

9 PM

Compilation

20th to 25th June, 2022

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General Studies Paper – 1

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1. [Time to end systemic misogyny reflected in the gender pay gap](#)

Source: This post is based on the article “**Time to end systemic misogyny reflected in the gender pay gap**” published in **Livemint** on **20th June 22**.

Syllabus: GS1 – Society – Women related issues

Relevance: Gender pay gap and related issues

News: Prevailing gender pay gap in developed and developing economies

What is the situation wrt gender pay inequity?

In a pre-pandemic world, **UN Women** stated that “**women only make 77 cents for every dollar earned by men**“, resulting in lifelong income inequality.

An International Labour Organization policy brief in July 2021 drew attention to the **pandemic’s gendered impact on the global labour market**, with women’s employment down 4.2%, compared to 3% for men.

The WEF’s Global Gender Gap Report 2021 aired pessimism, saying that the **gender pay gap is likely to further widen** by 5%.

As per PayScale’s State of the Gender Pay Gap Report 2022,

– Women pay a “**motherhood penalty**” and suffer from an uncontrolled pay gap of \$0.74 for every dollar earned by a male parent, which over the years, shrinks to \$0.88 on the dollar. This suggests that women without children face fewer social barriers in securing higher-paying jobs.

India’s case

As per the Oxfam report of 2019

– The country’s gender pay gap is about **34%**.

According to ADP Research Institute’s study, People at Work 2021: A Global Workforce View,

– only 65% of women in India received a pay rise or bonus for taking on extra responsibilities or a new role, compared to 70% of men. This, despite the fact that men and women were just as likely to take on such additional or new responsibilities to help employers deal with the covid fallout.

What are the reasons behind the inequity?

A recent Pew Research Centre’s study showed that one of the reasons for the gender pay gap in the US was **women workers’ lack of work experience**, as they mostly leave the workforce for unpaid care work.

Should gender pay gap be fixed?

Yes.

The cost of doing nothing to fix gender disparity would be high. Taking action, as McKinsey estimated, could add \$13 trillion to world gross domestic product (GDP) by 2030 over a “do nothing” scenario.

What are some global and domestic efforts to address the issue?

The **Code on Wages Act, 2019**, prohibits gender discrimination in matters related to wages and recruitment.

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– However, many legal experts have opined that since it doesn't provide a single dispute resolution forum it could lead to confusion over redressal.

The **World Bank's Women, Business and The Law 2021 report** said that around 190 economies had undertaken some reforms in laws and regulations that restricted women's economic opportunities.

– Countries like Bahrain, Montenegro, Saudi Arabia and Vietnam eliminated restrictions on women working in jobs previously deemed dangerous for them.

The EU has launched a **Gender Equality Strategy 2020-25**, identifying key areas of labour-market reforms.

The world also celebrates **International Equal Pay Day (IEPD)**, which began in 2020 under the United Nations' banner.

Way forward

Pay inequity is a result of a systemic flaw deeply embedded in socio-cultural norms. Hence, as countries seek to re-build their pandemic-ravaged economies, focus must be on gender justice for the sake of a more optimally productive world.

2. [Why North Is Rain-Starved & Northeast Is Flooded](#)

Source: This post is based on the article **"Why North Is Rain-Starved & Northeast Is Flooded"** published in **The Times of India** on **21st June 22**.

Syllabus: GS1 – Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.

Relevance: To understand the reason behind floods in the Northeast and drought in North India.

News: After a season-long heatwave from March to May, the north-northwest and central India are undergoing a rainfall deficit, while Northeast India and Bangladesh are hit with devastating floods.

For instance, Meghalaya's Mawsynram – the world's wettest place – recorded more than 1,000 mm of rain for the first time on June 17.

What are the characteristics of ongoing floods?

The winds over the Bay of Bengal have been exceptionally strong for a week. These strong winds carry a lot of moisture, dumping them as rains over Bangladesh and Northeast India.

The ongoing La Nina conditions in the Pacific, in combination with a negative Indian Ocean Dipole (IOD) in the Indian Ocean, has increased the intensity of the floods. This is because this condition strengthens the winds that blow from the southwest to the northeast (Southwesterlies) in the Bay of Bengal.

Note: Negative IOD happens when the Indian Ocean is cool in the west and warm in the east.

What is the reason for changing the monsoon pattern?

Monsoon patterns have seen a climatic shift over South Asia since the 1950s. This is because,

a) The strong monsoon winds in the Bay of Bengal now carry a lot more moisture than ever and result in heavy rains. The moisture-holding capacity of the air has increased with global warming.

b) Instead of having moderate rains spread out through the monsoon season, India now has long dry periods interspersed with short spells of heavy rains. For example, a month's rain is pouring in a day or two now.

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For these reasons, both droughts and floods occur across South Asia, and sometimes in the same season. This puts tremendous pressure on the water and food security in the region.

What will be the impact of a 1°C rise in global temperature for South Asia?

The total amount of rainfall is expected to increase by 7-10% for every 1°C rise in temperatures. The extreme rainfall events are also projected to increase proportionally over South Asia.

South Asia is the most vulnerable to climate change due to its proximity to the rapidly warming Indian Ocean on its south and the rapidly melting glaciers on its north.

The east coast of India and Bangladesh are particularly vulnerable since the sea-level rise in the North Bay of Bengal region is faster than in other regions due to a gradually sinking land. Also, storm surges are particularly large in the Bay of Bengal as compared to the Arabian Sea.

The combined effect of sea-level rise and storm surges leads to the saltwater intrusion that affects agriculture and cholera epidemics on the east coast of India and Bangladesh.

What should be done?

a) The countries need to disaster-proof every district and village of South Asia and make them climate-resilient, **b)** Make houses and farms for both droughts and floods, **c)** Policies should be framed so that they help to redesign cities and prepare rural areas for intensifying cyclones, floods and heatwaves.

3. [The choice is narrowing the circle or widening it](#)

Source: The post is based on an article “The choice is narrowing the circle or widening it” published in the “The Hindu” on 21st June 2022.

Syllabus: GS1 – Indian Society

Relevance: Communalism; Fundamental Rights of Minorities;

News: Recently, it is said that ‘**India is witnessing the progressive normalisation of minority baiting**’.

About India’s Minority

Muslims are our largest religious minority. They constitute 14.3% of the total population.

In terms of population, their 200 million number is more than the populations in Indonesia, Pakistan and Bangladesh.

Some happenings in a related context

It was noticed that the two spokespersons of the ruling party reflected on the personality of the Prophet

There were uses of **strong-arm tactics** and **bulldozers** to counter **public demonstrations**. Some observers believe that the bulldozer is an instrument to silence the minorities.

At present, there has been **furtherance of hate** by unfairly criticizing the Muslim minority.

What are the Consequences?

The Gulf Cooperation Council and Persian Gulf countries, which are **India’s extended neighbourhood**, have strongly criticized about what has happened in India.

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These countries provide **gainful employment** to many million Indian nationals, who contribute to India's foreign exchange remittances. Therefore, such a move can impact their safety and security.

What are the challenges?

No reaction has been received from the senior leaders of the government, institutional bodies such as the National Human Rights Commission of India and of the National Commission for Minorities and the Indian judiciary.

There has been violation of rule of law and in fact, absence of **due process** or **proportionality**.

The public watches **popular television channels** where the debates are not conducted in a healthy manner. It invariably produces dangerous results for a particular section of Indian society.

What are the ultimate causes behind?

The differentiation between **Indic** and **non-Indic culture** is being propagated to divide fellow citizens. Those who pursue **Indic faiths** are assumed to be of **Indian origin**. Those who subscribe to **Christianity** and **Islam** are believed not to be of Indian origin.

India is traditionally defined as Bharat. It can refer to all the countries which combine to form the **South Asian Association for Regional Cooperation (SAARC)** countries.

Why is it wrong to say that Muslims minorities do not belong to Hindustan?

As per our history, **Hindustan** or **Bharat** extended to some parts of Afghanistan and even some parts of Iran. Therefore, **Ghazni, Khilji, Lodi**, etc. should not be seen as foreign invaders but as domestic plunderers who even succeeded in establishing kingdoms.

The landmass of Bharat cannot be described in terms of faith alone since there was a period of several centuries when Buddhism was the dominant religion.

During the period, when there were Muslim rulers, no effort were made for mass conversions in India.

India has been a place where since time immemorial, **migrant groups** have continued to come and settle in the search for greener pastures. This resulted in the formation of India as a **'civilisational state'**.

Way Forward

The constitutional principle like the promotion of equality and fraternity should operate in social behaviour.

India is and must remain diverse and inclusive, and continue to build itself on the principles inscribed in the Preamble.

4. [The head and heart of secularism](#)

Source: The post is based on an article "The head and heart of secularism" published in the Business Standard on 21st June 2022.

Syllabus: GS1 – Secularism

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Relevance: Secularism

News: Whether a particular religious practice offends the principles of secularism is often debated in India.

The French model of secularism

It is clear of all **religious considerations**. It debars the public officials to demonstrate their religious affiliation, does not permit the wearing of Cross or, if worn, cannot be shown and prohibits the wearing of the *hijab*, in public places.

India's Secularism Model

In India, the model of Secularism is different from the *laicite* in France. It is decided on case by case, whether a particular practice is against the core principles of secularism, or not.

In India, the decisions are often taken based on heart, compassion and tolerance.

Issues of Indian Model of Secularism

In reality, every policy needs **one steadfast instrument** for its implementation. But, in India, **multiple instruments** are employed to implement secularism.

Decoding the Indian Secularism

In India, it is the tenets of citizenship that should guide the state policy on secularism.

Case of banning of cow slaughter

The **Directive Principles of our Constitution (DPSP)** recommended for banning cow slaughter because it does not **"harm" citizenship**, it doesn't degrade public space, it doesn't inhibit acquiring **educational** and **health facilities**, it doesn't impair the **functioning of public institutions** and eating beef is **not compulsory** for Muslims and it was also **not acceptable** to Hindus.

In fact, there are various countries which have banned the slaughter of different kinds of animals for food, even without getting into the question of religion.

Others cases

Various regulations are made on the use of **loudspeakers** in mosques and temples because these are an invasion of public space and a health hazard as they contribute to noise pollution.

Regulations have been made on carrying out the **religious ceremony** because it curtails public space, and causes problems to other persons using those spaces.

The CPCB regulates the **immersion of idols** in rivers, say of Goddess Durga or Lord Ganesh are supposed to be of eco-friendly material because they can lead to water pollution.

Case of Burqa and Hijab

The objections are being made on the wearing of the **Burqa** and **Hijab** in the public spaces. Without going into whether wearing them is essential to Islam or not, such practice impair the functioning of **public institutions** like it restrict vision, mobility and communication. It promotes barriers in **socialisation** and **cooperation** between men and women as equal citizens of India

They entail the issue of "harm". There whether its is "essential" to a religion, or not should not matter.

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Way Forward

The decision on secularism in India should be based on citizenship considerations alone. Instead of choosing between the **heart [Indian Model]** and the **head [France Model]**.

5. [The duality of India](#)

Source: The post is based on an article “The duality of India” is published in the Business Standard on 22nd June 2022.

Syllabus: GS 1 Regionalism; GS 2 Issues and Challenges pertaining to Federalism; Pressure Groups; Functioning of the Parliament

Relevance: North and South Divide

Context: In the history of Independent India, the South India States have reacted to the policy moves by the Centre quite differently from their counterparts in north India.

How was the response of south India to the Centre’s major policy initiatives different from the response of north India?

(1) **Demonetization Period:** In **North India**, there were long queues of customers at banks waiting to exchange old currency notes. The traders were reluctant to accept online payments at the place of cash. However, in **South India**, there were hardly any queues outside banks. In fact, the shopkeepers accepted online transactions instead of pushing for cash payment etc.

(2) **2020 & 2021 Farmer’s Protest Period:** It was largely restricted to Punjab, Haryana, Uttar Pradesh and Bihar. However, South Indian Farmers ignored the new laws on agriculture.

(3) **Agnipath Protest:** The protests are largely concentrated in the north Indian states.

(4) **1975 Emergency Period:** The states in south India responded in a completely different way than those in the north.

Why is the response from south India so different from that of north India?

Economically, the south of India has been growing better than both the north and east of India.

The **average population growth** in most south Indian states has been much lower than that in states in the north, particularly in Uttar Pradesh, Bihar and Madhya Pradesh.

The South Indian states have witnessed a higher rise in **per capita income** than the northern states.

In the South, the **population’s dependence on agriculture** as a livelihood has seen a gradual reduction. The state’s economic activities are dominated by the manufacturing and the technology-enabled services sector.

The southern states have **better equality of education, health-care services, and infrastructure.**

The **southern states** do not enjoy the **same political influence** in **national politics** as enjoyed by the northern states and western states of India.

What are the possible implications of this scenario?

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At present, the southern states are already protesting the **parameters** (like population and development) used by the **finance commissions** to allocate central resources to states. The northern states received a higher share.

The southern states feel that they have lost out in the new framework for the GST. The consuming states collect more taxes than the states producing goods and services.

There is a danger of increasing **political disempowerment** of the southern states. For example, the **delimitation exercise** post- 2026 will lead to an increase in the political influence of the northern states in national politics. They will send a larger number of representatives in both the houses of Parliament.

The Way Forward

The Union government should take **positive interventions** through policy initiatives to remove these problems.

6. [What makes an area urban?](#)

Source: This post is based on the article “**What makes an area urban?**” published in **The Indian Express** on **23rd June 22**.

Syllabus: GS1 – Urbanisation

Relevance: Defining an urban area and related issues

Context: Urban areas in India need to be clearly defined by the policymakers.

What are the factors to determine whether an area is urban or not?

An urban area is a function of various factors, like –

a) population size, **b)** land surface, **c)** primary occupation, **d)** the level of development

Why defining urban areas is necessary?

It is not only necessary to define “urban” in order **to understand urbanization**, but also to **understand the rural-urban divide**.

This is all the more important in the context of **in-situ urbanization**, where non-agricultural opportunities are promoted in rural areas, and economic linkages are strengthened.

Further, **almost 55% of the population live in cities now** and nearly 70% is projected to be living in cities by 2050. This merits that definitional aspect of an urban area is clearly defined.

Also, the lines between rural and urban spaces are **not as clear** as one might think, thereby urging for a definition.

– For instance, in the 19th and early 20th century the United States, a rural area, would have been classified as urban if the streets were laid out in a grid. Such clear transitions are hard to find today.

An urban area’s distinguishing characteristics are tied to its strategic role in the larger community, its value as a **civilising force**, and its role in enabling the market.

What is the **Rural – urban continuum that has emerged lately?**

Unlike before, living in rural areas today does not mean exclusion from urban life. The **processes of integrative development** have meant that rural and urban have become more a part of a continuum than a dichotomy.

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Among the **Scandinavian countries**, rural and urban spaces are classified on the basis of each other.

– **For example**, population density and distance from urban centres are seen as the criteria to define rural areas.

In Denmark, which has close to 88% of the population living in cities, there are **three classes of rural areas** with distinctions between **a)** urban-adjacent, **b)** intermediate and **c)** remote rural areas. There's also a further classification system that compiles the socio-economic profiles of its municipalities.

How the Census defines an urban area?

According to the census definition, a habitation is classified as urban (excluding municipalities, corporations, cantonment boards, and notified town area committees) if it has **a)** a population of at least 5,000 people, **b)** at least 75% of the male working population employed in non-agricultural pursuits, and **c)** the population density is at least 400 people per square kilometre.

– These are also called **Census Towns**.

What are various constitutional provisions related to the issue?

The **73rd and 74th Constitutional Amendments** also enshrine the categorisation of areas into **a)** district, **b)** intermediate level, and **c)** village, as well as the **d)** creation of municipalities.

The 74th Amendment Act (1992) defines **three types of municipalities**:

- Nagar Panchayat for transitional areas (rural to urban)
- Municipal Council for smaller urban areas
- Municipal Corporation for larger urban areas.

The demographic and other criteria determining which sort of municipality is formed vary greatly from state to state.

As a result, it is up to the **state legislatures** to select which municipality will be formed for each urban area.

What are the Urbanization trends in India?

The Census of 2011 revealed a **decline in India's rural population** for the first time.

Cities like Bengaluru that have emerged as innovation hubs have grown between 2001 and 2011, subsuming many non-urban areas.

This is only expected to grow with the next Census.

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General Studies Paper – 2

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1. [The WTO restores faith in convergence of views](#)

Source: This post is based on the article “**The WTO restores faith in convergence of views**” published in **Livemint** on **19th June 22**.

Syllabus: GS2 – International Relations – International org and groupings

Relevance: World Trade Organization (WTO) and related issues

News: The WTO deal in Geneva confirms that it is still possible for the world’s countries to achieve a modest consensus. India has played a worthy role, even if its gains are far from dramatic.

What were the difficult circumstances prevailing before the WTO’s 12th ministerial? That a deal went through was victory in itself. Ahead of its 12th ministerial conference, the World Trade Organization (WTO) was up against stiff odds.

- There was a **question mark on its credibility** as an arbiter of trade disputes
- Ukraine war was making the idea of each country for itself seem like the operative reality after basic principles of trade fell victim to Cold War II.

What is the significance of the deal?

Considering the tough circumstances before the ministerial, the expectations of any tangible outcome were dim.

Yet, 164 countries were nudged towards consensus, and the WTO managed to forge a package of pacts—**the first such in nine years**—on **food security, fishing subsidies** and a **vaccine patent waiver**.

As an assertive voice at the table, **India played a significant role** in the last of these.

WTO curbs on fishing subsidies are only the **second multilateral agreement on global trade rules struck in its 27-year history**. Since even a single vote of dissent can spoil a deal, this was impressive.

What are the key constituents of the deal?

Fishing subsidies

The inclusion in trade talks of ecological concerns like the threat posed by large-scale overfishing to marine life had once raised eyebrows, but the deal confirmed acceptance of it.

India’s stance: In contrast with the state-supported fishing industries of rich nations, India’s 9 million odd fisherfolk cannot be accused of global fish stock depletion.

- Under the Geneva deal, India’s subsidy support for fishing at current levels can carry on for **at least four years**;
- a proposed ban on subsidized overfishing was dropped.

On food security

Another clutch of Indian demands on food, including the right to mop up foodgrain to feed the needy, has been pushed forth to the next ministerial meeting.

Patent waiver

India’s most noteworthy win was on a proposal it had pushed along with South Africa – A patent waiver window of five years to make and export covid vaccines.

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– **Significance:** This is rather late in the day, and may not do much to fix vaccine inequity, and leaves therapeutic and diagnostic stuff for later talks. Still, it also signifies a **WTO dilution of its position** that any easing of intellectual property protection would hurt pharma incentives for innovation.

Way forward

None of the mini deals struck qualify as big fillips for international trade. But in a fractured world faced with huge challenges of cooperation, the deal has opened up paths of possibility.

2. How can Agnipath be made more attractive? Recommendations from 2 former army leaders

Source: This post is based on the following articles

“How can Agnipath be made more attractive? Recommendations from 2 former army leaders” published in **The Times of India** on **20th June 22**.

“It’s a chance to transform our defence management” published in **Livemint** on **20th June 22**.

“Agnipath could be a path to vexing social problems” published in **Livemint** on **20th June 22**.

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

Relevance: To understand the benefits and challenges associated with the Agnipath Scheme.

News: Recently, the government of India introduced a new recruitment scheme for the armed forces, Agnipath. Violent protests erupted in parts of India ever since the launch of the scheme.

Must read: [Cabinet clears Agnipath Scheme](#)

What are the advantages of the Agnipath Scheme?

a) Lower the age profile in the units, **b)** Create a more empowered and capable junior leadership, **c)** The scheme will serve as a trigger for the long-pending modernization of the structure and management philosophy of the armed forces.

Overall, Agnipath is not a short-term contract, it’s a way to modernise India’s armed forces, making it more agile and tech-friendly.

Read more: [Education Ministry to recognize in-service training received by Agniveers as credits for graduation](#)

What are the challenges associated with the Agnipath Scheme?

Impact performance of armed forces: The Army’s technical units have longer training cycles. They might face a shortage of suitable recruits, or lose people just when they have started performing.

Political economic factors: Short service commission officers initially started with five-year tenure. But later their tenure is increased effectively 14. It is a step away from its original purpose. Hence, the Agnipath scheme is also vulnerable to political and economic factors.

Shakeup of military culture: National recruitment involving regimental catchments will provide units with new and unfamiliar social contexts.

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Impact on Youth: Some European countries have compulsory military service. The recruits of the service suffered from **a)** Permanent disruption in studies, **b)** Mental health issues, **c)** Substance abuse problems and **d)** Some may even commit crimes.

The Agnipath scheme might also create similar problems.

Impact on Agniveers families: Without accessible support services in India, the discharged recruits and their families will have to cope alone.

Unique Unemployment: After four years in the Army, having carried and learnt to use weapons, when they return to civilian life, they will be at a loss to find comparable placement. Apart from private security and the police, none of them required such skill sets.

Increase violence: It was estimated that in 2017, in India, there were 7.1 crores of privately owned (licit and illicit) firearms and 6.1 Crores of unregistered and unlawfully held firearms, placing India second globally in terms of private ownership of guns.

India is already prone to caste and communal violence. Agniveers disappointment and resentment would make it easy to mobilize them against their neighbours and take up violence.

Further, gender-based violence will also increase as Agniveers get immersed for four years in a masculine universe of the Armed forces.

Must read: [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

What should be done to improve Agnipath Scheme?

Relaxation to candidates: Many candidates had already entered the selection process in response to advertisements published in 2019 and 2020. These candidates are stuck at different stages as per the erstwhile process. The age relaxation of 2 years is not enough. They should be recruited via the earlier process.

Apart from that, the government should **a)** Improve training infrastructure, **b)** Like Home and defence ministries, other Ministries should reserve a certain percentage of jobs. This percentage should also be legally backed, **c)** Clearly explain 25% retention criteria along with clear Entry, Exit Norms, and Hiked Retention Ratio, **d)** Conduct common tests at both exit and entry to retain certain Agniveers for full service. This will increase competition and remove ambiguity after four years of induction, **e)** Consider retaining 33-50% instead of 25% after four years. Similarly, a four-year term can be extended to 5 years, **f)** The government should bear Agniveers' National Pension Scheme contribution. The cost will be very small given salary levels.

3. [What West Seti power project can mean for India-Nepal ties](#)

Source: The post is based on an article “**What West Seti Power project can mean for India-Nepal ties**” published in the Indian Express on 20th June 2022.

Syllabus: GS2 International Relations; Bilateral Relations

Relevance: India-Nepal Relations

News: India's **National Hydro Power Corporation (NHPC)** will be taking over **the West-Seti Hydropower Project** in Nepal, after China withdrew from it, ending a six-year engagement between 2012 and 2018.

About the Project

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The project will be a storage scheme generating power round the year. The power will be supplied to India, either for domestic consumption or for the trade through its national grid.

Why did the Chinese CWE Investment Corporation withdraw from the project in 2018?

It stated that it would not be able to execute the **750-MW West Seti Hydropower Project** because it was “**financially unfeasible and its resettlement and rehabilitation costs were too high**”.

Why has it been given to India?

Nepal Prime Minister **Sher Bahadur Deuba** declared that since India was **Nepal's power market** and it had a policy of not buying power from **China-executed projects**. Therefore, the project would be given to India.

Mutually Beneficial India -Nepal power relations

Nepal is rich in power sources, with around 6,000 rivers and an estimated potential for 83,000 MW.

India has formally approached Nepal on many occasions, seeking preferential rights over Nepali waters. India is also viewed as a feasible market for Nepal.

What are the problems in the Nepal's power sector?

Nepal has a massive power shortfall. It generates only around 900 MW against an installed capacity of nearly 2,000 MW.

Although Nepal is currently selling 364 MW power to India, it has over the years importing from India.

Issues in India-Nepal bilateral relations

There has been some uncertainty in Nepal over India's inability to deliver various projects on time.

(1) India has still not been able to come out with the Detailed Project Report (DPR) of **the Mahakali treaty** which was signed back in 1996, to produce 6,480 MW.

(2) The multinational GMR has not made any headway for years in the **Upper Karnali project**

India is successfully executing the 900-MW Arun-III project in the eastern Nepal's Sankhuwa Sabha. It is being executed by India's **Sutlej Vidhyut Nigam** under a BOOT scheme. Its foundation was laid in 2018 and is set for completion by 2023.

What are the challenges ahead?

Nepal's Constitution has a provision under which any treaty or agreement with another country on natural resources will require **Parliament's ratification** by at least a two-thirds majority.

Way Forward

During his first visit as PM to Nepal in 2014, Modi had said India must start executing its projects timely.

Nepal is also planning to award the **695-MW Arun Four project** to the **Sutlej Vidhyut Nigam**, followed by the decision to award West Seti to NHPC.

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At present, the India-Nepal's relations on river water projects remained focused only in the **power sector**. It has to be reviewed. The projects must be made multi-purpose by expanding the scope to flood control, navigation, fisheries, irrigation contributing to agricultural growth etc. This will lead to multiple benefits on both sides

The Nepali PM Deuba has been developing **friendly** and “**fraternal ties**” with the Indian government, after worsening of relations due to standoff between Nepal and India which led to the **economic blockade** of 2015.

The successful execution of the West-Seti project by the NHPC, is expected to restore **India's image** in Nepal. It can lead to preference of India, in future considerations for hydropower projects by Nepal.

4. [India buys more coal from Russia, and urea from the US — diversifying supply sources is good policy](#)

Source: This post is based on the article “**India buys more coal from Russia, and urea from the US — diversifying supply sources is good policy**” published in **The Indian Express** on **21st June 22**.

Syllabus: GS2 – International relations

Relevance: India's growing trade with Russia

News: India's imports of Russian coal in June are reportedly **expected to be the highest** in at least seven and a half years.

This comes alongside **Russia displacing Saudi Arabia to become India's second-largest oil supplier after Iraq** in May.

Neither of these are unwelcome developments, nor the fact that India has, for the first time, bought a large urea consignment from the US.

Why India's trade with Russia has increased?

Russian traders are offering **discounts of 25-30%** for thermal coal and accepting payment in rupees. Hence, bulk purchases by Indian cement and steel companies have spiked in recent weeks.

Diversifying supply sources and buying at the lowest price for equivalent quality is also in **national interest**.

– It has, likewise, become economical now to import urea from the US, which is quoting \$55-75 per tonne cheaper than that from the Middle East, notwithstanding higher freight costs and longer voyage time.

India's imports of crude petroleum, coal and finished fertilisers in 2021-22 have increased, as against the previous fiscal's corresponding levels. The country's merchandise trade deficit hit a record \$190.71 billion in 2021-22.

– A further **widening of its deficits**, whether external or fiscal, and **uncontrolled weakening of the rupee**, both external and internal purchasing value, is something India cannot afford.

If importing more coal and oil from Russia or urea from the US forces existing suppliers — the likes of Australia, Indonesia, Saudi Arabia and United Arab Emirates — to lower prices, it would **aid in macroeconomic stability** necessary for long-term growth.

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India and China purchasing more from Russia, also **reduces the pressure on the international oil market**.

– Imagine where crude prices would have reached had these two Asian countries not stepped up buying from Russia.

Way forward

The growing trade with Russia may not be to the West's liking. While the invasion of Ukraine deserves the widest condemnation, financial sanctions and not buying from Russia don't really help.

That the economic and national interests of other countries overrides its geopolitical priorities is a reality that the West has to acknowledge and accept, sooner than later.

5. [Arun Prakash writes: Agnipath, between the lines](#)

Source: This post is based on the following articles

“Arun Prakash writes: Agnipath, between the lines” published in the **Indian Express** on **21st June 22**.

“The Rs 34,500 Crore Argument” published in **The Times of India** on **21st June 22**.

“Avoid sudden changes” published in **Business Standard** on **20th June 22**.

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

Relevance: To understand the challenges associated with the Agnipath Scheme.

News: Recently, the government of India introduced a new recruitment scheme for the armed forces, [Agnipath](#).

How do other nations solve their challenges with armed forces?

All major nations undertake a periodic (every 4-5 years) review of their evolving national security objectives, the options available, and the economic/military means available for achieving them. For example, China releases a biennial “Defence White Paper” since 2002.

These reviews generate assessments of existing/potential adversary threats to national interests, as well as the state of the own military's material/operational readiness.

Apart from providing fiscal guidance, this process also facilitates the evolution of a national security strategy.

What is the main challenge faced by the Indian armed forces?

The current profile of **defence spending is counterproductive**. The capital outlay expenditure (including the spending on modernisation) has declined as a proportion of the defence budget, from 32% in 2010-11 to 28% in 2020-21.

Spending on pensions increased considerably after the introduction of One Rank One Pension (OROP).

Between 2011-12 and 2020-21, while the total defence expenditure increased at a nominal annual rate of 9.5%, the pension expenditure increased 14% year-on-year, and capital outlay spending rose only 8.4%.

In 2019-20 the defence pension expenditure exceeded capital outlay expenditure.

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Must read: [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

What is the reason for the challenges faced by armed forces?

Firstly, Independent India's defence expenditure got relegated to the "non-plan" category. The pension bill for veteran soldiers was linked to the defence budget. This increased the defence expenditure on pensions.

Secondly, the Finance Ministry did not find ways and means for raising essential additional funds for national defence. Instead, they demanded armed forces to evolve measures for reducing the pension bill.

Thirdly, the government of India has neglected to undertake any periodic assessment, in the past 75 years. For instance, India is among the few major powers which have failed to issue a National Security Strategy or Doctrine.

Fourthly, Half-hearted attempts at organisational reform made the Indian army to remain with "boots-on-the-ground" syndrome and not prepared them for "hybrid warfare". For instance, the Ukraine conflict has highlighted the disadvantages of poor military organisation.

Read more: [Education Ministry to recognize in-service training received by Agniveers as credits for graduation](#)

What are the challenges associated with the Agnipath Scheme?

Not the right time: Armed forces are already short of manpower and the Country's northern and western borders are already facing turbulence. Hence, this is not the best time to implement a radical and untried new recruitment system.

Focus only on the army: Army's large infantry component is not excessively burdened with technology. So, the Agnipath scheme is best suited only for the army. On the other hand, the Navy and Air force have sophisticated lethal weapon systems, complex machinery and electronics. So, they require at least 5-6 years for a new entrant to acquire enough hands-on experience to operate them.

Forget to consider the present ex-servicemen issues: Home Ministry has resisted the induction of ex-servicemen into the armed police and paramilitary forces on the ground that it would spoil the career path of their own cadres. Similarly, state governments and other agencies have also ignored reservations.

Pension savings will happen only after 15 years: Agniveers recruited today are replacing soldiers who would have retired approximately 15 years from now. The purported pension savings would start accruing only after a decade and a half.

Creates intergenerational injustice: The OROP scheme provides a uniform pension but increased the government's pension bill. But the Agnipath scheme does not provide any pension at all. This creates an intergenerational injustice to those who join the army under the new scheme.

What should be done to improve the Agnipath scheme?

The government must **a)** Compensate for the reduction of opportunities in the military by increasing the public employment, **b)** Ensure "Minimum government, maximum governance" across defence sectors.

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

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6. [A case of the court straying into the legislative sphere](#)

Source: The post is based on an article “A case of the court straying into the legislative sphere” published in the “The Hindu” on 21st June 2022.

Syllabus: GS 2 Social justice; Functioning of the Judiciary, Executive and Legislature

Relevance: Misuse of Dowry Case

News: Recently, the **Allahabad High Court** took cognisance of the misuse of Section 498A of the Indian Penal Code (IPC), pertaining to dowry practice in India.

What did the HC say?

The High Court expressed its concern over the growing tendency of misuse of the dowry provisions against the husband and his family members. It has issued following directions

- (1) A **family welfare committee** should be constituted in each district under **the District Legal Services Authority (DLSA)**.
- (2) The **first information report** should be handed over to a committee immediately after its registration.
- (3) There should be a “**cooling period**” of two months and **no arrest** should be made by the police during that period.

The Judgement took guidance from of the judgment of the Supreme Court of India in **Social Action Forum for Manav Adhikar vs Union of India (2018)**

How is the judgment different from the SC’s judgment?

There are minor differences in the composition of the family welfare committees such as inclusion of a young mediator or an advocate or a senior law student, as

In the SC judgment, directions did not apply to the offences involving **tangible physical injuries**. **However**, the HC’s directions shall apply to the cases where the offence would attract an imprisonment of less than 10 years. The police shall only do **peripheral investigations** such as collecting the injury report and recording the **statements of witnesses**.

In Rajesh Sharma (supra) case, the cooling period was one month, where in this case it is two months.

What are the arguments against the issuance of directions by the Allahabad HC?

There are questions on the **High Court’s jurisdiction** to issue such directions because of various reasons

- (1) The **CrPC** clearly laid down the **scheme of investigation**. Such directions should be issued when such a scheme of investigation is absent. For example, In *Vishaka vs State of Rajasthan* (1997), the SC issued directions to enforce FRs because there was absence of law in certain cases of sexual harassment at the workplace.
- (2) In the case of **Social Action Forum for Manav Adhikar (supra)**, the Court held that a third agency (i.e., the family welfare committee) had nothing to do with the CrPC and stalling arrest till a report is submitted by the committee.

The misuse of Section 498A IPC by itself cannot be a ground to dilute the provisions and issue directions. Further, the directions do not flow from any provision of the Code.

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As per the constitutional scheme, the issuance of such directions potentially falls in the **sphere of legislature**.

Moreover, these directions might also curtail the rights of a genuine victim of dowry harassment.

Argument in favour

The HC directions were inspired with noble intentions to curb the tendency of misuse of dowry provisions in the heat of matrimonial discord.

What are the solutions to check false cases of dowry and avoidable incarcerations?

Immediate Solution

At present, the law of the land needs to be enforced strictly by both the police and the courts, without any dilution.

Others

The Supreme Court's directions issued in **Arnesh Kumar vs State of Bihar (2014)** must be strictly enforced by the Police machinery. It must ensure that there is sufficient reason and credible material against the accused person before going forward for the arrest.

The investigating officers must be imparted training to learn the principles stated by the Court relating to arrest.

The legislature can amend the **Section 498A IPC** to make the offence **bailable** and compoundable.

The Mediation Bill, 2021 can institutionalize mediation mechanism. It may also help in settling the matrimonial dispute through the civil route.

7. [Resurrecting a dead law](#)

Source: The post is based on an article "Resurrecting a dead law" published in the "The Hindu" on 21st June 2022.

Syllabus: GS2 Provisions of the Constitution of India

Relevance: Fundamental Right of Freedom of Speech and Expression; Shreya Singhal Case; Section 66A of IT Act

News: Recently, **Section 66A of the Information Technology Act, 2000** is back in the news. India made a formal submission for **criminalising "offensive messages"** in the ongoing negotiations at the **United Nations** for a proposed international treaty on combating cybercrime. The language in the submission is similar to what was used in Section 66A.

About the law

The Supreme Court had declared Section 66A of the IT Act, unconstitutional in 2015 in **Shreya Singhal v. Union of India** on the ground of having a **"chilling effect on free speech"**.

If India's proposal is accepted, would the provision have a direct effect on the Indian legal system?

Theory of monism

In this, international law is automatically incorporated into the domestic legal system of the country. The Parliament is not required to enact an enabling legislation for giving effect.

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Theory of dualist state.

The international law does not become a part of the domestic legal system because the Parliament is required to amend the domestic law to implement the international law.

Case of India

Although, India is a **dualist state**. But, over the years, the Supreme Court of India has moved away from this **traditional dualist approach** towards **monism**. For Example,

The SC of India in **Vishakha v. State of Rajasthan (1997)**, **National Legal Services Authority v. Union of India (2014)**, and **K.S. Puttaswamy v. Union of India (2018)**, followed the **international law** and **judicially incorporated** the readings into India's domestic law.

What will be the Judicial scenarios in the future?

(1) **Scenario I:** If international treaty combating cybercrime is finalized with a provision similar to Section 66A and the Indian Parliament has not enacted law to give effect.

The Indian courts will give primacy to the domestic law enunciated in *Shreya Singhal Case*, not the international treaty because the international law would be in conflict with domestic law.

Scenario II: If Parliament enacts legislation or amends existing legislation to implement the international treaty under the **Article 253 of the Constitution of India** and incorporate a provision similar to Section 66A back on the statute book.

If the constitutionality of the **re-introduced** version of Section 66A is challenged. The constitutional court will still strike down it down because it will still be violative of the fundamental right to free speech, the ground which was used in **the Shreya Singhal Case**.

What is the major issue?

The Indian government proposed the inclusion of a provision in an international treaty which was struck down by its own apex court for breaching fundamental rights.

Way Forward

The U.K. and many countries in the European Union have reportedly already contested India's submission because such proposals seek to violate the freedom of speech.

8. [The complex world of regulators](#)

Source: The post is based on an article "The complex world of regulators" published in the Business Standard on 21st June 2022.

Syllabus: GS 2 Statutory, Regulatory and various Quasi-judicial Bodies.

Relevance: Statutory Regulatory Bodies

News: Recently, there has been an important change in the working of the government. Nowadays, the **statutory regulatory authorities (SRAs)** have become important institutions of the government.

What are the issues in SRAs?

They face questions of **accountability** and excessive **concentration** of power.

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They seem to depart from the **principles of the separation of power** between legislature, executive, and judiciary.

These are **unusual organisation** which are set into motion in the body politic and body economic

It is important to assess the working of SRAs. however, it is difficult to do so.

In normal times, regulators are often criticised for **over-regulation**. In difficult times, they are criticized for under-regulation.

They have not laid the foundation for **economic growth** or **avoiding crises** so far. For example, in 2001, a Joint Parliamentary Committee (JPC) on the stock market crisis of March/April 2001 said that “regulators have been found wanting and they do not instil confidence in the investor”.

Regulators generally do not have much **direct output**. Their services are inputs to outputs of the **regulated entities** and markets.

Their performance is affected by **several external factors**, many of which are beyond their control. Further, their efforts take years to have visible outcomes.

The **data** required to make the evaluation of SRAs may not be easily available.

Some good examples of SRAs success

The SEBI was created in 1992. It laid the foundations of a **modern financial market system**.

How can the working of SRAs be improved?

In 2013, the **Financial Sector Legislative Reforms Commission (FSLRC)** recommended a **formal mechanism** to evaluate regulators based upon which a review committee should be established. The review committee should comprise only **non-executive members** of the regulator’s governing board.

The Committee on Reforming the Regulatory Environment for Doing Business in India (2013) recommended that each regulator should undertake self-evaluation once in three years. Its conclusions should be placed in the public domain for informed discussion and debate.

Measures Taken So far

The **International Financial Services Centres Authority Act, 2019** mandates that the authority should constitute a **Performance Review Committee** to review its performance annually.

The **Insolvency and Bankruptcy Board of India (IBBI)** is also required to do assessment of its effectiveness and efficiency in terms of its objectives and mandate, as per the provisions, mentioned in **the Insolvency and Bankruptcy Code 2016**.

Way Forward

A **systematic strategy** for evaluation can be organised. It should be done around three groups of parameters: **Governance, process, and outcomes**. However, the principle of **Nemo judex in causa sua**, or nobody should judge their own cause, should be kept into consideration while doing so.

The legislature can authorize the **Comptroller and Auditor General of India (CAG)** to do performance audits of SRAs, as both have a **principal-agent relationship**.

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The **terms of reference** of the evaluation should be discussed with the relevant parliamentary standing committee. The task can be delegated to a **non-partisan external research organisation** which should submit report back to the parliamentary standing committee. This report should be the basis of the amendments to the law.

The regulatory evaluation can consist of two aspects: First examining the actions of the regulator over a stated time period, and second, doing **anonymous perception assessment** among regulated persons through a private organisation.

Lesson to learn

The IBBI has become the first Indian SRA to have commissioned an independent evaluation of its regulatory role. This constitutes an important milestone in the emergence of state capacity in regulation in India. Other SRAs should learn from it.

9. [Sukanta Chaudhuri writes: Education plan for disbanded Agniveers is alarmingly vague](#)

Source: The post is based on the article **“Sukanta Chaudhuri writes: Education plan for disbanded Agniveers is alarmingly vague”** published in the **“Indian Express”** on **22nd June 2022**.

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

Relevance: To understand the challenges associated with the educational benefits provided to Agniveers.

News: Recently, the government of India introduced a new recruitment scheme for the armed forces, [Agnipath](#).

What are the educational benefits provided to Agniveers?
Two major plans have been mooted.

First, those joining after Class X can proceed to a Class XII certificate through the National Institute of Open Schooling.

Second, a special three-year degree programme was mooted by the University Grants Commission jointly with the Indira Gandhi National Open University.

Read more: [Education Ministry to recognize in-service training received by Agniveers as credits for graduation](#)

What are the concerns associated with educational support?
Disbanded Agniveers will require training for whatever work they take up subsequently.

Content of the programme: The most beneficial plan for Agniveers would be to focus on mainstream general education: Languages, mathematics, natural and social sciences, alongside practical skills like computation and accountancy. But the educational programme does not mention anything about the content.

For instance, the only degrees mentioned in the press release are B.A. (various streams) and [B.Com](#). (One wonders about Agriculture, one of the listed subjects.). This completely neglects the basic sciences or technology degrees.

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

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Challenges with the manner in which degree is provided: The new National Educational Policy prescribes an open-ended four-year undergraduate programme. The first three years' courses are multifarious, not a scattered or diffused one. After three years, the student can exit with a Bachelor's degree; after four, with a "multidisciplinary" Bachelor's degree, or one "with research". Further, the UGC's latest announcement declares that a four-year Bachelor's course is sufficient training for doctoral research, including "multidisciplinary" research.

These models are further diluted for Agniveers by reserving 50% of the credits from the "skill training received by Agniveers during their tenure in the defence establishments."

There are a few questions associated with that. Such as,

- How this will enhance Agniveers skills in a civilian education system to degree level?
- How does the six-month in-service training be mechanically converted to credits for the notionally separate three-year course?

All this turns the degree into an undemanding formality. That would be a poor tribute to Agniveers abilities and motivation, and poor provision for their future.

Must read: [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

10. [NCERT's textbook 'rationalisation' exercise raises questions of political intent, is at odds with progressive thrust of NEP](#)

Source: The post is based on an article "NCERT's textbook 'rationalisation' exercise raises questions of political intent, is at odds with progressive thrust of NEP" published in the **Indian Express** on 22nd June 2022.

Syllabus: GS 2 Social Sector; Education; Statutory, regulatory and quasi-judicial bodies

Relevance: NCERT Functioning; NEP

News: It is reported that the NCERT is going to introduce sweeping changes in social science textbooks for Classes VI to XII. It will involve deletion and modification of certain contents of the NCERT books

The NCERT's Rationale

The changes are being introduced as a "**rationalisation exercise**". This is aimed to reduce the **curriculum load** to help students make a "**speedy recovery**" in learning after the Covid-induced disruptions.

What are the proposed changes?

It will delete content related to **chapters in history** that have acquired **political overtones** under the current ruling establishment. For example, the Delhi Sultanate and the Mughal Empire.

Some changes will be introduced in **certain moments** in India's recent political history. For example, the Emergency in 1975-77 and the communal violence in Gujarat 2002.

What are the issues and concerns in this project?

Some of the revisions will impact the learning of the students related to **the inequities of the caste system** and the impact of **social** and **protest movements** such as the Narmada Bachao Andolan.

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The proposed changes seem to be motivated by the urge to **protect the authority** of the state from questions, arguments and criticism. Therefore, it raises the questions on the **political non-partisanship** and **autonomous functioning** of the NCERT.

It seems that the proposed changes aim to project the notion of a **cohesive Hindu society** through NCERT books/.

There is a **lack of transparency** in the functioning of the NCERT. For example, the name of the “external experts” has not been revealed in the public domain.

The **learning loss** can be best recovered through **classroom-level interventions**, such as empowering teachers.

The pandemic-related exigencies do not require making **permanent deletions** and attenuating the content of textbooks.

The social scientists argue that the **content** which is proposed to be changed is important to encourage **critical thinking** of a complex understanding of social and political processes that took place in the past.

It is the responsibility of a historian to depict a nuanced view of the past.

11. [India and Australia: Partners with shared interests and entwined](#)

Source: The post is based on the article “**India and Australia: Partners with shared interests and entwined destinies**” published in the **Indian Express** on **22nd June 2022**.

Syllabus: GS 2 – International relations; Bilateral relations

Relevance: India-Australia relations

News: The Deputy Prime Minister and Defence Minister of Australia is going to make a visit to Japan and India.

India-Australia relations

In general

- (1) Both have a **Comprehensive Strategic Partnership** which is full of practical, and tangible actions.
- (2) Both hold **annual leaders’ summits** and **biennial 2+2 talks** involving foreign and defence ministers.
- (3) Indian and Australian defence forces undertake more complex activities together. For example, **Exercise Malabar**, Indian military officials also observed the Australian **Exercise Talisman Sabre**.
- (4) Both countries coordinate closely on **maritime domain awareness**. For example, deployment of **P-8 surveillance aircraft** to each other’s territories for joint patrols.

Convergence of Interests

- (1) The **Indo-Pacific region** is facing a lot of issues, ranging from the highly intensified **strategic** and **geo-economic competition in the region**.

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(2) The world is facing the problem of the return of war to Europe, growing climate risks, and enduring pandemic impacts. As a result, the world is facing the problems of inflation and supply chain shocks.

(3) Both countries share **common values** and **interests**. For example, both countries are committed to democracy, the drive and the goodwill to make the Indo-Pacific region safer, freer and better.

(4) India's economy, manufacturing capabilities, and talent ensure that it can play a key role in securing supply chains and restarting post-pandemic growth.

(5) India's military has the capacity and capability to respond to **natural disasters**, help stabilize an uncertain region and contribute to an effective **balance of power**.

(6) India's **technological and scientific capabilities** are gateways to a cleaner and more sustainable world.

(7) The Australian government is focused on making Australia a **renewable energy superpower**. In this context, India can emerge as a **clean technology manufacturing powerhouse** which will benefit both.

(8) Both India and Australia have great potential to cooperate on the **issues of climate and sustainability**.

(9) Both have vital interests in the **Indian and Pacific oceans** like combating climate change, illegal fishing and people smuggling and responding to humanitarian crises and natural disasters.

The Way Forward

The new Australian government places India at the heart of **Australia's approach** to the **Indo-Pacific** and **beyond**.

The Australia government has adopted **the India Economic Strategy to 2035**. It aims to set up a **Consulate-General** in Bengaluru in 2023, a **joint Australia-India Centre of Excellence** for Critical and Emerging Technology Policy in Bengaluru and a **Centre for India-Australia Relations** in Australia to propel and strengthen the community, institutional and business ties.

Australia has a vision for an **open, inclusive and resilient Indo-Pacific region**. This implies a more integrated region, where **trade** and **investment** flow freely based on agreed rules and treaty commitments.

The **rules-based international order** must be followed and disputes are resolved through dialogue in accordance with international law.

Both countries must work together with resolve to shape our **economic** and **strategic** environment aimed to ensure collective security and prosperity.

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12. A wish list for reform in India's higher judiciary

Source: The post is based on an article "A wish list for reform in India's higher judiciary" published in the "The Hindu" on 22nd June 2022.

Syllabus: GS 2 Functioning of the Indian Judiciary

Relevance: Reforms in the Supreme Court of India

News: There are rumours that the age of retirement of Supreme Court of India judges is to be increased to 67 years

What should be the prioritized areas with respect to the reforms in the functioning of the Supreme Court of India?

The disparity between the retirement ages of **HC (62year)** and SC judges(65year) should be removed. At present, this **differential retirement age** puts intense pressure and competition among HC judges to make it to the top court in order to get three more years.

At present, there is **no uniformity** in the working of the **judge's post-retirement**. For example, some focus on arbitrations, some do public service; and some are appointed to various constitutional posts, tribunals and commissions.

It would be worthwhile to disallow the retired judges from doing arbitrations. A **cadre of public service** for retired judges can be created. From this pool, the government can make appointments to the constitutional and statutory posts and special assignments.

Such judges should receive the full pay and the facilities of a judge of the Supreme Court for life.

The **Second Judges case (1993)** and the Memorandum of Procedure(MOP) has established the norm that the **senior-most judge** of the SC should be the CJI. However, **Article 124** does not mandate such a thing. It states that the President will appoint every judge of the SC, including the CJI. It has no constitutional legitimacy. The process usurps the President's power. Therefore, it should be reformed.

Let all serve equally under the **constitutional throne** for the entire length of their tenure. It would also ensure that the judges are not swayed by their aspirations to become the CJI.

Who shall be "primus inter pares", the first among equals?

The Constitution says, the judges of the HC, senior advocates and distinguished jurists can become the judges of the SC.

Therefore, the best reputed Chief Justice of a HC who has proved himself worthy both in judicial office as well as administrative leadership can be raised to the position of the CJI.

In addition, The CJI should be given a clear term of **three year** rather than the present left over term.

In addition, the CJI should not function as the *primus super pares*. He should function in a **true collegiate manner**, especially in regard to the **roster of allotment** of cases etc.

Such a combination of CJI so chosen working with **senior ranking colleagues** will ensure collegium function in a more **efficient and effective way**.

The US Model: Such a system is invariably followed in making the appointment of the Chief Justice of the United States Supreme Court. It is part of a system designed to relieve excessive power and pressure.

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13. Heal the nation before healing the rest of the world

Source: The post is based on an article “Heal the nation before healing the rest of the world” published in the “The Hindu” on 23rd June 2022.

Syllabus: GS2 – Issues related to Health

Relevance: Healthcare Professionals

News: News: The Centre is developing an exhaustive **online repository of all categories of health-care professionals in the country**, under the Ayushman Bharat Digital Mission and the “Heal by India” initiative

About the move

An online health-care professional repository will aid foreign stakeholders in finding their right choices.

What are the reasons for such a move?

Soft power projection: In the post-COVID-19 era, the countries want to project soft power through healthcare services. In fact, the **General Agreement on Trade in Services (GATS)** aims to improve **cross-border trade** in medical and **health-care services**.

What are the problems with creating an online repository of healthcare professionals?

The primary purpose of creating an online repository is to aid **external stakeholders**, viz. **foreign employers** and patients in finding a right Indian match for their respective needs.

The move will worsen the out-migration of health-care professionals from the country. This will be done at the expense of the nation’s own health interests.

The proposal indicates **liberalization** in **healthcare sector**, which is a **shunned principle** in the health care sector.

As per a study by WHO and the Public Health Foundation of India, India faces **shortage of health-care personnel**. India needs nearly **two million** more doctors and nursing professionals to attain the minimum threshold ratio of **health-care professionals to the population**.

India has a **skewed skill-mix** of health professionals across a number of States. Their current pace of growth is unlikely to result in any significant improvement in the density or skill-mix of health-care professionals by 2030.

There are health-care professionals who remain inactive and remain outside the labour force.

Other important measures taken by the government

The Union health Budget 2022 has put focus on training different cadres of **health-care personnel**. The government will utilise the existing capacities at the **district** and **sub-district levels**. Such a move was recommended in the **Fifteenth Finance Commission**.

Way Forward

The government should draw a distinction between **exporting products** such as vaccines and **health-care professionals** because the latter require a lot of investment in training and involve a **net drain** of resources from the native country.

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Further, India cannot afford to divert India's scarce national health-care resources to **medical tourism**. It will worsen already worsened **health equity** in developing countries such as India.

This is not the right time to pursue **medical tourism** and **out-migration** because, at present, the country is reeling under acute shortages of healthcare professionals.

An online registry of health-care professionals would be beneficial at the **national and sub-national levels**. The benefits are:

- (1) There are a lot of disparities in the availability, distribution, and skill mix of the health manpower.
- (2) This would strongly complement measures such as an **integrated public health cadre**
- (3) The initiatives will also help to train, deploy and retain more local manpower.

The **political, geopolitical expediency** or **cultural chauvinism** should not be allowed to undercut **national health interests**.

14. [Will Agnipath energise or demoralise the military?](#)

Source: The post is based on the article "**Will Agnipath energise or demoralise the military?**" published in "**The Hindu**" on **24th June 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 challenges associated with the Agnipath scheme.

News: Recently, the government announced the Agnipath scheme, which fundamentally transforms the process of recruitment of armed forces.

Must read: [Cabinet clears Agnipath Scheme](#)

What are the advantages of Agnipath scheme?

Younger military: According to the government, the scheme will bring down the average age from 32 to 26.

Introduce new kinds of modern equipment to armed forces: The scheme will attract people who are more technologically savvy and are therefore more capable of handling new kinds of modern equipment. The government will also employ some people from the Industrial Training Institutes (ITIs) and other technical institutes.

Must read: [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

What are the challenges associated with the Agnipath Scheme?

Militarisation of society: Since numerous young military-trained men will be going back to civil society every year this will create challenges to national security. There could be some who could be exploited by anti-social elements.

Impact the leadership: When Agniveers retired after four years, if any, good and bad, will be faced by the next set of leadership within the military.

Read more: [Arun Prakash writes: Agnipath, between the lines](#)

What should be done?

Prevent militarisation: Pressures of a jobless existence weigh against the ethos or the morality. Hence, the government should give them some decent, honourable second career.

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Try the pilot phase of the scheme: The government should put the scheme through some kind of testbed and be open to major changes, if and when required.

Set up another organisation to look after the people who go out: Currently, there are many complaints against the Department of Ex-Servicemen Welfare. Hence, the government should reform that or create a separate organisation to take care of outgoing Agniveers.

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

15. [Can Data Surveillance Prevent The Next Pandemic?](#)

Source: The post is based on the article “**Can Data Surveillance Prevent The Next Pandemic?**” published in “**The Times of India**” on **24th June 2022**.

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

Relevance: To understand Bill Gates’s method to prevent pandemics.

News: Bill Gates advocates “Outbreaks are inevitable but pandemics are optional.” According to him, the next outbreak may turn out to be even more deadly and destructive. He also mentions right now is the best time to start preparing for the next virus and prevent the next pandemic.

About the status of some infectious diseases

Smallpox is the only infectious disease in human history which has been successfully eradicated. Diseases like polio, malaria and AIDS are still prevalent in society.

Note: Only Pakistan and Afghanistan still reporting polio cases.

How one can prevent pandemics according to Bill Gates?

Build Infrastructure: Building infrastructure helps to detect new infections and provides better data about existing diseases. Countries should use this infrastructure to first improve their disease surveillance of existing infections such as tuberculosis and malaria, and then repurpose the infrastructure for a new infection when it surfaces.

Doing war games for pandemics: Full-scale drills at country and global level to prepare for battling new infections. These will test the countries’ drug, diagnostic and vaccine manufacturing capacity, healthcare infrastructure, the reliability of supply chains and coordination between departments, governments and people.

He was of the opinion that unless such exercises are run, the nations will not be able to see the gaps in preparedness and repair them.

Dedicated Team: Gates emphasised involving a team of dedicated people including epidemiologists, data analysts, supply-chain experts and computer modellers whose full-time job is to detect and help the world contain a future pandemic.

He calls them the **Global Epidemic Response and Mobilisation (GERM) team**.

What are the structure and functions of the GERM team in preventing pandemics?

Managed by: WHO will run this team but most of the personnel will be based at the country level.

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Role of nations: The team would also be a part of the national detection and response team. This is to make the government feel that the GERM recommendations are not imposed from outside.

What are the challenges associated with Bill Gates's approach to prevent pandemics?

Issues with Disease-specific control programmes: His idea of Disease-specific control programmes have an overall inclination to fund infrastructure for a specific disease. But this approach neglects to strengthen primary healthcare.

It is also against the proven method of targeting a lot of diseases in the first place as a much more efficient way of improving healthcare.

Overemphasis on health data: GERM team will depend more on nation-level data. But when data are not maintained properly then successful detection of outbreaks will not happen. For this reason, the GERM team is not suitable for India.

What should be done to prevent pandemics?

a) Improving the primary healthcare system, **b)** Improving vaccine delivery, **c)** Focusing on disease-prevention programmes, and **d)** Investing more in health.

With the increase in Covid cases in India, India needs to not forget the lessons from the Covid pandemic and to be better prepared for the next one.

16. [Stabilise Sri Lanka](#)

Source: This post is based on the article "**Stabilise Sri Lanka**" published in **Business Standard** on **23rd June 22**.

Syllabus: GS2 – International Relations – India and its neighborhood

Relevance: India – Sri Lanka relations, Economic crisis in Sri Lanka

News: The situation is rapidly approaching a major humanitarian crisis in Sri Lanka with its Prime Minister Ranil Wickremesinghe recently stating that Sri Lanka's economy has completely collapsed.

How bad is the situation?

Sri Lanka's PM has informed parliament that the economy was facing a far more serious situation beyond mere shortages of fuel, gas, electricity and food.

Sri Lanka **suspended payment on \$12 billion of foreign debt** last month and **needs \$6 billion** in the next few months just to keep going — to replenish reserves and pay for imported fuel and food.

At least one of its foreign creditors has already filed a suit in the US as a response to the Sri Lankan government's decision to suspend payments.

What steps has India taken and what more it needs to do?

India will **need to take the lead in stabilising its southern neighbour** if it is not to have to deal with a humanitarian and political crisis with possible spillover effects.

Efforts made by India

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- A team of high-level officials from New Delhi, including the finance secretary, the foreign secretary, and the chief economic advisor, have travelled to Colombo to discuss possible assistance.
- The Indian government has already provided credit lines, currency swaps, and other assistance, which total \$3 billion.

Way forward

The Lankan government hopes for an **official agreement to be signed with the IMF** next month. The IMF will need to provide \$3 billion or so in actual commitments. This agreement will not be easy, since the multilateral organization will require other major lenders to Sri Lanka to enter into various debt forgiveness and restructuring mechanisms.

One of the priorities here must be to **create a structure to deal with debt to China in crisis-hit countries**. This can serve as a template for such problems in the future.

- Already **Laos**, which owes about half its public debt to China, is being identified as Asia's next possible defaulting country.

Domestic reforms: Much action will have to be domestic, with internal structural reform that stabilizes the currency and ensures that the island economy's fundamentals, can lead to sustained growth.

But the outside world, led by India, must **assist in this process** by means of helping **guarantee stability** through what will be a painful transition.

Mr Wickremesinghe has warned the country may "hit rock bottom". The rest of the world must prevent that from happening.

17. [Help Afghans](#)

Source: The post is based on an article "**Help Afghans**" published in **the Times of India** on **24th June 2022**.

Syllabus: GS 2 International Relations; Bilateral relations etc.

Relevance: India-Afghan Relations, India's neighborhood First Policy

News: Recently, Afghanistan has faced a severe earthquake, which is supposed to have killed around 1,000-plus people in initial estimates.

What are the major problems that are being faced in Afghanistan?

Before Earthquake

Afghanistan is already in the midst of a humanitarian crisis since Taliban's takeover last year,

Since Earthquake

The earthquake has put Afghanistan on the brink of an even **bigger disaster**.

It is facing the problem of inadequate rescue efforts, and shortage of food and medicines in the area.

Why should India come forward?

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Afghanistan needs a massive aid effort. India can be one of the countries which can afford to help. Further, Taliban has asked for help.

What are the challenges in giving aid to Afghanistan?

Afghanistan's **disaster management system** is very poor since pre-Taliban government. For example, inadequate aircraft and helicopters available to rescuers, etc.

The pre-Taliban government was involved in corruption. According to **the US Special Inspector General for Afghanistan Reconstruction**, nearly \$19 billion was eaten up by "fraud, wastage and abuse".

The Afghan healthcare system is near collapse because foreign staff of humanitarian organisations that were operating in Afghanistan have left the country due to security concerns.

It is **dangerous** for the Indian government to send a **rescue and aid team** to Afghanistan because the **quake-hit region borders** Pakistan and the Indian **team** can be attacked by **Pakistan-backed militant groups**.

Way Forward

New Delhi's best option is to be very generous but work through the UN.

18. [OP Agarwal, Nitya Kaushik write: Training Karmayogis at all levels is a must for inclusive development](#)

Source: The post is based on an article "**Training Karmayogis at all levels is a must for inclusive development**" published in the Indian Express on 24th June 2022.

Syllabus: GS 2 Governance; Role of Civil Services in Bureaucracy

Relevance: Capacity Building Programme

News: Recently, the Government of India's Mission Karmayogi programme to build civil service capacity received a \$47 million boost from the World Bank.

History of Training programmes for capacity building of the Civil Servants?

At Senior Level

Before 1985: Higher civil servants received **two-year induction training**. It was done to equip IAS officers to be good field officers.

In 1985: In addition to a **two-year induction training**, **senior officers** like IAS officers were mandated to attend a **week-long training programme annually**, and **periodic four-week training** to allow reflection and learnings.

In the early 2000s, in addition to above, the seniors' officers had to attend a **year-long professional programme** in public policy. Further, **the mid-career training at three different points** of their career. It was introduced to increase their competencies at more senior levels.

At lower levels

Before 1985: There were no training for **lower civil services**.

What are the areas where capacity building framework can be instituted in the present context?

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A **massive scale-up** in capacity-building is needed both at the **political** and **bureaucratic levels**. The representatives need to understand the nuances of policymaking.

In addition to bureaucrats, the political leaders too would need to choose areas of specialization.

It is important to build **professionals** in all domains, from technical experts to generalists.

Today, India is ambitious for growth. The policymaking has become **more complex**. It should be based on data and **evidence-based decision-making**.

It must equip the **entire chain of command** to coordinate and steer the ship towards a national goal.

The higher officers should be able to build **morale** and **self-respect** among the frontline workers like police constables, patwaris, gram sevaks, frontline clerks, office peons, postmen, etc. They should feel they are part of a **larger public management system**, not mere cogs in the wheel.

Way Forward

Case of a three-day programme for safai karamcharis of the Satara Municipal Corporation:

This programme was conducted by In 2004, Joint Secretary (Training) in the Union Department of Personnel and Training. It instilled confidence and a sense of respect among worker staff. Thereafter, they proactively worked in their domain.

- For example, they set up a **waste segregation system** by educating each household within their ward. The training programme changed the attitudes of the municipal workers.

India already has **everything** it needs to scale up **capacity building**. For example, the existing institutions and educational centres, available expertise and knowledge base, can appropriately support training for various grades of civil servants.

[19. The advent of 'app-solute' chaos in NREGA](#)

Source: The post is based on an article "**The advent of 'app-solute' chaos in NREGA**" published in the "**The Hindu**" on **25th June 2022**.

Syllabus: GS 2 Social Sector; Schemes and Programmes

Relevance: NREGA

News: In 2021, the Ministry of Rural Development (MoRD) launched **the National Mobile Monitoring Software (NMMS) app**. It was aimed at "improving citizen oversight and increasing transparency" in National Rural Employment Guarantee Act (NREGA) works.

Objectives of the app

It would ensure proper monitoring of the schemes with the purpose of increasing "**citizen oversight**" or **transparency** in the implementation of the scheme. In addition to this, it will potentially enable **processing payments faster**.

What are the main feature of the app?

It is to be used by the NREGA Mates, local women at the panchayat level who are selected, trained and deployed to monitor NREGA worksites.

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It would ensure monitoring the attendance of workers through **real-time, photographed, geo-tagged attendance**. The attendance will be taken once in each half of the day.

The MORD made it mandatory for all NREGA worksites to employ more than 20 workers. The workers have no option for manual attendance other than in exceptional circumstances.

Benefits

It would address the corruption which has been a **rising problem** in NREGA as the funds are being siphoned off by **faking attendance records**.

What are the issues with the National Mobile Monitoring Software (NMMS) app?

It can monitor the **attendance of workers** who have fixed work timings, which is found only in some states. However, in most states, NREGA wages are calculated based on the amount of work done each day. Workers do not need to commit to fixed hours.

NREGA app mandates marking attendance for the workers who are at the **worksite the entire day**. It will cause significant difficulty for NREGA workers who may finish her/his work early, and go to take care of other work for the remaining day, say tea stall or home chores.

It mandates the worker to be present at the worksite all day or travel twice to mark her attendance.

It will create hurdles for women. They will have to choose between their traditional burden of household chores and care work and NREGA work. Around 54.7% of the NREGA workers were **women workers** in FY 2021-22. It will decrease their participation.

Implementation challenges

There is a lack of a **stable network** in rural India. Thus, many workers won't be able to mark their attendance, and would lose a day of wages. For example, Kerala and Jharkhand recorded such cases.

The **differently-abled NREGA workers** may find it difficult to mark attendance. For example, it was experienced in Tamil Nadu.

While selecting NREGA mates, **smartphone-owning men** are likely to be given preference over **women having no smartphone**. It is mandatory for the **NREGA Mates** to have a smartphone. For example, Jharkhand and Andhra Pradesh have seen such cases.

The **training** to use the app has been **inadequately** given to the mates. This could lead to **errors** in recording **workers' attendance**, which ultimately results in delayed or non-payments.

The **intended purpose** of such an **application** and its **effectiveness** remains unclear. There would be **no physical attendance records**, and workers have no proof of their attendance and work done. For example, In the **West Singhbhum District, Jharkhand**, workers could not establish their attendance and work done since there was no physical record as evidence.

The MORD has neither provided much **clarity** on the magnitude of the **corruption** in NREGA nor the manner in which the NMMS addresses it. There are **no parameters** to assess the app's performance, either on transparency or on quicker processed payments.

The NMMS is consequently blind to the **actual functioning** of NREGA on the ground.

The Way Forward

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Instead of focusing on this **app** or introducing other **complex technological reforms**, the government should strengthen **social audits**, which have worked well in the past.

20. [Brick by brick](#)

Source: The post is based on an article “Brick by brick” published in the “The Hindu” on 25th June 2022.

Syllabus: GS 2 International Relations, Regional Groupings

Relevance: BRICS

News: Recently, the 14th BRICS Summit concluded on June 24. It was hosted by China and was held virtually. It revealed much about the grouping of five emerging nations.

Achievements

The first summit was conducted in Yekaterinburg in 2009. Since then, it has successfully conducted **the 14th summit**, which is in itself a remarkable achievement.

In addition, the BRICS countries have established **the New Development Bank (NDB)** in 2015. Since its launch, the bank has funded around \$30 billion worth of projects in emerging nations

What are the roadblocks in front of the BRICS?

Despite a tall agenda, the bloc remains constrained by differences. For instance, **India** and **China** have found themselves on **opposing sides** of the debate on two key issues.

(1) **UN reforms:** India and Brazil pushed for an **expanded UN Security Council (UNSC)**. However, China is certainly not in favor of a permanent seat for India.

(2) **Terrorism:** China on multiple occasion have blocked India’s move to sanction the LeT terrorist at the UNSC sanctions committee

The different members of the grouping have different views on condemning **NATO**. These differences certainly create doubt on the **grouping’s tall goals** of **reorienting** the global order.

The Beijing Declaration

It envisaged promoting **“making instruments of global governance more inclusive, representative and participatory”**.

It has mentioned different opposing approaches that India and China have adopted with respect to the above-cited **two key issues**.

The Way Forward

Prime Minister Narendra Modi described that “BRICS members have similar approach regarding the governance of the global economy”.

The BRICS countries should continue to cooperate on issues where **interests align**. There remains a **strong convergence** of **interests** amid undeniable differences, like **financing projects** by the NDB, working on climate change, or **space cooperation**, where the five countries have agreed to create a **joint constellation** of **remote sensing satellites**.

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21. How G7 could help the debt-distressed?

Source: The post is based on an article “**How G7 could help the debt-distressed**” published in the Business Standard on 25th June 2022.

Syllabus: GS 2 International relations; Regional Grouping

Relevance: G7 Grouping

News: The G7 leaders are going to meet to discuss various global crises such as war in Ukraine, food insecurity, inflation, backlogged global supply chains, the pandemic response, and climate change.

About G7

Members — Canada, France, Germany, Italy, Japan, the United Kingdom, the US, and the European Union

What are the impact of these issues on low- and middle-income countries?

They are the hardest hit by the Covid-19 and are already facing **an escalating debt crisis**.

These **countries** have been pushed into **total indebtedness** to a 50-year high. For example, at present, more than **two dozen countries** are at risk of defaulting in 2022. Sri Lanka has become the first country in this line of default.

What are the issues?

These countries are already struggling to recover from the pandemic. Meanwhile, they have to fight new challenges.

The US bank has increased the interest-rate which is driving up borrowing costs globally.

Many lowest-income countries do not have **credit ratings**. They rely on **development finance** to make up revenue shortfalls and meet basic needs.

What is the importance of the G7 Grouping to help out low- and middle-income countries?

The members can help these countries manage **deteriorating macroeconomic conditions** in a number of ways.

- (1) The G7 countries are themselves one of the biggest sources of development finance.
- (2) The G7 countries are among the largest shareholders of the International Monetary Fund (IMF) and the World Bank. The G7 countries can urge the IMF to issue their **SDRs** to help numerous **low- and middle-income countries** to avoid **fiscal crises** and defaults while still maintaining **essential public services**.
- (3) They are members of forums like **the Paris Club of sovereign creditors** and **the G20** which shape the **debt-relief** and **debt-renegotiation agreements**.
- (4) All the G7 members, except the US, have already pledged to **the IMF's Resilience and Sustainability Trust**. They can urge the US to “recycle” its own unused SDR allocation to support countries in need.
- (5) The G7 can help in the **conditional debt relief**. The leaders can urge fellow G20 countries to extend **the Debt Service and Suspension Initiative** through 2023 and work upon the **G20 Common Framework** for **sovereign-debt restructuring**.

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(7) The G7 should explore the idea of **debt-for-health** or **debt-for-climate swaps** etc. to strengthen health systems and pandemic preparedness and response (PPR). In such a mechanism, **sovereign debt** is forgiven in exchange for a country's commitment to use the **freed-up funds** to invest in **health systems**, clean energy, etc.

(8) The G7 countries can urge the **IMF** to reform its **loan regime**. Most of these agreements contain **counterproductive provisions**. For example, the recipient governments are required to cut their **public wage bills** or reduce their **debt-to-GDP ratios**. These conditions undermine state capacity, jeopardise essential services, and increase inequality in the medium to long term.

The Way Forward

The international community should find ways to engage constructively with China and private creditors.

In addition, a **truly multilateral framework** for debt restructuring can be developed.

22. American Tragedy – Right to abortion judgment

Source: The post is based on an article “**American Tragedy**” published in **The Times of India** on 25th June 2022.

Syllabus: GS 2 Important Provisions of the Constitution of India; Social Sector

Relevance: Fundamental Rights like the Right to abortion

News: Recently, the US Supreme Court overruled the **1973 Roe vs Wade decision**. It eliminated the constitutional right to abortion.

Implications of the US Judgement

Globally

It will strengthen the feeling that women's rights that are decades in the making can disappear overnight.

The US

At the level of US healthcare, around half the states would be expected to ban all or most abortions.

In political terms, it is a success story for the **conservative movement**. But this is a serious setback for the movement for women's bodily autonomy, and their right to make decisions about themselves.

History of Abortion Rights in the US

American women won the right to abortion about half a century ago.

The Way Forward

In the future, the government can come up with a **legislative fightback** against the court's decision.

The overall trend of **liberalizing abortion laws** from developed to developing countries should not be impacted. The Indian Judiciary and Executive should not take any action which can cause an assault on women's rights.

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Reproductive **freedoms** are deeply linked to **economic freedoms**.

23. [need to formulate a structured gaming law for online gaming](#)

Source: The post is based on an article “**We need to formulate a structured gaming law that allows players to enjoy the thrills of online gaming responsibly, safely, transparently and securely**” published in the **Indian Express** on 25th June 2022. **Syllabus:** GS 2 Important Provisions of the Constitution of India

Relevance: Fundamental Rights

News: Due to evolving technologies, online gaming has swiftly emerged as the most engaging form of entertainment in India.

About the Online gaming industry

The online gaming including **e-sports, online casual games** and **real money** gaming. The industry has been growing at a rate of about 35% in 2019-20, outpacing OTT, television, and social media platforms.

What are the reasons behind its emergence?

It has been propelled by **younger demographics**, increased internet **penetration**, and affordable **smartphones**. Nowadays, we are witnessing the **mobile-first phenomenon**,

Legal Status

Globally

The gaming industry is a **well-regulated industry**, and many countries, including the UK, US, and EU, have instituted a regulatory framework.

India

The **games of skill** (fantasy chess, bridge, rummy, and poker) are legal and protected under the Constitution.

The **games of chance** (roulette, teen patti, and dice) are essentially about **gambling** and hence deemed illegal.

As per the **Indian Constitution**, gambling is classified under the **State List**. States have the power to regulate or prohibit such activity.

What are the challenges?

In online gaming, people are found to **confuse** the online real money gaming with the gambling.

The state government has failed to distinguish between **online skill-based gaming** and **gambling**. Therefore, some states like Tamil Nadu Government, which have either placed restrictions or buried the sunrise sector under **regulatory ambivalence**. For Example, the Tamil Nadu government amended the Tamil Nadu Gaming and Police Laws, 1930 banning online games

Th “**games of skill**” are legitimate **business activities** that are protected under Article 19(1)(g) of the Indian Constitution as per the rulings of the **Supreme Court** and **several High Courts** till date. These rulings have created distinction between “**games of skill**” and “**games of chance.**”

The Way Forward

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The **Madras High Court** struck down the **Tamil Nadu law** observing that a complete ban was unconstitutional. The Court acknowledged that a game involving **substantial skill** would not amount to gambling.

India needs to formulate a **structured gaming law** that ensures online gaming is played **responsibly, safely, transparently** and **securely**.

A **four-member committee** has been constituted to examine issues related to online gaming, identification of **online games** which are **addictive**, and whether these games really involve skills or mere tricks. Further, it is mandated to make recommendations for the **promulgation** of an ordinance to regulate the sector.

The committee will examine the **algorithms** of online games to ascertain whether they can be tweaked to the benefit of online gaming companies.

The **government policies** and **frameworks** should aim to ensure player protection and increasing stakeholders' awareness and education.

In addition to the government's regulations, the industry should also ensure **responsible gaming** and **self-regulation**. For example, EGF has designed and implemented **code of conduct** that requires operators to have features like KYC, SSL level encryption, risk-flagging mechanisms, daily and monthly restrictions, self-exclusion, and so on, to cultivate healthy gaming habits and encourages appropriate gaming behaviour.

India needs to study the **global best practices** that protects players, encourages responsible gaming, and assists legitimate operators while weeding out those who break the law.

The government should establish a dialogue mechanism between the government and the industry

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General

Studies

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1. [On India's unemployment issue: Persistent problem](#)

Source: This post is based on the article “**Persistent problem**” published in **Business Standard** on **19th June 22**.

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

Relevance: Unemployment in India and related issues

News: Poor state of employment creation in India is reflected in the recurrent protests against changes in the government's recruitment policy or delays in appointment.

The ongoing violent protests against the change in the recruitment policy for armed forces, which have led to a massive loss of public and private property, are yet another example in this context.

Has the unemployment rate declined?

Yes.

Periodic Labour Force Survey (PLFS) [annual report](#) shows that the unemployment rate declined and the workforce participation increased. But, it is important to look beyond the headline numbers.

– According to the report, the **unemployment rate declined to 4.2%** compared to 4.8% during the previous year, and 5.8% in 2018-19.

Since this was the period when the economy was **recovering from a stringent lockdown**, the labour force participation rate increased to 41.6% compared with the level of 40.1% in the previous year.

The female workforce participation rate, which has been a significant drag on labour force participation, also improved during this period.

Has the unemployment actually gone down?

No.

The improvement was not particularly on account of improved employment opportunities.

– **More people joined the workforce** due to the decline in household income. This is also evident in the quality of employment.

- During the period under review, the percentage of people employed in the agriculture sector increased to 46.5% as against 45.6% in the previous year. This is significantly higher than the 42.5% in 2018-19.
- Consequently, the **proportion of labor employed in the manufacturing sector declined**.

Among the workers earning wages and salaries, the **percentage of employees not getting any social security benefit** declined marginally to 53.8% compared to the previous year, but **was significantly higher** than the 49.6% in 2017-18.

Overall, while the share of self-employed people increased, the proportion of workers earning wages declined.

The latest quarterly PLFS report for January-March 2022, which was also released last week, **did not show any material change** in labour force participation with the recovery in economic activity.

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What are the challenges before India?

The most pressing challenge before India will continue to be **employment creation for an expanding workforce**.

While the government is promoting select industries in the manufacturing sector through an incentive scheme, it would not be able to create jobs at the scale required.

Nearly half of India's labour force is engaged in agriculture and can move only to low-skill manufacturing.

This is the exact opposite of what India's labour market needs.

– Sustained higher growth with an increase in productivity can be attained only by moving the labour force out of agriculture.

India's labour force participation is also significantly low and would be a drag on growth in the medium to long run.

2. [The EPI may rankle but India can recast policies](#)

Source: The post is based on an article “**The EPI may rankle but India can recast politics**” published in the “**The Hindu**” on **20th June 2022**.

Syllabus: GS3 Ecology and Environment

Relevance: The Environment Performance Index 2021

News: Recently, India was placed last among all 180 assessed countries in the latest Environmental Performance Index (EPI), carried out by Yale and Columbia Universities.

Key findings of the EPI index

India performed better in **sub-metrics** such as growth rates for black carbon, methane and fluorinated gases, and greenhouse gas emissions based on their intensity and per capita volumes.

India performed low on **projected GHG emissions** for mid-century, a target for **Net Zero emissions**. The EPI report estimates that **China, India, the United States, and Russia** are expected to account for over 50% of **global residual greenhouse gas** emissions by 2050.

For more: Read [here](#)

What is controversial in the index?

It emphasised on **climate change mitigation**. It prioritised the release of **GHGs** from countries. It reduced the emphasis on the **stock of CO2** from industrialised countries which is warming the globe. India would have ranked much better, if the latter was emphasised more than the former.

The Indian Government's response

The ranking agencies have not “engaged” with India on the climate change mitigation programme.

India protested the EPI for introducing a new metric on climate with increased weight in the calculation compared to the 2020 assessment.

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The Union government rejected the ranking based on the grounds that it used “**unfounded assumptions**”, “**surmises**” and “**unscientific methods.**”

The important tenets, like **the United Nations principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC)**, which forms the basis of the Paris Agreement, have been ignored by the agencies in the EPI.

The report ignored the facts that India has to raise the **living standards of hundreds of millions**. Despite this, India has secured to have **low per capita GHG emissions, reduced intensity** of GHG emissions in its economy, India has made big strides for **achieving 40% renewable power generation**, India’s support to **electric vehicles**, India launched a **major carbon sink initiative**, and India has done a lot for **wetland conservation**.

What are the objections to various claims made by the Indian Government?

The ISFR was based on **poor methodology**. For example, it relied on a relaxed definition of forest, it claimed expansion of forests when satellite imagery of the same areas showed a decline, the urban tree agglomerations were found added as forest.

There is little doubt that India’s air is very **polluted**. For example, in 93% of India, the amount of pollution remains well above the World Health Organization (WHO) guidelines.

India does not have a **centralised system** to drive pollution control efforts and achieve substantial improvements.

Way Forward

The Union government can focus on providing **clean public transport, cycling and pedestrianisation** because the present transport system contributes about 13% of emissions.

In order to achieve **Net Zero emissions** by 2070, the government can strive to reduce emissions from buildings, including embedded carbon in construction materials such as cement and steel.

India can expand **rooftop solar power** across residential deployments and commercial structures.

The government must provide **stronger protection for biomes**. It can generate wide-ranging benefits and biodiversity can recover. This protection of tree cover will augment carbon sinks.

India can adopt models of **development beyond GDP**, which has been proposed by **Amartya Sen, Joseph Stiglitz and Jean-Paul Fitoussi**.

India can adopt a rigorous **dashboard approach** to indicators. It can assign high weight to the environment.

3. [Petty patents can boost R&D](#)

Source: The post is based on an article “**Petty patents can boost R&D**” published in the “**The Hindu**” on **20th June 2022**.

Syllabus: GS3 Issues related to Intellectual property rights (IPR)

Relevance: The Petty Patents or Utility Model

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News: Recently, India was ranked 46 in WIPO's Global Innovation Index (GII) 2021, up from 81 in 2015. These findings corroborate are similar to findings in the UNCTAD's **Digital Economy Report 2021**.

Importance of Innovation

Innovative activity is the key driver of **competitiveness** and **economic growth**. It is important for the **Indian Economy**.

The innovation can lead to **self-reliance in technology**, especially in the context of the incipient **digital revolution**.

India's rising rank in the **global innovation league** suggests India has a lot of potential, and opportunity, to strengthen the competitiveness among business enterprises.

Indicators of innovative activity

(1) Gross R&D (GERD) and (2) The number of patents registered, are the key indicator of innovative activity.

Status of the patent filings in India

The patent filings by Indian enterprises and other institutions have increased from 8,841 in 2011 to 23,141 in 2020 (WIPO).

What are the issues in the field of innovation in India?

Issues in GERD

- (1) **India's gross R&D expenditure (GERD)** as a percentage of GDP at 0.7% is low.
- (2) The **Indian enterprises** have not got into an R&D culture. Only 30% of the GERD is spent by business enterprises, despite the generous tax incentives offered by the government.
- (3) The bulk of innovative activity is conducted by a handful of companies in the **pharma** and **auto sectors**.

Issues in case of patents in India

The patents granted have been only 776 and 4,988 for Indian enterprises and other institutions respectively.

Many patent applications fail to satisfy the **three-pronged test** of novelty, inventive step and utility.

The patent system fails to encourage **minor innovations** since the **criteria** for **inventiveness** tend to look at the **novelty** of the invention

What can be done to boost the R&D activities of Indian enterprises?

The development countries spend billions of dollars on **R&D subsidies** given to **national enterprises** to shore up their competitiveness. However, as per the World Trade Organization rules, subsidies up to 50% of project costs have been made **non-actionable**.

The India government can go for **partial funding** for specific R&D projects undertaken by **business enterprises**. It may be done in a desirable direction or field.

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– For instance, to promote capability building for **new products, process innovations** for local or global markets, focus on enhancing **ecological sustainability**, promote **industry's linkage** with public-funded research laboratories and universities, and so on.

Furthermore, products based on **indigenous developed technology** could be given **production tax concessions**, as well as **income tax concessions** to encourage innovation.

Way Forward

India should protect **minor innovations** through the so-called **utility models** or **petty patents** in order to promote **local innovation**. This has been done by several **East Asian countries**.

The utility model or petty patents regime provides **limited protection** to **minor incremental innovations** made, especially those by **MSMEs**. For example, providing a **limited period of protection** (5-10 years in contrast to 20 years in case of patents) and having less stringent requirements and procedures.

The **petty patents** and **industrial design patents** can encourage **domestic enterprises** to undertake **minor adaptive innovations** and foster an **innovation-based rivalry** among them.

4. [Partha Sen writes: The inflation tightrope](#)

Source: The post is based on an article “The inflation tightrope” published in the Indian Express on 20th June 2022.

Syllabus: GS3 Indian Economy; Issues and Challenges pertaining to growth and development

Relevance: Inflation Targeting

News: The Indian economy has been hit by inflationary shocks. The RBI failed to keep the inflation rate below the upper threshold of 6%. Only after inflation hit 7%, it raised the repo rate.

Mandate of the RBI

In 2016, an independent monetary policy committee was constituted. It embraced the idea of **inflation-target**.

The Reserve Bank of India is 4 per cent, with a band of 2 per cent on either side. However, the RBI did

Monetary authorities raise **interest rates** if inflation is above the **preferred target**, and vice versa. It causes a compression in demand (and a fall in economic activity), which in turn will reduce inflation.

What are the causes of inflation?

Some part of inflation is coming from abroad. For example, global supply chain disruption and so on.

There has also been a steady **outflow of foreign funds** from the stock market. This caused the rupee to **depreciate**. This raised the prices of imported goods, for example petroleum products. This further added to the inflationary woes.

Measures Taken So Far

The Monetary Policy Response

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The RBI has raised the cost of borrowing by increasing the repo rate, with a promise of more to come.

The Fiscal Policy Response

The central government has cut fuel taxes. Further, it has also banned the export of certain items.

What are the problems in India's inflation targeting framework?

In a bid to follow international best practices, the RBI seems to have fallen for a **fashionable framework**, without thinking about the **structure** of the Indian economy. This can be illustrated through the following points.

The first point relates to **agriculture's role** in the Indian economy. India's **non-food** and **non-oil components** of the consumer price index CPI are about 47%. The RBI has no control over international prices of food and oil. Therefore, it is left to squeeze less than 50% of the domestic economy to lower inflation.

The real interest rise works through **demand compression**. But the problem is on the supply side.

The RBI's monetary policy is silent on the **exchange rate** and its **effects** on output in the Indian Economy.

– For example, Until the 1970s, the monetary policies aimed to achieve both, **internal balance** (full employment and low inflation using monetary and fiscal policies); and **external balance** (balanced current account through the exchange rate).

The inflation targeting can be at odds with the external balance. For example, as the RBI raises **interest rates**, outflows will possibly slow down with the **rupee appreciating**.

Over time, from a policy perspective, the **internal balance** has come to mean only **low inflation**, since “the market” will ensure full employment.

Further, the Reserve Bank of India policy targets demand constraints. It faces the problem of tackling **Supply shocks** (originating from food and oil, primarily). If **output** is stabilised **using macroeconomic policies**, it can lead to prices rise even at higher levels. Further, on the other hand, if the authorities try to **stabilise prices**, it will lead to a fall in the output and employment in the country.

What is the situation of India's foreign exchange reserves since 2020?

Until 2020, India had seen **massive portfolio capital inflows**, and its **current account deficits** were financed by **foreign reserves**.

In about six months, the foreign exchange reserves have fallen from around \$640 billion to around \$600 billion due to reversal in portfolio inflows. The RBI has executed “**sterilised intervention**”, in which it has bought foreign exchange (with rupees) and sold the government bonds.

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5. [Ashok Gulati and Ritika Juneja write: An oil palm plan for home](#)

Source: The post is based on an article “An oil palm plan for home” published in the Indian Express on 20th June 2022.

Syllabus: GS3 Indian Economy, Effects of liberalization on Indian Economy; Issues and Challenges pertaining to buffer stocks and PDS; Major Crops – Cropping Patterns in various parts of the country

Relevance: Self- Reliance in Edible Oil in India; Oil Palm

News: Recently, **The World Trade Organisation’s (WTO) 12th Ministerial Conference was concluded.**

It struggled to find satisfactory answers to some of the complex questions pertaining to global trade, especially with respects to trade in agriculture commodities and public stockholding for food security purposes,

What are the major issues in international trade related to trade in agricultural commodities?

The most **appropriate trading rules** with respect to **agriculture, trade and food security** have not been figured out in dire situations like pandemics, wars, social/political disruptions or natural disasters.

In crisis times, many countries become **inward-looking** citing domestic **food security** needs.

– For example, Russia’s export ban on **wheat** and **sunflower oil**, Ukraine’s ban on exports of **food staples**, Indonesia’s ban on **palm oil** exports, Argentina’s ban on beef exports, and India’s wheat export ban etc.

What are the impacts of such inward-looking measures by the countries?

Sudden actions such as these lead to **supply disruption**, exacerbate the **pressure** on global trade leading to a spike in the **prices** of these commodities, threatening the food security of net food-importing countries.

Supply disruptions during the pandemic and the Russia-Ukraine war have led many nations to think about “**self-sufficiency**” in critical food items, or at least **reduce their “excessive dependence**” on imports of essential food products.

– For example, India is working to reduce its dependence on palm oil import.

India’s Agri-EXIM Situation

India’s Agri-exports are more than its Agri-imports. This means that Indian agriculture is largely globally competitive.

However, India’s **biggest Agri-import item, edible oil**, accounts for 59% of India’s Agri-import basket. Further, Palm oil comprises more than 50 per cent of India’s edible oil imports, followed by soybean and sunflower.

Measures Taken for making India self-reliant in edible oil

The **National Edible Oil Mission-Oil Palm (NEOM-OP)** was launched in 2021 to achieve self-reliance in edible oils, primarily through traditional oilseeds such as mustard, groundnuts and soya.

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The objective of NEOM-OP also includes to bring in at least 1 million hectares under oil palm by 2025-26.

What are the challenges for making India self-reliant in edible oil?

The cultivation of traditional oilseeds would require an **additional area** of about **39 million hectares** under oilseeds.

However, such a large tract of land will not be available without cutting down the area under cereals. This could endanger **India's food security**.

Way Forward

The government can reduce **import dependence** in edible oils through promotion of **oil palm** at home.

India has identified **2.8 million hectares** of area where **oil palm** can be grown suitably.

The oil palm is a **long gestation period crop**. It takes four to six years to come to maturity. Therefore, during this period, smallholders need to be fully supported in the form of subsidy or else.

Besides the cultivation, the processing industry needs to ensure that there is an oil recovery of at least 18 to 20%.

The oil palm can be declared as a plantation crop which would allow the **corporate players** to develop their own plantations and processing units.

[At the centre of job creation](#)

Source: This post is based on the article “**At the centre of job creation**” published in **The Hindu** on **21st June 22**.

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

Relevance: Unemployment in India, job creation and related issues

Context: The government should re-establish its role as the principal employment generator.

Moreover, with its announcement that 10 lakh government jobs will be provided over the next 18 months on a “mission mode”, the govt has sent the following message:

– the **creation of employment is indeed a problem** and can no longer be hidden from the public discourse.

– the **private sector**, especially modern sectors such as the service and manufacturing sectors, which are dominated by multinational companies, **have not created many jobs**. Even if the IT sector or the modern gig economy have created jobs, these are either very **high-skilled jobs** or **low-skilled ones**.

What are the employment trends in India?

First, the present government is relying on the Employees' Provident Fund Organization/National Pension System/Employees' State Insurance Scheme registrations and exits as indicators of the formal labor market.

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– This could be **misleading**, as companies may be increasing registrations to cross the threshold to become eligible to fall under any of these. Hence, this might be more a case of formalization rather than employment generation.

Second, media reports show that more than 85% of those aspiring for those 10 lakh jobs could be consumed by **existing vacancies in Central government departments** (8,72,243). In that sense, the pronouncement possibly **does not indicate 10 lakh new jobs**.

Third, 241 central public sector enterprises (CPSEs) have been shedding jobs in recent years — jobs declined from 10.84 lakh in 2017-18 to 10.71 lakh in 2018-19 and to 9.22 lakh in 2019-20. This downward trend is a cause for concern.

Fourth, The 10 lakh jobs creation also needs to be seen in the context of the labour market. Even though the labour force and workforce participation rates have increased marginally, there is a **decline in the quality of jobs**. This means that there is a rise in the unpaid segment of the self-employed and a rise in the share of the agricultural sector in total employment over the last three Periodic Labour Force Surveys (43% to 47%). This is a historical retrogression.

– On the other hand, the **manufacturing sector's share in national income has declined** in 2020-21 (10.9%) compared to that in 2018-19 (12.1%).

Employment shares in the informal enterprises have increased — for men (71% to 75%), women (55% to 57%) and all persons (68% to 71%) from 2017-18 to 2020-21.

Why govt must assume a central role in job creation?

The private sector **creates jobs in response to market forces** and while taking into consideration radically altering technological developments.

The projections about employment generation by the gig economy are unreliable, as they are computed by a trade body or by consulting agencies which have **vested interests**.

Projects in the modern private sector consume a lot of capital to **generate very few jobs**.

– For instance, recently, there was a report that the Adani Group has invested ₹70,000 crore (or ₹700 million) in Uttar Pradesh to create merely 30,000 jobs.

Foreign Direct Investment, which at any rate is highly capital-intensive, goes mostly into the **non-manufacturing sectors**.

Way forward

Employment is not merely about numbers and growth figures.

India needs to concentrate on enabling the creation of decent work and a sustainable labor market, to which India is committed as a member of the United Nations and the International Labour Organization.

The government should play a significant role soon. The government should re-establish its role as the principal employment generator through jobs in its ministries and CPSEs and through assured employment generation programmes like MGNREGA.

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6. [Madan Sabnavis writes: The jobs puzzle](#)

Source: This post is based on the article “**Madan Sabnavis writes: The jobs puzzle**” published in **Indian Express** on **21st June 22**.

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

Relevance: Unemployment in India, job creation and related issues

Context: While the government’s intent to add over a million jobs in the next 18 months is laudable, the task is **audacious and challenging** from both an administrative and financial point of view.

Important reports regarding employment

Three reports have appeared recently on the issue of jobs.

The first pertains to **start-ups that have begun issuing pink slips to their employees**. The number given for this year so far is above 10,000 and more could be in the offing.

The second pertains to the **NSO survey**, which says that the unemployment rate in 2020-21 (July to June) was at **4.2%**, down from **4.8%** in 2019-20. This sounds good because it seems that even though start-ups are retrenching staff, somewhere in the country, opportunities are being created.

And the third is the determination shown by the government in creating opportunities — it has assured the **creation of one million jobs over the next one-and-a-half years**.

Problems with the Unemployment data

The **NSO data** talks of the unemployment rate coming down to 4.2% in 2020-21. But this **does not seem in sync** with those times when several people had lost their jobs and when migrants were forced to go back home with their workplaces closing down.

In fact, the **PLFS data does throw up some anomalies**.

– From 2018-19 onwards, the unemployment rate has been coming down — from 6.1% in 2017-18 to 4.2% in 2020-21. But, during this phase, the GDP growth rate declined from 6.8% in 2017-18 to 6.5 per cent and 3.7 per cent in 2018-19 and 2019-20 respectively, contracting thereafter by 6.6 per cent in 2020-21.

– Therefore, there does seem to be something amiss here as **lower GDP growth is being associated with a decline in the unemployment rate**, which should be the other way.

What is the situation wrt unemployment in India?

Consumer durable goods have been registering negative or slightly positive growth for the last five years or so — this is a reflection of the purchasing power of the people that ultimately can be linked to job creation.

Why Start-ups cannot be relied upon for large scale job creation?

Globally, 80-85% of start-ups fold in the first couple of years mainly due to non-viable models that fail the scaling-up challenge — when an enterprise that works at the micro-level does not survive as it expands.

For this deep pockets are required and if funds are not forthcoming, it adds to the pressures on the firm.

A fallout of this is **retrenchment**.

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Therefore, while start-ups sound exciting, job creation at scale cannot be part of these experiments, unless there is an assured flow of funds.

What are the issues with the promise of 1 million govt jobs?

First, can this number be accomplished in this short period of time, considering that there are fairly lengthy processes involved in hiring people to government departments?

Second, hiring such a number is good for the country, but **finding meaningful roles** for them in various departments needs to be seriously examined.

Third issue is the **increase in cost for the govt.**

– As per the budget for 2022-23, the average outgo per employee was around Rs 12.20 lakh. Assuming the new set earns half of the existing average, the additional cost would be at least Rs 60,000 crore. The other associated cost that has to be kept in mind relates to **pension funds**.

Way forward

The overall unemployment picture looks complex today. While officially, the rate is coming down, experience during the pandemic doesn't support such optimism.

The high hopes placed on startups to propel India have proved to be a dampener from the point of view of the stock market performance as well as employment. It has led to job destruction rather than creation.

India may have to wait for the traditional route of economic growth to gradually create spaces for more jobs.

7. [Flaming question: Why is it so easy to burn trains? Because effective RPF, local police coordination is missing](#)

Source: This post is based on the article “**Flaming question: Why is it so easy to burn trains? Because effective RPF, local police coordination is missing**” published in **The Times of India** on **20th June 22**.

Syllabus: GS3 – Internal Security

Relevance: Destruction of railway property during protests

News: Over 500 trains were cancelled recently following protests against Agnipath scheme. The cancellation follows instances of arson and wilful destruction of railway property.

Yet again, Indian Railways (IR) has been made collateral damage.

Cancellations not only directly inconvenience millions but undermine the economy, as railway rakes transport 3.3 million tons of freight daily, mainly coal.

This senseless destruction and related disruption should be stopped.

Between FY-2016 and FY-2020, losses on passenger service rose from Rs 36,286 crore to Rs 63,364 crore. Given GoI's fiscal challenges and limited rail budgets, willy-nilly people dependent on train travel will suffer.

Who is responsible for security of Indian Railways (IR)?

IR's security is overseen by its own force, Railway Protection Force (RPF), and backed by central legislation.

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– RPF is empowered to **arrest without a magistrate’s order** and in 2019 its handpicked personnel were given commando training.

As trains crisscross states, state governments also come into the picture. **Government Railway Police (GRP)**, and **local police** assist in safeguarding railway assets and passengers.

– GRP is funded equally by IR and states, but is under the administrative control of the local government.

Why IR’s security performance is still unsatisfactory?

It’s because of **gaps in coordination with the state police**.

This was examined in detail in a 2011 CAG performance audit of IR’s security.

– GRP and state police forces handle security of trains, tracks and railway premises, while RPF protects properties and consignments. The performance of local policing is influenced by a state government’s political signalling.

Consequently, the leeway agitations get has a direct impact on IR’s assets.

In this unfavourable environment, CAG’s report observed that a **unified overseeing arrangement** between RPF and state police **is missing**.

In short, there are **coordination problems that IR has not addressed**.

Way forward

RPF, headed by a police officer on deputation, needs to strengthen its coordination protocols with local police. Trains shouldn’t be such easy targets for arsonists.

8. [Analysing spectrum auction](#)

Source: The post is based on the following articles

“Analysing spectrum auction” published in **“The Hindu”** on **22nd June 2022**.

“Progress without limits” published in **“The Hindu”** on **22nd June 2022**.

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

Relevance: To understand the various challenges associated with the spectrum auctions.

News: Recently, Cabinet has approved the much-awaited airwave [auction for ultra-fast mobile internet networks](#). With this, India is set to join the league of 5G-enabled nations.

What is 5G technology?

Read here: [5G technology](#)

What are the benefits of 5G technology?

Must read: [5G Impact: Traffic To Teaching, Factories To Farming](#)

What is a Spectrum Auction?

[Click Here to read about it](#)

What are the key factors responsible for the Spectrum Auctions?

Reserve price: The reserve price significantly and positively correlates with the winning bid price. However, a higher reserve price also inhibits bidders from bidding for more spectrum blocks, resulting in lower amounts of spectrum sold.

If the quantity effect is more than the price effect, it results in reduced revenues for the government exchequer.

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Position of telcos vis-à-vis Over The Top providers: The willingness to pay by the telcos depends on their position vis-à-vis Over The Top providers who are providing substitute services such as Voice Over Internet Protocol.

The number of bidders: Reserve price and the number of bidders in the auction have a positive effect on the auction. The number of bidders was reduced from seven in 2016 to three now.

What are the incentives for bidders in present spectrum auctions?

a) Abolition of annual spectrum usage charges for all spectrum procured in this auction and the deferred payment option incentivise bidders to be active in the auction. **b)** TRAI in its April 2022 recommendation reduced the spectrum reserve price by more than 35% from its 2018 level.

What are the concerns associated with the spectrum auctions?

Firstly, Government's decision to set the reserve price for the spectrum based on the regulator's recommendations reveals a **prioritisation of revenue over the industry's long-term health.**

Secondly, Telecom sector is facing heavy financial stress that has shrunk the sector to a near duopoly. This forced the surviving operators to resort to tariff increases to protect their viability and ability to make future investments. At this time, even though the government provided an annual pay-out of the licence fee over a 20-year term, the price is still high.

Thirdly, 5G technologies such as machine-to-machine communication, smart grids and autonomous vehicles are still in infancy even in advanced economies. These technologies are some years away from scale-based economic viability. So, the service providers will take an ultra-cautious approach both to bidding for spectrum and in rolling out services.

Fourthly, Captive Non-Public Networks undermine the economics of traditional telcos.

India must be conscious of the challenges and opportunities of 5G services, and ensure that the technology caters to the largest sections of the population.

9. [A new global standard for AI ethics](#)

Source: The post is based on the article **"A new global standard for AI ethics"** published in **"The Hindu"** on **22nd June 2022.**

Syllabus: GS3 Awareness in the fields of IT, Space, Computers, robotics

Relevance: Artificial Intelligence(AI) and their global standards.

News: Artificial Intelligence(AI) and AI algorithms despite having numerous benefits have certain inherent challenges.

What is Artificial Intelligence?

Read here: [Artificial Intelligence](#)

What is the status of AI in India?

India is one of the world's largest markets for AI-related technologies, valued at over \$7.8 billion in 2021.

The National Strategy on Artificial Intelligence was released by NITI Aayog in 2018. The strategy highlights the massive potential of AI in solving complex social challenges faced by Indian citizens across areas such as agriculture, health, and education, in addition to the significant economic returns that AI-related technologies are already creating.

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India has made great strides in the development of responsible and ethical AI governance. For instance, starting from NITI Aayog's #AIForAll campaign to the many corporate strategies that have been adopted to ensure that AI is developed with common, humanistic values at its core.

Read more: [Government efforts regarding artificial intelligence in India](#)

What is the UNESCO's AI Agreement?

Recently, 193 countries reached a groundbreaking agreement at UNESCO on how AI should be designed and used by governments and tech companies.

Aim: To fundamentally shift the balance of power between people, and the businesses and governments developing AI.

Based on: UNESCO's Recommendation on the Ethics of Artificial Intelligence. Countries which are members of UNESCO have agreed to implement this recommendation by enacting actions to regulate the entire AI system life cycle, ranging from research, design and development to deployment and use.

Key recommendations: **a)** Underscores the importance of the proper management of data, privacy and access to information, **b)** Recommend member states to ensure that appropriate safeguards schemes are devised for the processing of sensitive data and effective accountability, and redress mechanisms are provided in the event of harm, **c)** Take affirmative action to make sure that women and minority groups are fairly represented on AI design teams, **d)** AI systems should not be used for social scoring or mass surveillance purpose, **e)** Member states should invest in and promote not only digital, media and information literacy skills, but also socio-emotional and AI ethics skills to strengthen critical thinking and competencies.

What are the issues associated with AI?

Not diverse: The data used to feed into AI often aren't representative of the diversity of human societies. So, the outcomes produced using AI can be biased or discriminatory.

Biases in facial recognition technologies: For three facial recognition programs released by major technology companies, the error rate was 1% for light-skinned men, but 19% for dark-skinned men, and up to 35% for dark-skinned women.

These biases in facial recognition can lead to wrongful arrests from the law-enforcement authorities.

What are the expected outcomes of UNESCO's AI recommendation?

Firstly, The recommendation will serve as a compass to guide governments and companies, to voluntarily develop and deploy AI technologies that conform with the commonly agreed principle.

Secondly, governments will themselves use the Recommendation as a framework to establish and update legislation.

With UNESCO's agreement, AI can be put to work where it can have the most impact: hunger, environmental crises, inequalities and pandemics.

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10. [No single-use plastic](#)

Source: This post is created based on the article “No single-use plastic” published in Business Standard on 22nd June 2022.

Syllabus: GS Paper 3, Environment – Pollution

News: The long pending ban on single-use plastic seems set to come into effect on July 1.

Read – [All about single use plastic ban](#)

However, some of the companies, specifically producers of beverages where straws are integral to their products, are seeking more time.

Why the demand to stay on ban on single-use plastic is not right?

First, already sufficient time has been given to industries to adapt to biodegradable products. The phasing out of these straws and other use-and-throw plastic products was initially notified by the Central Pollution Control Board way back in 2018, which is being extended continuously since then.

Second, Compostable straws made of paper, PLA (poly-lactic acid), or corn-starch, are now being commonly used in many other countries. These products can be produced or imported for use in India.

Third, indigenous manufacturing capacity for such items is expected to be expanded as demand grows.

What are the issues associated with single use plastics?

Nearly 90 per cent of single-use plastic material is **neither recycled nor disposed of properly**. The bulk of it ends up either on roads or drainage systems leading to **water-logging** or in the waterways, reaching right up to the seas to **affect aquatic ecosystems**.

A sizable part of it lands up in **garbage dumps**, where it can stay for hundreds of years, **emitting toxic fumes to pollute the air**. Traces of **plastic toxicants are often found even in cooked** or processed foods packed in substandard plastic containers.

India’s annual per capita plastic waste generation, estimated at about 4 kg, may seem low compared to that of many other countries. **But in terms of the total mass, it ranks third in the world, next only to China and the US.**

As many as 170 countries pledged to do away with hazardous plastic by 2030, in the United Nations Environment Assembly in Nairobi. About 80 of them have fulfilled their commitments by imposing a complete or partial ban on the production, trade, possession, and use of unwanted plastic material. **Thus India should also do away with the single use plastic now.**

11. [Open access: A game changer for green energy?](#)

Source: This post is created based on the article “Open access: A game-changer for green energy?” published in Business Standard on 22nd June 2022.

Syllabus: GS Paper 3, Indian Economy – Infrastructure – Energy

News: Government recently notified green energy open-access rules. The article analyses the rules.

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India's 2030 target is 500 GW of non-fossil generating capacity. However, the present grid-connected installed capacity (including large hydro) is about 165 GW.

What was the need for green energy open access rules?

To reach the figure of 500 GW, the renewable capacity will have to be increased from about 10 GW per year to about 40 GW per year. But it is a difficult task due to the following factors:

First, this capacity addition will require incremental investments to the tune of Rs. 13 trillion.

Second, The accumulated losses of discoms (as of March 2020) are about Rs 5 trillion, or 3.5 percent of gross domestic product (2019-20). Each unit of energy sold results in a loss of 60 paise for the discoms. Thus, there will be few investors, who would be willing to take risk of investing in them.

Third, the solar capacity is suffering from the following issues

1. The imposition of safeguard duty for two years led to the postponement of the investment in the solar capacity.
2. Usual issues like land acquisition
3. upsurge in solar tariff
4. The imposition of basic customs duty is going to increase the cost of capital expenditure (capex)
5. Increase in freight charges due to a shortage of containers and
6. Increase in goods and services tax on solar cell/modules from 5 percent to 12 percent.
7. The directive to buy solar panels from an approved list of models and manufacturers (ALMM) for government projects. ALMM only includes domestic manufacturers.

How green energy open access rules are helpful?

Consumers can now demand green power from discoms (power distribution companies).

The eligibility for applying for open access has been reduced from 1 MW to 100 KW for any consumer.

A decision to grant open access or not would have to be taken in 15 days. If the permission is not granted within the time limit, it would be treated as deemed permission.

What are the issues with the green energy open-access rules 2022?

First, with the decrease in the required capacity, a larger number of commercial and industrial consumers will become eligible for open access.

It will create a situation where only the subsidised consumer will remain in the billing fold of the discoms.

Second, the states still can deny open access citing technical issues. Some states are already denying open access to even mighty railways citing, so there will be no question if the same is done to the consumer.

Third, government's indulgence in tariff-related issues does not give the desired impact. It is because, Electricity Act 2003 under section 176(2)(z), just allows rules framing for government, only for those activities which are under its domain, and tariff is not one of them.

What should be done?

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Improve the financial health of Discoms: nobody will invest in renewable capacity also, if they are uncertain of their payments.

12. We Have A Long Wait Before India Inc Gets Space-Ready

Source: This post is created based on the article “We Have A Long Wait Before India Inc Gets Space-Ready” published in Times of India on 22nd June 2022.

Syllabus: GS Paper 3- Science and technology

Context: Recently, India opened up the space sector, with the intention of gaining economic and strategic importance. However, reality has been different.

India’s share in the \$440-billion global space economy is only around 2%.

In June, 2020, India announced reforms based on four pillars; 1) Freedom of innovation for the private sector, 2) Changing the government’s role to be an enabler, 3) Preparing youth for the future, 4) Using space technology for the progress of the common man.

Although the private sector has shown interest in the collaboration, but, is not to the extent expected. A global report by SpaceTech Analytics finds that India has more than 350 private space tech firms, but the majority of these are just start-ups.

What are the reasons behind the disinterest of the private sector?

First, there is Indian businesses’ propensity for risk aversion.

Second, the space sector does not offer an easy success, despite the opportunities it is presenting.

Third, for the success of reforms, political will, financial capability, indigenous futuristic technologies and global partnerships are required.

Fourth, the sector is highly capital-intensive and risk-prone.

What should/can be done?

Earlier this month, NASA’s Thomas Zurbuchen said in Bengaluru:

“Mind you, there would be no private sector if not for Nasa.”

First, ISRO must follow the NASA model of partnering with and enabling the private sector. ISRO’s technical prowess and vision can be helpful in utilizing the potential of eager and ambitious albeit small (in number and size) private industry.

Second, the Centre must increase ISRO’s funding and enhance its capacity. It will enable the ISRO to handle big science missions such as Gaganyaan, Chandrayaan, and Aditya and help the private sector innovate and build technologies for the future.

Third, IN-SPACE, whose headquarters was inaugurated two weeks ago, must bridge industry gaps with expertise and wherewithal from Isro, through NSIL or otherwise.

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[13. It is time India plans a hub airport flight path](#)

Source: The post is based on the article “It is time India plans a hub airport flight path” published in the “The Hindu” on 22nd June 2022.

Syllabus: GS 3 Infrastructure; Transport

Relevance: Air mode of Transportation

News: There is an ongoing discussion on transforming India’s metro gateway airports into a hub airport. Today’s conditions are just right for building a hub airport.

The concept of a hub airport

A hub airport is one which is served by a **multitude of airlines**, connecting several **airports** through non-stop flights.

In addition to a **common passenger terminal** with arrival/departure flows segregated on different floor levels, at the hub airport, there is a separate corridor for **transit flyers**, who use the airport only to connect flights.

A hub airport operates on the **concept of waves**. A wave of incoming flights arrives and connects with another wave of **outgoing flights** that departs an hour or two later.

Advantages of a hub airport

It is a win-win for all. A hub creates **economies of scale** for the airport and airlines alike.

‘**Hubbing**’ allows for the **maximum combination** of flight pairs at the hub airport. Therefore, it provides a wider choice of **destinations** and **frequencies** for **connecting passengers**. In addition, it lowers ancillary costs, such as avoiding the time and cost of an overnight stay.

The **direct connectivity** is increased with other airports. It provides more **revenue opportunities** due to increased passenger footfalls.

It improves the **wider airport ecosystem**, such as **aero** and **non-aero service** providers at the airport, including cargo and ground handling, fuelling, retail and duty-free, vehicle parking, aircraft maintenance repair and overhaul (MRO), and fixed-base operation (FBO) services at the airport.

This enables airlines to serve city pairs that are otherwise **economically unviable** for non-stop flights.

An airport acts as a force multiplier with economic activity, jobs and employment, investments, business, trade, commerce, tourism, culture, and benefits to other sectors of the economy. For example, if one job is created in the aviation sector, it leads to the creation of up to six jobs in various allied sectors, such as the tourism and hospitality sector.

In fact, it propels the economic and social development of the city and its inhabitants, too.

What are the requirements for making a major airport hub, whether domestic or international, in India?

- (1) sufficient local consumer demand;
- (2) good geographic location, and
- (3) necessary infrastructure to support high-volume traffic.

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What are the favourable factors for making an airport hub in India?

As per the **UN Department of Economic and Social Affairs, Population Division – Report on International Migration 2020**, India has the **largest diaspora**, or **transnational community**, at 18 million people across all six continents and regions.

India is located on busy **international air corridors** that connect Europe, Africa, and the Middle East with Asia.

As per the **IMF World Economic Outlook Database April 2019**, India is the **5th largest economy** in nominal GDP terms.

India is the 7th largest by land mass, India can support the development of more than one hub airport.

India's Airport business is largely monopolistic. Normally, a competing airport is not found in the same urban area;

In India, Airport development is a regulated business. It has **minimum downside risk** for investors.

The **Airports Economic Regulatory Authority of India** has established a robust, fair, and transparent process for Airport tariff determination.

At present, India is the **third-largest domestic aviation market** in the world, next only to the **United States** and **China**. There is a continuous surge in passenger demand in India.

What are the impediments?

There are **capacity constraints** at major airports because of a lack of landing slots, especially during peak hours.

The Airports Authority of India Act (AAI), 1994 constrains the AAI/airport operators from **commercially exploiting** available land for **non-aeronautical activities**.

There is a **'high cost-low fare'** operating environment in India.

There are 34 operational international airports in India. But **smaller international airports** are either completely left out or have very limited scope in starting international flight operations

There are problems with high duties and taxes like imposed on Aviation turbine fuel (ATF)

What are the opportunities?

There is a need to develop **inter-modal connectivity (rail/road – air)** and **logistics support infrastructure (warehousing)** as a part of the **future airport master plans** to fully exploit potential with cargo and freight;

The aspiring hub airports can partner with tier-2 and tier-3 airports in their catchments;

Airports should develop allied service capabilities, such as cargo handling, aircraft MRO and FBO.

The **duties** and **taxes** should be rationalized, such as bringing ATF under the ambit of GST.

In India's case, the **first two requirements** of making a **major airport** are largely addressed. At present, the focus should rightly be on addressing the **third requirement**.

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14. [Crypto came tumbling after](#)

Source: This post is based on the article “**Crypto came tumbling after**” published in **The Hindu** on **23rd June 22**.

Syllabus: GS3 – Economy

Relevance: Fluctuations in the crypto market and related issues

News: Crypto market is witnessing a crash right now. But, Crypto assets like Bitcoin have been subject to wide fluctuations in their prices since their inception. The current downturn is not the first of its kind.

As crypto assets are digital assets, the rate of return is sensitive to changes in the global liquidity condition.

Why Crypto is popular?

It is an asset that allows people to keep their money outside the formal financial system and make it accessible so that it can be used anywhere in the world.

Why there was a marked rise in Crypto prices in recent years?

The phenomenal rise in the price of Bitcoin in recent years has dwarfed the fluctuations in its price in the past.

The popularity of Bitcoin is obvious from the **price differentials with Ethereum and Litecoin**.

The rise in the price of crypto assets began at the onset of the pandemic, as people with excess funds parked them in crypto assets. This made sense given the lack of investment opportunities on account of the uncertainty arising from lockdowns.

What are the factors behind the recent downturn in Crypto market?

As the COVID-19 spread slowed down, people started to move their funds out of crypto assets and into more **lucrative real investment opportunities** arising from a recovering economy. This led to the eventual decline in prices.

The **halt in withdrawal by Celsius** especially led to panic among investors, as this company is supposed to be one of the biggest crypto lenders.

Major reason

Recently, there have been changes in the price of an important class of assets: **government bonds issued by the governments of developed countries**.

– Many central banks across the developed world have been **raising their policy interest rates** to combat rising inflation.

– Debt raised by developed country governments, especially the U.S. but also by U.K. and Germany, is an important class of assets because these are deemed as safe assets across the world.

– As the central banks of these countries raise their policy interest rates, the **rate of return is also expected to go up**, motivating large institutional investors to buy more of these.

Accordingly, these investors would get out of some current investments and use the newly realized liquidity to buy these safe assets.

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Why the demand for safe assets has increased?

The world over, demand for safe assets has increased as many developing countries have grown fast and accumulated enormous foreign exchange reserves.

These countries then demanded USD-denominated assets to **preserve the value of their portfolios**.

Events like the pandemic only increased the demand further for safe assets.

Unfortunately, the supply of safe assets has not kept up with this demand, as the developed countries that produce these assets have grown at a much slower rate.

Way forward

Given that there is generally a shortage of safe assets, it is likely that the **demand and prices of crypto assets will change frequently** as institutions look for alternatives with slight movements in the rate of return on safe assets.

Overall, investors must understand the nature of crypto assets and their demand and not ignore the interconnectedness of financial markets at the global level.

15. [Do We Need Geoengineering & What Are The Risks?](#)

Source: The post is based on the article **“Do We Need Geoengineering & What Are The Risks?”** published in **“The Times of India”** on **23rd June 2022**.

Syllabus: GS3 Conservation, environmental pollution and degradation, environmental impact assessment.

Relevance: To understand the concepts of geoengineering.

News: With record-breaking heatwaves hitting many parts of the world, scientific circles have been debating whether countries should prepare to deploy geoengineering technologies to deal with such climate emergencies or not.

What is Geoengineering?

Geoengineering is an umbrella term for various experimental technologies designed to deliberately alter the climate system to reduce the impacts of global warming. They are broadly fall under two categories: Solar Radiation Modification (SRM) technologies and Carbon Dioxide Removal (CDR) technologies.

Premier universities such as Cambridge and Harvard have set up specialised geoengineering research centres. There are a few geoengineering modelling programmes in India as well.

What are Solar Radiation Modification (SRM) technologies?

SRM aims to reduce the amount of solar radiation reaching Earth by reflecting sunlight back into space, thereby reducing surface temperatures. Scientists are proposing to do this by a variety of techniques such as making clouds brighter, thereby reflecting sunlight like a mirror. Or by thinning/ removing the ‘cirrus clouds’ that absorb solar radiations and warm the earth. These technologies are attracting the most attention.

SRM has many techniques. Such as,

Cloud engineering: Countries have been seeding clouds to force more rainfall for years. China has been implementing an extensive cloud seeding programme, with plans to cover more than

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half of the country by 2025. In India, cloud seeding has been tried in states such as Tamil Nadu, Karnataka and Maharashtra during droughts.

These practices have encouraged scientists to propose cloud engineering of the planet to reduce warming. But still, cloud engineering is in the ideation stage.

Stratospheric Aerosol Injection (SAI): It is one of the technologies that has reached the experimentation stage. SAI aims to mimic large volcanic eruptions that have a cooling effect on the globe. During large eruptions, millions of tonnes of sulphur particles (called aerosols) are injected into the upper atmosphere, where they reflect back the incoming solar radiations, thereby cooling the planet.

For example, the eruption of Mount Pinatubo in the Philippines in 1991 caused global cooling of 0.6°C for the following two years. Scientists are now proposing to send aeroplanes and balloons to the stratosphere to release millions of tonnes of aerosols to mimic a smaller version of Mount Pinatubo.

What are Carbon Dioxide Removal (CDR) technologies?

CDR is about removing carbon from the atmosphere, either by the massive deployment of machines to extract CO₂ from the air or by more natural methods like planting trees.

What are the advantages and disadvantages associated with the Stratospheric Aerosol Injection (SAI)?

Advantages: Several modelling studies indicate that SAI might reduce some of the worst effects of climate change, such as lowering warming and reducing the frequency of heatwaves and high-intensity storms.

Also, the price is so affordable that a few dozen countries can easily deploy this technology unilaterally.

Disadvantages: **a)** SAI might create unintended consequences such as adverse impacts on rainfall, crop production and ocean acidification, **b)** Large-scale spraying of aerosols into the atmosphere could also deplete the ozone layer, enlarging the ozone hole, **c)** If the aerosol injection is terminated abruptly this will cause rapid warming, disrupting the water cycle and leading to massive biodiversity loss, **d)** Unilateral use of SAI could lead to significant adverse effects in other countries, leading to conflicts.

What will be the future of geoengineering techniques?

The best way to solve the climate crisis is by cutting down the global emissions. But environmentalists fear that the excessive focus on geoengineering would move the focus away from cutting emissions.

Countries will deploy geoengineering on a large scale only if they fear large-scale casualties or economic disruptions due to extreme climatic events.

Before deploying, **a)** enough research must be done about the safety and effectiveness of these technologies, **b)** A global governance mechanism based on international rules-based system must be established to deter the unilateral deployment of these technologies, **c)** Better to be prepared for the consequences.

India should take the lead from the global South in developing scientific knowledge on the subject.

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16. [GVC restructuring: China's zero Covid policy & India's opportunity](#)

Source: The post is based on the article “**China's zero Covid policy & India's opportunity**” published in “**Business Standard**” on **23rd June 2022**.

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

Relevance: To understand the global value chain (GVC) restructuring and stand of India.

News: Just after reopening the complete lockdown, Shanghai reimposed a fresh, partial Covid-19 lockdown again. This shows China's zero-tolerance strategy toward Covid-19.

The lockdown provides another opportunity for global value chain (GVC) restructuring and relocation. India should utilise this opportunity and must attract relocating supply chains.

What are the phases of GVC restructuring?

Global financial crisis and aftermath: The process of GVC restructuring began in the wake of the global financial crisis of 2008-09 followed by a series of natural disasters like the Tohoku earthquake in Japan, the Tsunami and the Thai floods in 2011.

The earthquake impacted semiconductor production, the Thai floods disrupted the automotive value chains followed by electronics and electrical appliances.

During risk rebalancing, large corporations preferred regionalisation of GVCs or shorter-length supply chains.

During US-China trade tensions: “China plus one” emerged as the alternative strategy for MNCs to relocate their subsidiary operations.

In sectors like automobiles, machinery, transport equipment and electrical equipment, the EU, Mexico, Taiwan and Vietnam, have gained from this strategy.

Pandemic-led border closures, followed by the Ukraine war: This further added to supply chain woes by disrupting the flow of critical minerals, elements and components.

The availability of easily substitutable inputs from alternative trading partners is now being considered as a means to make GVCs more resilient.

Globally, two alternatives, **localisation and regionalisation** are being debated for GVC resilience. Both strategies compromise efficiency but they reduce geopolitical risks.

Read more: [The Global Semiconductor Shortage – Explained, pointwise](#)

How does Localisation benefit GVC restructuring?

Localisation means the use of domestically produced inputs is encouraged through protectionist instruments such as tariff increases and restrictions on imported inputs.

Challenges: Building complete supply chains domestically is a **more time-consuming process**. Further, relying solely on domestic inputs will **make localised supply chains rigid and actually less capable** of adjusting to exogenous shocks.

Status of India: India's trade policy has been more protectionist in the last few years and this is one of the reasons for India's inability to take advantage of the earlier waves of GVC restructuring and shifts.

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How does regionalisation facilitates GVC restructuring?

Over the last two decades, global trade has been increasingly dominated by GVC-led trade in intermediate goods.

Several countries directed their trade policies to facilitate the movement of intermediates across multiple borders. For example, China and ASEAN economies adopted a differential and favourable tariff structure for imports of parts and components/ intermediates, particularly in sectors like automobiles and electronics.

This has been a major contributory factor in these countries' ability to attract export-oriented foreign direct investment (FDI) in these sectors.

India and regionalisation: India maintains much higher levels of tariffs and relatively fewer duty-free lines in GVC-intensive sectors. Further, customs compliance has been made more cumbersome in India for importers utilising free-trade agreement (FTA) preferences.

India's **trade policy was not designed in recognition of the importance of integration with GVCs** for enhancing its trade participation as well as manufacturing competitiveness.

Read more: [India must integrate with global value chain :ADB](#)

What should be done to attract GVCs to India?

Apart from low and favourable tariff structures, trade and investment agreements play a significant role in integrating with GVC/regional value chain networks. Hence, India must negotiate trade agreements with ASEAN or East Asian economies.

India should work on the early conclusion of the review processes of its existing FTAs/Comprehensive Economic Cooperation Agreement and Comprehensive Economic Partnership Agreement. with ASEAN, Korea and Japan.

India should also follow up the India-Australia early harvest scheme with necessary investment liberalisation provisions towards achieving a full-fledged comprehensive agreement.

Recognising that integration with GVCs is an important means to achieving long-sought manufacturing competitiveness in India. Hence, India should reorient its trade policy to take advantage of China's zero-Covid strategy.

17. [Fiscal weakness – State finances can impede growth](#)

Source: The post is based on the article **“Fiscal weakness – State finances can impede growth”** published in **“Business Standard”** on **23rd June 2022**.

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

Relevance: To understand the challenges faced by state government finances.

News: State governments indulge in most of the general government spending (including the central government). According to a recent Reserve Bank of India(RBI) study, five states namely, Bihar, Kerala, Punjab, Rajasthan, and West Bengal figure among the most stressed states fiscally.

The study has highlighted 10 vulnerable states based on their debt stock in 2020-21. These 10 states account for around half of the total expenditure by all state governments in India.

Read more: [Five states need to take steps to stabilize debt levels: RBI](#)

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What are the reasons for distressed state government finances?

Impact of Pandemic: Before the pandemic, the average gross fiscal deficit (GFD) to gross domestic product (GDP) ratio was at 2.5%, though some states ran fiscal deficits above 3.5%. But the pandemic significantly affected government finances.

During the pandemic State's revenues were hit. Despite that, States continuously provided medical care and supported the vulnerable sections of the population.

Decline in revenue collection: Revenue expenditure constitutes about 80-90% of total expenditure in these (10 vulnerable) states, which clearly affects their ability to spend on growth-enhancing asset creation.

What are the risks highlighted by RBI to state government finances?

The RBI study also underlines several risks to state government finances. Due to that, the RBI projections suggest that most states would have a debt-GSDP ratio of over 30 per cent by 2026-27. These risks are,

a) Growing preference for distribution, **b)** Some states reverting to the old pension scheme is also a cause for concern, **c)** The guarantees extended to state-owned enterprises and the mounting debt of power distribution companies, **d)** According to estimates, the off-budget borrowings of state governments have increased to about 4.5% of GDP and **e)** The end of the compensation regime under the goods and services tax would further weaken the fiscal position of the states.

What should be done to improve the state government finances?

An unsustainable level of debt in some of the large states would not only affect growth prospects, but could also pose risks to macroeconomic stability. Hence, India needs an overall medium-term consolidation road map.

18. The role of caste in economic transformation

Source: The post is based on an article "The role of caste in economic transformation" published in the "The Hindu" on 23rd June 2022.

Syllabus: GS3 Issues and Challenges pertaining to growth and development in India; Inclusive Growth in India

Relevance: Barriers to inclusive Growth in India

News: Recently, India witnessed agitations against farm laws, agitation for reservation by agriculture castes, and is witnessing an ongoing protest against the Agnipath programme, at present.

What are the reasons for such protest?

They are all arguably an outcome **simmering discontent** due to jobless economic growth for at least two decades, coupled with rising poverty and discontent in rural areas.

How does it impede the economic transformation in India?

As per **Arthur Lewis**, a Nobel Prize winner for development economics, accumulation of **physical capital** is vital for economic transformation in the developing world. Further, **Theodore William Schultz**, emphasized that **human capital** in the form of educated workforce and entrepreneurs, is vital for better transition to modern sectors.

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There were divergent outcomes in **structural transformation** between countries in the **Global South**, particularly **India, China** and **South East Asia**. It was because all the nations which attained **inclusive growth** in the Global South succeeded in **land reforms**, human capital formation, investment in infrastructure through **capitalism** and began industrialisation in the rural sector.

However, only India lost the game. It has been due to **three factors** which impeded **Inclusive growth** in India:

(1) The caste system shapes the **ownership pattern** of **land** and **capital**. It has led to **ownership and land inequality**.

(a) India has one of the **highest land inequalities** in the world today. **It started** under **British rule**. They assigned land ownership to **proper cultivators** who belong to certain castes at the expense of **others/labourers** belonging to lower castes who cultivate granted/gifted lands. It is still reflected in the **post-independent land ownership pattern** in India because **Dalits** and **lower castes** remained excluded in the **post-independent land reforms**.

Since **Economic reforms of 1991**, the farm lobby has lost its power. The land has lost its productive capacity.

The farm cultivators could not transform into the **capitalist entrepreneurs** in the modern sectors, except a few castes in western and southern India.

(2) There is an **elite bias** in **higher education**. Further, it is found that there is a historical neglect of **mass education**

The Indian education system has been suffering from an **elite bias** since colonial times. These elite were largely from **upper castes**. This has continued in the post-independent India. The service growth since 1991 reforms is an outcome of this historic elite bias in education.

India did not achieve much success in **human capital formation** which was required for the **manufacturing growth**. In contrast, **Chinese** and other **East Asian Countries** invested in **basic education** and gradually shifted towards **higher education**.

Therefore, they accumulated **human capital** which contributed to their success in **manufacturing**. Unlike India which concentrated in **high-end technology jobs**, these countries captured **low-end manufacturing jobs**.

(3) Caste system generated a **barrier to entrepreneurship**. It was done through its rigid **social control** and **networks which** facilitated **economic mobility** for some and **erects barriers** for others in the modern sector.

The relative success in South India is being attributed to the **'Vaishya vacuum'** or an absence of traditional merchant castes.

In contrast, **agrarian capitalists** entered into urban enterprises in the South East Asian Countries.

What were the reasons due to which the agriculture sector could not benefit from the economic reforms?

Due to historical **neglect of education** and the **entry barriers** erected by the upper castes in **modern sectors**. It is validated by the **recent agitations** by the Jats, the Marathas and the Patels, demanding reservation for their castes in higher education and formal jobs.

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19. [Towards a single low tax regime](#)

Source: The post is based on an article “Towards a single low tax regime” published in the “The Hindu” on 23rd June 2022.

Syllabus: GS3 – Government Budgeting

Relevance: GST Reforms

News: The Goods and Service Tax (GST) regime which reduced big barriers to free trade and economic growth in India is back in the news due to various reasons, including demand for **low-tax regime**.

Why should India move towards a low tax regime?

The late **Finance Minister of India**, Arun Jaitley had announced that the **28% GST slab**, which he called the “**dying slab**”, would be phased out, except for luxury items. In addition, he said, India would eventually have just two slabs: 5% and a standard rate between 12% and 18%.

There is empirical data from across the world which talks about the benefits of a **unified single tax**.

The ‘**Sin**’ taxes impede the **growth rate** and creation of jobs under ‘**Make in India**’ in India. The **high taxes** create an **economic ripple effect downstream**, which finally reaches down to the bottom of the **employment pyramid**.

- For example, a five-star hotel, paying sin tax, generates a lot of direct low-salaried employment such as waiters, housekeeping staff, etc., it also generates **indirect employment**, such as it buys furniture, carpets, air conditioners, cutlery, etc. So, it’s unwise to tax these hotels to death.

It is a **complicated and confusing tax regime**, due to its **different slab nature**. For example, the GST on bread is zero, but the **vegetable sandwich** is in the 5% tax slab, hitting the vegetable grower directly.

The present regime leads to **harassment** and **litigation**. For example, ID Fresh Food appealed against a GST ruling of the **Authority for Advance Rulings**, which made a distinction between **rotis** and **parotas**, in which rotis were subjected to 5% slab and parotas were subjected 18% slab.

There are various items that are exempt from GST. For example, **Petrol, diesel, and aviation turbine fuel** come under Central excise and State taxes. These Central excise duties and varying State taxes on petrol and diesel, are probably the highest in the world

In addition to above, there is a **distrust** between the States and the Centre on revenue sharing. Various state governments are angry at the Centre for reducing the **States’ autonomy** and disregarding the **federal structure** of the Constitution.

Way Forward

The Finance Ministry must adopt the principles of **Keep It Simple, Stupid (KISS)** which is used in the **low-cost airline model**. It means keep a framework which is so simple that even a stupid person would be able to understand and comprehend it without problem.

The government can come up with a **single low tax regime** along with a list of exempt items. The tax regime can be of **just two categories**: (1) goods eligible for **zero tax** and (2) goods that will fall under a single rate, say 10% or 12%.

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The GST framework should allow more people to buy items purchased by the rich and upper middle class.

The GST reform would ensure **compliance**, widen the **tax net**, improve ease of doing business, boost the economy, create jobs, increase tax collections and reduce corruption

20. Crude oil diplomacy

Source: The post is based on the article “**Crude oil diplomacy**” published in “**Business Standard**” on **24th June 2022**.

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

Relevance: To understand India’s Crude oil diplomacy.

News: Recently, a few private-sector refiners decided to import larger quantities of crude oil from Russia. This is likely to impact India’s Crude oil diplomacy and diplomatic standing with Western allies and West Asia, currently the country’s top suppliers.

Last month, Russia became India’s second-largest oil supplier by overtaking Saudi Arabia.

Why there is an increasing import of Russian oil?

Significant discounts: This makes it a compelling option for refiners in the public and private sectors to buy Russian oil.

Maximising profitability: Since the price is discounted, there is no logical argument against private refiners maximising profitability by sourcing inputs from the cheapest available source. Further, the state-owned oil companies are doing the same.

Why Crude oil diplomacy is important for the Indian economy?

The market of the private sector refineries: State-owned refiners’ output is sold in the domestic market. But, a significant portion of private refineries’ production is exported, sometimes to markets that have imposed sanctions on Russia.

Even though India has officially taken a strictly “neutral” position vis-à-vis Russia’s invasion of Ukraine and the private players also do not violate any domestic political protocols, this is not considered appropriate.

Challenges to India’s relations with the US and their allies: Indian military’s dependence on Russian matériel and spares has created a discomfiture in the US and the European Union(EU).

Europe already seeks to cut its fossil fuel dependence on Russia. If India continues to import Russian oil then it might hamper India’s diplomatic position.

Pressure from other principal suppliers: Iraq is India’s largest supplier of crude oil. Saudi Arabia already felt compelled to cut prices, fearing an erosion in its market share. But this will not continue in the long run. They might pressurise India to reduce its import from Russia. This might be a reality soon as they become bigger suppliers to Europe in the near future.

What should be India’s Crude oil diplomacy?

India should do everything in its power to minimise economic tensions. Since commercial crude oil imports require licences, India could utilise this lever to good effect to secure India’s longer-term interests.

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21. [The problems plaguing thermal power generators](#)

Source: This post is based on the article “**The problems plaguing thermal power generators**” published in **The Hindu** on **24th June 22**.

Syllabus: GS3 – Energy and Infrastructure

Relevance: Power crisis due to shortage of coal and related issues

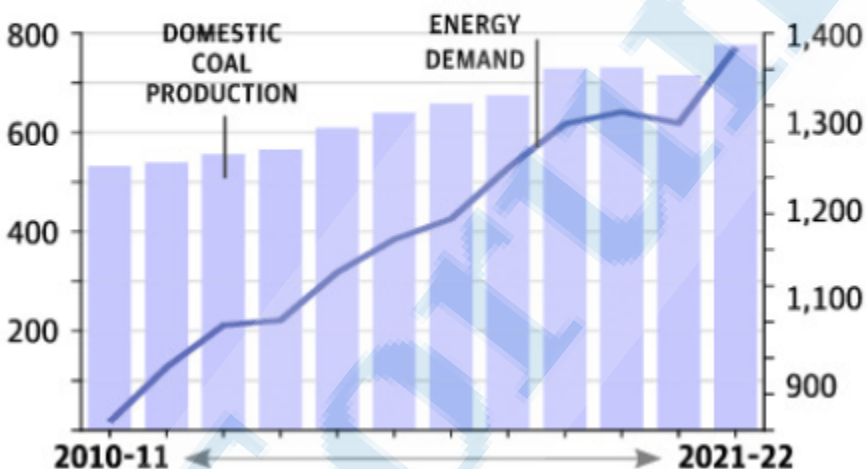
News: On June 10, India’s power demand touched a record high of 211 MW even as the coal shortage continued with coal stocks available only for eight days.

Consequently, the Ministry of Power directed the power-generating companies or ‘gencos’ to use imported coal for 10% of their requirement, failing which their domestic supplies would be cut.

India is the second-largest producer of coal, with reserves that could last up to 100 years. Despite that, year after year, the shortage of coal supplies continues to be an issue.

How did India get to this stage?

Chart 1 | The chart shows India’s total domestic coal production in million tonnes (left-axis) and energy requirement in billion units (right-axis) in the past 12 years



Source: The Hindu

As seen in chart 1, the **domestic production of coal stagnated** between FY18 and FY21, but revived in FY22.

The **power demand too surged** owing to economic recovery and hotter weather conditions.

Pressure on domestic sources: Until FY20, domestic sources contributed to about 90% of the power sector’s coal receipts; the remaining was filled by imports. But by FY22, the reliance on imports decreased to 3.8% which built pressure on domestic supplies.

High price of coal in the international market: This dip in imports can be attributed to the skyrocketing prices of coal in the international markets. The price of imported coal is nearly 5-6 times higher than domestic supply.

– Hence, States are wary of using imported coal as it would raise the cost of power substantially.

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The use of imported coal will also **push up the price of power supply to the power distribution companies** or 'Discoms,' often dubbed as the weakest link in the power sector chain.

What are other perennial bottlenecks behind India's power crisis?

Discoms owe long-standing dues to the tune of ₹1.16 lakh crore to the gencos. Delays in payments by discoms create a working capital crunch for generating companies which in turn inhibits them from procuring an adequate quantity of coal.

*A power sector supply chain typically looks like this – **Generation (genco) -> Transmission (transco) -> Distribution (discom) -> end user***

Further, they are unable to pay generators on time. Discoms in Tamil Nadu, Rajasthan and Uttar Pradesh are the most financially stressed.

Why are discoms not able to the gencos on time?

Discoms are bleeding because the **revenue they generate is much lower than their costs**.

This is evident from the gap between the average cost of supply and average revenue realised (see chart 6). Tamil Nadu, Jammu and Kashmir, and Rajasthan have the widest gap between revenues and expenses of discoms. Apart from providing power at cheaper rates, some State governments do not revise tariffs periodically. Further, the delay in getting compensation from the government also compounds the woes of cash-strapped discoms.

22. Open network for digital commerce

Source: This post is based on the article “**Open network for digital commerce**” published in **The Hindu** on **23rd June 22**.

Syllabus: GS3 – Industrial policy and growth

Relevance: Open network for digital commerce and related issues

News: The government of India announced the launch of the pilot phase of open network for digital commerce (ONDC) in five cities in late April.

The aim was to “democratise” the country’s fast growing digital e-commerce space that is currently dominated by the two U.S.-headquartered firms — Amazon and Walmart.

What is ONDC?

As per the strategy paper on ONDC, it is a **not-for-profit organisation** that will offer a network to enable local digital commerce stores across industries to be discovered and engaged by any network-enabled applications.

It is **neither an aggregator application nor a hosting platform**, and all existing digital commerce applications and platforms can voluntarily choose to adopt and be a part of the ONDC network.

The ONDC aims to enable buying of products from all participating e-commerce platforms by consumers through a single platform.

– Currently, a buyer needs to go to Amazon, for example, to buy a product from a seller on Amazon. Under ONDC, it is envisaged that a buyer registered on one participating e-commerce site (for example, Amazon) may purchase goods from a seller on another participating e-commerce site (for example, Flipkart).

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The ONDC model is trying to replicate the success of the Unified Payments Interface (UPI) in the field of digital payments.

Read more: [Open network For Digital Commerce – Explained](#)

What led to formation of ONDC?

The Department for Promotion of Industry and Internal Trade (DPIIT), under Ministry of Commerce and Industries, conducted an outreach during the outbreak of the COVID-19 pandemic to understand its impact on small sellers and hyperlocal supply chain functioning.

It found that there is a **huge disconnect** between the scale of online demand and the ability of the local retail ecosystem to participate. Following this, consultations were held with multiple ministries and industry experts and “ONDC was envisioned to revolutionise digital commerce in India,” as per the strategy paper.

What is the current status?

Presently, ONDC is in its **pilot stage in five cities** — Delhi NCR, Bengaluru, Bhopal, Shillong and Coimbatore — with a target of onboarding around 150 retailers.

The government has also constituted an **advisory council** to analyse the potential of ONDC as a concept and to advise the government on measures needed to accelerate its adoption.

Over the next five years, the ONDC expects to bring on board 90 crore users and 12 lakh sellers on the network.

What are the likely benefits of ONDC?

The ONDC will **standardise operations** like cataloguing, inventory management, order management and order fulfilment. Hence, it'll be making it simpler and easier for small businesses **to be discoverable** over the network and conduct business.

However, experts have pointed out some likely potential issues such as getting an enough number of e-commerce platforms to sign up, along with issues related to customer service and payment integration.

23. What India needs to do to reduce its fertiliser bill

Source: The post is based on an article “What India needs to do to reduce its fertiliser bill” published in the Indian Express on 24th June 2022.

Syllabus: GS3 Issues related to Direct and Indirect Farm Subsidies;

Relevance: Fertiliser Issues

News: In 2021- 22, India’s import of fertilisers touched an all-time high of \$12.77 billion in fiscal terms.

What are the factors that make India fit for agricultural activities?

India has no dearth of **land, water** and **sunshine** to sustain vibrant agriculture. India is abundant in all these resources. For example:

(1) India’s land under **crop cultivation** (at 169.3 million hectares) is far higher than any other country. For example, US (160.4mh), China (135.7mh), Russia (123.4mh) or Brazil (63.5mh).

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(2) India is endowed with the **perennial Himalayan rivers**. It has **average annual rainfall** of nearly 1,200 mm, in contrast to other countries like Russia's 475mm, China's 650 mm and the US's 750 mm

What are the challenges in the agricultural sector in India?

Fundamental Challenges

(A) India is short and heavily **dependent** on imports in the fertilizer sector. It can be illustrated by below mentioned fact:

– India heavily imports **mineral fertilisers** like urea, DAP, complex fertilisers (containing nitrogen-N, phosphorus-P, potassium-K and sulphur-S in different ratios) and single super phosphate (SSP).

– India also substantially imports the **intermediates or raw materials** required for the manufacture of these fertilisers. For example, for urea, the primary feedstock is imported natural gas. For DAP, domestic manufacturers import intermediate chemicals, namely phosphoric acid and ammonia. Some even produce phosphoric acid by importing rock phosphate and sulphuric acid.

(B) The **foreign exchange outgo** and the **fiscal cost** (subsidy part) are the two associated cost with the import of above said items.

(C) In addition to the above problems, the Indian farmers are well known to do **over-application** of the fertilizers.

Ongoing challenges

At present, the global prices of urea, DAP, MOP, phosphoric acid, ammonia and LNG have increased at lot

Way Forward

First of all, there is a need to cap or even **reduce consumption** of **high-analysis fertilisers** – particularly **urea** (46 per cent N content), **DAP** (18 per cent N and 46 per cent P) and **MOP** (60 per cent).

- This can be done by incorporating **urease** and **nitrification** inhibition compounds in urea. In addition, products such as liquid **“nano urea”** can be used which is conducive to easier absorption by the plants

Second, promote sales of **SSP** (containing 16 per cent P and 11 per cent S) and **complex fertilisers**.

Third, **DAP** use should be restricted mainly to paddy and wheat because other crops don't require fertilisers with 46% P content.

Others

India can also import more rock phosphate to make SSP directly or it can be converted into “weak” phosphoric acid.

The **agriculture departments** and **universities** should revisit their existing **crop-wise nutrient application recommendations**, and create awareness amongst farmers about **suitable substitutes** for **DAP**. They should advise farmers to keep themselves away from all high-analysis fertilisers.

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The government should popularise the use of **high nutrient use-efficient water soluble fertilisers** (potassium nitrate, potassium sulphate, calcium nitrate, etc) and **alternative indigenous sources** (for example, potash derived from molasses-based distillery spent-wash and from seaweed extract).

Farmers should know India imports a substantial part of the fertilizers used by them in their fields, and India is also a **mineral resource poor country**.

24. [M Venkaiah Naidu writes: Without soil conservation, there is no food security](#)

Source: The post is based on an article “Without soil conservation, there is no food security” published in the Indian Express on 24th June 2022.

Syllabus: GS 3 PDS, Buffer Stock and Food Security

Relevance: Challenges and Solutions to food security

News: Recently, Sadhguru, a spiritual leader, had launched an initiative known as “**save soil campaign**”. In addition, he also completed 100 days of solo biking across many countries to promote concerted action on saving soil.

What are the factors that have led to food security?

The **agricultural modernisation** has led to improvement in the **crop production**, which in turn has ensured food security to large swathes of people across the world. It should be kept in mind that around 95% of global food production depends on soil.

What are the challenges to food security?

Soil is a **fragile** and **finite resource**. Soil degradation is going on at an unprecedented scale across the world. Therefore, it is a significant challenge to **sustainable food production**.

Soil Degradation: About 1/3rd of the earth’s soils are already degraded. About 90% could be degraded by 2050 if no corrective action is taken.

– It is estimated that 96.40mn hectares or about 30% of India’s total geographical area — is affected by land degradation.

What are the causes that lead to soil degradation.?

Apart from **natural causes**, there are **human activities** which also lead to soil degradation. According to the Food and Agriculture Organisation’s ‘**State of Land, Soil and Water**’ report, out of around **5,670mn hectares** degraded land, 29% is attributed to **human-induced land degradation**

The agriculturists have adopted modern scientific techniques. For example, they now resort to **extensive use of fertilisers** and **pesticides** which lead to the deterioration of soil health and contamination of water bodies and the food chain, which pose serious health risks to people and livestock.

According to the **FAO’s latest ‘State of the World’s Land and Water Resources for Food and Agriculture’**, **soil pollution** is another issue.

Further, as per studies, around 160 million hectares of cropland worldwide is affected by **salinisation**.

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Lesson that can be learnt from India

Since ancient times in India, mother earth has been considered a divine entity and her worship is an integral part of the **country's civilisational ethos**, and the Indian farmers have followed sustainable and holistic agricultural practices.

According to the **United Nations Institute for Training and Research** and the **World Future Council's report** namely "**A Healthy Planet for Healthy Children**", there are various success stories. For example, **Sikkim** in India became the **first organic state in the world**. It phased out chemical pesticides and fertilisers.

The Union government introduced the **revolutionary soil health card (SHC) scheme**. The SHCs have been distributed to about 23 crore farmers. It has contributed to improving the health of the soil.

In addition to the above measures, India is also working to **restore 26mn hectares** of degraded land by 2030.

Way Forward

There is a need for **collective global action** involving governments and civil society to reverse this alarming trend. All the stakeholders like the government's functionaries, farmers, CEOs, scientists, school children, etc. must work to save the health of the planet and ensure food security.

The need of the hour is to adopt **innovative policies** and **agro-ecological practices** that create **healthy and sustainable food production systems**.

(1) In fact, **natural farming** and **organic farming** are not only **cost-effective** but also lead to improvement in soil health and the farmland ecosystem.

(2) There is an urgent need for action to **reduce dependence** on pesticides worldwide and to promote policies advocating **healthy and sustainable food systems** and **agricultural production**.

(3) Efforts should be made to **reduce soil erosion**. The Soil erosion not only affects fertility but also increases the risk of floods and landslides.

25. India has emerged as a major buyer of Russian crude. But some caution is in order

Source: The post is based on the article "**India has emerged as a major buyer of Russian crude. But some caution is in order**" published in the "**Indian Express**" on **25th June 2022**.

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

Relevance: To understand India's Crude oil diplomacy.

News: India is the third-largest importer and consumer of oil in the world. Recently, a few private-sector refiners decided to import larger quantities of crude oil from Russia.

Historically India imported oil and crude from Iran, Iraq and Russia. Last month, Russia became India's second-largest oil supplier by overtaking Saudi Arabia.

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About crude oil and Russia

Crude is the raw natural resource extracted from the earth, subsequently refined into widely used products like petroleum, jet fuel and heating oils. The price of crude impacts the cost of essential goods like food and clothing.

Russia is the world's largest exporter of oil products to global markets and the second-largest exporter of crude oil behind Saudi Arabia. About 60% of Russia's oil exports go to Europe and another 20% to China.

As the Russia-Ukraine crisis intensifies, Europe's Russian crude purchases fell by 5.5 Lakh barrels a day, Asia's consumption rose by 5 lakh barrels. Hence, Russia has not suffered a significant loss in terms of crude oil sales.

Read more: [Crude oil diplomacy](#)

About India's increasing crude oil import from Russia

According to the Wall Street Journal, India has increased imports of Russian crude more than 25-fold since the start of the invasion in February. As of June 1, 2022, India is importing an average of a million barrels a day.

There are many benefits associated with importing Russian oil. Such as,

-India is refining crude oil or turning it into products like jet fuel and diesel and selling it to Europe and other nations.

-Helps India to curb inflation that has been made worse by rising fuel prices.

-The government can bring down prices and halt the decline in the value of the Indian rupee.

What are the challenges associated with importing Russian oil?

Firstly, the European Union has announced a ban against insuring ships carrying Russian oil. Countries like India, China and Turkey that are increasing their oil purchases from Russia have six months to find a work-around to the insurance ban by using non-European insurance companies.

Secondly, European companies own most of the ships carrying Russian oil to India. These insurance sanctions will impact the companies that own these ships as well.

Thirdly, buying cheap Russian crude may only be a temporary solution to our long-term fuel needs.

What should be done?

Electric vehicles and electric batteries substitute non-renewable resources like petroleum and diesel. There is a concentration of battery factories /suppliers in China and South Korea.

Hence, India should take steps to prevent shortages by putting in place factories which will build electric batteries. The invasion of Ukraine has taught India to be more self-reliant and have in-house energy sources.