

9 PM

Compilation

25th to 30th July, 2022

9 PM Compilation for the Month of July, (Fourth Week) 2022

General Studies - 1

1. [India is greying – and what we can do about it](#)
2. [Overcoming the Aryan-Dravidian divide](#)
3. [The JWST images can help us cherish earth's present](#)

General Studies - 2

1. [Significance of bail: A shot in the arm for rule of law](#)
2. [Adding digital layers of indignity](#)
3. [Out of bounds: Unusual or onerous bail conditions ought to have no place in judicial orders](#)
4. [The key to US-India partnership: Defence and technology cooperation](#)
5. [Why Agnipath scheme needs to be extended to All India Services](#)
6. [It's time India and Japan rethink their nuclear policy](#)
7. [A global order caught up in a swirl of chaos](#)
8. [The need of the hour: ASHA for elderly](#)
9. [Reform bail law, but make the right diagnosis first](#)
10. [What CJI Must Prioritise](#)
11. [Seeking to destroy India's civil society](#)
12. [To jail or not to jail isn't such a difficult decision](#)
13. [Why Burmese Generals Should Worry New Delhi](#)
14. [A future free of hepatitis](#)
15. [The poor state of India's fiscal federalism](#)
16. [Death by hooch – India needs a more honest discussion on the risks and benefits of prohibition](#)
17. [From freebies to welfare](#)
18. [IPEF versus RCEP](#)
19. [Draft Drugs, Medical Devices and Cosmetics Bill 2022: The making of the digital pharmacist](#)
20. [India at Commonwealth Games: Sports governance needs to change](#)
21. [Sri Lanka is a warning against irrational government policy](#)
22. [How the current laws can shield doctors and police from violence](#)
23. [Solution to the engineering sector: Infrastructure, not buzzwords](#)
24. [RTI Act and RTI Activists: We need to protect whistle blowers](#)
25. [The exodus is rational](#)

General Studies - 3

1. [Weighing in on India's investment-led revival](#)
2. [MC12 over, it's 'gains' for the developed world](#)
3. [The challenges of fibrisation ahead of India's 5G deployment](#)
4. [Tackling Monkeypox](#)
5. [A cultivated idea for cities](#)
6. [India needs joint commands & it needs a CDS](#)
7. [Backsliding on climate action](#)
8. [DESH needs to serve the country better](#)
9. [Globalisation is dying; India needs sound industrial policy](#)
10. [Green shift: Costs and opportunities](#)
11. [GDP growth and formal employment: Whose GDP is it anyway?](#)
12. [Integrating SatNets with terrestrial 5G networks: A path to global connectivity](#)
13. [The tipping point on service charges](#)
14. [Power tariff revisions and the state of DISCOMs](#)
15. [Lessons from a tax cut](#)
16. [Monkeypox & Human Folly](#)
17. [Lion's future, cheetah's past](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

18. [Hitting the mark on defence exports](#)
19. [Saving Mother Nature from ourselves](#)
20. [What numbers do not reveal about tiger conservation](#)
21. [Revival package for BSNL: Much needed bailout](#)
22. [Narrow view – SC verdict on PMLA fails to protect personal liberty from draconian provisions](#)
23. [Plain Way To Make Planes Safe](#)
24. [A grand strategy for technology](#)
25. [RBI and the rupee: To break a free fall or not to](#)
26. [Young and waiting: India's public examination and recruitment system is failing its youth](#)
27. [Stubbles, mountains](#)
28. [Government bailouts are not the answer to india's energy sector woes](#)
29. [Post-pandemic surprises and where the indian economy truly stands today](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

General Studies Paper – 1

Created with love ❤ by ForumIAS- the knowledge network for civil services.
Visit academy.forumias.com for our mentor based courses.

General Studies - 1

1. [India is greying – and what we can do about it](#)

Source: The post is based on an article “**India is greying and what we can do about it**” published in the **Live Mint** on **25th July 2022**.

Syllabus: GS 1 Population in India; GS 2 Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation

Relevance: Population Ageing in India

News: Recently, Population trends and forecasts undertaken by the government and several other agencies were released in the public domain. The points that ageing is going to be one of the most critical concerns for India.

Ageing refers to a demographic situation in which the population is heading towards such a situation where the **share of 60+ population** in the overall population steadily increases.

Why is this a matter of concern for India?

(1) Though the proportion of **older persons** in the overall population is low (8.6%), their overall number is very high (104 million), as per the 2011 census. The overall number is projected to be four times in 50 years, i.e., to reach **425 million** by 2061.

(2) The proportion of the older population of the total population is **different in different states**. This is because **different states** of India are at **different stages** of the **demographic transitions**. Therefore, their projected population share is going to range from 11.6% in Bihar to 23.9% in Kerala, by 2041.

(3) Ageing in India is happening at a **super-quick pace**. In France and Sweden, the older population took 110 years and 80 years respectively to double its share from 7% to 14%. However, in the case of India, it is projected to take only 20 years to double. In 2061, every 4th person in India is expected to be 60+.

(4), India is aging before becoming rich. The **poverty rates** are higher among older persons. As per the **United Nations Population Fund** 2012 study, 52% of the older population is economically fully dependent and 18% share is partially dependent (18%) on others for livelihood. Further, a large number of older persons continue to work or are forced to work because of economic conditions.

For example, in 2021, almost 10% of the total workers in MGNREGA were 61 years or older.

(5) The level of **social security coverage** and access to **health services** for the elderly is fairly low.

Measures Taken for the older population in India so far

The Indian government had launched the **National Policy for Older persons** in 1999. This was launched even before the **Madrid International Plan of Action on Ageing**.

The **Kerala government** addresses the issue with initiatives and budgetary allocations right from the panchayat level.

In the last two years, the **ministry of social justice** has been active in coming up with some innovative solutions.

What should be done?

There is a **plethora of schemes** for the elderly, but they are **tokenistic** because they **lack the depth** and **financial support** needed to make any meaningful impact.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Given the scenario of the poor financial status of the elderly and lack of financial support for schemes under implementation, there is a need for **high-level political engagement** over this issue.

There is a need for a **differentiated approach** to planning for **older persons** across states.

There should be **proactive** and **prospective policies** and **programmes** on older population both at the **national** and **state levels**. These initiatives should be formulated and **implemented** with the engagement of all the stakeholders including corporates and civil society,

There is much to learn from countries such as **Taiwan** and **China** on this front.

2. [Overcoming the Aryan-Dravidian divide](#)

Source: This post is based on the article **“Overcoming the Aryan-Dravidian divide”** published in **The Hindu** on **30th July 2022**.

Syllabus: GS 1 – Indian culture: salient aspects of Art Forms, literature and Architecture from ancient to modern times.

Relevance: About the Aryans and Dravidians.

News: Recently the Governor of Tamil Nadu has been criticised for his views on the Aryan-Dravidian divide. This is unfair as expressing one’s views on a sensitive issue cannot be construed as political interference.

About the cultural difference between Aryans and Dravidians

The eminent historian, P.T. Srinivasa Iyengar maintained that cultural differences existed between the Vedic and non-Vedic people. He also said that the Vedic culture is so reminiscent of the Indian soil and of the Indian atmosphere and the idea of its non-Indian origin is absurd.

What was the contribution of Caldwell to Dravidian languages?

Caldwell is one of the key early proponents of the idea of the Dravidian language family as a scientific entity. Caldwell’s work was published in 1856. But 40 years before Caldwell, **Francis Whyte Ellis**, the Collector of Madras, had laid the foundation for Caldwell’s theories through his writings.

Just a decade after Caldwell’s work, **Charles E. Grover** of the **Royal Asiatic Society** wrote in his famous work on Tamil folk songs wrote about the true character of the language and linguistic progress made since the publication of Dr. Caldwell’s book.

In that, he wrote, Caldwell “gives an appendix containing a considerable number of Dravidian words which he asserts to be Scythian... It is now known that **every word in this list is distinctly Aryan.**”

Read more: [An ancient Dravidian language link with the Indus Valley civilisation](#)

How did the policy of divide and rule impacted Dravidian movements?

Many eminent scholars, both local and international, have written about the Dravidian movement’s colonial origins.

The eminent Cambridge historian, David Washbrook, identified the roots of Dravidian or non-Brahmin politics. He did this not in historic fault lines but in “the novel types of government and politics” He also mentioned the British’s ‘divide and rule’ policy in “caste cliques”.

Washbrook gave concrete examples of that policy and concluded as follows: “In his manual on Coimbatore district... F. A. Nicholson freely admitted his inability to separate ‘true’ Gounder Vellalas from the hosts of rich peasants who had adopted or were adopting Gounder ceremonies,

9 PM Compilation for the Month of July, (Fourth Week) 2022

dress and customs. In the census of 1891, Sir Harold Stuart noted the ability of the Nairs of Malabar to absorb immigrants... in a single generation without apparent friction.”

The American historian Thomas Trautmann writes about the **languages-and-race project** of British. He describes the project as, “European view of race as a fundamental force of history and had a deep effect on the interpretation of Indian history.”

Read more: [Endangered Languages in India – Explained, pointwise](#)

What were the later debates on Aryans and Dravidians?

Scholars like Ashis Nandy have for long highlighted the importance of unclear and overlapping identities in pre-modern India as sources of tolerance.

Many neutral observers have noticed parallels between Dravidian politics and other chauvinistic ideologies. But one does not see the criticism of Aryans in mainstream intellectual circles as it is normally reserved for other nationalist ideologies.

3. [The JWST images can help us cherish earth's present](#)

Source: The post is based on an article “**The JWST images can help us cherish Earth's present**” published in **The Times of India** on **30th July 2022**.

Syllabus: GS 1 World Geography; and GS 3 Awareness in the fields of Space

Relevance: Origin and Evolution of Earth; and James Webb Space Telescope (JWST);

News: Recently, the James Webb Space Telescope (JWST) captured high-resolution astronomical images of the galaxies which were formed billions of years ago.

What is the importance of the JWST?

The JWST, having **infrared technology**, can help us see galaxies that were formed 11 to 13 billion years ago, which has not been done before. This can help scientists understand the evolution of space or the universe.

It can see galaxies that are **extremely far away**, from earlier and farther back in time.

It can help us understand the formation of **our** solar system, located in the **Milky Way galaxy**. Further, it can validate the computer models which simulate the early universe.

Such JWST's astronomical images can help us cherish our present and hopefully save our future.

It can help us understand how vast the universe is, and how many different galaxies, planets, and stars are present there in the universe.

9 PM Compilation for the Month of July, (Fourth Week) 2022

General

Studies

Paper – 2

Created with love ❤ by ForumIAS- the knowledge network for civil services.
Visit academy.forumias.com for our mentor based courses.



9 PM Compilation for the Month of July, (Fourth Week) 2022

General Studies - 2

1. [Significance of bail: A shot in the arm for rule of law](#)

Source: This post is based on the article “A shot in the arm for rule of law” published in **The Hindu** on **25th July 2022**.

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

Relevance: About the criminal-justice reforms in India.

News: In **Satender Kumar Antil v. Central Bureau of Investigation (2022)**, the Supreme Court expressed its unhappiness with the current state of India’s criminal justice system. The court said that indiscriminate arrests are indicative of a colonial mindset and create the impression of India being a “police state”.

What is the significance of the court ruling?

The court highlighted the following **a)** Safeguarding basic human rights, **b)** the emphasis on quickening the pace of trials, **c)** Suggesting a new Bail Act, like that of the UK, **d)** Demanding that the agencies must be civilised towards both crime suspects and convicts, and **d)** Provision for electronic surveillance of those released on bail.

Must read: [Explained: The bail law and Supreme Court call for reform](#)

What are the reasons behind indiscriminate arrests?

a) Members of the lower judiciary often ask investigating officers why they did not arrest some suspects while arresting others, **b)** Courts suspect that the police lack integrity in discriminating between the accused, **c)** An average police officer invariably believes that it is only in the rigour of custody that a suspect will cough out the truth.

Read more: [Bail’s in our courts: SC’s idea on new bail law must be taken up by GoI. But judicial officers need reforming too](#)

About the problem of overcrowding

The problem of overcrowding of prisons has accompanying issues such as corruption, crime and hygiene within prisons. This is because **1)** There is an insistence during trial on judicial custody. This is different from what prevails in many countries, especially the U.K., where the grant of bail is much more liberal, **2)** The court proceedings in India are lengthy and complex.

Read more: [Explained: When can an individual get statutory bail?](#)

What are the other instances where the judiciary highlighted bail is the rule and jail as the exception?

In the State of Rajasthan, Jaipur V. Balchandalias Baliay (1977) case: The court held, “The basic rule is bail, not jail, except where there are circumstances suggestive of fleeing from justice or thwarting the course of justice or creating other troubles in the shape of repeating offences or intimidating witnesses.”

What should be done to reform India’s criminal justice system?

Even if not framed a separate law, the existing legal provisions, especially the Criminal Procedure Code, are adequate to curb the overeager practices of law enforcement agencies. Hence, India’s arbitrary and cruel practices must change.

The political and bureaucratic leadership should convince themselves of the role of ethics in public life.

Read more: [How To End The Jail Mania? – On Bail system of India](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

2. [Adding digital layers of indignity](#)

Source: This post is created based on the article **“Adding digital layers of indignity”** published in **The Hindu** on **25th July 2022**.

Syllabus: GS Paper 2 – Social Issues – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes

Context: The article provides many examples to prove that outsourcing humane aspects of governance to technologies lead to dehumanisation.

Right to live with dignity is a constitutional imperative. Digital initiatives in governance like Centralised data dashboards have become the go-to mode for assessing policies. **It has lowered the value of principles such as human dignity and hardships in accessing rights.**

Author has provided one such example. Natho Ba, an MGNREGA worker wasn't able to access his own MGNREGA wages because his biometrics wouldn't work. Moreover, the bank manager also used dehumanised technocratic vocabulary “His fingers are defective”.

Thus, when trust and humane aspects of governance are outsourced to technologies, dehumanisation is the likely outcome.

Some examples of dehumanised nature of technocratic initiatives

1) [Integrated Child Development Scheme \(ICDS\)](#)

An important component of ICDS is supplementary nutrition for children in the 0 to 6 years age group, pregnant women and lactating mothers. In 2021, the Union government launched the [Poshan Tracker](#), a centralised platform, to monitor all nutrition initiatives, including ICDS.

Updating of Aadhaar of ICDS rights-holders, including children, on the Poshan Tracker is mandatory. Subsequent Central funds for supplementary nutrition to States is dependent on this. However, as per government clarifications, only the Aadhaar of mothers need to be authenticated at Anganwadis.

Technocratic issues

Nearly three-fourths of children between the ages of 0 to 5 years do not have Aadhaar cards, and Supreme Court orders specify that children cannot be denied their rights for lack of Aadhaar.

This is the case despite Common Service Centres (CSC) owners reported that biometrics of 42% of the users don't work on the first attempt.

36% of children under the age of five are stunted and nearly one-third of children in this age group are underweight. Thus, creating new hurdles for children in the name of digitisation will worsen this situation.

2) [National Mobile Monitoring Software \(NMMS\) app](#)

As per the order, the app will record “two time-stamped and geo-tagged photographs of the workers in a day”. It was intended to “increase citizen oversight of the programme besides potentially enabling processing of payments faster.”

Technocratic issues

1) Earlier, MGNREGA workers could complete their share of work and leave for household work or for other for supplementary income. However, **now they have to now stay back at the worksite** even after completing their work only to get photographed and geo-tagged.

2) **Photo attendance is taken by Mates** who are usually local women in charge of worksite supervision. Now, the mates need to own a phone, many of whom doesn't have that. Many of them are forced to take loans to buy smartphones to use the app.

9 PM Compilation for the Month of July, (Fourth Week) 2022

3) Now there are technical issues. **Workers are losing money** when they are unable to upload their attendance due to technical glitches. Network connectivity is another issue.

4) The **sense of being constantly watched** induces fear among people. Gradually, it forms a habit among the subjects of internalising and accepting this form of coercion.

Social audits need strengthening instead of technocratic solutions of transparency. Democratic dictum suggests that **people should be able to 'see' the state clearly, not the other way around. It is the dignity and trust of people at stake otherwise.**

3. [Out of bounds: Unusual or onerous bail conditions ought to have no place in judicial orders](#)

Source: This post is based on the article **“Out of bounds: Unusual or onerous bail**

conditions ought to have no place in judicial orders” published in **The Hindu** on **25th July 2022**.

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

Relevance: About the criminal-justice reforms in India.

News: The Supreme Court recently disapproved the tendency among some courts to impose unusual conditions for bail.

About the case

In a land grabbing case, the interim bail order of the District Magistrate, asked the person to take possession of the property and, after putting up a boundary wall and barbed wire around it and deliver it to the Custodian, Evacuee/Enemy Property.

The Allahabad High Court also granted interim bail based on similar conditions. But the Supreme Court had taken an exception and asked the lower courts to not impose conditions that went beyond what was necessary to ensure the presence or attendance of an accused during the trial.

Must read: [Explained: The bail law and Supreme Court call for reform](#)

What are the conditions to grant bail?

The conditions for not granting bail have specific objectives. Such as preventing the accused from fleeing justice and precluding any scope for tampering with evidence or influencing witnesses.

These objectives are usually secured by directing them to stay in a particular place and asking them to record their presence before a police officer or a court at a specified frequency.

What are the previous instances of permitting bail with unusual conditions?

Some recent examples include **a)** being asked to do a spell of community service, **b)** apologising to victims, **c)** reading a moral treatise or chapters from Mahatma Gandhi's autobiography.

For instance, in 2020, the Madhya Pradesh High Court had ordered a man accused of molesting a woman to visit the victim at home and agree to her tying a 'rakhi'. However, the SC denounced the attempt to convert a 'molester' into a 'brother' by judicial mandate.

Read more: [Explained: When can an individual get statutory bail?](#)

What should be done?

The sharp observations, whether oral or part of detailed orders, can often help in conveying a sense of the judicial conscience. But their casual use of such will undermine public confidence in the court's impartiality. The courts has to avoid these.

9 PM Compilation for the Month of July, (Fourth Week) 2022

4. [The key to US-India partnership: Defence and technology cooperation](#)

Source: This post is based on the article “**The key to US-India partnership: Defence and technology cooperation**” published in the **Indian Express** on **25th July 2022**.

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

Relevance: About the India-US relations.

News: To improve India-US relations, the recently concluded India-US 2+2 Ministerial Dialogue recognised closer cooperation in scientific research and critical emerging technologies.

About the present political scenario

The 21st century is a bipolar era dominated by the US and China.

Status of China: China is now home to a manufacturing-led and technology-driven economy, competing head-on with the US in areas like biotech, robotics, artificial intelligence, and advanced materials.

Status of India: India’s consistent commitment and concerted policy action focused on building domestic capabilities in critical technologies, key manufacturing industries and pursuing important structural economic reforms has started yielding results. The possibility of India’s continuing rise over this century seems to be stronger.

Hence, Asia might once again take its place as the geo-economic epicentre of the world.

Read more: [India US bridge Ukraine differences](#)

What is the present approach of India-US on China?

India: India once welcomed Chinese involvement in its economy, has recalibrated after the 2020 Galwan face-off.

The US: The US once see non-democratic China as a benign partner, has now sees it as a threat.

According to the former Foreign Secretary, unlike India and the US, which are both well-established republics with deep democratic cultures, China is “a party with a state attached to it.” At present, India and the US are natural allies to confront the challenges posed by an expansionist and aggressive China in the Indo-Pacific and beyond.

Read more: [India US 2+2 Dialogue and the Dynamics of India-US relations – Explained, pointwise](#)

Why does the US want to engage with India more?

1) India is not a part of the geopolitical and cultural West yet is “westernised” enough to be comfortable in that bloc, **2)** Unlike some other countries in the Indian Subcontinent, India never has been nor will be anybody’s servant, **3)** Demographic and economic trends position India as a global force that will have the weight to stride alongside America and China.

Read more: [Dynamism in India US ties](#)

How to improve India-US relations?

a) Beyond the consumer tech and software sectors, both countries should **broaden the technology collaboration** in areas like artificial intelligence, drones, advanced materials, space technology, semiconductors, and biotech.

b) India and the US should be closely aligned in addressing the threat posed by an authoritarian China.

Read more: [Measures to Strengthen India US economic partnership](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

The combined financial firepower, human capital, and technology prowess available between the India and US would place the world safer. So, the India-US partnership is not a convenience but a necessity for the new multipolar world order.

5. [Why Agnipath scheme needs to be extended to All India Services](#)

Source: The post is based on an article “**Why Agnipath scheme needs to be extended to All India Services**” published in the **Indian Express** on 25th July 2022.

Syllabus: GS Paper 2 , Role of Civil Services in Bureaucracy

Relevance: Civil Services Reforms

News: Recently, the government has launched an [Agnipath scheme](#) for the armed forces of the country with a view to make these a leaner force without compromising on their combat abilities. Thereafter, a similar scheme is being demanded with regard to the **All-India Services (AIS)**.

Argument Against such a scheme for AIS

The AIS have rendered excellent services to the country despite the **severe constraints** under which the officers function.

To cope with the **increasing responsibilities**, there has been a **steady expansion** of the civil services.

The government activities today cover a much **wider spectrum**. Now the **welfare schemes** are being undertaken on a massive scale. To cope with the increasing responsibilities, there has been a steady expansion of the civil services.

The **law-and-order problems** have become far more complex and people are not happy with police. But, still, no one would ask for abolition of police as it would result in lawlessness and chaos. Thus, it is same with the civil services.

Argument in favour of Agnipath like scheme for AIS

There is a huge **sense of dissatisfaction** over the performance of the civil services, particularly AIS. For example, the people are generally **dissatisfied** with the **performance of the police** and there are credible complaints about its brutality, **third-degree methods** and **extra-judicial killings**.

It has been noticed that once an officer is selected for the AIS, he/she develops a **smug attitude** that his/her career for the next **30/35 years is** now secure. Therefore, there is a lack of pressure to perform, an incentive to innovate, and a desire to excel.

Senior officers of the IAS and IPS have gone to the **Supreme Court** for reforms in the civil services and the police.

The judiciary has, from time to time, given directions for reforms but these have not been implemented in letter and spirit.

In the last few decades, the AIS have grown in size and have become **very, very top-heavy**. There are a number of officers who are holding **top positions** but have **very little work** to do. Therefore, they are frustrated and look for politicians to get a **top post** in the **bureaucratic mainstream**.

What could be the Features of the Agnipath Scheme for AIS? Performance Appraisal System

(1) There should be a performance-appraisal system in **three stages**. There should be **strict review** once when the AIS officers have completed 15 years of service, then after 25 years of service, and, finally, after 30 years of service.

9 PM Compilation for the Month of July, (Fourth Week) 2022

(2) After the **first stage** of performance appraisal, 25% officers should be weeded out, 10% officers at the **second stage** and 5% officers at the **third stage**. Weeding out should be for **poor performance**, charges of corruption, any other misconduct of a serious nature, or for being physically unfit.

Screening at each stage will have to be **very rigorous** and the **mechanism** to do so must be **impartial**.

The **appraisal system** should be devised to **doubly ensure** that the officers are not **victimised for political reasons**. The officers may be given **copper/silver/golden handshakes** at the three stages.

Panel for weeding out AIS

There should be a **panel for weeding** out at different stages. The members can be **the retired judges, officers** of impeccable integrity drawn from different services, distinguished members of the civil society and representatives from all the state governments of the country.

Every time the review is undertaken, **three to five** from the panel should be chosen by **lottery**, taking care that they are from **states** other than the one whose officers' performance is going to be reviewed.

If an officer feels aggrieved by the decision of the panel, he should be able to approach a tribunal.

Benefits of this scheme for AIS

The periodic trimming of services would ensure that officers become **performance-oriented**, **acquire new skills** and a **flair for innovation** in administration. The complacency and smugness would disappear in a majority of cases.

The bureaucratic top would become lighter. It would also ensure that the structure of services becomes **pyramid-shaped** and not the **trapezium** it is now.

6. [It's time India and Japan rethink their nuclear policy](#)

Source: This post is created based on the article "**It's time India and Japan rethink their nuclear policy**" published on **The Hindu** on **26th July 2022**.

Syllabus: GS Paper 2 – Foreign policy of India – India's nuclear policy

News: A recent report on Asian nuclear transitions by Ashley Tellis of the Carnegie Endowment underlined the shared security challenges for Delhi and Tokyo. The shared challenge is increasing Chinese military power and the rapid modernisation of Beijing's nuclear arsenal.

Until now, both Japan and India were relaxed by the fact that China's modest nuclear arsenal is not an existential threat. But much has changed now.

What are the factors emphasising shared concerns of India and Japan with regard to China?

First, China's modernisation and expansion of nuclear arsenal. As per some estimates, China's arsenal could grow from about 350 now to 1,000 warheads by 2030.

Second, China's muscular approach to its territorial disputes with other countries. It has adopted the strategies of salami slicing and coercive diplomacy at frontiers with Japan and India.

Salami slicing is a divide-and-conquer tactic used to dominate opposition. Such operations are too small that they do not give an excuse for war or attract international criticism. However, they give the aggressor country a strategic advantage in the long term.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Third, Russian invasion of Ukraine has made it clear that if a nuclear power invade another country, international powers feel reluctant to interfere. It is due to the fear of facing nuclear war or attack.

Fourth, given the fact that China is closing the economic and military gap with US, credibility of the US-extended deterrence for Japan is under question.

Fifth, India's policy of minimum deterrence and a doctrine of no-first-use of nuclear weapons are not sufficient against the China's aggressive policies.

Sixth, both India and Japan are not well positioned to be champions for the global abolition of nuclear weapons. While India never agreed to give up its own nuclear weapons, Japan despite being the victim of nuclear weapons, is under US nuclear umbrella.

What should be done?

India needs to reconsider its India's minimum deterrence posture.

US needs to revise its confronting attitudes towards India's nuclear weapons programme. Instead US should facilitate India's development of more sophisticated nuclear warheads.

"INFRUS" agreement — between India, France and the US could help India build an underwater deterrence based on ballistic missile carrying submarines (SSBN) as well as nuclear attack submarines (SSN).

7. [A global order caught up in a swirl of chaos](#)

Source: This post is based on the article **"A global order caught up in a swirl of chaos"** published in **The Hindu** on **26th July 2022**.

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

Relevance: About the various issues that can alter world governance.

News: [Ukraine-Russia conflict](#) is one of the many strands currently altering the shapes of world governance.

What are the various challenges that can alter world governance?

Europe: Germany has steered European politics for almost two decades under Angela Merkel. But their new Chancellor has hardly any foreign policy experience. Without Germany's steadying hand, Europe would face significant challenges.

The United Kingdom: The UK is facing a political crisis ever since it came out of the EU.

Food crisis: Ukraine and Russia were generally viewed as the granaries of the world. The conflict between them placed few countries to confront the food scarcity.

Other issues: The other issues include the foreign exchange crisis, the spiralling cost of energy and fertilizers. Many of these problems may have existed earlier but have been aggravated by the ongoing conflict.

The impact is being felt now well beyond Europe. Outside Europe, the conflict is beginning to take on a different dimension, leading to the emergence of new patchworks of relationships.

How did China stand benefitted?

China-Russia ties: China and Russia appear to have further cemented their relationship and the situation is shifting towards a formal alliance. China's growing influence in the Pacific region, including in the Indo-Pacific, is further strengthened by the alliance with Russia.

9 PM Compilation for the Month of July, (Fourth Week) 2022

China in the Middle East: The U.S.'s relations with Arab nations in West Asia appear to weaken. Russia and China are beginning to play key roles, with Iran as the fulcrum for establishing new relationships.

So various efforts of the United States, including the [AUKUS](#) (Australia, the U.K. and the U.S.) and the [Quad](#), or the launch of another Indo-Pacific entity, viz., '[Partners in the Blue Pacific](#)' (comprising the U.S., the U.K., Australia, New Zealand and Japan) might not yield results.

Read more: [Ukraine War and the Global Food Crisis – Explained, pointwise](#)

What does India need to do?

Most Asian nations appear unwilling to take sides in the event of a conflict including India.

Ties with China and Russia: India cannot ignore the situation created by the stronger bonds between Russia and China. India will need to determine whether Russia can be expected to play a role as a 'trusted friend'.

Ties in the Middle-East: India-Israel relationship dates back to the 1990s, and the India-UAE relationship has flourished in the past couple of years. But India-Iran relations seem to have reached a stalemate.

India's membership in the [I2U2](#) indicates that this body could become a 'feature' of the West Asian region, just like the Quad was for the Indo-Pacific.

Ties with other neighbourhood countries:

Afghanistan: India urgently needs to come to terms with a Taliban Afghanistan. Its attempt to devise a working relationship with Taliban Afghanistan is as yet in a very nascent stage.

Sri Lanka: The democratic upsurge in Sri Lanka presents India with a fresh set of problems. India needs to ensure that its advent does not result in the emergence of an anti-India atmosphere in Sri Lanka.

India's nuclear deterrence: There is a wide gap that exists today in regard to China and India's nuclear deterrent capabilities. The U.S. strategists blame India for its voluntary ban on testing and its 'no-first-use' doctrine.

India needs to guard against such attempts to undo the carefully negotiated and structured nuclear policy and doctrine, and should not be tempted by any anti-China western move on this front.

8. [The need of the hour: ASHA for elderly](#)

Source: This post is based on the article "[The need of the hour: ASHA for elderly](#)" published in the **Indian Express** on **26th July 2022**.

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

Relevance: About the challenges faced by the elderly in India.

News: The United Nations' "[World Population Prospects](#)" highlights the continuing growth of the population in the coming decades is largely driven by increasing life expectancy, rather than babies being born.

How much has the life expectancy improved?

During the time of Independence, the life expectancy was around 30 years. The population projections suggest that the country is already home to 30 million persons who are 75 or older.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The World Population Prospects estimates there will be nearly 100 million persons older than 75 in India in 2039.

Must read: [The UN World Population Prospects Report and Population Issues in India – Explained, pointwise](#)

What are the vulnerabilities faced by older people?

1) Elderly people require vast sums of money, (out-of-pocket expenses), for the diverse types of care they required, **2) Threat of Dementia:** It is a condition associated with ageing and resulting from progressive degeneration of the brain. Dementia poses an enormous burden of care as one gradually loses the ability to care for oneself and to think, plan and behave in a rational way. A private study reported that about 8% of the elderly population over 75 in India was afflicted by this condition.

3) Reduction in caregivers: India's traditional multi-generational families could be relied upon for caregiving. The population transition has been accompanied by dramatic changes in the family structure, so an increasing proportion of the elderly will live only with their elderly spouse or alone.

4) There is no comprehensive, community-based, care system for elders. Families have to make their own arrangements through out-of-pocket payments for each service which is needed.

5) Civic infrastructure, such as public transport, **is insensitive** to the needs of persons with different abilities and elders with disabling conditions.

Must read: [Elderly population in India – Explained, pointwise](#)

What should be done to improve the lives of the elderly?

India's celebrated **Accredited Social Health Activists (ASHAs)** have been singularly responsible not only for the dramatic reductions in maternal and infant mortality contributing to increased life expectancy but also for achieving impressive Covid vaccination coverage.

The **ASHA program is a template** for building a community-based workforce, anchored in the large and growing network of government Health and Wellness Centres across the country. This can be utilised to support the diverse health and social care needs of elders.

As the population projections show, India is rich with human resources and many are young and looking for work, the government could empower working-age adults who are jobless in the service of elders.

9. [Reform bail law, but make the right diagnosis first](#)

Source: This post is based on the article **“Reform bail law, but make the right diagnosis first”** published in **The Hindu** on **26th July 2022**.

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

Relevance: About the bail reforms in India.

News: Over 75% of India's prison population are undertrial while overcrowding in Indian prisons stands at 118%. The Supreme Court of India in the **Satender Kumar Antil vs CBI case**, acknowledged the ineffectiveness of India's bail system and its contribution to the above crisis.

What is the significance of the court ruling?

Must read: [Explained: The bail law and Supreme Court call for reform](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

What is the procedure to get bail?

The power to grant bail is largely based on the court's discretion and depends on the facts of each case. The Supreme Court has many times laid down principles for guiding the exercise of such discretion by courts in deciding bail applications.

These guidelines stress the need to release applicants. Despite existing guidelines, courts do not usually record reasons for rejecting bail.

Read more: [Significance of bail: A shot in the arm for rule of law](#)

What are the challenges in bail compliance?

Marginalised sections are either denied bail or granted bail with onerous conditions. Some common conditions are the nature of cash bonds, surety bonds, proof of property ownership and solvency.

Lack of means to arrange for money/property and local sureties are the most significant reasons accounting for an undertrial's inability to comply with bail conditions. Hence, more undertrial prisoners are languishing in jails.

The other factors are **a)** lack of residence and identity proof, **b)** abandonment by family and **c)** limitations in navigating the court system. These also undermine an undertrial's ability to comply with bail conditions.

Read more: [Bail's in our courts: SC's idea on new bail law must be taken up by GoI. But judicial officers need reforming too](#)

What should be done to reform the bail system comprehensively?

The bail system presumes that the **risk of financial loss is necessary** to ensure the presence of the accused in court. Such assumptions have the effect of rendering the rule of 'bail not jail' meaningless for a significant proportion of undertrial persons.

A careful re-evaluation of the presumptions is imperative. An effective bail law must be based on the correlation of the following,

a) Proportion of undertrials applying for bail, **b)** Proportion of bail applications accepted or rejected, **c)** The amount of bail compliance and the amount of denial of bail, **d)** demographics of undertrials, **e)** category of offences and timelines for bail, **f)** address socio-economic and structural barriers and **g)** effective enforcement of safeguards against arbitrary arrest that would eliminate the need to seek bail from courts.

Read more: [Explained: When can an individual get statutory bail?](#)

10. What CJI Must Prioritise

Source: The post is based on an article "What CJI Must prioritise?" published in the Times of India on 26th July 2022.

Syllabus: GS 2 – Issues associated with the functioning of Judiciary

Relevance: Justice

News: Recently, The **Supreme Court** delivered a verdict, after a **long period** of 26 years, in a simple case. In this case, the politician **Raj Babbar** was accused of assaulting a police officer in 1996.

The **Chief Justice of India** in his recent statement underlined that the judiciary is answerable to the Constitution and the Constitution alone.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The motto of the Supreme Court of India is **Yato Dharma Sthato Jaya**. Therefore, the SC held that dharma can be upheld only if **privilege** and **responsibility** go hand-in-hand. It means higher the privilege, greater the responsibility. It can also be referred to “**no free lunch in society**” in terms of economics.

What are the shortcomings of present functioning of Judiciary?

In every society, judges and scholars are held in the **highest esteem**. Therefore, in return, the society also expects scholars and judges to pursue their respective dharma in the **highest spirit**. It is not right to blame politicians, the government, or us citizens for expecting far, far more from the judiciary. The CJI should acknowledge that the judicial system owes timely justice to the citizens of this country. This is because there are a lot of lacunae in the functioning of the Judiciary:

- (1) India is in the bottom **15th percentile** of all nations in **ease of enforcement of contracts**.
- (2) Around **4.5 crore cases** are pending. Thereby, justice is getting delayed and is being denied to far more Indians than citizens in **160-odd countries**.
- (3) The Indian judicial system enjoys total independence. Therefore, it should also fulfil greater accountability.

Why should the judiciary move forward for the ease of enforcement of contract in India?

The **ease of enforcement of contracts** is most fundamental to any society and economy. For example, attracting corporate investments, fostering innovation and entrepreneurship, to enable greater competition in the economy etc.

The judiciary has the obligation to secure to all its citizens **JUSTICE, social, economic and political**, as per the Constitution of India.

What should be done?

Every CJI should lay out a timebound plan to eliminate the **Himalayan backlog of cases**. The plan must include use of technology, the routine cases can be dealt with quickly using technology, and the innovative way to work with the government.

The judicial system should focus exclusively on its primary function, until the backlog of cases is cleared.

There should be **ease of enforcement of contracts** for India to grow 7-8% annually.

Every CJI should evolve a time-bound plan for India's judicial system to be ranked in the top quartile of nations.

11. [Seeking to destroy India's civil society](#)

Source: This post is based on the article “**Seeking to destroy India's civil society**” published in **The Hindu** on **27th July 2022**.

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

Relevance: About recent restrictions on civil society organisations.

News: There is a suspicion that the government is attacking non-governmental organisations (NGOs) and civil society.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Why do civil society organisations need to be regulated?

Minority rights were deemed essential for the consolidation of the Indian state where citizens needed to feel a sense of belonging. The Constitution and law sought to protect minority communities and mandated equal rights and protection from the state to persons of all faiths and identities.

Civil society organisations need to be regulated for defending those values. The [Foreign Contributions \(Regulation\) Act \(FCRA\)](#), and the [Prevention of Money Laundering Act \(PMLA\)](#), are used in conjunction with a range of other measures such as the [Unlawful Activities Prevention Act \(UAPA\)](#) for regulating Civil society organisations.

Read more: [On FCRA & NGOs: Killing the license](#)

What are the recent restrictions placed on CSOs by the government?

2010 amendment of FCRA: The FCRA amended in 2010 gave substantial discretionary powers to the state to deal with NGOs. NGOs now needed to renew their licences every five years.

More than 20,000 civil society organisations that lost their registration between 2011 and May 2022. More than 16,000 NGOs were denied registration between 2015 and 2022.

2020 amendment of FCRA: This amendment forced NGOs to spend less on administrative costs. Finally, all NGOs were required to operate their foreign accounts through the State Bank of India's branch located on Parliament Street in New Delhi.

Read more: [Govt. curbs funding for 10 climate change, child labour NGOs](#)

Application of PMLA: The Enforcement Directorate (ED) of the Department of Revenue has wide-ranging powers to search and arrest citizens under the PMLA. This provision was used by the government to curb the activities of NGOs and political dissenters.

Other restrictions: a) In 2020, the government announced that the tax-free status of domestic donations would be reviewed every five years, b) The government grants were largely discontinued.

Read more: [Impact of New FCRA Rules on Relief Work of NGOs – Explained, Pointwise](#)

Social values can be saved if democratic politics protects those values. Excessive control over NGOs restricts the pluralistic nature of Indian society that is at the heart of India's democracy.

[12. To jail or not to jail isn't such a difficult decision](#)

Source: The post is based on the article **“To jail or not to jail isn't such a difficult decision”** published in the **Live Mint** on 27th July 2022.

Syllabus: GS 2 Important Provisions of the Constitution of India

Relevance: Fundamental Rights: Right to personal liberty

News: Recently, The Supreme court of India granted bail to a fact-checker. He was arrested for tweeting a still from a 1983 Hindi film.

The fact-checker was trapped in a loop of multiple cases which were lodged against him in two states. Therefore, he was subjected to rounds of arrest, bail pleas, and dock hearings.

What are the key takeaways from the Supreme Court's ruling in this regard?

“The machinery of criminal justice was being relentlessly employed” against the accused. Thus, the process of criminal justice has itself become the punishment for the accused.

An arrest is not meant to be and must not be used as a punitive tool because it results in the **loss of personal liberty**.

9 PM Compilation for the Month of July, (Fourth Week) 2022

When the power to arrest is exercised by the law agencies without application of mind and without **due regard to the law**, it amounts to an abuse of power.

Issues in the Indian Criminal Justice System

- (1) **Mindless arrests** and **jails** have become one of the features of criminal justice in the country.
- (2) Over 75% of Indian prisoners are under-trials, locked up for months and years in the prisons without their case coming to trial.
- (3) Further, **two-thirds** of those locked up as under-trials belong to **marginalized castes and tribes**.
- (4) Many lack the means to access legal aid, take on the maze, or even put-up bail money.
- (5) Despite the **top judiciary's vocal activism**, the lower judiciary's rulings continue to violate the personal liberty of the citizen accused in cases.
- (6) In harsh anti-terror laws, the judiciary at all levels has appeared hesitant to grant bail.

What are the suggestions for reforms by the judiciary?

- (1) **Fair trials and respect for personal liberty should be the cornerstones of democracy.**
- (2) The Judges must pay heed to the first principles of criminal procedure when it comes to arrests, i.e., **"bail, not jail"**. They must not be put behind bars for long stints if they pose no danger of influencing the probe, or escape.
- (3) A **comprehensive law on bail** which recognizes a right to bail must be framed. Such law should be modeled on similar legislation in the UK.

13. [Why Burmese Generals Should Worry New Delhi](#)

Source: The post is based on an article **"Why Burmese Generals should worry New Delhi?"** published in the Times of India on 27th July 2022.

Syllabus: GS 2 International Relations: Bilateral Relations

Relevance: India-Myanmar Relations

Context: Recently, **four pro-democracy activists** were executed in Myanmar. These were few of the political prisoners in military-ruled Myanmar. The article discusses, are there any repercussions of happenings in Myanmar on India?

After the coup in Myanmar, 2,100 people have been killed, 1 million displaced, 8,000 put in custody and 114 sentenced to death.

As per the report, at least 382 children have been killed or maimed and over 1,400 children have been arrested since the military takeover.

The **UN Human Rights Chief** has condemned the executions and called for the release of all political prisoners in Myanmar.

India-Myanmar Relations – The Northeast-Myanmar connect

- (A) The Northeast region of India shares a 1,642 km border with Myanmar. Therefore, the entire region has long been known as the "Indo-Burma Border".
- (B) **Historical links** between the Northeast and Myanmar have existed for centuries.

9 PM Compilation for the Month of July, (Fourth Week) 2022

(1) Myanmar took over parts of the former Kingdom of Manipur during a period of history called “**Chahi Taret Khuntakpa**” or “**Seven Years Devastation**” between 1819 and 1826.

(2) Myanmar was part of British India till 1935.

(3) The McMahon Line was drawn by the British separated families and communities.

(C) Till today there are many Manipuri villages in Myanmar and several indigenous communities straddle both sides of the border.

Repercussions of the current military takeover of Myanmar for India

A large number of people have been displaced from Myanmar to Mizoram and Manipur. There are around 70,000 Burmese refugees in Mizoram and more than 30,000 in Manipur, including 16 Burmese lawmakers.

There are over 100 refugee camps in Mizoram for this incoming population.

Unlike Mizoram, Manipur has not established refugee camps and has even arrested several Burmese refugees.

What should be done?

(1) The Government of India (GOI) must provide a **cross-border assistance program** to address the **displacement crisis** in western Myanmar bordering Northeast India.

(2) Immediate and flexible assistance should be provided for the refugees, particularly for displaced women and children.

(3) In the spirit of **Act East policy**, the GOI should go for **long-term cross-border programs** to address the **humanitarian crisis** and rising xenophobia in Mizoram and Manipur.

(4) The **Indo-Burma region** is of immense **geo-strategic importance**. Therefore, the GOI should support **Myanmar democracy leaders** who **espouse democracy** and **rule of law** in Myanmar. India is already hosting the Tibetan government in exile. This would be of great strategic value for **peace building** on India's eastern borders.

14. [A future free of hepatitis](#)

Source: This post is based on the article “**A future free of hepatitis**” published in **The Hindu** on **28th July 2022**.

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

Relevance: About the elimination of hepatitis.

News: On World Hepatitis Day, the World Health Organization (WHO) highlighted the need to make hepatitis care available, affordable and accessible to all without discrimination. This is crucial to eliminate viral hepatitis as a public health threat by 2030, a global target.

Note: Elimination would translate to a 90% reduction in incidence and a 65% reduction in mortality by 2030, compared to the corresponding figures of 2015.

Why the world should focus on eliminating hepatitis?

Firstly, Hepatitis is the only communicable disease where **mortality is showing an increasing trend**. About 95% of all hepatitis-related deaths are due to cirrhosis and liver cancers caused by the hepatitis B and C virus. Southeast Asia has 20% of the global morbidity burden of hepatitis.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Secondly, viral hepatitis is preventable. Clean food and good personal hygiene, along with access to safe water and sanitation, can protect us from hepatitis A and E. Measures to prevent hepatitis B and C need to focus on full coverage with hepatitis B immunisation.

Thus, the world can prevent 4.5 million premature deaths in low- and middle-income countries by 2030 globally.

Thirdly, a world free of hepatitis is practical and feasible. The world at present has the tools to diagnose, treat, prevent and therefore eliminate chronic viral hepatitis.

Read more: [WHO says Bangladesh, Bhutan, Nepal & Thailand achieve Hepatitis B control](#)

What are the various initiatives taken around the world to eliminate hepatitis?

The **Southeast Asia region** has launched an Action Plan for viral hepatitis 2016–2021. Nine countries have achieved more than 90% coverage of the third dose of hepatitis B vaccine. Four countries have achieved the hepatitis B control target of less than 1% seroprevalence among children over five years of age.

An **integrated Regional Action Plan for viral hepatitis, HIV and STIs 2022–2026** is being developed by WHO. This will ensure effective and efficient utilisation of limited resources and will guide countries to adopt a person-centred approach rather than a disease-specific one.

Must read: [Explained: The discovery of Hepatitis C virus that helped three scientists win the Medicine Nobel](#)

What are the challenges in eliminating hepatitis?

a) **Access to diagnose and treat hepatitis is out of reach** for communities as they are usually available at centralised/specialised hospitals, b) People continue to die because of **late diagnosis or lack of appropriate treatment**, In the Southeast Asia region, only about 10% of people with hepatitis know their status; and of them, only 5% are on treatment.

Read more: [Action plan for free treatment of hepatitis patients launched](#)

What should be done to eliminate hepatitis?

To eliminate hepatitis by 2030, the world in 2025 must reduce new infections of hepatitis B and C by half, reduce deaths from liver cancer by 40%, and ensure that 60% of people living with hepatitis B and C are diagnosed. This can be done by,

a) **Enhanced political commitment** across all countries of the region, b) Ensuring **sustained domestic funding** for hepatitis, c) **Improving access to drugs and diagnostics** by reducing prices, d) **Developing communication strategies** to increase awareness; e) **Innovate service delivery** to maximise the people-centred service delivery options across HIV, viral hepatitis and STIs, and f) **decentralising hepatitis care** to peripheral health facilities, community-based venues and locations beyond hospital sites to improve patients' access to diagnose and treat Hepatitis.

15. [The poor state of India's fiscal federalism](#)

Source: This post is based on the article “**The poor state of India's fiscal federalism**” published in **The Hindu** on **28th July 2022**.

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

Relevance: About India's fiscal federalism.

News: A degree of centralisation in fiscal power was required to address the concerns of socio-economic and regional disparities after the Independence. This asymmetric fiscal federalism was accelerated and mutually reinforced in recent times.

9 PM Compilation for the Month of July, (Fourth Week) 2022

About India's fiscal federalism

India was a **'holding together federalism'** in contrast to the **'coming together federalism,'** in which smaller independent entities come together to form a federation (as in the United States of America).

B.R. Ambedkar in Constituent Assembly said "In politics we will have equality and in social and economic life we will have inequality. These conflicts demanded attention: fail to do so, and those denied will blow up the structure of political democracy."

Anticipating this threat of centralisation, the Tamil Nadu government, constituted a committee under Justice P.V. Rajamannar in 1969, the first of its kind by a State government. The committee looked at Centre-State fiscal relations and recommended more transfers and taxation powers for regional governments.

Read more: [Fiscal Federalism: The sustained attack on federalism](#)

What is the present structure of India's fiscal federalism?

India's fiscal transfer worked through two pillars, the **Planning Commission and the Finance Commission**. Ever since the abolition of the Planning Commission, the Finance Commission became the major means of fiscal transfer.

The finance commission broadened its scope of sharing all taxes since 2000 from its original design of just two taxes – income tax and Union excise duties.

Read more: [The implications of 'Mohit Minerals' judgment on the fiscal federalism of India](#)

What is the status of state's revenues and expenditures?

The ability of States to finance current expenditures from their own revenues has declined from 69% in 1955-56 to less than 38% in 2019-20. They still spend 60% of the expenditure in the country — 85% on education and 82% on health.

The expenditure of the States has been increasing, but their revenues did not. States cannot raise tax revenue because of curtailed indirect tax rights (under GST). Their revenue has been stagnant at 6% of GDP in the past decade.

What are the recent instances that hamper fiscal federalism?

1) States lost their capacity to generate revenue by surrendering their rights after the **Goods and Services Tax (GST)** regime, **2) The Fourteenth Finance Commission** increased share of devolution from 32% to 42%. But, the **increasing non-divisive pool in the Centre's gross tax revenues and reduction in the divisible pool of resources** hampers the revenue, **3) States are forced to pay differential interest** — about 10% against 7% — by the Union for market borrowings.

4) The issue of centrally sponsored schemes: State's expenditure pattern was distorted by the Union's intrusion, mainly through its **centrally sponsored schemes(CSSs)**. This is because,

a) There are 131 centrally sponsored schemes. States are required to share a part of the cost.

b) CSSs are driven by the one-size-fits-all approach and are given precedence over State schemes. Thus undermining the electorally mandated democratic politics of States, c) The schemes conceived by States have proved to be beneficial to the people and have contributed to social development, and d) Many State schemes are adopted at the national level, For instance, the employment guarantee in Maharashtra, the noon meals in Tamil Nadu, local governance in Karnataka and Kerala, and school education in Himachal Pradesh.

Read more: [The new era of fiscal federalism could strengthen national unity](#)

What are the impacts of the centralisation of fiscal policy?

Heavy centralisation made India, one of the **lowest tax bases built on a regressive indirect taxation system** in the world. India has simply failed to tax the following,

9 PM Compilation for the Month of July, (Fourth Week) 2022

a) Agriculture income, **b)** Reduced corporate tax to boost the economy, **c)** India does not have any wealth tax, **d)** Indirect tax still accounts for about 56% of total taxes.

Overall, India's fiscal federalism driven by political centralisation has deepened socio-economic inequality and has not altered inter-state disparities either.

16. [Death by hooch – India needs a more honest discussion on the risks and benefits of prohibition](#)

Source: This post is based on the article **“Death by hooch – India needs a more honest discussion on the risks and benefits of prohibition”** published in **The Hindu** on **28th July 2022**.

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

Relevance: About the challenges associated with the prohibition of alcohol.

News: Gujarat is one of the four States in India that prohibits alcohol. The recent hooch tragedy in Gujarat claimed over 40 lives and brings again the contentious question of prohibition. The victims consumed poisonous methyl alcohol.

Note: The Gujarat High Court is considering five petitions that challenge the constitutional validity of the Gujarat Prohibition Act, 1949 on grounds that it violates fundamental rights including privacy.

What are the impacts of the prohibition of alcohol.?

This shows the **a)** Complicity of the administration in protecting the black market for alcohol after prohibition, **b)** a vast network of illegal manufacturing and sale of liquor could exist without the patronage of the police and politicians, **c)** Though prohibition is listed among the Directive Principles of state policy in the Constitution, no State has been able to achieve it with any enduring effectiveness, and **d)** The prohibition laws give sweeping and intrusive powers to the police. In Gujarat, for example, police used them against political protesters.

Must read: [Prohibition of Liquor: Benefits and Challenges – Explained, pointwise](#)

What should be done?

Several political parties in India carry a moral burden to discourage or bar alcohol consumption. Rather than clinging to dogmas and impossible goals of social reform through coercive law, there must be a more honest discussion on prohibition.

17. [From freebies to welfare](#)

Source: This post is based on the article **“From freebies to welfare”** published in the **Indian Express** on **28th July 2022**.

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

Relevance: India's subsidy burden.

News: Recently, the Prime Minister has called for an end to this free “revdi” (freebies) culture. A recent report of the RBI on states' finances also highlighted the dangerous condition of states' finances and enhanced debt stress on account of these flawed policies.

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the various types of subsidies given by the government?

Read here: [PM's 'revdi' remark: We need to disentangle good subsidies from bad](#)

Why does India need to eliminate freebies?

Upset India's quest for sustainable development: Subsidies are being promised in one form or the other by way of free electricity. This **a)** Deteriorates the health of state distribution companies and seriously undercuts their financial viability, **b)** Make discoms inability to actively encourage solar power, **c)** India's orderly and socially-cohesive transition to an era of non-fossil fuel energy critically depends on the health of state electricity boards. This is hampered by the freebie culture.

The Delhi government's decision to make the electricity subsidy optional was largely due to rising costs.

In Punjab, as pointed out by the RBI, the free power promised undercuts its ability to move to a more sustainable pattern of growth.

Not ensure access to basic facilities: The government seeks to address the challenge of inequity by ensuring access to a wide range of basic facilities such as access to banking, electricity, housing, insurance, water and clean cooking fuel, etc. Eliminating freebies will help the government to provide access to these facilities.

Irreversible empowerment from other programs: Benefits under various welfare schemes such as PM Awas Yojana, Swachh Bharat Mission and Jal Jeevan Mission have provided irreversible empowerment and self-reliance. For instance, a house built under the PM Awas Yojana is a lifelong asset for the beneficiary household that cannot be taken back by any government.

Use of technology in direct transfer benefits: Identification of beneficiaries through the SECC and prioritisation based on deprivation criteria has enabled the government to assist those who need it the most. But the universal subsidies or freebies often end up ignoring the poor and transferring public resources to the affluent.

Weakening effect of freebies: The future of manufacturing and employment gets hampered by the freebies. Freebies lower the quality and competitiveness of the manufacturing sector by detracting from efficient and competitive infrastructure.

Aristotle said, "the worst form of inequality is to try to make unequal things equal." The PM's recent remarks about the perils of freebie culture should serve as a timely reminder to those promising fiscally imprudent and unsustainable subsidies. The freebie culture is not a road to prosperity, but a quick ticket to fiscal disaster.

18. IPEF versus RCEP

Source: The post is based on an article "IPEF versus RCEP" published in the **Business Standard** on 28th July 2022.

Syllabus: GS 2 International Relations: Regional Grouping etc.

Relevance: Indo-Pacific Economic Framework (IPEF) and Regional Economic Cooperation Partnership (RCEP)

News: In recent months, The US announced the formation of **the Indo-Pacific Economic Framework (IPEF)** at **the Quadrilateral Security Dialogue (QUAD) Summit** meeting in Tokyo.

About the IPEF

Members: It includes the four QUAD countries, South Korea, New Zealand, Fiji and seven out of the 10 members of the Association of South-East Asian Nations (ASEAN).

9 PM Compilation for the Month of July, (Fourth Week) 2022

About the [Regional Comprehensive Economic Partnership \(RCEP\)](#)

India participated in multiple rounds of RCEP discussions but chose to opt out of this grouping.

Issues with the IPEF

The **major ASEAN economies** may continue to maintain close economic ties with China while simultaneously establishing ties with the US, as they have done in the past.

The major ASEAN economies may be averse to the IPEF because it can dilute the centrality in South-East Asia.

What were the reasons which compelled India to join the IPEF?

(1) At present global organizations like the G20 may not achieve anything of systemic significance for India. This is because the ongoing Ukraine war has created a rift between the US and West-Europe with both **Russia-China**.

(2) India is facing an ongoing **military stalemate** with China on the Indo-Sino Border.

(3) There are other matters of continuing concern for China. Since the 1950s, China has been making comparisons between its one-party communist China with the plurality of democratic India despite the latter's much smaller economy.

(4) India has given shelter to "**His Holiness the Dalai Lama**" in India.

What should be done?

India should learn from Japan. It has taken practical steps. It has become a member of RCEP and IPEF, keeping its trading interests in mind. India too should have been a member of RCEP.

Plurilateral groupings that are **trade-related** or **strategic** can be useful.

However, **multi-country formations** cannot overcome failures in implementing sound policies relating to a nation's economy or defence. Therefore, reforms should be taken in this regard.

19. [Draft Drugs, Medical Devices and Cosmetics Bill 2022: The making of the digital pharmacist](#)

Source: The post is based on an article "Draft Drugs, medical Devices and Cosmetics Bill 2022: The making of the digital pharmacist" published in the Indian Express on 28th July 2022.

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

Relevance: Draft Drugs, medical Devices and Cosmetics Bill 2022

News: Recently, the Union Health Ministry has announced **the Drugs, Medical Devices and Cosmetics Bill 2022**, for seeking public comments and objections, within a period of 45 days.

About the bill

The bill is proposed to replace **the 1940 Drugs and Cosmetics Act**. The primary objective is to ensure that the medical products sold in a country are safe, effective and conform to prescribed quality standards.

It proposes a **greater focus** on quality of medical devices,

It is proposed to establish a statutory **Medical Device Technical Advisory Board**. The board will have experts from the fields of atomic energy, science and technology, electronics, and related fields like biomedical technology to guide the process.

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the advantages of online sale of medical products?

(1) Like all online shopping, the consumer gets the advantage of discounts and the comfort of shopping from home.

(2) In normal times, e-commerce can address **three uniquely disadvantages** prevalent in Indian market

First, it can meet climatic conditions, which require medicines to be stored at below 30 degrees Celsius and 70% relative humidity, which is unattainable in most parts of India.

Second, it can mandate the back-end brick and mortar store to have good storage conditions for drug supply.

Third, further, e-commerce is useful to encrypt all transactions otherwise impossible to track.

(3) The e-commerce could be **fulfilling a legal requirement**: (a) providing a bill to the consumer and retaining one copy bearing the batch numbers and expiry dates of the drugs, and (b) it can abate the present practice of accessing prescription drugs over-the-counter as these drugs require a doctor's prescription.

(4) In the case of e-commerce, registration of a pharmacy can require enrolment with the central and state drug control organisations.

(5) This would enforce the practice of uploading a prescription from a registered medical practitioner.

What are the disadvantages of online sale of medical products?

(1) It could encourage **overuse** or **incomplete use** of drugs, increase dependency on habit-forming medicine, like sleep-inducing drugs or self-medication with products for weight loss, male enhancement, even treating mental illness.

What more is required to be done?

There is the need to stop the **continued mismanagement** of the **wholesale** and **retail drugs trade** in India. For example, the **Bhagirath Palace** in Chandni Chowk, Delhi is **Asia's biggest drug wholesale market**. It is also classified as the hub of unqualified practitioner at the other end of the spectrum.

However, the **Rule 64 (2) of the Drugs and Cosmetics Rules 1945** mandates that a wholesale drug licence can be given to a **qualified pharmacist** or one who has passed the matriculation examination or its equivalent or a graduate with one year's experience in dealing with drug sale. But the eligibility criteria continue despite recommendation for deletion from the **health ministry's Drugs Consultative Committee** headed by the Drugs Controller General (India) and subsequently by **the Drugs Technical Advisory Committee** headed by the Director General of Health Services.

The sale of **substandard, even counterfeit, drugs** remain widespread in India, particularly, in smaller towns and villages. The drug wholesale hubs or small pharmacies sell counterfeit and spurious drugs to the poor patients.

9 PM Compilation for the Month of July, (Fourth Week) 2022

20. [India at Commonwealth Games: Sports governance needs to change](#)

Source: The post is based on an article “India at Commonwealth Games: Sports governance needs to change” published in the Indian Express on 28th July 2022.

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

Relevance: Sports Development in India

News: Recently, the Indian contingent for the commonwealth games (CWG) has landed in the United Kingdom (UK)

Some developments in Indian Sport's Sector

In India, sports have become commercial. India's **sporting accomplishments** have grown quicker and medals have come at a faster clip than the rate at which the institutional setup for sport has evolved.

The government spends a lot of money on training people abroad and hiring foreign coaches. Therefore, Indian teams and individuals spend time training and acclimatising in Europe, Japan, Korea, and the United States.

Issues with Indian sports industry

In the **Olympics** and the **Commonwealth Games (CWG)**, India's performance is shadowed by the performance of other countries like China.

In comparison to China, **India's economic growth** does not strongly correlate with India's sports performance. India's sports market has not kept pace with the rapid economic growth of India. **For example**, the market has failed even when India registered an economic growth of over 9% during 2004-09. The institutions were unable to keep pace with a rapidly growing economy.

The national sports agencies still operate in the **20th-century mode**. The associated mindset is that there should be lifetime employment in the federations. Therefore, they are run like fiefdoms. This has been brought to the fore by **judicial intervention** in several cases involving national federations. **For example**, the courts appointed **Committee of Administrators (CoA)** ran the Board of Control for Cricket in India (BCCI) for six years before handing it over to an elected board.

There are several sports in India that are subject to the **same monopolistic attitude and conduct** of federations. These federations are run by bureaucrats rather than by people who know the game.

What should be done?

Institutions that govern the market in India should become much more friendly and facilitate the efficient functioning of markets.

The **Indian institutions** managing sports need to change their **culture** that supports sport is critical to move to the next level. Former sports persons can take charge of guiding, mentoring and even running federations if not completely,

India should become a **training hub** for sportspersons from different parts of the world. For example, in cricket, India can become the sought-after destination for training global talent.

9 PM Compilation for the Month of July, (Fourth Week) 2022

21. [Sri Lanka is a warning against irrational government policy](#)

Source: The post is based on an article “Sri Lanka is a warning against irrational government policy” published in the Live Mint on 29th July 2022.

Syllabus: GS 2 Indian Economy and issues relating to planning, Mobilization of Resources, Growth, Development, and Employment.

Relevance: Government Policies for economic growth, and other measures

News: Sri Lanka is suffering the **world’s worst economic crisis** since World War II.

The citizens in Sri Lanka stand in queue for food and pharmaceuticals. There is a shortage of fuel for vehicles and big **power outages**. The situation is so dire that millions of people have taken to the streets.

The former president has fled the country and parliament has elected a new government.

Causes Behind Sri Lanka crisis

Now, Sri Lanka cannot obtain essential inputs to restart its economy until it has restructured its **debt** and installed a **working government**. The restructuring of debt will be complicated because a significant portion is owed to China, which does not participate in the **multilateral Western-led restructuring exercises** for overindebted **sovereign borrowers**.

Lessons for Sri Lanka and other debt-distressed nations

Policymakers in other economically struggling countries should take heed of the Sri Lanka crisis.

Sri Lanka should have approached the **IMF** late in 2021 (or even earlier). The implemented reforms could have controlled **inflation** and reduced its **current-account** and **fiscal deficits**, and further, at least six months of suffering could have been avoided.

The **country’s economic authorities** should not pursue **desperate** and **economically irrational** measures. The authorities should implement serious reforms in the economic sector.

The G-20 has rolled out a **Debt Service Suspension Initiative** that extended some \$13 billion of relief to 48 countries in 2020-21. However, more such measures are needed for **heavily indebted developing countries**.

Lessons from Brazil: The country quickly adopted the **necessary policy reforms**, following its **2002 debt crisis**. Thereafter, it has enjoyed years of sustained growth

22. [How the current laws can shield doctors and police from violence](#)

Source: The post is based on an article “How the current laws can shield doctors and police from violence” published in the Indian Express on 29th July 2022.

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

Relevance: Draft Healthcare Service Personnel and Clinical Establishments (Prohibition of Violence & Damage to Property) Bill, 2019,

News: Recently, the Ministry of Health and Family Welfare admitted that it has withdrawn the **Draft Healthcare Service Personnel and Clinical Establishments (Prohibition of Violence & Damage to Property) Bill, 2019**,

About the bill

9 PM Compilation for the Month of July, (Fourth Week) 2022

Doctors are increasingly facing violence and “malicious prosecution”. Therefore, the bill would have made such violence a non-bailable and cognisable offence with a jail term of up to five years.

Reasons for the withdrawal of the bill

According to reports, the government feared that other professional groups, like lawyers and police, would demand similar laws.

Instead of demanding **untenable pieces of legislation**, the pressure groups of medical bodies should focus on the effective use of already available legal shields like the IPC and CrPC, and focus afresh on **malicious prosecution**.

Issues with the malicious prosecution

It causes an assault on **reputation**. For example, a woman doctor in **Dausa district of Rajasthan** committed suicide when FIR was registered against her for alleged misconduct and negligence.

Even the government personnel get certain immunities while performing “**sovereign**” functions. For example, the police machinery gets immunity from tortious liability while performing this sovereign function like investigating a case, maintaining law and order (and arrest and detention), etc.

What should be done?

There should be a collective fight against the tyranny of **malicious prosecution** and **tutored reporting**.

The Law Commission of India, in “**Wrongful Prosecution (Miscarriage of Justice): Legal Remedies**” report 2018 suggested a draft law. However, it was mostly **compensatory**, which talks about **criminal remedies**, but barely touches on preventive aspects. Therefore, efforts should be made to institute **preventive** and **substantive** fear through various measures as given below.

The **IPC Sections 182** and **211** (for both public servant and private complainant) and section 166-A (for public servants) deals with acts of omission and commission to institute false charges. The Law Commission also looks at their role as possible remedies.

The **Section 211 of the IPC** can be an effective tool to penalise **false charges** made with intent to injure a person (including their reputation). The section is stringent with imprisonment up to seven years.

Disciplinary action should also be taken by **professional bodies** like the bar associations and prosecution bodies, in case of **tutoring** and **abetment** of false charges.

Lessons should be learnt from the **recent verdict of the trial courts in Jhunjhunu, Rajasthan**, where around **52 convictions** have been made for malicious prosecution in a special drive recently.

The medical bodies can create a corpus to **fund legal representation** in every case of **vandalism, violence** and **disruption of healthcare functions** and **premises** to ensure quick and certain convictions.

9 PM Compilation for the Month of July, (Fourth Week) 2022

23. [Solution to the engineering sector: Infrastructure, not buzzwords](#)

Source: The post is based on the article “**Solution to the engineering sector: Infrastructure, not buzzwords**” published in the **Indian Express** on 29th July 2022.

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

Relevance: Higher Education Reforms

News: In a recent interview, the AICTE Chairman said, “the economy can’t run only on computer science or electronics, it requires civil and mechanical engineering, too”.

What are the issues in the core-engineering disciplines like civil and mechanical engineering in India?

The institutions are **shutting down** the mechanical and civil engineering disciplines due to a lack of demand from students.

One of the “problems” is that the **curricula** of such conventional disciplines are “**outdated**”. The institutions do not impart the spirit of entrepreneurship.

There is a lack of **industry readiness** in students graduating from civil and mechanical engineering disciplines.

The student lacks interest in core engineering courses based on their perceptions about the “job market”. Either there are not **enough jobs** to absorb the **civil** and **mechanical engineers**, or, the jobs so created are so **low paying** that these engineers prefer to become **coders** and **analysts**.

Most **conventional engineering industries** in India are **quite backward**. **Such** companies thrive on licenced or purchased technology and have little interest in anything advanced or cutting edge. These industries are involved in little or no research and development (R&D) activities themselves.

Some arguments against encouraging start-ups and entrepreneurship in the core engineering disciplines

Start-ups are not and never will be a solution to the unemployment crisis that is going on in these disciplines.

In fact, merely establishing **innovation councils** or organizing **hackathons** does not do anything to unleash any real innovation. Unsurprisingly, in almost all cases the great “innovative idea” of the start-up has nothing to do with the engineering discipline the student comes from.

What should be done?

The **core concepts** of any conventional engineering branch do not get outdated as is often argued. However, new fields like Artificial intelligence (AI) and machine learning (ML), and virtual reality (VR) among others can be added to the course as elective courses in the curriculum.

The **teacher training** should be provided to improve **engineering education** like routine skills, making lesson plans, using audio-visual devices, incorporating **AI/ML/VR** in classrooms, etc.

In order to **promote critical thinking, analytical ability, data analytics, creativity**, etc., efforts should be made to reform the **rote-learning system** that prevails in school education in India.

The government should address faculty shortages, severe shortfalls in infrastructure, and funding needed for their development, in the institutions.

9 PM Compilation for the Month of July, (Fourth Week) 2022

To create more jobs in core engineering, we need **more well-paid jobs, competitive and creative** ones. For this, the government should promote a large expansion of the manufacturing and infrastructure sectors in India.

24. [RTI Act and RTI Activists: We need to protect whistle blowers](#)

Source: This post is based on the article **“We need to protect whistle blowers”** published in **The Hindu** on **30th July 2022**.

Syllabus: GS 2 – Transparency & accountability and institutional and other measures.

Relevance: About the RTI Act.

News: The Centre for Law and Democracy classifies the [Right to Information \(RTI\) Act, 2005](#) among the top five laws in the world.

What is the significance of the RTI Act?

1) The RTI **empowers people to participate in the policymaking** process, by providing access to information relating to the functioning of all public authorities, **2)** Ordinary **citizens have used the law to make public authorities accountable and transparent** in their functioning, **3)** Cross section of citizens including activists, lawyers, bureaucrats, researchers and journalists used RTI to **unearth corruption of all kinds** from the Panchayat level right up to Parliament.

Must read: [Right to Information Act, 2005: An Analysis](#)

What are the concerns associated with the RTI Act?

Since the implementation of the Act, some 100 RTI activists across the country have been killed and several are harassed on a daily basis. Bihar ranks first in the number of deaths of RTI users.

Available evidences clearly show that the information requested by the murdered RTI users was information that should have been mandatorily disclosed to the public under Section 4 of the RTI Act.

Read more: [What are the various concerns related RTI act?](#)

What should be done to protect RTI Activists?

India must systematically address the challenges associated with the Act through strong legal and institutional safeguards. The government needs to move toward **creating a socio-legal system that recognises RTI users** under attack as human rights defenders and builds a framework that facilitates and protects them in their attempt to pursue issues of public interest. This can be done by the following steps,

1) State governments must direct law-enforcement agencies to expeditiously and in a time-bound manner complete investigations in all cases where RTI users are harassed, **2)** State governments must take immediate efforts to institutionalise proactive disclosure of actionable information. For instance, Rajasthan’s Jan Soochna portal and Karnataka’s Mahiti Kanaja are outstanding examples of mandatory disclosure.

Read more: [Has the Right to Information Act been weakened?](#)

3) State Information Commission must immediately direct the relevant public authorities to disclose and publicise all the questions raised and the answers given to the user. Creating greater public scrutiny may potentially act as a deterrent against attacks on RTI users and

4) The Central government should enact effective legislation to protect whistleblowers. Eight years have gone by and the Whistle Blowers Protection Act of 2014 has not been notified. In 2016, the Supreme Court condemned the Union government for its reluctance in notifying the Act. The government must decide on a specific time frame to establish an administrative setup to protect whistle-blowers. Until then, the State governments must introduce their own

9 PM Compilation for the Month of July, (Fourth Week) 2022

mechanisms for protecting whistle-blowers by enacting at least a State-level whistle-blower protection law.

Must read: [Whistleblower Protection in India – Explained, pointwise](#)

25. [The exodus is rational](#)

Source: The post is based on an article “**The exodus is rational**” published in **The Times of India** on 30th July 2022.

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

Relevance: Higher Education Reforms

News: The trend of Indian students going abroad for higher education continues to rise at a rapid pace in 2022, despite the weakening rupee.

There are currently **11.3 lakh Indian students** studying abroad. And 2022 is set to be **a record year** for students going abroad, as per the data presented in Rajya Sabha.

What are the issues with the Indian students going abroad?

- (1) Some reports suggest **annual amounts** spent abroad by Indian students could be up to \$30bn. It includes tuition fee and money spent on living and travelling expenses.
- (2) These annual expense amounts are sizable enough to fund the building of many new colleges and universities. **For instance**, the Rs 13,990 crore, or around \$2bn has been allocated for funding 8 new IITs in 2018.
- (3) There are reports of **parents selling land** and other assets and taking massive loans just to send their child abroad.

Why do Indian students prefer to study abroad?

- (1) The **average Indian college** isn't as good as **an average college in Australia, UK or US**. Most of the Indian educational institutes, barring a few Indian universities, have not been able to build **brands** in India. Here educational brands refer to trust, excellence, cutting-edge knowledge and ethics, not marketing, advertising or logos.
- (2) **The few old Indian educational brands still dominate:** For example, St Stephen's College, the IITs still have a strong appeal. For example, even IITs and IIMs established in the recent years do not carry the same prestige as the old ones and are considered several notches lower.
- (3) Most of the **new Indian colleges** are not being run by **visionaries** who have experience of building an educational institution. They are random **businessmen** or **over-the-hill retired professors**.
- (4) After decades of discussion, **foreign universities** still don't have campuses in India.
- (5) India just **doesn't offer** as **much opportunity** to highly educated people as some other countries, except in a few sectors like the **software industry** etc. The jobs in multinationals are soaked up by a few elite college students. Although, India is able to provide good jobs for our top-2% students, it has not been able to provide jobs to **our top-20% students**.

What should be done?

At Economic level: The government should open our economy and drive massive economic growth. India should be made a manufacturing hub for the world, and have policies that attract investors into job-creating sectors so that jobs are created in the domestic market.

At Education Level: (1) We can reform and make **Indian colleges** more attractive. For this, **reputable institutions** should be created in India, and (2) Further, the **reputable international universities** can be invited to open a campus in India (with or without a local partner).

General

Studies

Paper – 3

General Studies - 3

1. [Weighing in on India's investment-led revival](#)

Source: This post is created based on the article “**Weighing in on India's investment-led revival**” published in **The Hindu** on **25th July 2022**.

Syllabus: GS Paper 3 – Economy – Issues related to growth and development

News: Recently, India's Finance minister addressed third G20 Finance Ministers and Central Bank Governors (FMCBG) meeting. She said that India's long-term growth prospects are embedded in public capital expenditure programmes. Thus there is a need to analyse trends in government's investment policies and their impacts.

The phases of Public investment-led economic growth in India

India's **post-Independence economic growth** was led by the **public investment**.

During Asian financial crisis of 1997, the then government initiated public road building projects. These projects led to an investment and export-led boom in the 2000s.

The project were **Golden Quadrilateral** (to link metro cities using a high-quality road network) and the **Pradhan Mantri Gram Sadak Yojana** (to 'provide good all-weather road connectivity to unconnected habitations').

However, **in 2010s**, real Gross Fixed Capital Formation (GFCF) rate declined, which **saw a rise to 32.5% in 2019-20** from a low of 30.7% in 2015-16. This trend continued even during pandemic years.

Between 2014-15 and 2019-20, the **shares of agriculture and industry** in fixed capital formation/GDP fell from 7.7% and 33.7% to 6.4% and 32.5%, respectively. Whereas the **share of services** rose from 49% in 2014-15 to 52.3% in 2019-20.

What are the present issues in the present Public investment-led economic growth strategy?

The budgetary definition of investment refers to **financial investments**. It include purchase of existing financial assets, or loans offered to States. Thus, it is **not just capital formation** representing an expansion of the productive potential.

The National Accounts Statistics suggests that **over 90% of Gross Capital Formation (GCF)** consists of fixed investments. However, the productive potential of investment depends on its composition.

Within the service sector, although investment in roads and communications rose, **but declined in industries and agriculture**. There is a need for **balance between “directly productive investments”** (in farms and factories) and infrastructure investments.

Although a **good amount of time and resources were dedicated to improve ease of doing business in India under 'Make in India' campaign**. However, it didn't result in a boost to industrial investment, let alone foreign investment.

The contribution of foreign capital to financing GCF fell from 3.8% in 2014-15 (or 11.1% in 2011-12) to 2.5% in 2019-20.

The **lack of domestic capacity** for essential raw industrial materials and capital goods could prove costly.

9 PM Compilation for the Month of July, (Fourth Week) 2022

2. [MC12 over, it's 'gains' for the developed world](#)

Source: This post is based on the article “**MC12 over, it's 'gains' for the developed world**” published in **The Hindu** on **25th July 2022**.

Syllabus: GS 3 – Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.

Relevance: About the 12th Ministerial Conference (MC12) of WTO.

News: About the recently concluded 12th Ministerial Conference (MC12) of the World Trade Organization (WTO). The European Union (EU) and some other developed countries are the overwhelming winners, while India finds itself on the losing side.

Must read: [12th Ministerial Conference of the WTO – Explained, pointwise](#)

How developed countries gain at MC12 on the Covid-19 fight?

In October 2020, India and South Africa put forth a proposal seeking to temporarily suspend the protection of intellectual property rights such as patents, copyrights, industrial designs and trade secrets. The proposal garnered the support of almost 100 countries at the WTO.

However, Germany, the United Kingdom, Japan, Switzerland and the United States opposed the proposal. Later, the US agreed to limit the proposal only to vaccines.

Counterproposal: The European Union (EU) made a counter-proposal to undermine the proposal made by India and South Africa. This counter proposal provided a cosmetic simplification in certain procedural aspects of compulsory licensing in patent rules. This formed the basis of the final outcome at the MC12.

Significance of the proposal: It adds stringent conditions that are not in the WTO rulebook.

What are the other gains for the EU at MC12?

WTO reforms: The EU sought to make fundamental changes to the institutional architecture of the WTO. It also sought to give a formal role to the private sector in WTO processes. The EU has secured both these objectives in the ministerial outcome.

Environment issues: The EU has also managed to create a window to pursue negotiations on issues related to trade and the environment at the WTO. This is an issue of concern for many developing countries.

Read more: [Indian interests at the WTO Ministerial Conference](#)

What were the failures of India at MC12?

A permanent solution to public stockholding: Despite having the support of more than 80 developing countries, this issue has not found mentioned anywhere in the ministerial outcome.

Instead, the developed countries have succeeded in diverting attention from India's interest by agreeing that food security is multidimensional, requiring a comprehensive solution.

On other issues: 1) India failed to **secure the right to raise revenues by taxing electronic transmissions**, 2) **On fisheries subsidies**, India gets two years to have suitable regulatory mechanisms in place to monitor fish catch and reporting. If not, then the subsidies to traditional fishermen will be prohibited.

Overall, India's negotiators need to undertake a careful examination to learn lessons from the dynamics at the MC12 and make course corrections.

Read more: [The Agreement on Fisheries Subsidies \(Agreement\) at the WTO Ministerial meeting](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

3. [The challenges of fiberisation ahead of India's 5G deployment](#)

Source: This post is created based on the article **“The challenges of fiberisation ahead of India's 5G deployment”** published in **The Hindu** on **25th July 2022**.

Syllabus: GS Paper 3 – Science and technology – Communication and Information Technology

News: Prime Minister of India in his 2020 Independence Day speech, laid out the vision to connect every village in the country with Optical Fiber Cable (OFC) in 1,000 days. Also, India is preparing to auction off about 72 Ghz of airwaves to rollout 5G services in the country. However, the fiberization is required to rollout such an infrastructure.

What is fiberisation and its significance?

The process of connecting radio towers with each other via optical fibre cables is called **fiberization**.

It helps provide full utilisation of network capacity, carry large amounts of data, and aid in providing additional bandwidth.

It provides a stronger backhaul support. The backhaul is a component of the larger transport that is responsible for carrying data across the network. It represents the part of the network that connects the core of the network to the edge.

What is the status of fiberisation in India?

At present, in India, only 33% of the towers are fiberized. It is very low compared to the 65%-70% in South Korea and 80%-90% in the U.S., Japan and China.

India's fibre kilometer (fkm) per capita is just .09 compared to 1.35 in Japan, 1.34 in the U.S. and 1.3 in China. Ideally, a country needs 1.3 km of fibre per capita to ensure good fiberisation.

The tower sites which are connected via fibre are called fibre point of presence (POP). Currently, India's fibre POP can just handle data at one to five Gbps speed.

What are the challenges to fiberisation in India?

First, India requires about ₹2.2 lakh crore of investment to help fiberise 70% towers. Another ₹2.5 lakh crore will be needed to set up 15 lakh towers in the next four years.

Second, to connect every village in the country with optical fiber cable (OFC) in 1,000 days, cables must be laid around 3.6 times the current average speed of 350 km a day.

Third, Indian Telegraph RoW Rules 2016 aim to incorporate nominal one-time compensation and uniform procedure for establishment of Overground Telegraph Line (OTL) anywhere in the country. While all States/UTs are required to implement these rules. The implementation in all states is not in complete alignment to the central rules. Furthermore, several districts and local bodies are following their own by-laws. Also, many central Ministries like Ministry of Environment and Forests, Ministry of Railways, Ministry of Defense etc. are following their own departmental rules.

Other government initiatives for fiberisation

In October 2021, **the DoT revised the RoW rules**, making it easier to install aerial optical fibre cable in the country. This can enable infrastructure providers to deploy cables overhead via street light poles and traffic light posts.

DoT's **GatiShakti Sanchar online portal** will enable centralisation of RoW approvals for telecom infrastructure projects, including 5G.

9 PM Compilation for the Month of July, (Fourth Week) 2022

4. [Tackling Monkeypox](#)

Source: The post is based on an article “**Tackling Monkeypox**” published in the **Times of India** on 25th July 2022.

Syllabus: GS 3 Disaster Management

Relevance: Biological Disaster; Monkey Pox

News: Recently, the World Health Organisation (WHO) has declared monkeypox a **global health emergency**. It is a signal to India to really scale up its response.

Globally, nearly 18,000 cases of **monkeypox** have been detected. In India, 4 cases have been detected

The US has ordered nearly **7 million doses** of the **Jynneos vaccine** for delivery in 2022 and 2023.

Measures that can be taken by India

At present, the government should implement **prevention** and **treatment strategies**. Because in the future, the draconian lockdowns, movement curbs or alarmism can cause a lot of disorder.

The **community disease surveillance** initiative must be initiated. The Healthcare workers should be in position to get reports of patients manifesting **chickenpox-like symptoms** because the monkeypox can be overlooked as chickenpox.

The **test-trace-isolate-treat-vaccinate strategy** must be adopted. It refers to **quarantining, contact tracing, testing, and ring vaccination** for individuals who are at risk.

Initially, all the medical workers can be vaccinated with **the smallpox vaccine**. It gives broad spectrum protection against monkeypox too, as per reports.

What should be done?

The Indian government must start negotiations for getting a **manufacturing licence** for the vaccine. Further, the government should place **bulk orders** and make **advance payments** to incentivise vaccine companies to scale up production.

The Centre and states must reform their **communication strategies** so that mis-information do not prevail among the people across the country. **For example**, informing people about the best practice to protect themselves, like wearing of mask in case of Covid.

The agencies should work to assure the **dignity** of the patients. A lot of symptomatic persons did not approach health workers during the covid pandemic, due to the stigma attached to contracting Covid.

5. [A cultivated idea for cities](#)

Source: The post is based on an article “**A cultivated idea for cities**” published in the **Business Standard** on **24th July 2022**.

Syllabus: GS Paper 3 – Agriculture – Urban Agriculture

Context: Urban agriculture has not received the attention it merits.

Urban agriculture is the practice of growing farm products in cities and their peri-urban areas(outskirts)

In this practice, the farm products, such as vegetables, fruit, flowers, milk, eggs, mushrooms, and fish, can easily be produced in urban and semi-urban areas.

What are the ways in which urban-agriculture can be done?

Created with love ❤ by ForumIAS- the knowledge network for civil services.
Visit academy.forumias.com for our mentor based courses.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The roofs, terraces, balconies, and walls of the residential dwellings even in densely populated cities, can be used for growing plants. **For example**, ornamental, medicinal, etc. can be grown in pots or other containers in **roof-top gardening**.

There are innovative ways like vertical farming, greenhouse agriculture, aeroponics, and hydroponics. These methods can be used in the urban areas to produce agricultural products for self-consumption or marketing in a limited space.

Further, activities like rearing small milch animals, poultry, piggery, and bee-keeping can be conveniently taken up in and around cities.

What are the benefits of urban agriculture?

The Urban and peri-urban farming leads to environmental and socio-economic benefits.

This can promote greenery around cities in the form of trees, shrubs, or other plants. This would be beneficial to **combat pollution** and to **sequester carbon** from the atmosphere and in reducing the overall **carbon footprint** of urban living.

Further, the presence of decorative foliage and trees in the exteriors of houses, gardens, and along the roadsides adds to the **beautification of cities**.

Trends of the Urban and Peri-Urban Agriculture Global Level

The United Nations **Food and Agriculture Organization (FAO)** is promoting **urban** and **peri-urban farming** to boost food and nutritional security across the world.

Further, it has become an integral part of **modern town planning** in many countries. Various Urban civic bodies, which also act as the **community organisations**, are encouraging the cultivation of farm products in public and private land.

Case of India

At an individual level, people have traditionally been growing useful plants on terraces or in kitchen gardens.

At city level, most towns located on the banks of rivers allow crop cultivation in the floodplain zones of the rivers during pre- and post-monsoon periods. But India is still a laggard in **systematic urban farming**.

Efforts for Promoting Systematic Urban Farming in India

In the early 2010s, the **Planning Commission's working group on horticulture**, set up for formulating the 12th five-year plan (2012-17) recommended to promote **urban agriculture** on an **organised scale** around cities in India. This would meet local needs, environmental services and health care need.

Thereafter, in 2011-12, a **Central sector scheme** was launched with the **twin objectives** of ensuring adequate **supplies** to consumers and creating **opportunities** for employment and income. The scheme was supposed to set up **urban clusters** for producing vegetables and fruit around **mega cities**.

Nowadays, the **peri-urban farming** has come up around several big, medium, and small towns. The civic bodies of several metropolitan cities offer incentives for cultivating vegetables and other crops in peripheral areas, using recycled water.

About Delhi Government's Urban Agriculture initiative

Recently, the Delhi government has announced **an urban farming project**, as part of the "Rozgar budget" of Delhi. The project will be implemented with the help of the **Indian Agricultural Research Institute (IARI)**.

9 PM Compilation for the Month of July, (Fourth Week) 2022

It involves training citizens to produce vegetables and fruit for self-consumption and sale. To do so, there may be around **400 awareness workshops** and **600 entrepreneurship training sessions** to be organized in Delhi.

Further, a large number of kits containing seeds, organic manure, and bio-fertilisers would be distributed to households interested in taking up such farming.

The project is anticipated to generate about **25,000 green jobs** in the next five years.

6. [India needs joint commands & it needs a CDS](#)

Source: This post is created based on the article **“It’s time India and Japan rethink their nuclear policy”** published on **Indian Express** on **26th July 2022**.

Syllabus: GS Paper 3 – Security Forces in India

News: Recently, India’s Defence Minister re-emphasised that joint theatre commands are a defence reform priority.

The theatre commands are important as Warfare is changing. One modern response to these changes is joint commands that amalgamate manpower and resources of the three services.

What is the need of Joint theatre commands?

- 1) The rise of the China-Pakistan axis.
- 2) Strategic complications highlighted by the Ukraine war.
- 3) China’s rationalisation and transformation of its armies and establishment of five theatre commands.

What are the challenges to the establishing Joint Theatre Commands?

First, at present, India has 17 single-service commands spread across a wide geography. Converting these commands into joint theatre commands would require a radical change in the culture of armed forces.

Second, since air force assets have dual offensive and defensive roles, AF has already reservations about further splitting its assets. Government formed an eight-member panel under then Chief of Defence Staff General Bipin Rawat in June 2021. But after the death of General, the post of CDS is lying vacant. The position should be filled at the priority and panel should be reactivated.

Third, the protests and resistance against the Agnipath scheme can be a hurdle to implementation of Joint commands.

7. [Backsliding on climate action](#)

Source: This post is based on the article **“Backsliding on climate action”** published in **The Hindu** on **26th July 2022**.

Syllabus: GS 3 – Conservation, environmental pollution and degradation.

Relevance: About the challenges in climate policies.

News: Climate policies around the world are facing significant challenges.

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the challenges faced by EU climate policies?

a) Coal exports to Europe are surging after Germany, Austria and the Netherlands have started their coal plants again, **b)** Countries in Europe are rejecting the European Union (EU)'s plan to reduce natural gas consumption by 15% and **c)** Dutch, Polish and other European farmers are protesting against emission cuts from agriculture.

What are the challenges faced by other countries on climate policies?

The U.S.: The prices of fuel are increasing. This is causing inflation and a threat to energy security. This shows coal, oil and gas are not going anywhere in the developed world.

The developed countries also **failed to mobilise \$100 billion per year** by 2020.

Many **developing countries** are facing unrest due to skyrocketing energy prices. This is threatening their governments.

Must read: [Progress on Paris Climate Change Agreement: In India and world](#)

What does the term global net-zero mean according to the Paris Agreement?

Article 4 of the Paris Agreement defines 'Global Peaking'. This means parties aim to reach global peaking of greenhouse gas emissions as soon as possible, recognizing that peaking will take longer for developing country Parties.

Similarly, the term global net-zero logically means that when developing country parties will achieve net-zero later than developed countries. Hence, the developing countries can only be achieved if developed countries reach net zero earlier than 2050.

The agreement, therefore, calls on developed countries to "do a net negative" on mitigation by 2050 rather than just "net zero", if they are serious about fighting climate change. Any other interpretation will be contrary to Article 4.

Must read: [India announces new climate targets at COP26 – Explained, pointwise](#)

How developing countries will be forced to compensate for climate policy failures?

The EU Commissioner of Climate Action and Energy signalled that the U.S. can downgrade its pledge under the Paris deal. If the G7 countries start downgrading their pledges, then they expect the Global South to compensate.

The "global stocktake" of the Paris Agreement will be done in 2023 to assess the world's collective progress towards achieving its long-term goals. In the current scenario, this stocktake will provide the developed countries with the right forum to shift the burden of their mitigation commitments on developing countries, knowing well that they will not be able to meet theirs by 2030.

What should the developing countries do to uphold climate policies?

With countries of the developed world almost sure to withdraw from their 2030 Paris Agreement commitment, the developing countries must do everything to hold the countries of the developed world to their commitments.

COP 27 in Egypt gives the developing countries an opportunity to hold the developed to make their net minus pledges. If the developing countries failed to collectively push for it, then the world will be collectively pushed back.

Must read: [Glasgow Climate Pact – Explained, pointwise](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

8. [DESH needs to serve the country better](#)

Source: The post is based on the articles

“DESH needs to serve the country better” published in the **Times of India** on 26th July 2022.

“Let’s reposition our SEZs without tilting markets” published in the **Live Mint** on 26th July 2022.

Syllabus: GS 3 Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth; Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

News: The government has introduced **the Development of Enterprise and Service Hubs (DESH) Bill** in the ongoing Parliament session. This is going to do a makeover of India’s **268 Special Economic Zones (SEZs)**.

In 2019, the **World Trade Organization (WTO)** held that subsidies given to Indian SEZ units violated WTOs rules of fair trade. Thus, the new bill will ensure compliance to the WTO rules.

Kandla in Gujarat was our first SEZ. It was kept up in the mid-1960s. Thereafter, Jamnagar became another SEZ in the Gulf of Kutch. It is home to Reliance oil refinery that logs major exports.

There are hundreds of other SEZs, all of them governed by the [SEZ Act of 2005](#).

What are benefits provided to Special Economic Zones (SEZs)?

These are duty-free enclaves, with the industrial estates exempted from various levies that went against export competitiveness.

Units located here can freely import what they need and also enjoy many tax exemptions, such as zero GST on domestic supplies. However, for that, they need to earn more foreign exchange than spend over each five-year stretch.

The SEZs operate like offshore zones. Therefore, products and services sold by the units in the SEZs, in the Indian market, face regular import tariffs.

Problems with India’s SEZs?

(1) Indian SEZs are much smaller in size and performance. For example, If Indian SEZ are compared with Shenzhen, then Shenzhen’s area (49,000 hectares) exceeds the combined area of Indian SEZs (47,000 hectares).

(2) The minimum space needed for an SEZ in India is less than 50 hectares. Further, services SEZs can operate from a lonely building.

(3) Small size of SEZs prevents them from offering **high-quality common facilities and plug & play ecosystems**.

(4) Indian SEZs do not perform when tax exemptions end, and investments dry up. Today less than half the land approved for SEZ purposes is used.

How does DESH plan to change this?

(1) it will remove the restriction that exports should be more than imports over five years. Now units will be free to import any amount.

(2) The SEZs units will be allowed to **perform invoicing in rupee** to facilitate domestic transactions.

9 PM Compilation for the Month of July, (Fourth Week) 2022

(3) More concessions will be provided to SEZ units which will be selling in the **domestic market**. For Example, today a firm pays both IGST and import duty on the shirt. But after DESH, a unit will pay IGST on the shirt and import duty payable on fabric. This will discourage the import of shirts and promote shirt-making in SEZ.

(4) It will allow denotification of the **selected floors/areas** in IT/ITEZ SEZs so the owner can effectively use the space. At present, many buildings in these SEZ remain vacant. These are not being utilized for other purposes. Further, the trend will increase as the work-from-home concept catches on.

What more changes are needed to make SEZs in India more effective?

(1) **Get big industries:** The government should work to invite a large global anchor firms to **kick-start operations** in the sectoral hub. Their use of Indian ancillary and component supplier firms will benefit the entire sector. For example, as Suzuki did to India's automobile sector in the early 1980s.

(2) **Be quick:** There should be Speedy factory-to-ship movement. It can be done through **dedicated freight corridors** from all hubs etc.

(3) **Aim bigger:** DESH should focus not just on SEZs but also on industrial parks for various sectors.

(4) **Break barriers:** The government can develop a **GSTN-like system** to monitor movement. Further, stringent provisions can be made for small-volume high-value items like gold and diamonds to check misuse.

(5) **No IT Enterprises:** The government should remove IT/ITES firms from the purview of DESH law.

(6) **Be fair on land:** Many developers bought land with the help of state governments, which used the 'public purpose' clause to acquire land. However, a number of pieces of land acquired in the name of SEZs remain unutilized. Therefore, the government should return such non-operational SEZ land to rightful owners.

(7) **India needs to learn from Shenzhen**, which acts as a **self-contained economy**. Tax benefits were just a small part and not the primary reason for Shenzhen's success. The Shenzhen is a **large SEZ**. Therefore, it has attracted investors, professionals and large anchor firms. Further, the units established in electronics, computers, textiles and chemicals etc. are also large-scale.

9. Globalisation is dying; India needs sound industrial policy

Source: The post is based on an article "**Globalization is dying; India needs sound industrial policy**" published in the **Live Mint** on **26th July 2022**.

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

Relevance: Industrial Policy; Globalization etc.

News: In the recent times, the concept of free market globalization, has been exposed due to its inherent shortcomings.

The concept of free market globalization means free flow of goods, and knowledge around the world unimpeded by national boundaries.

What are the Issues in Free Market globalization?

In this, the national governments ceded their powers of governance to international bodies that set the rules of the game.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The **principle of cumulative causation** suggests those who have more wealth, knowledge and power than others accumulate even more because they have the power to fix the rules. This is exactly what is happening as per this concept. It has led to increase in the inequalities both within and among nations. Beneficiaries will advocate the continuation of this model until they start to face losses. Some examples are:

- the US sanction on Russia for the Ukraine War, has disrupted global flows of fuel and food.
- Efforts by western countries when it found its **economic power slipping** to China.

Its weaknesses were exposed during emergencies like the **global covid lock-down**, which disrupted the global supply chains of manufactured goods.

Global trade is also subject to **geopolitical considerations**. For example, Citizens of poorer countries in the **global South** and **East** suffer more than the West in case of disruption in global trade flow. For example, the situation at present due to the Ukraine war and sanctions.

Various Free trade economists criticised the **industrial policies** of the developing countries. These policies aim to increase domestic production and competition among domestic producers (and with foreign producers) through adjustment of tariffs and correction in the inverted duties, etc.

These “**industrial policies**” were banned by **Washington Consensus economics**, and were labelled as **protectionist measures**. It halted the growth in the Indian industries compared to China.

But now the same policies are being adopted by the western countries. For example, the **US government supports** the growth of its defence and technological industries with **large subsidies and preferential treatment**. The US’s CHIPS Act will subsidize domestic production of chips.

How the ban on the Industrial Policy widened gap between India and China?

The economies of both China and India, was roughly the similar size around 1990.

After the 1990s **Indian producers** of power equipment, commercial vehicles, machine tools, etc, were as competent or more than Chinese companies. They built capabilities with technology legally transferred by foreign companies under ‘**phased manufacturing programmes**’ guided by India’s industrial policies.

Such **phased manufacturing programmes** were explicitly banned under **the World Trade Organization (WTO) regime** post 1990. India complied with its new global rules. But despite the ban on **phased manufacturing programme**, China managed industry and trade in its own way.

Therefore, the Chinese economy became **six times larger** than the Indian economy, and its manufacturing sector was 12 times larger and its capital goods sector was 50 times larger, by the year 2010.

What should be done?

The economic paradigm that frees trade is the only way has passed away. The myth of fair governance of the global economy by institutions controlled by Western powers has been exposed.

Therefore, India must build more depth into its economy instead of focussing only to increase its size. India’s trade policies must be guided by a sound industrial policy, rather than **trade policy controlling industry**, which has been the paradigm of policymaking since the 1990s’ liberalization of the Indian economy.

The new paradigm of economic policies demands the countries to adopt what is called as “**productivism**” instead of protectionism. India needs ‘**productive**’ economic policies to

9 PM Compilation for the Month of July, (Fourth Week) 2022

increase domestic manufacturing for defence of its national sovereignty and resilience in its economic growth.

10. Green shift: Costs and opportunities

Source: The post is based on an article “Green shift: Costs and opportunities” published in the Business Standard on 26th July 2022.

Syllabus: GS 3 Ecology and Environment; Infrastructure – Energy

Relevance: Green Energy Transition

Context: The single biggest long-term challenge being faced by the world today is decarbonising world energy.

At present, **atmospheric CO2 level** is 420 ppm (parts per million). Further, about 2 ppm is being added every year.

The atmospheric CO2 level needs to be contained, at least at 450 ppm. It will help in containing global warming within 2 degrees centigrade. Further, Carbon emissions will have to fall by 50% by 2030.

What are the challenges in the decarbonisation pathway?

(1) The energy transition models showing the path to net-zero carbon by 2050 make three key assumptions.

First, it has been assumed that **energy demand** will peak around 2030, then it will flatten, and then there would be no further growth. This assumption is difficult to be believed looking at current scenarios of growth in population, and the growth in the global gross domestic product (GDP).

Second, assumption in all the **models** related to change in the **energy mix** are unrealistic. **For example**, the **share of fossil fuels** will decline from the current levels of over 80% to less than 25% by 2050, Like Coal consumption has to drop from 25% of the energy mix to less than 3%.

Third, all model's assumption that more than **50 per cent** of these **residual GHG emissions** will be absorbed by **carbon capture and storage (CCS)** is unrealistic. The technology has not been commercially proven at scale.

(2) There are issues in the cost that will be incurred on the **energy transition**. This can be seen from two perspective:

(a) Although the **costs of solar, wind and lithium-ion batteries** have declined dramatically over the last decade, the cost of raw materials now account for almost 70% of the costs, given the surge in commodity prices in 2022. Therefore, it is difficult to estimate the actual cost of the energy transition.

(b) There would be a need of about **\$100-125 trillion cumulative investment** till 2050 to get to carbon net-zero. It implies an annual investment of \$3.5-4 trillion would be required in clean energy. But at present, total annual spending remains at the level of \$1.5 trillion for the energy ecosystem.

(3) The prospective of huge and visible growth will attract investors, but it does not always lead to shareholder value creation.

What should be done?

Energy transition is going to be the **largest thematic investment opportunity** of our lifetime. There are **huge investment opportunities** for everyone involved. It can range from the banks funding the green transition to the companies putting up the plants to the technology providers.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The Indian companies pivot to address the energy transition, must decide their niche areas where returns are higher and engineering capabilities matter.

The Make in India cab provides opportunity for India to become one of the major investment destinations for green energy.

11. [GDP growth and formal employment: Whose GDP is it anyway?](#)

Source: This post is based on the article **“Whose GDP is it anyway?”** published in **The Hindu** on **27th July 2022**.

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

Relevance: About GDP growth and formal employment.

News: The Government will release the first quarter’s Gross Domestic Product (GDP) growth numbers within a few days. The debate on GDP growth and formal employment generation might once again erupt.

What is the relation between GDP growth and formal employment in India?

Based on the Reserve Bank of India (RBI) data (Employment in public and organised private sectors’),

- a)** It is calculated that between 1980 and 1990, every one percentage point of GDP growth (nominal) generated roughly two lakh new jobs in the formal sector.
- b)** In the subsequent decade from 1990 to 2000, every one percentage point of GDP growth yielded roughly one lakh new formal sector jobs, half of the previous decade.
- c)** In the next decade between 2000 and 2010, one percentage point of GDP growth generated only 52,000 new jobs.
- d)** The RBI stopped publishing this data from 2011-12.

This shows that the correlation between formal sector jobs and GDP growth has weakened considerably.

Read more: [India’s GDP Growth for FY2021-22 – Explained, pointwise](#)

What is the relation between GDP growth and formal employment around the world?

The above phenomenon is not unique to India. For instance, **a)** The U.S. today produces fewer new jobs for every percentage point of GDP growth than it did in the 1990s. **b)** China produces one-third the number of new jobs today than it did in the 1990s for every percentage of its GDP growth.

What is the significance of findings on GDP growth and formal employment?

The single most important demand of people in India is jobs, specifically, a high-quality formal sector job that ensures the dignity of work, good income and job security.

The GDP growth matters to the average Indian only if it can generate good quality jobs and incomes for them. But the findings on GDP growth and formal employment shows,

Firstly, the GDP is a simple metric that is a good indicator of economic progress which can be compared across nations. So, **focussing on GDP growth at all costs can be counter-productive**.

For instance, Sri Lanka’s mass uprising and people’s revolution can partly be explained due to the structural break between headline GDP growth and economic prosperity for the people.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Secondly, there is a condition that the World Bank and International Monetary Fund projected 'fastest' growing economies are unable to provide prosperity and social mobility for their people.

This may partly be reflected by the voters' sense of deception over economic gains. This resulted in Electoral outcomes in favour of extreme positions in mature democracies such as the U.S., the U.K., and Germany.

Thirdly, a statistical aphorism 'Everything that counts cannot be counted and everything that can be counted does not count' summarises the GDP growth paradox faced by many democracies.

Read more: [Periodic Labour Force Survey and Unemployment in India- Explained, pointwise](#)

What is the recommendation of 'commission on the Measurement of Economic Performance and Social Progress'?

Formed in: 2008, by the then President of France/

Commission members: Nobel Laureate economists Joseph Stiglitz, Amartya Sen and others.

Aim: To develop a more comprehensive measurement framework of economic and social performance as an alternative to the excessive reliance on GDP.

Major recommendation: expand the dashboard of multiple indicators unique for each country.

Hence, India should **overhaul its economic performance measurement framework** to reflect what truly matters to the common person.

12. [Integrating SatNets with terrestrial 5G networks: A path to global connectivity](#)

Source: This post is based on the article "**A path to global connectivity**" published in **The Hindu** on **27th July 2022**.

Syllabus: GS 3 – Awareness in the fields of IT and Space.

Relevance: About integrating SatNets with terrestrial 5G networks.

News: As terrestrial 5G mobile networks are being rolled out across countries, there is an interest in integrating Non-Terrestrial Networks, such as low latency Low Earth Orbit (LEO) satellite networks (SatNets).

Wireless communications through LEO satellites over long distances are proven to be 1.47 times faster than communication over the same distance through terrestrial optic fibre.

What is the present status of SatNets?

Starlink operated by SpaceX, and OneWeb promoted by Bharti Global, have launched about 2,500 and 648 LEO satellites respectively at an altitude of about 1,200 km with the objective of promoting global broadband connectivity.

There are other players such as Reliance Jio in a joint venture with Luxembourg-based SES and Amazon's Project Kuiper.

Why does integrating SatNets with terrestrial 5G networks is essential?

Recent research on Starlink and OneWeb suggests that the standalone LEO SatNets have a distinct cost advantage only if the density is less than 0.1 person per square km compared to terrestrial broadband networks. Hence it is to the advantage of LEO SatNet providers to integrate their networks with terrestrial 5G networks to improve the cost economies.

Must read: [Space Economy in India – Explained, pointwise](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

How SatNets are integrating with terrestrial 5G networks?

Satellites and terrestrial networks have always been considered two independent ecosystems, and their standardisation efforts also are independent of each other.

But now standard-setting organisations such as the Third Generation Partnership Project (3GPP) started integrating SatNets in the standardisation process.

What are the applications of integrating SatNets with terrestrial 5G networks?

There are three main use cases, **1) Service continuity:** Integration will provide a seamless transition between terrestrial networks and SatNets in case of public safety, disaster management and emergency situations; **2) Service ubiquity:** Integration can provide 5G services in unserved and underserved areas of the world; **3) Service scalability:** This utilises the unique capabilities of SatNets in multicasting and broadcasting similar content over a large geographical area. The LEO SatNets can provide service not only to stationary but also to in-motion users.

Read more: [\[Yojana January Summary\] India as a Space Power – Explained, pointwise](#)

What are the challenges faced while integrating SatNets with terrestrial 5G networks?

These include **1)** Frequencies allocated for satellite broadband, **2)** The methodology of allocation, **3)** The relatively higher cost of consumer equipment, **4)** The placement and interconnections of SatNets with terrestrial public landline/mobile networks at the ground stations, and **5)** Increased cost of the user terminal and access charges to the end users.

How does the government is promoting integrating SatNets with terrestrial 5G networks?

National Digital Communications Policy 2018: The policy indicated a number of areas including **a)** The development of an ecosystem for local manufacturing of satellite communication systems and **b)** Promoting the participation of private players for the strengthening of satellite communication infrastructure in the country.

New Space India Limited (NSIL): This aims to re-orient space activities from a ‘supply driven’ model to a ‘demand driven’ model, thereby ensuring optimum utilisation of the space assets.

Indian National Space Promotion and Authorisation Centre (IN-SPACe): It is intended to provide a level playing field for private companies to use Indian space infrastructure and to promote and guide the private industries in space activities through encouraging policies and a friendly regulatory environment.

The proposed revisions to **Satellite Communications Policy** will provide the required fillip to LEO SatNets to become an integral part of the communication infrastructure of the country.

Read more: [Indian Space Association \(ISpA\) – Explained, pointwise](#)

13. [The tipping point on service charges](#)

Source: This post is based on the article **“The tipping point on service charges”** published in the Indian **Express** on **27th July 2022**.

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

Relevance: About recent restrictions on service charge.

News: Recently, the Delhi High Court stayed the operation of guidelines issued by the Central Consumer Protection Authority (CCPA), which prohibited hotels and restaurants from adding a component of service charge to their bills.

About the guidelines of CCPA

Read here: [Service Charge: The new guidelines to prevent unfair trade practices](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

Does the Delhi High Court stay apply throughout India?

Under Article 226 of the Constitution, the application of an order passed by the Delhi HC ought to only be confined to the national capital territory (NCT) of Delhi.

However, according to the Supreme Court ruling in the **Kusum Ingots and Alloys Ltd. v. Union of India (2004) case**, any order passed by a high court on the constitutionality of central legislation will have effect throughout the country.

As the Consumer Protection Act was enacted by the Parliament, the HC order clears the way for hotels and restaurants across the country to restore their practice of levying a service charge.

What are the recommendations of the various committees on service charges?

The practice of levying a service charge has been followed by the hospitality industry since Independence.

Hotel Standards and Rate Structure Committee: The committee was formed under the chairmanship of Dewan Chaman Lal in 1958. The committee recognised the service charge and recommended the following,

a) There be a **uniform charge of 10%** on the customer's bill throughout India, **b) Condemned the practice of solicitation of tips**, calling it injurious to the dignity of the worker and causing harassment to the customer, **c)** Demand for the **introduction of comprehensive legislation** to provide a minimum-wage structure, uniform rate of service charge and the utilisation and allocation of the service charge for the benefit of the staff, and **d)** A portion of the service charge so collected may be **utilised to provide benefits** such as provident funds, pensions and life insurance.

Wage Board: It was constituted by the Delhi Chief Commissioner in 1964. The major recommendations were, **a)** Accepted the practice of levying a service charge ranging between 5-10% on a customer's bills, **b)** Asked the apportionment of the service charge collected, of which 45% was to be allocated for the staff working at the establishment.

Further, the levying of service charges has been upheld by various decisions of the Supreme Court as well as the National Consumer Disputes Redressal Commission.

Read more: [Barring restaurants from levying service charge is unfair, reeks of discrimination](#)

What are the issues associated with prohibiting service charges?

Prohibiting hotels and restaurants from levying service charges would lead to **inequitable distribution of tips**. As the tips are only likely to be pocketed by the staff who come into contact with the customer, leaving the back-end workers high and dry.

Note: In **Wenger & Company and others vs. Their Workmen case, 1963**, the Supreme Court observed that the practice of tipping is a nuisance for the customer and an excuse by the management to justify low wages.

What are the challenges faced by the workers in hotels and restaurants?

a) Despite various recommendations, there is **no legislative framework regulating the imposition and apportionment** of service charges in India, **b)** The sector is **largely unorganised and most workers barely get their basic pay**, let alone any other benefits.

What should be done?

In the absence of formal legislation regulating the concept, the issue relating to the application of service charges might be at the risk of being viewed from the lens of the consumer and not the worker. Hence, the government should frame comprehensive legislation.

9 PM Compilation for the Month of July, (Fourth Week) 2022

14. Power tariff revisions and the state of DISCOMs

Source: The post is based on an article “Power tariff revisions and the state of DISCOMs” published in **The Hindu** on 27th July 2022.

Syllabus: GS 3 Infrastructure: Energy

Relevance: Power Sector Reforms

News: According to Niti Aayog’s report 2021, most power DISCOMs in the country incur losses every year. The total loss was estimated to be ₹90,000 crores in the financial year 2021. The case of Tamil Nadu is an example of what is happening in the distribution sector in the country.

On July 13, the Tamil Nadu Generation and Distribution Corporation (TANGEDCO) filed a **general retail power tariff revision petition** with the Tamil Nadu Electricity Regulatory Commission. The petition proposes to hike power tariffs by 10% to 35%.

Why has the tariff revision petition been filed by TANGEDCO?

(1) TANGEDCO is facing mounting losses, outstanding loans, and the consequent increase in interest burden.

(2) Even after joining the **Ujwal DISCOM Assurance Yojana (UDAY) Scheme**, it could not reduce the gap between the **Average Cost of Supply (ACS)** and the **Average Revenue Realised (ARR)** to nil by 2018-19. It was stipulated by the scheme. On the contrary, Comptroller and Auditor-General report suggest, that the gap rose to ₹1.07 per unit in 2019-20 against ₹0.6 per unit in 2015-16.

(3) Recently, the Central government has withheld the release of funds that were meant under the Special Liquidity loan scheme and the Revamped Distribution Sector Scheme (RDSS), for lack of reforms.

(4) Further, the RBI issued a guideline to commercial banks that if lending is to be provided to any **State-owned power utility** including **DISCOMs**, the entity should have filed a **tariff revision petition** by November 30 every year.

(5) If the proposal comes into effect, expected in September, the hike will be after a gap of eight years.

What are the measures taken by the government so far?

The Central government has announced a **Liquidity Infusion Scheme (Aatmanirbhar Bharat Abhiyan)** to help the DISCOMs. Under this scheme, loans of ₹1,35,497 crore have been sanctioned.

Where do other States stand on power tariffs?

Despite the **Centre’s prescription** for **annual or periodical revision** of retail power tariff, States are reluctant to do so. The tariffs are often used as a tool by the political parties for their political agenda.

In Andhra Pradesh, the recent power tariff hike has taken place after a gap of two decades.

In 2022, the Bihar Electricity Regulatory Commission rejected the proposal for a 9.9% hike.

In Punjab, instead of hiking the tariff, the domestic consumers have been given free electricity up to 300 units each month.

Do States provide subsidies to sectors like agriculture?

9 PM Compilation for the Month of July, (Fourth Week) 2022

Yes., the State governments provide **free** or **heavily subsidised power supply** to the agricultural sector.

For example, Tamil Nadu has been implementing a free power supply for the sector since the mid-1980s. The electricity meters were not installed for a long time. Now, the meters have been installed for agricultural pump sets, but these meters are used for an assessment of consumption and not for billing.

What should be done?

This is to be noted that the freebies on electricity tariffs are not sustainable in the long run.

The reforms are required in the power tariffs. The lessons can be learnt from the success stories. For example,

- (1) There can be **segregation of feeders** as an option to arrive at the accurate consumption of the farm sector. the consumption of farm sector is not measured due to the absence of meters. Gujarat is cited as a success story in this regard
- (2) In Manipur, **prepaid meters** have been installed, and the power supply has been improved. It resulted in improved billing and collection efficiency as well as lower commercial losses.
- (3) The **Madhya Pradesh Electricity Regulatory Commission** has provided an incentive package. An incentive equal to 5% of energy charges is given on installation for the use of energy-saving devices such as ISI energy-efficient motors for pump sets etc.

15. [Lessons from a tax cut](#)

Source: The post is based on an article "**Lessons from a tax cut**" published in the **Business Standard** on 27th July 2022.

Syllabus: GS 3 The Union Budgeting

Relevance: Corporate Tax Collection; Ease of Doing Business

News: In 2019, the government reduced the corporation tax rate to **revive growth** in the Indian Economy. The article analyses the results of tax reduction.

History of Corporate tax rate reforms in India

(A) 1990s Period

- (1) In 1991, the corporation tax rate was raised from 40% to 45% because of revenue concerns. However, the tax was brought back to 40 percent in the year 1994.
- (2) In 1997, the surcharges were abolished and tax was reduced from 40% to 35%.

(B) 2000s Period

- (1) From 2000 onwards, the surcharges were reintroduced. Also, the corporate tax was raised to almost 36-38% for the next five years.
- (2) In 2005, the corporation tax rate was reduced to 30%. However, the actual rate was about 33% along with the surcharge.

(C) Post-2015:

In Budget 2015-16, the Union Finance minister promised that the corporation tax rate would be reduced to 25% in a period of four years along with a phase-out of exemptions.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Since then, the corporate tax rate has been reduced by almost 10 percentage points. While exemptions and concessions were phased out.

On 1st October 2019, the corporation tax rate was lowered to 17 percent, including surcharge and cess, from 29 percent. The Minimum Alternate Tax rate also was brought down from 21-22 percent to 17 percent.

Initially, the government had estimated that Rs 1.45 trillion in revenue will be foregone due to the cut in the tax rates. But subsequently, the government stated that some of this loss could be recovered through increased buoyancy.

How has the tax reduction impacted the government's tax collections?

As per data for 2019-20, almost 16% of companies (accounted for about 62% of the total income), opted for the new scheme of lower tax rates and gave up exemptions and concessions. Therefore, total corporation tax collections in 2019-20 declined by about 16% to Rs 5.57 trillion, compared to Rs 6.63 trillion in 2018-19.

However, the **latest provisional unaudited numbers** with the Controller General of Accounts for 2021-22 show a changing situation now.

Corporation tax collections rose to Rs 7.12 trillion. But in terms of their share in GDP, **corporation tax collections** in 2021-22 were still at 3%. It was marginally lower than the 3.5% seen in 2018-19.

What should be done?

A stable tax regime having tax cuts with fewer exemptions results in revenue buoyancy. This happens due to improvement in compliance and wider coverage.

Therefore, the corporation tax revenues collection might improve in the year ahead. There would be overall **collections buoyancy** due to **dispersion of tax liability** to a larger number of companies in different income levels, if present trend continues.

16. Monkeypox & Human Folly

Source: The post is based on an article “**Monkeypox & Human Folly**” published in the **Times of India** on 27th July 2022.

Syllabus: GS 3 Disaster Management

News: Recently, over 16,000 cases of Monkeypox were reported from 75 countries. Therefore, the WHO has declared Monkeypox a **public health emergency of international concern (PHEIC)**.

About Monkeypox Disease

The WHO declared it PHEIC despite **non-recommendation** by an expert committee constituted by the WHO to study it. For example, 9 members voted against and 6 voted for the declaration.

What were the arguments of members who voted against the declaration of a PHEIC?

Don't stigmatise gay men: Most of the recent spurt of cases involved **human-to-human transmission**. This was mainly found among **males who have sex with males (MSM)**. Therefore, such a declaration would precipitate panic and create a stigma against this vulnerable population by labeling it as a **gay disease**.

Why was monkeypox declared as a PHEIC despite a weak vote?

9 PM Compilation for the Month of July, (Fourth Week) 2022

The declaration was an indication of the **challenges** that may mount up. It was an **alert** to governments to prepare a health system response that combines **prevention, surveillance, treatment, and risk communication**.

Apart from the MSM-related transmission, there were other cases of human-to-human transmission. For example, in the US and Europe, **a few children** have been infected through **household contact**.

There can be **zoonotic transmissions** in the present age of globalization. The virus responsible for monkeypox has been found in several mammals like squirrels, mice, rats, rabbits, American prairie dogs, and of course, monkeys. In fact, **Squirrels** is a **more frequent source** of zoonotic transmission than a monkey. For example, the 2003 outbreak of monkeypox in six US was due to mammals (mostly rodents) imported from the West African nation of Ghana.

What public health measures should be taken by the government of India?

(1) The health systems need to be on alert. There should be **effective surveillance, testing, isolation of cases**, and risk communication to the public.

(2) **Smallpox vaccine** can be used. It is effective in providing up to **85% cross-protection**. It should be considered for unvaccinated persons. Persons at high risk of infection or severe disease should be prioritized first. Further, persons who are below 45yr of age who would not have received the smallpox vaccine, after it was eradicated should be vaccinated.

(3) The government should do domestic production and stockpiling of **tecovirimat**, an antiviral drug developed for smallpox treatment.

(4) Stigma and discrimination of any kind against MSM person should be avoided. India can use extensive experience from the HIV-AIDS programme.

17. [Lion's future, cheetah's past](#)

Source: This post is created based on the article **"Lion's future, cheetah's past"** published in **Indian Express** on **28th July 2022**.

Syllabus: GS Paper 3, Biodiversity conservation

News: Four male and four female African cheetahs will be imported from Namibia in August, to establish the cheetah into its "historical range".

Cheetahs will be kept in enclosures to get them acquainted with each other and make them habitual of hunting Indian prey species before their release.

After that, they will be released in a phased manner and monitored.

If this process is successful, a few other smaller cheetah reserves will be created in Rajasthan and elsewhere in MP, with the help of fresh supplies from Africa.

What are the challenges associated with Cheetah conservation plan?

The project's Population Viability Analysis has shown a "high probability of long-term cheetah persistence" or probability of long-term existence in a few conditions, like;

1. If the Cheetah populations exceed 50 individuals, or
2. When smaller populations are managed as an (inter-connected) meta-population.

The solution lies in the South African model. The periodical translocation of individual animals from one fenced-off reserve to another was helpful in maintaining genetic diversity.

However, even with this model, there are many issues that require attention.

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the concerns linked to the Plan?

Habitat connectivity: In India, there is not much natural connectivity for cheetahs to travel from one habitat to another. Without habitat connectivity, meta-populations cannot be self-sufficient (genetically viable) to perform their ecological roles.

Human interventions: The conservation model that required human intervention for the survival of cheetahs will reduce protected areas to glorified open zoos.

Unclear objectives: The cheetah project also promises to benefit endangered grassland species like endangered Indian wolves and the near-extinct Great Indian Bustard (GIB). However, it is not clear how it will happen. Wolves would have to compete with Cheetahs for prey, and GIB is potential prey for the cheetah.

The Lions vs Cheetahs debate: In April 2013, the Supreme Court (SC) set a six-month deadline for shifting lions to Kuno from Gir. In 2018, in the same case, SC dismissed the contempt case against the government, after its reassurance of following orders.

It is not done yet, instead, an exotic species of Cheetah has been reintroduced in the same area. The objectives of reviving grassland ecosystem services through Cheetahs could have been achieved by Lions.

Furthermore, the government's draft 25-year plan for Project Lion focuses on assisted natural dispersal with no scope for relocation outside Gujarat.

India's conservation priority should be saving what can still be saved. The longing to relive the cheetah's past should not jeopardize the lion's future.

18. [Hitting the mark on defence exports](#)

Source: The post is based on an article "Hitting the mark on defence exports" published in the Business Standard on 28th July 2022.

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

Relevance: Defence Sector and Defence Export

News: Recently, **the Naval Innovation and Indigenisation Organisation Seminar Swavlamban** was organized in New Delhi. Prime Minister (PM) reiterated the government's will to move out of India's addiction to defence imports and turn it into an exporter of military equipment.

In 2020, the PM has set the five-year defence exports target of Rs 35,000 crore.

To fulfil the target, the MoD may launch 75 items in the fields of unmanned systems, robotics, intelligent surveillance and more to propel India. The government

Approximately half and one-fourth of India's defence exports between 2017 and 2021, were to Myanmar and Sri Lanka, respectively.

During FY21, the US became India's biggest customer in terms of defence export.

Other major regions to which Indian exports were headed were South-East Asia, West Asia and Africa.

Status of India's defence export

The defence exports are hitting an all-time high of Rs 13,000 crore during FY21-22. Further, the share of the private sector accounts for 70% of the exports.

9 PM Compilation for the Month of July, (Fourth Week) 2022

The items exported comprises advanced light helicopters, missiles, offshore patrol vessels, surveillance systems, personnel protective gear, and various types of radars.

What are the drivers of Indian defence exports?

First, the government has taken various steps like simplified industrial licensing, easing of export restrictions, and issuance of no-objection certificates (NOC).

Second, in the post-2014 period, a **separate defence export strategy** was prepared. It focussed on export promotion or facilitation and export regulation.

Third, the Ministry of External Affairs has supported the creation of **lines of credit (LOC)** for countries to import Indian defence products. In the Indian missions abroad, the defence attaches were established, authorised to encourage Indian exports.

Fourth, the **Defence Production and Export Promotion Policy 2020** pushed for exports. It mandates public sector undertakings to derive at least 25% of their revenue from exports, including success fee by 2025.

Sixth, the **Defence Expo** and **Aero India** are organized to exhibit India's defence production capacity.

Seventh, the **Department of Defence Production** focus on time-bound export clearances.

What are the factors retarding the growth of Indian defence exports?

There are various factors which have long hampered the indigenous manufacturing in India and may make it difficult to achieve the target of Rs 35,000 crore.

First set of issues: like absence of critical technologies, the long gestation period involved in creating a capital and technology-intensive production base, conducting business operations is difficult due to **stringent labour laws** and compliance burden, inadequate funding of defence research and development (R&D), and the lack of engineering and research skills.

Second set of issues: like poor designing capacity in core technologies, insufficient finance of R&D, and the incapability to produce critical subsystems and components.

Third set of issues: there is an adverse skill gap at present, due to **weak industry-academia interface**.

What should be done?

India should tap the right opportunities by smartly utilising our existing competitive advantages.

There are various **prevailing cost advantages** in various lines of indigenous defence production.

India can explore export opportunities in the **African countries** like Algeria, Morocco and Angola; and the **West Asian** countries like Saudi Arabia, the UAE and Qatar.

India should explore defence markets in the **Indian Ocean Region** and work upon the **Neighbourhood First policy**. This can be enabled through lines of credit to **India's neighbours** like Maldives, Bangladesh and Myanmar

Basket of items to start from: Initially focus on exports of items such as the BrahMos cruise missile, Pinaka multi-barrel rocket launcher, the advanced light helicopter Dhruv and the Akash air-defence system. Further, India should move towards providing **end-to-end defence solutions** in the long-run.

9 PM Compilation for the Month of July, (Fourth Week) 2022

19. [Saving Mother Nature from ourselves](#)

Source: The post is based on an article “Saving mother nature from ourselves” published in the Indian Express on 28th July 2022.

Syllabus: GS 3 Ecology and Environment

Relevance: Biodiversity Conservation

News: Recently, World Nature Conservation Day was celebrated on July 28. It seeks to highlight the need to work for a healthy planet by preserving our environment and protecting our natural resources.

Why do we need preserve and protect the environment?

The global biodiversity is under all-round threat due to **human’s exploitation of natural resources** continues unchecked. For example, the exploitation has led to a situation where about 25% of species face the threat of extinction.

(1) There has been **climate change** which has led to irreversible changes in ecosystems around. It has led to disruption in ecological balance.

(2) There are sudden changes in **weather patterns** causing heat waves, ocean warming, diminishing amounts of snow and ice, melting glaciers, forest fires and floods.

(3) There is **conversion** of forests to agricultural land, overgrazing, poor forest management, invasive infrastructure development including the ill-planned expansion of urban settlements, mining and oil exploitation, anthropogenic forest fires and pollution, have impacted forest biological diversity.

The loss of the earth’s original forest cover is as high as 45 per cent over the last 8,000 years. As per the Food and Agriculture Organisation (FAO), about 13mn hectares of the world’s forests are lost due to deforestation each year.

What should be the scope of conservation?

The idea of conservation encompasses various facets of nature including flora and fauna, energy resources, soil, water and air.

The **protected areas** and **other effective area-based conservation measures** are the key drivers of biodiversity conservation.

Indian Perspective on Conservation and ecological balance

Nature forms the **cornerstone** of the cosmic vision of Indian civilization. The Vedas, Upanishads, etc. have taught us the worship of the divine in the elements like in rivers, mountains, lakes, animals, birds, flora, as also stars and planets.

Indian scriptures mention worship of fire, water and air as agni, jal and vayu, the sun as Surya deva, earth as Bhudevi, etc.

The **Prithvi Sukta** in Atharva Veda serves to remind us of our relationship with nature: **mata bhumi putroham prithivya** (The earth is my mother and I am her son).

What are the conservation measures taken so far?

Global Level

The Kyoto Protocol and the Paris Agreement have set goals and targets for transition to low-emission economies.

Indian Level

9 PM Compilation for the Month of July, (Fourth Week) 2022

India is a member of **the High Ambition Coalition for Nature and People** which was initiated at the “One Planet Summit” in 2021. Therefore, India is committed to work proactively to protect at least 30% of our lands, waters and oceans, and adhere to its commitment of 30×30 by 2030.

A 75-day-long awareness campaign, “**Swachh Sagar, Surakshit Sagar**”, was launched. It has to cover 75 beaches across the country.

The Indian government has banned the manufacture, import, stocking, distribution, sale and use of identified **single-use plastic items** with low utility and **high littering potential** from July 1, 2022.

In their joint report, **the UN Environment Programme (UNEP), the World Economic Forum (WEF) and the Economics for Land Degradation Initiative** have urged the G-20 nations to step up to their roles as powerful leaders against climate change.

What should be done?

Conservation is the only hope for **protecting** the future of the planet, and the future of the succeeding generations. It can contribute to sustainable livelihoods, climate change mitigation, food and water security and reduces the threat of natural disasters.

There is a need to go back to our roots. This will help us achieve the targets of the post-2020 of the **UN’s Global Biodiversity Framework (GBF)** and realise the **2050 vision of “living in harmony with nature”**.

The decisive actions must be taken with respect to energy, industry, land, transport and urban planning.

The saying, **vruksho rakshati rakshitah** (protect trees and they will protect you), should be our guiding mantra.

The climate targets and sustainable development targets should be integrated into national policies and decision-making frameworks at the local levels.

If mankind has to survive, we have to recognise the **role of protection** and **conservation** to maintain the pristine nature of biodiverse ecosystems.

[20. What numbers do not reveal about tiger conservation](#)

Source: This post is based on the article “**What numbers do not reveal about tiger conservation**” published in **The Hindu** on **29th July 2022**.

Syllabus: GS 3 – Environment and Bio-diversity: Conservation.

Relevance: Tiger conservation.

News: On International Tiger Day, the world and India can celebrate the recovery of at least one endangered species. A recent International Union for Conservation of Nature assessment suggests that tiger numbers have increased by 40% since 2005.

What is the relation between population and extinction?

Populations that are smaller than 100 breeding individuals have a high probability of extinction. At the same time, for populations to persist, they should be part of larger landscapes with other such populations that are connected. Small and isolated populations face a high probability of extinction.

Genetic drift: *Small populations are subject to chance/random events. These chance events may cause them to lose advantageous genetic variants. Further, other detrimental genetic variants might increase in frequency. This process is called genetic drift.*

9 PM Compilation for the Month of July, (Fourth Week) 2022

This is because there is a high chance of inbreeding that will expose disadvantageous genetic variants that are present in all genomes.

Read more: [Fourth Asia Ministerial Conference on Tiger Conservation](#)

Does increasing tiger count prevent them from extinction?

Most tiger 'populations' are smaller than 100. On their own, most tiger populations do not have a high chance of survival. This is because,

a) Most tiger reserves in India are small and embedded in human-dominated landscapes, **b)** The presence of built-up areas and high-traffic roads greatly impeded tiger movement, and **c)** Fencing tiger reserves and isolating them could result in high extinction.

However, most land-use types were not too bad for tiger connectivity, including agricultural fields. Tiger extinction could be avoided if tiger corridors were safeguarded. For instance, having an underpass will allow wildlife movement and connectivity.

Read more: [Tiger Conservation in India](#)

What are the findings on tiger conservation in Odisha and Rajasthan?

Similipal tiger reserve: The black tigers were found only in the Similipal tiger reserve in Odisha. These **pseudo-melanistic or black tigers** demonstrated the genetic effects of isolation. A single spelling mistake (or mutation) in a specific gene (genetic drift) causes these tigers to look this way.

It was common only in Similipal, where 60% of the tigers carried at least one copy of a causal genetic variant.

Ranthambore tiger reserve: Genome sequences from wild tigers reveal that individuals in the Ranthambore tiger reserve show inbreeding. However, there is no adverse effects of inbreeding yet. But it might happen in near future.

Read more: [19th Meeting of National Tiger Conservation Authority \(NTCA\)](#)

What should be done to ensure tiger conservation?

1) Special attention is needed for populations that are becoming isolated and facing the genetic consequences of such isolation, **2)** The countries should carry a genetic rescue plan or even the introduction of novel genetic variants using the genome sequencing technology, **3)** The future of tigers will require a 'dialogue' between data and management strategies in order to ensure their survival.

21. [Revival package for BSNL: Much needed bailout](#)

Source: This post is based on the following articles

"Much needed bailout – BSNL needs state help to fulfil its social role in rural areas and in disaster relief" published in **The Hindu** on **29th July 2022**.

"A late call for BSNL" published in the **Business Standard** on **29th July 2022**.

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

Relevance: About the revival package for BSNL.

News: The government recently announced a Rs 1.64-trillion lifeline for the ailing Bharat Sanchar Nigam Ltd (BSNL). The revival programme reveals how far the state-owned telecom service provider lags behind the technology curve. This is the second revival package for BSNL in three years. The government infused Rs 69,000 crore in 2019.

What is the revival package for BSNL?

Read here: [Cabinet approves revival package of BSNL amounting to Rs 1.64 Lakh Cr.](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the previous revival packages for BSNL?

What are the concerns against the revival package for BSNL?

This revival plan raises the question of whether the government is throwing the money the government earn from the 5G auctions to private telecom operators. This is because the **BSNL's problems are fundamental**. Such as

1) BSNL subscriber base has scarcely grown even though the utility was given preferential spectrum allotments. **2) Its share in wireless and broadband is a negligible** 9.7 and 2.9% respectively. However, its rural wireless subscribers shrank by just 11.4 lakh, **3) BSNL's inability to compete**: In 2021, BSNL surrendered unutilised 2G spectrum in the 900 and 1800 MHz bands, though this is where most telecom operators have large numbers of subscribers, **4) BSNL will not make a profit if its focus is on rural India alone.**

The government's objective of improving rural connectivity cannot be feasible through viability gap funding. Achieving a socio-economic purpose via a commercial corporation has never worked in the past and BSNL is unlikely to be a game-changer in this respect.

Read more: [5G technology in India – importance, challenges and solutions](#)

Why does the revival package for BSNL essential?

1) The government already extended concessions to privately-owned Vodafone India and Bharti Airtel over AGR due. The package is nothing but the **government's helping hand for its own utility** is valid.

2) The revival plan is expected to see BSNL turn around and make profits. This is feasible as the BSNL's losses in 2020-21 narrowed down and the utility turned profitable at the operating level.

From an employee base that exceeded 1.65 lakh, and consumed about 75% of its total income, the BSNL had carved the number of regular employees to around 64000 in 2021, with the proportion of employee benefit expenses to total income more than halving to 36%. This is done by halving the salary bill via a voluntary retirement scheme and reduction of high-cost debt.

All this will make BSNL **better placed and competitive** in the technologically rapidly evolving marketplace

3) Any further delay in adequately funding the BSNL in the "strategic sector" risks compromising the goals of bridging the digital divide and ensuring the evolution of an **inclusive knowledge society**.

Read more: [BSNL launches world's first satellite-based narrowband IoT network](#)

Hence, the revival package for BSNL will play a "crucial role in the expansion of telecom services in rural areas, development of indigenous technology and disaster relief."

22. [Narrow view – SC verdict on PMLA fails to protect personal liberty from draconian provisions](#)

Source: This post is based on the following articles

"Narrow view – SC verdict on PMLA fails to protect personal liberty from draconian provisions" published in **The Hindu** on **29th July 2022**.

"By upholding PMLA, SC puts its stamp on Kafka's law" published in the **Indian Express** on **29th July 2022**.

Syllabus: GS 3 – money-laundering and its prevention.

Relevance: About the issues surrounding PMLA.

9 PM Compilation for the Month of July, (Fourth Week) 2022

News: The Supreme Court in **Vijay Madanlal Choudhary and Ors versus Union of India case** upheld the provisions of the PMLA (Prevention of Money Laundering Act).

What was the case about?

Read here: [Supreme Court upholds powers of arrest, raids, seizure under PMLA](#)

What is the Prevention of Money Laundering Act?

Read here: [Prevention of Money Laundering Act\(PMLA\)](#)

What are the reasons behind stringent provisions of PMLA?

There is a widespread international concern over Money Laundering. Organised crime fuelling international narcotics trade and terrorism is funded by illicit money generated from crime, laundered to look legitimate and funnelled into the financial bloodstream of global and domestic economies.

The PMLA was enacted in response to India's global commitment under the **Vienna Convention**. The primary purpose of the Act was to combat money laundering in India.

Note: *Vienna Convention was adopted in 1988. It was the first international instrument to address the issue of proceeds of crime and to require States to establish money laundering as a criminal offence.*

How do the PMLA is different from other International counterparts?

Money laundering in the Indian context is linked to or is seen as a byproduct of a host of both grave and routine offences that are appended to the PMLA as scheduled ones.

These 'scheduled' or 'predicate' offences ought to be ideally limited to grave offences such as terrorism, narcotics smuggling, corruption and serious forms of evasion of taxes and duties.

But, in practice, the list contains offences such as fraud, forgery, cheating, kidnapping and even copyright and trademark infringements.

What are the concerns associated with PMLA?

Read here: [Supreme Court examines allegations of rampant misuse of PMLA](#)

The other issues,

1) The list of crimes included in the PMLA overrides similar crimes in other parts of the law. It can override the safeguards of the Criminal Code of Procedure, **2) The burden of proof is on the accused.** Under Indian conditions, the **process of proving innocence itself is the punishment,** **3) International treaties are often used to override domestic rights** safeguards. By fulfilling India's global commitment under the Vienna Convention, India restricted civil liberties and the value of dissent, **4) The punishments** under PMLA may potentially be excessively punitive, in **disproportion to the crime,** **5) The conviction rate under PMLA is very low, less than 0.5%.** But every year thousands of cases are registered, people are arrested, and lives are turned upside down, and **6) The Enforcement Directorate** has been manifestly selective in opening money-laundering probes, rendering any citizen vulnerable to search, seizure, and arrest at the whim of the executive. Thus, the government of the day might use the ED against political opponents.

Read more: [How Enforcement Directorate \(ED\) became so powerful?](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

23. Plain Way To Make Planes Safe

Source: The post is based on an article “**Plain way to make planes safe**” published in **The Times of India** on **29th July 2022**.

Syllabus: GS 3 Infrastructure; Aviation Sector

Relevance: Safety in Aviation Sector

News: Recently, the Directorate General of Civil Aviation (DGCA) issued an order to a budget airline. DGCA curbed its schedule of operations and will maintain enhanced surveillance over its flights during this curtailed schedule period.

Reasons behind the issuance of the order

There has been a rise in the incidence of **aircraft snags** in the past few months, The DGCA spot checks found **certain common concerns** across airlines, like 1) shortcomings in maintenance Standard Operating Procedures (SOPs), 2) Shortage of trained manpower to check and certify aircraft before each take-off, especially in light of the increase in flights post Omicron.

One of the primary checks in the area of airworthiness is the daily snag and defect monitoring mechanism. This is done by the DGCA officials who are required to **attend airlines’ quality control system meetings** which are conducted by airlines’ quality assurance departments.

What are the challenges facing the aviation sector?

(1) Licensed aircraft maintenance engineers carry out snag rectification. India has adopted the European Union Aviation Safety Agency (EASA) system for aircraft maintenance personnel. It mandates a **Category-A licence for technicians**, which is based on knowledge and experience and is without any aircraft-type rating. This has been misused. It was found that rectification and certification of snags were done by Category-A licence holders and not type-rated engineers.

(2) The misuse happens due to the **non-availability of type-rated engineers** at most of the stations.

(3) Currently, airlines regulate **licensed aircraft maintenance engineers**. They train only a **limited number of technicians** who can obtain licences, just enough to meet their own requirements. This leaves a huge gap in the availability of this **critical trained manpower** for establishing **maintenance, repair and overhaul (MRO) organisations**.

(4) The DGCA, the aviation regulator itself, is short of experienced manpower. The number of airworthiness officers with over 15 years of experience is limited.

Possible solutions for the safety and security

(1) **The Aircraft Communications, Addressing and Reporting System (ACARs)** can be used by the DGCA as an additional tool in its oversight function. It sends real-time information from the aircraft to ground stations about the condition of its various systems and sensors, maintenance faults, etc. Airlines can use them to monitor equipment health, repair, and maintenance activities.

(2) The DGCA should reconsider the present system of aircraft maintenance engineering system. It should issue guidelines on the positioning of **properly-trained manpower** at every station, and these should be strictly followed.

(3) The DGCA should **periodically review** the adequacy of such manpower requirements based on the increase in airlines’ fleet size, increase in aircraft positioned at a station, and increase in the scheduled flight turnaround for every station in the airline network.

(4) The **aviation ministry** must establish an alternative system to ensure that a **larger number of technicians** get adequate training and experience to acquire ratings on different aircraft types.

9 PM Compilation for the Month of July, (Fourth Week) 2022

(5) The DGCA should recruit a greater **airworthiness officer** for regulations and carry out safety oversight.

DGCA must bring out a new strategy to ensure airworthiness standards with urgency.

24. [A grand strategy for technology](#)

Source: The post is based on an article “A grand strategy for technology” published in the Business Standard on 29th July 2022.

Syllabus: GS 3 Achievements of Indians in Science & Technology; Indigenization of Technology and Developing New Technology.

Relevance: Research and Development Spending in India; innovation and Entrepreneurship

News: In India, Research and Development (R&D) spending has stagnated. However, it has risen steadily in the other major economies.

As a percentage of gross domestic product (GDP) India’s R&D spending was 0.67% in 2018-19. It is way below the spending made by the major economies. For instance, China has 2%, the European Union has 2%, the US and Japan have 3% and South Korea has 4.5%.

Further, the Union government accounts for about 45% of the total R&D spending. And, about 60% of the total goes to defence, space, atomic energy and agriculture sector.

What kind of the R&D Model should be adopted by India?

The R&D model should be on the lines of the US R&D Model which made it the leading force in technology development in the latter half of the 20th century. **For example**, path-breaking developments in information technology, communication, medicine, space exploration, energy, and a lot more were seen in the US.

Following are some of the steps US took to develop the R&D:

It is generally accepted that the R&D growth in US led by the private sector. Instead, it was provided by the Federal government. This can be understood by the **Federal and business R&D spending** as a percentage of GDP.

Its R&D spending reached 1.86% of GDP in the **mid-1960s**. However, the business R&D spending grew slowly only to 0.86% of GDP.

The Federal government set up the **Defence Advanced Research Projects Agency (DARPA)**. It supported several projects like the development of the Internet at a time when even the word “internet” was not known!

The Federal government spent on technology projects that had a time horizon of 15-20 years because the private players would seldom invest in long-gestation projects. However, the federal government made efforts to associate the private sector.

In later period, business R&D grew rapidly from the 1990s onwards often on commercialisation of technologies that were pioneered through the **Federal R&D spending** rather than on basic or applied research.

In fact, even now, the US government continues to play a major role in promoting very forward-looking research. For instance, the Federal government has set up an **Advanced Research Project Agency-Energy (ARPA-E)** and a fund for promoting **Energy Frontier Research Centres** in Universities.

9 PM Compilation for the Month of July, (Fourth Week) 2022

US government also supported the commercialization of the technologies obtained after the basic and applied research. **For example**, the US government provides 20-25% of funding for early-stage technology firms. Further, the venture funds come later when there is sufficient commercialisation to deliver returns in five to seven years through initial public offerings or merger/acquisition.

What India should do?

(1) At present, India is at the **stage** where the US was in the 1950s and '60s. Therefore, the government should do what was done by the US in the '50s and '60s.

(2) The Union government should adopt a **grand strategy for technology development**. The elements should be:

(a) A five-fold increase in Union government spending on R&D from 0.3% of GDP to 1.5 in 3-5 years' time

(b) The Department of science & technology should be reorganized into mission-oriented set-ups.

(c) The private sector should be better connected with **focused mission-oriented research institutions** like the Defence Research and Development Organisation, and Space Commission.

(d) There should be **new mission-oriented programmes** focussed on emerging challenges like climate change, bio economy and long-term opportunity potentials like nanotechnology, artificial intelligence.

(e) Capacities of the University/IIT research institution should be enhanced with a substantial increase in research grants

(f) Setting a soft target for large corporations on their R&D spending as a proportion of their profits.

(g) There should be symbiotic linkages between government, business and research institution. Further, the private sector, particularly with a provision for angel investment in high-technology start-ups.

25. [RBI and the rupee: To break a free fall or not to](#)

Source: This post is based on the article **"RBI and the rupee: To break a free fall or not to"** published in the **Indian Express** on **30th July 2022**.

Syllabus: GS 3 Indian Economy; Issues and Challenges pertaining to growth and development of the Indian Economy

Relevance: Macroeconomic conditions; Rupee Depreciation

News: The Indian rupee has depreciated by around 7% against the U.S. dollar, since the start of the year.

What is the significance of forex reserves?

A developing economy needs foreign exchange to finance its international transactions for both the current account (goods and services) and capital account (assets) transactions.

Foreign exchange reserves also signal its ability to meet potential obligations. The larger the stock, the more its reassuring value. But due to the reserves "liquid" nature, the returns on these are low.

Read here: [Explained: What Rs 80 to a dollar means](#)

9 PM Compilation for the Month of July, (Fourth Week) 2022

How did India so far build its forex reserves and what is happening now?

A country can accumulate reserves by running current account surpluses, and/or by interventions in the foreign exchange markets. India usually runs a current account deficit — in this century, it ran a surplus only in 2020-21. Its reserves are then accumulated solely through “sterilised” interventions.

When foreign entities want to invest in Indian assets, the RBI gives them rupees in exchange for foreign exchange. To prevent inflation, the RBI then sells government bonds to suck out the additional rupees.

Thus, the Forex reserves rise, along with the increase in government bonds outstanding. The accumulation of foreign reserves limits the appreciation of the currency.

Present condition: In recent months, India has witnessed a reversal of this process — there is an outflow of foreign financial capital, with reserves falling and the rupee depreciating.

Read here: [Why there is no reason to panic over the rupee](#)

What are the impacts of RBI’s decision to pile up forex reserves?

When capital inflows were taking place, the RBI accumulated foreign exchange and allowed some currency appreciation. This caused the following, **a)** Reduced exports, **b)** import-competing sectors gave way to cheap imports, especially from China, **c)** those engaged in “carry trades” continued without bothering about the exchange risk, **d)** India’s external commercial borrowings have also increased, **e)** The rich bought properties abroad and sent their children to study in foreign universities.

Read more: [External vulnerabilities: Time for a rupee review](#)

What does the RBI need to do while the rupee is depreciating?

The RBI has committed to using reserves to ensure an orderly depreciation. If the world financial markets want a depreciated rupee, then the RBI should not throw forex reserves to prevent it.

But the RBI, with its commitment to inflation targeting, would try to prevent a depreciation (because it causes the price of imported goods to rise).

Must read: [Fall in Rupee Value: Reasons, Concerns and Solutions – Explained, pointwise](#)

26. [Young and waiting: India’s public examination and recruitment system is failing its youth](#)

Source: This post is based on the article “**Young and waiting: India’s public examination and recruitment system is failing its youth**” published in the **Indian Express** on **30th July 2022**.

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

Relevance: About the India’s public examination and recruitment system.

News: Recently 4,500 candidates in Andhra Pradesh who cleared a district selection committee exam in 1998 have finally been offered regular jobs as teaching staff in government schools. With 24 job-seeking years, most of them reach close to retirement.

What is the present state of India’s public examination and recruitment system?

a) Railway exams of 2019 have seen over 1,000 days delay for exams to be conducted, **b)** About 700 army aspirants recently protested outside the Raj Bhavan against delays in conducting the army recruitment exams which was postponed six times already since Apr 2021, **c)** The recruitment cycle for the **Staff Selection Commission** delayed due to Covid, many aspirants have also gone over the age limit and been denied a relaxation (in age cap) or an extra attempt,

Created with love ❤ by ForumIAS- the knowledge network for civil services.

Visit academy.forumias.com for our mentor based courses.

9 PM Compilation for the Month of July, (Fourth Week) 2022

What are the challenges associated with delayed exams?

a) Getting assistance to help prepare for recruitment exams is also an expensive affair. For instance, tuitions costs can vary from Rs 1,000 to Rs 4,000 for minor posts, to Rs 1.5-2.5 lakh for UPSC coaching (excluding living costs). If such exams get delayed, then the youth will suffer financially and mentally, **b)** Even when exams are done, the results are getting delayed for many exams, **c)** Even if the exam results are published, an aspirant cannot be sure of getting a firm job. For example, the case of SSC GD 2018 aspirants.

All this shows that the recruitment process for some government posts simply never ends.

How can the government hold the departments accountable for conducting exams?

a) Each ministry should ask all departments to prepare an existing vacancies list within three days from the defined zero date, **b)** The departments should ideally advertise the approved list of existing vacancies within seven days of the approval of such a list, **c)** For each week of delay beyond 30 days, the defaulting department could be liable for a small reduction in their administrative expenses, **d)** Final examination results should be announced within a defined period. In the event of cancellation of examinations, compensatory attempts shall be provided to all applicants by relaxing age norms.

What should be done to reform India's public examination and recruitment system?

Reform the examination process: This should include **a)** a waiver of examination fees, **b)** removing a barrier for candidates from economically challenging backgrounds, **c)** providing travel and lodging allowances if the examination centre is not within a specified distance, **d)** all examination centres must have basic infrastructure (biometric attendance, cloakroom) and adequate security (guards, invigilators, CCTV cameras) to ensure a fair process, and **e)** An integrated examination calendar for all major educational institutions and recruitment to PSUs should be published while ensuring minimal overlap.

Of the 430-450 million available in the labour force, only 390 million actually had jobs in June 2022, as per CMIE data. India needs to create 20 million jobs annually. Hence, India needs to face the challenge of job creation and upskilling of youth for the labour market to ensure that India's demographic dividend does not become a demographic disaster.

27. [Stubbles, mountains](#)

Source: The post is based on an article "**Stubbles, Mountains**" published in **The Times of India** on 30th July 2022.

Syllabus: GS 3 Ecology and Environment

Relevance: Air Pollution, Air Pollution in the National Capital Region (NCR)

News: Recently, the Punjab government has proposed to provide a cash incentive of Rs 2,500 per acre, to paddy farmers aimed to curb stubble burning.

The Punjab and Delhi government has struck a consensus. Both are willing to contribute Rs 500 each.

What are the challenges facing the proposal?

There are multiple source states of **air pollution** in Delhi NCR, including Haryana and UP. However, except for Delhi and Punjab, the other 2 states have not agreed to the proposal.

The farmers are **disinterested** in various straw **management machines**, and the **bio-decomposer** developed by ICAR-IARI.

The Himalayan ecology is fast changing. It poses a threat to the **Northern plains of India**. For **example**, the Himalayan glaciers are melting, its pristine forests are facing forest fires, and the

9 PM Compilation for the Month of July, (Fourth Week) 2022

highway construction like Char Dham aggravates the environmental situation of the natural ecosystem.

What should be done?

The GOI with its resources, political capital, and statutory powers must intervene. The **cash incentives** along with bio-decomposers must be prioritized.

In addition to the government of Punjab, and Delhi, the **Union government** and **Haryana government** must also be roped in to financially contribute to make the cash incentive scheme successful.

Further, if the farmers take **cash incentives** and continue to burn stubble, then they should be **penalized**.

28. [Government bailouts are not the answer to india's energy sector woes](#)

Source: The post is based on an article "**Government bailouts are not the answer to India's energy sector woes**" published in the **Indian Express** on 30th July 2022.

Syllabus: GS 3 Infrastructure; Energy

Relevance: Power Sector Reforms; DISCOMS

News: Over the past few weeks, there has been much tension over **India's twin deficits**, i.e., the **current account deficits** and rising **fiscal deficit**. Everything has been tried to control, twin deficits, except for the issue of state ownership and control.

What are the structural Causes behind the twin deficits?

The **state ownership** and **control** of various entities in the **power energy chains** are central to a **higher current account deficit (CAD)** and also growing **fiscal risks** at the state level.

(1) In the case of coal, the coal sector still has a state monopoly. Although India has one of the **largest coal reserves in the world**, it is also one of the **largest coal importers**. It is because India has not been able to increase coal production as per rising demand.

For example, Coal India is unable to **raise coal production** to meet the growing demand. From 2013-14, the Indian economy has grown by around 50%. But, Coal India, which accounts for around 80% of India's total coal production, was able to raise its output by just 34% over the same period. Therefore, India's **reliance on coal imports** (thermal and cooking) has risen in the last few years. Further, this has been at the root of the country's **widening current account deficit**.

(2) **The state-owned power distribution companies (DISCOMS)** have also failed to improve their **financial** and **operational positions**. The divide between the public and private sector DISCOMs is deepening.

The **State-owned DISCOMS** are not able to pay their dues to power generating companies, the payments to coal miners are also delayed. This, in turn, affects the **financial stability** of the entire power chain. All the bailout attempts to rescue state-owned DISCOMS have actually increased the burden on the **public exchequer, without any improvement in DISCOM's position**.

Notwithstanding various schemes to turn around their finances, the total debt of all DISCOMS put together stood at Rs 5.14 lakh crore at the end of 2019-20. If state governments were to infuse funds to clear their dues to generating companies and structure another bailout package, then the state's fiscal situation will further worsen.

9 PM Compilation for the Month of July, (Fourth Week) 2022

Other possible challenges in the path of improvement in the fiscal situation

In the coming period, State-owned DISCOMS consumers will be limited to only subsidised connections, largely agricultural and low-income households. The reasons are as below:

(1) Due to high tariffs charged by the DISCOMS on **industrial and commercial consumers**, most of the industrial units have already shifted towards other **low-cost alternatives** like a captive and solar power.

(2) Recently, the **Union Ministry of Power** has also reduced the threshold for green energy open access.

This would mean that DISCOMS losses will rise as **cross subsidisation** from commercial and industrial consumers will decline, increasing their dependence on state subsidies.

Therefore, the government should address its control over critical aspects of India's energy sector and shift to reforms like **market-determined prices**. This will tackle the twin deficits discussed above.

29. Post-pandemic surprises and where the Indian economy truly stands today

Source: The post is based on an article "**post-Pandemic surprises and where the Indian Economy truly stands today**" published in the **Business Standard** on **29th July 2022**.

Syllabus: GS 3 Issues and Challenges Pertaining the growth and development of the Indian Economy

Relevance: Macroeconomic Performance

News: Recently, the **International Monetary Fund (IMF)** has released its quarterly update of its World Economic Outlook. The report talks about 30 highlighted countries, which has performed best during the pandemic, the subsequent recovery, and the period beyond — i.e., the period starting from 2020, stretching to this year (2022), as well as incorporating the outlook for 2023?

What are the findings of the report?

- (1) **Turkiye's** average annual growth in the period of 2020-23 has been put at 5%. It has emerged as an outstanding performer, in terms of economic growth, after the pandemic hit.
- (2) China's average growth in 2020-23 has been put at 4.55%,
- (3) Egypt's average growth in 2020-23 has been put at 4.3%.
- (4) India comes fourth with 3.9%, followed by crisis-hit Pakistan, with 3.6%.

What are the IMF's projections about the Chinese Economy?

China would be having a **multi-decade low growth rate**. The possible reasons are:

- (1) At present, the country is facing the problem of **shrinking working-age population**.
- (2) China is facing problems in the real estate and financial sectors, which may affect its overall **macro-economic performance**.
- (2) China may find it difficult to continue with its **export-led growth** due to increasing diplomatic hostility from the Western world.

What does it say about the Indian Economy?

(A) History of India's rapid growth

9 PM Compilation for the Month of July, (Fourth Week) 2022

There are only **two five-year periods** when India recorded rapid growth. These are:

(1) Period from 2003-04 to 2007-08: At that time the global economy was facing a lot of issues, but India benefited from rapid export growth.

However, it was followed by sharp slowdowns, caused by a financial crisis of 2008.

(2) Period 2014-19: Indian benefitted from falling and low crude oil prices.

However, it was followed by sharp slowdowns, caused by the novel coronavirus pandemic. India's growth has averaged 1.9% in the last three financial years.

(B) The IMF's projections about the Indian Economy

India did poorly in the first pandemic year, here referred to the **fiscal year 2020-21**. Subsequently, India was one of the fastest recovering economies.

As per the IMF's projections, India's average growth would be at 6.8% for the next two years. Therefore, the Indian economy is set to be **the fastest-growing economy** among the select list of 30 countries. In fact, many multilateral and private forecasters projected India's **medium-term growth** at 7-8%.

What are the challenges ahead in front of India?

Global Constraints: The global environment may encounter problems like possible stagflation in countries around the North Atlantic, military conflict, supply disruptions among other issues.

Domestic constraints: Following factors will make expansionary fiscal and monetary policy difficult for India.

- (1) The fiscal deficits of the Centre and states together is double-digit in relation to GDP,
- (2) There is a growing current account deficit, and
- (3) There are high levels of public debt when interest rates are rising.