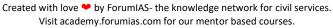
**News:** India is often referred to as the world's largest democracy. However, even a mild form of constructive criticism could interpretatively fall within the penal ambit of Section 124-A of the Indian Penal Code.

What is Sedition Law?

Must read: Sedition Law in India (Section 124A IPC) - Explained, pointwise

About the history of Section 124-A

It was originally introduced in British India by Lord Macaulay in 1837 as Section 113 of the then draft Indian Penal Code (IPC). It was at first omitted in the actual Act passed in 1860. Then law member in the Viceroy's Council, Sir James Stephen, stated that the omission of Section 113 in





the penal code was erroneous. It was introduced as Section 124-A in the IPC as a "corrective measure" in 1870.

Stephen while introducing Section 124-A said that in the absence of such provisions, this offence would be penalized under the more severe common law of England, which could result in transportation for life.

Despite severe opposition, the provision managed to remain decidedly in place after 1947. The provision was also reinforced during the tenure of the Indira Gandhi government by the conversion of the offence into a cognizable one.

Read more: Successive reports of the Law Commission have reported the rampant misuse of the Sedition law

What are the Judicial interventions on Sedition?

There are many instances of the law being invoked on flimsy grounds. In a recent judgement by the Supreme Court held that "Everything cannot be seditious. It is time we define what is sedition and what is not."

A statistical analysis of registered sedition cases published by the National Crime Records Bureau between the years of 2014 and 2018 clearly shows a stark increase in such cases.

# Read more: Judicial interventions on Sedition law in India

There is a need for legislative intervention that clearly redefines the parameters by which something amounts to a 'seditious act' under Indian law is unquestionable.

Read more: The sedition law must go

10. Shooting messengers: Criminal defamation must go from IPC. Effective civil libel law is enough for protecting reputations

Source: The post is based on the article "Shooting messengers: Criminal defamation must go from IPC. Effective civil libel law is enough for protecting reputations" published in "The Times of India" on 28th June 2022.

**Syllabus**: GS 2 – Important aspects of governance, transparency and accountability.

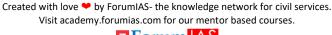
**Relevance**: To understand the issues surrounding criminal defamation.

News: Recently, the Bombay High Court's Nagpur bench has ruled that a newspaper fairly reporting information in the public domain without insinuation or innuendo cannot attract defamation charges.

What is the case on Criminal defamation?

The case involved a Marathi daily that had reported on a police FIR in 2016. The person booked in the FIR subsequently lodged a criminal defamation complaint. He claimed the newspaper hadn't done due diligence, citing as a defence the chargesheet in the case not naming him an accused.

The court held that the registration of crimes, filing of cases in courts, the progress of investigations, and arrest of persons constitute "news events which public has the right to know".





The bench noted that a newspaper isn't expected to investigate an FIR's contents and verify its truthfulness but to report facts correctly.

What is Criminal defamation?

### **Must read: Criminal Defamation**

What is a cause of worry with criminal defamation?

**Firstly**, claiming defamation on intent to harm reputation sets a very low and subjective bar for prosecution. For instance, The Tamil Nadu government is infamous for lodging criminal defamation cases indiscriminately against journalists.

**Secondly**, sometimes, multiple cases are filed in faraway places because the statute even allows offences only "partly committed" in that jurisdiction. This is punishment disguised as a process.

### Read more: Criminalisation of government criticisms: Laws and issues

The British who introduced the criminal defamation has decriminalised defamation in 2009. Hence, India must shed this colonial baggage and get an effective civil libel law.

### 11. From higher to hire education

Source: The post is based on the article "From higher to hire education" published in "The Hindu" on 28th June 2022.

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

**Relevance**: To understand the challenges associated with digital education.

News: Higher education policy envisions giving shape to the digital university. Though the digital university is not functioning, the university is expected to offer any number, kind, and type of course without limits on intake, in a hybrid or 'physical plus digital' mode. But before opening up such a venture, India should focus more on higher education reforms.

What are the challenges associated with higher education?

Floodgates for private universities: The University Grants Commission has relaxed the norms and standards for setting up open universities. For example, the land requirement has been reduced from 40 acres to just five acres. This is likely to open the floodgates for private open universities.

Higher education getting metamorphosed into 'hire education': More universities are being enabled to offer courses in the distance, open and online mode. Many such universities have already outsourced the delivery of their courses to EdTech startups and unicorns.

Further, Students can also accumulate credits at will and deposit them in their Academic Bank of Credit to be exchanged for a degree. This shows that higher education is now getting **delivered by for-profit entities**. This is in contravention of the long-held belief that education at all levels must be provided on a not-for-profit basis.

**Challenges with technology**: The mode and medium of remote learning have been changing to keep pace with technological advancement. Technology-enabled and mediated digital learning is supposed to end face-to-face formal education.





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But, the digital divide and inherent limitations of the technology are creating massive learning losses.

**Challenges with getting Jobs**: EdTechs are raising resources and enhancing capacities to capitalise on the opportunities that market-friendly reforms created. But, most recruiters prefer to hire those who have graduated in face-to-face mode.

What should be done?

Higher education must indeed embrace and keep pace with the advancements in technology. Technology can be effectively leveraged as a quality-enhancement tool.

**Become the producer of knowledge**: India's higher education at present is focused a lot on borrowing content and delivering them online or outsourcing content. This would render India a consumer of knowledge. India must, instead, be focused on exploiting its full potential to emerge as a producer of knowledge and providers of the global workforce.

**Stricter oversight and tighter regulations for digital education**: The quality of higher education is inversely proportional to the intensity of regulation. Even though experts of online and virtual education feel that such programmes should be subjected to stricter oversight, tighter regulations, and rigorous processes to ensure high standards and robust quality control.

### 12. States, freebies and the costs of fiscal profligacy

**Source**: The post is based on an article "States, freebies and the costs of fiscal profligacy" published in the "The Hindu" on 28th June 2022.

Syllabus: GS 2 ROPA, GS 3 The Union Budgeting;

**Relevance**: Freebies and Elections

**News**: In recent years, many states are pursuing the freebie culture. Such freebies are announced ahead of the assembly election. For example, the one of the contesting political parties in Punjab election, promised a sum of Rs. 1,000 per month to every woman in the State.

Read - How are freebies different to free essential services and production-related incentives?

The state-governments are expanding freebies mostly to build vote banks through transfer payments to provide safety nets to the most vulnerable segments of the population.

# What are the implications of freebies?

The state governments are facing heavy debt. It is difficult to afford such freebies.

The costs of **fiscal profligacy** can be huge. It can have an adverse impact on India's **macroeconomic stability**.

The more States spend on **transfer payments**, the less they have for spending on physical infrastructure and social infrastructure, which are vital to improve growth and generate jobs. If governments spend the loan money on freebies, then it generates no additional revenue. It will lead to the growth of **debt burden** which will **eventually implode** in future.

There are discussions indicating that 'some States might go down the Sri Lankan way' due to freebies.



### What are the causes of such problems?

The **institutional checks** and **balances** that could prevent this **downward spiral** have become ineffective. These are:

(1) **Legislature/Parliament has failed**. For example, the Opposition in legislature does not dare speak up against the populist schemes for fear of **forfeiting vote banks** that are at the end of these freebies.

The state governments are mandated to conform to **the Fiscal Responsibility and Budget Management (FRBM) targets**. But the law has failed. The current FRBM provisions mandates that the governments disclose their contingent liabilities, but that disclosure is restricted to liabilities for which they have extended an explicit guarantee.

In reality, the state governments resort to extra-budgetary borrowings to finance these populist measures. This debt is concealed to circumvent the FRBM targets. Further, there is no comprehensive information in the public domain to assess the size of this off-budget debt.

- (2) The CAG Audit is another **constitutional check** to enforce transparency and accountability. However, it has lost its teeth because the audit reports come with a lag.
- (3) The **market**, which could signal the health of State finances, has also failed. It could price the loans floated by different State governments differently which could reflect their debt sustainability.

### What should be done?

There is a need for instituting **more effective checks** that can push **States** to fall in line with **prudent fiscal policy making**. **Various suggestions** towards that end are:

**First,** the FRBM Acts need to be amended. Its provisions should be expanded to cover **all liabilities** of the government whether budget borrowing or off-budget borrowing, regardless of any guarantee.

**Second,** at present, the States are required to take the Centre's permission when they borrow, under the Constitution. Therefore, the Centre should not hesitate to impose **conditionalities** while giving permission. While doing so, the Centre must act **transparently** and in accordance with **well-defined, objective,** and **contestable criteria**.

**Third,** the President can invoke the provision of the financial emergency enshrined in the Constitution. If s/he is satisfied that financial stability is threatened.

Fourth, the politicians should aim for long-term and sustainable gains instead of short-term gains. There is a Chinese saying, 'give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime'.





### 13. Modi's two summits: UAE trumps G7

**Source**: The post is based on an article "Modi's two summits: UAE trumps G7" published in the "The Hindu" on 28<sup>th</sup> June 2022.

Syllabus: GS 2 International Relations; Bilateral Relations

**Relevance**: India-the UAE relationship

**News**: Prime Minister Narendra Modi is going to attend the G7 Summit in Germany and a **bilateral summit** in Abu Dhabi with the UAE President Sheikh Mohammed bin Zayed Al-Nahyan.

### Why is India's participation in the UAE Summit more important than the G7 Summit?

If the U.S. is exempted, no G7 country comes close to the UAE as India's trading partner, exports market, Indian diaspora base, and inward remittances.

The UAE has invested more **Foreign Direct Investment (FDI)** in India in 2021 than Germany and France combined.

Unlike the UAE, none of the G7 countries has yet signed a **bilateral Comprehensive Economic Partnership Agreement (CEPA)** with India.

### Importance of the bilateral summit

The Abu Dhabi summit would be a useful opportunity to recalibrate the **bilateral ties**. It would open new vistas following the operationalization of the bilateral CEPA from May 1.

### Features of the India-UAE Relationship

In recent years, India has witnessed **investments** in Jammu and Kashmir. Further, both countries have recently signed a bilateral CEPA

India is the **UAE's second-largest trading** partner. India is also the **largest source of tourists** and manpower for the UAE. The bilateral trade grew by 68% in 2021-22 to \$72.9 billion, which is a new record. The trade is likely to grow even higher in 2022-23.

In the **bilateral political domain**, the two sides have cooperated efficiently on security and anti-terrorism.

# What are the challenges in the bilateral relationship?

The **trade deficit** has grown and reached \$16.8 billion, also a new record, due to the CEPA. It happened due to robust economic revival, higher oil prices, and larger Indian imports.

Abu Dhabi has developed some disturbance with the US. Therefore, it is diversifying its strategic options with Russia and China. For example, it ignored the U.S. and other Western countries' plea to raise its oil production.

### Some developments in India's interests

The UAE has disrupted the longstanding **Arab Israeli stalemate** by normalizing relations with **Israel** in 2020.





The UAE has shunned its **muscular regional foreign policy** against political Islam and in regional hotspots such as Syria, Yemen, Libya, Sudan, and Somalia, Abu Dhabi. It has decided to stage a **phased withdrawal** and **improve ties** with Syria, Qatar and Turkey.

### What should be done?

**Trade Related:** The corrective mechanism built into CEPA can prevent the deficit from going out of hand.

# Scope of engagement

Both countries have successfully contained the COVID-19 pandemic. They can pool their experiences.

India is the **world's fastest-growing major economy.** It could be a lucrative market for investments in areas such as petrochemicals, pharmaceuticals, renewables, infrastructure, manufacturing, logistics, start-ups, etc.

The two sides can collaborate for the **eventual reconstruction** of the **war-ravaged regional countries** such as Yemen, Syria, Somalia, Iraq, Libya, and Afghanistan.

Both need to do more to fight money laundering and the flow of illicit narcotics.

14. The essence of time – Judicial intervention should strengthen anti-defection law, not undermine it

Source: The post is based on the article "The essence of time- Judicial intervention should strengthen anti-defection law, not undermine it" published in "The Hindu" on 29th June 2022.

**Syllabus**: GS2 – issues and challenges pertaining to the federal structure.

**Relevance**: To understand the issues surrounding anti-defection law.

**News**: Recently, The Supreme Court granted time until July 12 to dissident legislators in the Maharashtra Assembly to reply to the Deputy Speaker's notice under the anti-defection law. The political crisis in Maharashtra has brought focus back on the anti-defection law.

What is anti-defection law?

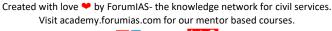
### Read more: "Nominated members" and "Anti-defection Law" in India

What are the concerns associated with the recent Judicial intervention?

In 1992, Kilhoto Hollohan vs Zachillhu case, a Constitution Bench, while upholding the validity of the anti-defection law, held that the Speaker's decision was subject to judicial review, albeit on limited grounds.

The court also made it clear that this should take place after a final decision, and there can be no interim order, except if there is an interim disqualification or suspension.

Since there is a specific bar on judicial intervention in disqualification proceedings at any stage prior to final adjudication under the Tenth Schedule, the present judicial intervention is creating ambiguity.





Further, there are Court judgments that say compliance with natural justice is not based on the number of days given, but on whether sufficient opportunity was given before a decision.

Read more: The success of anti-defection law in India and its relevance in multiparty parliamentary system

What are the other constitutional challenges exposed in Maharashtra?

The dissidents sent a motion to get the Deputy Speaker removed. The Deputy Speaker rejected it, as he has to decide disqualification questions in the absence of a Speaker. The rejection has also been questioned in court, thus raising a jurisdiction question on the adjudicatory power of the Deputy Speaker.

This shows that the Motions to remove a Presiding Officer are used as a ploy to circumvent disqualification proceedings.

Based on a conclusion in Nabam Rebia (2016) that a Presiding Officer should not adjudicate any defection complaint while a motion for his own removal is pending.

Read more: Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive

When defection is seen as a serious menace by the Constitution, the courts should contain them.

### 15. The G7 plan to counter the Belt and Road initiative

**Source:** This post is created based on the article "The G7 plan to counter the Belt and Road initiative" published in The Hindu on 29th June 2022.

**Syllabus Topic:** GS Paper 2, International Institutions

**News:** US along with the G7, unveiled the Partnership for Global Infrastructure and Investment (PGII). This plan is largely being seen as a plan to counter China's Belt and Road Initiative (BRI).

### **About PGII project**

Project aims at the collective mobilisation of \$600 billion by 2027 to deliver "game-changing" and "transparent" infrastructure projects in developing and middle-income countries, including India.

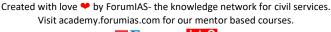
It will counter China's Belt and Road Initiative (BRI) to build connectivity, infrastructure, and trade projects in Asia, Europe, Africa, and Latin America.

PGII project will be based on the four priority pillars that will define the second half of the 21st century.

1) Tackling the climate crisis and ensuring global energy security, 2) Bolstering digital information and ICT networks, 3) Promoting gender equality and equity, and 4) Lastly, building and upgrading the global health infrastructure.

Some project under PGII has either commenced or are set to begin. For example;

- 1. US in partnership with EU and G7 nations is disbursing a \$3.3 million technical assistance grant to build a vaccine facility in Senegal.
- 2. mRNA vaccine plants in Latin America





3. A fiber-optic cable linking Europe to Latin America

### How is it compared to China's Belt and Road Initiative (BRI)?

### About BRI

PGII has laid focus on climate action and clean energy, while China has built large coal-fired plants under BRI along with solar, hydro, and wind energy projects.

While the G7 has pledged \$600 billion by 2027, Morgan and Stanly estimate that China's overall funding for BRI by that time could reach \$1.2 to 1.3 trillion dollars.

Under the PGII, large private capital will be also mobilised while China's BRI is majorly state-funded.

China's BRI project has benefitted China mainly. Studies have shown that 89% of the contractors participating in BRI projects are Chinese. Large number of Chinese workers are employed in BRI projects; for instance 1.82 lakh were working in Africa by late 2019.

G7 leaders emphasised 'transparency' as the cornerstone of PGII projects. Whereas under BRI, countries are being made to sign confidential tenders, leaving countries indebted to China. For example; Sri Lanka, for instance, had to cede its key Hambantota Port on a 99-year lease to China.

### 16. G7 is trying hard not to be yesterday's club

**Source**: The post is based on an article "G7 is trying hard not to be yesterday's club" published in the Indian Express on 29<sup>th</sup> June 2022.

Syllabus: GS 2 International relations; Regional Grouping, International organizations

**Relevance**: The Group of Seven (G7)

News: Recently, the G7 meeting was concluded in Bavaria in Germany. It was an important meeting since it took place against the backdrop of the **Ukraine war**, the challenge of **post-pandemic economic recovery** and the eternal issue of **climate change**.

# The G7 final communique

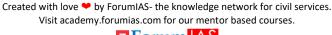
It said that there is no legal basis for China's expansive maritime claims in the South China Sea.

In addition, the leaders also called on **China** to press **Russia** to withdraw troops from Ukraine.

It calls on China to respect universal human rights and fundamental freedoms in both Tibet and Xinjiang. For example, there are grave concerns about the country's human rights situation like the issue of forced labour.

They issued **unconditional commitment** to provide financial, humanitarian, military and diplomatic support and stand with Ukraine. It accused Russia of doing war crimes during the ongoing war.

The G7 leaders warned Russia against the use of chemical, biological and nuclear weapons, otherwise it would lead to severe consequences.





It contemplated severe sanctions against Russia, including tariffs on Russian products, targeting gold exports, capping oil prices and restricting access to technology.

# What will be the negative consequences of the G7 Communique?

With the declaration of support, US is supplying the **Norwegian Advanced Surface-to-Air Missile System** (NASAMS) to Ukraine. Further, the **harsh statements** made against Russia may have the opposite effect of increasing **Russia's intransigence.** It could lead to an arms race.

Earlier, NATO declared that its **rapid reaction force**, meant to protect the **alliance's Eastern flank**, will be increased from its present strength of 40,000 to a whopping 300,000 to create deterrence.

In recent years, NATO has also termed Russia as the **most immediate threat** to **NATO's** security. The alliance also hinted that **NATO will deploy forces** much closer to Russian borders.

### Importance of G7 for India and vice versa

For India, G7 summits have always been an **invaluable opportunity** to exchange views not just in a **plurilateral format** but also in the **bilateral meetings** on the margins of the main meetings. For example, Prime Minister Modi met with the President of the US, and France, as well as the leaders of the UK and Japan etc.

The G7 is still a powerful grouping. Its seven members are in the top **10 economies** of the world. In addition, three members are the **permanent members** of the UNSC. Further, if the **European Union (EU)** is taken into account, it is home to some of the best emerging technologies.

The clout of the G7 has been declining for 20 years ago since formation of the G20 Grouping. India is part of the G7 and **no global problem** can be seriously tackled without involvement of India.

India can leverage the opportunities to make the full transition from being a rule-taker to a **rule-shaper** in at least some **crucial areas**. India supported the G7 statements as below:

- (1) Titled "Resilient Democracies Statement" wherein India can be important to promote a rules-based international order and the other being,
- (2) Titled "Joining Forces to Accelerate Clean and Just Transition towards Climate Neutrality", wherein India, without being responsible for the problem of climate change, is doing everything in its power to be part of the solution. India has requested the Western countries to invest heavily in India's renewable energy market.

In addition, **India's can also play some role** in improving food security, pursuing concerted efforts to overcome the Covid-19 pandemic, fighting corruption, protecting freedom of expression, both online and offline, and ensuring an open and secure internet.

India's participation in this meeting as an observer will help in advancement of India's foreign and security policy objectives.





### 17. Bring the shine back on government jobs

**Source**: The post is based on an article "Bring the shine back on government jobs" published in the "The Hindu" on 29<sup>th</sup> June 2022.

**Syllabus**: GS 2 Role of civil services in India, Governance;

Relevance: Civil Services Reforms

**News**: At present, India has been witnessing a number of protests across the country over the Agnipath scheme.

### Some Facts and figures related to Unemployment problem in India

According to the NCRB, an Indian citizen died of suicide every hour due to joblessness, poverty or bankruptcy in 2019.

As per the government reports, about 25,000 Indians died of suicide between 2018 and 2020.

In January 2022, several unemployed people resorted to protests over alleged flaws in the railway's recruitment process.

Haryana terminated the services of over 2,000 contractual health workers (nurses, sweepers, security guards, paramedical staff) who had been hired during the pandemic.

Various medical institutions in Delhi terminated hundreds of nurses, paramedical staff, lab technicians and other contractual workers.

# What is the status of vacancies in the government departments?

**First, vacancies** in the government are **not being filled** at a **sufficient pace**. As of July 2022, there were around 60 lakh vacancies in the Central government, state government, PSU banks, PSUs and other institutions.

Second, where **vacancies** are being **filled**, they are **notably skewed** towards **contractual jobs**. For example, as per **the Indian Staffing Industry Research 2014 report**, about 43% of government employees (about 12.3 million) had non-permanent or contractual jobs like Anganwadi workers with low wages and no social security cover.

Some States sought to amend recruitment for Group B and C employees for increasing contractual employment (for a five-year period). Post the five-year period, they can be regularised, only if the workers could pass a **rigorous performance appraisal**, otherwise, they would be dismissed.

In 2013, the Supreme Court ruled that a **contractual employee** for a government department was not a government servant.

### What should be done?

Instead of expanding contractual employment, government should bolster public services. For example, our healthcare system does not have the capacity to provide adequate healthcare support to citizens under normal conditions, forget about pandemic.

ndia possess significant **potential for job creation** in various areas as mentioned below:





- (1) In renewable power generation. For example, in rooftop solar power generation, manufacturing of solar panel modules and end-use servicing,
- (2) In the waste management sector, there is significant scope for expanding waste-water treatment capacity. Around 300 jobs per year can be created in a city municipal corporation for solid waste treatment practices
- (3) The green jobs can be created due to adoption of electric vehicles and encouraging green mobility
- (4) In addition, urban farming can be encouraged, with significant **job potential** in permaculture, gardening and nursery management.
- (5) There is potential for PSU reform. They can be given greater autonomy, with the government retaining control via a holding firm. Indian PSUs could aspire to be as large and efficient as the Chinese ones.

There is a need to attract talent to the government. Instead of **downsizing** or simply avoiding the cost of pensions and benefits, the government should **right-size government** because the public services require more doctors, teachers, engineers, and fewer data entry clerks.

The government can start with reforms advocated by the **Administrative Reforms Commission**.

### 18. Straddling cooperation and challenges at BRICS

**Source**: The post is based on an article "Straddling cooperation and challenges at BRICS" published in the Business Standard on 28th June 2022.

**Syllabus**: GS 2 International Organizations

Relevance: BRICS

**News**: Recently, the BRICS Summit was held virtually. It included a **high-level dialogue** on global development.

### **About the BRICS**

It was established to promote the **global south cooperation mechanism.** It was needed for both the strategic and economic purpose. For example, shielding from the domino effect of Western geo-economic compulsions and decisions.

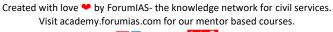
# Developments so far before 14th Summit

Recently, the joint commission on space cooperation was formed for the BRICS nations, for advancing remote sensing and data sharing mechanisms between member states.

### Various cooperation announcement made in the Summit

### **Overall**

Members will cooperate to **strengthen** and **reform** global governance. They will work in solidarity to combat Covid-19, safeguarding peace and security, promoting economic recovery, expediting implementation of the 2030 SDGs, deepening people-to-people exchanges, and promoting institutional development.





Members have converging interests on **critical issues** such as counter-terrorism; trade; health; traditional medicine; environment; science technology and innovation; the reform of the multilateral system etc.

### **India's Proposals**

India proposed strengthening the BRICS Identity system, and creating an online database for BRICS documents.

India proposed establishment of a **BRICS Railways Research Network**, and strengthening cooperation between MSMEs to improve connectivity and supply chains between member states.

India will hold a **BRICS start-up** event this year because India has become the **3<sup>rd</sup> largest start-up** ecosystem in the world. Therefore, it is in the right position to lead a global South.

India advocated for strengthening civil society organisations and think-tanks.

India highlighted the significance of building **people-to-people connect** within BRICS, cooperation in the **post-Covid global recovery** etc..

# What are the friction points and challenges between BRICS members?

At the summit, all **five nations** articulated their priorities, which indicates towards diverging national interests

India highlighted the need for **greater sensitivity** among BRICS members to each other's security concerns, like terrorism. For example, China blocked the US-India joint move to list **Pakistan-based terrorists** as a global terrorist.

In the post-Ukraine war phase, the global governance order has seen fracture.

Both Russia and China want to rely on **mechanisms** which are **outside the control of the West**. This would lead to pressure on BRICS members to embrace the same newer mechanisms for global governance and finance.

In recent G7 meetings, the western countries have indicated **greater stringent sanction**s to be imposed on Russia. This is expected to pose more challenges in free **flow of trade** and commerce between BRICS member states.

The probability of normalization of the China-India dispute since the Galwan crisis of 2020.

### The Way Forward

There are discussions on a **possible expansion** of BRICS. For example, the promotion of **BRICS Outreach** and **BRICS plus Cooperation** was in the spirit of extending cooperation to other emerging markets and developing countries.





# 19. The anti-defection law — political facts, legal fiction

Source: The post is based on the article "The anti-defection law — political facts, legal fiction" published in "The Hindu" on 30<sup>th</sup> June 2022.

**Syllabus**: GS2 – issues and challenges pertaining to the federal structure.

**Relevance**: To understand the issues surrounding Paragraph 4 of the Tenth Schedule.

**News**: Recently, The Supreme Court granted time to dissident legislators in the Maharashtra Assembly to reply to the Deputy Speaker's notice under the anti-defection law. The political crisis in Maharashtra, and many others before it, remind what the Tenth Schedule can and cannot do.

What is anti-defection law?

# Read here: "Nominated members" and "Anti-defection Law" in India

Paragraph 4 of the Tenth Schedule creates an exception for mergers between political parties by introducing three crucial concepts — that of the "original political party", the "legislature party", and "deemed merger".

A "legislature party" means the group consisting of all elected members of a House for the time being belonging to one political party.

An "original political party" means the political party to which a member belongs (this can refer to the party generally, outside of the House).

A party shall be "**deemed**" to have merged with another party if, and only if, not less than two-thirds of the members of the legislature party concerned have agreed to such merger.

# Must read: Explained: Speaker's powers in a rebellion

What are the challenges associated with Paragraph 4 of the Tenth Schedule?

**Firstly**, Paragraph 4 **does not clarify** whether the original political party refers to the party at the national level or the regional level.

**Note**: The Election Commission of India recognises political parties based on the national and regional levels.

**Secondly**, In most cases, there is no factual merger of original political parties at the national (or even regional) level. A legislature party can be deemed to be a merger of political parties, even if there is no actual merger of the original political party with another party.

Hence, the deemed merger seems to be creating a "legal fiction."

**Thirdly**, Defection gets easier in smaller legislative assemblies, where even a sole member can account for two-thirds of the legislature party's strength to cross the floor without attracting disqualification.

Read more: The success of anti-defection law in India and its relevance in multiparty parliamentary system

What should be done?

**Deletion of Paragraph 4 from the Tenth Schedule**: Both the Law Commission in 1999 and the National Commission to Review the Working of the Constitution ((NCRWC) in 2002 made this recommendation.





An **academic revisiting of the Tenth Schedule by the Supreme Court**, to guide future use of the anti-defection law should happen sooner.

Read more: Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive

### 20. The significance of PM Modi's visit to the UAE

Source: The post is based on the article "The significance of PM Modi's visit to the UAE" published in "Indian Express" on 30<sup>th</sup> June 2022.

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

Relevance: To understand the recent developments in India-UAE relationships.

**News**: Indian Prime Minister recently visited the UAE for the fourth time. India is engaging with the UAE well beyond the confines of diplomatic protocols. This highlighted India's engagement with the UAE.

What are the recent developments in India and UAE relationships?

- -During the virtual summit in February 2022, both sides signed a **Comprehensive Economic Partnership Agreement (CEPA)**. The deal was negotiated and finalised in just 88 days and promises to increase bilateral trade from \$60 billion to \$100 billion in five years. It came into force on May 1 and has already ushered in preferential market access for 97% of tariff lines accounting for 99% of Indian exports to the UAE.
- -Indian PM Modi has bestowed the **Order of Zayed**, the UAE's highest civilian award.
- -Recently, India and UAE also issued a **Joint Vision Statement** titled, "Advancing the India and UAE Comprehensive Strategic Partnership: New Frontiers, New Milestones".
- Dubai-based DP World and India's National Skills Development Council signed an agreement to set up a **Skill India Centre** in Varanasi. The Centre aims to train local youth in logistics, port operations and allied areas so that they can pursue overseas employment.

What are the regional factors responsible for increased India - UAE ties?

**Normalisation of ties between the UAE and Israel**: Ever since the signing of the Abraham Accords, the UAE and Israel entered into new avenues of trilateral and multilateral cooperation.

**Initiatives from the US**: For instance, The US has announced that US President forthcoming visit to West Asia will see a virtual India, Israel, US, UAE are I2U2 Summit.

India should take a sustained public diplomacy to improve its ties with India and the UAE.





### 21. The Indian challenge in Afghanistan

**Source**: The post is based on an article "The Indian challenge in Afghanistan" published in the "The Hindu" on 30<sup>th</sup> June 2022.

**Syllabus:** GS 2 – International relations, bilateral relations

**Relevance**: India-Afghanistan Relations; India's Neighborhood First Policy; India has the first responder; HADR

**News**: Recently, a massive earthquake hit Afghanistan. Consequently, the Indian Air Force was moved in with tonnes of relief material, making India a 'first responder'.

### About the quake

The massive earthquake was centered around **the Afghanistan- Pakistan border**. It was measured 5.9 on the Richter Scale.

### **Relief Measures**

### (A) Overall

Due to proximity, **Pakistan** was able to send relief aid quickly, declaring that the aid was from "the people of Pakistan". In addition, Iran also sent relief material by air.

**Taiwan** has offered \$1 million despite not being a member of the world body due to Beijing's objections.

Japan, South Korea, and the UAE have also responded to the UN's appeal for aid to Afghanistan.

The **United States Agency for International Development** also announced aid without making any specific commitment.

The UN Security Council allowed sanctions exemption for the delivery of humanitarian aid.

# (B) Indian Specific Relief Measures

**India** announced plans to send a technical team to "closely monitor and coordinate the efforts of various stakeholders" for the effective delivery of **humanitarian assistance**.

However, India probably asked for aid to flow through the Iranian route, instead of Pakistan. It was because India's aid in Afghanistan was being diverted to Pakistan.

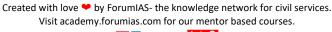
# Afghanistan's Response to Indian Relief Measures

Afghan officials have welcomed not only aid, but called for the restarting of small projects across the country.

### What are the challenges in providing relief aid?

There are difficulties involved given the broken Afghan banking and financial systems and lack of infrastructure.

The U.S. instructions mandate that all aid should be in **cash**, since no banks will do business or accept letters of credit to **the Afghan central bank (DAB)**. Although Cash transfers to the DAB are possible, its own reach to the furthest parts of the country is doubtful.





The UN organizations also provide cash, and aid agencies have long had to use reliable **local** hawala networks for transfers. India will not agree to large-scale Indian aid being spent in this manner.

### What are the challenges to the reconstruction of Afghanistan?

It will be difficult to transport the requirements for reconstruction, through territory other than Pakistan.

Afghanistan's domestic industries have been side-lined by Pakistan, Turkish or Chinese ones. For example, Pakistan's cement companies such as Lucky Cement.

Most of the **UN activity** for Afghanistan is done through Pakistan. For example, that major UN agencies and the International Organisation for Migration are present in Pakistan.

**Security issues:** There is a presence of the **Islamic State Khorasan (IS-K)** in many parts of Afghanistan. In recent times, it has become strongly anti-India, along with al-Qaeda. For example, it carried out a **recent attack on a gurdwara** in Kabul.

Difficulties in the implementation of Indian projects are more likely to arise from intra-Afghan tensions rather than any hostility to India.

### What should be done?

India should encourage Afghan cement plants and related industries, and ensure optimal use of coal, which is now being exported to Pakistan at cheap prices.

Furthermore, India has around 400 projects in all the 34 provinces of Afghanistan. Thus, India can ask for the protection from Taliban for them.

It is also important to remember that the Taliban have never actively been anti-India.

### 22. India's health disorder

Source: The post is based on the article "India's health disorder" published in the Business Standard on 29th June 2022.

Syllabus: GS 2 Social Sector; Health Sector

Relevance: Health Facilities

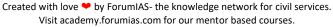
**News:** India has witnessed substantial divergence between the numbers of Covid-related deaths reported by **Indian official sources** and numbers cited by **the World Health Organization**. Therefore, due to such deviations, there is a need to look into the status of **India's health care system**.

### Adequacy in health care in India

A number of studies have documented notable healthcare success in India. For example, the case of polio eradication.

Shortcomings in health care in India.

### **Healthcare Facilities**





India has failed to create adequate **public** and **private health facilities** across the country.

The **private health care services** are **non-affordable** to less affluent sections of society. For example, it is difficult for a privately employed, earning around Rs 30,000 a month.

In **publicly-owned medical facilities**, hospitalization is a time taking process, except for **emergencies** that arise due to road or other accidents. For instance, the waiting period for a **hysterectomy operation** in a government hospital is usually eight to nine months.

In the Indian private hospitals, there is a lack of sufficiently professional diagnoses. In fact, experts' advice is largely driven by profit-making. For example, where a blockage in one of the heart arteries has been found in routine diagnosis, the cardiologist generally advises angioplasty, including installing one or more stents in addition to statin and blood thinner medication. However, as per a 2020 study by the US National Institute of Health, "there is no need for invasive procedures (read stents) in patients without symptoms". It is safe to begin treating the problem with medication and lifestyle change. If symptoms persist, then invasive treatment options can be discussed.

### **Health Insurances**

The health insurance coverages provided in India are highly restrictive in nature. For instances,

- (1) any pre-existing ailments would be covered only after a waiting period of three years,
- (2) There is a **two-year exclusion period** for **cataracts**, hernia, hysterectomy, joint replacement, pregnancy, dental treatment, and external aids.
- (3) Further, congenital diseases and non-allopathic treatment are not covered at all.
- (4) Ayurvedic treatment, which is low-cost in nature, is found to be excluded.

It is surprising that the Indian insurance regulator allows so many exceptions under private health insurance.

### Others problems

There are issues of inadequate numbers of doctors-nurses in government hospitals.

# 23. Home and abroad: On PM Modi's G-7 committements and freedom of speech

Source: This post is based on the article "Home and abroad: On PM Modi's G-7 commitments and freedom of speech" published in The Hindu on 1st Jul 22.

**Syllabus**: GS2 – International Relations (IR)

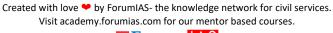
**Relevance**: Regarding the recently concluded G7 annual summit meeting in Germany

**News**: PM of India attended the G7 annual summit meeting in Germany along with other special invitees from Argentina, Indonesia, Senegal, and South Africa.

Most of the deliberations took aim at the twin challenges seen from Russia and China.

What economic initiatives were discussed?

G7 countries discussed the following economic initiatives:





- the launch of a \$600 billion U.S.-led Partnership for Global Infrastructure and Investment (PGII)
- commitments on fighting climate change
- funding renewable energy changes
- mitigating inflation
- managing the continued global crisis over the COVID-19 pandemic

What other issues were discussed at the meeting?

Challenges to the international order that emanate from Moscow's war in Ukraine (including tightening sanctions, the impact on energy markets, and cybersecurity threats),

Beijing's "expansive maritime claims", rights violations, and unsustainable debt creation in lower income countries.

The G-7 countries issued separate statements on support for Ukraine, food security and a 'Climate Club'.

In addition, the G-7 and special invitee "partner countries" issued a statement on "**Resilient Democracies**", committing to free and fair elections, protecting freedom of expression, and gender empowerment.

What was India's stand at the summit?

The Prime Minister of India made it clear that it is the **developing world that needs the most support**, including to weather the "knock-on" effects of the Russia-Ukraine conflict.

The Government sought to **distance itself from the PGII**, pitched as a G-7 counter to China's Belt and Road Initiative.

India also made it evident that it had only signed on to the statements on "Resilient Democracies" and a "Just Energy Transition", and not the many statements castigating Russia and China.

India also stayed away from President Putin and President Xi's stringent criticism of the West.

Way forward

On the global stage, the G-7 outcomes mean New Delhi will have to continue to walk a tightrope between these two blocs that are growing more polarised and inimical towards each other.

### 24. A road safety quartet and the road ahead

Source: This post is based on the article "A road safety quartet and the road ahead" published in The Hindu on 1st Jul 22.

**Syllabus**: GS2 – Govt policies and interventions

Relevance: Road safety in India

**News**: In spite of several years of policymaking to improve road safety, India remains among the worst-performing countries in this area.





The persistently high annual death toll brings into question the country's ability to meet Sustainable Development Goal (SDG) 3.6, which aims to halve the fatalities and injuries from road traffic accidents by 2030.

Meanwhile, the United Nations is holding a high-level meeting on Global Road Safety on June 30 and July 1, 2022 to review the progress and challenges.

What is the situation wrt road safety in India?

1,47,913 lives were lost to road traffic accidents in 2017 as per Ministry of Road Transport and Highways statistics.

The National Crime Records Bureau (NCRB) figure for the same year is 1,50,093 road accident deaths.

Further, India's data on road crash mortality are seen as an undercount, and the Global Burden of Disease report for 2017 estimates, based on verbal autopsy sources, that there were 2,18,876 deaths.

What are the new findings on road safety?

A new analytical series on road safety worldwide, published by *The Lancet*, proposes that India and other countries could cut accident-related deaths by 25 to 40%.

Globally, Low and Middle Income Countries (LMIC) bear the maximum burden of road fatalities and injuries, with high economic costs — an average of 3-5% of GDP — suffered by these countries in 2014.

What are the issues with road safety in India?

India amended its law on motor vehicles in 2019, but its implementation by State governments is not uniform or complete.

The focus of State governments, remains conventional, with an emphasis on user behaviour (drivers and other road users), education and uneven enforcement.

- Low emphasis is placed on structural change such as raising engineering standards for roads, signages, signals, training for scientific accident investigation, raising policing skills etc.

In India, speedy highway construction without reconciling fast and slow-moving traffic, presence of ramshackle vehicles, rampant wrong-side driving, and poor trauma care in nonurban centres contribute to high death and disability rates.

Major interventions in India, first suggested by the Sundar Committee (2007) and ordered by the Supreme Court in **S.** Rajasekaran vs Union of India have not made a dent in the problem of pedestrian deaths. The measures include setting up of an apex national body for road safety, and fixing decentralised responsibility at the district level.

- The Sundar Committee pointed out that India lacked a technically competent investigation arm that could determine the cause of accidents;
- the National Road Safety Board Rules, 2021, provide for the formation of technical working groups covering, among other things, crash investigation and forensics.

In the absence of scientific investigation, perceptions usually guide the fixing of liability.





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The MV Act stipulates only a fine up to one lakh for failure to follow norms and stipulations by the designated authority, contractor, consultant or concessionaire, leading to death or disability. Also, there is little evidence that even this has been enforced after a public inquiry.

How can road safety be improved?

Using the Global Burden of Disease data, a statistical model was constructed to estimate the number of lives that could be saved with interventions in the respective areas for each country.

 An average of 20,554 lives could have been saved in India with a reduction in speeds, 5,683 with helmet interventions and 3,204 with seatbelts.

In addition, 17% of road traffic injury-related deaths in LMICs could be avoided if trauma care facilities improved.

What can be done to cut death and injury rates?

In the short term, slowing down traffic, particularly near habitations, segregating slower vehicles, enforcing seat belt and helmet use and cracking down on drunken drivers could produce measurable gains.

#### 25. The worrying slowdown in India's fight against poverty

Source: This post is based on the article "The worrying slowdown in India's fight against poverty" published in Livemint on 1st Jul 22.

**Syllabus**: GS2 – Issues related to poverty and hunger

**Relevance**: Impact of the pandemic on income and consumption

**Context**: A new poverty estimate has been released by SBI Research.

What do the findings of the recent estimates suggest?

As per SBI Research, Poverty in India declined to 17.9% in 2020-21, compared with the last available official estimate of 21.9% in 2011-12.

These new estimates suggest an annual decline of 2.75 million in our number of poor during 2012-21, as against a drop of 20 million every year between 2004-05 and 2011-12.

The data confirms a sharp slowdown in India's rate of poverty reduction by two other estimates by authors affiliated to the World Bank and International Monetary Fund released earlier this year.

Data indicating a slowdown in poverty reduction

There is sufficient evidence to suggest that economic conditions of most people at the bottom of the distribution have worsened.

#### **PLFS Data**

Per capita real income from PLFS surveys also shows a 1.1% decline per annum between 2018-19 and 2020-21. The PLFS also reports that the drop was largely due to weakening urban per capita incomes, which went down by 4.2% per year over that period.

- Consumption expenditure, from PLFS data, shows per capita monthly consumption declining at 0.12% per annum between the years 2018-19 to 2020-21. Once again, it was urban





areas that saw a decline in per capita consumption, at 4% per annum, as against a rise in rural per capita consumption of an annual 3.7%.

- PLFS data also shows that the proportion of India's population for whom per capita income was not sufficient to meet consumption expenditure was 26% in 2018-19, which increased to 29% in 2020-21.

Both agricultural as well as non-agricultural wages fell in the last year, with farm wages declining at an annual 2% and non-farm wages at 3.8%.

Urban income and consumption declines raise questions on claims of an economic revival.

What are the implications?

The decline in India's trend of poverty reduction in the last decade is worrying.

But what is also a worry is the sharper decline in urban incomes, which has implications for a demand revival in the economy.

While it may have contributed to reduced inequality, it also poses a problem of sustaining economic growth.

Some of these trends could worsen in the wake of an inflationary spiral India is going through that will reduce real disposable incomes.

Way forward

Clarity on poverty may be unavailable until data on consumption expenditure is available.

However, the trends in evidence raise concerns on the rising vulnerability of people and sustainability of growth.

These require an immediate response, irrespective of our poverty debate.

#### 26. Selfish rich inequality hypothesis: The selfishness and graft of the rich drive inequality

Source: The post is based on an article "The selfishness and graft of the rich drive inequality" published in "The Hindu" on 1st July 2022.

Syllabus: GS 2 Poverty and Hunger; and GS 3 Inclusive Growth

Relevance: Selfish Rich Inequality Hypothesis

**News:** In recent days, a 'Selfish Rich Inequality Hypothesis' has been proposed based on an analysis of the Gallup World Poll of 2018.

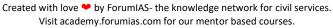
#### What is the selfish rich inequality hypothesis?

It says that, whether the rich are richer than the poor because they have been more selfish in life than the latter.

#### What are the causes of this selfish rich inequality?

The issues of selfishness, criminality and corruption aggravate inequality. In other words, the rich have become richer in those countries, where institutions are weak, rule of law is weak, bureaucracy is malfunctioning and corruption is rampant.

In another way, in such countries, the rich have been involved in **selfish grabbing** 





What are the pieces of evidence in support of the selfish rich inequality hypothesis? As per the study, the respondent who were more aged in nature firmly believed in this rich inequality hypothesis.

In more affluent states, where higher income inequality prevails, more respondents believe in the inequality hypothesis.

In the affluent states having a **high incidence of crime** (measured as the number of convictions per lakh of the population) in, most respondents corroborated the rich inequality hypothesis.

The respondents in States which are more **corrupt** and display **greater extreme inequality** are more likely to believe in the corruption of the rich and thus corroborate the hypothesis in question. For example, most respondents believed that the rich get richer through illegal, grabbing activities (rich traders, for example, evade local taxes by bribing officials).

In terms of the principal (voters)-agent (public institutions in a State including the State government, judiciary and the police) relationship. The relationship is determined by the **overall** state of political and economic environment conditions. If there is a lack of confidence in the agent, it is difficult to sustain growth, and maintain accountability and transparency. For example, minorities are prone to be more humiliated, assaulted and killed, and there would be allegations of promoting crony capitalism.

**Consequences of non-inclusive growth**: If growth is not inclusive, it engenders resentment against the rich. Further, it builds a strong belief in the hypothesis in question.

## What should be done to avoid selfish rich inequality?

In countries conforming to the **selfish rich inequality**, there is a **broad agreement** that inequality in their country is unfair and that the government should aim to reduce it. There is a need to **strengthen public institutions** in India in the present context.

#### 27. On reproductive rights, India's MTP and Surrogacy Acts don't go far enough

Source: The post is based on the article "On reproductive rights, India's MTP and Surrogacy Acts don't go far enough" published in the "Indian Express" on 1st July 2022.

Syllabus: GS 2 – Social Sector; Health Sector

Relevance: Reproductive Rights in India

**News**: Recently, reproductive rights were overturned in the US through **the Roe V. Wade judgment**. Bodily autonomy and reproductive rights must be viewed from legal, medical, and social lenses.

What are the challenges associated with MTP Act?

The <u>Medical Termination of Pregnancy (Amendment) Act 202</u>1: The act is in reality far from ideal.

(1) It has been criticised for not taking a **rights-based approach**. It doesn't give the pregnant person complete autonomy in ending the pregnancy. For example, a pregnancy can be terminated on **certain conditions** which include:- (a) Grave danger to the physical/mental health of the pregnant woman; (b) foetal abnormalities; (c) rape/coercion; and (d) contraceptive failure.





- (2) A woman's right to choose to end the pregnancy even in the first few weeks is still not recognised in India.
- (3) Women have to undergo various systemic barriers. In fact, the final decision regarding termination of pregnancy is not decided by the pregnant person, but it is decided by **one/two** registered medical practitioners (RMP) or a medical board depending on the gestational period.
- (4) It uses the word "woman", thereby leaving out **pregnant transgender** and **non-binary persons** who are biologically capable of bearing children.
- (5) Other significant issues are the lack of access to RMPs, affordability, and social stigma. These issues lead to **unsafe abortions**.
- (6) Further, abortion facilities are not provided in **all public health centres**, especially in rural India. And, abortion facilities in **private medical centres** are expensive. It is available only for those who have the **resources** like those belonging to the high class and persons having caste privilege. Therefore, most unmarried women end up resorting to unsafe abortions in illegal clinics or at home.
- (a) In India, the **skewed sex ratio** is proof that unsafe abortions and female foeticide are rampant.
- (b) According to the NFHS 2019-21, 27% of the abortions were carried out by the woman herself at home.
- (c) According to the **UNs Population Fund (UNFPA) State of the World Population Report 2022,** around 8 women die each day in India due to unsafe abortions. About 67% of the abortions were classified as unsafe between 2007-2011.

#### About the Surrogacy (Regulation) Act 2021

- (1) The Act has been alleged to be **exclusionary** in nature, disregards privacy, and also exploits women's reproductive labour.
- (2) The act has been alleged to be disregarding privacy. It requires the intending couple to declare their infertility and reveals the identity of the surrogate, both of which violate the right to privacy and **the landmark Puttaswamy judgment**.
- (3) It strips the **reproductive autonomy** of LGBTQ+ persons and single, divorced, and widowed intending parents. Only **a heterosexual married couple** (with certain preconditions) can be the intending parents. Therefore, It can also be seen as a violation to **the fundamental right to equality.**
- (4) It allows only altruistic surrogacy, denying women compensation for their reproductive labour. It is also seen as a **direct manifestation** of the patriarchal mindset.

What should be done?

Experts believe that there should be regulations instead of a complete ban on commercial surrogacy.

The situation in India is far from perfect. Therefore, the gaps in both the MTP Act 2021 and the Surrogacy Act need to be fixed.

The government should strive for inclusivity, complete bodily autonomy, and reproductive equity.



#### 28. Amendment proposals for IT rules miss the main point

Source: The post is based on the article "Amendment proposals for IT rules miss the main point" published in the Live Mint on 30th June 2022.

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

Relevance: Social media Regulations; IT Rules 2021

News: Recently, the Bombay and Madras high courts, ordered to stay the operation of the interministerial appellate body that was to operate under the 2021 IT Rules. The body aims to monitor digital news publications and over-the-top (OTT) platforms.

The court observed that this oversight mechanism threatens **media independence** or "rob the media of its independence". Now, the proposed amendment to the 2021 IT Rules to establish a body above social media platforms, which has a similar effect

#### What are the proposed amendments to the IT Rules?

A Grievance Appellate Committee (GAC) will be set up. It will act as an oversight mechanism for grievance redressal officers, who were required to be appointed by social media platforms under the 2021 rules.

The amendments also seek to impose **additional obligations** on social media platforms. They "**shall cause"** their users not to host, display, publish, etc. something they could not. However, so far, the platforms were only required to inform their users about the kind of content they could not publish etc.

#### What are the issues associated with the proposed amendment?

The body will be able to decide what kind of speech stays up on the internet, what must be taken down, and what gets reinstated.

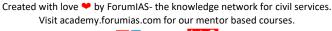
The body will **not have legislative backing** as it will not be established by the statutory law of the Parliament. It will be established by the ministry through its own rules.

In a democracy like India's, the executive does not have the power to create bodies such as the GAC, which can impinge upon the **citizens' fundamental rights** because there are **little** to **no procedural safeguards** built into the scheme of the rules.

In addition to **constitutionality issues**, a GAC cannot operate at a very large scale in **today's information ecosystem**. For example, A popular Indian social media platform reported that it received about **7mn user complaints** in March 2022. Even if around 1% goes to the GAC, the panel may need to deal with at least **tens of thousands** of appeals per month.

The mechanism works to act upon **individual pieces of content.** It will not solve the systemic issues.

It raises the risk that if platforms fail to comply with the **new obligation** under the new directions, then the social media platforms may lose their **intermediary protection** under the IT Act. It ignores the **jurisprudence on intermediary protections** that have been recognized in the Supreme Court ruling, under the constitutional scheme of India.





The amendment may lead to the loss of the **social media platform's intermediary protection** if the platforms do not comply with the new obligation in the proposed amendment. It is extremely difficult to exercise complete control over the individual content.

What should be done?

The present model which gives **intermediary protection** to platforms and asks the platforms to only respond to **government orders** or **court directions** for the removal of content is globally recognized. The SC of India has also upheld it in its **Shreya Singhal judgement**.

The government must not only take the proposed amendments back but also repeal the 2021 IT Rules in their entirety and hold fresh consultations with civil society and other stakeholders with a view to put the people, not the government, first.

#### 29. Do not weaken the anti-defection law

Source: The post is based on the article "Do not weaken the anti-defection law" published in "The Hindu" on 1st July 2022.

**Syllabus**: GS2 – issues and challenges pertaining to the federal structure.

**Relevance**: To understand the issues surrounding Paragraph 4 of the Tenth Schedule.

**News**: The political crisis in Maharashtra again created the debate on anti-defection law. Further, the Supreme Court intervention gave undue advantage to the dissident legislators.

What is anti-defection law?

#### Read here: "Nominated members" and "Anti-defection Law" in India

Supreme Court of India has described the anti-defection law as "constitutional correctives against a legislatively perceived political evil of unprincipled defections induced by the lure of office and monitory inducements".

Initially, there were two exceptions provided in the schedule which would exempt a legislator from disqualification.

1) A split in their original political party resulted in the formation of a group of legislators. If the group consisted of one-third of such legislators of that party, they were exempted from disqualification.

This **exception was deleted** from the schedule through the **Constitution Amendment Act of 2003** because of the frequent misuse of this provision.

2) 'Merger' can be invoked when the original political party of a legislator merges with another party and not less than two-thirds of its legislators agree to such a merger.

The 'Merger' exception contained in paragraph four of the schedule has been taken recourse to by a large number of legislators across States and even in Parliament to defect to the ruling party.

Read more: The success of anti-defection law in India and its relevance in multiparty parliamentary system





#### What are the judicial interventions on Anti-defection law-related issues?

**Girish Chodankar vs The Speaker**, Goa State Legislative the Bombay High Court held that the merger of two-thirds of Members of the Legislative Assembly is deemed to be the merger of the original party.

In **Ravi S. Naik vs Union of India (1994)**, the Supreme Court clarified on voluntarily given up the membership of the party. The court had said, "an inference can be drawn from the conduct of a member that he has voluntarily given up the membership of the party to which he belongs."

In **Kihoto Hollohan** case (1993) the court held that judicial review cannot be available prior to the making of a decision by the Speaker nor at an interlocutory stage of the proceeding. Giving longer time to the dissidents to submit replies is contrary to this decision.

## Must read: Explained: Speaker's powers in a rebellion

The law, though not perfect, is a serious attempt to strengthen the moral content of democracy. The nation expects better compliance of the law by the lawmakers. The anti-defection law needs to be strengthened and not weakened.

#### 30. One recruit, one salary – Agnipath Scheme

Source: The post is based on the article "One recruit, one salary" published in "Business Standard" on 1st July 2022.

**Syllabus**: GS2 – Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Relevance**: To understand the issues surrounding Agnipath Scheme.

**News**: Recently, the government of India introduced a new recruitment scheme for the armed forces, <u>Agnipath</u>.

#### Must read: Agnipath Scheme: Need, Benefits and Challenges - Explained, pointwise

What are the advantages of Agnipath Scheme?

From the 10th year onwards, Agnipath will yield 31,250 soldiers each year (25 per cent of 125,000) for extended service tenures.

The Agniveers will form a distinct rank in the military, different from any other existing ranks. The rank and file would be younger, fitter, more mentally robust and more technologically savvy, with the average age dropping from the current 32 years to a youthful 27.

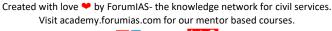
To ease his transition into civilian life, the defence ministry will give each Agniveer a "Seva Nidhi" package at the end of the four-year engagement, amounting to a tax-free Rs 11-12 lakh.

# Must read: How can Agnipath be made more attractive? Recommendations from 2 former army leaders

What are the challenges associated with the Agnipath scheme?

The Agnipath Yojana should not be implemented at the cost of a unit's combat effectiveness.

India, which is operationally committed around the year on two-and-a-half fronts — China, Pakistan and in Jammu & Kashmir — treating soldiers equally has always been a basic principle

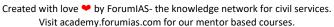




of combat leadership. The way human relationships will play out between the Agniveers and the existing full-time soldiers will create some challenges.

Every country that has implemented major military personnel and manpower reforms has done so with great deliberation and awareness of the high cost of failure. The scheme is announced even without a small-scale pilot project to validate the key assumptions and beliefs.

Read more: Education Ministry to recognize in-service training received by Agniveers as credits for graduation

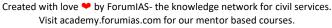


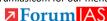


# General

# Studies

Paper – 3





#### 1. Aerial boon for farming

Source: The post is based on the article "Aerial boon for farming" published in "Business Standard" on 27th June 2022.

**Syllabus**: GS3 – Technology missions in Agriculture.

**Relevance**: To understand the benefits of drones in Agriculture.

**News**: Within a year after the government liberalised the drone policy, the farm sector has become the biggest user of these multi-utility flying robots. The country's agricultural drone market is projected to grow at a robust annual rate of over 25% in the next five to six years.

What is the reason for increasing drone usage in Agriculture?

a) Shortage of farm labour in agriculturally progressive regions is contributing to growth in drones' demand, b) Reduced cost in hiring drones: The cost of hiring drone service is expected to fall (to Rs 350-450 per acre) as the scale of its use increases for common services, such as applying plant protection chemicals or crop nutrients. This is far lower than that of getting the same work done manually or with conventional machines.

#### Other contributory factors

- **a) Government support**: The government support the use of drone through various acts such as a slew of financial and other kinds of incentives, a production-<u>linked incentive (PLI) scheme for the drone sector</u> and conducting "Bharat Drone Mahotsava 2022". Further, inclusive drone development is one of the four priorities of the government,
- **b)** Increased flow of private investment into the UAVs sector, **c)** Numerous enterprises, ranging from start-ups to well-established auto companies, have come forward to manufacture and set up facilities to provide custom-hiring services to farmers, **d) Drone exports**: Many drone makers got export orders from Japan and other Asian and Gulf countries.
- **e) Skill training**: The civil aviation ministry expects that around 100,000 skilled drone pilots may be urgently required to operate these unmanned aerial vehicles. The minimum education qualification has been reduced to passing class 12 to facilitate a greater enrolment of the rural youth for this purpose.

Thus, India seems to have the potential to become the global leader in manufacturing and utilising UAVs and reduce the Chinese dominance in the global bazaar for drones.

Read more: <u>Drone Imports Ban and Boosting Indigenous Drone Manufacturing - Explained, pointwise</u>

How drones are used in Agriculture?

**Firstly**, Drones are employed in agriculture for a variety of purposes such as estimating the planted area and likely production, assessing crop damage by pests and diseases, and digitising land records, apart from their most common use for spraying pesticides and plant nutrients.

**Secondly**, The use of drones in the farm sector is unlikely to remain confined to a few broad areas, such as spraying, surveying, mapping, and surveillance.

**Thirdly**, Specially designed sensors equipped with artificial intelligence tools can enable drones to distinguish between healthy and diseased or pest-infested plants for better targeting of pesticides and other plant-protection chemicals.





**Fourthly**, large drones can be used to transport farm produce, especially perishable items like vegetables, fruit, meat, and fish, to markets directly from farms in the least possible time and with minimum damage to the stuff.

Read more: 'Kisan drones' will help in the development of agriculture sector. Analyse the initiatives of government for the promotion of drone use

All this could enable farmers to fetch higher prices due to the better quality and freshness of their produce. Drones, if used prudently, can prove to be a major game-changer for the farm sector.

#### 2. Bringing MSMEs into global value chains

Source: The post is based on an article "Bringing MSMEs into global value chains" published in the "The Hindu" on 27th June 2022.

Syllabus: GS Paper 3, Indian Economy; Issues and Challenge sin mobilization of resources, growth and development in India

Relevance: MSMEs sector

**News**: Recently, World MSME Day was celebrated on June 27 for giving attention to the MSMEs. Just like any other large businesses in India, they have also contributed to growth and achievements.

#### About the micro-small and medium enterprises (MSME)

MSMEs are **privately owned enterprises** with less than Rs. 50crore in investments in plant and machinery and turnover below Rs. 250 crore.

#### Importance of MSMEs

They are the backbone of the Indian economy. For example, it accounts for over 99% of businesses in India.

They have given valuable contributions to job creation and sustainable development across the world. For example, MSMEs are the largest employer in India outside of agriculture, validated by the fact that MSMEs employ over 11.1 crore people or 45% of all workers.

#### What are the challenges in the functioning of the MSMEs?

These businesses are the ones that have faced the harshest of environments over the last few years.

- (1) The Pandemic-induced disruptions severely impacted MSMEs. They have faced a lack of access to resources
- (2) Due to war, they are facing supply shocks and soaring fuel, food, and fertilizer prices.
- (3) Further, the ongoing climate crisis is going to become the **greatest disruption** multiplier of all.
- (4) Most MSMEs do not meet today's standards on productivity, environmental sustainability, health and safety of workers.





- (5) There is a high degree of informality, with many enterprises unregistered, and both employers and workers lack awareness of and commitment to comply with labour and environmental laws.
- (6) The informal enterprises cannot access formal MSME support and financing nor participate in **global value chains** that require full compliance with all applicable regulations.

The economic landscape is changing due to **digitalisation**, greening, and the reorganisation of value chains.

- (1) Digitalisation concerns the integration of digital technologies, such as big data, artificial intelligence, and virtual reality, in business processes, also known as Industry 4.0.
- (2) "Greening" requires **cleantech innovation** and **entrepreneurship** to accelerate the transition to a circular and low carbon economy.
- (3) To increase the resilience of supply in response to recent shocks, and other reasons like shift in the production locations in the global value chains across countries and regions.

#### Measures Taken by the Government and other agencies

The government has launched **the Atma Nirbhar Bharat** (self-reliant India) and has identified the development of the MSME ecosystem as a top priority for achieving this.

India's ambitious "Make in India" campaign wants to make India a global manufacturing hub.

The production-linked incentives (PLI) schemes and the recently launched zero effect zero **defect (ZED) certification** are helping to promote and boost the MSMEs sector.

The UN system in India is supporting these and other MSME development initiatives at the local, state, and national levels.

The government initiatives such as the **Digital Saksham** and the interlinking of the Udyam, e-Shram, National Career Service (NCS), and Atmanirbhar Skilled Employee-Employer Mapping (ASEEM) portals aim to promote digitalisation in the MSMEs.

At present, together, the Bureau of Energy Efficiency (BEE), and UNIDAO provide energy efficiency advisory services to various MSMEs in different sectors of the MSMEs.

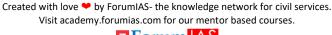
ILO, together with the Federation of Indian Chambers of Commerce & Industry (FICCI) and corporates, are supporting MSMEs in creating and retaining jobs

The Start and Improve Your Business program is helping over a lakh young people across five States launch enterprises.

#### The Way Forward

To leverage the demographic dividend, India needs to create many jobs, especially for the one million young people entering the labor market every month.

The policymakers should work on creating an environment to fully unlock emerging opportunities in the rapidly changing global value chain ecosystem and maximize the demographic dividend





MSME owners should commit to **formalize** their businesses, investing in improved productivity, compliance, and most of all, decent work and jobs for India's aspiring youth.

### 3. The art and science of managing inflation

Source: The post is based on the article "The art and science of managing inflation" published in the Business Standard on 28<sup>th</sup> June 2022.

**Syllabus**: GS 3 Indian Economy; Issues and Challenges Pertaining to Growth and Development; Planning and Mobilization of resources

**Relevance**: Monetary Policy; inflation Targeting

**News**: In recent weeks, the conduct of monetary policy in India has been severely criticized by economists.

#### **About the Monetary Policy Committee**

The primary objective of the Monetary policy Committee is its **flexible inflation-targeting** mandate.

# What have been the lacunas in MPC policies?

One, there has been an unnecessary delay in changing priorities from supporting growth to controlling inflation.

**Two,** in addition to balancing the **inflation-growth trade-off**, the MPC policy has been pursuing multiple objectives. Therefore, it resulted in the loss of focus on the primary objective, leading to **persistently high inflation**.

#### What are the underlying challenges in the conduct of monetary policy?

**First,** on **inflation targeting**. Monetary policy is always based on forecasts. The consumer price index inflation forecast moved lower from 4.9% in the September 2021 round to 4.7% in January 2022. However, when the **geo-economic impacts** of the Ukraine crisis on commodities and **energy prices** were factored into, it resulted, the inflation forecast jumped to 5.2 percent. Thus, there is an uncertainty in inflation targeting.

**The second** concern is the **fiscal dominance** of monetary policy. The transmission of monetary policy signals into the spectrum of interest rates is varied, with each rate having different behavioral, regulatory, and structural causes for the changes as well as functional impacts.

A third concern is whether RBI's "management" of the rupee has been distracting from the primary objective of price stability.

In reality, at present, India is facing an episode of the **open economy impossible trinity**. For example, there is a global spill-over effect of G-10 central bank actions. It definitely requires **foreign exchange intervention.** 

#### What should be the priority areas of the monetary policy?

#### (1) Conventional Focus





Globally, the role of monetary policy has been to fix the policy rate in order to ensure **macroeconomic stability**. Further, the rest of the yield curve was allowed to be moved based on **market** and **economic conditions**. In fact, the monetary policy was not involved in an attempt to control the slope and curvature.

## (2) Focus areas at present

Since the **global financial crisis**, the **conventional framework** has been mostly abandoned. Now, **monetary policy** works through various instruments like quantitative easing, yield curve control, etc. to change the structure of the yield curve.

In India too, the RBI had deployed programs like targeted **long-term repo operations**, **G-sec Acquisition Programme** over and beyond normal **open market operations** to influence the **yield curve** at selected maturities, during the pandemic phase.

4. <u>Sushil Kumar Modi writes: The online marketplace is skewed in favour of big players and</u> hurts small businesses and consumers

Source: The post is based on the article "Sushil Kumar Modi writes: The online marketplace is skewed in favour of big players and hurts small businesses and consumers" published in "Indian Express" on 28<sup>th</sup> June 2022.

**Syllabus**: GS 3 – changes in industrial policy and their effects on industrial growth.

**Relevance**: To understand the issues surrounding the online marketplace.

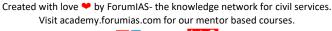
**News**: The proliferation of a wide range of e-commerce platforms has created convenience and increased consumer choice. But, the online aggregator platforms have damaged large segments of small and medium businesses and favour the domination of a few big platforms. Across the world, small businesses are suffering from the unethical practices and unequal bargaining power of these large platforms

How do big players hurt small businesses and consumers in the online marketplace? For consumers

**a)** Big platforms resort to predatory pricing to acquire customers even as they suffer persistent financial losses, **b)** The cashback and deep discounts offered by big players have turned out to be a forerunner to customer addiction, **c)** Big players take away choice from suppliers and consumers. This, in the long run, can be viewed as an exclusionary practice that eliminates other players from the market, **d)** Using customer data: While using these platforms, citizens share their data voluntarily and involuntarily. The aggregators gather shopping habits, consumer preferences, and other personal data.

#### For small businesses

a) A few select sellers, who are generally affiliated with the e-market platforms, reap the benefits of greater visibility and better terms of trade. Further, they also have complete control over customer reviews and ratings on the platform; manipulation and arbitrary removal have also been reported, b) Online travel aggregators are often accused of cartelisation. For example, the Competition Commission of India's investigation in the OYO-MakeMyTrip collusion case, c) Lack of a fair and transparent dispute resolution mechanism for sellers on e-commerce platforms.





**d)** Unreasonable and one-sided contracts allow travel aggregators to have a disparity clause (in the rates). This allows them to offer rooms at a much cheaper rate but bars the hotels from doing so. Restaurants are many a time forced to accept orders at prices much lower than their agreement. The same goes for Taxis attached to aggregators like Ola and Uber also.

What should be done to protect the online marketplace?

- 1) A set of comprehensive rules and regulations should be put together. These regulations need to be inclusive, should eliminate the conflicts of interest inherent in current market practices, and prevent any anti-competitive practices.
- 2) A model agreement that is fair and allows a level playing field between the aggregators and their business partners should be implemented. For instance, the <u>Digital Markets Act of the EU</u>.
- 3) Strong and quick grievance redressal and dispute resolution mechanisms should be established. The rules should allow for punitive penalties for unfair practices.
- **4)** Market dominance and subsequent invoking of fair competition rules should be triggered at the level of micro-markets and for product segments.

#### 5. Go beyond supply curbs to squeeze plastic waste

**Source**: The post is based on the article "**Go beyond supply curbs to squeeze plastic waste**" published in the Live Mint on 28<sup>th</sup> June 2022.

**Syllabus**: GS 3 – Ecology and Environment

Relevance: Plastic Pollution

**News:** India's **Central Pollution Control Board (CPCB)** is set to prohibit the manufacture, import, stocking, distribution and sale of single-use items w.e.f. 1 July, 2022.

#### What are the problems with plastic?

The plastic waste disposal has led to **large-scale invasion** in the natural environment. The entire ecosystems are at threat of being choked by the plastic materials that refuse to blend back into nature. For example, **marine species** are being killed by microplastics.

As per the studies of **the United Nations Environmental Programme (UNEP)**, there is a **plastic output** of 400 million tonnes per year. About 12% of it was burnt and only 9% recycled.

India is among the **top three generators** of plastic waste, along with China and the US.

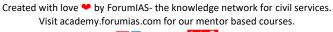
India's informal sector is very big. Therefore, it registers a patchy record on compliance.

#### What makes plastic so important?

The plastic is very **cheap** and **affordable**. It has succeeded because there is an **economy of scale** in its production.

#### What should be done?

There should be emphasis on **recycling** because at present it is difficult to fully phase out the plastic as, there is an absence of substitute. In addition, the government has been organizing events like a **"hackathon**" to solve the problem of substitution.





The curb on supply should go hand-in-hand with **demand compression**. Otherwise, it may adversely affect outcomes.

There is a need for a **broad attitudinal shift** to play a major role. This can be done through campaigns.

Globally, the UNEP has launched the "**Plastic is forever**" initiative. It indicates, the plastic does not decompose.

#### 6. Market reality is catching up to the tech startup ecosystem

Source: The post is based on an article "Market reality is catching up to the tech startup ecosystem" published in the Indian Express on 28th June 2022.

**Syllabus**: GS 3 Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development, and Employment.

Relevance: Start-up Ecosystem

**News**: In recent years, India has been witnessing the growth of the **start-up ecosystem** which has been in overdrive for the past few years.

#### What are the factors that have led to growth in the start-ups in India?

On the **supply side**, the start-ups were able to find **cheap money**, and they also benefitted from **negative real interest rates**.

On the **demand side**, the start-ups were supported by the strength of the Indian consumer, and the economy. India has been witnessing an accelerated **financial inclusion** (bank accounts) and identification became easy in India through **Aadhaar**. Connectivity also increased through **mobile phones**.

#### What are the challenges?

In recent times, the start-ups that have gone public, are facing losses. For example, **Paytm's**, **Zomato** and **PB Fintech** (**Policy Bazaar**) have registered losses.

The era of **cheap money** is now showing signs of weakness in India. The investors from **early-stage venture capitalists** to **institutional** and **retail investors**, are likely to be more cautious in their dealings. For example, **Alibaba** and **Ant Financial** exited their entire holdings in Paytm Mall. The start-ups ranging from Ola to OYO, are planning to raise funds at lower valuations.

Due to high no. of the smartphone users in India, the **transactions** routed through the **UPI platform** was high, and there is near **universality of bank accounts**. But in reality, there are not many consumers with significant **discretionary spending capacity**, and those with the capacity aren't increasing their spending as these companies would hope. For example, in 2021-22, Zomato received around 11 orders per customer for the entire year or less than one order per customer per month.

Another worrying factor is the **complete absence** of any increase in spending by the consumers who are already on these platforms. For example, Zomato, in 2020-21 registered an average order value of Rs 397 and in 2021-22 the average order value was Rs 398.





#### What should be done?

There is a need for **tighter financial conditions**, and **a re-rating of the market**, both of which will impact both fundraising efforts and valuations.

There is a requirement to **answer questio**ns like to what extent will investors continue to subsidise consumers? Will startups still command the same valuations they have received in previous fundraising rounds? Or will we see down rounds?

#### 7. 5G technology will soon be here. India must prepare

Source: The post is based on the article "5G technology will soon be here. India must prepare" published in "Indian Express" on 29th June 2022.

**Syllabus**: GS 3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance**: To understand the importance of optic fibre manufacturing.

**News**: With over 117 crore telecom users and more than 82 crore internet subscribers, India is one of the fastest-growing markets for digital consumers. Top smartphone manufacturers in India have already released phones with 5G capability. Now it is time for the government to improve digital infrastructure, especially optic fibre manufacturing to facilitate smoother implementation of 5G technology.

Why does India needs to focus on digital infrastructure?

A 2019 Mckinsey study rated India as the second-fastest digitising economy. Digital infrastructure seamlessly integrates with physical and traditional infrastructure. Networking equipment that relies on optical fibre and other semiconductor-based device ecosystems are at the heart of building the 5G infrastructure.

The government has taken several measures to build the next generation of digital infrastructure. But the success of initiatives such as **Bharatnet Phase III** and the world's largest rural broadband project face challenges due to the non-deployment of high-quality fibres. For instance, a little more than 30% of mobile towers have fibre connectivity; this needs to be scaled up to at least 80%.

#### Must read: 5G Impact: Traffic To Teaching, Factories To Farming

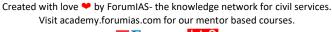
The status of optic fibre manufacturing in India

In the last 10 years, domestic manufacturers invested more than Rs 5,000 crore in this industry. The industry has generated direct and indirect employment for around 4 lakh individuals.

India's annual optic fibre manufacturing capacity is around 100 million fibre km (fkm) and the domestic consumption is around 46 million fkm. India is also exporting optical fibre to over 132 countries.

Indian optical fibre cable consumption is predicted to increase to 33 million fkm by 2026 from 17 million fkm in 2021.

Read more: 5G technology in India - importance, challenges and solutions





What should be done to revive optic fibre manufacturing?

**Tackle cheaper imports**: Countries such as China, Indonesia and South Korea are dumping their products in India at rates lower than the market price.

The government must impose anti-dumping duties to protect the domestic industry. Directorate General of Trade Remedies has recently begun investigations against optical fibre imports.

**Enhance digital infrastructure**: India needs to invest in R&D, offer production-linked incentive schemes to support indigenous high-tech manufacturing and develop intellectual property in critical aspects of digital connectivity.

The need of the hour is to unlock the full potential of India's optical fibre industry and enable India to emerge as a major manufacturing and technology hub while achieving atmanirbharta in its 5G journey.

# 8. India's economic constraints and an energy holdback to be eased

Source: The post is based on an article "India's economic constraints and an energy holdback to be eased" published in the Live Mint on 29th June 2022.

**Syllabus**: GS 3 Infrastructure; Energy Sector

Relevance: Energy Sector

News: The Indian economy is under pressure due to high global oil prices. In the current fiscal year, India may witness a balance of payments deficit. However, at present, the problem of deficit can be tackled with large buffer of foreign exchange reserves with the Indian central bank.

#### What are the issues ahead?

- 1) High volatility in the global oil prices,
- 2) Slower global economic growth,
- 3) International investors showing uncertainty due to the ongoing monetary tightening by many central banks and
- 4) Volatile geopolitical situation

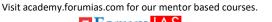
#### What are the lessons in the ongoing episode of turmoil in the global market for crude oil?

India is structurally deficient in energy. So, it needs to generate foreign exchange from the rest of the world to pay for its energy imports. It can be done either through exports or capital inflows.

In January 2019, Vijay Kelkar had pointed out that the growth strategy followed by any country depends on empirically identifying important structural constraints to growth. Then the policies should be designed to ease those constraints. India in the past identified following structural constraints.

#### History of India's four earlier structural constraints addressed by the government

1) The savings constraint: India faced the growth challenge as India had a very low savings rate in the years after independence, of around 9.5% of GDP. India undertook bank nationalization Created with love ♥ by ForumIAS- the knowledge network for civil services.





in 1969. Thereafter, India's savings rate went up by more than 5 percentage points within a decade.

- **2)** The food constraint: India faced shortage of food in the 1950s and 1960s. We were dependent on food imports from the US. It risked India's independent foreign policy. Therefore, India steered the **Green Revolution** at the end of the 1960s. It helped India break the food constraint.
- 3) The foreign exchange constraint: India had 'scarce' 'foreign exchange'. India was hit by periodic balance of payments crises till 1991. Thereafter, India opened up the economy in 1991. It broke India's foreign exchange constraint, both through greater trade with the world as well as capital inflows into the economy.
- **4)** The home market constraint: Earlier, it was said in the 1970s, that India's domestic market was not big enough to absorb industrial goods that were being produced by local manufacturers. It was because of **low average incomes** as well as **unequal distribution of income**. The economic growth raised the income level, **higher support prices** were given to farm produce which built the rural market and the international market was also recognized after 1991.

#### **Way Forward**

At present India is facing another structural problem of **the energy constraint**. Similar to above policy measures, the government can solve the issues through **green transition** because India is better endowed with sunshine and other renewable sources than crude oil.

India needs to be part of **emerging global supply chains** for the provision of new forms of energy in the coming decade.

#### 9. Agnipath is part of a larger process of defence reform and modernisation

Source: The post is based on an article "Agnipath is part of a larger process of defence reform and modernisation" published in the Indian Express on 29th June 2022.

Syllabus: GS 3 Internal and External Security of India; Various security forces and their mandate

Relevance: Defence Reforms

**News**: Recently, the government has launched the **Agniveer recruitment reform** in the context of defence reforms.

Recently other reforms have also taken place. For example; the Chief of Defence Staff (CDS) has been appointed. In addition, there has been pursuit for reorganisation of the armed forces into **theatre commands** to promote jointness and synergy.

#### **History of Defence Reforms**

Since the **Peace of Westphalia** in 1648 till the end of the First World War in 1918, there has been a notion that a **general mobilisation** for war culminates in a **full-scale conflict.** This mobilisation was not considered as a peaceful act. It represented the most decisive act of war. For example, the Austria-Hungary and Germany mobilised the army soon after the assassination of **Archduke Franz Ferdinand** which culminated into the commencement of the World War I.





In the **Second World War**, the **alliance system** and **mobilisation system** became important aspects of warfare. These systems were carried forward into the Cold War till the collapse of the Soviet Union in 1991. This system warranted a **mass concentration of heavy armour** which necessitated the deployment of large conventional armies.

In post-world war period, the **modern warfare** based on **modern technology** overtook the traditional method of determining **casus belli** of war.

The mutually assured destruction (MAD) doctrine came into the dynamic of war due to the entry of nuclear weapons into the warfare.

In the 1970s, the **US defence experts** and the **Soviet military theorists** started rethinking that the **landscape of warfare** would rapidly transform in the future, due to **military-technical revolutions** in computing, communications, space know-how, and transformative changes.

In addition to the methods of warfare, there has been a rise of **transnational non-state actors**. This has led to evolution of the nature of conflict and warfare.

In addition, in the mid-1990s, **China** also commenced a **fundamental restructuring** of its **force**. It tried to prepare its military for **modern war**. It ramped up **defence spending** on new weaponry. It enhanced anti-access area denial tactics, and establishing programmes to boost the Chinese defence industry etc. It also restructured **command structures** to develop **an integrated fighting force**. In the mid-70s, the Chinese army was shrunk from approximately 3mn to around 9,75,000 and the **higher defence management paradigm** was reorganised into **theatre commands** by February 2016.

#### India's Defence reforms

India started seriously thinking of reforming and modernising its defence forces and command and control structures in the wake of the Kargil War in 1999.

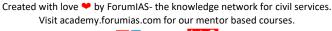
**The Kargil Review Committee (KRC)** recommended reforms in the **recruitment practices** of the armed forces. It stated, "the Army must be young and fit at all times. Therefore, the period of colour service should be reduced from the present practice of 17 years to **seven to ten years**".

In 2000, a **Group of Ministers (GOM)** endorsed the **KRC's recommendation** that there is a need to ensure a younger profile of the services to ensure that the armed forces are at their fighting best at all times.

#### The Way Forward

The future of warfare entails a **lighter human footprint**. However, it should be kept in mind that soldiers must be equipped with **state-of-the-art weaponry**, **cutting-edge technology** and a **highly informationised environment**.

The proposed recruitment reform in India would help in **right sizing** the armed forces provided in the future, there are going to be imperatives of **fifth generation warfare**.





#### 10. Full privatization of PSBs: Our bank privatization agenda demands clarity

Source: The post is based on the article "Our bank privatization agenda demands clarity" published in "Livemint" on 30<sup>th</sup> June 2022.

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

**Relevance**: To understand full privatization of PSBs and its issues.

**News**: According to media reports, investment banks and other likely investors have recently asked the government to fully withdraw the Centre's share from PSBs for facilitating a better disinvestment process and value discovery. This raised debate on the privatization of state-owned banks once again.

#### Must read: Privatization of PSBs - Explained, Pointwise

What are the advantages of full privatization of PSBs?

1) Improve capital allocation efficiency and overall productivity by an order of magnitude, 2) Will take care of PSB networks, outdated systems and stifling bureaucracy, 3) Might avoid poor decision-making by providing better incentives.

Other benefits of privatization of PSBs include reduction of public sector dominance of the banking sector and promotion of allocative efficiency.

#### Must read: Privatization in India and related issues | Timeline

What is the legal challenge to the full privatization of PSBs?

But that faces a legislative challenge. Because **Section 3(2B)(c)** of The Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 requires the government to hold at least 51% of a PSB's paid-up capital at all times. The government will have to amend this Act if it wants to sell all its equity.

**Other challenges**: Formalization of credit, financial inclusion and providing the Centre and states with transaction processing platforms for the delivery of direct benefits to underserved Indians will take a huge hit.

#### Read more: Hope fades for PSBs

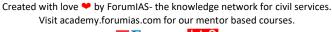
What should be done?

**End dual governance**: The government has to end its twin-track governance model for PSBs, with the regulator always second-guessing the dominant shareholder's next move.

For example, while the Reserve Bank of India (RBI) must approve the appointment of private bank CEOs, the government's choice of chief executives is binding on RBI.

**Improve governance**: The Centre's tussle with PSB boards gives rise to various forms of rentseeking and thereby creating a problem of bad loans. The government should focus on improving PSBs standards of governance, rather than simply trying to offload them via bulk stake sales.

These will foster a viable financial sector with both PSBs and Private sector banks to support the Indian economy.





#### 11. Goods and Services Tax at five: The new regime's journey so far

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

"Goods and Services Tax at five: The new regime's journey so far" published in "Livemint" on 30th June 2022.

"Next stage for GST" published in "Business Standard" on 30th June 2022.

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

**Relevance**: To understand the achievements of the GST Regime in the past 5 years.

**News**: The Goods and Services Tax (GST) has completed its 5th year since its inception on 1 July 2017. Recently, The 47th meeting of the GST Council has also taken place.

What is the reason for introducing GST?

**Firstly**, The GST replaced 17 central and state taxes and 13 cesses, eliminating the **cascading impact of indirect taxation** and laying the foundation for a common national market.

**Secondly**, Indirect tax regime was **based on origin and was inefficient**. This resulted in high costs accruing to the economy.

**Thirdly**, Many **industries were uncompetitive** under the old tax regime, and it altered choices of factory or warehouse location that should be determined by purely business considerations.

**Fourthly**, As per an estimate by the Federation of Indian Chambers of Commerce & Industry (Ficci), the **overall tax burden on goods** ranged between 25% and 30% prior to GST.

#### Read more: The Supreme Court's Judgment on GST - Explained, pointwise

What is the reason for multiple tax slabs under GST?

GST Council considered two essential factors before arriving at a 5-tier rate structure.

1) **Principle of equivalence**: All items have been fit into rate slots nearest to the prevailing aggregate duty rates of all indirect taxes, 2) **Safeguard the poor from inflationary pressure**: Items with 60% weight in the Consumer Price Index (CPI) were exempted from GST, while another 15% were subject to just a 5% levy.

What is the status of GST in past five years?

- -The proportion of the taxable value of goods and services covered under the lowest bracket of the 'nil' tax rate has gone up from 9% in 2017-18 to nearly 17% in 2019-20.
- -Further, things that are in the highest GST bracket of 28% are estimated to have been brought down from 12% to 7.6% in 2019-20. Consequently, the effective GST rate had come down from 14.4% at inception to 11.6% in 2019.
- -The GST-to-GDP ratio went up from 5.8% in 2020-21 to 6.4% in 2021-22, reflecting improved compliance (but not at the expected level).
- -To **promote MSMEs**, the government has enhanced threshold exemptions from GST registration, quarterly filing of GST returns for taxpayers with an annual turnover of ₹5 crore, and a composition levy scheme, among others.





-Overall, in the five years (2017-18 to 2021-22) since the introduction of GST, the overall resource growth for states was 14.8% per annum, versus an annual average growth rate of 9% between 2012 and 2015.

## Must read: Analysis of GST regime in India - Explained, Pointwise

What are the things in progress for GST Regime?

**Firstly**, A vast number of exemptions for products means that there is no input tax credit to claim by many taxpayers; it also means a smaller tax base, forcing a few items to bear the burden of offsetting the exemptions given to a large number.

**Secondly**, the GST system has been grappling with structural issues, such as multiplicity of rates and difficulty in enforcing compliance.

**Thirdly**, Rate rationalisation is important as the current overall rate is not revenue neutral compared to the taxes subsumed in the GST, which has been one of the biggest reasons for revenue underperformance.

**Fourthly**, The government has already extended the collection of compensation cess. If extended further, the Council would have to decide the growth rate at which the states will be compensated.

What are the updates on the recommendations of the four working groups? The GST Council had constituted four groups of ministers to look into different issues.

- **a)** The Council accepted the report submitted by the group of ministers (GoM) headed by the Karnataka Chief Minister on exemptions and correction of the inverted duty structure.
- **b)** The Council also accepted the recommendations of the GoM headed by the Maharashtra Deputy Chief Minister on strengthening the GST system. The group, among other things, advocated better tracking of high-risk taxpayers.
- c) The GoM headed by Meghalaya Chief Minister, which looked into areas such as online gaming, casinos, and horse racing has been asked to reconsider the concerns raised by some states.

What is the future of the GST Regime?

**Utilise the data collected**: GST regime has rich data. This can offer very useful and penetrating insights into the health of the economy and trends in economic activity from a cyclical perspective.

**Revenue-neutral rate**: Moving to the revenue-neutral rate with fewer slabs would help boost revenue for both Centre and states.

Thus, GST would make an ongoing contribution to sound public finances, but also sound policymaking by the Union and state governments,





#### 12. A direct approach to conservation

Source: The post is based on the article "A direct approach to conservation" published in The **Hindu** on 30<sup>th</sup> June 2022.

**Syllabus**: GS 3 Environment and Ecology

**Relevance**: The Payment for Ecosystem Services

**News**: It has been found that India has not been able to mobilise private and public finance through Payments for Ecosystem Services (PES). This could have helped India achieve the 2030 agenda for sustainable development and the Paris Agreement on climate change.

What are the biodiversity finance measures that can enable biodiversity protection and sustainable use?

There are incentives like biodiversity-relevant taxes, fees, levies, tradeable permits, and Payments for Ecosystem Services (PES).

There has been governmental support and political will to mobilize finance through pesticide levies, admission fees to natural parks, hunting and fishing permit fees, and the trade-in energysaving certificates.

#### **About the PES**

It works through the establishment of **performance contracts**. People who can help provide the desired ecosystem service are rewarded based on their actions, or the quantity and quality of the services themselves.

It incentivizes local people to manage threatened ecosystems. It helps in the achievement of Sustainable Development Goals through conservation as well as poverty alleviation

# What are the issues in biodiversity financing in India?

The government has not been able to promote monetisation of environmental benefits or the Payments for Ecosystem Services (PES). PES is a pivotal economic instrument that can be used for conservation and increasing ecosystem services.

The PES has not achieved much attention either in the research or policy mandate in the Indian subcontinent.

However, it has seen successful implementation in Latin American and African countries. For example,

- (1) In the Western Cape, South Africa, the Cape Nature Stewardship Program protects biodiversity on private lands.
- (2) Kenya's Wildlife Conservation Lease Programme, maintains open areas for wildlife and grazing on personal grounds.
- (3) In terms of raising money, PES programs such as Costa Rica's Pago Por Servicios and **Ecuador's Socio Bosque** were among the few to mobilize significant finances.

Why have such economic incentives for ecological restoration not received academic, research, and policy prioritisation?





There is an absence of a **solid institutional mechanism** that ensures simultaneous transfer of funds from buyers to suppliers, investment in local capacity building, cost efficiency, the scope for development benefits, and maintaining the sustainability of funds.

However, the PES mechanism is yet to be implemented or even tested for efficacy.

#### What should be done?

A local monitoring mechanism is key to successfully implementing a PES program. For example, there have been successful local institutional mechanisms for PES implementation in the **Kodagu district of Karnataka**, where native trees were restored in the coffee plantations.

The **OECD highlighted** that the studies should be conducted to the evaluation of the impact of the PES Programs as the **financial instruments** for biodiversity conservation.

The **TEEB India Initiative** can play a role in highlighting the economic consequences of the loss of biological diversity. Thus, would help prioritize ecosystem restoration financing through a direct approach.

The environmental economist or stakeholders should build a successful PES program. It will automatically overcome the impediments to implementation.

# 13. Phased ban on plastics is welcome. Challenge will lie in enforcement, bringing in viable substitutes

Source: The post is based on the article "Phased ban on plastics is welcome. Challenge will lie in enforcement, bringing in viable substitutes" published in the Indian Express on 30th June 2022.

Syllabus: GS 3 Ecology and Environment

**Relevance**: Plastic Pollution

**News**: The government has introduced rules to ban plastic in India in a phased manner. Now, the ban on the manufacture and use of several common use-and-throw plastic products will come into effect from 01 July 2022.

#### New Plastic Ban rules (To be banned in a phased manner)

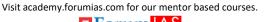
At present, the banning would apply to relatively low utility items. Like, plastic cutlery items, ice cream, and balloon sticks, sweet boxes, invitation cards, cigarette packs, PVC banners measuring under 100 microns, and earbuds are some of the items that will no longer be available.

Further, the prohibition will be extended to polythene bags under 120 microns in December 2022.

#### Some Success achieved by the state in a plastic ban so far

Some food vendors, takeaway restaurants, and grocery outfits have begun using biodegradable cutlery and cloth or paper bags.

The government claims that many plastic units are making the switch to using packaging alternatives such as cotton, jute, paper, and crop stubble waste.





#### What are the reasons for poor implementation?

Although, in the past five years, more than 20 states have put in place some form of regulation on plastic use. But their implementation has been patchy at best.

But the state pollution control boards and the municipalities which are mandated to enforce the plastic ban\ are poorly-staffed, feebly empowered, and cash-strapped.

#### What should be done?

#### **Enforcement**

The Environmental Ministry will set up the **control rooms** to monitor the ban on plastic items.

The government should raise awareness amongst people and take all stakeholders into confidence. For example, the success of Sikkim and Himachal Pradesh testifies to this.

#### **Plastic Substitution**

The innovations should be made to develop the alternatives sector, which can produce at a scale that will enable businesses all over the country to make the environment-friendly transition.

The 22,000 plastic manufacturing units in the country can work towards the alternative segment so that the environmental footprint of the packaging sector can be reduced to a considerable extent.

Industry experts say that the prices of a lot of the current plastic substitutes burden the retailer and the consumer.

The government should provide hand-hold to businesses, especially small outfits already strained by the economic fallout of the pandemic.

In the long run, it must join hands with industry bodies to facilitate R&D in viable plastic substitutes.

#### 14. Semiconductors: Heroes Of The New Digital World

Source: The post is based on an article "Semiconductors; Heroes of the New Digital World" published in The Times of India on 30th June 2022.

Syllabus: GS Paper 3, Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.

Relevance: Semiconductor Industry; and Semicon India Program.

News: The government has launched the Semicon India program to secure a semiconductor manufacturing ecosystem in India. It will make India self-reliant on key items such as semiconductors.

#### About the government initiative

It provides attractive fiscal and non-fiscal incentives for companies to set up production across the value chain.





#### Decoding chips:

A chip essentially comprises **electronic circuits** which are layered over a substrate made up of silicon.

All chips have a basic mandate, either to store, transmit or process data at optimal speeds. In addition, they can also be used to accommodate the requirements of the devices they fit into.

#### What are the processes in the making of Semiconductors Device?

The making involves a series of intense and complex processes. The making demands extreme precision and large capital investments.

# Fabless Phases (only design)

Semiconductor chips are first designed in R&D centres using specialized software-based Electronic Design and Automation tools.

# Foundry Phase (only fabrication)

The Graphic Design System files containing the design are then transferred to a **fab/foundry** to initiate the **manufacturing process**.

It involves the manufacturing of **electronic circuits** in a very specialized and highly controlled environment, possibly the cleanest places on earth.

Specific operations are performed on the silicon wafer over the course of 2-3 months.

#### Outsourced Semiconductor Assembly and Test (OSAT) Phase

At a later stage, the products are subjected to testing, packaging, and assembly through **Outsourced Semiconductor Assembly and Test (OSAT)** companies. It is labor-intensive and a less capital-intensive process in manufacturing.

# Why is it important for India to become self-reliant in semiconductors?

These are used in **memory chips**, **communication chips**, **logic chips**, and **sensor chips** in the today's digitally interconnected world,

It enabled schools, offices, and businesses to operate and remain functional, during the Covid pandemic when the whole world came to a standstill and the only way forward was digital.

It also powered the s**upercomputers** which enabled the rapid development of the Covid vaccine. Therefore, it has played an important role in the resumption of economic and social activities globally.

It is the core of **future technologies** like AI, blockchain, 5G technologies, Yuval Noah Harari's Homo Deus- a mix of flesh and silicon – in the near future.

India imported **\$54** billion of electronic goods in 2020. Most of the import was from China. The large-scale import dependence has a **negative impact** on India's **balance of payments**, forex, and strategic interests.





It forms the bedrock of all ICT equipment. The **indigenisation of the supply** chain has positive implications across sectors like telecom, defense, space, internet surveillance, power, automobile, etc.

In addition, there is a **large indigenous market** for semiconductors. For example, India's semiconductor consumption was \$20 billion in 2020, and it is growing at a CAGR of 15%.

# The Way Forward

The success of **Semicon India** is fundamental to **Make in India** and **Digital India**. It is key for India's integration into the global value chain.

# 15. <u>Growing reliance on MGNREGA in rural areas, elevated youth unemployment in urban areas, are worrying signals</u>

Source: This post is based on the article "Growing reliance on MGNREGA in rural areas, elevated youth unemployment in urban areas, are worrying signals" published in The Indian Express on 1st Jul 22.

**Syllabus**: GS3 – Issues related to growth and development

Relevance: Growing problem of unemployment in India, lack of jobs

**Context**: Employment scenario in India remains poor. This can be gauged by the data on work demanded and availed by households under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

Worrying MGNREGS data

**MGNREGS data**: Number of households seeking employment under MGNREGS has increased gradually.

	No of households availing work under MGNREGS
May 2022	2.61 Crore
May 2021	2.22 Crore
May 2019	2.10 Crore

What does the MGNREGS data indicate?

MGNREGS data points to few possibilities:

**First**, that not enough productive jobs are being created in rural areas — 21 states and Union territories observed an increase in households availing work under the scheme.

**Second,** that the jobs that are being created aren't remunerative enough, requiring households to supplement their incomes by working under the scheme. After all, inflation pinches the poor more.

**Third**, post the pandemic, households are trying to rebuild their emergency buffers.





What are some other indicators of lack of employment generation in India?

Protests against the Indian railways recruitment process, and against the government's Agnipath scheme for recruitment for the armed forces,

Pressures from various castes to expand the scope of reservation

Attempts by state governments to reserve jobs for locals.

All of these factors reflect the failure, under the watch of successive governments, to absorb the millions of low and semi-skilled workers, who are entering the labour force each year, and those who are stuck in the low productivity agricultural sector.

#### 16. Don't ignore the services sector

Source: The post is based on the article "Don't ignore the services sector" published in the Indian Express on 1st July 2022.

Syllabus: GS 3 Indian Economy

Relevance: External Sector

**News:** India aspires to become a \$5-trillion economy. It is predicated on the growth of its **international trade** to \$2 trillion by 2030 which is equally contributed by **the merchandise** and **services sector**.

#### About the Status of services and manufacturing sector

It comprises over 50% of the GDP, overriding the contribution of both agriculture and manufacturing.

The year 2021-22 was an astounding success as the **manufacturing** and **merchandise exports** had crossed the **\$400 billion rubicon**. The services exports had exceeded \$254 billion, which was an increase of over **20**% year-on-year.

India's merchandise and manufacturing import were **\$600 billion** versus our exports of over **\$400 billion**. In contrast, India Services exports were over **\$100 billion** more than its **service imports**.

Further, around 50% and more of services exports are contributed by IT-ITES. The rest is contributed from management, legal, accounting, logistics, travel and tourism, education, healthcare, etc.

#### What are the issues with the services sector?

The services sector does not receive the recognition and encouragement in the form of incentives, just like the manufacturing and the merchandise sector.

There is a perception that the service sector including IT sector has flourished due to **minimum** government intervention.

Further, the service sector as a whole does not require any hand holding support of the government.





#### Why does India need to focus on service exports?

This year, the deficit in **merchandise exports-imports** is widening with the impact of rising crude prices.

There is a huge imbalance in the incentives offered between the merchandise export segment vs service export. For example, the MEIS (Merchandise Exports Incentive Scheme) provided more incentives than the SEIS (Services Exports Incentive Scheme), even during the Covid restrictions.

These incentives serve to make businesses **internationally competitive** as well as recognise contributions made by service providers.

What should be done to improve the service sector?

Services sectors beyond IT require careful nurturing, especially **capex-intensive sectors** like hospitality, healthcare and education.

The government should aim to **quadruple services exports** over the next 7-8 years. There should be a **strategic road map** with the right sort of government intervention to achieve the goals.

The government should focus on all other sectors (other than IT) to bring exponential growth to the table. For example, consider **international tourism**.

In addition, the government should embark on a **crash programme** to **enhance infrastructure**. For example, PPP Models can be to build more airports and highways, to improve **physical connectivity**.

It requires **individual entrepreneurship** to increase the hospitality quotient by adding more hotel rooms.

The government should provide attractive incentives like **direct taxation** for green field projects in **the services sectors**, especially in the building of hotels, hospitals and universities.

The government can bring the scheme for the services sector on lines of the **Production Linked Incentives (PLI) scheme**, in areas like hospitality, education and health care. It will ensure **capex investment.** It will result in increased productivity and avenues for employment.

India as a major economy, India's reliance should be on multiple sectors including, manufacturing and services.

#### 17. About the ban on single-use plastics: Plastic Challenge

Source: The post is based on the article "Plastic Challenge" published in The Times of India on 30th June 2022.

**Syllabus:** GS 3 Environment and Ecology

Relevance: The Plastic Waste Management (Amendment) Rules, 2021.

**News:** The GoI notified the Plastic Waste Management (Amendment) Rules, 2021 in August last year. It prohibits **20 single-use plastic items** by 2022.





#### About the rules 2021

Various single-use plastic items will be banned from 1 July 2022, including ubiquitous plastic cutleries.

However, plastic carry bags having a thickness of less than 120 microns will be banned from the end of December.

#### Why is plastic a cause of concern?

The CPCB had estimated that India generates around 9,200 metric tonnes of plastic waste daily. This is most likely a gross underestimation.

Tonnes of plastic waste is dumped at landfills or out into the open oceans.

They disintegrate into tiny microplastics and find their way into marine life or terrestrial animals.

The microplastic eventually enters the **human food chain**, causing a lot of health problems

# Whether the nationwide single-use plastic ban beginning from today will be an effective counteraction?

The scope of the ban is too small. Even the current efforts are unlikely to succeed in a meaningful way.

The problem is that **alternatives** to everyday plastic items are far more expensive. For example, paper straws cost five times as much as plastic straws.

The single-use plastic ban is likely to hurt small vendors and manufacturers disproportionately.

At present, inflation levels are very high, therefore, the users might breach the ban.

What should be done?

The government should work with the plastic industry to foster innovation and boost the production of compostable plastics.

The GOI should support the creation of an entire waste management system around compostable plastics. It should start from labelling to setting up industrial composting units.

#### 18. GST: Five years stronger

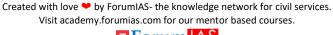
Source: The post is based on the article "Goods and Services Tax at five: The new regime's journey so far" published in "Indian Express" on 1st July 2022.

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

**Relevance**: To understand the achievements of the GST Regime in the past 5 years.

**News**: The Goods and Services Tax (GST) has completed its 5th year since its inception on 1 July 2017. Seventeen different laws were merged, and a single taxation system was brought in through the GST. It was first discussed in the report of the Kelkar Task Force on indirect taxes in 2003.

Must read: Goods and Services Tax at five: The new regime's journey so far





What are the challenges the GST regime had to tackle before it came into force? Several countries moved to the GST regime long before India did in 2017. But, the **mechanism** of the GST Council itself is unique to India. This is because,

- -The **quasi-federal nature of Indian polity** wherein both the Centre and the states enjoyed independent powers of taxation demanded a unique solution.
- -States of different sizes and at different stages of development with their **legacy tax systems** had to be brought together under the GST.
- -States were also at different stages in the use of technology for revenue collection.
- -The states never had the power to levy service taxes. States have been asking from the very beginning for the power to levy service tax, and not simply [get] a share of it. With GST that has been brought in.

For example, Half of state domestic product is services. GST is giving additional powers to the state in terms of service tax.

#### Must read: Analysis of GST regime in India - Explained, Pointwise

What is the performance of GST in past five years?

The GST Council has played a crucial role in forging a national consensus on key issues related to the tax regime — rates, exemptions, business processes and movement of input tax credit (ITC) etc.

Over 63.9 lakh taxpayers migrated into the GST in July 2017. This number has more than doubled to over 1.38 crore taxpayers as of June 2022.

Since the launch of the system, a total of 292 crore e-way bills have been generated of which 42% are for the interstate transport of goods.

Since its inception, the administration of GST continues to be IT-based and fully automated. The creation of GSTN, a professionally managed technology company to run the platform was a step in the right direction.

Most of the litigation on GST matters has centred around issues such as ITC, powers available to the GST officers on aspects of enforcement such as issuing of summons, arrest of persons and the attachment of property for recoveries. Recently, in **Mohit Minerals vs UoI case** the Supreme Court has not set aside or altered the fundamental features of GST.

#### Read more: The Supreme Court's Judgment on GST - Explained, pointwise

Overall, GST proved to be both consumer and assessee friendly. Indeed GST has made India a single market.





19. About NITI Aayog's report on Gig and Platform workers: Platform economy

Source: The post is based on the article "Platform economy" published in "Business Standard" on 1st July 2022.

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

**Relevance**: To understand the issues associated with Gig and Platform Economy.

News: NITI Aayog has recently released a new policy brief titled "India's Booming Gig and Platform Economy."

What is "India's Booming Gig and Platform Economy" Report?

Must read: India's Booming Gig and Platform Economy

What are the challenges associated with the NITI Aayog report?

**Issues with compensation and protections in work**: This is particularly for those dependent on large and well-financed platforms. If the size of the workforce expands as projected as such issues will only increase. The report does not stressed these issues.

Not easy to transform gig work into formal work: The report asked the contractors and workers in the gig economy to transfer to the employer/employee roles in the formal sector. But straitjacket fitting of gig workers to employer/employee roles designed for the formal sector will not be a good idea.

**Not easy to provide social security to gig workers**: According to the recent data from the Periodic Labour Force Survey (PLFS), more than half the salaried employees covered by the survey do not have any kind of security.

Considering this situation, mandating social security for those in the gig and platform economy is not feasible.

Read more: <u>Niti Aayog's report on India's gig economy</u>: what has the think-tank recommended?

What should be done to improve India's gig economy?

**Firstly**, Given the rapidly changing nature of the gig employment landscape, the issues associated with the gig and platform workers need more debate and discussion to discover a consensus.

**Secondly**, the impact on growth-creating platforms and gig contractors should also be closely scrutinised before new mandates or entitlements are implemented.

**Thirdly**, the government ensure that social security benefits are available to salaried employees first, as has long been the mandate, before extending it further.

Read more: Gig Workers and their challenges - Explained, pointwise





#### 20. The rupee's 'new lows': Why it's not necessarily a cause for concern

Source: The post is based on the article "The rupee's 'new lows': Why it's not necessarily a cause for concern" published in "Business Standard" on 2<sup>nd</sup> July 2022.

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

Relevance: To understand the positives of currency's fall.

**News**: The currency's fall gets more attention than its rise. At present, the Indian rupee is falling against the US dollar.

What is the status of the Rupee fall vis a vis other currencies?

The Finance Minister has recently pointed out that almost all currencies are falling against the dollar, and the rupee has fallen less than most. For instance, Rupee fell 6% in the first half of 2022. Compared to that, the euro has fallen by 11.6%, the yen by 19.2%, and the pound by 13.2%.

China's yuan has fallen less (3.6%), but the currencies of Australia, South Korea, and of course Pakistan have fallen more.

Actually, the rupee has **moved up against almost all currencies**.

#### Read more: RBI Report on Currency and Finance - Explained, pointwise

What is the long-term cause-and-effect relationship between country and currency? Many people tend to get wrong about the long-term cause-and-effect relationship between country and currency. The present government came into office in favour of a "strong currency" policy.

However, such policy ignores that almost every country with a successful long-term record of development (Japan and China being among the best examples) has pursued a "weak currency" policy in order to win export markets. In reality, A strengthening economy gets a strengthening currency, helped along by capital flows.

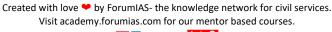
A weak economy, or one with high inflation, does not become strong if the country artificially boost its currency, or keeps it pegged too high. Such a policy would not be sustainable and would risk capital flowing out.

For example, At the stage of development, if a country can't compete on technology or product quality then the country can compete primarily on price. In such situations, a weak currency helps. Over time, as exports gain momentum and the economy achieves external viability, the currency reverses its decline.

How does India maintain its long-term cause-and-effect relationship between country and currency?

As for trade, over more than four decades (including the years of Nehru's atmanirbharta), **India kept the rupee over-valued**. So, while countries in East Asia boosted their trade, **India's share of the global trade total** collapsed by 80%– from about 2.5% in 1947 to about 0.5%.

India's trade and inflation record improved after its currency and other policies became more market-oriented in and after 1991. However, India yet has run a trade deficit in most years despite the rupee's continuous fall. This shows the reform done so far is not enough.





What should be done?

Reserve Bank to spend billions of dollars to boost the rupee is the wrong way. If India wants a stronger rupee, then India needs to do a better job of **managing the economy** such as **Inflation control**, **productivity improvement**, **etc**.

Recently, inflation rates are rising. It is natural that this loss in the rupee's domestic purchasing power should get reflected in a lower exchange rate. Change the performance metrics and the rupee will hold its own without the Reserve Bank having to intervene.

21. <u>India's ban on select single-use plastic items: A start but still a long way from blanket ban</u> **Source**: The post is based on the following articles

"India's ban on select single-use plastic items: A start but still a long way from blanket ban" published in "DTE" on 1st July 2022.

"Why The Plastic Ban Is Trapped In Polythene Bags" published in "The Times of India" on 1st July 2022.

**Syllabus**: GS 3 – Environmental pollution and degradation.

Relevance: To understand the challenges associated with Single-use plastic ban.

News: India's ban on select single-use plastic(SUPs) items comes into effect from July 1, 2022.

Does India impose a blanket ban on all single-use plastic items?

No, the Indian market will continue to sell a gamut of single-use plastic items like soft drinks and mineral water bottles, all products sold in multi-layered packaging, among others.

The Indian government has tried to identify a handful of problematic plastics, which are lowutility and have high littering potential, from the bucket of single-use plastic commodity list and give the industry a reasonable time to phase them out.

#### Must read: Ban on Single-Use Plastic - Explained, pointwise

What are the challenges associated with the present ban?

**Issue of providing alternative opportunities**: Millions of workers are involved in producing SUPs in thousands of factories. In the past, no attempts were made to rehabilitate them. Similarly, no plan has been put in place to support the industry, especially the MSME sector.

**Unprepared for the ban**: Consumers are not ready to sacrifice convenience. Most market surveys show that SUPs are widely sold, and alternatives are expensive or unavailable.

Seeking extension: All India Plastic Manufacturers Association (AIPMA) is seeking an extension of 6-12 months on the ban, citing issues like unavailability of alternatives, economic infeasibility and demand-supply gap, which will increase the cost of their product packaging.

**Note**: An extension of six months was already granted to the industry, to transition away from single-use plastic items listed for phase-out.

Read more: Explained: Why is single-use plastic being banned in India from July 1





What is the status of the plastic alternatives market in India?

The alternatives market in India is at a nascent stage, which forces companies to import and thus, increases costs. This is primarily due to the scale at which the alternative market currently operates.

The shift is not easy. Currently, SUPs account for about one-third of the plastic consumed in the country. In other words, 6-7 million tonnes of SUPs are consumed annually, placing it among the top industrial materials consumed in terms of volume.

The market, therefore, requires alternatives to replace 6-7 million tonnes of materials. Unfortunately, SUP substitutes in such volumes are unavailable, mainly because the government has failed to promote the alternative industry.

Read more: Single-use plastic ban: Reading the fine print reveals ominous loopholes

Do alternatives to plastics viable?

Most life cycle analysis (LCA) of SUPs and their substitutes shows that the most significant environmental problems are due to the single-use nature of the products, not the material.

For example, LCA shows that a paper shopping bag must be used four to eight times to have a lower environmental impact than one single-use plastic bag.

What should be done?

The alternative market **needs to be offered support through government initiatives** to make its reach wider. However, it should be done with caution, so as not to create a fresh set of problems while fighting plastic pollution.

The plastic industry, manufacturers and FMCG companies should **consider coming up with design changes** in their product packaging to eliminate the necessity of ancillary plastics like straws.

The national and state governments have to **ensure proper enforcement** of the notified ban.

Overall, replacing SUPs with biodegradable SUPs will not eliminate the problem of microplastics that are now poisoning our food chain and are even being found in the human bloodstream. Therefore, the solution to SUPs is to create an industry that turns 'single-use' products into 'multi-use' and creates a circular economy.

#### 22. How the RBI unconventionally innovated policy to fight the pandemic

Source: The post is based on the article "How the RBI unconventionally innovated policy to fight the pandemic" published in "Indian Express" on 2<sup>nd</sup> July 2022.

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

**Relevance**: To understand the issues associated with RBI's inflation management.

**News**: The RBI has been missing the inflation target since 2019 by not raising rates. This raised some debates about RBI's inflation management.

What is the reason for rising inflation in India?

There are two reasons that inflation is on the rise. These are,

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**a)** Inflation has been largely the result of supply-side shocks from vegetable prices, caused by crop damages due to unseasonal rains in late 2019, **b)** Widespread supply-side disruptions after the outbreak of the pandemic.

How does the RBI tackle inflation while ensuring growth?

The amended mandate of the RBI under the flexible targeting (FIT) framework reads as "price stability, taking into account the objective of growth". Accordingly, the Monetary Policy Committee (MPC) was looking through higher inflation print during the pandemic while trying to resurrect growth. This is done through,

**First**, the MPC highlighted inflation concerns and voted to raise the policy repo rate. But, the RBI governor has ensured an orderly completion of the government's borrowing programme. This implies that lowering inflation and lowering government bond yields are contradictory objectives.

But, this basically ensures that the borrowing programme is completed seamlessly at low costs.

**Second**, MPC kept repo rates unchanged while the RBI changed the reverse repo rate during the pandemic. This means that the MPC lost its role in setting interest rates and so, its credibility.

**Third**, The RBI activated other segments of financial markets to keep the lifeblood of finance flowing as reduced demand and heightened risk aversion broke down the traditional credit channel of policy transmission.

Financial conditions were eased substantially by reducing the reverse repo rate, which **lowered the floor rate of interest** in the economy.

The mandate of the MPC is to control inflation for which the policy instrument is the reporate, the RBI had used the LAF through changes in the reverse reporate to alter liquidity conditions. The intent was to reactivate the credit channel by encouraging banks to explore opportunities for extending credit.

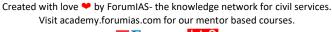
How RBI's approach is different from the rest of the world?

Inflation-targeting countries, because of their sole focus on inflation, experience lower inflation volatility but higher output volatility. Higher output volatility entails a higher sacrifice ratio — the proportion of output foregone for lowering inflation.

**For an emerging economy**, the costs of higher output foregone against the benefits of lower inflation must always be balanced. This is because the potential output keeps on changing given the shift of the production function.

**Developed countries**, on the other hand, operate near full employment — therefore, sacrifice ratios are lower. As a result, smoothening inflation volatility is relatively costless for them.

Despite the existing targeting framework, the **RBI did not get fixated on a one-point agenda**, daring to look beyond the inflation print. If the RBI followed the advice of its critics by sticking to textbooks, then the Indian economy would have been in an entrapment today. Hence, it was necessary to provide a lifeline to the economy at that juncture by focusing on the recovery.





#### 23. The need of the hour: A Renewables revolution

**Source**: This post is created based on the article "The need of the hour: A Renewables revolution", published in **Indian Express** on **2<sup>nd</sup> July 2022**.

Syllabus topic: GS Paper 3- Indian Economy, Infrastructure – Energy

**Context**: Renewable energy can limit climate disruption and boost energy security. Thus, their use must be incentivised and supported.

Fossil fuels are the major cause of the climate crisis. All climate indicators are breaking records. It is a strong indication towards **ferocious storms**, floods, droughts, wildfires and unliveable temperatures in vast swathes of the planet.

We are close to breach the 1.5°C limit that is maximum level of warming to avoid the worst climate impact as per the scientists. The emission must be reduced by 45 per cent by 2030 and reach net-zero emissions by mid-century.

Moreover, oil and gas prices have reached record price levels and renewables are getting cheaper.

Renewable energy can limit climate disruption and boost energy security. However, investors are still investing in fossil fuels and governments are spending billions of dollars in the form of subsidies for coal, oil and gas.

However, for the health of our societies and planet, polluting fossil fuels should be abandoned and the renewables-based energy transition should be accelerated.

#### How the renewable energy can be boosted around the world?

**First**, Renewable energy technology should be made a global public good. By that intellectual property barriers to technology transfer would be removed.

**Second**, improving global access to supply chains for renewable energy technologies, components and raw material. For example, higher costs for lithium and other battery metals are hurdle in deployment of such technologies. Thus, a global coalition is required to solve such problems.

**Third**, fast track solar and wind projects, by removal of red tap in approval procedures.

**Fourth**, energy subsidies from the fossil fuels must be diverted to renewable energy.

Fifth, triple the investments in renewables.

Besides renewable energy, there are other methods to control climate change. These are Nature-based solutions, such as reversing deforestation and land degradation, are essential. Thus, all these methods must be used together to control the Impacts of Climate Change.





#### 24. Clear signals the 'fringe' ought to read

Source: This post is created based on the article "Clear signals the 'fringe' ought to read", published in The Hindu on 2<sup>nd</sup> July 2022.

**Syllabus Topic** – GS Paper 3, Internal Security, Threats posed by state and non-state actors

**Context**: Recently, after the controversy over controversial remarks on the Prophet, India's top political and bureaucratic functionaries emphasised India's stronger credentials as a secular democratic polity.

Recently, External Affairs Minister, S. Jaishankar, National Security Adviser (NSA), Ajit Doval and Prime Minister made statements that emphasised India's stronger credentials as a secular democratic polity. All these remarks acknowledge that more damage should not be done to India's image as a country that celebrates its diversity and plurality.

Lastly, in its statement, Supreme Court also held the former spokesperson "single-handedly responsible" for igniting emotions while asking her to "apologise to the country".

# Why the incidents like these should be avoided?

First, Government has been making efforts to improve ties with many West Asian/Gulf countries, in part to ensure energy security and to attract investment from there in the infrastructure sector.

Second, as acknowledged by Mr. Jaishankar there are elements desperate to "fish in troubled waters". For Example, immediately after the controversy, the *Al-Qaeda in Indian Subcontinent (AQIS)* issued warning of suicide bombings in many Indian cities to protect the honour of the Prophet. The threat was aimed at a **transnationalisation of local political tensions and conflicts**. Thus, such issues have a 'transnational' mobilising potential.

**Third,** Muslims are closely integrated in Indian society, and have never empathised with jihadist organisations and their transnational aims. **For example,** foreign fighters from India are disproportionately outnumbered by their American, French or British counterparts. However, the issues like these will make Indian Muslims extremely vulnerable to the political use of Islam, **known as Islamism**. Islamism thrives on a transnationalisation of issues pertaining to the Islamic faith and practices. It led to the creation of Pakistan. Sharia-based Islamic state is a desired political order as per Islamism.

**Fourth,** after takeover of Afghanistan by Taliban, AQIS would like to capitalise on the ideological vacuum in the regional jihadist landscape. Taliban has no incentive to drive out AQIS, as it can be an important ally to combat their common foe, ISIS or the IS-K. Thus, Al Qaeda's ability to navigate Afghanistan's jihadist landscape will be a concern for India as it can be an indirect target of the former. This also explains India's recent diplomatic efforts to engage the Afghan Taliban and maintain its presence in Afghanistan.



#### 25. Reset mode – on GST Council Meet

Source: This post is created based on the article "Reset mode", published in The Hindu on 2<sup>nd</sup> July 2022.

**Syllabus Topic** – GS Paper 3- Mobilisation of resources

News: GST Council meeting was held recently. There are many takeaways from this meeting.

GST Council meet, held recently, was its first 'regular' meeting after a nine-month break. It discussed recommendations of four ministerial groups' to fix various aspects of the indirect tax regime. The council ratified 3 out of 4 reports by the groups.

#### What were the key takeaways from the meeting?

**First,** a ministerial panel has been tasked with resolving the long-pending issue of constitution of an appellate tribunal for GST disputes.

**Second,** based on the recommendations by the panel, to rationalise tax rates, exemptions have been scrapped on several items. It may result in increase in the price pf many goods and services.

**Third,** the rules for registering new firms have been tightened to close tax evasion loopholes.

**Fourth,** no council member brought up the issue of imposition of decisions by the center, even after the Supreme Court's recent judgment.

**Fifth,** various state government asked for the continuance of GST Compensation. It was a positive development, as governments of the ruling party also raised this demand, and center kept the issue open for further discussions. It proves the effectiveness of GST Council as a platform for critical deliberations and discussions.



