

**9 PM**

**Compilation**

**June, 2022**

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

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# General Studies Paper – 1

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## **URBAN PLANNING AND RELATED ISSUES**

### 1. **Urban agriculture can help make cities sustainable and liveable**

**Source:** The post is based on an article “**Urban agriculture can help make cities sustainable and liveable**” published in the **Indian Express** on **04<sup>th</sup> June 2022**.

**Syllabus:** GS1- Urbanization

**Relevance:** Urban Land-Use Planning (ULP), Urban & Peri-Urban Agriculture(UPA)

**News:** Recently, the **Union finance minister** wished to make India cities “centres of sustainable living with opportunities for all”.

The FM argued for a **paradigm shift** in **urban planning** with announcement to set up a **high-level committee** to steer the required changes in **urban policy**, planning, capacity building and urban governance

**What are the problems being faced by India, especially urban areas?**

#### **Overall**

The **soaring temperatures** have adversely affected **health**, caused a dip in **agricultural production**, and also **dried up rivers**.

The impacts of **climate change** are being felt across the country, especially in climate-vulnerable zones and cities.

India is estimated to host **50 per cent** of its population in cities by 2050. The cities are facing heat waves due to the **urban heat island effect**, and **ill-conceived urbanisation**.

The **urban planning** in India is out of step with growth. It is **ill-equipped** to deal with the existing gaps including the upcoming climate change.

#### **Importance of urban and peri-urban agriculture (UPA)**

The Food and Agricultural Organisation’s (FAO) recognises **urban and peri-urban agriculture (UPA)** as a significant contributor to food security; livelihood generation, especially for women; poverty alleviation; and urban resilience and sustainability.

Urban areas house at least 55% of the world’s population and consume 80% of the food produced globally. The urban population is expected to double by 2050. Thus, UPA is a key to achieving **sustainable food systems**.

#### **Good Cases of the UPA vis-à-vis ULP in the Ghaziabad district:**

There are few areas which reflect the **planned expansion of cities** into **surrounding rural areas**,

(1) The **Ghaziabad city’s masterplan** area -the **total agricultural green space** has **far exceeded** the area designated in the masterplan. The plan included UPA as the most significant type of GI for either urban development or formal green spaces (park, city forest, green buffer etc.), (

2) In the **Loni masterplan area** – total **agricultural land-use** surpassed the area earmarked in the **masterplan**.

(3) In the **Modinagar masterplan area**, a “**model**” **peri-urban village** is found to have 50% of its area covered under UPA, showing little change over years.

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### What are the challenges?

The existing pattern of **urbanisation/industrialisation** that prevails in the **peri-urban villages** or peri-urban areas are of great concern. The pattern is making these areas to become **polluted** and **unhealthy** in the coming future.

The challenges are very pro in the **endogenous or “subaltern” urbanisation**. Expanding cities and “census towns” forms a major substrate of the current process of “urbanisation” and urban growth in India.

The **urban land-use planning (ULP)** in Indian cities doesn't focus on agriculture. Agriculture is seen as a predominantly rural practice and source of livelihood.

### Way Forward

The role of **green infrastructure (GI)** is important for combating pollution, climate mitigation and adaptation. It also entails health and recreational benefits.

There is a need to focus on **urban land-use planning (ULP)**, especially **urban and peri-urban agriculture (UPA)** which is one of the essential elements of **sustainable urbanisation**.

India's **Urban and Regional Development Plans Formulation and Implementation (URDPFI) guidelines** mention Green Cities under the **urban planning approach**. The Green Cities have advantage of preventing the damage to productivity of agricultural land.

There is a need for a paradigm shift in urban planning. The ULP must prioritise estimation of **waste management capacity**, build infrastructure for it and regulate **industrial installations** to this capacity.

This requires adequate political will for aspects like **financial inputs** to fund-starved urban administrations and **enforcement of regulations** for curbing violations of environmental norms.

The incorporation of UPA into ULP will enable support in achieving **urban food security** and even a **circular bioeconomy**. This can lead to developing **healthy** and **sustainable cities** for all.

## GS1 – SOCIETY – WOMEN RELATED ISSUES

### **ADOLESCENT GIRL POPULATION AND RELATED ISSUES**

#### 2. **The health of adolescent girls is a vital aspect of our growth story**

**Source:** The post is based on the article “**The health of adolescent girls is a vital aspect of our growth story**” published in **Live mint** on **30<sup>th</sup> May 2022**.

**Syllabus:** GS2 mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections.

**Relevance:** To understand the challenges faced by adolescent girls and its solutions.

**News:** According to the UNICEF, 23 million girls drop out of school every year when they start menstruating, and 102 million girls are married off before the age of 15 in India. Further, 54.1% of adolescent girls, aged 15-19, are anaemic, with a slightly higher incidence in rural areas.

**Read more:** [State of adolescent learning](#)

What are the potential challenges faced by adolescent girls?

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**An inter-generational cycle of poverty:** When an anaemic teen girl gets drop-out of school and becomes a teen mother, most likely with an infant with higher morbidity. It is worse if she delivers a girl child. She will have no voice against domestic violence, and discrimination and have a lack of opportunity for her and her daughter. Thus, the vicious cycle of poverty is inherited by the next generation.

**Government schemes focus on welfare alone:** The government has launched various flagship programmes, such as [Beti Bachao, Beti Padhao](#), [Poshan Abhiyaan](#) and Rashtriya Kishor Swasthya Karyakram. These programmes focus on the education and health of girls and women. However, the focus of most schemes remains largely on welfare and not on sustainable solutions.

**Entrapment in multiple channels:** The government offers many schemes and beneficial programmes, beneficiaries usually get stuck and are not able to avail what has been constructed for their benefit.

For instance, Women's reproductive health and access to micronutrients resides with the National Health Mission, vocational skilling with the district's skilling centre, and education with the education department.

**Read more:** [Why should India invest in its adolescent population? New study has an answer](#)

What should be done to address the challenges faced by adolescent girls?

**Create sustainable solutions:** The government must build collaborative, multipronged approaches to address deep-rooted mindsets and discriminatory societal norms.

**Hyper-local role models:** Various non-government organizations are innovating ways to address gender discrimination and create role models for local young women to spark a mindset change within communities. Hence, the government need to promote hyper-local role models.

**Increase the participation of men:** Men who want to come forward need to emerge within local communities as advocates of a woman's fundamental rights. So that young women emerge with their support.

**Conduct adequate research:** Research forms the bedrock of behaviour change programmes. The government and not-for-profit players can leverage research for behaviour transformations across India and implement focused interventions at the last mile.

**Read more:** [Challenges faced by Teen Age Girls in India](#)

India needs to change the deep-rooted practices that act as barriers to empowering adolescent girls. Because by empowering adolescent girls, an entire nation can be empowered within this decade.

GS1 – SOCIETY – WOMEN ISSUES

### **SURROGACY ACT AND RELATED ISSUES**

#### 3. [The debates around the Surrogacy Act](#)

**Source:** This post is based on the article “**The debates around the Surrogacy Act**” published in **The Hindu** on **7th June 22**.

**Syllabus:** GS1 – Women issues

**Relevance:** Surrogacy and related issues

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**News:** Petitioners in the Delhi High Court questioned why marital status, age, or gender were the criteria for being allowed to commission or not commission surrogacy in India.

The female petitioner said that she already had a child, but the trauma of the first childbirth experience and her need to juggle work with child care persuaded her that surrogacy would be a better option for the second child. But under the provisions of the Surrogacy Act, she was denied a chance at commissioning surrogacy.

### What is the Surrogacy Act?

The Surrogacy (Regulation) Bill was introduced in Parliament in November 2016, and passed in the Winter session of Parliament in 2021.

The **Act sought to regulate the surrogacy** part of a rather flourishing infertility industry in the country.

It defines 'surrogacy' as a practice where a woman undertakes to give birth to a child for another couple and agrees to hand over the child to them after birth,

The Act allows '**altruistic surrogacy**' — wherein only the medical expenses and insurance coverage is provided by the couple to the surrogate mother during pregnancy. No other monetary consideration will be permitted.

As per the Surrogacy Act that kicked in from January this year, a married couple can opt for surrogacy **only on medical grounds**.

The law defines a couple as a married Indian "man and woman" and also prescribes an age-criteria with the woman being in the age group of **23 to 50 years** and the man between **26 and 55 years**.

Additionally, the couple should not have a child of their own.

Though the **law allows single women to resort to surrogacy**, she should either be a **widow** or a **divorcee**, between the age of 35 to 45 years.

**Single men** are, however, **not eligible**.

### Why is there a need for a Surrogacy Act in India?

India has emerged as a **hub for infertility treatment**, attracting people from the world over with its state-of-the-art technology and competitive prices to treat infertility.

Soon enough, due to **prevailing socio-economic inequities**, underprivileged women found an option to 'rent their wombs' and thereby make money to take care of their expenses.

Once information of the availability of such wombs got out, the **demand also picked up, and exploitation of these women began**. Several instances began to emerge where women, in often desperate straits, started lodging police complaints after they did not receive the promised sum.

Other issues also began to crop up. **For instance**,

– in 2008 a Japanese couple began the process with a surrogate mother in Gujarat, but before the child was born they split with both of them refusing to take the child.

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– in 2012, an Australian couple commissioned a surrogate mother, and arbitrarily chose one of the twins that were born.

The time therefore, was ripe for proper regulation.

### Who all are allowed to make use of the services of a surrogate mother?

Any couple that has '**proven infertility**' are candidates.

The 'intending couple' as the Act calls them, will be eligible if they have a '**certificate of essentiality**' and a '**certificate of eligibility**' issued by the appropriate authority.

– The **certificate of essentiality** will be issued if the couple fulfills three conditions: **a)**, a certificate of infertility of one or both from a district medical board; **b)**, an order of parentage and custody of the surrogate child passed by a Magistrate's court; **c)** insurance cover for the surrogate mother.

### Who can become a surrogate mother?

Only a **close relative of the couple** can be a surrogate mother, one who is able to provide a medical fitness certificate. She should have been married, with a child of her own, and must be between 25 and 35 years, but can be a surrogate mother only once.

GS1 – SOCIETY – URBANISATION

## URBAN PLANNING AND RELATED ISSUES

### 4. Urban mining

**Source:** This post is based on the article "Urban mining" published in the **Business Standard** on **7th June 22**.

**Syllabus:** GS1 – Urbanisation

**Relevance:** Tackling the problem of Construction and Demolition Waste (C&DW)

**News:** In late April, the Municipal Corporation of Gurugram angrily ordered its officials to find out who dumped "*malba*" — the Hindi word for Construction and Demolition Waste (C&DW) on either side of the Gurugram-Faridabad road.

Frameworks to tackle C&DW already exist. Implementation needs to be improved.

What are the causes behind C&DW?

C&DW is generated from

- a)** construction,
- b)** renovation,
- c)** repair, and
- d)** demolition of houses, large building structures, roads, bridges, piers, and dams.

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### What is the utility of C&DW?

C&DW comprises wood, steel, concrete, gypsum, masonry, plaster, metal, and asphalt. The C&DW comprising cement mortar, stone, red bricks and concrete blocks undergoes screening, crushing and washing.

– It can then be processed to **produce usable building materials** such as fine aggregate, coarse aggregate, bricks/blocks, tiles, paver blocks, kerbstones and prefab slabs.

Aggregates made from this type of waste can substitute natural aggregates in a number of applications like road construction, landscaping and concrete production. This helps **save natural resources** and **minimize the waste** sent to landfills.

Effective management of C&DW helps in **curbing excessive consumption of natural resources** and contributes to sustainable development.

– **For example**, the demand for sand more than doubled between 2010 and 2020. In India, river sand is primarily used for construction. Increasing demand, constrained availability and limited government oversight have given rise to a thriving illegal trade in sand. **Manufactured sand** from C&DW provides an environmentally sustainable alternative.

Since almost 60% of the stock of buildings projected to be there in 2030 is yet to be built, effective management of C&DW, and therefore “greener construction” assumes even greater significance.

### What are the associated challenges?

**Insufficient recycling capacity:** India generates an estimated 170 million tonnes of C&DW every year, according to the Building Material Promotion Council. But the official recycling capacity is a meagre 6,500 tonnes per day — just about 1%.

– The processing and recycling of C&DW in India is limited to **only four operational plants** — three in Delhi and one in Ahmedabad.

**Rules not implemented:** Construction & Demolition Waste Management Rules were notified in 2016 and apply to all involved with C&DW.

– For example, the rules require state government and local authorities to procure and utilize 10-20% of material made from construction and demolition waste in municipal and government contracts. This is **not implemented at all**, as is evident from anecdotal evidence.

### What steps need to be taken?

To address appropriate C&DW utilisation, elements of the existing policy framework need to be revisited.

The concrete and cement industry should **start embedding circularity within their operations** i.e. using recycled C&DW by reducing its dependence on natural aggregates and raw materials.

But in order to increase higher utilisation of C&DW in concrete and cement, a **fresh set of norms** are needed.

– The Bureau of Indian Standards (BIS) needs to **review many of the current specifications** it mandates for C&DW usage in cement and concrete.

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– In public works programmes too, usage can be allowed to increase from 20 per cent to higher levels of 30-50 per cent.

[What is the regulatory framework to tackle municipal waste?](#)

**In 2016**, the Ministry of Environment, Forests and Climate Change has provided a regulatory framework for the management of municipal solid waste generated in urban areas of the country. These rules attempt to:

- Improve the collection, regeneration, recycling, treatment and disposal of C&DW in an environmentally sound manner.-
- Emphasise the roles and accountability of waste generators and various stakeholders.

**In March, 2017**, the Central Pollution Control Board followed this up with detailed procedural guidelines on Environmental Management of C&DW.

[Way forward](#)

It is not the lack of official frameworks for managing C&DW. The challenge lies in removing the laxity in their implementation at operating levels. This is now the big change required.

### 5. [Unnatural urbanisation](#)

**Source:** This post is based on the article “**Unnatural urbanisation**” published in the **Business Standard** on **5th June 22**.

**Syllabus:** GS1 – Urbanisation

**Relevance:** Issues related to urban planning

**News:** Recently, a 20-minute thunderstorm in Delhi uprooted many trees, some of them between 40 and 50 years old, throwing the city out of gear for hours. This chaos, caused due to **poor urban planning**, has become a pattern whenever a pre-monsoon storm, with high-velocity winds, hits the city.

Delhi High Court has taken note of this. It pointed out that the **growing concretisation of the city**, without providing trees sufficient breathing space around their trunks, causes their roots to dry out and make them vulnerable to the elements.

Uprooting of old trees causes huge biodiversity destruction, not just of flora but also the birds and insects that have inhabited them for decades.

The lack of eco-sensitive urban planning in India is promoting an ecological and aesthetic disaster — for which Indians will pay in the long run.

[How has unplanned urbanisation impacted Indian cities?](#)

**Chronic annual monsoon floods** in Chennai and Bengaluru: In Chennai and Bengaluru, the **haphazard construction** over surrounding lakes, wetlands, and marshlands has deprived both cities of natural drainage systems, and unique bird and insect life.



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**Shutdown of Mumbai** when the rains intensify: In Mumbai, it's the hectic **horizontal and vertical construction** on mangrove forests and low-lying reclaimed land that has deprived the city of a critical conduit for monsoon rain. It has also contributed to the massive destruction of marine biodiversity.

The cities are **out of sync with nature**. This can be seen most tragically in India's Himalayan and Nilgiri mountains, where Dubai-style glass and concrete jungles are sprouting on fragile and stunning beautiful terrain.

[What is the way forward?](#)

Urbanisation is unavoidable. Hence, it is critical that planners **pay more attention to optimising the environmental balance** with urban development.

Urban bodies need to **promote vertical rather than horizontal development** to contain urban sprawls. **For instance:** the steady encroachment of Delhi on to the Ridge, the city's green lungs, or of Gurugram over the ecologically priceless Aravalli.

Uncontrolled tree felling for various infrastructure projects in all major cities is another issue that can be **approached with greater imagination** than a mindless replanting exercise, which is of limited value.

Insistence on the **use of local, eco-friendly material**.

GS1 – HISTORY – ART AND CULTURE

### **INDIC CIVILISATION**

#### 6. [Musings on 'Indic civilisation' and Indianness](#)

**Source:** The post is based on an article **"Musings on 'Indic civilisation' and Indianness"** published in the **"The Hindu"** on **13<sup>th</sup> June 2022**.

**Syllabus:** GS1 – Salient aspects of Art Forms, literature and Architecture from ancient to modern times

**Relevance:** To know about India's civilisational heritage

**News:** Contemporary international politics has rendered less significant to cultural influence. The modern indices of strategic thinking, economic interests, and geopolitical affinities have gained more prominence than the cultural aspects. But India must treat Indic civilisation as a matter of pride.

[How Indic Civilization is different from geographical and geopolitical India?](#)

**Geographical idea of India:** This includes the subcontinent bordered by the Arabian Sea, the Bay of Bengal, and the Himalayan mountains.

**Geopolitical idea of India:** This include the Republic of India; at its biggest extent, the British Raj as it was in 1914, or more pragmatically, the British India of 1947.

**Indic Civilization:** Civilisational idea of India is much broader than Geographic and Geopolitical ones. These are countries that are 'culturally as much Indian. For instance, in Asia countries such as Myanmar, Thailand, Cambodia, Sri Lanka, Java, Bali, or Sumatra are part of the Indic Civilization.

[What is the composition of Indic Civilization?](#)

The idea of Indian civilisation is not solely comprised of Hindu dharma but also consists of multiple non-Hindu influences (Such as Islam, Buddhism, Christianity, Sikhism, and also British colonial area) that have shaped contemporary Indian civilisation.

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How impactful is Indic civilization in South East Asia?

To this day, **a)** The kings of Thailand are crowned in the presence of Brahmin priests; **b)** the Muslims of Java still bear Sanskritised names, despite their conversion to Islam; **c)** Garuda is Indonesia's national airline, and Ramayana its best-selling brand of clove cigars; **d)** Even the Philippines has produced a pop-dance ballet about Rama's quest for his kidnapped queen.

**e)** Many Southeast Asian countries also mirror the **idea of a 'sacred geography'**: the **old Thai kingdom of Ayutthaya** derived its name from the Indian Ayodhya, **f)** Since 1782, Thai kings are still named Rama in continuation of the Ramayana tradition; the current monarch, Vajiralongkorn, is styled Rama X. (The Javanese city of Yogyakarta in Indonesia is also a transliteration of Ayodhya).

**Indic Civilization in Cambodia**

Hinduism was brought to Cambodia by merchants and travellers more than a millennium ago. It has long since disappeared, supplanted by Buddhism. But at its peak, Hinduism profoundly influenced the culture, music, dance, and mythology of the Cambodian people. The 16th century saw Hindus and Buddhists worship side by side in adjoining shrines within the same temple complex.

Cambodia is indeed the last outpost of Indic civilisation in a world increasingly overrun by the forces of Chinese culture.

Angkor Wat, Cambodia has exquisite sculptures from Ramayana and the Mahabharata tales.

**What should be done to preserve Indic Civilization?**

Indians should treat Indic's civilisational heritage as a matter of pride, and not of parochialism; as a heritage that unites, rather than divides one Indian from another.

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

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

**Syllabus:** GS1 – Society – Women related issues

**Relevance:** Gender pay gap and related issues

**News:** Prevailing gender pay gap in developed and developing economies

What is the situation wrt gender pay inequity?

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

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

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

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

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

**India's case**

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As per the Oxfam report of 2019

- The country's gender pay gap is about **34%**.

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

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

What are the reasons behind the inequity?

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

Should gender pay gap be fixed?

Yes.

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

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

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

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

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

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

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

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

Way forward

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

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

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

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

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

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

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

What are the characteristics of ongoing floods?

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

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

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

What is the reason for changing the monsoon pattern?

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

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

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

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

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

The total amount of rainfall is expected to increase by 7-10% for every 1°C rise in temperatures.

The extreme rainfall events are also projected to increase proportionally over South Asia.

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

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

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

What should be done?

**a)** The countries need to disaster-proof every district and village of South Asia and make them climate-resilient, **b)** Make houses and farms for both droughts and floods, **c)** Policies should be

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framed so that they help to redesign cities and prepare rural areas for intensifying cyclones, floods and heatwaves.

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

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

**Syllabus:** GS1 – Indian Society

**Relevance:** Communalism; Fundamental Rights of Minorities;

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

#### **About India’s Minority**

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

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

#### **Some happenings in a related context**

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

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

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

#### **What are the Consequences?**

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

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

#### **What are the challenges?**

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

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

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

#### **What are the ultimate causes behind?**

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

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

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

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

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

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

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

### **Way Forward**

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

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

### 10. The head and heart of secularism

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

**Syllabus:** GS1 – Secularism

**Relevance:** Secularism

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

### **The French model of secularism**

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

### **India's Secularism Model**

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

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

### **Issues of Indian Model of Secularism**

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

### Decoding the Indian Secularism

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

### Case of banning of cow slaughter

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

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

### Others cases

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

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

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

### Case of Burqa and Hijab

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

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

### Way Forward

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

### 11. [The duality of India](#)

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

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

**Relevance:** North and South Divide

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

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

- (1) **Demonetization Period:** In **North India**, there were long queues of customers at banks waiting to exchange old currency notes. The traders were reluctant to accept online payments at the place of cash. However, in **South India**, there were hardly any queues outside banks. In fact, the shopkeepers accepted online transactions instead of pushing for cash payment etc.
- (2) **2020 & 2021 Farmer's Protest Period:** It was largely restricted to Punjab, Haryana, Uttar Pradesh and Bihar. However, South Indian Farmers ignored the new laws on agriculture.
- (3) **Agnipath Protest:** The protests are largely concentrated in the north Indian states.
- (4) **1975 Emergency Period:** The states in south India responded in a completely different way than those in the north.

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

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

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

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

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

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

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

### What are the possible implications of this scenario?

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

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

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

### The Way Forward

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



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

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

**Syllabus:** GS1 – Urbanisation

**Relevance:** Defining an urban area and related issues

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

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

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

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

Why defining urban areas is necessary?

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

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

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

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

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

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

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

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

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

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

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

How the Census defines an urban area?

According to the census definition, a habitation is classified as urban (excluding municipalities, corporations, cantonment boards, and notified town area committees) if it has **a)** a population of

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at least 5,000 people, **b)** at least 75% of the male working population employed in non-agricultural pursuits, and **c)** the population density is at least 400 people per square kilometre.

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

What are various constitutional provisions related to the issue?

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

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

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

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

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

What are the Urbanization trends in India?

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

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

This is only expected to grow with the next Census.

### [13. Rewriting 'old history' for a New India](#)

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

**Syllabus:** GS 1 India History; GS 2 Education

**Relevance:** Education Reforms

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

#### **Objective**

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

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

As per the Report, school textbooks share a single narrative across millions of students through the multitude of diversity. Therefore, it proposes to delete various facts. For example, to delete

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the history of the practices at the Akbar's court like the translation of Sanskrit texts such as the *Ramayana*, the *Mahabharata*, and the *Rajatarangini* into Persian, etc.

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

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

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

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

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

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

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

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

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

### **The Way Forward**

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

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

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# General

# Studies

# Paper – 2

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## **CIVILISATIONISM**

### 1. **The dangerous intellectual fad of 'civilisationism'**

**Source:** The post is based on an article “**The dangerous intellectual fad of civilisationism**” published in the **Indian Express** on **04<sup>th</sup> June 2022**.

**Syllabus:** GS2 – International Relations

**Relevance:** Civilizationism , Nationalism

**News:** At present, the big nations are using **civilisational rhetoric** to rebrand the nations.

The leadership from India, China, Russia, Turkey, and Iran have made statements that their countries are **civilisations** and **not nation-states**.

In fact, the Russian President has stated that “**Russia is not just a country, it's really a separate civilisation**”. It means the Russian world is not limited to the geographical borders of Russia and it refutes the claim of Ukraine being a real state.

#### **About the Civilisationism**

The **civilisation-state** is being presented as a balancing idea to the **nation-state**. It is expected that civilisationism to transcend nationalism.

#### **What do these aspirational civilisation-states have in common?**

The **aspirational civilisation-states** are those which are trying to find a middle ground on the Russo-Ukraine war. They are relatively **large countries** that are often described as **middle powers, regional powers**, or even **would-be superpowers**.

The territories of these countries were once home to **ancient civilisations** and **great empires** and **kingdoms** in the pre-colonial era. This is evident from the classical texts that have survived the onslaught of the Western conquest.

In terms of social practices, these countries have continuities with the pre-colonial as evident in the Americas as in countries of the Old World.

#### **Issues in claiming of civilization identity**

**Smaller entities** have also made claims of **civilizational entities**. For instance, the **Naga leader** asserted that Nagas peoples are not Indian. They have their own culture and civilization developed centuries ago, which has stood the test of time.

The civilizations are being utilised in the service of nationalism. The civilisational idea is being used as a **higher order principle** for judging the **nation-state** as a political form.

#### **How civilisationism, like nationalism has its good and bad versions?**

In a 1945 book, Hans Kohn, made a controversial distinction between **Western** and **Eastern nationalisms**. He argued only **Western nationalism** was connected to the **Enlightenment's legacy of the free individual**. But the nationalisms of Central and Eastern Europe and Asia were not.

There are arguments that the **European Union (EU)** may be reconfigured as a civilisation-state. The people living in the EU have a **specific value system** which forms the foundation of Europe's civilisational identity.

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Now, the **national-populist politicians** have given different **European civilisational rhetoric** on the basis of the **European Union (EU)**. The people live in the EU by a **specific value system** which forms the foundation of **Europe's civilisational identity**. These leaders try to define their **country's borders** in **civilisational** and **effectively racial terms** instead of on the lines of **international law**.

– For example, the Europeans maintain a studied silence on race.

### The Way Forward

In **Kalki** or the **Future of Civilisation**, Radhakrishnan wrote, “Before we can build a **stable civilisation** worthy of humanity as a whole it is necessary that **each historical civilisation** should become conscious of its **limitations** and its **unworthiness** to become the **ideal civilisation of the world**”.

When one compares the arrogant civilization talk of today against the state of our planet, Radhakrishnan's appeal to humility becomes compelling. In 1929, when that book came out, Radhakrishnan had reasons to be optimistic about the future of the planet:

Today the earth is facing **climate crisis**, **the ongoing death** due the pandemic, and surge in the **global** and **intra-country inequality**.

Therefore, the civilisationism idea should be adopted and promoted in real sense and the world embraces a new, just, and peaceful form of **planetary politics**.

## RUSSIA – UKRAINE WAR

### 2. [Lessons from the Ukraine crisis price shock](#)

**Source:** The post is based on an article “**Lessons from the Ukraine crisis price shock**” published in the **Indian Express** on **04<sup>th</sup> June 2022**.

**Syllabus:** GS2 – Effects of policies and politics of developed and developing countries on India's interests

**Relevance:** Impact of the Ukraine Crisis on Global Market and Trade

**News:** The Russia-Ukraine conflict will cause **major, long-term shifts** in the **global energy** and **commodity trade**.

### What are the driving factors behind the shift?

#### At Present

(1) The European nations & Other nations (due to western sanctions on Russia) are diversifying their energy supplies. This has been causing **market distortions** and **high prices**.

(2) The disruptions have triggered **inflation**. For example, it has led to increase in the prices of **Crude oil, LNG, fertiliser** and **food**. In addition, markets for several other commodities such as nickel have been disrupted.

(3) It could lead to widespread **financial distress**. For example, In India, the commodity price shock could derail the economy as it recovers from the effects of Covid-19. **Sri Lanka** and **Pakistan** are already facing **economic turmoil** due to high inflation, shortages of necessities and a default on foreign debt. As a result, these countries are also facing **political turmoil**.

#### Other reasons

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Even before the Ukraine conflict, the **oil and gas production** were facing **insufficient investment**. For example, **Norway's sovereign wealth fund**, announced they would no longer invest in traditional fuels — oil, gas, coal.

### What are the upcoming challenges?

There are **uncertainties** on multiple factors — the **duration** of the Ukraine conflict, the **terms** on which it is settled, if it is, and the **response** of the US and its allies, especially on the sanctions.

### What does the future hold?

First, the **European Union's** ties with Russia will continue to be strained. In the immediate term, the EU is trying to source its raw materials viz. oil, natural gas, fertiliser, agricultural goods and metals, from non-Russian sources. This will cause **distortions** and **price spikes** for those commodities in the global market.

Second, the sanctions on Russia are unlikely to achieve the desired political outcome. For example, The US Sanctions on **Iran** and **Venezuela** have failed to achieve the desired political outcome. Further, the restrictions are likely to remain for a long while.

Third, the **emerging world** will remain unwilling and unable to align with the West on the current sanctions. They are facing **high prices** of energy and other commodity inflation. Russia, which used to be their main supplier, is too big to be replaced as a supplier for these countries.

Further, attempts to buy from other countries will only distort the global markets further. It can lead to **public anger** and **political unrest**, as was seen in Tunisia and other Arab countries from 2010 on.

### Way Forward

**Immediate-Term:** the country should collaborate with other similar economies to ensure that Russia doesn't get locked out of **global commodity markets**.

**Long term:** The country must work on insulating its **supply chains** from **global political crises**.

### 3. [Another sanctions package](#)

**Source:** This post is based on the article "**Another sanctions package**" published in **Business Standard** on **1st June 22**.

**Syllabus:** GS2 – International Relations

**Relevance:** Russia Ukraine war and related issues

**News:** The European Union's (EU's) announcement of a joint decision to phase out imports of Russian crude oil has, together with some other developments, shaken up oil markets.

This is the sixth such package of sanctions on entities linked to the Russian Federation by the countries of the EU.

Earlier sanctions have benefitted India, but it should be cautious of its Russian oil purchases.

#### What do the latest sanctions entail?

It would **forbid the purchase of seaborne crude oil** from Russia in six months and of refined products in eight months.

There will also be a **ban on insuring Russian oil shipments** to third countries such as India.

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Both these measures are, however, considerably less stringent than earlier proposed because of strong objections from within the bloc.

The Hungarian government, the most Moscow-friendly in the EU, demanded that **pipeline oil be excluded from any sanctions**. Also, the countries dependent on pipeline oil be allowed to substitute seaborne deliveries of oil if the pipelines were interrupted.

And Greece, famously home to shipping tycoons, demanded that an earlier ban on Russian oil being carried on European hulls be rescinded.

[What can be the potential impact of these sanctions?](#)

There are multiple impacts of this EU agreement on the broader oil market and on India in particular.

The initial impact on crude oil prices was to cause an **immediate appreciation**.

The absence of a ban on pipeline oil means that the **lasting impact on the Russian oil economy has been minimised** since shipments can be diverted elsewhere, including to Indian and Chinese refineries.

The insurance ban might be more difficult to evade, and **might raise logistics prices** noticeably.

**The Saudi alternative:** However, the oil market has multiple other drivers. Since that initial appreciation, prices have trended downwards, driven especially by reports of a breakdown of internal cohesion at “OPEC plus”. The grouping adds Russia and some other large producers to the OPEC. If Russia leaves or is expelled from OPEC Plus, then Saudi Arabia might start pumping out more barrels than are allowed under the current OPEC Plus agreement.

[How have the earlier sanctions benefitted India?](#)

India has been one of the beneficiaries of the Western sanctions on Russian hydrocarbons, picking up oil shipments at an over **30% discount**.

Some estimates suggest that **11-15%** of Russia’s oil sales are going to India. According to some global energy analyst reports, the shipping data suggests that shipments of Urals crude to India have gone up to 900,000 barrels a day this month from just 33,000 barrels a day in February.

[Way forward](#)

**Bargain-hunting** by Indian refineries is a way to ensure that the overall spike in oil prices is not carried through to Indian refiners’ margins, or to the cost of fuel domestically.

Still, there is also a danger if India’s share in Russian exports rises much higher.

Secondary sanctions might still be a distant proposition, but there is a **clear political downside risk** to the refiners upping their purchases of Russian oil further — especially those that are state-owned.

#### 4. [Global food shortages demand an international-level solution](#)

**Source:** This post is based on the article “**Global food shortages demand an international-level solution**” published in **Livemint** on **1st June 22**.

**Syllabus:** GS2 – International Relations – Effects of policies and politics of developed and developing countries on India’s interests

**Relevance:** Global food security crisis due to the Russia-Ukraine war



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**Context:** Food shortages are beginning to cast a shadow over the world. One long-term factor is the warming of our planet, which has slowly destroyed agricultural land.

But the proximate cause of the greatest concern is the **war in Ukraine**. Russian President Vladimir Putin's **Black Sea blockade** is preventing Ukrainian grain and fertilizers from leaving the port of Odessa

A **global agreement on food-stock buffers** is needed to mitigate the sort of scarcity created by today's Ukraine war disruption.

What are the underlying causes of the global price inc of wheat?

**Russian blockade around Ukraine** is one of the causes, but it is not a major one.

– Until 2021, Ukraine exported 8.5% of the world's total wheat. But this should not lead to such a big increase in wheat prices, which can lead to global food shortages and famine that is being seen today. After all, most countries have some buffer stocks and should be able to absorb this shock.

### Major cause

The major cause is the **behavioral response of national and local governments and even of individuals**.

#### **At the global level:**

– When **global policy coordination is poor**, the natural reaction to news of some shortage is to hoard supplies. This is known from studies such as **Amartya Sen's classic work on the 1943 Bengal Famine**.

– Ukraine has halted its wheat exports because it had no option. Other countries have **chosen to stop or curtail shipments**.

- **For instance:** India, for example, announced a virtual ban on wheat exports on 14 May. 26 countries have limited their wheat exports to ensure that they have sufficient supplies for their own citizens.

All this is causing global wheat prices to rise quickly. India's announcement alone triggered a 6% price increase.

#### **At household level:**

A similar phenomenon occurs at the **household level**.

– Once the fear of shortages sets in, people stock up on more food than they immediately need in order to guard against a full-blown crisis. Yet, these small actions by millions of people, along with local and national government policies, can end up causing crisis.

**The same thing has earlier happened with vaccines:** Countries acquired far more doses than they needed, in order to guard against the possibility of a future shortage. Such hoarding explains some glaring global inequities in access to covid vaccines.

What needs to be done?

Behavioral responses, as discussed above, are inevitable. Thus, there's nothing that can be done about it.

But through **collective action**, the world can overcome shortages that the market cannot fix.

– A system of **global buffers** or an **international agreement**, that countries with a surplus must help others during times of scarcity, would go a long way toward solving much of the problem.

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Just like the deposit insurance put an end to bank runs, **most people would stop hoarding** once they had confidence that this system worked, and that in itself would help avert a crisis. **For instance:** a national PDS and the 2013 National Food Security Act. With a sophisticated system of minimal food guarantees in place for three decades, the psychology of hoarding at the household level has diminished, which in turn has diminished the need to hoard.

### Way forward

Despite recent hiccups, the march of globalization will not end. Hence, we must try to establish minimal global conventions and agreements to prevent it from harming the most vulnerable

GS2 – POLITY – INDIAN CONSTITUTION

### **PERARIVALAN'S RELEASE**

#### 5. **A judicial course that calls for introspection**

**Source:** The post is based on an article “**A judicial course that calls for introspection**” published in the “**The Hindu**” on **1<sup>st</sup> June 2022**.

**Syllabus:** GS2 Important Provisions of the Constitution of India, Constitutional bodies

**Relevance:** The Governor's Power of Pardon, Remission etc. (Article 161)

**News:** Recently, the Supreme Court of India ordered the release of A.G. Perarivalan, a convict in the Rajiv Gandhi assassination case.

#### **About the Case**

The Governor had not taken a decision on the recommendation of remission by the State Cabinet for a long time.

After **sitting over the recommendation for more than two years**, the Governor eventually referred the matter to the President of India for his decision.

The Court has invoked the extraordinary constitutional route under Article 142, for grant of remission and consequent premature release, in order to do ‘complete justice’ in the case.

#### **Arguments in favor of the decision**

The decision has been hailed by some major political parties as a blow for **federalism**.

In **Sriharan's case** (2016), the court held that murder under Section 302 in the IPC falls within Lists II and III (State and Concurrent lists) of the Seventh Schedule to the Constitution. Therefore, the State was fully empowered to take a call and recommend remission in this case.

In the present case, the court held that it was a simple murder attracting **Section 302** of the IPC. Therefore, the Governor's decision to forward the recommendation to the President is against the letter and spirit of Article 161. Thus, it was against the spirit of federalism.

#### **Why does the court's decision to do expedient justice demand a constitutional call for introspection?**

The decision has stirred up questions on **constitutionality** of the decision in the context of Article 142.

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It seems to be a violation of the **separation of powers** viz. Executive and Judiciary. In the case, the Court's bench has exercised the power which was exclusively conferred on the President of India and State Governors under Articles 72 and 161.

In **Sriharan's case** (2016), the court held that the term '**consultation**' stipulated in Section 435 Cr.P.C. implies '**concurrence**' of the Central government. The remission would have **trans-border ramifications** and also a **central agency** was involved.

The entire investigation of the crime was by the Central Bureau of Investigation (CBI) alone.

There are limits on the **Governor's competency** (under Article 161), to grant pardon or remission in respect of the offences committed under the Arms Act, 1959, the Explosive Substances Act, 1908, the Passports Act, 1967, the Foreigners Act, 1946, etc.

The court's reasoning in the present case amounted to **reductionism** and **oversimplification**. This is because the case involves commission of the heinous offence against the Indian state, trans-border repercussions and the integrity/security of the country.

The Bench of the SC invoked **Article 142** of the Constitution to usurp the power of the Governor (another pillar of democracy) expressly conferred by Article 161 of the constitution on the Governor alone.

The Constitution itself does not lay down any **timeframe** for the Governor to act on the advice of the Council of Ministers. Therefore, this cannot be ground for the court's decision for remission.

In such a case, a **long consultative process** was imperative due to filing of several litigations.

The Tamil Nadu State Assembly resolution and the consequent Cabinet recommendation was to '**respect Tamil sentiment**'. This ignores the sentiments of the victims of the crime

### Way Forward

The verdict deserves a relook in the context of the Constitutional angle.

In **Rajbala vs State of Haryana (2016)**, the SC wrote, "A judge should always bear in mind that erroneous and fallacious exercise of discretion is perceived by a visible collective i.e., We The people".

The SC should also pay heed to the distressed cries of the real and imperceptible victims while evolving **principles of constitutional moralism** and **justice dispensation**.

GS2 – POLITY – JUDICIARY

### DEATH PENALTY AND RELATED ISSUES

#### 6. [The challenge of reforming death penalty sentencing](#)

**Source:** The post is based on an article "**The challenge of reforming death penalty sentencing**" published in the "**The Hindu**" on **02<sup>nd</sup> June 2022**.

**Syllabus:** GS2 Important Provisions of the Constitution of India

**Relevance:** Death penalty and Fundamental Rights

**News:** Recently, the Supreme court, in *Manoj and Ors. vs State of MP*, has acknowledged that there is an **intense** and **persistent crisis** in the fairness of administering the death penalty in India.

### Legality of the Death Penalty in India

In *Bachan Singh vs State of Punjab* (1980), the court upheld the constitutionality of the death penalty.

The court greatly emphasised '**individualised sentencing**' and called upon courts to consider the 'crime' and the circumstances of the accused.

### What are the issues involved?

There are issues around the **procedural fairness** of the **imposition** of the death penalty.

Since *Bachan Singh* judgment, there are disagreements on, (1) which case warrant the death penalty, and (2) whether the nature of information about the accused is relevant for sentencing.

A vast majority of prisoners are poor, and the quality of their legal representation has been poor. Therefore, their **sentencing information** are not collected appropriately. Very little is known about the accused while sentencing.

Since September 2021, the Supreme Court has delivered judgments in 10 cases. The judgments resulted into three acquittals in one case and commutations in the rest.

The court has been particularly concerned over the **lack of information** about the accused. The information is central for a **fair sentencing process**. No relevant information about the accused person enters the courtroom during the sentencing phase.

There is a **pervasive arbitrariness** in sentencing procedures that impose the death penalty.

### Importance of the *Manoj* judgment

The court has called for reports of the probation officers, prison officers and mental health professionals.

The court has also taken important steps towards realising an '**individualised sentencing enquiry**' that was envisaged by the court in *Bachan Singh* 42 years ago.

The court has indicated a shift towards an **evidence-based inquiry** while sentencing. If a person has been found guilty, the court would take expert opinions and study reports from a wide range of disciplines, before sentencing the guilty person.

The scope of **mitigating factors** has been broadened by the Supreme court. The court has acknowledged **pre-offence details** such as **socio-economic status**, education, family background and also **post-offence details** such as the conduct of the prisoner in prison as the mitigating factors while sentencing an accused in a case.

Now, it is believed that past social histories, behaviours and life circumstances of the accused is a product of a complex interplay of personal and environmental factors.

The life circumstances of an individual can help determine punishment. It would require an **individual's life choices** and **moral culpability**.

**Life-history approach:** it provides a framework to understand the life circumstances of an individual as interconnected to each other.

(1) **Socio-economic circumstances** are understood like how poverty impacts an individual's access to housing, education and health care, which subsequently impacts and shapes their **life choices**.

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(2) Family background: Any history of violence or neglect (also known as remote factors or experiences) or other negative experiences can shape an individual's character and affect their actions as adults.

### The Challenges

The **traditional checklist-based approach** of presenting mitigation deviates from the requirements of **individualised sentencing**. This deviates from the most fundamental principle of the criminal justice system.

The courts are not equipped courts to understand rich information of **non-legal expertise** into courtrooms,

### Way Forward

The procedure adopted by the **Supreme Court** while sentencing death penalty should be followed by lower courts

The courts need to equip themselves to appreciate the evidence so presented.

There can be **conflicting findings** in reports and opinions presented to the court during sentencing. Therefore, the courts must not be constrained by the confines of the evidence act in capital sentencing.

The decision in *Manoj* can lead to more meaningful and **informed sentencing inquiry** and ensuring **procedural fairness** for those under the sentence of death.

GS2 – POLITY – FUNDAMENTAL RIGHTS

### **SEDITION LAW IN INDIA**

#### 7. [The sedition law must go](#)

**Source:** This post is based on the article “**The sedition law must go**” published in **The Indian Express** on **1st June 22**.

**Syllabus:** GS2 – Fundamental Rights

**Relevance:** Sedition law in India and related issues

**Context:** Recently, the Supreme Court directed the Union government and the states to refrain from using the law of sedition. In addition, the Supreme Court has also kept all previous cases under Section 124A of the IPC in abeyance till the matter is reconsidered in a comprehensive way.

Hence, it will be inappropriate to continue its use while the Supreme Court is re-examining its constitutionality.

[What are the various court decisions regarding Section 124A?](#)

**Bal Gangadhar Tilak's case (1897):** The Privy Council declined to grant permission to appeal against an order of conviction and sentence by the High Court of Bombay.

– The council affirmed that “disaffection” only meant “absence of affection in any degree towards the British rule or its administration or representatives”, and that exciting of mutiny or rebellion or actual disturbance of any sort was “absolutely immaterial”!

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**Niharendu Dutt Majumdar And Ors. vs Emperor:** The Federal Court held that if the language of Section 124A were to be read literally “it would make a surprising number of persons in India guilty of sedition and that no one however supposes that it is to be read in this literal sense”.

– It then declared that “the gist of the offence was public disorder or the likelihood of public disorder” (AIR 1942 FC 22), the decision in Tilak’s case remained unnoticed.

In 1947, the **interpretation of Section 124A was reiterated by a Bench of five judges of the Privy Council** in which it was declared that the Federal Court had proceeded on an “entirely wrong construction of Section 124A, and if the Federal Court had given their attention to Tilak’s case (1897) they should have recognised it as an authority... by which they were bound”.

With the advent of the Constitution of India on January 26, 1950, **this interpretation of Section 124A became “the law in force immediately before the commencement of the Constitution”**. It continued unaltered only because of the operation of Article 372 of the Constitution.

– Article 372 stated that all laws in force in the territory of India immediately before the commencement of the Constitution shall continue in force therein until altered or repealed or amended by a competent legislature or other competent authority.

**In 1955, the Supreme Court** held that the words “laws in force made by a legislature or other competent authority in the territory of India” in Article 13(3) of the Constitution could **only mean a legislative authority**.

**In 1962, a Constitution Bench of the Supreme Court** held that though Section 124A “clearly violated” the fundamental right to freedom of speech and expression in Article 19(1)(a), it was not unconstitutional only because it was protected from challenge by the words “in the interests of public order” in Article 19(2).

GS2 – GOVERNANCE – ISSUES RELATED TO MGMT AND DEV OF EDU

### **HIGHER EDUCATION AND RELATED ISSUES**

#### 8. **New India needs free and quality higher education**

**Source:** The post is based on an article “**New India needs free and quality higher education**” published in the “**The Hindu**” on **04<sup>th</sup> June 2022**.

**Syllabus:** GS2 Social Sector; Education Sector

**Relevance:** Higher Education Reforms

**News:** New York University’s NYU Grossman School of Medicine has become the first major American medical school to announce that it will pay the tuition fees for all its students admitted in its MD programme, regardless of their financial needs, from the 2021–22 academic year.

#### **The Nordic Model**

The Nordic countries — Denmark, Finland, Iceland, Norway, and Sweden – provide **free higher education** to their people.

In fact, Finland, Norway, Iceland, and Germany also do not charge tuition fees from international students. Many of them have consistently resisted attempts to impose fees.

#### **Importance of Free Education as learned from the Nordic Model**

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It ensures that students receive **high quality education** in the streams that they desire. This does not compel them pursue streams to earn highly so as to repay their student debt.

It ensures **equal opportunities** to all the sections of the society in the education system. For example, it promotes gender equality and assists students from lower socioeconomic categories to gain access to higher education.

The Nordic countries figure in the top of **the world happiness index**. For example, as per the World Happiness Index 2022, Finland ranked at No.1, Denmark at No. 2, Iceland at No.4.

### What are the issues in Indian higher education?

There is an increasing demand for quality education and research in leading universities in India.

In India, the burden of **tuition fees** in **professional courses** is becoming unbearable. This has reduced **professional education** to a commodity rather than the noble service that it ought to be. The meritorious students are deterred from pursuing their degrees from **world-class universities**.

Educational loans have led to **mounting debt**. It will cripple the economy of development and public welfare.

### What are the implications of a commercialized education system?

If students pay for education, they would be forced to earn from the degrees they acquire.

High fees make a profession become a privilege to earn rather than a privilege to serve and excel. For example, as per the NYU, "**overwhelming student debt**" is reshaping the **medical profession** which is bad for **the health-care system**. The debts prompt graduates to pursue **high-paying specialties** rather than careers in family medicine, paediatrics, and obstetrics and gynaecology.

### Way Forward

A **university system** should foster an environment of learning in which world-**quality education** can be provided without **taxing learners** with the **burden** of **tuition fees**.

Education is a **noble service** and an investment to charter a **bright future** for humanity.

The **NYU initiative** and **the Nordic Model** should inspire many other leading universities to consider and value the **student's intellectual acumen** rather than **financial investment**.

There is a need for reviving **philanthropy** and **community support** for higher education in India. For example, Corporates, generous alumni, and people at large can provide strong philanthropic support for higher education and make quality education tuition-free.

The government should declare such **philanthropic donations** to the cause of higher education and research tax-free.

The great management guru, Philip B. Crosby during the quality revolution in the late 1970s, advocated that "**Quality is Free!**"

### **QUALITY EDUCATION FOR ALL**

#### 9. **Needed, education data that engages the poor parent**

**Source:** The post is based on an article “**Needed, education data that engages the poor parent**” published in the “**The Hindu**” on **31<sup>st</sup> May 2022**.

**Syllabus:** GS2 Social Sector, Education Sector

**Relevance:** School Education Reforms

**News:** In recent years, datasets such as Pratham’s **Annual Status of Education Report (ASER)** and the National Council of Educational Research and Training (NCERT’s) **National Achievement Survey (NAS)** have captured various types of data related to education sector in India.

But, is data enough for bringing in a transformative change?

#### **The case of Rajasthan’s education situation**

According to the ASER 2019 data, Rajasthan was among the **bottom five States** in learning levels. However, according to the NAS 2017, Rajasthan was among the **top performers**.

#### **Importance of data on school education**

Data on school education is collected to measure and monitor, fix flaws and reward achievements at the State and the national levels.

Its end users are school administrators, government agencies, researchers, and civil society activists.

#### **Is data enough to inspire transformative change?**

The data is not used by the ultimate end-user of a government school, i.e. the parent. For example, the parents are one of the **key constituencies** of school data. However, the data has been rarely used by **poor parents**.

Simply data on school infrastructure at the district level, or learning levels at the State level cannot galvanise the masses.

At present, there is no vision of education below the national level. It means at the level of the State, district and local levels.

The district and school development plans such as the District Primary Education Programme (DPEP) and Sarva Shiksha Abhiyan (SSA) have largely remained administrative practices.

These education programs lacked representations from the **parents and school**. For example, **community-based consultative bodies** such as the school management committees and parent-teacher committees could not become platforms to facilitate this.

Presently, our school education is **de-politicised**, except for a few politics at the **national level** such as history curriculum, language of instruction and so on.

#### **Way Forward**

Intense efforts should be undertaken to **disseminate data among all the stakeholders** including parents.

To inspire transformation, data has to be linked with a **vision of school education**. It should be actionable at the level of governance.



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The **national-level policy** should encompass the vision of school education of the people at the national, State, district and local levels. Such a vision must exist in both policy and non-policy forms.

A **locally rooted education vision** should emerge from **social** and **political consensus**.

The vision of schooling should have objectives like **reading, writing** as well as **livelihood** relevant skills and knowledge. Further, it should also include **long term** and **abstract objectives** such as peer **connections**, negotiating **social diversity**, and curiosity for **new knowledge** and experiences.

The visions of schooling should be beyond basic **livelihood**. It should include **art and culture**. The local politicians and politics should uphold such a vision and ensure its implementation through contestation.

There should be participation of the local people. This participation has to be simple, intuitive and energetic.

### GS2 – POLITY – UNION AND STATES: ISSUES

#### **FEDERAL STRUCTURE AND RELATED ISSUES**

##### **10. GST Council must uphold fiscal federalism**

**Source:** The post is based on an article “**GST Council must hold fiscal federalism**” published in the **Indian Express** on **3<sup>rd</sup> June 2022**.

**Syllabus:** GS2 Issues and Challenges pertaining to the federal structure

**Relevance:** Fiscal Federalism; GST Council

**News:** Recently, the Supreme Court has given its verdict on the nature of recommendations made by the GST Council. The verdict included an important observation on **Indian federalism**, especially on it being a **dialogue** between **cooperative** and **uncooperative federalism**.

#### **Background of the Case**

The case was an appeal to the SC against the Gujarat High Court Judgment which had quashed the two notifications that levied **IGST** (Integrated GST) on the **ocean freight** component in a CIF (cost, insurance and freight) contract on account of being **unconstitutional** and **double taxation**.

#### **Submissions by the Union of India**

As per Articles 246A and 279A, the GST Council is the **ultimate policy-making** and **decision-making body** for framing GST laws.

The **GST Council recommendations** would **override** the **legislative power** of Parliament and state legislatures and would be **binding** on Parliament and state legislatures.

#### **The Supreme Court’s Observations on federalism in this case**

The SC rejected the UOI submissions. It held that the sovereignty of Parliament and the state legislatures, as well as the fiscal autonomy of the states cannot be diminished.

Democracy and federalism are interdependent for their survival. If the states had been conferred less power, they could still resist the Union mandate through different forms of **political contestation** as permitted by **constitutional design**.

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**Article 246A** confers **simultaneous** or **concurrent powers** on Parliament and the state legislatures to make laws relating to GST. It is unlike the constitutional scheme that prevailed till 2017 in which taxing powers were **clearly demarcated** between the Centre and states with no overlaps.

Under **Article 279A**, the GST Council has to make “**recommendations**” on various topics including the tax rate and exemptions.

The GST Council recommendations have only a **persuasive value**. Both the Union and states have been conferred equal power to legislate on GST. The binding recommendations would disrupt **fiscal federalism**.

Article 279A has made no provision to make the decision of the **majority binding** on the dissenting states. Several sections in the state GST laws, CGST and IGST have made it binding on **dissenting states** to issue notifications to **implement** the recommendations of the GST Council.

The court held that the states are free to use **means of persuasion** ranging from **collaboration** to **contestation** on federalism in general, and fiscal federalism in particular.

### Way Forward

The state legislatures can amend their GST laws if they so choose to remove the binding nature in the statutes.

The GST Council is founded on the bedrock of **collaborative federalism**. The GST Council should meet periodically. There should be **active participation** of all the states so that there is careful deliberation in the national interest. Thereafter, no state will oppose the GST Council recommendation.

The **spirit of cooperative** and **collaborative federalism** should prevail in the functioning of the GST Council.

### 11. Fuelling Federal Fights

**Source:** This post is based on the article “**Fuelling Federal Fights**” published in **The Times of India** on **31st May 22**.

**Syllabus:** GS2 – Issues related to federal structure

**Relevance:** Centre-state dispute over tax cuts and GST

**Context:** The Supreme Court in a recent verdict in the Mohit minerals case stated that GST Council decisions are not binding on states.

At one level, this can be seen as a reiteration of the constitutional provision that there is nothing in constitutional amendments relating to GST to force compliance with GST Council decisions. It's just a **healthy convention** that has developed that the Centre and states have decided to fall in line with the Council's collective decisions.

All governments still go back to their respective legislatures to give statutory sanction to GST Council decisions, which means the **ultimate power continues to reside with legislatures**.

#### What can be the potential impact of the SC verdict?

States now can defy the council, which can **jeopardize the one nation, one tax principle**. That will potentially set off a race to the bottom and re-balkanise the common market that India sought to create with a nationwide GST.

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The SC decision is bound to **ignite tensions around fiscal federalism**, which has come under repeated assault of late. For instance the PM's conference with CMs recently where he is reported to have rebuked non-BJP governed states for not cutting VAT on petrol and diesel. He urged they should follow the tax-cutting example of BJP CMs. Predictably, non-BJP CMs hit back. Another round of accusations and counters followed after recent fuel tax cuts by the Centre.

What is the way forward?

### At central level

- The Centre must realise that structural and governance reforms necessary to get to a \$5 trillion economy require not just states' consent, but also their active involvement.
- Estimates suggest that the Centre collects about 60% of the combined revenue but gets to spend only about 40% of the total. States collect 40% of the combined revenue, but have the pleasure of spending 60% of it.

This implies at a big picture level is that **our macroeconomic stability, and hence our ability to generate investment and growth, will depend on collective fiscal responsibility by the Centre and states.**

### At States' level

- States on their part must acknowledge that the arrangements of fiscal federalism are not necessarily skewed against them as is commonly believed.
  - o First, as indicated above, fiscal aggregates have **shifted in their favour** and are likely to continue to do so.
  - o Second, not only do states get to spend a higher share of the combined expenditure but, with the abolition of the Planning Commission, they also **enjoy greater autonomy** on how to spend that money.
  - o Finally, States should stop seeing GST as a central initiative that required forced compromises on their part. Sure, states have surrendered some of their autonomy in raising taxes, but so has the Centre. Some give and take is inevitable in a national project like this. Eventually, though, as GST expands the tax base and arrests tax leakage, all parties stand to benefit.

Cooperative federalism is the way forward.

## GS2 – SOCIAL ISSUES – HEALTH RELATED ISSUES

### ASHA WORKER PROGRAMMEE

#### 12. A case for community-oriented health services

**Source:** The post is based on an article “**A case for community-oriented health services**” published in the “**The Hindu**” on **02<sup>nd</sup> June 2022**.

**Syllabus:** GS2 Social Sector, Health Sector

**Relevance:** National Health mission and Accredited Social Health Activists (ASHA)

**News:** Recently, India's **Accredited Social Health Activists (ASHA)** received the WHO's **Global Health Leaders Awards 2022** in recognition of their work during the COVID-19 pandemic as well as for serving as a link between communities and health systems.

#### **Contributions of the ASHA workers**

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They have led to increased access to **primary health-care services**; i.e., maternal and child health including immunisation and treatment for hypertension, diabetes and tuberculosis, etc.

**Served** both rural, urban populations and difficult-to-reach habitations.

Worked to make India **polio free**, increasing routine immunisation coverage; reducing maternal mortality; improving **new-born survival** and in greater access to **treatment** for common illnesses.

They have become **pivotal** to nearly every **health initiative** at **the community level**, and are integral to **demand side interventions** for health services in India.

### Genesis of the programme

**Inspiration:** (1) 1975 WHO monograph titled 'Health by the people', (2) 1978 International conference on primary health care in Alma Ata, and (3) 2002 **Mitanin initiative** of Chhattisgarh in which all-female volunteers were available for every 50 households and 250 people.

Initially, India launched the **Community health volunteer's scheme**. But it failed because of lack of development of a community connection and lack of political will.

### Launch of the programme

It was launched in 2005-06 as part of the **National Rural Health Mission**. Later it was **extended to** urban settings after the launch of the **National Urban Health Mission** in 2013.

### Features of the ASHA Programme

One, the key **village stakeholders** are involved in the process of **ASHA selection**. This ensures community ownership for the initiatives and forging a partnership.

Two, ASHAs came from the same village where they worked. This ensured familiarity, better community connect and acceptance.

Three, the **phrase activist** was joined in their name to reflect that they were/are the **community's representative** in the health system, and **not the lowest-rung government functionary** in the community.

Four, they were called volunteers to avoid a slow process for government recruitment and to include elements of the **performance-based incentives** and some accountability.

### Functioning of the Programme

Each of the women-only volunteers work with a population of nearly **1,000 people in rural** and **2,000 people in urban areas**.

ASHAs coordinate things within villages and with the health system, with the help of **Anganwadi workers (AWW)**, **Auxiliary Nurse Midwife (ANM)**, panchayat representatives and influential community members at the village level. The A-A-A: ASHA, AWW and ANM, act as **three frontline functionaries** at the village level and form the **all-women partnership** to provide the primary health-care services to the community.

Platforms such as **village health, sanitation** and **nutrition committees** were created, for coordination and service delivery.

### What are the challenges?

The ASHA volunteers have dissatisfaction. There are regular agitations and protests by ASHAs in many States of India.

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Among the A-A-A, ASHAs do not have a fixed salary. The total payment including performance-based incentives remain low and often delayed. They don't have opportunities for **career progression**.

### Way Forward

The global recognition should be used as an opportunity to review and further strengthen the ASHA programme. This will make a stronger and community-oriented primary health-care system.

Indian States need to develop mechanisms for **higher remuneration** for ASHA workers.

An **in-built institutional mechanism** should be created for their capacity-building and providing avenues for career progression. For example, they can move to cadres such as ANM, public health nurse and community health officers.

The ASHAs and their family should be given the benefits of the **social sector services** like health insurance.

An independent and external review of the programme needs to be given urgent and priority consideration.

Many of the temporary posts in the National Health Mission can be put to regularization. In fact, ASHAs can be made **permanent government employees**.

### GS2 – SOCIAL ISSUES – RESERVATION IN INDIA AND RELATED ISSUES

#### **RESERVATION AND RELATED ISSUES**

##### 13. [Reservation in public employment](#)

**Source:** This post is based on the article “**Reservation in public employment**” published in **The Hindu** on **30th May 22**.

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

**Relevance:** Reservation and related issues

**Context:** The jurisprudence of reservation relies on the **sybiotic coexistence** of constitutionally guaranteed equality of opportunity in public employment under Article 16 (1) and classifications thereunder various clauses of the same article, especially Article 16(4) and Article 16 (4 A).

These are facilitating provisions, **vest a discretion on the government** to consider providing reservations for the socially and educationally backward sections of the society and to provide reservation in promotion to SCs and STs, respectively.

[Is reservation a fundamental right?](#)

No. Reservation is not a fundamental right.

**Mukesh Kumar and Another vs State of Uttarakhand & Ors. 2020:** It is a settled law, time and again reiterated by the Supreme Court, that there is no fundamental right to reservation or promotion under Article 16(4) or Article 16(4 A) of the Constitution, rather they are **enabling provisions** for providing reservation, if the circumstances so warrant.

However, these pronouncements in no way understate the constitutional directive under **Article 46**.

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- Article 46 mandates that the state shall promote with special care the educational and economic interests of the weaker sections of the people, and in particular Scheduled Castes and Scheduled Tribes.

### Reservation in employment

Reservation in employment which was otherwise confined to Scheduled Castes and Scheduled Tribes got extended to OBCs as well on the basis of the recommendations of the **2nd Backward Class Commission** as constituted, headed by B.P. Mandal.

The recommendation of Mandal Commission (1980) to provide 27% reservation to OBCs in central services and PSUs, over and above the existing 22.5% reservation for Scheduled Castes and Scheduled Tribes, was sought to be implemented by the V.P. Singh Government in 1990.

What are some other important judgements and statutes regarding the issue of reservation?

### Indira Sawhney judgement (1992):

In the judgment, a nine-judge bench upheld the constitutionality of the 27% reservation but put **a ceiling of 50% unless exceptional circumstances warranting the breach**, so that the constitutionally guaranteed right to equality under Article 14 would remain secured.

The Court declared that **Article 16(4) is not an exception** to article 16(1), rather an illustration of classification implicit in article 16(1). While **Article 16(1) is a fundamental right, Article 16(4) is an enabling provision**.

Further, the Court directed the **exclusion of creamy layer** by way of horizontal division of every other backward class into creamy layer and non-creamy layer.

### The Constitution (Seventy-seventh Amendment) Act, 1995

In Indra Sawhney Case, the Supreme Court had held that Article 16(4) of the Constitution of India does not authorize reservation in the matter of promotions. However, the judgment was **not to affect the promotions already made**.

By the Constitution (Seventy-seventh Amendment) Act, 1995, **Article 16(4-A), was inserted** to provide that *“nothing in this article shall prevent the State from making any provision for reservation in matters of promotion to any class or classes of posts in the services under the State in favour of the Scheduled Castes and the Scheduled Tribes which, in the opinion of the State, are not adequately represented in the services under the State”*.

Later, two more amendments were brought, one to ensure **consequential seniority** [Article 16(4 A)] and another to secure **carry forward of unfilled vacancies** of a year [Article 16(4 B)]

### The Constitution Bench Judgment in M. Nagaraj (2006)

A five-judge bench of Supreme Court declared the 1995 amendment as not vocative of basic structure of the Constitution, but laid down certain conditions.

For more – Click [here](#)

**Jarnail Singh vs Lachhmi Narain Gupta (2018)** – Read [here](#)

### The Constitution (103rd Amendment) Act, 2019

The **10% reservation** for Economically Weaker Sections (EWS), other Scheduled Castes, Scheduled Tribes and backward classes for government jobs and admission in educational institutions is currently under challenge before the Supreme Court which has referred the same to a constitution bench.

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The verdict in this regard can turn out to be a critical milestone in the jurisprudence of reservation as traditional understanding of backwardness is broadened to specifically include **economic backwardness** without social backwardness as is traditionally seen.

### **Dr. Jaishri Laxmanrao Patil vs Chief Minister (2021)**

Despite the Indra Sawhney ruling, there have been attempts on the part of many States to breach the rule by way of expanding the reservation coverage.

The **Maharashtra Socially and Educationally Backward Classes Act 2018**, (Maratha reservation law) came under challenge before the Supreme Court which referred the same to a bench of five judges and one question was whether the 1992 judgment needs a relook.

Interestingly, the Supreme Court not only **affirmed the Indra Sawhney decision**, but also **struck down Section 4(1)(a) and Section 4(1)(b) of the Act which provided 12% reservation for Marathas in educational institutions and 13% reservation in public employment respectively, citing the breach of ceiling.**

GS2 – GOVERNANCE – GOVT POLICIES AND INTERVENTIONS

### **REGULATION OF SOCIAL MEDIA**

#### 14. **Control and delete**

**Source:** The post is based on an article “**Control and delete**” published in the “**The Hindu**” on **04<sup>th</sup> June 2022**.

**Syllabus:** GS2 Governance; provisions of the constitution of India

**Relevance:** Social Media Governance; Fundamental Right

**News:** Recently, the Government has planned to set up a panel that can overturn **content moderation decisions** made by **social media platforms**. The idea has been proposed as an amendment to the IT Rules 2021.

The IT Rules, 2021 will be amended to constitute **one or more appellate committees** which will have the final word on any content moderation issue facing a social media platform.

If a social media user feels aggrieved on an order of the platform’s grievance officer, he/she can appeal.

#### **The government’s objectives**

At present, the internet access continues to rapidly expand in India. The social media platforms are acting as **influencing machines**. They are filled with **influencers** of all hues and shades.

Therefore, the government is committed to ensure an open, safe, and trusted and accountable Internet for its users.

#### **Problems in the government’s decision**

The mechanism will allow the Government to tighten its grip on **messaging on social media intermediaries**.

There would be concern over **fairness** in the decisions of a government-appointed committee. For example, the aggrieved user can be a government entity or a ruling party member. The Government can try to suppress the dissent on the social media platform.

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This will add another layer of **complexity** to the problematic **IT rules**. It would be another lever of Government control. The IT rules have already given a leverage to the Government over digital channels in the name of “**soft-touch oversight mechanism**”.

This can have troubling implications for **freedom of expression** and **right to information**.

### Way Forward

Social media platforms should be regulated. But a government committee is not the right answer. The regulation should come from the social media industry itself.

## LAWS GOVERNING FIREARMS IN INDIA

### 15. Understanding gun control legislation of different countries

**Source:** This post is based on the article “**Understanding gun control legislation of different countries**” published in **The Hindu** on **2nd June 22**.

**Syllabus:** GS3 – Internal security

**Relevance:** Gun control policies, Laws governing firearms in India

**News:** The U.S. recently witnessed two episodes of mass shootings in a span of 11 days that killed more than 30 people including elementary school children.

Canada also recently amended its gun control policies.

A look at the laws governing firearms in India, Canada, Japan and New Zealand

#### **What do gun laws in the U.S. say?**

The Second Amendment of the U.S. Constitution states that “*the right of the people to keep and bear Arms shall not be infringed*”,. It is often attributed as the root cause of all firearm-related violence.

[What are the gun laws in other countries?](#)

#### Canada

- Possessing a fully-automatic weapon, unless registered before 1978, is illegal in Canada.
- Gun licences are valid for five years and the individual of **at least 18 years of age** is eligible upon completing the Canadian Firearms Safety Course.
- **Vetting is undertaken** to ensure that the applicant does not have a history of violence or suffering from mental illnesses or was previously barred from the process.

Canada has recently introduced legislation to amend its Firearms Act. It is proposing to institute a ‘**national freeze**’ on handguns — preventing the sale, purchase, transfer, and import of handguns into Canada.

#### Japan

Acquiring a gun in Japan is **particularly difficult**.

One has to present a series of documents, establish their ‘needs’, and undertake an approximately month-long training on handling and safety. One is also required to pass the scrutiny of criminal records and medical health, and then an exam to prove eligibility.



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Buying a weapon too requires a **separate certification** (from the dealer) mentioning the desired model.

Applicants must be **18 years**, not suffering from mental illnesses, not have a license revoked less than five years ago, not dependent on alcohol or narcotic substances, and have a fixed residence.

Any violation is punishable with **imprisonment**.

### New Zealand

The turnaround in gun-law legislation in the country came in 2019 following the mass shootings that took place at two mosques in Christchurch.

The legislation now **requires firearms dealers to provide license numbers** of all its employees at a facility, including those not directly involved in handling any arms but having access to the premises.

It is now also mandatory for all weaponry to have an identification number.

Applicants must be **at least 16 years of age** and undertake training in handling and storing firearms, and pass an exam.

The **vetting process** requires the applicant to furnish contact details of known people to ascertain that she/he is a 'fit and proper person'.

### India

Gun license applicants in India must be **at least 21 years** and not convicted of any offense involving violence. Also, the applicant should not be of 'unsound mind' or a threat to public safety and peace.

Upon receiving an application, the licensing authority (i.e., the Home Ministry), asks the officer in charge of the nearest police station to submit a report about the applicant after **thorough vetting**.

The Arms Act amended in 2019 has **reduced the number of firearms** that an individual can procure from three to two.

Indian laws have specific provisions on **curtailing the use of licensed weapons** to ensure social harmony.

No entity is permitted to sell or transfer any firearm which does not bear the name of the maker, manufacturer's number, or any other visible or stamped identification mark.

Any **act of conversion** (such as shortening the barrel of a firearm or converting an imitation firearm into a firearm) or unlawful import-export is **punishable with an imprisonment** term of seven years, which may extend to life imprisonment and be liable to monetary fines.

## **POLICE REFORMS AND RELATED ISSUES**

### **16. Not by autonomy alone**

**Source:** The post is based on an article “Not by autonomy alone” published in the **Business Standard** on **01<sup>st</sup> June 2022**.

**Syllabus:** GS3 Internal Security; Various Security Forces and Agencies and their Mandate

**Relevance:** Police Reforms

**News:** Recently, West Bengal Chief Minister Mamata Banerjee and other political leaders have demanded for making agencies like the Central Bureau of Investigation (CBI) more autonomous.

This has also raised questions on the poor state of state police forces.

#### **What are the issues in the State Police forces?**

(1) In fact, almost all the State governments have done **nothing** to **free** their **own police forces** from political interference.

(2) The police machinery and infrastructure have been inherited from the British. These are deeply **colonised entities** that cannot enforce the law without **draconian powers**.

– For example, the Unlawful Activities Prevention Act or UAPA, the anti-dowry, anti-domestic violence and SC/ST (Prevention of Atrocities) Act etc. Further, the Observer Research Foundation has published that there are 26,134 clauses in various laws that call for imprisonment of corporate offenders.

(3) There is a lack of **political consensus** and understanding among the **police forces** about the **fair application of the rule of law**.

– For example, when the Supreme Court tried to dilute some of the draconian clauses of the SC/ST (Prevention of Atrocities) Act. It led to a huge **political outcry**, and the law was amended to make arrests compulsory if any offence is alleged.

(4) The multiple cases of **vigilante justice** suggests that public faith in the police force’s ability to deliver on law and order and justice is weak. Mobs and crowds sometimes tend to take the law in their own hands because they do not expect the police to do their jobs with diligence. A **Lokniti Survey 2018** found that less than 25% of the 15,000 people who responded across 22 states said they had trust in the police.

(5) Our police forces are simply **not equipped** to be **effective**. They are **underfunded, understaffed** and incapable of doing their jobs even when they want to. The politicians seeking to get elected choose to spend more of the state resources on **freebies** and “**private goods**”, and not “**public goods**” like policing and law and order.

(6) The **UN-recommended police-to-population ratio** is 222 per 1,00,000 population. India’s police-to-population ratio is well **below 150**. In the poorer states like Uttar Pradesh and Bihar, and even West Bengal, this ratio is lower, **below 100** per 1,00,000 population.

#### **Way Forward**

##### **Short-term**

There is a dire **need for reinventing the methods of policing**. The technology like drones, street cameras, bodycams, monitoring of social media websites, and facial-recognition software etc. should be deployed.

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The key to **effective policing** lies in developing **deep information** linkages with India's multiple communities of caste, religion and tribe. The police need to develop an information base. The network should be based on the **Dunbar principle** i.e., to gather **intelligence** on smaller, homogeneous groups, and use artificial and human intelligence. It will help in **predictive policing**. The police can take **proactive action** to prevent trouble.

The police will be better served if it **monitors and gathers deep information** on smaller groups in the population, rather than just blindly relying on numbers or technology to do their jobs.

Much of the policing has to be done by the communities themselves, and not just by the men in uniform or police personnel.

### Long-Term solutions

There is a need for expanding the number of police personnel or ensuring that an adequate amount of the funding goes to police machinery. For instance, India probably needs at least **one million more men** in uniform.

The government should take steps for **de-politicisation** and the **reform of police administration** and **staffing**.

## VIP SECURITY AND RELATED ISSUES

### 17. Guns and status: VIP security cover is a system that's lost its moorings from professional threat assessment

**Source:** This post is created based on the article **"Guns and status: VIP security cover is a system that's lost its moorings from professional threat assessment"** published in **The Times of India on 1<sup>st</sup> June 2022**.

**Syllabus Topic:** GS Paper 3, Issues related to Security Forces

**Context:** Singer and Punjab Congress politician Sidhu Moose Wala was murdered a day after his security cover was reduced. It has raised questions over the system of providing security to the VIPs.

As per data from the Bureau of Police Research and Development, more than 66,000 police personnel were providing protection to more than 19,000 ministers, MPs, MLAs, judges, bureaucrats, and others in 2019, in the Centre and states.

### **What is the mechanism to decide on the security cover for VIPs?**

No real assessment of threat is done while providing or reducing or withdrawing the security cover.

Security covers are almost dependent upon the political favors by the people in power.

### **What are the implications of the absence of a system?**

**First**, it has given birth to the VIP security culture, which is seen as a status symbol. This system is almost absent in other democracies.

**Second**, it has resulted in an irrational system of security cover. Bengal (~3000), Punjab (~2500) and Bihar top the list in the number of people under security cover, even though these states are not suffering from any entrenched insurgencies or violent movements. Whereas, Maoist-hit Chhattisgarh had only 315 people under security cover.

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**Third**, India has 155.78 police personnel per lakh population, against the UN recommended standard of 222 cops per lakh. The bulk of this 'protection force' is drawn from state police ranks. Thus, it results in overworked police, which has its own implications.

**Fourth**, furthermore, the distribution of the police force is not even. It is leaving a major part of non-urban India being seriously under-policed.

Undoubtedly, protection is essential for a number of public figures. However, there is a lack of initiative to review this system, among people in power.

### **AADHAAR AND RELATED ISSUES**

#### 18. **Questioning the safety of Aadhaar**

**Source:** This post is based on the article "**Questioning the safety of Aadhaar**" published in **The Hindu** on **1st June 22**.

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

**Relevance:** Aadhaar and related issues

**News:** Two days after issuing an advisory asking people to refrain from sharing photocopies of their Aadhaar Card, the Unique Identification Development Authority of India (UIDAI) has opted to withdraw the notification.

It stated that the action was to avert any possibility of 'misinterpretation' of the (withdrawn) press release, asking people to exercise "normal prudence" in using/sharing their Aadhaar numbers.

#### **What did the UIDAI advisory say?**

It had suggested holders to use a **masked Aadhaar card instead of the conventional photocopy**. It had further cautioned that the document must not be downloaded from a cybercafé or public computer and, if done for some reason, must be permanently deleted from the system.

– 'Masked Aadhaar' **hides the first eight digits** of the twelve-digit ID with 'XXXX' characters.

The notice informed that **only entities possessing a 'User Licence' are permitted to seek Aadhaar for authentication purposes**. Private entities like hotels or film halls cannot collect or keep copies of the identification document.

#### **What does the law say?**

The **Aadhaar (Targeted Delivery of Financial and Other Subsidies Benefits and Services) Act, 2016** makes it clear that Aadhaar authentication is **necessary for availing subsidies, benefits and services** that are financed from the Consolidated Fund of India.

– In the absence of Aadhaar, the individual is to be offered an alternate and viable means of identification to ensure she/he is not deprived of the same.

– Separately, Aadhaar has been described as a **preferred KYC (Know Your Customer) document but not mandatory** for opening bank accounts, acquiring a new SIM or school admissions.

The requesting entity would have to **obtain the consent of the individual** before collecting his/her identity and ensure that the information is only used for authentication purposes on the Central Identities Data Repository (CIDR).

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– *This centralised database contains all Aadhaar numbers and holder's corresponding demographic and biometric information.*

UIDAI does not receive or collect the holder's bank, investment or insurance details.

The Aadhaar Act **forbids sharing Core Biometric Information** (*such as finger print, iris scan, among other biometric attributes*) for any purpose other than Aadhaar number generation and authentication.

The Act makes it clear that the **authenticated information cannot be used for anything other than the specified purpose**. More importantly, no Aadhaar number (or enclosed personal information) collected from the holder can be published, displayed or posted publicly.

Identity information or authentication records would only be liable to be produced pursuant to an **order of the High Court or Supreme Court**, or by someone of the **Secretary rank or above** in the interest of **national security**.

### Is identity theft via Aadhaar possible?

In 2017, the UIDAI in response to an RTI stated that more than 200 central and State government websites publicly displayed details of some Aadhaar beneficiaries such as their names and addresses. This was made possible by the lack of robust encryption.

This data could be **potentially used to fraudulently link the rightful beneficiary's Aadhaar with a distinct bank account**, embezzling the beneficiary by impersonation, made possible by the sizeable identity documents available.

CIS states that brokers are known to **buy tonnes of Aadhaar documents** from mobile shops and other places where the identification document is shared. Additionally, there have been instances where employees of service providers were caught stealing biometric information collected solely for Aadhaar authentication.

### What are some of the structural problems that the UIDAI faces?

The Aadhaar Data Vault is where all numbers collected by authentication agencies are centrally stored. Its objective is to provide a dedicated facility for the agencies to access details only on a need-to-know basis.

CAG's latest report stipulated that UIDAI **neither specified any encryption algorithm (as of October 2020) to secure the same nor a mechanism** to illustrate that the entities were adhering to appropriate procedures. It relied solely on audit reports provided to them by the entities themselves.

Further, UIDAI's **unstable record with biometric authentication** has not helped it with de-duplication efforts, the process that ensures that each Aadhaar Number generated is unique.

The CAG's report stated that apart from the **issue of multiple Aadhaars to the same resident**, there have been instances of the **same biometric data being accorded to multiple residents**.

Biometric authentications can be a cause of worry, especially for disabled and senior citizens with both the iris and fingerprints dilapidating.

Though the UIDAI has assured that no one would be deprived of any benefits due to biometric authentication failures, the **absence of an efficient technology** could lead to frauds.

### 19. Why Misuse Of Aadhaar Information Is A Real Danger

**Source:** This post is based on the following articles– “**Caution first: On the Aadhaar advisory**” published in **The Hindu** on **1st June 22**.

– “**Why Misuse Of Aadhaar Information Is A Real Danger**” published in **The Times of India** on **31st May 22**.

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

**Relevance:** Aadhaar and related issues

**Context:** Union government withdrew a notification from a Unique Identification Authority of India (UIDAI) office cautioning people against sharing photocopies of their Aadhaar card, just two days after the advisory was issued.

The govt has claimed that it would be “misinterpreted”.

The advisory had urged people to use masked Aadhaar.

The masked Aadhaar facility has been in place since 2018. It came about following a report by the Centre for Internet and Society that **publicly available datasets** had sensitive details such as full Aadhaar number and bank account details of individuals.

Why UIDAI was right to issue the advisory?

The dangers of providing the full Aadhaar number to several agencies are evident in the way these **numbers have been used by fraudsters for criminal purposes. For instance** – identity theft, Know Your Customer (KYC)-related fraud have been documented in news reports.

The UIDAI has itself registered far more potential **fraud cases** related to the issue highlighted above in recent years compared to the past.

Other scams that are of a higher order have also been revealed recently, related to **biometrics theft** that have allowed scamsters to steal welfare benefits at the expense of genuine beneficiaries.

The Internet is full of **leaked data** and this poses a major **threat to user privacy**.

How identity can be verified using one’s Aadhaar copy?

One way is to **scan the QR code on one’s Aadhaar copy** (through UIDAI’s QR Code Reader app).

By scanning the QR code, the entity (that wants to verify your identity) receives a document with one’s personal details and photo. The entity can then match the details on one’s Aadhaar copy with this digitally signed document.

So, if someone morphs one’s Aadhaar copy, the **fraud will be caught once the QR code is scanned**, because details on the Aadhaar copy won’t match the ones on the QR Code Reader app.

Scanning the QR code tells the entity if the Aadhaar copy is genuine (or not). It won’t however tell them if the person who submitted the Aadhaar copy is you. To check this, the entity **must match** the photo thrown up by the scanned Aadhaar QR code with your face – in person. Or, like banks and other RBI regulated entities, conduct video verification.

Unfortunately, not all players follow this process. Often, service providers **simply accept the Aadhaar copy as proof of identity without scanning the QR code** on UIDAI’s QR Code Reader app. They also don’t verify through in-person, video or live selfie-based verification.

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If a service provider fails to conduct this diligence, a fraudster can use a stolen Aadhaar copy to **impersonate someone**.

### What happens if Aadhaar OTP or biometrics are also stolen?

Once a scammer has access to OTP or biometrics, it becomes easier to commit **financial frauds**. **For instance:** Telangana police's recently warned about frauds perpetrated using the Aadhaar-enabled Payment System (AePS).

– AePS is a facility that lets one perform banking transactions like cash withdrawal and fund transfer. These transactions are done through a mini-ATM carried by a banking correspondent. For an AePS transaction, all you need is a person's Aadhaar number, bank name and fingerprints.

So, **criminals can withdraw funds from a victim's bank account** by stealing her Aadhaar number and biometrics. This type of AePS-related fraud recently happened in Haryana with criminals allegedly stealing victims' biometrics from a government website.

### A divided view on safety of Aadhaar

The UIDAI has been indecisive about the inherent dangers in the indiscriminate use of the Aadhaar number or the Aadhaar card by citizens. This is evident from its **series of flip-flops on the issue**, even before this latest withdrawal notice.

There seems to be a **contradiction of views within the authority** on the issue of potential misuse of the Aadhaar number.

– On the one hand, in statements **advising caution and user discretion** in revealing one's Aadhaar number, it is seeking to treat these as sensitive information just like the biometrics provided by citizens to the authority.

– Yet, on the other, it has sought to **universalise the open use of the Aadhaar** as an identity document with missionary zeal and has downplayed the risks of doing so.

### Way forward

The UIDAI must **popularise the use of the masked Aadhaar facility** as a start and rethink ways to tighten the scrutiny over how Aadhaar numbers are issued and utilised.

Law enforcement agencies must crack down on data leaks and websites carrying unmasked Aadhaar-related information.

Further, to protect the public against misuse of Aadhaar data, a **data protection law is critical**.

## **UNLAWFUL ARRESTS AND RELATED ISSUES**

### 20. **Do we need a law to compensate those implicated in false cases?**

**Source:** This post is based on the article "**Do we need a law to compensate those implicated in false cases?**" published in **The Hindu** on **3rd June 22**.

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

**Relevance:** Compensation for arrest in false cases

**Context:** In October 2021, Aryan Khan, son of actor Shah Rukh Khan, was arrested in Mumbai by the Narcotics Control Bureau in a drug racket case.

Now, on May 28, he and five others were given a clean chit by a special investigation team from Delhi.

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Besides highlighting the torment suffered by him and his family, Aryan Khan's case also threw the focus on the **countless victims of malicious prosecution**, many of whom are resourceless.

In this article, the participants have discussed the following:

- whether those who have been implicated in false cases should be compensated?
- reasons for wrongful and malicious prosecution, the role of investigating officers and agencies along with the judiciary, and
- whether India needs a new law to decide on the quantum of compensation?

### Why do falsely implicated persons need to be compensated?

There are several reasons why a person should be compensated if there is false implication

- Our justice delivery system is painfully slow. There are instances where persons have spent eight, 10 or more years under trial.
- There is the **mental trauma** that not only a person, but also their family and children undergo.
- There is **social stigma**. In a village, where people know one another, maybe not intimately but they know who's who, the family of the one who is falsely accused **gets ostracised**. It may not happen in a big city like Mumbai or Delhi.
- **Children also suffer**. A child who is going to school and if the teacher or some other child says that this boy's father is a terrorist, and he's in jail, it is bound to affect the child.

The **Delhi High Court** on a couple of occasions has said the person needs to be compensated for having been kept in jail, even though he's entitled to bail and all the papers are in order.

### What needs to be done to prevent false implication of people?

More **professional scrutiny by the senior officers** of enforcement agencies. **For instance:** In Aryan Khan's case, a senior officer could have applied his mind and maybe advised the overenthusiastic officers on the professional lines of investigation.

**Role of the prosecutors** - They are neither with the police nor with the investigating agencies; they are independent officers of the court. When the investigating agency or police are saying that a person is involved, and want his custody, the prosecutors can point out to the enforcement agencies that they are wrong; so they should not ask for custody.

There can be a **departmental inquiry against an errant officer** or he can be dismissed from service.

The **state must also take responsibility** in case of wrongful confinement.

If the judicial officer feels or thinks that the investigating agency does not have enough evidence, or it's going blatantly wrong, they should not hand over the custody either to the agency or to prison.

### Does India need a new law to ensure disbursement of compensation?

Legislation must be brought on this issue to ensure a **standard practice of compensation disbursal**. It is possible that one court in a small State may think that giving ₹5 lakh compensation to someone is a good idea, but a High Court in a bigger State may say, what is ₹5 lakh? It's nothing, we should give at least ₹10 lakh.

Section 211 of the Indian Penal Code talks of a false charge of offence made with an intent to injure. It can lead to two years of imprisonment, or up to seven years. This section is valid for malicious prosecutions, but further legislation for compensation would be a welcome step.



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### 21. **Absolution: On need to compensate for unlawful arrests**

**Source:** This post is based on the article “**Absolution: On need to compensate for unlawful arrests**” published in **The Hindu** on **30th May 22**.

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

**Relevance:** Regarding compensation for Unlawful arrests in India

**Context:** Several procedural lapses were made during the investigation of the Aryan Khan drugs case by the Narcotics Control Bureau (NCB).

In light of such lapses and to protect the rights of those jailed during the process, India needs a law to make compensation for unlawful arrest a statutory right.

**What lapses were made by the NCB?**

The lapses include failure to video-graph the search of the ship, not conducting a medical examination to prove consumption, and examining Mr. Khan’s phone and reading messages on it without any legal basis.

**Is there any provision for compensating a unlawfully arrested person?**

India does not have a law on the grant of compensation to those maliciously prosecuted.

However, **Constitutional courts** do exercise their vast powers sometimes to award monetary recompense; the **remedy of a civil suit** is also available in law, but it is time-consuming.

Currently, **Section 358 of the Cr.P.C.** provides for a paltry fine to be imposed on a person on whose complaint a person is arrested without sufficient grounds.

**What is the way forward?**

The **NCB has to re-examine its priorities**. It is an elite agency in the fight against international trafficking in narcotic and psychotropic substances. Its primary focus ought to be on trans-national smuggling networks, while the job of pursuing drug peddlers and raiding rave parties must be left to the local police.

While strict disciplinary action is warranted if any officer is found involved in ‘fixing’ someone, it is also time that the Government came out with a legal framework for compensating those jailed without proof. The Law Commission of India has recommended **enactment of a law to make compensation an enforceable right**.

**Existing CrPC provisions should be expanded** to cover just compensation by the state for unnecessary arrests.

#### **INDIA – AFGHAN RELATIONS**

#### 22. **Gradual engagement – India should maintain with Afghanistan a policy of engagement rooted in realism**

**Source:** This post is based on the article “**Gradual engagement – India should maintain with Afghanistan a policy of engagement rooted in realism**” published in **The Hindu** on **4th June 22**.

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

**Relevance:** India – Taliban ties, India’s foreign policy

**News:** India has sent a multi-member team of senior diplomats to Afghanistan for the first time since the Indian Embassy in Kabul was evacuated in August 2021 following the arrival of the Taliban in the Afghan capital.

The MEA has said that the visit is only to help coordinate India’s humanitarian assistance for the Afghanistan people.

During discussions with the Indian delegation, the Taliban urged India to reopen its embassy in Kabul.

**What is the significance of the visit?**

**Gradual engagement:** The visit acquires significance as India has refused to recognise the Taliban administration in Afghanistan and has urged the international community to go slow in recognising the Taliban.

The visit also shows a **marked difference** from the policy New Delhi took in the 1990s when the Taliban was in power in Afghanistan. Back then, India had taken a **policy of disengagement** with Kabul and supported anti-Taliban militias.

But this time, many neighboring countries including India have adopted a constructive line towards the Taliban regime, despite their differences with the group’s extremism.

#### **Developments in India-Taliban relations**

India closed its embassy in Kabul in August 2021, days before the Taliban takeover, but has **maintained a line of communication** with them.

In September, **India’s Ambassador to Qatar, met Sher Mohammad Abbas Stanekzai**, a senior Taliban official, at the Indian Embassy in Doha.

In October, **Indian officials met the Taliban’s Deputy Prime Minister**, Abdul Salam Hanafi, in Moscow at a regional conference on Afghanistan. Here, India also joined nine other countries to recognise the “**new reality**” in Afghanistan.

Later, New Delhi sent **humanitarian assistance**, including wheat, COVID-19 vaccines and winter clothes, to Afghanistan when the country was facing a near-total economic collapse.

**What are India’s concerns?**

India has three main concerns when it comes to the Taliban’s return to Afghanistan.

**One**, India has made investments worth billions of dollars in the past 20 years. It would want to **protect these investments and retain the Afghan people’s goodwill**.

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**Two**, when the Taliban were in power in the 1990s, Afghanistan became a safe haven for anti-India terrorist groups. India also saw a sharp rise in violence in Kashmir during the Mujahideen-Taliban reigns of Afghanistan. New Delhi would not like history to repeat itself and would want **commitments from the Taliban that they would not offer support for anti-India groups**.

**Three**, the Taliban remaining a Pakistani satellite forever is not in India's strategic interest.

### Way forward

New Delhi cannot pursue any of its objectives if it does not engage with the Taliban.

But, at the same time, **India should not hurry in to offer diplomatic recognition** to the Taliban's predominantly Pashtun, men-only regime, which has imposed harsh restrictions on women at home.

India should work with other regional and global players to **push the Taliban to adopt a more inclusive regime**, while at the same time maintaining a **policy of gradual bilateral engagement rooted in realism**.

## INDIA – MYANMAR RELATIONS

### 23. Myanmar's internal situation shouldn't hobble India's 'Act East' policy

**Source:** The post is based on an article "**Myanmar's internal situation shouldn't hobble India's Act East Policy**" published in the **Indian Express** on **3<sup>rd</sup> June 2022**.

**Syllabus:** GS2 International Relations; and GS 3 Indian Economy, Issues and Challenges in Growth and Development, Inclusive Development

**Relevance:** North-East Region, Act East Policy

**News:** In 2021, Myanmar's military took over the civilian government. Now, there are reliable reports of the strengthening of the People's Defence Force, with the support of various ethnic militias. There is no sign of the restoration of normalcy.

### Implications on India

For India, the coup has caused an adverse impact on its **Act East policy**. The policy is going nowhere due to present dispensation in Myanmar.

It has thwarted India's **land outreach** towards the **vibrant economies** of **South East Asia** as well as has **retarded development** in the Northeast.

The lack of movement in terms of **North-East development** has led to a series of unfortunate incidents that indicate a **resurgence** in **anti-India posturing** in the region.

- For example, there seems to be a resurgence of the insurgent groups in the N-E. Many insurgent groups are operating from the **Sagaing Division** and **Chin State** in Myanmar.

There are also reports that the Chinese intelligence is supporting the militant groups working against India.

### Way Forward

The disruption of the **existing supply chain linkages** due to the **pandemic** and the **Russia-Ukraine conflict** have created prospects for developing fresh trade linkages with the nations of Southeast Asia and the far east.

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A fresh look needs to be taken at both the furtherance of **the Act East policy**, as well as the **security matrix** that governs the Northeast. The following is recommended:

India can build upon **favorable bilateral relations** with Bangladesh under Sheikh Hasina.

– India can open a new axis of **land-sea connectivity** for promoting trade and commerce with Southeast Asia.

– The inland of Assam, Meghalaya, Mizoram and Tripura can be connected to the ports of Bangladesh. The **inland water transport (IWT)** on the Brahmaputra and Barak rivers can be exploited.

India should not dilute its efforts to ensure that peace and stability return to Myanmar. There is a need for **continued engagement**, both formal and informal, with the warring factions in Myanmar.

India should build **appropriate infrastructure** such as container depots, cold storage facilities and seamless highways for transport of the **Indian manufactured goods** in the Northeast via Bangladesh.

The government should constitute an **inter-ministerial empowered department** for monitoring and facilitating projects that support India's Act East policy.

The government should create **"integrated defence zones"** around the **"free move regime"** to weaken the strike capability of the insurgent groups. The zones should be jointly manned by the **Tatmadaw** (Myanmar army) and the **Indian Army/Assam Rifles**.

Further, the Assam Rifles should remain under the control of the Indian Army. This force should undertake **intelligence operations** for greater transparency of the events within Myanmar and further the national strategy.

The Government of India should **improve the security situation**, and also reassure the locals that the region's interest is paramount

### **INDIA – PAK RELATIONS**

#### 24. **India-Pakistan ties and the mirror of 2019**

**Source:** The post is based on an article **"India-Pakistan ties and the mirror of 2019"** published in the **"The Hindu"** on **3<sup>rd</sup> June 2022**.

**Syllabus:** GS 2 International Relationships; Bilateral Relations

**Relevance:** India-Pakistan Relations

**News:** Recently, the official delegation from Pakistan visited New Delhi to hold talks with its Indian counterparts. This was done under the aegis of the Indus Water Treaty.

#### **Recent Developments**

India has been sending consignments of **wheat** to the **Taliban-run Afghanistan** via Pakistan, under the **World Food Programme**.

Since the **Ladakh border crisis** on the **Line of Actual Control** with China in the summer of 2020, the Indian leadership has not been targeting Pakistan as an enemy country.

The Indian and Pakistan armies agreed to a **reiteration** of the **ceasefire** on the Line of Control (LoC) in Kashmir in February 2021.

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### What are the reasons for re-engagement between India and Pakistan?

The Ladakh border crisis raised the threat of a **collusive military threat** between China and Pakistan. Therefore, India has resorted to diplomatic, economic, informational, and military engagement.

– For example, India's **National Security Adviser** opened backchannel talks with Pakistan, using the **United Arab Emirates (UAE)** as an interlocutor.

The Kashmir's Assembly constituencies **delimitation** has been completed. The Jammu and Kashmir statehood could also be restored in the coming future.

Despite, **security-centric approach**, J&K **violence** has gone up in the past year or so. Pakistan has been involved in this violence. It has been alleged of sending weapons and militants, thus thwarting a lasting solution in Kashmir.

– For example, **all the resources of the Indian state** have now been **devoted towards** a successful conduct of the **Amarnath Yatra**.

Recently, the **Pakistan government** has **changed**. It is seen as a positive in New Delhi. Both the Pakistan Muslim League-Nawaz and the Pakistan People's Party are now part of the government with which Indian official establishment has had good relationship.

### What are the possible challenges?

Pakistan has set **two preconditions** for initiating reengagement: (1) restoration of statehood to Jammu and Kashmir; and (2) an announcement of no demographic change in the Kashmir Valley.

Recently, Kashmiri separatist leader **Yasin Malik** was sentenced. His sentencing also earned a strong statement of condemnation from the **Organisation of Islamic Cooperation (OIC)**

The **environment in Pakistan** is not conducive for any positive move. Their domestic politics [Imran Khan garnering support against the establishment], economy in doldrums etc. are posing challenges.

Both Pakistan and India are **two nuclear-armed countries** which have threatened to shoot missiles at each other on a number of mishaps.

### Way Forward

In response, the Foreign Minister of India has rejected the condemnation from the OIC.

There are some **low-hanging fruits** which can be plucked the moment a political go-ahead is given.

– For example, the **Sir Creek dispute resolution**, revival of bilateral trade, return of High Commissioners to the missions in Delhi and Islamabad, and build-up of diplomatic missions to their full strength.

Further, there can be **demilitarisation** of the **Siachen glacier** later on.

India and Pakistan would have a **new window of opportunity** in the coming years. For example, Pakistan would have elections, there will be a fresh Pakistan Army chief, Jammu and Kashmir may have a new State government after elections, India to have re-election in 2024 etc.

Indian leadership must shift course from **belligerence** to a **proper diplomatic and political engagement** with Pakistan.

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### 25. India needs a forward-looking strategy on Pakistan

**Source:** The post is based on an article “**India needs a forward-looking strategy on Pakistan**” published in the **Indian Express** on **31<sup>st</sup> May 2022**.

**Syllabus:** GS2 International Relations, Bilateral Relations

**Relevance:** India-Pakistan Bilateral Relations

**Context:** India’s approach is very different from the framework that emerged at the dawn of the 1990s. Since the early 1990s, the regional and international context has also altered in many ways. The balance of power between India and Pakistan has been changing. Now, it is essentially in India’s favour.

#### **What have been the changes in India’s foreign policy with respect to Pakistan?**

For nearly three decades, it was Pakistan that had the **political initiative**. However, in the last eight years, under the leadership of PM Modi, India has begun to reset the terms of the engagement agenda.

**Early Period:** After the Cold War, India was under **pressure** and a **difficult situation**. There was turmoil in Kashmir, the international focus on nuclear proliferation, and the relentless external pressure for a sustained dialogue with Pakistan.

Pakistan used a **three-pronged strategy**: (1) **violent destabilisation** of Kashmir while raising **human rights concerns** in global forums, (2) reopen the **Kashmir question** that India believed was settled after the 1971 war, and (3) leverage **global nuclear concerns** to force Indian concessions on Kashmir.

Therefore, Islamabad often sets **preconditions** for talks with India, like India should improve its human rights record in Kashmir, bring militant groups on the negotiating table, insist on Pakistan’s leadership or officers’ meetings with the Hurriyat leaders etc.

India’s military response against Pakistan’s provocative terror attacks could invite the fear of nuclear escalation and the great powers intervention.

#### **At Present**

The US-India relations have transformed, the **resolution** of Delhi’s dispute with the global **nuclear order**, etc. have improved India’s diplomatic position.

The Indian governments had laid the foundations for robust **economic growth**. Instead Pakistan has persistently neglected its economic challenges in context of its **obsession** to expand its **strategic depth** into Afghanistan and redefine the nature of its relations with India. This has weakened its position in relation to India.

#### **India Three-Pronged Strategy At present**

**First**, the present regime will not be compelled by difficult conditions and pressure. It will talk on his own terms.

**Second**, Delhi has been unafraid of Pakistan’s threat of **nuclear escalation** while responding to Pakistan’s cross-border terrorism. India’s cross-border raids on the sources of terror have enhanced India’s deterrence. India’s campaign has also resulted in greater international scrutiny of Pakistan’s support for terrorism.

**Third**, the present regime has reduced the scope of **India’s future negotiations** with Pakistan on Kashmir by changing the constitutional status of Kashmir in 2019.

#### **Ongoing developments**

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In 2021, India has negotiated a ceasefire agreement with Pakistan. It agreed to reopen talks on Kashmir.

However, Pakistan is divided on its negotiating strategy. It is insisting on India to reverse all the 2019 constitutional changes in Kashmir. There will be no engagement with India if India does not “reverse” the 2019 constitutional changes in Kashmir.

### Way Forward

Pakistan’s economy is in a poor state. Its **diplomatic position** has weakened. This might encourage Pakistan to rethink its India policies.

India should take a fresh look at its Pakistan strategy. There are issues in the effectiveness of **the three-pronged policy**. India should take a **forward-looking strategy**. India can afford to make a move.

Pakistan’s army and its political class should be more practical in engaging India. India can take bold steps like Pakistan PM Nawaz Sharif was invited to attend his inauguration in 2014.

India’s new initiatives can reinforce the **positive evolution** of Indian foreign policy. It can also expand the space for Indian diplomacy in the region and beyond.

## INDIA – CHINA RELATIONS

### 26. [China’s ‘inevitable’ global dominance](#)

**Source:** The post is based on an article “**China’s ‘inevitable’ global dominance**” published in **The Hindu** on **30<sup>th</sup> May 2022**.

**Syllabus:** GS2 India and its Neighbourhood relations

**Relevance:** To understand China’s standpoint on India.

**News:** A recent book titled “**How China Sees India and the World.**” explained how China is moving towards their global dominance.

What is the development of India-China relations?

Deng Xiaoping declared that there could not be an Asian Century without India and China growing together and playing a resurgent role.

During the visit of the Indian Prime Minister in 2003, a few important decisions were taken. **a)** The two countries agreed to seek an early political solution to the India–China border dispute, **b)** Regular negotiations at the level of Special Representatives of their respective leaders, and **c)** China recognized Sikkim as the State of India. (Earlier China continued to depict it [Sikkim] as an independent country).

In 2005, Chinese Premier’s visit to India, China arrived at a consensus on the following issues to balance India’s civil nuclear cooperation agreement with the U.S. These include, **a)** Accepted China was not a threat to India and India was not a threat to China, **b)** There is enough space for simultaneous growth of both India and China in Asia, and **c)** Agreed India was an economic opportunity for China and vice versa.

Thus, India-China relations have acquired a global and strategic dimension.

**Read more:** [Decoding dragon: GoI should upgrade strategic thinking on China](#)

What is the growth trajectory of China and India?

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**Till 2000s:** India and China were roughly at the same economic level in 1978, with similar GDP and per capita income. Though China began to grow much faster thereafter, the gap between the two countries was not very significant even a decade later.

The 1991 Economic reforms and liberalisation policies in India expanded India's political and economic profile.

**After the 2000s:** In the period 2003–2007, India's growth rate accelerated while China's began to slow down. This was the brief period when India's diplomatic options multiplied.

In this period, India was able to leverage the advance of its relations with one major power to promote its relations with other major powers, thereby expanding its strategic space.

**After the 2008 financial crisis:** The asymmetry between the U.S. and China began to shrink but the asymmetry between India and China began to expand.

China has maintained the same rate of growth as India, but on a much larger base than India. This created an asymmetry of power between India and China.

**Read more:** [A missed chance for Indo-China relations](#)

What are the potential impacts of growth asymmetry between India and China?

**1) China showing less sensitivity to India's interests, 2) Increased economic and political penetration** of the Chinese economy in India's peripheral countries, **3) lower threshold of tolerance to closer relations between India and the U.S.**, For instance, China mentions the Quad as a constraining factor of China in the Indo-Pacific, **4) Indirectly pointing India should accept a diminished ranking compare to China.** For instance, Chinese scholars often mentioning China's economy was five times the size of India.

**Read more:** [Clear signals: On India-China ties and the new global currents](#)

Overall, China at present considers that the U.S. is a declining power with its credibility being eroded. More importantly, the U.S.'s power to implement decisions has also diminished. Therefore, asserts the allies and partners of the U.S. cannot count on U.S. power to deter China.

GS2 – INTERNATIONAL RELATIONS – INTERNATIONAL ORG AND GROUPINGS

### **QUAD AND RELATED ISSUES**

#### 27. [Deepening strategic commitment](#)

**Source:** This post is based on the article “**Deepening strategic commitment**” published in **The Hindu** on **30th May 22**.

**Syllabus:** GS2 – International Relations – International Groupings and Organizations

**Relevance:** QUAD and related issues, Indo-Pacific security and prosperity

**News:** The Quad (the U.S., India, Japan and Australia) held its second in-person leaders' summit in Tokyo on May 24.

It has emerged stronger and clearer in its strategy and goals for the **security and prosperity of the Indo-Pacific**.

The efforts by the Quad countries should be viewed not only from the prism of the summits, but also from the wider context of international developments and the continuing process of consolidation of the bilateral relations within, especially U.S.-India ties.



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Has Russia-Ukraine war impacted the Indo-Pacific region?

No.

Some experts feared that India's stance on Russia might impact the Indo-Pacific regional dynamics, particularly Indo-US ties, but it hasn't. It seems that U.S. has **understood India's nuanced position on Ukraine** and has chosen to refocus on China's strategic game in the region.

– India and the U.S. **agreed to disagree on Ukraine**, but showed full readiness to further strengthen the Quad and their bilateral cooperation, which, U.S. President Joe Biden said, he was *“committed to making...among the closest we have on Earth.”*

With China, the US President has moved beyond the traditional U.S. stance of **'strategic ambiguity'** and referred to Ukraine to stress that China's armed action against Taiwan would be unacceptable and **attract a military response**.

How is China critical to QUAD?

The central driving force of the Quad is to **counter China's growing expansionism and belligerence**.

The grouping has defined the most important reason for its existence without ever using the word 'China'.

– This was best reflected in the 'Quad Joint Leaders' Statement' which reads, *“We reaffirm our resolve to uphold the international rules-based order where countries are free from all forms of military, economic and political coercion.”*

Thus, China is not only the **glue that holds the Quad together**; it is also the fuel that may, through Beijing's bad behaviour in the future, drive the grouping's inner consolidation, as shown by an expanding agenda.

Major points of QUAD agenda

The Quad agenda now covers nine sectors: **1)** vaccine partnership and health security, **2)** climate action, **3)** critical and emerging technologies, **4)** cooperation on infrastructure, **5)** cybersecurity, **6)** space cooperation, **7)** education and people-to-people ties, **8)** maritime domain awareness, and **9)** humanitarian assistance and disaster relief.

The Quad claims to have established “a positive and practical agenda” in year one; in year two, it will focus on “delivery.”

What are the commitments made at the QUAD's Tokyo summit?

The promise of making available at least one billion COVID-19 vaccine doses to Indo-Pacific countries has fallen short.

Excluding what the Quad countries contributed to COVAX, just 25% have been delivered to the region so far. This needs to be expanded rapidly.

**On infrastructure** – A new commitment was made at Tokyo for the Quad to extend over \$50 billion in investment and assistance to the Indo-Pacific countries over the next five years. While the focus is on the ASEAN countries and the Pacific Island States, a part of this funding should perhaps reach the Indian Ocean region too, with its touch points in Africa.

The **Common Statement of Principles on Critical Technology Supply Chains** is significant, as it concerns cooperation on semiconductors.

**Ambitious IPEF**: Indo-Pacific Economic Framework for Prosperity (IPEF) was launched a day earlier. The plan is to prepare their economies for the future by conducting negotiations on the

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pillars of trade; supply chains; tax and anti-corruption and clean energy; decarbonisation and infrastructure.

### How India is asserting its strategic autonomy?

India's constructive participation in the Tokyo summit and agreement to join IPEF demonstrated commitment to strengthening its strategic partnerships in order to push back China's dominance.

At the same time, New Delhi has agreed to the expansion of BRICS membership. This **simultaneous engagement with the Quad and BRICS** reflects New Delhi's strategic autonomy.

### Way forward

India's presidency of the G20 in 2023 and the likelihood of India hosting the Quad summit in 2024 will ensure that it follows a calibrated policy and stays on track, as every major step will attract international attention.

## **BRICS AND RELATED ISSUES**

### 28. **Building peace and prosperity with strong BRICS**

**Source:** This post is based on the article "**Building peace and prosperity with strong BRICS**" published in **The Hindu** on **30th May 22**.

**Syllabus:** GS2 – International Relations – International Groupings and Organizations

**Relevance:** BRICS and related issues

**News:** Recently, the BRICS Foreign Ministers issued a joint statement at a virtual meeting. And the first dialogue of Foreign Ministers between BRICS and emerging markets and developing countries was held.

The BRICS Foreign Ministers' meeting indicated that BRICS countries will strengthen solidarity and cooperation in the face of challenges with firm conviction, and take real actions to promote peace and development, and uphold fairness and justice.

### What the BRICS countries should aim for in the future?

**Universal security:** BRICS countries should be builders of universal security. Cold-war mentality and bloc confrontation pose grave threats to world peace and security. Seeking one's own security at the expense of others' will only create new tensions and risks. It is important **a)** to respect and guarantee the security of every country, **b)** replace confrontation and alliance with dialogue and partnership, and **c)** promote the building of a balanced, effective and sustainable regional security architecture.

**Strengthen mutual trust:** BRICS countries need to strengthen political mutual trust and security cooperation, maintain communication and coordination on major international and regional issues, respect each other's sovereignty, security and development interests, oppose hegemonism and power politics, and work together to build a global community of security for all.

**BRICS countries should enhance mutually-beneficial cooperation** in supply chains, energy, food and financial resilience, foster an open world economy and create a favourable environment for common development.

**Cooperation in health:** BRICS countries should be pioneers of cooperation in COVID-19 pandemic management. India's vision of '**One Earth, One Health**' also contributes to

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multilateral cooperation on public health. BRICS countries should fully leverage their respective strengths, and jointly promote the development of **global health governance** in a direction in favour of developing countries. Following measures need to be taken: **a)** BRICS Vaccine Research and Development Center should be put to good use, **b)** establish a BRICS early warning mechanism for preventing large-scale infectious diseases, and **c)** provide high-quality public goods for global health governance cooperation.

**Leadership in global governance:** BRICS countries should be leaders of global governance. Global challenges can be resolved by coordinating global actions. BRICS countries should firmly embrace a **global governance philosophy** centered around extensive consultation, joint contribution and shared benefits, enhanced unity and cooperation with emerging markets and developing countries.

**BRICS plus cooperation model:** All parties to the Foreign Ministers dialogue support and advocate the 'BRICS plus' cooperation model, which is a platform born for cooperation and thrives on development. 'BRICS plus' cooperation need to be explored at more levels, in more areas and in a wider scope.

### GS2 – POLITY – PARLIAMENT AND STATE LEGISLATURES

#### **ELECTION OF THE PRESIDENT OF INDIA**

##### 1. **From Rajendra Prasad to Our Next Rashtrapati**

**Source:** This post is created based on the article "From Rajendra Prasad to Our Next Rashtrapati" published in The Times of India, on 11<sup>th</sup> June 2022.

**Syllabus:** GS Paper 2 – Indian Polity – Powers and function of Executive

**Context:** The election date for the post of India's President has been announced by the Elections Commission. Now, it is to be seen, whether political parties will choose candidates who will be rubber stamps or defenders of the constitutional values of the country.

Except for President APJ Abdul Kalam, all other Presidents of India have been political personalities. The majority of these political personalities have been Governors, Rajya Sabha MP, or Finance Ministers.

#### **How the system of selection of Presidential candidates has changed over the years?**

For the first 20 years after Independence, anyone could stand for presidential elections in the country. An interesting example was a lawyer from Rohtak, Choudhary Hari Ram. He was a candidate in the first five elections.

History books record his name as the runner-up in the 1962 elections, in which Dr. Radhakrishnan was elected President.

Parliament plugged this loophole by requiring a prospective candidate to get his name proposed by voters in the presidential election, i.e. MPs and MLAs. The law now requires at least 50 proposers and 50 seconders for a valid candidature.

#### **What was the discussion about the election of the President during the framing of the Constitution?**

During the framing of the Constitution, there was an extensive debate on how the President would be elected.

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**The draft Constitution proposed an electoral college made of MLAs and MPs and a two-term limit on an individual holding the office of the President.**

However, Constituent Assembly members like KT Shah wanted the direct elections for President by adult franchise. He wanted the president “not to be a creature of party majorities in the Centre or local legislatures, but a real representative of the people”.

However, this reasoning was contrary to the parliamentary model of government being proposed by BR Ambedkar and Jawahar Lal Nehru. Nehru defended the Electoral College mechanism for the presidential election.

He stated that it was a middle ground that ensured that the President was not elected by the majority party dominating Parliament. And that it gave members of the state legislature a role in the election of the President.

The final Constitution retained the electoral college mechanism for electing the President, but rejected the two-term limit.

### **Powers of President**

Constitution framers were also concerned with the nature of the President’s powers. Ambedkar equated the position of the President in the Indian Constitution to that of the King in England.

*He said that the President “is the Head of State, but not of the executive. He represents the nation, but does not rule the nation. He is the symbol of the nation. His place in the administration is that of a ceremonial device of a seal by which the nation’s decisions are made known. ”*

But shortly after Independence, **differences arose between President Rajendra Prasad and Prime Minister Nehru.** The point of contention was **whether the President could act independently of the advice of the council of ministers.**

**During Prime Minister Indira Gandhi government,** the constitution was amended. It specified that the President shall **act on the advice of the council of ministers.** However, after the emergency, the **Janata Party amended the Constitution,** and it allowed the President to ask the council of ministers to reconsider its advice.

### **Conclusion**

Under our Constitution, there is a special place for President. Ministers and members of Parliament bear true faith and allegiance to the Constitution. But the President takes the oath to “protect and defend the Constitution and the law”.

GS2 – GOVERNANCE - WELFARE SCHEMES

### **JAL JEEVAN MISSION AND SWACHH BHARAT**

2. [The Jal Jeevan and Swachh Bharat Missions are combining to improve people’s well-being](#)

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**Source:** The post is based on an article “**The Jal Jeevan and Swachh Bharat Missions are combining to improve people’s well-being**” published in the Indian Express on 10<sup>th</sup> June 2022.

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

**Relevance:** Jal Jeevan Mission and Swachh Bharat Mission

**News:** The government has launched **Swachh Bharat Mission Phase-2**. It will focus on plastic waste management, biodegradable solid waste management, grey water management and faecal sludge management.

### About Schemes

The **Swachh Bharat Mission**: It was launched to stop the scourge of open defecation. More than 10 crore toilets were built with a **twin-pit design** that has **in-situ treatment of faecal sludge**.

**The Jal Jeevan Mission**: It was launched in 2010. It is aimed at providing **tap water connections** to over 9.6 crore rural households.

### The Concept of Convergence

Ex-FM Arun Jaitley introduced **convergence** as one of the **primary operating principles** of the government in his first budget speech.

There is a **power of unity**. One stick may break but when many sticks are bundled together, it's impossible to break the stack. The unity lies in convergence between ideas, projects and schemes.

### About Swachh Bharat Mission Phase-2: – Convergence of the Jal Jeevan Mission and Swachh Bharat Mission-

Both, the **Jal Jeevan Mission** and the **Swachh Bharat Mission** faced the challenge of managing **grey water discharge**. About 70% of all household water turns into **grey water**, which can lead to **undesirable consequences**, if discharged untreated.

Therefore, the **Jal Jeevan Mission** has been converged with the **Swachh Bharat Mission** under SBA to achieve holistic sanitation in which the treatment of grey water became a vital component.

Under **SBA Phase-2**, arrangements for solid and liquid waste management have been made in the focussed areas.

Under the second phase, the government will have the **continuous pursuit of perfection** like covering loose ends, plugging gaps in delivery and taking the benefits to the last man in line.

### Agenda of Swachh Bharat Mission’s Phase 2

Two-thirds of all toilets which were not connected to the main sewer lines during SBA-1 will be connected. This will lead to a solution to the problem of **untreated faecal sludge** which at present does not find entry into sewer lines.

It will also address **India’s plastic waste pollution problem** which is staggering at present

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Both **Jal Jeevan Mission** (JJM) and **Swachh Bharat Abhiyan** (SBA) are centred around the dignity of women.

- (1) JJM aims to relieve **women** of the **drudgery** of **travelling** long distances to fetch water, and
- (2) The **Bill and Melinda Gates Foundation** and **UNICEF survey** revealed that 80% of the respondents stated that safety and security were the main drivers of their decision to construct toilets. Around 93% of women reported feeling safe and said that they had found dignity in using household toilets.
- (3) The Jal Jeevan Mission reserves 50% seats for women in **village** and **water sanitation committees**. In every village, at least five women have been entrusted with water quality surveillance etc.

### Achievements of SBA-2 So Far

3.5 lakh villages have become plastic dump free and nearly 4.23 lakh villages have minimal litter.

Nearly 178 **faecal sludge treatment plants** and nearly 90,000 km of **drains** have been constructed.

### Importance of these schemes

A 2006 study revealed that inadequate sanitation cost India 6% of India's GDP or Rs 2.4 trillion at that time. Thus, SBM apart from preventing GDP loss, provides annual benefits worth Rs 53,000 per household.

### Way Forward

These schemes should be regarded as **stepping stones** to taking on tougher challenges. It strikes at the root of social problems.

## GS2 – POLITY – ELECTORAL ISSUES

### ELECTORAL REFORMS

3. [No more lost votes: EC's pilot on remote voting for migrants is a big plus for democracy. Aim for 2024 full rollout](#)

**Source:** This post is based on the article “**No more lost votes: EC's pilot on remote voting for migrants is a big plus for democracy. Aim for 2024 full rollout**” published in **The Times of India** on **8th June 22**.

**Syllabus:** GS2 – Polity

**Relevance:** Electoral reform and other issues

**News:** Democracy becomes meaningful and equitable when every citizen has a fair chance to cast a vote. Hence, the Election Commission move to conduct a pilot project to explore the possibility of remote voting for migrant workers is a big plus for electoral democracy.

[Why remote voting provision is significant?](#)

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**Internal migrants will benefit:** Not everyone can take a train or flight back home to vote. Nearly 300 million citizens out of a total of 910 million electors didn't cast their votes in the 2019 Lok Sabha elections. Ways to enfranchise them must be found.

From the 2011 Census that counted 450 million internal migrants, the number is estimated to be **600 million** now. Short-term migrants who spend some months of the year in cities far away from their villages rarely acquire a vote in their place of work. This category will benefit from EC's move.

[What are some associated challenges?](#)

**Logistic issues:** Migrants will have to be mapped and then enrolled for remote voting. Designated polling centres must be set up across India.

There will be election day tech challenges – verifying voter identities and ensuring the vote cast on the EVM is channelled to the correct booth and constituency.

Also, those listed for remote voting but turning up physically at domicile polling booths due to personal or other emergencies – recall the lockdown – must be accommodated.

[Way forward](#)

With institutional and political will, difficulties can be overcome.

From shuttling security forces and polling officers across polling phases, sanitising electoral rolls, enrolling first-time voters to getting the women's vote out, EC is a past master at resolving logistical problems.

The previous Lok Sabha had passed a bill to extend **proxy voting facility to NRIs**, but the bill lapsed. Such reforms should get **cross-party backing**.

As EC starts the migrant voting pilot project, it should also start the process of **identifying migrant voter clusters**. Gujarat is a migrant worker hub. Let the pilot happen there and EC should aim for a 2024 full rollout.

GS2 – INTERNATIONAL RELATIONS – WORLD TRADE ORGANIZATION (WTO)

### **AGRICULTURE RELATED ISSUES**

#### 4. [WTO rules on foodgrains must be updated](#)

**Source:** This post is created based on the article **“WTO rules on foodgrains must be updated”** published in **Business Standard** on **8<sup>th</sup> June 2022**.

**Syllabus:** GS Paper 2- International Institutions and Related issues

**News:** About 60 countries, including India and China, have pushed for a joint proposal for consideration of several WTO rules. The proposal was pushed at the upcoming 12th ministerial summit of the World Trade Organization (WTO).

The proposal has been moved to solve some of the contentious issues linked to, food stockholding, agricultural subsidies, international trade, and humanitarian aid.

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### What are the aspects that have been proposed to change in the computation of farm subsidies?

WTO's methodology still uses 1986-88 prices as the benchmark.

Existing provisions regarding **permissible subsidies** are fixed at present at a maximum of 10 percent of the value of the produce.

#### Peace clause

**WTO's Agreement on Agriculture (AoA)**, which has failed to deliver on its aims to remove trade barriers, promote transparent market access, and integrate global markets. AoA has been criticised for its tilt towards the developed countries.

### What are the reasons behind pushing for these reforms?

**First**, the proposal has been supported not only by food-exporting but also food-importing countries of Asia, Africa, and the Pacific regions, including India, China, Egypt, Indonesia, South Africa, and Pakistan.

**Second**, the present rules were mainly negotiated and drafted by US and the European Union. The negotiators from the developing countries were mainly officials from their trade ministries, who were not allowed to have much say in these negotiations.

**Third**, the reference period for the calculation of subsidies 1986-88, favoured developed countries. It allowed them greater leeway to increase their support to the farmers while denying the similar space to developing countries. Thus the reference period requires updation.

**Fourth**, the proposal permits exports of foodgrains from public stocks to meet the urgent needs of food-stressed countries.

**Lastly**, it envisages greater flexibility for developing countries to formulate their policies concerning the production, acquisition, and stocking of foodgrain. It will promote domestic food security of developing countries.

## GS2 – GOVERNANCE – CIVIL SERVICES

### INDIAN CIVIL SERVICES AND RELATED ISSUES

#### 5. Dhiraj Nayyar writes: The problem with putting the civil services on a pedestal

**Source:** This post is based on the article “**Dhiraj Nayyar writes: The problem with putting the civil services on a pedestal**” published in **The Indian Express** on **8th June 22**.

**Syllabus:** GS2 – Governance

**Relevance:** Civil services and related issues

**Context:** Most countries in the world have a cadre of professional civil servants, but nowhere are new entrants to the system of government celebrated like in India. It's like the public itself hasn't overcome the colonial legacy of the civil service being the grandest of professions.

This has consequences, and must change.



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Why society has a favorable view of civil services?

Most ordinary people don't aspire for themselves or their children to join politics which is viewed as murky, the domain of the less-educated non-professionals. But the civil services are **highly aspirational**. It is due to the following reasons –

For one, candidates are selected on **merit based** on an open examination and interview. One cannot inherit a position in the civil services, like in politics.

Then there is the **job security** that comes with gaining entry. Unless a civil servant does an extraordinary wrong, she has a job for life, and steady, time-bound promotions which ensure that everyone retires at the top irrespective of performance.

What are the weaknesses in the civil services?

In the perceived strengths of the civil services lie its weaknesses.

– The **single UPSC examination**, which most candidates take in their early or mid-20s, is treated as gospel. Often, it is used as an argument against lateral entry because unless people have passed that examination, they are deemed to not be meritorious or deserving of being in government. It is also used to determine career trajectories. Those who stood first or second in their batch while in their 20s are more likely to rise to important positions such as cabinet secretary or foreign secretary thirty years later when they are in their late 50s. **Merit and competence cannot be judged by a single exam.**

**The permanence of the job is a problem too.** Punishment for over-reach or misuse of power is a transfer, either from a weightier ministry to a lighter one or from high-profile capitals to geographically remote ones.

The result is that all civil servants, never mind their ability or competence, **operate in a system of limited accountability** with few incentives to perform and plenty of opportunities to use and abuse their powers.

Way forward

The civil services system needs to be **brought down from its pedestal and placed at par with every other profession** like elsewhere in the world. This will not happen via political diktat. It requires the **weight of public opinion**.

The system must be **manned by capable, competent individuals**. This cannot be decided on the basis of one exam.

The bad eggs need to be separated, which cannot happen when the job is for life.

GS2 – POLITY – CONSTITUTIONAL BODIES

### **ROLE OF GOVERNOR AND RELATED ISSUES**

#### 6. **Bengal decision to make CM as Chancellor**

**Source:** This post is based on the article “**Bengal decision to make CM as Chancellor**” published in **The Hindu** on **8<sup>th</sup> June 22**.

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**Syllabus:** GS2 – Role of a Governor

**Relevance:** Tussle b/w Governor and state government

**Context:** The time may have come to reconsider having Governors as university Chancellors.

What is the recent issue?

The West Bengal government recently decided to make the Chief Minister the Chancellor of State-run universities, instead of the Governor. This decision appears to be an outcome of the severely strained relations between Governor and Chief Minister.

They have often differed on issues concerning the appointment of Vice-Chancellors and the functioning of universities. The governor had alleged that VCs were appointed without the approval of the Chancellor, the appointing authority; on some occasions, VCs had not turned up for a meeting with the Governor-Chancellor.

Other instances of friction b/w Governor and state govt

**Tamil Nadu** recently passed Bills to empower the State government, instead of the Chancellor, to appoint VCs. It also passed a separate Bill to establish a new university for alternative systems of medicine, with the Chief Minister as its Chancellor. The Bills are yet to receive the Governor's assent.

In **Kerala**, there is a different kind of controversy, with the Governor asking the Chief Minister to take over the Chancellor's role in the light of alleged political interference in the functioning of universities.

These developments underscore that the conferment of statutory roles to Governors may be a source of friction between elected regimes and Governors, who are seen as agents of the Centre.

Why Governors hold the office of Chancellor?

The original intent of making Governors hold the office of Chancellor and vesting some statutory powers on them was to **insulate universities from political influence**.

**Justice R.S. Sarkaria Commission**, acknowledged the distinction between the Governor's constitutional role and the statutory role performed as a Chancellor, and also underlined that the Chancellor is not obliged to seek the government's advice.

**Justice M.M. Punchhi Commission**, which examined Centre-State relations, was quite forthcoming in its 2010 report. Noting that the Governor should not be "*burdened with positions and powers... which may expose the office to controversies or public criticism*", it advised against conferring statutory powers on the Governor.

Way forward

The time may have come for all States to reconsider having the Governor as the Chancellor.

However, they should also find alternative means of protecting university autonomy so that ruling parties do not exercise undue influence on the functioning of universities.

GS2 – SOCIAL ISSUES – COMMUNAL HARMONY

## **SOCIAL AND RELIGIOUS HARMONY**

### **7. The path towards greater religious tolerance and social harmony**

**Source:** The post is based on an article “**The path towards greater religious tolerance and social harmony**” published in the **Indian Express** on **8<sup>th</sup> June 2022**.

**Syllabus:** GS1 Salient features of Indian Society, Diversity of India; Communalism

**Relevance:** Religious Amity and Social Harmony

**Context:** In the words of **K M Munshi**: “Indian culture is a living force. It absorbs alien elements when necessary but transmutes them into a new pattern of homogeneous richness. It has made us what we are in the world today; and will make us what we want to be in the world tomorrow.”

#### **Nature of Indian Society**

India is the beloved home for **practitioners** of all **major religions** in the world. Indian culture accepts **diversity** of faiths and beliefs.

Chhatrapati Shivaji once wrote to Emperor Aurangzeb that Islam and Hinduism appear to be contrasted terms. But they are nothing but **diverse pigments** used by the **divine painter** (the god) to fill in his picture of the whole **human race**. If men try to draw new lines on a picture, this is not the fault of the painter.”

#### **Importance of harmony and cohesion**

Religious harmony and **social cohesion** are two **core elements** for **progress** and **development**. They are the core requirements for global peace.

#### **What are some worrisome developments emerging on sustaining religious amity?**

From time immemorial, the societies have been facing divisiveness on the ground of religion, colour, race, caste, untouchability etc.

Over the last three decades, the most sufferings were inflicted on humanity in the name of religion.

**Nani Palkhivala** wrote: “A man may study or practice religion. But if he is a **fanatical fundamentalist**, he deserves to rank as a **religious illiterate**, whatever his **formal education** may be”.

Hatred and violence against other religions is generated and created through **misinterpretations** and **misinformation** by some ill-equipped minds who could be called religion illiterates. Such persons are severely devoid of that basic human instinct of compassion.

In case of India, the external elements are pursuing the **policy of inflicting a thousand cuts on India**. They are active and exploiting vulnerable elements like religious divisiveness.

#### **Way Forward**

The ultimate goal of all religions is the same. The only differences lie in the paths which have been articulated in varied ways.

Compassion is at the heart of every religion. For example, **Dalai Lama** refers to his mother as his **teacher of compassion**.

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All practices of separation are a consequence of **ignorance**. Therefore, expansion of education is important to vanish it.

The basic tenet of **Indian culture** is that every **temple** and **mosque** deserve equal respect and should get it.

**True scholars** of every religion must rise to the occasion; go to people, and educate them on essential unity of all religions.

We, the people of India, must strive hard to generate compassion, strength, sincerity and commitment to ensure the safety and security of India. Further, there is a need for rejuvenation of the **great dialogic tradition**

### GS2 – GOVERNANCE – GOVT POLICIES AND INTERVENTIONS

#### **LEGALIZATION OF MARIJUANA**

##### 8. [Asia's highland: Do better than Thais, fully decriminalise marijuana](#)

**Source:** This post is based on the article “**Asia's highland: Do better than Thais, fully decriminalise marijuana**” published in The Times of India on **10th June 22**.

**Relevance:** Legalization of Marijuana

**News:** Thailand recently became the first Asian nation to decriminalize marijuana for medical and industrial use.

#### [Details about Thailand's move on Marijuana](#)

Thailand's move means is that farmers will be able to grow the plant while entrepreneurs can sell cannabis-infused food, drinks and cosmetics.

There are two caveats –

- smoking pot in public will still be outlawed
- possession and sale of cannabis extracts containing more than 0.2% of its psychoactive ingredient, tetrahydrocannabinol (THC), will not be allowed.

Thailand's part decriminalisation of marijuana is expected to fetch the industry as much as \$435 million by 2026.

#### [What is the situation in India wrt Marijuana?](#)

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India continues to stick to a grey area where only certain parts of the plant (bhang leaves) and certain uses (medical and scientific) are allowed.

This system came about because India had given in to **American pressure in the 1980s** and banned all narcotic substances. But since then the US has reversed course and today 19 American states allow recreational marijuana.

Therefore, it **makes little sense to keep marijuana in the proscribed list**, clog up courts by prosecuting low quantities of possession, drive the trade underground and eschew legitimate revenue.

### Way forward

Before the ban, India had a centuries-old tradition of marijuana use as part of its culture. Decriminalising marijuana fully makes legal sense, as well as an economic one.

## **REGULATION OF SOCIAL MEDIA**

### 9. **Moderation's broken but this isn't the way to fix it**

**Source:** The post is based on the article "**Moderation's broken but this isn't the way to fix it**" published in the "**Livemint**" on **10<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Role of media and social networking sites in internal security challenges

**Relevance:** Understanding the challenges associated with the draft amendment to the Information Technology(IT) Rules 2021.

**News:** The Ministry of Electronics and Information Technology(MEITY) has released a fresh draft of the amendment to the [Information Technology\(IT\) Rules 2021](#).

What are the draft new amendments to the IT Rules,2021?

**Read here:** [Union Govt seeks fresh comments on Draft IT Rules](#)

What are the issues associated with the draft amendments?

**1)** State oversight of moderation could open the doors for overreach and censorship, **2)** There will be debates on free speech in social media as the state-appointed entity judging the contents, **3)** **Challenges with last year IT rules:** Many of last year's IT Rules were legally challenged and both the Bombay and Madras high courts have stayed provisions that asked digital news companies to comply with a three-tier grievance redressal mechanism headed by the government.

**Note:** India's last year IT rules asked for messages to be traceable, for instance, which would technically require all chats decrypted.

What could be done?

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**The idea of self-regulation by platforms:** Authorities worldwide have been trying to hold Google, Facebook, Twitter, YouTube, etc, accountable for the spread of fake information. Globally, Facebook has an oversight board that has not achieved much. Their self-regulation addresses only a fraction of disputes between users and moderators.

India could have a pan-industry panel containing eminent Indian jurists and other such citizens known for their independence to oversee an arbitration team. Further, they should be equipped with resources and expertise to resolve a rising number of complaints.

### **ENCOUNTER KILLINGS BY POLICE**

#### 10. It is a bumping-off of the rule of law too

**Source:** The post is based on an article “It is a bumping-off the rule of law too” published in the “The Hindu” on 9<sup>th</sup> June 2022.

**Syllabus:** GS2 Provisions of the Constitution of India; GS 3 Internal Security; Mandate of the security forces

**Relevance:** Rule of law, and Fake encounters

**News:** Recently, the commission of inquiry on the Hyderabad fake encounter 2019 has submitted its report.

#### **Present Case**

In 2019, a veterinary doctor was gang-raped by four youth and then murdered her and burnt her body on the outskirts of Hyderabad near Shamsabad.

#### **The Commission’s findings**

The killing of the youths was a **pre-meditated cold-blooded murder**. It was a fake encounter.

The police officials by-passed the law and due processes and eliminated suspects with impunity.

Therefore, the law should take its own course; a first information report (FIR) should be filed against the police officials concerned.

#### **What are the reasons for fake encounters in India?**

There is **public outcry** to apprehend the men after the commission of the crime. It may push the police to take the law into their own hands and eliminate the suspected criminals.

The police personnel see fake encounters as opportunities to wear and demonstrate the “encounter specialist” tag.

#### **Political Mandate**

In 2017, the UP Chief Minister publicly stated that criminals would be jailed or killed in encounters. The law-enforcing agencies were given a free hand to deal with criminals in a subtle manner. Therefore, around 151 criminals had been killed in the state.

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Similarly, the Assam Chief minister also gave clear directions to the Assam police personnel that criminals who attempted to escape should be shot. Thereafter, around 28 suspects have been killed.

Similarly, the Uttar Pradesh model of encounter killings has been suggested for adoption in Bihar in order to bring down the crime rate.

### Issues in Fake encounters

Majority of those killed in encounters belong to the minority community and ethnic communities. Extra-judicial killings go against the very spirit of **rule of law**.

Despite involvement of senior police officers, the commissions of inquiry usually target **low-ranking officers**, from constables to inspectors. The lower personnel face the brunt.

**Magisterial inquiries** conducted by local magistrates turn out to be farce. The local magistrates work in consonance with the police of the district. Therefore, they would be inclined to go with the police version.

The fake encounters may include killing unarmed and helpless suspects who may not decidedly be criminals.

If States begin to adopt extra-judicial strategies to bring down the crime rate, then it may lead to a country ruled by criminals in uniform.

### Way Forward

If **any police personnel** are incarcerated for fake encounters, **senior officers** should also be prosecuted. It is the responsibility of senior police officers to ensure that the rule of law is strictly followed in their jurisdiction.

**Complaints** of fake encounters need to be attended to on top priority. The judiciary should be activated immediately after a complaint is received because police may not readily register a complaint of a fake encounter.

Commissions of inquiry should comprise **magistrates nominated** from other States and police **officers** from other States. They would be impartial and fair in their inquiries.

The **medals** or **citations** given to those who were indicted in fake encounters and have been awarded **police gallantry medals**, should be withdrawn as fake encounters immediately.

The SC Judges Markandey Katju and C.K. Prasad said that “Fake encounter killings are nothing but **cold-blooded brutal murder**. This offence should be treated as the **rarest of rare offenses** and police personnel responsible for it should be awarded the **death sentence**.”

There should be fast track courts, as it will serve as a signal and deterrent to other policemen.

## **PRELEGISLATIVE CONSULTATION**

### **11. Let's redesign the process of pre-legislative consultation**

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**Source:** The post is based on an article “**Let’s redesign the process of pre-legislative consultation**” published in the **Live Mint** on **7<sup>th</sup> June 2022**.

**Syllabus:** GS2 Governance; Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

**Relevance:** Pre-legislative Consultation Policy 2014

**Context:** In 2014, India’s ministry of law and justice issued a policy on pre-legislative consultation.

### Background

In 2012, the **Organization for Economic Cooperation and Development (OECD)** issued a set of 12 recommendations on policymaking practices for member and non-member nations.

### Importance of Pre-Legislative Consultation

It ensures **transparency** in the legislative process. Further, lawmakers keep in mind the concerns of all affected parties.

To do so, regulators should offer **meaningful opportunities** to the public to participate in the legislative process.

### Features of Indian policy

The Central government should **place legislative proposals** in the public domain for a period of at least **30 days** before they are submitted to the **Cabinet** for consideration.

The **proposal** must be accompanied by a brief note justifying its **necessity**, its broad **financial implications**, an assessment of its impact on the **environment** as well as the **fundamental rights** and **lives** and livelihoods of the people.

Public comments be summarized and placed on the website of the department or ministry concerned. These also had to be included in a note to the Cabinet along with the draft proposal.

### What are the issues?

Most legislative proposals in India do follow this practice, but the consultation itself is no more than a formality today.

In many instances, the **time set aside** for consultation is **too short** to be of any practical consequence,

The government is under no obligation to justify why a given **suggestion** was excluded from the final draft.

Stakeholders have no way to tell whether their suggestion was rejected after due consideration or simply ignored.

### Way Forward

In order to extract value from **pre-legislative consultation**, there is a need to **redesign** the process.



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(1) In the **first place**, instead of putting a draft legislation, the government should first describe the issues for which legislative solutions are being sought. This will lead to the start of a **constructive conversation**.

The issues for consultation should be put in public domain with a set of questions, to seek responses from the stakeholders.

The feedback should be taken in a structured manner, ideally through a digital interface.

(2) The final step would be to prepare a report that lists all the **suggestions** received and the **final decision** arrived at on each issue.

The report should clearly state the reasons for non-acceptance or discarding of the suggestions.

(3) Thereafter, a draft legislation can be prepared along the lines of the final recommendation.

### (4) Some Good Cases in India

(a) **Telecom Regulatory Authority of India Model**: All its recommendations are a result of a process exactly like mentioned above. Therefore, the TRAI reports are highly regarded policy papers in India.

(b) **The Justice Srikrishna Committee on data protection** also used a similar process. It sought inputs from the stakeholders before making recommendations.

(5) In addition to the government's approach for accommodating viewpoints of the stakeholder, the stakeholders should also approach such an exercise **constructively**. They need to realize that **policy-making** is an exercise in **compromise**. All their demands during negotiations cannot come on final papers, otherwise the process will become unfortunate and counter-productive.

GS2 – GOVERNANCE – ISSUES RELATED TO DEV AND MGMT OF EDUCATION

### HIGHER EDUCATION AND RELATED ISSUES

#### 12. [Gagan Deep Sharma writes: Celebrating Indian universities' rise in global rankings](#)

**Source**: This post is based on the article "**Gagan Deep Sharma writes: Celebrating Indian universities' rise in global rankings**" published in **The Indian Express** on **10th June 22**.

**Syllabus**: GS2 – Issues related to development and management of education

**Relevance**: Higher education in India and related issues

**News**: In the recently announced QS World Universities Rankings 2023, Indian higher educational institutions have done their best to date.

Seven universities have made a grand entry this year, while 17 universities ascended and 17 others stood unwavering on their previous year's position as the world's top higher educational institutions.

The 20% increase in new entrants has pushed India up the ladder.

[What are the QS World rankings?](#)

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It is the world's largest and most remarkable annual survey of academic opinion, the QS rankings evaluate a university's performance by measuring the sentiments of academic stakeholders over six performance indicators —

**a)** academic reputation, **b)** employer reputation, **c)** faculty/student ratio, **d)** citations per faculty (CpF), **e)** international faculty ratio, and **f)** international student ratio.

The globalisation of education has transformed the way institutional excellence is measured. Hence, the elite status of world-class universities now also relies on **international recognition** from university rankings.

[How have the Indian educational institutions fared in the latest rankings?](#)

The 19th edition of the rankings draws a stronger picture of India.

– **Nine institutions** of eminence are ranked in the top 1,000, **five** in the top 500, and **three** in the top 200.

– In the prestigious band of the top 200 are the Indian Institute of Science (155), IIT-Bombay at 172nd, and IIT-Delhi at 174th globally, moving up 31, five, and 11 places respectively from the previous year's score. IIT-Indore debuts at an impressive 396th rank globally among the new entrants.

The **University of Madras** lands in the 541-550 band, while **Chandigarh University** (800-1000) is the youngest university to secure a spot on the list.

It is historic that after a gap of 10 years, all Indian institutions in the top 500 have improved their ranking.

[What are the parameters on which Indian univ have improved?](#)

Indian universities have established a significant global standing in the QS World Rankings 2023, with the highlight being

- the improved faculty/student ratio
- citation per faculty
- international student admissions
- male/female student enrollment ratio.

All this has happened due to the conscious efforts of the government towards improving the standards of higher education.

[Way forward](#)

Despite the improvement, there are also a number of areas that call for immediate attention of the government.

- State expenditure on education as a percentage of GDP
- India's spending on research has been low for decades
- Issues of mobility of international faculty and students.

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– Lastly, India doesn't have education penetration to the last mile. This is something which the government aims to rectify through its target of achieving a 50 per cent Gross Enrolment Ratio by the year 2035 against 26.3 per cent in 2018, as envisaged in the NEP.

The government should address these issues to make India's education system strong, inclusive, and equitable.

### 13. The need for digital collaboration

**Source:** The post is based on an article "**The need for digital collaboration**" published in the "**The Hindu**" on **7<sup>th</sup> June 2022**.

**Syllabus:** GS 2 Social Sector, Education Sector

**Relevance:** Higher Education Reforms in India

**News:** The University Grants Commission (UGC) has simplified its approval process for local universities to collaborate with their counterparts abroad, to offer joint degrees, dual degrees, and twinning programmes.

#### **Which Higher Education Institution (IHEI) are eligible for collaboration?**

##### **Indian**

Any IHEI accredited by the National Assessment and Accreditation Council having a minimum score of 3.01 on a 4-point scale or any IHEI featuring in the top 1,000 of the Times Higher Education or QS World University Rankings will be eligible to participate in the collaboration.

Further, Indian institutes in the top 100 list of the National Institute Ranking Framework will also be eligible.

##### **Foreign Institutes**

The willing institute must rank in the top 1,000 in either of the two world university rankings.

#### **What are the issues?**

The UGC's regulations do not allow **academic collaboration** with **foreign institutions** for **online learning** and **open and distance learning (ODL)**.

This hinders leveraging the potential of information and communication technology in the teaching and learning process.

#### **Importance of ODL Programme in India**

The NEP 2020 recommends for more ODL and online programmes to increase the gross enrolment ratio in HEIs in India, especially to improve access in remote areas.

Part-time employees in both the organised and unorganised sectors opt for ODL in order to upgrade their qualifications for better career prospects.

Distance enrolment constitutes 11.1% of the total enrolment in higher education in the postgraduate, undergraduate, PG Diploma, Diploma, and Certificate levels programmes in India.

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The ODL programmes are more affordable compared to the in-person programmes and are therefore popular among disadvantaged sections.

### Online Education

The government has been promoting online education in India. For example, MOOCs, SWAYAM and NPTEL

The universities and colleges are now being centrally funded under the **RUSA** and **TEQIP-III programmes** to create and strengthen infrastructure for online and digital education.

In addition, the Union Budget announced the establishment of a **digital university**.

### Other disadvantages from the move

The chances of a state-sponsored institution for **smooth international collaboration** will be thwarted by the UGC regulations. The central universities, the IITs and the IIMs are better funded by the Centre. In fact, the central institutions outplay their **State-sponsored counterparts**. The State-funded HEIs do not perform well in the ranking system.

The move will only exacerbate the divide between central and State institutes.

### What will be the advantages from the International Collaboration?

According to AISHE's findings, 49,348 international students from 168 countries are enrolled in Indian universities. For example, 45.6% are from four neighboring nations: Nepal, Afghanistan, Bangladesh and Bhutan.

The move will pave the way for an increase in the footfall of international students in India.

The move will be a game changer for the financially constrained HEIs.

It will help to compensate for the outflow of foreign exchange from India.

### Way Forward

The UGC needs to revisit its policies for **foreign collaborations**. It should ensure students studying in State-sponsored HEIs and opting for ODL and online education are not deprived of benefits in India

GS2 – INTERNATIONAL RELATIONS – INTERNATIONAL ORG AND GROUPINGS

### BIMSTEC AND RELATED ISSUES

#### 14. A 'silver' moment to propel a Bay of Bengal dream

**Source:** The post is based on an article "**A silver moment to propel a Bay of Bengal dream**" published in the "**The Hindu**" on **7<sup>th</sup> June 2022**.

**Syllabus:** GS 2 International Relations; Regional Grouping

**Relevance:** BIMSTEC

**News:** On June 6, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) has completed 25 years

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### Background

It was launched as a modest grouping of Bangladesh, India, Sri Lanka and Thailand), with the acronym, **BIST-EC** as a result of the Bangkok Declaration 1997.

Later on, three countries (Nepal, Bhutan and Myanmar) and it became the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

### Importance of the Grouping

It is an instrument of regional cooperation and integration between South Asia and the **Association of Southeast Asian Nations (ASEAN)**.

### Resurgence

The far-reaching decisions which were taken in Goa paved the way for the **institution's reform**. Further, the Goa decisions took final shape in **Kathmandu summit** in 2018. Further, The **Colombo summit** in March 2022 finally approved the plans of rejuvenation.

### Key achievements

It has crafted a **new Charter**. The charter spells out the grouping's vision, functions of its constituent parts, and has secured a legal personality.

It has prioritised the **sectors of cooperation**. The sectors have been reduced from 14 to 7. Each member-state will serve as the lead country for the assigned sector.

It has taken measures to strengthen the Secretariat.

Unlike the SAARC, post-2014, BIMSTEC has continued to hold its **summits and meetings of Foreign Ministers**.

The grouping has **progressed in combating terrorism, and forging security cooperation**. It has created mechanisms and practices for the better management of humanitarian assistance and disaster relief.

The grouping has **established institutions** such as an Energy Centre and the Centre on Weather and Climate to push sectoral cooperation forward.

### What are the challenges?

BIMSTEC has been hindered by the burdens of South Asia Countries. Therefore, it grew slowly.

In the 21st century, the **strategic contestation** between the **United States** and **China** defines the region's geopolitics and geo-economics. It is creating new tensions and opportunities.

There are **internal tensions** between member countries. For example, the **Rohingyas influx** into Bangladesh, **Myanmar's military coup** has led to its **virtual boycott** by a large segment of the international community; and Sri Lanka is facing political and economic crisis.

It has failed to produce a **comprehensive Free Trade Agreement (FTA)** despite signing of the Framework Agreement before 18 years.

Despite **summit declarations**, the concerned ministers and officials have failed to expedite action.

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There has been **poor connectivity** with respect to infrastructure (roads, railways, air, river, and coastal shipping links); energy; the digital and financial domain; and institutions. This has been despite the adoption of the **Master Plan for Connectivity** supported by the Asian Development Bank (ADB).

The **bilateral initiatives**, for example, taken by India, Bangladesh, Nepal and Bhutan to strengthen transport links have also been delayed inordinately.

The grouping has not started working upon the Blue Economy.

The members have not engaged **business chambers** and **corporate leaders** with activities of BIMSTEC. Therefore, the grouping remains in the hands of officials and experts.

### Way Forward

The **Heads of state** and **government** need to assert their authority to fulfil the FTA obligations.

More financial resources are needed for greater regional connectivity. The BIMSTEC Development Fund can be launched.

The vision of the **Bay of Bengal Community (BOBC)** should be realized. It has the potential to play a pivotal role to deepen linkages between South Asia and Southeast Asia in this **Indo-Pacific century**.

The collaboration can be done with the Indo-Pacific Economic Framework for Prosperity (IPEF) to accelerate the **region's economic development**.

Three countries have a special responsibility: Bangladesh as the host of the BIMSTEC Secretariat; Thailand as the representative of Southeast Asia; and India as the largest state in South Asia

### GS2 – SOCIAL ISSUES – SEX WORKERS ISSUE

#### **SEX WORKERS IN INDIA AND RELATED ISSUES**

##### 15. Taking steps to ensure sex workers' rights

**Source:** The post is based on an article “**Taking steps to ensure sex worker's rights**” published in the “**The Hindu**” on **7<sup>th</sup> June 2022**.

**Syllabus:** GS2 Important Provisions of the Constitution of India

**Relevance:** Fundamental Rights of Sex Workers

**News:** Recently, the SC in **Budhadev Karmaskar v. State of West Bengal & Ors**, has given directions related to rights of the sex workers and their children.

#### **About Sex Worker and Prostitution**

The expression ‘sex worker’ has not been defined in the **Immoral Traffic (Prevention) Act (ITPA)** or any other law. But according to the ITPA 1987, ‘**prostitution**’ means the sexual exploitation or abuse of persons for commercial purposes.

The expression ‘prostitution’ includes offering the body to a person for **promiscuous sexual intercourse** for hire. It also include taking unjust and unlawful advantage of trapped women for one's benefit or sexual intercourse.

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### Six SC directions which the central government agreed to implement

The court directed the government to implement the **other six recommendations** as well as the provisions of **the Immoral Traffic (Prevention) Act (ITPA) of 1956**. These are:

- (1) to provide immediate **medical assistance** to sex workers who are victims of sexual assault;
- (2) to release **adult sex workers** detained in ITPA protective homes against their will;
- (3) to sensitise the police and other law-enforcement agencies about the rights of sex workers to live with dignity;
- (4) to ask the **Press Council of India** to issue guidelines to the media so that they don't reveal the identities of sex workers while reporting on arrest, raid and rescue operations;
- (5) To not consider **health measures** that sex workers employ for their safety (such as condoms) as evidence of commission of an offence; and
- (6) To ensure that the **legal service authorities** of the Central and State governments educate sex workers about their rights vis-à-vis the legality of sex work.

### Four recommendations on which The Central Government has shown reservations

- (1) Preventing the police from taking any **criminal action** against a sex worker on the basis of 'age' and 'consent', if sex worker is an **adult** and is participating with **consent**.

**An adult sex worker** who is a **sex worker voluntarily** is not an offence per se, until exploitation or abuse is reported by the sex worker or revealed during investigation.

- (2) Since **voluntary sex work** is not illegal and only running a brothel is unlawful. Therefore, sex workers should not be arrested or victimised during any raid in the brothel.

- (3) No child of a sex worker should be separated from the mother merely on the ground that the mother is in the sex trade. If a minor is living in a brothel or with sex workers, it should not be presumed that he/she has been trafficked.

As per law, the law presumes trafficking if a child is found with any person in a brothel. Such a child or a minor after being rescued should be placed with any child care institute recognised under the Juvenile Justice Act. Similar remarks have also been reiterated in **Gaurav Jain v. Union of India (1997)**, by the Supreme Court of India

- (4) The government should involve representatives of the sex workers in the process of decision-making in laws relating to sex work. For example, rehabilitation of sex workers, improving their living conditions etc.

### Way Forward

The ITPA and CrPC may be amended suitably to **enforce** the directions of the **Supreme Court**.

If possible, other directions may be implemented through **executive orders** by the governments.

The government should differentiate between **prostitution** and the work of sex workers. It can ban prostitution per se. However, voluntary sex work should be allowed with certain conditions keeping in mind the public interest.

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The women in the **flesh trade** should be viewed more as victims of adverse **socioeconomic circumstances** rather than as offenders.

The law should be appropriately amended to define 'sexual exploitation' and 'abuse of persons'.

GS2 – POLITY – JUDICIARY

### **JUDICIAL TRANSPARENCY AND ACCOUNTABILITY**

#### 16. **The judiciary should have annual performance reports, too**

**Source:** This post is based on the article “**The judiciary should have annual performance reports, too**” published in **The Indian Express** on **7th June 22**.

**Syllabus:** GS2 – Judiciary

**Relevance:** Judicial transparency and accountability

**News:** In a rare exhibition of transparency, the Orissa High Court has published an **annual report taking stock of its performance** in a difficult year that marked by the resurgence of the pandemic. By subjecting itself to the scrutiny of the common citizen, the court has shown exceptional humility.

#### Details of the annual report

The report provides a **district-wise breakup of cases** and **availability of judges**.

It contains a section explaining the **reasons for delays and backlog** at the level of the district judiciary. The following reasons have been cited for the delay –

- The tendency of higher courts to “stay” proceedings
- The uneven distribution of cases amongst judges in trial courts
- The non-availability of witnesses due to transfers

The report also sheds light on the **administrative functioning** of the court.

In addition to **listing the judges on each administrative committee**, the report acknowledges the work done by them.

– **For instance**, the committee that deals with the appeals by the employees of the district judiciary against orders passed by disciplinary authorities had 40 appeals, out of which it disposed of only 13 appeals. This is useful information if one wishes to assess the **administrative workload of judges and the efficiency** with which they discharge their tasks. Most HCs do not share this information with ordinary citizens even if requests are made for the same under the Right to Information Act.

#### Significance of annual reports

Annual reports have traditionally been an important way of **ensuring accountability of public bodies to Parliament and citizens**.



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Each Union ministry is required to supply copies of these reports to the Lok Sabha Secretariat a week before the Demand for Grants of the ministries is taken up.

The Ministry of Parliamentary Affairs has detailed instructions on the expectations regarding the timeline and content of such reports.

These reports are **examined by the Department Related Parliamentary Standing Committees and the Parliamentary Committee on “Papers Laid on the Table”**, which regularly takes to task ministries for delays in tabling reports of the government companies and autonomous bodies under their control.

Unlike the executive, the **judiciary is not under any legal obligation to prepare annual reports** or table them before Parliament or the state legislature.

Do courts publish annual reports regularly?

No.

A survey of the websites of the 25 high courts in the country revealed that only the high courts of Madras, Himachal Pradesh and Tripura had published an annual report in the last two years.

At most, **all high courts submit short reports to the Supreme Court** which compiles all the information into one annual report on the judiciary.

Way forward

It's up to Parliament to **enact a law that mandates high courts to publish an annual report** not just on their performance, but also on the performance of the district judiciary under their administrative control.

This law should **clearly outline the expected content** of the report and establish a **clear timeline for its publication**.

GS2 – SOCIAL ISSUES – HEALTH RELATED ISSUES

### HEALTHCARE INFRASTRUCTURE IN INDIA

#### 17. [K. Sujatha Rao writes: Healthcare in India is ailing. Here is how to fix it](#)

**Source:** This post is based on the article “**K. Sujatha Rao writes: Healthcare in India is ailing. Here is how to fix it**” published in **The Indian Express** on **9th June 22**.

**Syllabus:** GS2 – Health

**Relevance:** Institutional reform in Healthcare in India and related issues

**Context:** The pandemic experience has shown that India needs to make public health a **central focus**. Covid has also shifted the policy dialogue from health budgets and medical colleges towards much-needed and badly-delayed **institutional reform**.

It is heartening to note that the Ministry of Health has issued guidelines to states to establish a **public health cadre**.

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

It is time our political systems listen to people and take care of their everyday needs, instead of going for easy options like privatisation, commodification and medicalisation of healthcare.

### Why India's three-tiered subcentre model has failed?

Less than 10% of the health facilities below the district level can attain the grossly minimal Indian public health standards. Clearly, the three-tier model of subcentres with paramedics, primary health centres with MBBS doctors and community health centres (CHC) with four to six specialists, has failed.

#### Reasons:

The model's weakness is the **absence of an accountability framework**. The facilities are designed to be **passive** — treating those seeking care.

#### What needs to be done?

Like in Brazil, we need **Family Health Teams (FHT)** accountable for the health and wellbeing of a dedicated population, say 2,000 families.

– The FHTs must consist of a doctor with a diploma in family medicine and a dozen trained personnel to reflect the skill base required for the 12 guaranteed services under the Ayushman Bharat scheme — midwives, public health nurses, other paramedics, health workers and community workers.

A **baseline survey** of these families will provide information about those needing attention — the elderly, diabetics, hypertensives, handicapped, pregnant women, infants, and those needing mental or physiotherapy services.

The team ensures a continuum of care by taking the family as a unit and ensuring its well-being over a period. Their work should be closely monitored, and the personnel should be given **outcome-linked monetary and non-monetary incentives**.

Such a system of primary care will need to work under the **close supervision of a CHC** manned by specialists in family medicine.

**Creation of public health cadre:** There must be a public health cadre manning the posts at the PHC and CHCs consisting of sub-specialists in family medicine, public health and public health management.

– Likewise, among nurses, the cadre should comprise two distinct sets of personnel — **public health nurses** (not ANMs promoted based on seniority) and **nurse midwives** capable of independently doing all clinical functions for handling pregnancies and women's health issues except surgical interventions.

**India needs to move beyond the doctor-led system and paramedicalise several functions.** Instead of “wasting” gynaecologists in CHCs, when there is an overall shortage of them, midwives (nurses with a BSc degree and two years of training in midwifery) can provide equally good services except surgical, and can be positioned in all CHCs and PHCs.

Likewise, lay counselors for mental health, physiotherapists and public health nurses are critically required for addressing the multiple needs of primary health care at the family and community levels.

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This needs to be acknowledged, and such trained persons appropriately positioned based on patient load and disease burden.

### Way forward

A transformative health system will require a comprehensive review of the existing training institutions, standardising curricula and the qualifying criteria.

**Faculty reviews** are required to make the training inspirational and not dull and repetitive, as it is currently.

Spending on **pre-service and in-service training** needs to increase from the current level of about 1%.

## **FOOD SAFETY INDEX**

### 18. **Safe foods: On the need to develop lab infrastructure in States**

**Source:** This post is based on the article “**Safe foods: On the need to develop lab infrastructure in States**” published in **The Hindu** on **9th June 22**.

**Relevance:** Food safety in India and related issues

**News:** The **4th State Food Safety Index** was released recently.

Tamil Nadu deserves credit for finishing at the top among 17 large States for food safety; it was ranked third in the previous edition of the State Food Safety Index.

### How have the Southern states fared in the index?

Except Tamil Nadu, there's nothing for the other southern States to cheer about, despite the region being more advanced than the rest of India in many socio-economic indicators.

- **Kerala**, which came second last time, is now at sixth spot;
- **Karnataka** has retained its ninth position;
- **Telangana** slipped from 10 to 15
- **Andhra Pradesh** dropped to the last slot from the penultimate slot in the previous edition when 20 States were covered, unlike the 17 now.

Among Union Territories, **Puducherry** rose from seventh to sixth spot.

### Way forward

In an area such as food safety, States alone cannot make a big difference without the support of the Central government.

**Liberal assistance** should be provided to the States and Union Territories as far as laboratory infrastructure and improvement of manpower, both technical and non-technical, are concerned.

The **private sector should come forward** in a big way to have staff trained at their cost and where such persons are used productively for the purpose.

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Every stakeholder in the field of food safety should realize is that each one has a critical role to play, and there has to be **collective and well-coordinated action**.

### **ILLEGAL ORGAN TRADE**

#### 19. **Why kidney rackets thrive**

**Source:** This Post is created based on the articles: 1) **“Explained: Why kidney rackets thrive”** published in **Indian Express** on **6<sup>th</sup> June, 2022**.

2) **“Busting illicit organ trade is imperative”** published in **Indian Express** on **6<sup>th</sup> June, 2022**.

**Syllabus:** GS Paper 2 – Issues related to health, Government policies for various sectors

**News:** Last week, a network of kidney traffickers was busted in Delhi. This is the 3<sup>rd</sup> such scam in the last 15 years in Delhi.

The trafficker involved doctors and other healthcare personnel, hospital administrators. They catered to patients that have end-stage kidney diseases and cannot be treated with medicines or dialysis and require a transplant.

#### **The Transplantation of Human Organs and Tissues Act, 2011**

**The act was amended in 2011 and 2014**

**The Transplantation of Human Organs and Tissues Act, 2011** recognizes 3 kinds of donations by living organ donors:

1. by near-relatives (parents, siblings, and spouses)
2. by altruistic donations
3. by swap donations

**Swap transplant** is allowed when a near relative is medically incompatible with the recipient. It allows swapping with another related, unmatched donor-recipient pair.

**Altruistic donations** are those donations where someone donates an organ, usually a kidney or part of the liver, to someone they are not related to or, in some cases, even to a complete stranger.

The act allowed donations from cardiac dead patients (earlier, organs could be donated only by brain-dead patients).

The law **prohibits any financial exchange** for donations.

**All cases of living donations have to be scrutinised** by an in-hospital committee to ensure no commercial dealing happens. In cases of unrelated donors or any case flagged by hospitals, an external panel examines all papers.

#### **What are the reasons behind the prevalence of organ trafficking in India?**

More than 1.5 lakh people in the country require kidney transplants every year. But the number of organ donors is a small fraction of this requirement.

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

The black market in the organ trade flourishes by disguising illegal trafficking as “altruistic donation”.

Medical authorities have ignored suggestions to increase the transparency in the work of committees that scrutinise organ donations.

Unlike some western countries, India does not have a “**opt-out**” system. This system assumes all citizens to be willing organ donors after death unless they “opt-out” of it.

India’s organ transplant law recognises **cadaver (after death) donations** with family approval. However, declaring a person brain-dead in time for the organs to be harvested is very difficult in India. Most hospitals lack the expertise and facilities required for this purpose.

### **Why Kidney trafficking is most prevalent among organs?**

In 2020, there were 7,443 transplants in the country, of which 5,486 or nearly 74% were kidney transplants. Thus, the demand for transplants is high.

**The kidney can survive longer** outside the body — 24 to 36 hours — than the lungs (4-5 hours) and the liver (8-12).

There is a severe **shortage of Kidneys** and the quality of life after transplant is quite good.

India has **expertise in kidney transplantation** and the procedure is standardized. So patients face low risk.

With **changing life styles**, diseases like diabetes and hypertension are increasing. These diseases can go undetected for years and causes kidney diseases.

### **What can be done?**

Increase donations from the dead. In 2020, of all the transplants, only 9.4%, used organs from deceased donors.

## GS2 – POLITY – UNION AND STATES:ISSUES

### **FEDERAL STRUCTURE AND RELATED ISSUES**

#### 20. **The new era of fiscal federalism could strengthen national unity**

**Source:** The post is based on an article “**The new era of fiscal federalism could strengthen national unity**” published in the **Live Mint** on **06<sup>th</sup> June 2022**.

**Syllabus:** GS2 Important Provisions of the Constitution of India

**Relevance:** Fiscal Federalism and related issues

**Context:** The 15th Finance Commission (2021-2026) retained the states’ share, and its methodology of assigning weights based on population. This is likely to be a factor in the **politics** of federalism.

### **Importance of fiscal federalism in India**

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

Linguistic pluralism, a federal structure and **fiscal federalism** have served us well and enabled us to succeed

At the time the Constitution came into force, some regions were endowed with more human capital, infrastructure and industrial capacity, others had abundant natural resources, and a few had very limited economies. Therefore, fiscal federalism is important for balancing equity, equality and efficiency in a country having a **hyper-diverse federation**.

Fiscal federalism is an important force to leverage the **comparative advantage**.

On the one side, the **linguistic reorganization** of states helped address political aspirations. On the other side, fiscal federalism has been important for the **political restructuring**.

### Why states in India have weak fiscal capabilities?

The following reasons have resulted in India's states to have **relatively weak fiscal capabilities**:

The Planning Commission was an important arbiter of how funds were shared. **Central planning** constrained both the **market and State governments** in allocation of resources.

The nationalization of banks further **centralized** resource allocations and aligned them to planning.

### Important Institution to uphold fiscal federalism

#### Finance Commission

The Constitution of India created an independent, **non-partisan** Finance Commission to determine how fiscal resources ought to be shared among the Union and states.

It has functioned **transparently, professionally** and has played a fundamental role in keeping the country united. For example, politically sensitive and border states receive disproportionately larger shares of funds.

Every Finance Commission has worked with **consultative** and **non-partisan** character. Therefore, its recommendations have been accepted by the Union and states as fair.

### Measures towards Fiscal Federalism

A new era of **fiscal federalism** started when the **14th Finance Commission** raised the states' share of funds from **32%** to **42%**.

In addition to this, the **Planning Commission** was disbanded by the government in 2015.

Further, the GST framework has been adopted. The GST Council has given a powerful platform to the states to negotiate their fiscal interests. Therefore, the states enjoy a greater degree of **fiscal autonomy** than before.

### What are the challenges involved?

Now the Union government has a larger role in **directing expenditure** through a large number of "**centrally sponsored schemes**" like those for education, health and rural employment guarantee.

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The states are laggards in setting up **state finance commissions** to devolve funds to municipalities and panchayats.

State governments and local bodies have also been reluctant to raise their own revenues.

There are political considerations which prevent taxing of the **richer farmers** in India.

There are bureaucratic incapacities at the municipal level in terms of the collection of property taxes because “**the closer the government is to the people, the more unwilling it is to raise taxes**”.

### Way Forward

The states have to learn how to **frame fiscal policy** otherwise, the fiscal balance will tilt towards the Centre.

There should be requisite deliberations on providing a **permanent secretariat** to the Finance Commission

The **Inter-State Council** chaired by the Prime Minister and comprising state chief ministers, must be upgraded into a national forum.

## GS2 – INTERNATIONAL RELATIONS – INDIA AND ITS NEIGHBOURHOOD

### INDIA – CHINA RELATIONSHIP

#### 21. Himalayan challenge: To build better along LAC is necessary, but against China, so are strategic friends

**Source:** The post is based on the article “**Himalayan challenge: To build better along LAC is necessary, but against China, so are strategic friends**” published in “**The Times of India**” on **10<sup>th</sup> June 2022**.

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

**Relevance:** Understanding the challenges associated with Chinese infrastructure along LAC.

**News:** US Army’s Pacific Commanding General visiting India has drawn attention to China’s rapid build-up of military infrastructure along the LAC.

#### What is the new infrastructure being built by China along LAC?

China is rapidly building a dual-use border infrastructure. China is building troop shelters, gun positions, helipads and other infrastructure in disputed areas in eastern Ladakh to border villages along with Arunachal Pradesh. Add to this, two new [Chinese bridges across the Pangong Tso](#).

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**Must read:** [Explained: Strategic significance of bridge China is building on Pangong Tso](#)

What are the implications of Chinese infrastructure along LAC?

These infrastructures might solidify China's position all across the 3,488 km LAC. Further, the construction denotes China's aggressive foreign policy posture and border standoff with India might continue in future.

How India is responding to the Chinese infrastructure along LAC?

**Ramped up border infrastructure development:** In the last year's budget, the government has increased the capital outlay for the Border Roads Organisation (BRO) by 40%. This included a six-fold hike in allocation for Arunachal Pradesh's Border Area Development Programme.

India has **quickened the pace** of its border infrastructure development since the Galwan clashes, inaugurating multiple bridges and border roads along the LAC.

Further, India is also planning to enhance rail connectivity in the Northeast.

**Focusing on faster implementation:** In May 2020, the Government has increased the BRO's procurement powers from Rs 7.5 crore to Rs 100 crore. Thus allowing BRO to acquire critical equipment for speedier laying of border roads and other construction.

What should be done?

However, in terms of resources, China still outpaces India. Hence, India needs to simultaneously engage in tactical collaboration with the US and other countries concerned about Chinese belligerence.

The upcoming [Yudh Abhyas](#) joint exercise with Americans in the Himalayas and the finalising of a logistics support pact with Vietnam are steps in the right direction.

### **INDIA-PAK RELATIONS**

#### 22. [An enduring agreement bridging India-Pakistan ties](#)

**Source:** The post is based on an article "[An enduring agreement bridging India-Pakistan ties](#)" published in the "[The Hindu](#)" on **10<sup>th</sup> June 2022**.

**Syllabus:** GS2 International Relations; Bilateral

**Relevance:** Indo-Pakistan Relations

**News:** Recently, the **118<sup>th</sup> meeting** of the **Permanent Indus Commission (PIC)** comprising the Indus Commissioners of India and Pakistan was held on May 30-31, 2022 in New Delhi,

#### **About the Indus Waters Treaty (IWT)**

It is a water-distribution treaty between India and Pakistan that was established in 1960. It makes arrangements to use water in the Indus and its tributaries.

#### **About Treaty**

It was signed in **Karachi** on September 19, 1960. It was negotiated by the **World Bank**.



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The treaty establishes a **cooperative mechanism** for **exchanging information** between the two countries. It is regarding the use of the **western rivers** (Indus, Jhelum, Chenab) allocated to Pakistan and the **eastern rivers** (Ravi, Beas, Sutlej) allocated to India.

It allows each country to use the rivers allocated to the other for certain purposes such as irrigation and hydroelectricity.

The Permanent Indus Commission oversees the cooperative mechanism. It ensures that the two countries meet annually to discuss myriad issues emerging from the treaty.

### **What are the challenges in implementation of the treaty?**

India-Pakistan relations are mired by the **high politics** resulting in a **political stalemate** between the two countries.

Both countries have objected to the **technical design features** of one or the other hydroelectric projects.

– For example, although India is permitted to construct hydroelectric power facilities on the western rivers, but Pakistan has objected to the Kishanganga and Ratle plants located on the tributaries of the Jhelum and the Chenab, respectively

Similarly, Pakistan raised objections on the **construction** and **technical designs** of the Pakal Dul and Lower Kalnai hydropower plants located on Marusudar river, a tributary of the Chenab.

Similarly, India has raised concerns on Pakistan's blockade of the **Fazilka drain**, which resulted in water contamination in the border areas.

To resolve differences over **Kishanganga** and **Ratle HEP plants**, Pakistan approached the World Bank to facilitate the setting up of a **court of arbitration**, and India requested the appointment of a Neutral Expert on the settlement of differences and dispute of the treaty. Therefore, the World Bank appointed both a neutral expert and a chairman for the court of arbitration. However, an acceptable solution has not been found.

### **Achievements of the TWT**

Notwithstanding the differences, both countries have so far **endeavoured** to **amicably** address all such issues. Both sides have assured to implement the treaty in letter and spirit.

The treaty is an illustration of a **long-standing engagement** between the conflicting nations that has stood the vagaries of time.

It has withstood tensions, including conflict, providing a framework for cooperation.

The treaty is considered **one of the oldest** and the **most effective** examples of water management cooperation in the region and the world. For example, 118th bilateral meeting corroborates its effectiveness.

### **Way Forward**

#### **Potential for cooperation**

The treaty can help to tackle the challenges of climate change. India & Pakistan can undertake **joint research** on the rivers to study the impact of climate change for **'future cooperation'**.

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The treaty offers great **potential** for **cooperation, development**, ensuring peace and stability in the subcontinent

The Treaty can be a **reference point** to resolve other **water-related issues** in the region through regular **dialogue** and **interaction**.

### **INDIA – IRAN RELATIONS**

#### 23. **Ties reset: On India-Iran relations**

**Source:** This post is based on the article “**Ties reset: On India-Iran relations**” published in **The Hindu** on **10th June 22**.

**Syllabus:** GS2 – International Relations

**Relevance:** India – Iran bilateral ties

**News:** Iranian Foreign Minister’s first visit to India recently has many implications for bilateral relations, but it is the multilateral context and timing that stand out.

**Why the visit holds significance?**

This is the **first visit by a member of the 57-member Organisation for Islamic Cooperation**, which took offence to comments made in India on the Prophet.

– The controversy has overshadowed India’s other diplomatic engagements. As a result, this visit was an opportunity for India to project that it has successfully calmed the Islamic world with the actions of the ruling BJP against its spokespersons.

The Iranian visit comes **a week after that of Israeli Defence Minister**. New Delhi has always sought to run a balance in ties between the two rivals.

It also **coincides with the meeting of the Board of Governors of the IAEA in Vienna**, which has passed strictures against Iran for its nuclear programme.

For Mr. Abollahaian, the visit would be portrayed **as a show of support from a powerful country**.

**Afghanistan issue:** In addition, Iran and India discussed the situation in Afghanistan under the Taliban, just days after an Indian envoy made the first outreach to Kabul.

– To this end, India and Iran have discussed further **operationalising the Chabahar port**, where goods to Afghanistan were sent before the government in Kabul fell last year.

Finally, against the backdrop of the Russian war in Ukraine, and western sanctions, **Iran has also been keen to convince New Delhi to restore its crude oil purchases**, which it cancelled in 2019, after threats of U.S. sanctions.

– External Affairs Minister of India made a statement wherein he called for the U.S. and Europe to allow Iranian and Venezuelan oil back into the international market if they want India to lower Russian oil imports. He accused the West of “squeezing” all alternative sources for India.

**What are the bilateral issues b/w two countries?**

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Many promises of the last summit in Delhi left unrealised.

India has drastically cut its Iranian engagement due to sanctions, while Iran has looked to China for more infrastructure investment.

Bilateral trade dropped to just over \$2 billion (2020-21) from \$17 billion (2017-18).

Ties also appeared to have been hit by New Delhi's surprise decision to join the **Israel-India-UAE-U.S. group**, portrayed as an "anti-Iran" coalition.

### Way forward

Mr. Abdullohaian's visit, and a possible visit by Iranian President Ebrahim Raisi, may be the start of a reset of traditionally strong ties even if it is one that is affected by developments in other parts of the world.

## **INDO-PACIFIC AND RELATED ISSUES**

### 24. **Dealing with the Indo-Pacific is not easy**

**Source:** The post is based on an article "**Dealing with the Indo-Pacific is not easy**" published in the "**The Hindu**" on **9<sup>th</sup> June 2022**.

**Syllabus:** GS2 International Relations; Regional grouping

**Relevance:** The Indo-Pacific Region

**News:** Recently, the U.S. President Joseph Biden made a five-day visit to Asian countries.

### **What are the ongoing challenges?**

The **Indo-Pacific region** has been under pressure and **East Asia**, in particular, For example, China challenges international maritime laws in the South China Sea. It also confronts Japan over the Senkaku Islands.

South Korea and Japan face regular **nuclear** and **missile threats** from North Korea. For example, soon after the US visit, **North Korea** test-fired **three ballistic missiles**.

There are growing concerns over **Chinese military activity** in the Indo Pacific region. For example, **Chinese** and **Russian fighter jets** carried out joint flights over the **Sea of Japan** and **the East China Sea**.

Six nations, including China and Taiwan, are involved in the dispute over the Spratly Islands, having vast reserves of oil and natural gas.

China has vigorously militarised some portions of the disputed isles, islets and coral reefs.

### **Outcomes of the Biden's Asian visit**

The South Korean government showed willingness to expand the presence of a U.S. missile defence system in the country.

The Japan government promised to do away with its long-standing 1% GDP ceiling on **annual defence spending**.

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The U.S. President promised to intervene militarily to defend Taiwan if it came under attack from China. However, **American foreign policy** is governed by the **Taiwan Relations Act**. Which mandates the U.S. to provide Taiwan with arms of a defensive character” so that it can defend itself, not step in militarily to defend Taiwan in the event of an invasion by China.

### The IPEF framework

The Biden administration has sought to counter the **assertiveness** and **aggressiveness** of Beijing, by establishing an **Indo-Pacific Economic Framework (IPEF)**.

### Members

The IPEF will function with Australia, Brunei, India, Indonesia, Japan, South Korea, Malaysia, New Zealand, the Philippines, Singapore, Thailand, and Vietnam.

### Focus Areas

The IPEF will work on fine-tuning **four major pillars**: standards and rules for digital trade; resilient supply chains; green energy commitments; and fair trade.

### Issues in the IPEF

There is discontent that the framework does **not** address issues of **trade** and **tariffs**.

The IPEF framework is lacking in the **trade component**. The framework aims to offer money for clean energy, supply chain resilience, and anti-corruption. But the Asian partners want **trade** and **market access**.

### The Way Forward

The US administration must pay attention to two facets in the Asia Pacific/Indo-Pacific.

One is that China’s neighbours would rather balance relations between Washington and Beijing.

Just like in Europe, where Russian aggression has led to uniting the rest of the region against Russia. Similarly, circumstances may also arise in Asia due to Chinese aggression.

On the other hand, the countries in the region will not want to get on the **anti-China bandwagon**. Every country in East, Southeast or South Asia, has its own unique relationship with Beijing. For example, despite South Korea and Japan being part of a strong **American security/strategic partnership**, they are keen to maintain their economic status with China. This is also true for the **Association of South East Asian Nations**. Similarly, India, being the Quad member, also shares a land border with China which is laced with disputes.

In response to **geopolitical tensions**, countries have increasingly emphasised **resilience** and **national security considerations** over the economic gains from free trade and investment flows. However, they should be very careful about taking extreme measures.

The countries should not adopt **protectionist measures** such as disconnecting from global supply chains. This may shut off avenues for regional growth and cooperation. Such measures will **deepen divisions** between countries, and may lead to conflicts that we all hope to avoid.

## INDIA – GULF RELATIONS

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

### 25. Explained: Why the Gulf matters for India

**Source:** This post is based on the article “**Explained: Why the Gulf matters for India**” published in **The Indian Express** on **7th June 22**.

**Syllabus:** GS2 – International Relations

**Relevance:** India’s relations with the Gulf countries

**News:** Recently, the ruling BJP **suspended its national spokesperson** and expelled its Delhi spokesperson Naveen Kumar Jindal, following comments they had made about Islam and the Prophet.

The move came after three countries in the Gulf region had summoned the Indian ambassadors to their nations to register their protest, and demanded a public apology from India.

It underlines the significance of the Gulf region for India.

#### Why is the Gulf region important to India?

Barring the Jewish state of Israel, the 10 other countries of the Gulf region together account for one-fifth of the world’s Muslim population, and are among the strongest voices of the Muslim world.

- Gulf countries – **Saudi Arabia, Qatar, Iran, Iraq, Bahrain, Kuwait, United Arab Emirates, Oman, Jordan and Yemen**

India shares good relations with most of the countries in the Gulf.

- The two most important reasons for the relationship are – **oil & gas**, and **trade**.
- Two additional reasons are the huge number of Indians who work in the Gulf countries, and the **remittance** they send back home.

#### How much trade does India do with countries in this region?

According to India’s embassy in Riyadh, the Gulf Cooperation Council (GCC), which includes **UAE, Bahrain, Saudi Arabia, Oman, Qatar and Kuwait** has emerged as a major trading partner of India.

**UAE:** The UAE was India’s **3rd largest** trading partner in 2021-2022, and **2nd largest** for both exports (\$28 billion) and imports (\$45 billion) when these are counted individually.

**Saudi Arabia:** At a total volume of \$42.9 billion in 2021-22, Saudi Arabia was India’s **4th-largest** trading partner.

**Iraq:** It was India’s **5th-largest** trading partner in 2021-22 at \$34.3 billion.

**Qatar:** The total trade was \$15 billion, accounting for just 1.4% of India’s total trade, but the country is India’s most important supplier of natural gas. Qatar accounts for **41% of India’s total natural gas imports**. The UAE accounts for another 11%.

#### How much oil does India import?

According to an analysis by the Observer Research Foundation in April, more than 84% of India’s petroleum demand, which included crude oil and petroleum products, was met with imports.

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The share of Persian Gulf countries in India's crude imports has remained at around **60%** over the last 15 years.

In 2021-2022, the largest exporter of oil to India was **Iraq**, whose share has gone up from 9% in 2009-2010 to 22%. **Saudi Arabia** has accounted for 17-18% of India's oil imports for over a decade.

**Kuwait and UAE remain major oil exporters** to India. Iran used to be the **second-largest** oil exporter to India in 2009-2010, its share went down to less than 1% in 2020-21, due to US sanctions.

### How many Indians work in the Gulf, and how much remittance do they send?

According to Ministry of External Affairs data,

– **more than 13.46 million Indian citizens work abroad**. If Persons of Indian Origin (those who have taken up citizenship of other countries, and their descendants) are added, this number goes up to **over 32 million**.

Counting only the 13.4 million non-resident Indians (NRIs), the **Gulf has the largest numbers**. The UAE (3.42 million), Saudi Arabia (2.6 million) and Kuwait (1.03 million) together account for over half of all NRIs.

In terms of remittances from abroad, **India was the largest recipient in 2020 at \$83.15 billion**, according to World Bank data. This was nearly twice the remittances to the next highest recipient, Mexico, at \$42.9 billion.

The largest contributor is the huge Indian diaspora in the Gulf

### INDIA-TALIBAN RELATIONS

#### 26. Vivek Katju writes: Why India must engage Taliban

**Source:** This post is based on the article "**Vivek Katju writes: Why India must engage Taliban**" published in **The Indian Express** on **7th June 22**.

**Syllabus:** GS2 – International Relations

**Relevance:** India – Taliban relations, Engaging with Taliban

**Context:** On June 2, the Ministry of External Affairs announced that a team led by J P Singh, Joint Secretary (PAI) is currently on a visit to Kabul to oversee the delivery operations of India's humanitarian assistance to Afghanistan.

The government clarified that although the delegation would meet senior members of Taliban, this engagement should be seen only in limited context of assistance to the Afghan people.

#### What are the Taliban's views on this visit?

A Taliban spokesperson tweeted that diplomatic relations between the two countries, and trade and humanitarian assistance were discussed.

Singh's visit was branded as **a good beginning in the ties** between the two countries.

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The Taliban stressed that **bilateral ties would not be influenced by rivalries** with other countries. This was an obvious indication of the Taliban's desire to **develop independent ties with India** despite its bonds with Pakistan.

Why India must engage the Taliban?

### Security concerns

– Afghanistan impacts India's security. It has, in the past, provided space to **al-Qaeda** with which the Taliban had a special relationship. Afghanistan has an **ISIS presence** too, though the Taliban is at odds with it.

– Of special concern to India are the **Taliban's ties with the Lashkar-e-Taiba and Jaish-e-Mohammed**. A recent United Nations report has emphasised that the Taliban's connections with these groups have not been severed. Indeed, it is unlikely that the Taliban would entirely turn its back on them.

An engagement with the Taliban would at least **give an opportunity to convey Indian concerns directly** and encourage those elements within the group who wish to open up its diplomatic choices.

**India should not leave the Afghan arena entirely to Pakistan and China** because of the social manifestation of Taliban theology on the Afghan people.

Way forward

It is good that India has extended humanitarian assistance to Afghanistan at this time through international agencies and not let its unhappiness with the Taliban's policies come in the way.

There are indications of the development of some opposition to the Taliban in the Panjshir valley. However, it would be futile for Indian policymakers to consider this as becoming effective. At most, it will remain an irritant to the Taliban. There is also no indication of a popular countrywide upsurge which could push them out. Thus, the **Taliban is here to stay and for India, there is no alternative but to deal with it**.

There would also be **nothing wrong in maintaining contacts with some of the leaders of the ousted Republic**, especially as the Taliban itself wants them to return to the country.

All in all, the sooner **India establishes a permanent presence in Kabul**, the better for the pursuit of national interests in the external sphere.

### INDIA'S FOREIGN POLICY

#### 27. Vicious domestic politics, foreign policy shocks

**Source:** The post is based on an article "**Vicious domestic politics, foreign policy shocks**" published in the "**The Hindu**" on **9<sup>th</sup> June 2022**.

**Syllabus:** GS2 International Relations; Bilateral Relations, Multilateral Relations

**Relevance:** Look West Policy; Issues and Challenges in India's Foreign Policy

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

**News:** Recently, India has faced unprecedented diplomatic backlash over the derogatory remarks made by the political leaders against Islam

### **What has been India's foreign policy with respect to the Middle East?**

India has been trying to build good relationship with the Muslim-majority states in the West Asian region, despite the growing **anti-Muslim sentiments** in the country.

### **Nature of India's Foreign Policy**

There is a **larger binary** that has been at the heart of the conduct of India's foreign policy in the recent past.

India has been facing **external criticism** about **shrinking democratic space** and rising **religious intolerance** in the country while at the same time being a champion of democratic values at global platforms like Quad and Summit of democracies.

### **Implications of such incidents of extremism in India**

Such extremism causes shrinking of India's ability to manage its **international normative identity** along with ability to dismiss criticism against its own domestic failings.

Domestic extremism cannot prevail without **external consequences**. Interfering with extremism in India or anywhere is counterproductive. For example, India has learned important lesson from India's relations with the **Liberation Tigers of Tamil Eelam (LTTE)**.

At present, there is an increasing number of 'fringe' but **extremist groups** in India working against Indian Muslims.

### **How extremism in India is different from extremism in Pakistan?**

Unlike **Pakistan's home-grown extremism** which have spilled over as state-sponsored terrorism in India, extremist elements in India have focused domestically and contained within the country

Manifestations of extremism in India have never received any **state patronage** barring occasional tolerance by the ruling party. But, occasional tolerance boils over into spaces outside the borders. Therefore, it brings into picture **foreign policy consequences**. For example, India has received criticisms from the Islamic countries on its Kashmir policy.

There are various domestic checks and balances between various forms of extremism in India.

### **Why has India reacted differently to the criticism from the Muslim Majority States in the West Asia, from the US/West criticism on the treatment of Muslims in India?**

Although, the Muslim-Majority states play more hypocrisy than the U.S./West. But still, India did not respond in the same manner

India's refusal of the **western/U.S. criticism** does not attract much **material consequences** because these are advanced democracies. However, If India pushes back the criticism from the Islamic countries, these countries are more likely to impose **arbitrary material costs** on India or Indian citizens living in those countries. And India needs the middle east region for remittances, energy, and the well-being of Indian diaspora.



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India and the West/U.S. need each other for a variety of reasons. For example, containing the China challenge. However, such **inter-dependence** does not really exist when it comes to India-West Asia relations. It can be said that India needs the West Asian states more than they need India.

### Way Forward

The religious tolerance or pluralism forms important virtues in India as well as the Muslim-majority states in West Asia.

The **vicious domestic politics** has foreign policy implications. For example, in the present case, the government is now struggling to contain the diplomatic fallout. Therefore, domestic politics should be kept below **boiling point**, otherwise, it can have foreign policy implications.

The **bilateral relationships** are carefully built over decades by professional diplomats. These efforts are undermined by domestic **communal politics, electoral calculations, hate speech**. Thus, our internal matter becomes a matter of national interest.

There should not be any derogatory remarks against one religion or other, like Islam in this case.

India's foreign policy has registered a number of achievements to its credit. But, the Indian leaderships should learn that India's **unconstrained domestic extremism** can harm India's foreign policy objectives.

### 28. [7% Growth Is India's Best Foreign Policy Strategy](#)

**Source:** This Post is created based on the article “7% Growth Is India's Best Foreign Policy Strategy” published in **The Times of India** on **6<sup>th</sup> June 2022**.

**Syllabus Topic – GS** Paper 2, International Relations

**Context:** Countries from around the world like the US, Israel, Iran, etc. are trying to build good relations with India. However, India is still not free to make strategic choices.

#### **How economic development determines freedom to make choices for countries?**

In 2010, Professor Michael Beckley analyzed the relationship between military effectiveness and economic development. In the study, he analyzed hundreds of battles over a nearly 100-year period (between 1898 and 1987).

His study found that military effectiveness is primarily a function of economic development. Other political and social factors are marginal in effect.

The reason is simple, economically developed states have a greater surplus of wealth. Thus, they could sustain larger investments in technology, production techniques, and military development without draining the economy of resources.

For example; China has used its spectacular economic growth to fund the fastest military expansion seen since World War II. In 2011.

#### **How India has fared in this domain?**

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After the 1991 reforms, India's **economy was in a high growth orbit till 2008**. During this period, India entered into the **landmark nuclear deal** with the US **without any objection from China** in the Nuclear Suppliers Group. China was 2 times the size of the Indian economy then.

However, **now China has become 5 times of Indian economy, and** it is not willing to make the same adjustment for India in NSG (for membership).

Similarly, India's ability to purchase cheap Russian oil while maintaining great relations with major European powers is **based on the possibility of India becoming a bigger economy**. An economically anaemic India won't provide the same attractions, and choices will become harder.

Furthermore, India's ability to push back the most proximate national security threat, from China, is **weakened due to low spending on defence**. The problem is not the percentage of GDP spent on defense, but the total GDP itself. If GDP is small, the percentage won't make much difference.

A growth rate of 7% will give all the flexibility the country needs on funding the military, getting seats in crucial global alliances, and enforcing the principle of Indian Exceptionalism in the world.

GS2 – INTERNATIONAL RELATIONS – EFFECTS OF POLITICS AND POLICIES OF THE DEVELOPED AND DEVELOPING COUNTRIES ON INDIA'S INTERESTS

### **ROW OVER COMMENTS ON PROPHET MOHAMMED**

#### **29. The gulf of sensitivity that India will have to cross**

**Source:** The post is based on an article **“The gulf of sensitivity that India will have to cross”** published in the **“The Hindu”** on **11<sup>th</sup> June 2022**.

**Syllabus:** GS2 International Relations, Regional Grouping, Multilateral Grouping

**Relevance:** India's Criticism in international forums

**News:** Over the past few days, the **Islamic governments** including the **Organisation of Islamic Cooperation (OIC)** has criticized the Indian state regarding remarks made on the Prophet Mohammad.

#### **Success of India's Foreign Policy in this regard**

Some Islamic states have not been swayed by Pakistan's consistent portrayal of the Indian Government as fascist and anti-Muslim.

Despite criticism from OIC, the criticism has not been reflected in the **member-states' bilateral ties** with India.

India's relations with some significant Muslim countries such as **Saudi Arabia** and the United **Arab Emirates (UAE)** have strengthened since last few years.

#### **Implications on India's Interests**

It will lead the middle-east countries to do greater scrutiny of the Indian government's policies towards the country's Muslims.

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It was a great offence that was constituted to all **Muslims worldwide**. Furthermore, it would be perceived as a **disrespect towards** the Prophet.

When the Vice-President of India, M. Venkaiah Naidu was on a three-nation tour of Gabon, Senegal and Qatar, he faced **embarrassment** on foreign soil. For example, the **ceremonial banquet** of the Vice President's host, the Deputy Amir of Qatar, was called off.

### India's Response

India has rejected the statements of the OIC and Pakistan for they reeked of political considerations.

### What is the root cause of the problem?

The **Indian intellectual tradition** that has evolved after Independence does not pay sufficient attention to faith. It has led to a **lack of knowledge** of other religions, leading to misperceptions.

### Way Forward

The governments of **Islamic countries** would not want their **Foreign Policies** on India to be determined by theological considerations. This is because they have an array of interests at stake in their India ties.

There is a distinction between criticising some **social practices** of Muslims and what is perceived to be an attack on the **personality of the Prophet**.

There is a need to foster an understanding in society at large of other faiths and their sensitivities. It is important for our **multi-faith society** at a time when religiosity is rising sharply across the world.

The Arab states and India have **mutual interest**. Therefore, all faiths should be respected. It is important for social harmony and promotions of India's external interests.

## RUSSIA-UKRAINE CONFLICT

### 30. [The Ukraine conflict has raked up old dilemmas](#)

**Source:** The post is based on an article "**The Ukraine conflict has raked up old dilemmas**" published in the **Indian Express** on **6<sup>th</sup> June 2022**.

**Syllabus:** GS2 – International relations

**Relevance:** Impact of Ukraine-Russia war on Energy security

**News:** The Ukraine Conflict has caused a resurfacing of the deepest dilemma related to the energy sector, i.e.

- whether to ensure there is affordable, secure, and accessible energy at present, or
- to secure the longer-term imperatives of **economic growth** and **sustainable** development.

### Situation Prior to the Ukraine Conflict

#### Oil market

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It was globally integrated. There was one internationally acknowledged **benchmark price**. The OPEC was expanded to include Russia amongst its de facto members.

### Gas Market

The market was bounded by **regional pipelines** and inflexible **long-term LNG supply contracts**. Further, the prices were quoted regionally in the US, Europe and Asia.

However, **destination flexibilities** have been introduced in the recently concluded LNG contracts. Also, the LNG spot trade was gaining in market share and prices were converging.

### Problems, dilemmas and consequences due to the Ukraine Conflict

#### Global

The petroleum market is now **fragmented, fractious** and **volatile**. Europe and the US have sanctioned 90% of the Russian crude. This has tightened the crude oil and products market further.

At present, **Russian gas** has **not** yet been **sanctioned**. But there are chances that Europe may also sanction Russian gas. For example, Europe has published a road map for eliminating all energy imports from Russia by 2027.

OPEC has refused to remove Russia from OPEC plus. They have refused to bow down to US pressure to increase production to cool the oil market. They want to keep **control** over the oil market and also **benefit** from the fact that Russia cannot meet its OPEC determined export quota.

The US President aims to disallow **petroleum companies** from drilling for oil and gas on federal lands. He has approved the issuance of fresh leases.

The US and Italy are proposing to create an **oil consumers cartel** because the oil consumers have been facing difficulty. For example, the retail price of gasoline is very high, and American consumers are currently paying historic high prices.

European leaders are facing a dilemma between the **rock of energy geopolitics** and the hard place of **energy economics**.

Some countries have given the **green signal** to reopen **coal mines**. This could enhance GHG emissions and prolong the life of fossil fuels.

#### India

In India, the rise in the price of oil has “forced” the government to **reintroduce de facto administered pricing**. The public sector oil companies could not pass on the higher prices to retail customers but instead would bear the loss. This will impact their balance sheets and investment plans.

The India government is interested in buying the assets of **Shell LNG** in the **Siberian port of Sakhalin**. The deal can enhance **India's security** cover.

#### What are the challenges for India?

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India's investment may be subject to sanctions. Also, India may attract criticism for purchasing "**contaminated**" assets.

### Way Forward

In order to reduce energy "**independence**" on Russia. Europe needs to invest in **solar** and **wind generation**, gas storage, LNG import infrastructure and intra-Europe gas pipelines. This can lead to generation of **carbon emission certificates**.

EU leaders have reaffirmed their commitment to cut GHG emissions by 55 per cent in 2030 over the levels in 1990.

The Ukrainian conflict should end. Further, Russia's energy industry and the Russian people cannot be indefinitely ghettoised.

There should be a transition to **clean energy** with **Political expediency** because global warming presents an existential planetary threat.

## GS2 – INTERNATIONAL RELATIONS – BILATERAL AND MULTILATERAL AGREEMENTS

### INDO-PACIFIC ECONOMIC FRAMEWORK

#### 31. What IPEF offers India: Opportunities, tough negotiations

**Source:** The post is based on an article "**What IPEF offers India: Opportunities, tough negotiations**" published in the **Indian Express** on **11<sup>th</sup> June 2022**.

**Syllabus:** GS 2 International Relations, International Forums

**Relevance:** Indo-Pacific Economic Framework (IPEF)

**News:** Recently, the US Administration launched the **Indo-Pacific Economic Framework (IPEF)** as its de facto foreign economic policy for Asia

### Features

It empowers the US administration to shape rules across several critical pillars that will condition **America's economic engagement** in the Indo-Pacific amid competing with the Chinese BRI.

### What is the importance of the IPEF?

### Overall

It aims to address constraints that have been caused by Covid-19, inflation and supply chain shocks, and devise new standards.

It is the first **multilateral attempt** to boost **supply chain resilience**, to ease global inflationary pressures and mitigate effects of future disruptions in key raw materials, critical minerals, and semiconductors.

It will negotiate "**high-standard**" rules to govern **the digital economy, climate mitigation, workers empowerment, equitable global tax, anti-money laundering and anti-bribery provisions**.

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It is the economic agenda of the US, to protect and prolong America's economic leadership across Asia.

### For the US

It will service the domestic **economic agenda** of the US through 21st century economic arrangement. It is aimed to retain **America's technological primacy**.

It will deal with issues like climate change, tax evasion, worker rights, labour rights, productivity. This will be done using **market incentives** and **fiscal spending**. It will be aimed to reduce inequality, deter environmental damage, foster digital openness and connectivity, and expand tax compliance.

### Importance for India

It is flexible and is open in nature. The US and India can jointly shape the rules governing the **Indo-Pacific's economic future**.

It can counter China which is spreading its economic footprint across Asia. It is proposed as an alternative economic paradigm that emphasises openness, flexibility, and integration.

### What are the challenges for other member countries, including India?

There are doubts over whether the US administration could **sustain** its focus in Asia as war broke out in Europe.

The IPEF is **not** a **trade** or **investment agreement**. It's a framework to regulate trade and commerce across **four key pillars**: Digital economy, supply chains, clean energy, and governance.

It can impact the signatories on how they will regulate their **domestic economies**. For example, the signatory will have to internalize the standards domestically.

It will facilitate **US MNCs'** access to Asian economies at the expense of domestic preferences.

The IPEF's pillars could clash with and supersede the member countries' **policy preferences** on such issues. For example,

(1) Proposed **free and open data flows** will impact India's interest to regulate data for domestic purposes. India has been working on **data protection legislation** in the last few years.

(2) The Indian government is not open to sync its tax policies with the US Proposal of global tax standard to mitigate tax avoidance and evasion.

The IPEF does not grant **market access** to the United States or include **tariff reduction provisions**.

### Way Forward

The IPEF modalities has to be negotiated amongst partners that share interests and some values.

## 32. [The IPEF holds promise but there are perils too](#)

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**Source:** The post is based on an article “**The IPEF holds promise but there are perils too**” published in the “**The Hindu**” on **6<sup>th</sup> June 2022**.

**Syllabus:** GS2 International relations; regional grouping; and GS 3 Indian Economy, Issues and Challenges pertaining to growth and development; effects of liberalization on Indian Economy

**Relevance:** The Indo-Pacific Economic Framework for Prosperity (IPEF)

**News:** Recently, the US President Joe Biden has established the Indo-Pacific Economic Framework for Prosperity (IPEF) which is said to be a new version of a “pivot to Asia”.

### Background

The US President had first spoken about it in October 2021 during the East Asia Summit, in the presence of all IPEF signatories except Fiji.

### Objectives

To bring together the US allies in **the Indo-Pacific region** and enhance **economic cooperation** on the lines of the former U.S. President Barack Obama’s pet project called as the Trans-Pacific Partnership (TPP),

The US can fulfil its **twin ambitions**, to provide **economic leadership** and to challenge **China’s hegemony** in the region.

### Features

The IPEF has been proposed as an **elaborate framework** of rules covering **four pillars**: (1) fair and resilient trade, (2) supply chain resiliency, (3) clean energy decarbonisation, and (4) tax and anti-corruption.

In the Fair and resilient trade pillar, the IPEF “aims to develop **high-standard, worker-centred commitments**” covering labour rights, the environment and climate, the digital economy, agriculture etc.

### Significance

The intellectual property rights (IPRs) have been excluded from the list, which used to be at the heart of the U.S.’ economic engagements with its partner countries. The possible reason could have been it acting as constraining forces in the universal coverage of the COVID-19 vaccine

It has been designed differently from the free trade ideal. It has been proposed as a “**fair and resilient trade**”, not like a **traditional trade agreement**. The primary objective is to ensure a high degree of **regulatory coherence** and **market access** between the member countries.

### What are the associated issues?

#### Overall

The representatives of the pharmaceutical, and electronics sectors could pitch for the inclusion of the IPRs in the IPEF negotiations.

Enforcement of **labour** rights have often been rejected by the **World Trade Organization (WTO) members** in the trade deals on several occasions. They argue that “internationally recognized

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core labour standards” of the **International Labour Organization (ILO)** should be used to deal with issues pertaining to labour rights. They had also rejected the use of **labour standards for protectionist purposes**.

The **environment** and **climate change** have been duly included in the list of the IPEF. In this connection, the **United Nations Framework Convention on Climate Change (UNFCCC)** has cautioned that measures taken by the countries to combat climate change should not be used to discriminate or cause disguised restriction on international trade”.

The **standards** on **cross-border data flows**, **data localisations** and **data portability** has been included. This can have ramifications on the future of the **digital economy** because there are contrasting views on the control over data, which is the driver of the digital economy.

Although the U.S. wants its **manufacturing giants** to shift their bases from China to the other countries in the **Indo-Pacific**. But ensuring the **supply chain resilience** from new destinations will also remain a challenge.

### For India

On this issue of **data localisation**, based on the inputs from **the Draft National E-Commerce Policy**, the Government of India aspires for restrictions on cross-border data flows. This goes against “high-standard rules on cross-border data flows and data localization”.

India may also worry about rules on **strengthening labour rights** in the IPEF. India prefers for a “**flexible labour market**” unlike the regime that the U.S. is proposing for the IPEF

## GS2 – INTERNATIONAL RELATIONS – INDIA AND ITS NEIGHBOURHOOD

### INDIA-IRAN RELATIONS

#### 1. [Iran foreign minister’s visit reaffirms resolve of two countries to strengthen ties](#)

**Source:** The post is based on an article “Iran foreign minister’s visit reaffirms resolve of two countries to strengthen ties” published in the Indian Express on 17<sup>th</sup> June 2022.

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

**Relevance:** India-Iran relations

**News:** Iran’s Foreign Minister was on a three-day visit to India in keeping with **Iran’s “Asia-oriented” foreign policy**. It was the first ministerial-level visit from Iran since Ebrahim Raisi assumed the Iranian presidency.

#### **What is the convergence of interests between India-Iran?**

The “**Tehran Declaration**” between India and Iran affirmed the shared vision of the two countries for an “**equitable, pluralistic and co-operative international order**”. It symbolizes common **geopolitical interests**:

Ex-Iranian President envisioned “**dialogue among civilisations**” as a **paradigm of international relations** based on principles of **tolerance, pluralism** and **respect for diversity**.

India sees Iran which borders the **Persian Gulf** and **the Caspian Sea**, as a **land bridge** to Central Asia and Eurasia which have seen emergence of **independent landlocked countries** over the last three decades.

#### **Some developments in the India-Iran Relationship**



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Despite the US Sanctions, Iran, India, Russia and a few other countries in the Eurasian region, have continued to work on the **multi-modal International North-South Transport Corridor (INSTC)**.

Both countries have pledged to redouble their efforts to build the railway line between **Iran's Caspian port of Rasht** and **Astara on the Iran-Azerbaijan border**, aimed to connect the railway networks of Iran, Azerbaijan and Russia.

**Iran's Chabahar** port, which India is building, is also a story of perseverance in the ties between the two countries.

In recent times, India has abstained on the resolution by the US and its allies to censure Iran at the **IAEA**.

### **What are the challenges in India-Iran relationship?**

The US sanctions on Iran and Tehran **withdrawal** from the **nuclear deal in 2018**, worsened the bilateral relations, especially in India's energy imports from Iran

At present, India is strengthening its **new partnerships** within its **regional vision** centred on the **Indo-Pacific**. Whereas, **Iran** is deepening its relationship with **China** and **Russia** which have been playing aggressive geopolitical games in their own neighbourhood and also at the global level.

The "**sluggish**" **pace of the port's development**. Tehran has maintained that **Chabahar** does not seek to rival **Pakistan's Gwadar port** being developed by **China**.

Since the Taliban takeover of Afghanistan, Pakistan has been leading the efforts to link Central Asia with Karachi through a trans-Afghan railway.

### **Way Forward**

New Delhi is pushing for integrating Chabahar into the 13-nation **International North-South Transport Corridor (INSTC)**.

Recently, the maiden **India-Central Asia summit** agreed on creating a **Joint Working Group on Chabahar**.

The revival of the US-Iran nuclear deal could give a fillip to **India's economic ties** with Iran. India's interests in continental Asia can be served with an improved **bilateral relation** with Iran.

## **INDIA – SRI LANKA RELATIONS**

### 2. **On India – Sri Lanka ties: Drawing closer**

**Source:** This post is based on the article "**Drawing closer**" published in **The Indian Express** on **16th June 22**.

**Syllabus:** GS2 – International relations – India and its neighborhood

**Relevance:** India – Sri Lanka ties

**News:** Connectivity between Sri Lanka and India seems set to improve, especially between the Tamil areas in the north and Tamil Nadu across the Palk Strait.

The projects to link Jaffna by air to Trichy and by boat to Karaikal on the Coromandel Coast form a part of India's development outreach to Sri Lanka. It focuses on building **long-term infrastructure projects** in the island nation, besides aid for emergency needs such as fuel, food and essential medicines.

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Better connectivity between India and Sri Lanka could help them **realize the full potential** of their partnership.

Efforts by the govt to improve India-Sri Lanka connectivity

**Multiple transport links** existed between India and Sri Lanka until the 1980s when the civil war severely curtailed exchanges and transactions.

Before that, a cyclonic storm in 1964 destroyed the Pamban Bridge and the railway terminus and jetty at Dhanushkodi that forced the government to end the popular “**Boat Mail**”. It connected Chennai and Talaimannar in northern Sri Lanka via Rameswaram through a rail link and a ferry.

Since the war ended in 2009, **transportation has been a key area that India-Sri Lanka ties have focussed on**, with railways and ports in focus. IRCON, an Indian Railways subsidiary, restored the **Colombo-Jaffna railway line**, which was opened for the public in 2014, and has since expanded to Kankesanthurai beyond Jaffna.

The **proposed ferry services between Karaikal and Jaffna/Kankesanthurai** could at a later stage be upgraded to facilitate transport of cargo from India to Sri Lanka. At present, Colombo is the only port of entry for Indian goods, which involves extra travel.

Issues that still remain

The **air connectivity** from Indian cities has so far been restricted to Colombo.

– Direct flights out of Jaffna to cities in Tamil Nadu will save travel time and money, which could give a fillip to tourism, particularly pilgrimage, in the Jaffna peninsula as well as in India.

Way forward

The current crisis in Sri Lanka has forced Colombo to recalibrate ties with New Delhi and the latter to emphasise its “**Neighbourhood First**” policy.

The challenge, however, would be to **insulate bilateral relations from regional politics** in both countries and build on the gains for both.

### 3. In Sri Lankan crisis, a window of economic opportunity

**Source:** The post is based on an article “In Sri Lankan crisis, a window of economic opportunity” published in the “The Hindu” on 16<sup>th</sup> June 2022.

**Syllabus:** GS 2 International Relations, Bilateral relations

**Relevance:** India-Sri Lanka relations

**News:** Recently, in an interview with an Indian TV channel, the Sri Lankan Prime Minister, Ranil Wickremesinghe, talked about significant aspect of India-Sri Lanka relations

**Proposal for forging closer ties between Sri Lanka and the southern parts of India – the sub-regional integration**

There are various **commonalities** between Sri Lanka and the southern parts of India.

The **south India-Sri Lanka sub-region** can be developed as a **single market**. It would provide **more opportunities** for the **economic growth** of both countries.

In addition, in 2016, the Sri-Lankan PM had also proposed the **tri-nation economic convergence**, encompassing Singapore too.

**What are the reasons behind present bonhomie in the India-Sri Lanka relations?**

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The present economic crisis in Sri Lanka has pushed it closer to India for immediate relief.

For the last few months, the **Indian media's regular coverage** of the crisis has led to better **understanding** and even created a sense of **empathy** in India about the plight of the **neighbouring country**.

India, as part of its '**Neighbourhood First**' policy, has extended \$3.5 billion aid to Sri Lanka to help secure food, health and energy.

The **Government of Sri Lanka** and the **Export-Import Bank of India** have signed an agreement for a **\$55-million short term Line of Credit**.

India's Finance Minister has urged the **International Monetary Fund (IMF)** to provide urgent assistance to Sri Lanka.

On its part, **Tamil Nadu** decided to provide aid in the form of rice, life-saving drugs and milk powder.

### What is India' foreign policy challenges?

Some sections of the **Sinhalese** believe that "**India has been a threat to them. It can be a threat to them in future too**". For example, South Indian rulers had invaded Sri Lanka during ancient times. In the late 20<sup>th</sup> century, the Indian government supported Tamil rebels.

Despite India's **open willingness** to take part in the development of Sri Lanka after the civil war, the scale of its **involvement** has been modest.

The Sri Lankan government, in the past, had unilaterally scrapped a **tripartite agreement** signed with India and Japan for the development of **Colombo's East Container Terminal**.

Another project, a collaboration between **NTPC Limited** and the **Ceylon Electricity Board**, was cancelled.

Further, the Sri Lanka government has not shown much political will in other projects such as the development of the **Kankesanthurai harbour** and the expansion of the **Palaly airport** in Jaffna.

The project of building a **sea bridge and tunnel**, connecting **Rameshwaram** to **Talaimannar**, remains on paper despite India's readiness for it.

Several popular brands of **south Indian restaurants** and **retail textile establishments** have not opened their branches in Sri Lanka, despite their presence outside India or overseas.

### Way Forward

The Sri Lanka Crisis provides an opportunity to bring Indian and Sri Lankan societies closer. It is a **prerequisite** to achieving an **economic union** between Sri Lanka and the **southern States of India**.

India has received the projects for development of the **West Container Terminal**, the **Trincomalee oil tank farm** and a couple of renewable projects.

Recently, the Sri Lankan Cabinet cleared **two connectivity proposals: flights** from Jaffna to Tiruchi, Tamil Nadu, and **a ferry service** from Kankesanthurai to Karaikal in Puducherry.

There is enormous scope for collaboration between the two countries in the area of **infrastructure development**.

– For example, the Sri Lanka's electricity grid can be linked with India's Grid. India already has **cross-border energy trade** with Bangladesh, Nepal, Bhutan and Myanmar.

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India's interests would also be served by developing **the east coast** of Sri Lanka, especially the **Trincomalee-Batticaloa belt**, whose potential for **tourism, commerce, trade and industry** is well known.

The **regular movement of people** and goods should be allowed again on the traditional sea routes of **Thoothukudi-Colombo** and **Rameshwaram-Talaimannar**.

The Indian side should dispel the apprehension among Sinhalese about India being a threat. It can be done by facilitating greater **people-to-people interaction** like pilgrimages to Buddhist Sites.

### GS2 – INTERNATIONAL RELATIONS – WORLD TRADE ORGANISATION (WTO)

#### **AGRICULTURE AND RELATED ISSUES**

#### 4. Free trade can't yet pass a basic food security test (14th Jun 22)

**Source:** The post is based on an article "Free trade can't yet pass a basic food security test" published in the Live Mint on 13<sup>th</sup> June 2022.

**Syllabus:** GS – 2 Issues of Buffer Stocks and Food Security

**Relevance:** Free Trade Reforms in WTO

**News:** At present, the 12th World Trade Organization (WTO) ministerial conference is being held in Geneva. Food security is one of the agenda on the discussion table on the ministerial conference.

#### **Importance of Free Trade**

Free trade ensures that agricultural products flow from zones of abundance to regions of scarcity, just as the free exchange of ideas, goods and services. This eases hunger and maximizes nutrition.

#### **What are the challenges?**

##### **Ultimate Challenge**

Agriculture has always been the final frontier of trade, given national anxieties over food sufficiency. For example, India has been criticized for its ban of private wheat exports.

The governments are running a massive **food security programme**. They procure harvests from farmers at prices not determined by the market. This imposes ecological costs, results in **fiscal bloat**, and keeps grain supply out of sync with demand.

##### **Proximate Challenge**

The Ukraine War has led to barriers to free trade. For example, trade has been weaponized for geopolitical aims. The Ukraine war has led to a **wheat-supply squeeze**. Now the costs of **farm input** have soared up. Over **two-thirds of humanity** is living in countries that are **net importers of food**. The United Nations recently estimated that 276 million people are at risk of starvation.

#### **What are the issues with WTO farm subsidy rules?**

There are issues in the 10% subsidy limit rule. It was calculated based on prices of 1986-88, when food was much cheaper.

The rule placed burdens on **developing economies**, while the **rich world** found various opportunities for its own farms. Therefore, in 2013, a tentative "**peace clause**" was inserted at the Bali meet. It granted immunities to the countries from being charged with 10% rule violation.

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### The Way Forward

As fair-trade requires a **level playing field**. Therefore, the elimination of **distortive subsidies** is a key enabler.

Today, the circumstances have changed. Therefore, the **WTO's subsidy rules** need an update. The revised rules should be made on food stockpiling, which offers autonomy in assuring our **people's food security**.

In general, India must foster free trade. India should adapt our farm sector to market forces. In other words, there is a need for **market-oriented farm reforms**.

### WTO REFORM

#### 5. World Trade Organisation Must Get Back To Trade

**Source:** This post is based on the article “**World Trade Organisation Must Get Back To Trade**” published in **The Times of India** on **18th June 22**.

**Syllabus:** GS 3 – Effects of liberalization on the economy

**Relevance:** To understand the evolution of WTO and the challenges associated with it.

**News:** For the first time in a decade, the members of the [World Trade Organization \(WTO\)](#) have finalized a historic deal at the 12th Ministerial Conference (MC12). The key issues include a reduction in fishery subsidies, patent waivers for making a vaccine for the pandemic, food security and e-commerce.

**Read more:** [Outcomes of 12th Ministerial Conference of WTO](#)

What are the concerns associated with the MC12 outcomes?

World trade has two core components: goods and services. Both with an annual value of \$28. 5 trillion. But the current WTO outcome does not include new rules on goods, services, or other trade-related subjects.

For the past 27 years, WTO members did not agree on a single multilateral agreement liberalising trade in goods or services.

**Note:** The trade deal signed in 2013 is related to trade facilitation only.

[About the evolution of GATT](#)

The General Agreement on Tariffs and Trade (GATT), established in April 1947 with 23 members, was the beginning of the multilateral trade system.

The US, EU and Japan cut their tariffs on industrial goods without seeking reciprocal cuts from other countries. They did not lose much as they produced and traded most goods among themselves.

This led big firms to shift production to low-cost countries like China in search of profit. Further, they required the free flow of products across countries.

From 1947 to 1994 talks at GATT led to a fall in average import tariffs from over 100% to 4% for developed and 10% for developing countries. These tariff cuts benefited the trade of rich and poor countries alike. But the major gainer was China.

[About the evolution of WTO](#)

Offshoring and tariff cuts increased the profits of Western corporates. Hence, there was an opinion that GATT could be more beneficial if it dealt with more subjects.

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Hence, a new body, WTO, soon replaced GATT in 1995. It added intellectual property rights, services, agriculture and an effective dispute-settlement system.

**IP Rights:** WTO's dispute-settlement process ensured time-bound punishment for violation of intellectual property. IP became the first non-trade subject to be included in WTO.

**WTO's agriculture rules:** These rules were drafted by large agriculture trading firms that legalised most subsidies provided by the developed countries. At present, if support given by a developing country like India exceeds more than 10% of the production value then it is considered that the government violated WTO rules.

What are the challenges associated with the WTO?

**Burden for Poor countries:** The WTO rules included many Non-trade subjects. The subjects like environment, labour standards, fossil fuel subsidies, plastic pollution and transparency in government procurement into the WTO fold.

This made a poor country exporting cotton shirts must first meet high environmental standards at home. This will only raise costs and cut exports from poor countries.

**Legitimise trade protectionism:** Specialised multilateral and regional institutions exist for the environment and labour protection. Developing countries are active participants in these bodies. Discussing them at WTO is an attempt to legitimise trade protectionism.

**Trade war paralysed WTO:** In 2017, the US administration imposed steep tariffs in January 2018 on China alleging IP violations. In December 2019 the US also blocked the appointment of new nominees to WTO's appellate body. This paralysed WTO as a judge and enforcer of global trade rules.

What should be done?

**First**, out of 164 members, at least 140 are developing or least-developed countries accounting for 45% of world trade. Hence, WTO needs a new plan that reflects the aspiration of all members.

**Second**, WTO should handle only trade-related subjects, while retaining core principles like decision-making by consensus and restoring the dispute-settlement process.

GATT/WTO rules have to increase trade for both rich and poor countries. A new WTO agenda with a focus on this core value should be framed.

### 6. Proposed WTO reform aims to bully developing nations: Civil society members

**Source:** The post is based on an article "Proposed WTO reform aims to bully developing nations" Civil society members" published in the Down to earth on 13 June 2022.

**Syllabus:** GS 2 International Relations, International Organizations

**Relevance:** World Trade Organization (WTO) and Multilateralism

**News:** The 'WTO Reform' proposal has been pushed in the **12th Ministerial Conference (MC12)** of the World Trade Organisation (WTO). However, the proposed reforms are said to weaken the position of the developing countries.

#### **What are the issues in the proposed WTO reforms?**

As per some experts, the reforms may undermine the participation and say of the developing countries:

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**First**, the proposed agenda will undermine the fundamental WTO **principles of consensus** and **multilateralism**. It will favour **plurilateralism** and create differentiation among developing countries.

**Second**, instead of addressing **serious flaws** within the existing harmful WTO rules, the new 'reform' will end up producing a framework which will be **pro-corporate**, and **pro-developed countries**. The richest nations and the global corporations will have complete control over the WTO.

**Third**, the reforms will subvert the key principles of WTO, which are: **One nation one vote**, **decisions by consensus** and '**special and differentiated treatment**' to protect developing country interests.

**Fourth**, it will lead to permanently abandoning the **mandated, long-unresolved issues** of the **development agenda**. It will attack developing countries' ability to access flexibilities enshrined in the WTO.

### GS2 – POLITY – PARLIAMENT AND STATE LEGISLATURE

#### **GENDER INCLUSIVITY IN THE PARLIAMENT**

##### 7. **A 'man's Parliament' striving for an inclusive India**

**Source:** The post is based on an article "A man's Parliament striving for an inclusive India" published in the "The Hindu" on 18<sup>th</sup> June 2022.

**Syllabus:** GS2 Functioning of the Parliament of India; Social Sector

**Relevance:** Gender Inclusivity

**News:** There is a **burgeoning movement** for **gender inclusivity** during the past few years. In solidarity, citizens have begun asserting their gender identity by specifying their personal pronouns (she/her, he/his, they/them, etc.). This trend has been, in fact, reflected in the context of Indian Parliament.

#### **Role of Women in the Struggle for Indian Independence and in the Post Independent India**

Thousands of women across profession, class, caste, and religion participated in the struggle for India's Independence.

At a time when women formed only 1.7% of the total members of the United States Congress and 1.1% of the Parliament of the United Kingdom, India was leading the way in the fight towards more **inclusive** world democracies with **5.5% women representation**.

India has also seen a woman as the Prime Minister, and a woman as the President of India

#### **What are the gender issues in the Parliament of India?**

There are systemic issues due to which the Parliament of India continues to alienate women.

The number of women representatives is still considerably small. Further, the Parliament as a workspace continues to be built exclusively for men.

There is a lack of **gender-neutral language** in the Parliament of India. The Parliament refers to **women in leadership positions** as Chairmen instead of chairperson. For example, the Vice-President of India is referred as the ex-officio Chairman, as per the rules of procedure of Rajya Sabha.

In **law-making**, there have hardly been any **gender-neutral Acts**. For example, women in profession like policing are referred to as policemen.

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Most of the **ministerial replies** to questions asked by the Women Parliamentarians are given with the use of the salutation “Sir” instead of (sir/madam).

### **What are the trends of gender-neutrality in the law making bodies in India and across the world?**

Internationally, even **mature democracies** that legalised **universal suffrage** after India, such as Canada (1960 for Aboriginal women), Australia (1962 for Indigenous women), and the United States (1965 for women of African-American descent), have successfully adopted a framework for **gender-inclusive legislation** and **communication**.

In 2014, the **Rules of Procedure of the Lok Sabha** were amended to make it entirely gender neutral. Since then, each Lok Sabha Committee Head has been referred to as Chairperson in all documents.

### **Consequences**

When **Parliament** and **government offices** reinforce gender biases through **stereotypical language** in their **communication**. It sends the wrong message to the people of India.

### **Way Forward**

The Supreme Court judgment in **National Legal Services Authority vs Union of India , 2014**, has given impetus to gender identity and has given the movement greater impetus.

There should be political will to amend legal documents to make them inclusive for all genders.

In the **21st century**, the Indian Parliament needs to send the **right message** for citizens to follow. It can begin with an **amendment** to the **Constitution** and the entire reservoir of laws. Thereafter, the Parliament can shift its focus on other deeper issues like women empowerment, **aspirations** and growth of its **woman workforce etc.**

The Parliament must lead to sensitivity, equal treatment, and appreciation for the people of India, regardless of gender

The Indian Parliament can conduct **gender audits**. For example, in 2018, **the U.K. Parliament** conducted a **gender audit** to understand its culture, environment, and policies as a workspace.

## GS2 – POLITY – JUDICIARY

### **DEATH PENALTY AND RELATED ISSUES**

#### 8. **There is a concerted effort to plug procedural gaps in death penalty sentencing**

**Source:** The post is based on an article “There is a concerted effort to plug procedural gaps in death penalty sentencing” published in the Indian Express on 17<sup>th</sup> June 2022.

**Syllabus:** GS2 Important Provisions of the Constitution of India

**Relevance:** Death penalty

**News:** Recently, the Supreme Court of India delivered a judgment in **Manoj & others v. State of MP** which attempted to reform the administration of the death penalty. The judgment is prominent in **India’s criminal justice jurisprudence**.

### **The SC’s Observations**

It reflected the state of the death penalty in the country. It attempted to fix a broken sentencing system.



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The framework of mitigating factors placed four decades in the **Bachan Singh** Case is not being followed.

### What were the issues in death penalty sentencing since Bachan Singh Case?

The Supreme Court, the Law Commission of India, research scholars and civil society groups have acknowledged a **judicial crisis in death penalty sentencing** in India. It has been on account of **unprincipled sentencing, arbitrariness** and high levels of **subjectivity**. The death penalty sentencing has been, by and large, crime-centric.

The crisis prevailed despite **requirements imposed** on sentencing judges by the Supreme Court in **Bachan Singh (1980)**.

### What are the reasons for non-compliance to the Bachan Singh Framework?

There has been **utter confusion** across all levels of the judiciary on the requirements of this **framework** and its **implementation**.

The nature of the crime and its brutality has often dominated over the consideration of mitigating factors. The **socioeconomic profile** of death row prisoners has not been used as a mitigating factor into the courtroom.

There is now empirical evidence that a vast majority of **India's death row prisoners** are extremely poor. They do not receive competent legal representation.

Till yet, the measures have not been taken to put in place a system to gather the information required for mitigating factors.

### Manoj & others v. State of MP Judgement

The Judges must follow the laid down a framework to choose between **life imprisonment** and **death sentence**.

Sentencing Judges couldn't impose the **death penalty** only on the basis of the **crime** or **aggravating factor**. They'll give **appropriate weight** to both the **aggravating factors** related to **crime** and **mitigating factors** related to background of the accused, the personal circumstances, mental health and age of the accused, to ascertain if a case is fit for the death sentence. They have to determine if the option of life imprisonment was "**unquestionably foreclosed**".

It has attempted to **plug the procedural gap** in gathering information related to mitigating factors. The judgment is clear that **certain procedural thresholds** must be met for sentencing to be fair.

The judgment recognised **reformation** as integral to the **Indian criminal justice system**, especially **death penalty sentencing**. The sentencing judges must establish that there is no probability of reformation of the accused.

The accused's life, both **pre-offence** and **post-offence in prison**, are relevant. The courts have to call for reports from the **probation officer** as well as **prison** and **independent mental health experts**.

### What will be the challenges to procedural coherence and integrity in the trial courts and the high courts?

Achieving meaningful compliance across all levels of the judiciary will be a significant challenge. The sentencing judges do not understand the need for this wide range of sentencing information.

In addition, translating these **procedural reforms** into **substantive fairness in determining punishment** will also be a challenge.

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There will be a challenge in producing detailed and high-quality sentencing information to the courtrooms.

### Way Forward

The Supreme Court will have to provide a **rigorous normative basis** for consideration of these factors.

The psychological studies ascertain that criminality cannot just be reduced to terrible decisions by individuals in the exercise of their free will. All our actions are a result of a **complex web of biological, psychological, and social factors**. Therefore, their understanding is important for discussions on criminality and punishment.

## GS2 – POLITY – FUNDAMENTAL RIGHTS

### RIGHT TO HOUSING

#### 9. Bulldozer injustice to ‘teach a lesson’

**Source:** The post is based on an article “Bulldozer injustice to ‘teach a lesson’ published in the Indian Express on 17<sup>th</sup> June 2022.

**Syllabus:** GS 2 Important Provisions of the Constitution of India

**Relevance:** Rule of Law

**News:** In recent times, a fringe but influential national spokesperson has been alleged for **inciting violence** by saying something offensive about the Prophet.

### Laws in India

The Constitution of India permits only a **peaceful assembly** without arms. Violence in protests cannot be justified under any circumstances.

There are **adequate provisions** in the **Indian Penal Code** for the police to act against any violator.

### Trends of bulldozer justice in India

Persons accused of **far lesser offences** have attracted stringent charges against them. They have been subjected to stringent laws such as the Sedition law, the Unlawful Activities (Prevention) Act, the National Security Act (NSA) or the Public Safety Act.

For example, In the law on sedition, the SC has made it clear that the **one inciting violence** is the **guilty person**. However, in today’s interpretation of the law, it does not matter whether there is incitement or not; a charge of sedition will be slapped anyway if anything which is said is not liked by the government.

However, the law does not take its course against **an influential fringe or well-connected person** who has committed an offence. For example, senseless mob lynching and offensive saying against the Prophet.

In general, the government comes down on the violent protesters with a heavy hand with an iron fist. For example, recently, the governments have used bulldozers to demolish the residential premises of those allegedly involved in violent protests.

### Javed’s House Demolition Case

In the Javed House demolition case, the government has resorted to a lot of **arbitrariness**. For example; (1) first, the state collected taxes for the so-called **illegal construction**, and later issued order for its demolition, (2) the demolition order was delivered on **Saturday night** and the

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demolition took place on **Sunday morning**, which was a government holiday. Therefore, giving no time to challenge the correctness of the demolition order in a court of law or file an appeal.

In another case, the **Uttar Pradesh police** sent two persons to judicial custody for almost two months on no charges at all.

### Argument Against such a move

In *Avas Evam Vikas Parishad vs Friends Coop. Housing Society Ltd (1996)* and in *Chameli Singh vs State of Uttar Pradesh (1996)*, the Supreme Court of India has held that “The right to shelter is a fundamental right under the Constitution of India”.

### The Way Forward

The government should conform to **well-settled principle** like requiring state action to be **just, fair** and **reasonable mandates**.

First, the state should adequately **compensate** the victims for their loss and the mental distress caused.

The officers concerned in the decision making at all levels must be held accountable and punished enough to ‘teach them a lesson’.

The government should work upon building **accountability jurisprudence** in India and the culture of impunity should be banished.

## GS2 – POLITY – INDIAN CONSTITUTION

### ELECTION OF THE PRESIDENT OF INDIA

#### 10. Being Truly Presidential

**Source:** This post is based on the article “**Being Truly Presidential**” published in **The Times of India** on **18th June 22**.

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

**Relevance:** To understand the importance of the Presidential Election.

**News:** With the Presidential election around the corner, there is a question that who will be the ideal president for 21st-century India?

What are the different types of Presidents India witnessed?

According to the author, the past Presidents of India can be grouped into three categories.

**Presidents of stature:** These are individuals who had formidable personal achievements before entering the office. Such as

**a) Sarvepalli Radhakrishnan** – He is a magisterial scholar who served in top global universities and authored several classic books, **b) Avul Pakir Jainulabdeen Abdul Kalam** – He is regarded as the father of India’s nuclear weapons programme, **c) KR Narayanan** – He is a distinguished former diplomat.

**Political presidents:** These are the persons who had political backgrounds and, as former legislators. Such as

**a) Rajendra Prasad:** He is India’s first president. He is a veteran activist who was imprisoned several times during the Independence movement. **b) Ramaswamy Venkataraman:** He was a

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four-time Lok Sabha winner. **c) Pranab Mukherjee** – He was always a master politician. So, he managed to serve two diametrically opposed political regimes.

Both the first and second types of Presidents faced controversies but they understand the intricacies of politics. For example, Rajendra Prasad made his displeasure with Jawaharlal Nehru known during the passage of the Hindu Code Bill.

**“Loyalist” presidents:** These are the persons who are stand-ins of the governing political executive. Generally, they are hand-picked politically. They are responsible for some disputable decisions.

**Read more:** [Procedure and importance of President’s Address in Parliament](#)

What type of President does India want?

India’s democratic institutional checks and balances need reinforcement. Hence, India needs a **constitutionalist president**. A President who can stand as a guardian of the Constitution and act as neutral umpires.

A President who can ring the warning bell in time and signal that the governments must not cross the Lakshman Rekha of democratic norms. An ideal president is someone who will stand as democracy’s conscience keeper.

**Read more:** [The process of electing India’s President](#)

### RIGHT TO PROPERTY

#### 11. [Rights violations – Right to speech and property must be protected](#)

**Source:** The post is based on an article **“Rights violations”** published in the **“Business Standard”** on **13<sup>th</sup> June 2022**.

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

**Relevance:** To understand the reason to protect the Right to property.

**News:** The government has the duty to protect the rights of its citizens. These include the rights to free expression and property also. The right to free expression includes the right to protest. But, the recent UP government decision to demolish property without a full public investigation is a violation of the Right to property.

About the Right to freedom of property

The right to property, like the right to free expression, was enshrined in the Constitution. But later, through amendment, the right to property was weakened.

But the right to free expression does not include the right to violent protest. The government’s response to violence should be firm but also constrained by individual rights.

What should be done?

The limits placed on rights to free expression and property by the state continue to lead to significant problems. For instance, The Indian state has long constrained free speech about religious issues precisely because it believes this will prevent violence. But the experiences show this is hardly the case.

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A constant infringement of rights will make India a poorer country in terms of both economy and quality of life. Hence, **a)** The State should propagate and enforce a culture of tolerance and respect for the law. **b)** Criminal activity should be punished after investigation and trial, and that property should not be expropriated by the state without clear requirements.

**Read more:** [Demolition drives violate international law](#)

GS2 – INTERNATIONAL RELATIONS – EFFECTS OF POLICIES AND POLITICS OF DEVELOPED AND DEVELOPING COUNTRIES ON INDIA'S INTERESTS

### **NUCLEAR WEAPONS AND RELATED ISSUES**

#### 12. [The fragile state of nuclear disarmament](#)

**Source:** This post is based on the article “**The fragile state of nuclear disarmament**” published in **The Hindu** on **16th June 22**.

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

**Relevance:** Trends in international security, military spending

**News:** The Stockholm International Peace Research Institute (SIPRI) released its yearbook a few days back, highlighting some worrying trends of the past year in international security.

The **expected rise of the global nuclear arsenal** was the chief cause of concern.

The comprehensive report claims that while absolute numbers of nuclear arsenal have reduced, they are expected to grow over the next decade.

#### **What are the key findings of the report?**

During 2012-2021, military spending as a percentage of gross domestic product has largely been stable. If anything, the average worldwide trend has been slightly downward.

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

#### **What have been the trends wrt global arms imports?**

**Military modernization** is seen to be a global trend.

All nuclear weapon owning states have, over the years, stated and worked upon their intention to modernize multiple facets of their armed forces, which may result in **aggravating security concerns** for other countries.

The yearbook has highlighted **India as being the top weapons importer** during the 2017-2021 period.

#### **What are the key developments/concerns flagged by the yearbook?**

As per the report:

**Some worrying indicators** of an unstable system. **a)** low level border clashes between India and Pakistan, **b)** the civil war in Afghanistan, and **c)** the armed conflict in Myanmar.

**Cause of concern trends:** **a)** Chinese-American rivalry, **b)** involvement of state and non-state actors in multiple conflicts, and **c)** the challenge that climatic and weather hazards pose.

#### **Key developments:**

– The **marginal downsizing** observed in the nuclear arsenal has come mostly from the **U.S. and Russia** dismantling retired warheads.

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– But the **Russian invasion of Ukraine** has raised some serious concerns because of the continuous rhetoric of a possible use of nuclear weapons.

**China's recent activities** surrounding construction of 300 new nuclear missile silos.

Over in the subcontinent, **India and Pakistan seem to be making gains** over their nuclear arsenal (*in absolute numbers*).

**Iran increased its enrichment of Uranium-235** to 60% in 2021.

**What is the general attitude among countries about existing nuclear and arms related treaties?**

Recently, the leaders of the **P5 countries** (China, France, Russia, the U.K. and the U.S.) issued a joint statement affirming the belief that “*a nuclear war cannot be won and must never be fought*”.

The joint statement also highlighted their seemingly collective belief that bilateral and multilateral arms control agreements and commitments were indeed important.

The nation states are making sure to remain well within the ambit of what the treaties and agreements ask for. The tactic here seems to be to milk the treaties and agreements to the hilt.

**What lies ahead?**

The recent geopolitical events transpiring around the world in practically all regions have made the global security climate more unstable.

This instability is further aided by **actions of authoritarian leaders** of not just non-democratic systems, but also of strongmen leaders of democratic systems.

A **strong political opposition** would be needed to help keep the ruling dispensation in check.

Furthermore, the two largest nuclear weapons holding states need to take on a more engaging role in the international arena.

### **RUSSIA-UKRAINE CONFLICT**

#### 13. **Economic impact of Russia-Ukraine conflict: Global macro in 2022/2023**

**Source:** The post is based on an article “**Global macro in 2022/2023**” published in the “**Business Standard**” on **12<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.

**Relevance:** To know about the economic impact of Russia-Ukraine conflict

**News:** The [Russia-Ukraine conflict](#) has the potential of creating macroeconomic/financial crises in many countries.

**What is the vulnerability of dependence on Russian oil and gas?**

Before invading Ukraine, Russia was the world's biggest exporter of oil, at about 8 million barrels a day. In addition, about a third of Europe's gas supply came from Russia.

Russia's gross domestic product (GDP) is of Spain's size, with strengths in two fields: Natural resources and food. Hence, the energy export cash flow is critical to the Russian economy and funds the war in Ukraine.

**What is the present status of the Russian oil and gas?**

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Around 85% of individuals in Europe were in favour of reducing energy dependence on Russia. In recent months, Russian gas sales to Poland, Bulgaria and Finland have been shut off. This is visible from,

**a)** LNG imports into Europe have surged. Their demand for LNG is also driving up its global price, which influences all users, including ones in India. **b)** Carbon transition investments are taking place at an unprecedented pace all over Europe.

[What is the economic impact at the global level due to higher oil prices?](#)

**Depreciate savings:** For energy-importing countries worldwide, in the short term, there is negligible price elasticity. Hence, higher import prices are tantamount to a consumption tax and result in a reduction in savings.

**Shake the foundation of debt stability:** Long years of sustained low-interest rates in the world economy, coupled with the pandemic, have led to a significant build-up of debt.

If the prices of oil increase, then the foundation of debt stability of the borrowers will also be shaken. For example, Italy by 2023, could be in the grip of an expanding debt /GDP ratio.

**'Developing markets' (DM) interest rates go up:** Central banks worldwide are freshly conscious about the problems of inflation and are tightening monetary policy. As the US Fed hikes the interest rates, the global capital also starts retreating.

**Other impacts:** Some firms will face credit stress. Some ponzi schemes will get unveiled.

[What is the critical Importance of good economic machinery?](#)

The need for enlarged capital inflows to fund the gap between investment and savings in many energy importing countries. This is required **a)** At a time when debt levels are unprecedentedly high, **b)** At a time of slow global growth in GDP and trade, and **c)** In a period of unprecedented DM monetary tightening.

**The benefit of floating exchange rate:** In countries with good institutions, there is capital account convertibility and inflation targeting. In these countries, the exchange rate depreciates, and more foreign capital without any friction comes in.

**In other countries:** In places where these machineries are not in place, they might get some episodes of economic distress. Some countries will mishandle macro policy and experience macroeconomic/financial crises.

GS2 – GOVERNANCE – ISSUES RELATED TO DEV AND MGMT OF EDUCATION

### **HIGHER EDUCATION AND RELATED ISSUES**

#### 14. [A common admission test could worsen higher education access](#)

**Source:** This post is based on the article **“A common admission test could worsen higher education access”** published in **Livemint** on **16th June 22**.

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

**Relevance:** To understand the challenges associated with CUET.

**News:** Recently, a Common Undergraduate Entrance Test (CUET) for admission to 53 central universities has been introduced.

[What is the Common Undergraduate Entrance Test \(CUET\)?](#)

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**Must read:** [Central University Entrance Test: Benefits and Concerns – Explained, pointwise](#)

What is the difference between the Scholastic Aptitude Test (SAT) and CUET?

Scholastic Aptitude Test (SAT) is taken by high school students in the US. The CUET is modelled on SAT. American colleges use SAT test scores alongside high school results and other criteria for making admission decisions.

Under the NEP, the CUET results alone will decide college admissions. In this situation, the quality of schooling and efforts taken by parents to prepare children for the entrance exam would be vital for a good CUET score.

**Read more:** [On CUET: Centralising tests](#)

How will CUET worsen higher education access?

**The exodus of students from government schools:** According to the National Sample Survey's 75th round on Household Social Consumption: Education, only 35% of children were studying in government schools in urban India in 2017-18, but in rural areas that proportion was around 72%.

Further, around 32% of parents who had enrolled children in a private school listed the inferior quality of education in government schools as the top reason for their decision and another 5% listed it as the second most important reason.

Hence, unless the revised school curriculum and its delivery in government schools improve, the CUET may lead to a further exodus of students away from state-run schools.

**Additional expenditure to parents:** Parents have to pay for 'shadow schooling' or private tutoring to ensure children don't lag behind or gain a competitive edge over peers.

Parents with higher income levels can help their children with school work or afford tuition. Similarly, an inverted U relationship exists between mothers' education and enrolment in private tuition.

**Read more:** [Common University Entrance Test won't solve the real problems](#)

Along with Joint Entrance Examination for engineering and National Eligibility Entrance Test for medicine, CUET will increase the tuition industry, undermining the core schooling system and students from poorer backgrounds and lower quality schools will affect further.

**Read more:** [CUET will provide a level playing field for students from all boards](#)

GS2 – GOVERNANCE – GOVT POLICIES AND INTERVENTIONS

### **CULTURE OF FREEBIES IN INDIA**

15. [What commodities should be distributed free or at a subsidised level](#)

**Source:** The post is based on an article "What commodities should be distributed free or at a subsidised level" published in the Indian Express on 16<sup>th</sup> June 2022.

**Syllabus:** GS2 – Governance

**Relevance:** Freebies

**News:** Recently, the newly elected Punjab government's announcement of providing up to 300 units of free power to every household.

### **Types of allocation of budgetary resources by the policymakers**



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(1) providing support **to low-income households** for augmenting their **consumption** of selected goods and services.

(2) offering incentives to support selected categories of **investors** and **producers** to do **investment** or **production**. For example, for production-linked incentives to various sectors and tax concessions.

Note: The economic objectives of the budgetary allocation in these two categories are quite different.

### What constitutes “freebies”?

There is, in fact, **no consensus** on the definition of a “freebie”. It is almost a **pejorative term**. They constitute a **sub-set** of **goods** and **services** distributed by the government **free** or **at highly subsidised prices** to **low-income households**.

The **freebie** depends on the **nature of the commodity** or the services distributed by the government. For example,

The subsidisation or the free provision of **essential** and **merit goods** can be justified and cannot be called as freebies. The “**essential**” goods are food grains and the “**merit**” goods are those, which if consumed, lead to positive impact on **health** and **education-related provisions**.

- For example, mid-day meals. In these cases, the consumption of these goods causes benefit to the **immediate consumer** as well as the **wider community**. Their consumption meets social objectives.

However, the **subsidisation** or the **free provision** of items such as **TV sets**, free power up to 300 units can be referred to as “freebies”. Such distribution cannot be justified on various grounds.

### What are the issues?

India has **limited budgetary resources**.

In India, the **revenue to GDP ratio** has been stagnating over a long period of time.

– For example, **combined revenue receipts of central and state governments**, relative to GDP, is lower than many developed and emerging market economies.

### Way Forward

(A) A suitable model should be developed for providing budgetary support in both consumption and production-supporting initiatives.

#### (1) What goods and services should be selected for such programmes?

It is advisable to limit the **distribution** of subsidized or free provisions of **commodities** and **services** to **essential** and **merit goods**. Any distribution **beyond** these **two categories** must be treated as “freebies”.

#### (2) What should be their ideal mode of delivery of the essential items or merit goods?

It may be provided either through **direct income support** or by a **free** or **highly subsidised provision**. However, in case of the latter, i.e., provision of subsidised goods, the government requires a **procurement set-up** and a **public distribution system**. This involves **additional costs** like avoidable administrative costs as well as possibility of leakages.

(3) **What should be their ideal mode of delivery of production-related incentives?** It can be provided through alternative methods like **direct budgetary support** and **indirect support** through **tax concessions**.

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In the case of **tax concessions**, the outcomes have not been good. For example, the provision of free power to farmers was often misused. The Government of India has registered **forgone revenues** in the context of tax concessions. Therefore, these schemes require careful designing to avoid their misuse and minimise their costs.

(B) In addition, it would be prudent to limit **overall fiscal support** to such schemes to less than **10% of the total expenditure** of the central government and state governments until their revenue GDP or GSDP ratios increase in a sustained way.

### REGULATION OF SOCIAL MEDIA

#### 16. [An ideal approach to social media grievance redressal](#)

**Source:** This post is based on the article “**An ideal approach to social media grievance redressal**” published in **Livemint** on **13th June 22**.

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

**Relevance:** IT rules, Intermediary guidelines

**News:** Recently, the govt released a set of draft amendments to the IT (*Intermediary Guidelines and Digital Media Ethics Code*) Rules, 2021.

Once enacted, digital intermediaries will have to ensure that the community standards to which they hold their users answerable comply with Indian law and India’s constitutional principles.

This, the govt clarified, has become necessary because a number of intermediaries have taken it upon themselves to act in violation of the rights of Indian citizens.

#### [What has been proposed in the draft amendment?](#)

**Constitution of a Grievance Appellate Committee:** It will be tasked with dealing with “problematic content” in an expeditious manner.

– Users unsatisfied with how their complaint to an intermediary has been handled will be able to appeal the decision at this body. And have it resolved within 30 days.

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

#### [Are the draft amendments a threat to free speech ?](#)

In the view of civil society, the proposal of setting up a Grievance Appellate Committee is being called as yet another attempt by the government to either **curtail or interfere with free speech**.

– What the government sees as an escalation mechanism to provide redress to users against unfair decisions of the social media platforms they subscribe to, many members of civil society view as **just another tool of government censorship**.

Moreover, if an appeal is made by a government agency whose take-down notice has been rebuffed, it is likely that a government-appointed appellate committee will **rule in favor of its own agency**.

**Need for the Grievance appellate committee:** Not all appeals to the Grievance Appellate Committee will be about government take-downs. Some will address illegal content—like violations of copyright. Hence, allowing social media platforms to have last word on all such content moderation issues is problematic.

#### [Way forward](#)

As much as social media platforms are designed to enable free speech, they must also eliminate—or at least mitigate—the harms that could arise from speech unfettered.

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They need to arrive at a **balance** between the rights of persons who post and those they offend.

The industry can establish a **self-regulatory appellate body** to which appeals from all content moderation decisions can be referred. The government has already indicated that it is open to considering self-regulatory alternatives.

– It could be **staffed with experts from industry and the domain of law**, so that its decisions will be sufficiently robust, i.e. informed both by industry context and applicable laws and judicial precedents taken into account.

– Ideally, this body should **operate as an appellate forum** for all content moderation decisions, regardless of the platform from which the appeal originates. This will keep it beyond the power hierarchy of the platforms themselves, offering the process a measure of independence that is absent in internal grievance redressal systems.

– Since it will not be operated by the government, it will, hopefully, have the **neutrality required to remain impartial** while deciding on take-down notices issued by the government.

### MEDICAL PROFESSION

#### 17. Dictates for doctors

**Source:** This post is based on the article “**Dictates for doctors**” published in **The Hindu** on **15th June 22**.

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

**Relevance:** Medical sector in India and related issues

**News:** The National Medical Commission (NMC) has published a draft of the regulations it proposes for the professional conduct of doctors and invited comments by June 22.

The draft regulations have overlapping with the existing regulations of the erstwhile Medical Council of India.

[What are the constituents of the draft regulations?](#)

Chapters 2 to 6 deal with the **a)** professional conduct of doctors, **b)** the duties of registered medical practitioners towards their patients, **c)** the responsibilities of doctors to each other, **d)** the responsibilities of doctors to the public and allied health professionals, and professional misconduct, respectively.

The guidelines are a mix of **templates for certificates** and **extensive instructions**.

It is interesting that guideline 3, the NMC code of medical ethics, has **dropped the controversial Charak Shapath** and returned to the **Declaration of Geneva**. This is a wise move. India is a founder member of the World Medical Association and contributed to the drafting of the declaration.

[What are some associated issues?](#)

**Patient records:** Every registered medical practitioner will have to **maintain patient records for three years** from the last consultation.

– This will be **difficult to implement for most general practitioners** who provide high-quality services at low prices and depend on high volumes of patients to earn a decent income.

– It will **reduce the number of patients who can be attended to**, add considerably to **costs**, and **delay treatment**.

This measure is unwise and should be withdrawn.

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**Informed consent:** In the section on informed consent, the statement that “in an operation that may result in sterility, the consent of both husband and wife is required” is poorly thought out and must be redrafted.

– It is possible that the person requiring such surgery may be single. Even if the individual is married, this regulation is **contrary to the principle of individual autonomy**.

The guidelines on **continuous professional development** resemble a decree. All practitioners of medicine need to keep abreast of evolving knowledge in medicine to provide competent care to patients. Such continuing education cannot be a repetition of college education. The rules suggested demonstrate a **schoolteacher’s approach** with excessive regulation and control.

– Medical practitioners are mature learners and do not need the stick to be forced to learn.

The **blanket prohibition on medical practitioners** participating in educational activities sponsored directly or indirectly by pharmaceutical companies and the allied health sector will severely restrict access to the latest developments.

In the guidelines on social media, the prohibition of sending scan images on social media will considerably **impair communication** and needs rethinking.

The **guidelines on telemedicine read more like a briefing paper** than a guideline. It is one of the most elaborate sections and there is some repetition, but it provides a good framework.

### Way forward

There is a lack of harmony in the draft. The first part, the regulations, read like typical bureaucratise.

In summary, the **draft needs extensive reworking**.

## LIFE EXPECTANCY IN INDIA AND RELATED ISSUES

### 18. Regarding the Abridged Life Tables report: The longevity puzzle

**Source:** The post is based on an article “**The longevity puzzle**” published in the “**Business Standard**” on **13<sup>th</sup> June 2022**.

**Syllabus:** GS2 – Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes.

**Relevance:** To understand the challenges highlighted by the Abridged Life Tables report.

**News:** According to the recent Abridged Life Tables report for the period of 2015-19, the average Indian can expect to live about 69.7 years, around two years more than the life expectancy 10 years ago.

### What are the findings of the report?

India’s life expectancy has improved by leaps and bounds from an abysmal **32 years** around the time of independence to 70 years now. The life expectancy also looks modest when one compares it with the global average of 72.6 years and when compared with neighbouring Bangladesh at 72.1 and Nepal at 70 years.

However, India’s life expectancy rate is also significantly behind China’s at 76.9 years. The life expectancy crosses the global average in the following Indian states and Union Territories — Delhi, Kerala, Jammu and Kashmir, Himachal Pradesh, Punjab, and Maharashtra — But, none of them surpasses China’s record.

Read here: [Abridged Life Tables report](#)

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What are the challenges highlighted by the report?

**Challenges with infants:** Indian babies, especially girl children, still have a low chance of survival at birth and infancy.

For instance, the latest abridged sample registration system data shows that the gap between life expectancy at birth and that at ages one or five has improved by only about 20 years over a 45-year period.

**Life expectancy is not even throughout India:** States in the north and east of India have a lower life expectancy. Uttar Pradesh and Chhattisgarh became the worst performers on life expectancy with 65.6 years and 65.3 years respectively.

**Difference between rural and urban India:** There are wide discrepancies between rural and urban life expectancy, which can vary as much as five to eight years.

What are the steps taken to improve life expectancy?

Since 1975, **a)** the Indian government has run a **massive programme** that was set up to focus on the health and nutrition needs of children under six years of age. **2)** A large network of anganwadi centres was set up, and **c)** Almost every state offered mid-day meal schemes in their schooling system, **d)** Integrated Child Development Services (ICDS) boasts being one of the largest such programmes in the world.

What is the reason for India's poor showing on life expectancy?

**a)** Abysmal access to medical infrastructure for the average Indian, particularly women, **b)** Over the years, both budgetary allocations and institutional attention to the implementation of ICDS and related schemes appear to have reduced. This results in far lower coverage and **c)** Major beneficiaries of government schemes such as ICDS and MDMS have been middle and lower-middle class children rather than the poor and marginalised.

The findings on life expectancy suggest that an urgent course correction is long overdue to improve life expectancy.

### **ONE NATION – ONE LANGUAGE ISSUE**

19. **English-Vinglish, Hindi-Shindi: India doesn't need a national language. Plus, Hindi is growing & English is no longer elitist**

**Source:** This post is based on the article “**English-Vinglish, Hindi-Shindi**” published in **The Times of India** on **12th June 22**.

**Syllabus:** GS2 – Issues Arising Out of Design & Implementation of Policies

**Relevance:** One nation – One language issue, national language policy

**Context:** Should India have a national language? And if not, then why not. The article discusses the reasons as to why India is better off without any national language and why it must not try and impose Hindi on non-hindi speakers.

Global examples

In theory, a national language is a nice idea, but imposing it on a multilingual country can be disastrous.

This can be easily seen from the following examples:

– **Pakistan:** When Pakistan was born, Jinnah declared spiritedly that Urdu would be the national language.

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At the time, the mother tongue of 55% of Pakistanis was Bangla; only 7% understood Urdu. Resentment soon built up among the proud Bengalis, and it eventually led to Pakistan breaking up and the birth of Bangladesh.

– **Sri Lanka:** Similarly in Sri Lanka, Bandaranaike implemented in 1950s the ‘**Sinhala Only Act**’, disenfranchising the Tamil minority. Riots followed, followed by civil war. Once a model South Asian nation, Sri Lanka was brought to its knees.

Many countries have managed well without any national language, including India.

– **Switzerland** is another multilingual nation without a national language. It has one of the highest per capita incomes in the world and ranks high on the Happiness Index. A successful nation doesn't necessarily need a national language.

**What is the most prevalent argument against English and why it doesn't hold any longer?**

In India, there is a deep-seated resentment of English as the language of the elite that has ruled for the past 75 years. English is not just a language in India, it is a caste.

However, three changes make this argument less powerful.

**One,** English has quietly become an Indian language, just as cricket has become an Indian game. Whoever speaks a language owns it, just as whoever plays the game possesses it. **English is now the most widely spoken language in India after Hindi**, with 130 million speakers in the 2011 Census.

The second change is that **Hindi is the fastest growing language in India**, spreading rapidly thanks to Bollywood. If English is our language of opportunity, Hindi is our language of entertainment.

The third change is the **rise of a confident hybrid, popular among young, decolonised minds.** **For instance:** Youngsters in Chennai comfortably mix English with Tamil as easily as they mix Tamil with English.

– It has the makings of Indian English, a language that may one day aspire to become a national language.

**Way forward**

India's language policy should **focus on the future, not on the past.** It should help create opportunities for the young.

The New Education Policy is basically correct. It is a good idea for children to **begin learning in their mother tongue.** However, kids should simultaneously learn English from KG onwards.

English is the **global language of opportunity.** It is why many government schools are emptying, and why more than half of India's children attend non-elite private schools.

So, why try and force Hindi down the throats of non-Hindi speaking people when it is already the fastest growing Indian language? Hindi, English, Hinglish are spreading on their own.

If India has managed without a national language, why fix something that isn't broken? Why risk the break-up of our country or a civil

### **DATA PROTECTION AND RELATED ISSUES**

20. **Finger in every pie: Regular theft of biometric data shows how lax information storage is and why we need a strong law**

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**Source:** This post is based on the article “**Finger in every pie: Regular theft of biometric data shows how lax information storage is and why we need a strong law**” published in **The Times of India** on **12th June 22**.

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

**Relevance:** increased use of biometrics, Data protection

**News:** Hyderabad police recently caught a man with around 2,000 fingerprints of separate individuals that were being used to purchase SIM cards, create bank accounts, and then engineer more frauds.

### Widespread use of biometrics

Smaller public and private entities have now taken to biometrics with passion.

**Bengaluru Metro** is mulling a facial recognition-based pass and similar boarding is being planned for various airports as well.

Biometric access systems are proliferating in offices and apartments.

### What are the challenges posed by increased use of biometrics?

The immense problem with this trend is that it is running apace without strong data protection protocols being put in place.

India has comprehensively embraced the digital economy **without a matching data protection regime**.

– Tons of personal data is being constantly collected. Moreover, there is a **confusion about how it will be stored and used and who will have access to it**.

Furthermore, disincentives in the Aadhaar Act are weak relative to the damage criminal behavior can wreck.

– For example, impersonation by providing false demographic or biometric information is punishable only by imprisonment up to three years or a fine of Rs 10,000 or both. Even such provisions are brought to bear on only a fraction of the cases of data misuse.

### Way forward

Two key measures must be taken by India

– **First**, UIDAI should take steps to address issues highlighted in the **CAG audit**.

– **Second**, Parliament should no longer delay a comprehensive data protection law – with the strongest possible regulation against security-poor or unauthorized storage of identity information.

## **GUIDELINES FOR PREVENTION OF MISLEADING ADVERTISEMENTS 2022**

### 21. **Controlling the hard sell**

**Source:** This post is based on the article “**Controlling the hard sell**” published in **Business Standard** on **12th June 22**.

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

**Relevance:** Guidelines for advertising

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**News:** ‘Guidelines for Prevention of Misleading Advertisements and Endorsements for Misleading Advertisements, 2022’ have been notified by the Central Consumer Protection Authority (CCPA).

These [guidelines](#) have been long overdue.

What are the key provisions under the new rules?

Under the new rules,

- **Penalties for misleading advertisements** have been linked to the definition of such infractions and the punitive measures provided under Section 2 (28) of the Consumer Protection Act.
- The Central Consumer Protection Authority can also **prohibit an endorser of a misleading advertisement** for up to one year, and three years for a repeat offence.

Two other critical points about the new guidelines are that they **clearly define “bait” and “free claims” advertising** and strictly set limits to advertising for children, including those with celebrity endorsements.

The guidelines also **require a disclaimer to be published** in the same language as the claim made in the advertisement and the font used must be the same as that used in the claim.

Why the new guidelines were necessary?

The advertising industry’s well-meaning **attempts at self-regulation** have **proven inadequate so far**.

The proliferation of advertising for online gaming sites and mutual fund products has magnified the **problem of misleading advertising**.

Tightening standards of advertising for children, including disallowing celebrity advertising in some cases, as children are key purchase influencers in middle-class Indian households.

What are the challenges involved?

The key question, however, is how the government will **enforce the guidelines**.

The Central Consumer Protection Authority, which was formed in 2020, is responsible for regulating false and misleading advertisements and punishing offenders, the functions that the Advertising Standards Council of India used to perform.

- Tracking advertising in India’s more than 10,000 print publications and 850-plus TV channels in multiple languages is challenging enough.
- But the principal problem today is the **proliferation of online advertising**, not all of it originating in India.

This will require a gargantuan organisation to track effectively.

What is the way forward?

The CCPA should consider **banning the advertising of junk food and drink**, just as it has done for fairness creams, alcohol, cigarettes, and chewing tobacco. The volume of junk food advertising has played a key role in the exponential rise of childhood obesity and diabetes among middle-class Indians.

As with alcohol, for which surrogate advertising has sensibly been banned as well, **point-of-purchase publicity** for junk food should be considered sufficient publicity.

A requirement of **slowing the pace at which disclaimers are read** on TV ads would also be useful.



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It would also make sense for the CCPA to work closely with other similar authorities to regulate claims on health and personal product packaging and include health warnings as is done on tobacco products. In that sense, the new guidelines could be considered a good starting point.

GS2 – INTERNATIONAL RELATIONS – INTERNATIONAL ORG AND GROUPINGS

### **BRICS AND RELATED ISSUES**

#### 22. **China wants a larger BRICS to challenge the existing international order**

**Source:** The post is based on an article “China wants a larger BRICS to challenge the existing international order” published in **the Indian Express** on **15<sup>th</sup> June 2022**.

**Syllabus:** GS2 International Order, Regional Grouping, Multilateral Forum

**Relevance:** BRICS

**News:** Recently, a virtual meeting of BRICS+ foreign ministers was held in which representatives of various countries participated and it was proposed to expand the BRICS membership.

#### **What was proposed?**

It was decided that this is an opportune time to expand BRICS and challenge the domain of the G7 by including members from the G20.

In 2022, China is taking the lead and setting the agenda for BRICS expansion. It has been working with the 2022 theme of “**Foster High-quality BRICS Partnership, Usher in a New Era for Global Development**”.

#### **Why is there a proposal for expansion of BRICS?**

The BRICS expansion is part of **China’s strategic challenge** to the international order and to collect **middle powers** around them.

The fashion of **competitive plurilateral form** is visible because the cracks in the G20 are looming. The world is facing convulsions in the international order. It has been heightened by Russia’s invasion of Ukraine and the hardening of Western positions.

This is part of China’s aim to challenge Western influence over countries and wants to use BRICS to that end.

#### **Precedents**

The New Development Bank associated with BRICS, expanded membership in 2021. It admitted Bangladesh, the UAE, Uruguay and Egypt, i.e., first four countries to be admitted after the establishment of the NDB.

#### **What are the likely criteria that could emerge to guide the process of inducting new members into BRICS?**

The first likely criteria will be to prioritise **G20 members** like Argentina, Indonesia and Saudi Arabia. Other prospective members may include, the UAE and Egypt, which are **NDB members**, Kazakhstan was invited as the largest country in **Central Asia**, Nigeria was invited as another important **African economy**, Senegal was invited as the current chair of the **African Union**, Thailand, as the chair of the **APEC**. Indonesia was invited also as part of Mexico, Indonesia, Korea, Turkey and Australia (MIKTA).

Other criteria could be countries which have an **emerging economy status** and adherence to **BRICS objectives**.

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### What are the issues?

While proposing BRICS expansion, **China** has not obtained the concurrence of other members except **Russia**.

In reality, the **setting of criteria** is a battle to choose partners who are more amenable to the individual members of the BRICS.

– For example, **Russia** and **China** want Indonesia, Kazakhstan, Saudi Arabia, UAE and Argentina. Brazil would not want Argentina because both have a rivalry in Latin America. South Africa would not want Nigeria and Egypt because he would no longer be the African representative in the BRICS.

### Way Forward

There could be an easier consensus on **Indonesia** because India is unlikely to oppose it as its relationship has been improving.

The inclusion of **UAE** and **Saudi Arabia** in the BRICS could be advantageous to India because India has rapidly enhanced its engagement with these countries. Both countries have a longstanding relationship with the US. Both seek to diversify and would not be averse to joining BRICS.

On the inclusion of **Kazakhstan**, Russia and China have to deal with the other Central Asian countries.

A consensus with **Brazil** and **South Africa** for members from their regions will be critical.

India needs to ensure that expansion is not on **Chinese terms** and that the countries admitted are equally **receptive** to India.

India can leverage the **IBSA trilateral of democracies** within BRICS to assert itself. India can consult on criteria and members.

### FATF AND RELATED ISSUES

#### 23. [The FATF and Pakistan's position on its 'grey list'](#)

**Source:** This post is based on the article “**The FATF and Pakistan's position on its 'grey list'**” published in **The Hindu** on **13th June 22**.

**Syllabus:** GS2 – International Organizations and groupings

**Relevance:** Pakistan on FATF's grey list

**Context:** Ahead of the plenary session of the Financial Action Task Force (FATF), in Berlin, Pakistan is hoping for a removal of its name from the FATF's 'grey list' or the list of countries presenting a risk to the global financial system.

In its last plenary meeting in March, the FATF had retained Pakistan's listing, asking it to expeditiously address the remaining deficiencies in its financial system.

#### What is FATF?

The Financial Action Task Force is an international **watchdog for financial crimes** such as money laundering and terror financing.

It was established at the **G7 Summit of 1989 in Paris** to address loopholes in the global financial system after member countries raised concerns about growing money laundering activities.

The FATF currently has 39 members.

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The FATF sets standards or recommendations for countries to achieve in order to **plug the holes in their financial systems** and make them less vulnerable to illegal financial activities.

It conducts regular **peer-reviewed evaluations called Mutual Evaluations (ME)** of countries to check their performance on standards prescribed by it. The reviews are carried out by FATF and FATF-Style Regional Bodies (FSRBs), which then release Mutual Evaluation Reports (MERs).

For the countries that don't perform well on certain standards, time-bound action plans are drawn up.

For more details: Read [here](#).

### What are FATF's 'grey' and 'black' lists?

At the end of every plenary meeting, FATF comes out with two lists of countries.

**Grey list:** The grey countries are designated as **"jurisdictions under increased monitoring"**, working with the FATF to counter criminal financial activities.

– For such countries, the watchdog does not tell other members to carry out due-diligence measures vis-a-vis the listed country but does tell them to consider the risks such countries possess.

*The words 'grey' and 'black' list do not exist in the official FATF lexicon.*

**Black list:** As for the black list, it means countries designated as **'high-risk jurisdictions subject to call for action'**.

– In this case, the countries have considerable deficiencies in their AML/CFT (anti-money laundering and counter terrorist financing) regimens.

– In these cases, the FATF calls on members and non-members to **apply enhanced due diligence**. In the most serious cases, members are told to **apply counter-measures** such as sanctions on the listed countries.

– Currently, **North Korea** and **Iran** are on the black list.

### What is the impact of being on FATF's grey or black list?

Being listed under the FATF's lists **makes it hard for countries to get aid from organisations** like the International Monetary Fund (IMF), Asian Development Bank (ADB), and the European Union.

It may also affect capital inflows, foreign direct investments, and portfolio flows.

### Why is Pakistan on the grey list?

Pakistan was retained on the grey list in March as it was yet to address concerns on the front of **terror financing investigations** and **prosecutions targeting senior leaders and commanders of UN designated terrorist groups**.

Steps have been taken in this direction by Pakistan, such as the sentencing of terror outfit chief Hafiz Saeed, prosecution of Masood Azhar, but India suspects the efficacy and permanence of these actions.

Pakistan has found itself on the grey list frequently since 2008, for weaknesses in fighting terror financing and money laundering.

## GS2 – POLITY – PARLIAMENT AND STATE LEGISLATURE

### **DEBATE AROUND ESTB OF RAJYA SABHA**

#### 24. What has Rajya Sabha achieved that a stand-alone Lok Sabha has not, or would not?

**Source:** The post is based on an article “**What has Rajya Sabha achieved that a stand-alone Lok Sabha has not, or would not?**” published in the “**Indian Express**” on **13<sup>th</sup> June 2022**.

**Syllabus:** GS2 – Parliament and State legislatures—structure, functioning, conduct of business, powers & privileges and issues arising out of these

**Relevance:** To know about concerns associated with the functioning of Upper House.

**News:** Constituent Assembly was divided on the opinion on establishing Rajya Sabha. That debate still holds relevance even after so many years.

What are the arguments against the establishment and functioning of the Rajya Sabha?

Lokanath Misra in the Constituent Assembly was of the opinion that, **a)** It will not serve any useful purpose, **b)** the Lower House is more representative of the people. On the other hand, the Upper House only result in a waste of public money and waste of time.

**Note:** Lokanath Misra was also of the opinion that **huge number of people** either in the House of the People or in the Council of States **does not serve any very useful purpose**. He highlighted that the “Constituent Assembly consists of more than three hundred members that so few of take a real part in and are really useful to constitution-making”.

Apart from this, **c)** Upper Chamber have twelve nominated members. The persons who have been nominated and who will never seek the vote of the people can become ministers also, **d)** Earlier any citizen desirous of contesting a Rajya Sabha election had to be an elector from that particular state. But an amendment to the Representation of People’s Act 1952 did away with the domicile requirement also.

**e)** Twenty-four states have unicameral legislatures, that is, only one legislative body, and only six states are bicameral. There is no justifiable legal basis for this classification. A question arises if the bulk of the states can function with one House then why does the Centre need to be bicameral.

What should be done?

There is also a question, except for being a continuous House, what has Rajya Sabha been able to achieve that a stand-alone Lok Sabha has not or would not?

Hence, there should be an amendment to Article 83 (2), to make Lok Sabha remain in existence till the time its successor body/house is not constituted through general elections mandatorily held three months prior to the completion of the present one.

**Note:** Kesvananda Bharti case held parliamentary democracy to be a basic structure, not bicameralism

### GS2 – SOCIAL ISSUES – HATE SPEECH

#### **ISSUE OF HATE SPEECH**

#### 25. Hate speech, IPC Sec 295A, and how courts have read the law

**Source:** This post is based on the article “**Hate speech, IPC Sec 295A, and how courts have read the law**” published in **The Indian Express** on **16th June 22**.

**Syllabus:** GS2 – Polity – Judiciary

**Relevance:** Hate speech and how courts have read the law

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**Context:** The debate surrounding the comments on Prophet Mohammad have put the spotlight on the law that deals with criticism of or insult to religion. Provisions in the Indian Penal Code (IPC), primarily **Section 295A**, define the contours of free speech and its limitations with respect to offences relating to religion.

**India does not have a formal legal framework for dealing with hate speech.** However, a cluster of provisions, loosely termed hate speech laws, are invoked. These are primarily laws to deal with offences against religions.

### Section 295 and others

Section 295A defines and prescribes a punishment for deliberate and malicious acts, intended to outrage religious feelings of any class by insulting its religion or religious beliefs.

It is one of the **key provisions in the IPC chapter** to penalise religious offences.

– The chapter includes **a)** offences to penalise damage or defilement of a place of worship with intent to insult the religion (Section 295), **b)** trespassing in a place of sepulture (Section 297), **c)** uttering, words, etc, with deliberate intent to wound the religious feelings of any person (Section 298), **d)** disturbing a religious assembly (Section 296).

Section 295A has been invoked on a wide range of issues from penalising political satire and seeking bans on or withdrawal of books to even political critique on social media.

The state often invokes Section 295A along with **Section 153A** of IPC, and **Section 505** of the IPC that punishes statements conducing to public mischief

– Sec 153A penalises promoting enmity between different groups on grounds of religion, race, place of birth, residence, language, etc, and doing acts prejudicial to maintenance of harmony

In cases where such speech is online, **Section 66A of the Information Technology Act** that punishes sending offensive messages through communication services is added.

– In a landmark verdict in 2015, the Supreme Court struck down Section 66A as unconstitutional on the ground that the provision was “vague” and a “violation of free speech”. However, the provision continues to be invoked.

### Origins of the hate speech law

Colonial origins of the hate speech provisions are often criticised for the assumption that Indians were susceptible to religious excitement.

– Section 295A was brought in **1927**.

For more: Read [here](#)

### Rangila Rasool case

Rangila Rasool was a tract — brought out by a Hindu publisher — that had made **disparaging remarks about the Prophet’s private life**.

Cases against the first pamphlet, filed under Section 153A, were dismissed by the Punjab and Haryana High Court.

When a second, similar piece was published, it **raised tensions**.

While the magistrate had convicted the publisher Rajpaul under Section 153A, the Lahore High Court held that a “scurrilous and foul attack” on a religious leader would prima facie fall under Section 153A — although not every criticism.

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This debate in interpretation prompted the colonial government to enact Section 295A with a wider scope to address these issues.

### Other cases

In 1957, the constitutionality of Section 295A was challenged in **Ramji Lal Modi v State of Uttar Pradesh**.

– The Supreme Court **upheld the law** on the grounds that it was brought in to preserve “public order”.

In a 1960 ruling, in **Baba Khalil Ahmed v State of Uttar Pradesh**, the Supreme Court said that “malicious intent” of the accused can be determined not just from the speech in question but also from external sources.

In 1973, in **Ramlal Puri v State of Madhya Pradesh**, the Supreme Court said the test to be applied is whether the speech in question offends the “ordinary man of common sense” and not the “hypersensitive man”.

In **Baragur Ramachandrappa v State of Karnataka**, a 2007 decision of the Supreme Court, “**a pragmatic approach**” was invoked in interpreting Section 295A.

## GS2 – SOCIAL ISSUES – VULNERABLE SECTIONS

### LGBTQ+ AND RELATED ISSUES

#### 26. A month of Pinkwashing

**Source:** The post is based on an article “**A month of Pinkwashing**” published in the **Indian Express** on **18<sup>th</sup> June 2022**.

**Syllabus:** GS2 – Social issues – Vulnerable sections

**Relevance:** Fundamental Rights; Corporate Governance; Pinkwashing Concept

**News:** Recently, corporations like Walmart and Meta have announced their **pride “campaigns,”** in the **June Month** for queer movement. These corporations have also been ranked high on the **US’ Human Rights Centre’s Corporate Equality Index**.

#### **About Pride Month**

June, recognised as Pride month, is a political movement for and by the queer and transgender / LGBTQ+ community.

#### **What are the problems being faced by the Queer community?**

There has been passing of the regressive Trans Act **2019** in India, and rejection of the Equality Act in the US, among other measures.

Around 375 deaths were registered in the form of **murders** of transgender people across the world.

#### **What are the issues with celebration of the pride month by the corporations?**

The **corporations** are practicing the **pinkwashing concept**. On the one side, the corporations see that the LGBTQ+ community has emerged as their **unique consumer base**. Therefore, they claim to be the allies in the bid for **queer liberation**. Whereas, on the other side, the corporations also **fund politicians** who pass legislations that shrink spaces for LGBTQ+ people.

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(1) In 2021 alone, Walmart donated a **million dollars** to politicians who have worked actively to roll back **LGBTQ+ protections**.

(2) Similarly, AT&T has funded **anti-LGBTQ+ legislators** with over a million dollars in the last year.

The Corporation like Netflix fired 150 employees in North America, the majority of which were LGBTQ+ individuals or people of colour.

As per some reports, social media platforms like Facebook and Twitter their algorithms tilt the balance in favour of conservative accounts which indicates promotion of the queerphobia on their platforms.

Corporations, instead of working for the **queer rights**, are attempting to **maximise profits** and **capitalising** on an expanding consumer base.

### India's Case

In India, the LGBTQ+ or queer movement doesn't have the influence it enjoys in the West.

However, corporations have been witnessing the expanding consumer base in India. This can lead to Corporate pinkwashing in India also. For example, Companies with a presence here, like Amul, have also started announcing campaigns.

### Way Forward

The companies should be held **accountable**. Any corporation claiming to support **LGBTQ+ people** must prove it through the policies which are non-discriminatory.

The **political engagement** and **investments** of the corporation must be properly assessed as **LGBTQ+ people** agitation for queer liberation is rooted in civil rights.

### 27. [India's lingering homophobia](#)

**Source:** The post is based on an article "**India's lingering homophobia**" published in the "The Hindu" on 16<sup>th</sup> June 2022.

**Syllabus:** GS 2 Importance Provisions of the Constitution of India

**Relevance:** LGBTQ+ Community, Fraternity

**News:** Recently, the Kerala High Court sanctioned a lesbian couple to live together after they were coercively separated and incarcerated by their family.

Indian society has been facing a problem of **homophobia**. For example, the attitude like "**God made Adam and Eve; not Adam and Steve**" still lingers in Indian society.

#### What is homophobia?

George Weinberg, an American clinical psychologist, coined the term '**homophobia**' in his book **Society and the Healthy Homosexual** (1972).

Homophobia is defined as culturally produced fear of or prejudice against homosexuals. This can manifest into legal restrictions or, in extreme cases, **bullying** or even **violence** against **homosexuals**. It is a culturally conditioned response to homosexuality.

#### Argument against such homophobia

The **Indian Psychiatric Society** authentically stated that **homosexuality** was not a **mental disorder**.

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The **social** and **psychological abhorrence** against the LGBTQ+ community nullifies the constitutional **principles of fraternity** and **dignity**, enshrined in the Indian Constitution.

There are various historical figures or mythological characters who signalled towards queerness. For example, **Shikhandi** became a man to satisfy her wife; Mahadeva became a woman to deliver his devotee's child; and **Chudala** became a man to enlighten her husband.

### Way Forward

In words of J.**B. Kripalani**, a prominent member of the Constituent Assembly, “the **principle of fraternity** means that **we are all sons of the same God**”.

Dr. B.R. Ambedkar, elucidated the Indian roots of the ideal of fraternity. He derived the principle from the teachings of the Buddha. He gave the highest place to fraternity because this is the only real safeguard against the **denial of liberty** or **equality**. He championed the ideal of fraternity to uphold the cause of the oppressed castes, Dalits. The same principle is also applicable to the LGBTQ+ community in India

## GS2 – SOCIAL ISSUES – ISSUES RELATED TO CHILDREN

### **CHILD MARRIAGE IN INDIA**

#### 28. The way to end child marriage

**Source:** The post is based on an article “**The way to end child marriage**” published in the “**The Hindu**” on **15<sup>th</sup> June 2022**.

**Syllabus:** GS2 – Social issues

**Relevance:** Child Marriage and related issues

**News:** Recently, the government has increased the age of marriage of women in India from 18 to 21 years, as a delayed marriage might offer significant **public health dividends** and **substantive benefits** at the individual and societal levels.

#### **Benefit of increasing age of marriage**

There is a significant association between **early marriage** and **adverse health and educational outcomes** of women and their children.

Early marriage of women leads to **early pregnancy**. Further, it leads to lower likelihood of accessing ante-natal care, higher risks of **maternal morbidity** and **mortality**, poor nutritional status of women and poor nutritional outcome. In addition, it leads to poor **educational outcomes** of children.

#### **Is increasing the legal age of marriage enough?**

As per NFHS-5 data, about 25% of women aged 18-29 years married before the **legal marriageable age** of 18. It means that the legally mandated age of 18 has not been complied.

#### **State-wise pattern**

West Bengal has the highest prevalence (42%), followed by Bihar and Tripura (40% each). Oddly, the decline in child marriage has been paltry at best in these high-prevalence States. At the other end of the spectrum are Goa, Himachal Pradesh and Kerala (6% to 7%).



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### What are the ultimate factors?

The association between **child marriage** and **adverse health outcomes** is based on **structural factors**, which includes, **social norms**, **poverty**, and **women's education**.

(1) The **social norms** compel the parents to begin preparations for a **girl's marriage** once she has reached menarche. For example, 39% of **child marriages** take place among **Adivasis** and **Dalits**, 17% among advantaged social groups and the remaining among Other Backward Classes (OBC).

(2) The **poverty** plays an important role in child marriages. It is aimed to avoid the burden of the huge costs of dowry associated with delayed marriages. For example, 58% take place among the **poorest wealth groups**, about 40% of them take place among the middle 50% and only 2% of them take place among the top 10% of wealth groups.

(3) **Education outcomes**: Only 4% of child marriages in India take place among women who have completed more than 12 years of education. A significant proportion of child marriages takes place among women with less than 12 years of schooling.

### Is increasing the legal age of marriage enough to improve the health outcomes?

A mere increase in age at marriage without an increase in education is not going to give good result. For example,

As per NFHS-5, Around **27% of illiterate women** who married before 18 years, and around **24% of illiterate women** who married at the age of 21 years are **underweight**.

However, women with 12 years of schooling married before 18 years and at 21 years have hardly any difference in **underweight** prevalence (14% and 13%, respectively).

### Way Forward

The child marriage is substantially lower among women with a **higher level of schooling**. Therefore, an increase in **years of schooling** would increase the age at marriage.

– Therefore, the government should focus more on increasing **education** in addition to increasing the age of marriage. If education is not improved, it might adversely impact the poor and illiterate.

– It would be advisable that women **complete education** at least up to 12 years. For example, **Bangladesh** improved women's education and imparted modern skills to increase their employability, which reduced child marriage and improves health and nutrition.

The schemes should ease the **financial burden of marriage**. The **eligibility criteria** of these schemes should include **educational attainment** in addition to age.

In the absence of an improvement in women's schooling or skills, a **legalistic approach** to ending child marriage might become counterproductive.

## GS2 – SOCIAL ISSUES – ISSUES RELATED TO POVERTY AND HUNGER

### MALNUTRITION IN INDIA

#### 29. Malnutrition in India is a worry in a modern scenario

**Source:** The post is based on an article “**Malnutrition in India is a worry in a modern scenario**” published in the “**The Hindu**” on **15<sup>th</sup> June 2022**.

**Syllabus:** GS2 Social Sector; health Sector, Poverty and hunger

**Relevance:** Malnutrition

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**News:** Even after **75 years of independence**, India is still struggling to meet the nutritional needs.

### Nutritional Indicators

**Stunting** is defined as low height-for-age

**Wasting** is defined as low weight-for-height

**Anaemia** is defined as the condition in which the number of red blood cells (RBCs) or the haemoglobin (Hb) concentration within them is lower than normal.

### What is the finding of NFHS-5?

**Marginal improvement:** As per the survey, there has been marginal improvement across the nutrition indicators in India since the findings of the NFHS-4.

### What are the factors behind poor nutritional outcomes?

A **child's nutritional status** is directly linked to their **mother**. Poor nutrition among **pregnant women** affects the **nutritional status** of the child and has a greater chance to affect future generations.

### What are the issues?

The progress in tackling malnutrition among children and women over the past decade has been slow. This has been despite **declining rates of poverty**, increased **self-sufficiency** in food production, and the implementation of a range of **government programmes**.

Children in several States are more **undernourished** now than they were five years ago.

(1) Since NFHS-4, 13 States or UTs (including Gujarat, Maharashtra, West Bengal and Kerala) have seen an increase in **stunted children**.

(2) **Wasting**, the most visible and life-threatening form of malnutrition, has either risen or has remained stagnant over the years.

(3) India also has the highest prevalence of **anaemia** in the world. More than 57% of women (15-49 years) and over 67% children (six-59 months) suffer from anaemia.

### What are the consequences of poor nutritional outcomes?

Anaemia has **major consequences** in terms of **human health** and **development**. It reduces the work capacity of individuals. This in turn impact the economy and overall national growth. For example, India loses up to 1.18% of GDP per annum due to iron deficiency anaemia.

Undernourished children are at risk of **under-performing** in studies and have limited **job prospects**.

The workforce, affected mentally and physically, has reduced work capacity. This **vicious cycle** restrains the development of the country.

### Way Forward

The **investment** in women and children's health and nutrition should be increased. This will ensure their sustainable development and improved quality of life.

India must adopt an **outcome-oriented approach** on all the nutrition programmes.

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The **parliamentarians** should monitor interventions in their constituencies. All **nutritionally vulnerable groups** at the local level should be engaged. If individual persons are made aware about the nutritional aspects. They will become an agent of change.

The programmes should be monitored and evaluated. The systemic challenges should be addressed.

There should be a committee on nutritional status which should **meet** and **deliberate** over effective policy decisions, monitor the implementation of schemes, and review nutritional status across States.

The government should involve all the stakeholders and contribute towards ending malnutrition and anaemia.

### **POVERTY AND RELATED ISSUES**

#### **30. A poverty trend in search of an explanation**

**Source:** The post is based on an article “A poverty trend in search of an explanation” published in the “The Hindu” on 16<sup>th</sup> June 2022.

**Syllabus:** GS 2 Poverty and Hunger

**Relevance:** Measurement of Poverty

**News:** Recently, two recent studies, separately, from the **International Monetary Fund** and the **World Bank** (henceforth **Fund-Bank**) estimated the consumption spending, and thereby poverty in India.

#### **Importance of measurement of the progress with respect to the reduction of poverty**

It is crucial to an assessment of the state of the economy of India, which harbor the world's largest number of poor people.

#### **Definition of extreme poverty**

As per the World Bank, “extreme poverty” can be defined as **per capita consumption** of less than \$1.90 per day.

#### **Past Measurement**

The last official estimate of poverty was undertaken by the Planning Commission for the year 2011-12.

#### **What are the challenges?**

India has not had a **household consumption expenditure survey** for a subsequent year which forms the ideal basis for poverty estimation.

#### **Findings of NSSO's consumption expenditure survey 2017-18**

As per survey 2017-19, the **real consumption expenditure** had **fallen** since 2011-12.

The survey 2017-18 was **rejected** by the **union government** as defective. In addition, a leading expert stated that a decline in consumption is not possible when income (GDP) has grown.

#### **Findings of the Fund-Bank Studies**

Two recent studies from the **International Monetary Fund** and the **World Bank** estimated the poverty based on **consumption spending**, and thereby **poverty**. Both studied stated that there has been an **accelerated decline** in poverty in India, since 2011-12

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### Argument in favour of the Fund-Bank Survey

The decline in poverty has been due to **lower levels of inflation** since 2014. Thus, **real wage growth** has been faster. It enabled **greater consumption** and thus an accelerated decline in poverty.

### Argument against the findings of Fund-bank survey

The growth of the Indian economy has **slowed progressively** from 2017-18. The **demonetisation of 2016** has affected the **majority of workers** working in India.

As per the **Periodic Labour Force Survey**, the **unemployment rate** has been rising sharply since demonetisation. Therefore, it is difficult to imagine an accelerated decline in poverty during such a phase.

As per an assessment, the annual real wage growth for **non-agricultural labourers** was either negligible or negative during the period 2015-16 to 2019-20. Annual real wage growth was negative for construction workers. Thus, there has been very little real wage growth since 2015-2016

### Way Forward

There is a need for an explanation of the accelerated decline in poverty that they report.

We need to understand the **drivers of poverty** to undertake any kind of **remedial action**.

There should be **independent public bodies** which can provide **reliable data** without any potential political interference.

In particular, a household consumption expenditure survey should be executed as soon as possible to find the trend in poverty in India in recent years.

### 31. [NSS, CMIE are surveys not comparable. Studies should not relate them](#)

**Source:** The post is based on an article “**NSS, CMIE are surveys not comparable. Studies should not relate them**” published in the “**Indian Express**” on **13<sup>th</sup> June 2022**.

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

**Relevance:** To know about the differences in NSS and CMIE surveys

**News:** Recently, policy advisors and researchers at the IMF and World Bank have also attempted to estimate headcount ratios under various assumptions.

#### [About the recent poverty measurements by IMF and World Bank](#)

**The IMF method:** It carried out the exercise using adjustments for private final consumption expenditure from the National Accounts Statistics and also using the expenditure incurred by the government under the public distribution system.

**The World Bank method:** It has tried to estimate headcount ratios using CMIE data from the consumer pyramids household survey from 2015 to 2019, relating it with the NSS consumer expenditure data from 2011 and data from other sources like the [National Family Health Survey](#), [PLFS](#), etc.

But the huge differences in the headcount ratios between the two studies add to the confusion in the already complicated measurement issues of poverty in India.

#### [How does India calculate poverty estimations?](#)

India uses the NSS consumption expenditure survey for the measurement of poverty. The results from it, carried out in 2017, are not available due to quality issues in the data collected.

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India already has a measurement of multi-dimensional poverty that gives a better understanding of deprivation. The aspirational district programme extended to the block level and provides the direction and location where specific interventions are required.

[Why does the NSS and CMIE surveys are not comparable?](#)

**Sample designs are different:** For instance, NSS adopts multistage stratified sampling whereas CMIE uses rotational sampling.

CMIE's Consumer Pyramids Household Surveys (CPHS) have unequal sampling probabilities. For instance, households on the main streets have a higher likelihood of selection.

**Difference in definitions:** The basic definition of the household is different in the two surveys.

**Sample size and recall period:** NSS collects information on more than 345 unique items to arrive at consumption expenditure estimates whereas CMIE does so through 114 items.

NSS expenditure is based on a recall period of 30 days for food items and others over 365 days, the CPHS consumption expenditure is based on a recall period of the last four months.

**Time difference:** The NSS survey data used is for the year 2011, and the CMIE survey from 2015 to 2019.

**Change of weights:** Unlike the NSS, the CPHS does not conduct a listing exercise and instead uses projections of households and population growth to construct sampling weights.

[What should be done to measure poverty?](#)

Measurement of poverty at the national level does not serve any policy purpose. One has to go down to the state, district, block and village level to identify pockets of poverty to develop and deliver special programmes needed in each case.

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

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

**Syllabus:** GS2 – International Relations – International org and groupings

**Relevance:** World Trade Organization (WTO) and related issues

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

What were the difficult circumstances prevailing before the WTO's 12th ministerial?

That a deal went through was victory in itself. Ahead of its 12th ministerial conference, the World Trade Organization (WTO) was up against stiff odds.

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

What is the significance of the deal?

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

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

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

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

What are the key constituents of the deal?

### **Fishing subsidies**

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

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

– Under the Geneva deal, India's subsidy support for fishing at current levels can carry on for **at least four years**;

– a proposed ban on subsidized overfishing was dropped.

### **On food security**

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

### **Patent waiver**

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

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

Way forward

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

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

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

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

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

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

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

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

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

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

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

What are the advantages of the Agnipath Scheme?

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

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

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

What are the challenges associated with the Agnipath Scheme?

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

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

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

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

The Agnipath scheme might also create similar problems.

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

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

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

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

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

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

What should be done to improve Agnipath Scheme?

**Relaxation to candidates:** Many candidates had already entered the selection process in response to advertisements published in 2019 and 2020. These candidates are stuck at different

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stages as per the erstwhile process. The age relaxation of 2 years is not enough. They should be recruited via the earlier process.

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

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

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

**Syllabus:** GS2 International Relations; Bilateral Relations

**Relevance:** India-Nepal Relations

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

#### **About the Project**

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

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

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

#### **Why has it been given to India?**

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

#### **Mutually Beneficial India -Nepal power relations**

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

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

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

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



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

### Issues in India-Nepal bilateral relations

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

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

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

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

### What are the challenges ahead?

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

### Way Forward

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

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

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

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

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

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

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

**Syllabus:** GS2 – International relations

**Relevance:** India's growing trade with Russia

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

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

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

Why India's trade with Russia has increased?

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

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

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

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

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

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

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

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

Way forward

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

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

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

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

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

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

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

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

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

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

How do other nations solve their challenges with armed forces?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

What are the challenges associated with the Agnipath Scheme?

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

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

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

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

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

What should be done to improve the Agnipath scheme?

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

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

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

**Source:** The post is based on an article "A case of the court straying into the legislative sphere" published in the "The Hindu" on 21<sup>st</sup> June 2022.

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

**Relevance:** Misuse of Dowry Case

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

#### **What did the HC say?**

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

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

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

### How is the judgment different from the SC's judgment?

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

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

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

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

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

(1) The **CrPC** clearly laid down the **scheme of investigation**. Such directions should be issued when such a scheme of investigation is absent. For example, In *Vishaka vs State of Rajasthan* (1997), the SC issued directions to enforce FRs because there was absence of law in certain cases of sexual harassment at the workplace.

(2) In the case of **Social Action Forum for Manav Adhikar (supra)**, the Court held that a third agency (i.e., the family welfare committee) had nothing to do with the CrPC and stalling arrest till a report is submitted by the committee.

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

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

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

### Argument in favour

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

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

#### Immediate Solution

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

#### Others

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

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

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

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

### 7. [Resurrecting a dead law](#)

**Source:** The post is based on an article “Resurrecting a dead law” published in the “The Hindu” on 21<sup>st</sup> June 2022.

**Syllabus:** GS2 Provisions of the Constitution of India

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

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

#### About the law

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

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

#### Theory of monism

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

#### Theory of dualist state.

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

#### Case of India

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

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

#### What will be the Judicial scenarios in the future?

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

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

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

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

### What is the major issue?

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

### Way Forward

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

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

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

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

**Relevance:** Statutory Regulatory Bodies

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

### What are the issues in SRAs?

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

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

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

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

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

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

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

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

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

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### Some good examples of SRAs success

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

### How can the working of SRAs be improved?

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

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

### Measures Taken So far

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

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

### Way Forward

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

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

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

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

### Lesson to learn

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Relevance:** NCERT Functioning; NEP

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

### **The NCERT's Rationale**

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

### **What are the proposed changes?**

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

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

### **What are the issues and concerns in this project?**

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

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

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

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

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

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

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

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

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

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

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

**Relevance:** India-Australia relations

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

#### India-Australia relations

##### In general

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

##### Convergence of Interests

- (1) The **Indo-Pacific region** is facing a lot of issues, ranging from the highly intensified **strategic and geo-economic competition in the region**.
- (2) The world is facing the problem of the return of war to Europe, growing climate risks, and enduring pandemic impacts. As a result, the world is facing the problems of inflation and supply chain shocks.
- (3) Both countries share **common values and interests**. For example, both countries are committed to democracy, the drive and the goodwill to make the Indo-Pacific region safer, freer and better.
- (4) India’s economy, manufacturing capabilities, and talent ensure that it can play a key role in securing supply chains and restarting post-pandemic growth.
- (5) India’s military has the capacity and capability to respond to **natural disasters**, help stabilize an uncertain region and contribute to an effective **balance of power**.
- (6) India’s **technological and scientific capabilities** are gateways to a cleaner and more sustainable world.
- (7) The Australian government is focused on making Australia a **renewable energy superpower**. In this context, India can emerge as a **clean technology manufacturing powerhouse** which will benefit both.

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

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

### The Way Forward

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

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

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

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

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

### [12. A wish list for reform in India's higher judiciary](#)

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

**Syllabus:** GS 2 Functioning of the Indian Judiciary

**Relevance:** Reforms in the Supreme Court of India

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

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

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

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

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

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

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

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

### **Who shall be “primus inter pares”, the first among equals?**

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

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

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

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

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

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

### 13. [Heal the nation before healing the rest of the world](#)

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

**Syllabus:** GS2 – Issues related to Health

**Relevance:** Healthcare Professionals

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

### **About the move**

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

### **What are the reasons for such a move?**

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

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

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

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

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

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

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

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

### **Other important measures taken by the government**

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

### **Way Forward**

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

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

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

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

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

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

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

**Source:** The post is based on the article “**Will Agnipath energise or demoralise the military?**” published in “**The Hindu**” on **24<sup>th</sup> June 2022**.

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

**Relevance:** To understand the challenges associated with the Agnipath scheme.

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

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

What are the advantages of Agnipath scheme?

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

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

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

What are the challenges associated with the Agnipath Scheme?

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

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

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

What should be done?

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

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

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

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

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

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

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

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

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

About the status of some infectious diseases

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

**Note:** Only Pakistan and Afghanistan still reporting polio cases.

How one can prevent pandemics according to Bill Gates?

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

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

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

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

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

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

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

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

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

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

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

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

What should be done to prevent pandemics?

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

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



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### 16. [Stabilise Sri Lanka](#)

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

**Syllabus:** GS2 – International Relations – India and its neighborhood

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

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

How bad is the situation?

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

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

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

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

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

#### **Efforts made by India**

– A team of high-level officials from New Delhi, including the finance secretary, the foreign secretary, and the chief economic advisor, have travelled to Colombo to discuss possible assistance.

– The Indian government has already provided credit lines, currency swaps, and other assistance, which total \$3 billion.

Way forward

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

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

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

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

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

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

### 17. [Help Afghans](#)

**Source:** The post is based on an article “**Help Afghans**” published in **the Times of India** on **24<sup>th</sup> June 2022**.

**Syllabus:** GS 2 International Relations; Bilateral relations etc.

**Relevance:** India-Afghan Relations, India’s neighborhood First Policy

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

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

#### **Before Earthquake**

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

#### **Since Earthquake**

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

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

#### **Why should India come forward?**

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

#### **What are the challenges in giving aid to Afghanistan?**

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

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

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

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

#### **Way Forward**

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

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

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

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

**Relevance:** Capacity Building Programme

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

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

#### **At Senior Level**

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

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

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

#### **At lower levels**

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

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

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

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

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

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

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

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

#### **Way Forward**

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

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

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

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

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

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

**Syllabus:** GS 2 Social Sector; Schemes and Programmes

**Relevance:** NREGA

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

#### **Objectives of the app**

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

#### **What are the main feature of the app?**

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

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

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

#### **Benefits**

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

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

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

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

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

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

### Implementation challenges

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

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

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

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

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

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

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

### The Way Forward

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

### 20. [Brick by brick](#)

**Source:** The post is based on an article "Brick by brick" published in the "The Hindu" on 25<sup>th</sup> June 2022.

**Syllabus:** GS 2 International Relations, Regional Groupings

**Relevance:** BRICS

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

### Achievements

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

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

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### What are the roadblocks in front of the BRICS?

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

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

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

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

### The Beijing Declaration

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

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

### The Way Forward

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

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

### [21. How G7 could help the debt-distressed?](#)

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

**Syllabus:** GS 2 International relations; Regional Grouping

**Relevance:** G7 Grouping

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

### About G7

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

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

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

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

### What are the issues?

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

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

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

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

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

- (1) The G7 countries are themselves one of the biggest sources of development finance.
- (2) The G7 countries are among the largest shareholders of the International Monetary Fund (IMF) and the World Bank. The G7 countries can urge the IMF to issue their **SDRs** to help numerous **low- and middle-income countries** to avoid **fiscal crises** and defaults while still maintaining **essential public services**.
- (3) They are members of forums like **the Paris Club of sovereign creditors** and **the G20** which shape the **debt-relief** and **debt-renegotiation agreements**.
- (4) All the G7 members, except the US, have already pledged to **the IMF's Resilience and Sustainability Trust**. They can urge the US to "recycle" its own unused SDR allocation to support countries in need.
- (5) The G7 can help in the **conditional debt relief**. The leaders can urge fellow G20 countries to extend **the Debt Service and Suspension Initiative** through 2023 and work upon the **G20 Common Framework** for **sovereign-debt restructuring**.
- (7) The G7 should explore the idea of **debt-for-health** or **debt-for-climate swaps** etc. to strengthen health systems and pandemic preparedness and response (PPR). In such a mechanism, **sovereign debt** is forgiven in exchange for a country's commitment to use the **freed-up funds** to invest in **health systems**, clean energy, etc.
- (8) The G7 countries can urge the **IMF** to reform its **loan regime**. Most of these agreements contain **counterproductive provisions**. For example, the recipient governments are required to cut their **public wage bills** or reduce their **debt-to-GDP ratios**. These conditions undermine state capacity, jeopardise essential services, and increase inequality in the medium to long term.

### The Way Forward

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

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

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### 22. [American Tragedy – Right to abortion judgment](#)

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

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

**Relevance:** Fundamental Rights like the Right to abortion

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

#### **Implications of the US Judgement**

##### **Globally**

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

##### **The US**

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

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

##### **History of Abortion Rights in the US**

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

##### **The Way Forward**

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

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

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

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

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

**Relevance:** Fundamental Rights

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

#### **About the Online gaming industry**



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

### What are the reasons behind its emergence?

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

### Legal Status

#### Globally

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

#### India

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

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

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

### What are the challenges?

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

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

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

### The Way Forward

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

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

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

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

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

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

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

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

### 1. [Indian laws on abortions](#)

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

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

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

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

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

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

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

**Aim:** To reduce maternal mortality owing to unsafe abortions.

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

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

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

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

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

**Read more:** [Medical termination of pregnancy bill 2020 – explained](#)

What are the judicial interventions in cases of abortions?

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

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

**Read more:** [The MTP Amendment Act 2021 is against Women's Rights](#)

What are the challenges associated with the MTP Act?

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

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

**Read more:** [Issues in the MTP Amendment Bill](#)

### 2. [How Hanoi and New Delhi are fortifying defence ties](#)

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

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

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

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

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

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

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

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

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

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

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

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

India has supported Vietnam's position in the South China Sea with respect to Beijing's destabilising actions and coercive tactics. India has also not backed down from continuing ONGC Videsh Ltd (OVL)'s oil exploration project in Block 128 (which is within Hanoi's EEZ) despite China's protests.

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

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

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

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

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

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

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

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

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

What is anti-defection law?

**Read more:** ["Nominated members" and "Anti-defection Law" in India](#)

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

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

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

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

**Read more:** [The success of anti-defection law in India and its relevance in multiparty parliamentary system](#)

What should be done to prevent defection?

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

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

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

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

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

**Read more:** [Anti-defection Law: What can disqualify a legislator](#)

#### 4. [What'll help us come to terms with India's past](#)

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

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

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

**Read More –** [Objections to rewriting of the history textbooks](#)

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

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

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

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

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

**Source:** This post is created based on the article “**Why India Should Become A Rare Earths Powerhouse**” published in **The Times of India** on **27<sup>th</sup> June 2022**.

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

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

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

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

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

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

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

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

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

**Europium** is necessary for **LED bulbs and colour television screens**.

**Samarium** is used in **optical lasers**.

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

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

#### **Status of Rare Earth Minerals in India**

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

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

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

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

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

### What should be done?

A pragmatic approach to **increase production is by allowing mining**.

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

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

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

### 6. [Making sense of New Delhi's Taliban rapprochement](#)

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

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

**Relevance:** India-Afghanistan Relations

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

### India's Foreign Policy

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

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

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

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

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

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

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

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

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

### What are the challenges with ‘India First policy’?

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

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

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

### The Way Forward

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

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

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

### 7. [On GST, the problem is trust deficit](#)

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

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

**Relevance:** Fiscal Federalism; GST Regime



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

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

### What are the issues with GST?

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

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

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

(3) Recently, the Supreme Court awarded its judgment highlighting that the GST Council's recommendations are not binding on the states. The states can comply fully with the Council's recommendations or modify them as they deem necessary.

(4) Democratically elected state governments in India do not have **sole powers** for both direct and indirect taxation. This is in very contrast to the rest of the **federal democracy**. GST centralized India's indirect taxation.

(5) The GST regime has witnessed flawed implementation. There has been GST's economic failure

**(6)** The SC's judgment has opened the window for states to override the **fundamental GST** premise of a "one nation one tax". If pushed to a corner, states may now use the SC ruling as a shield.

### The Way Forward

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

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

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

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

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

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

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

**Source:** The post is based on an article “On women’s rights, West takes a backward step, and India shows the way” published in the Indian Express on 27<sup>th</sup> June 2022.

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

**Relevance:** Women Related Policies and Programmes

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

**What are the reasons for India’s forward-looking policy?**

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

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

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

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

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

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

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

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

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

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

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

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

#### **The Surrogacy (Regulation) Act, 2021,**

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

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

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

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

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

### Other Importance Women-Centric Measures

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

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

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

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

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

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

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

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

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

### Achievements

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

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

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

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

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

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

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

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

What is Sedition Law?

**Must read:** [Sedition Law in India \(Section 124A IPC\) – Explained, pointwise](#)

About the history of Section 124-A

It was originally introduced in British India by Lord Macaulay in 1837 as Section 113 of the then draft Indian Penal Code (IPC). It was at first omitted in the actual Act passed in 1860. Then law member in the Viceroy's Council, Sir James Stephen, stated that the omission of Section 113 in the penal code was erroneous. It was introduced as Section 124-A in the IPC as a "corrective measure" in 1870.

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

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

**Read more:** [Successive reports of the Law Commission have reported the rampant misuse of the Sedition law](#)

What are the Judicial interventions on Sedition?

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

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

**Read more:** [Judicial interventions on Sedition law in India](#)

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

**Read more:** [The sedition law must go](#)

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

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

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

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

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

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

What is the case on Criminal defamation?

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

The court held that the registration of crimes, filing of cases in courts, the progress of investigations, and arrest of persons constitute "news events which public has the right to know". The bench noted that a newspaper isn't expected to investigate an FIR's contents and verify its truthfulness but to report facts correctly.

What is Criminal defamation?

**Must read:** [Criminal Defamation](#)

What is a cause of worry with criminal defamation?

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

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

**Read more:** [Criminalisation of government criticisms: Laws and issues](#)

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

### 11. [From higher to hire education](#)

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

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

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

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

What are the challenges associated with higher education?

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

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

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

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

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

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

What should be done?

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

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

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

### 12. [States, freebies and the costs of fiscal profligacy](#)

**Source:** The post is based on an article “States, freebies and the costs of fiscal profligacy” published in the “The Hindu” on 28<sup>th</sup> June 2022.

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

**Relevance:** Freebies and Elections

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

**Read –** [How are freebies different to free essential services and production-related incentives?](#)

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

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### What are the implications of freebies?

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

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

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

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

### What are the causes of such problems?

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

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

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

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

(2) The CAG Audit is another **constitutional check** to enforce transparency and accountability. However, it has lost its teeth because the audit reports come with a lag.

(3) The **market**, which could signal the health of State finances, has also failed. It could price the loans floated by different State governments differently which could reflect their debt sustainability.

### What should be done?

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

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

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

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

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

### 13. [Modi's two summits: UAE trumps G7](#)

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

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

**Relevance:** India-the UAE relationship

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

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

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

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

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

#### **Importance of the bilateral summit**

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

#### **Features of the India-UAE Relationship**

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

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

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

#### **What are the challenges in the bilateral relationship?**



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

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

### Some developments in India's interests

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

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

### What should be done?

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

### Scope of engagement

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

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

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

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

### [14. The essence of time – Judicial intervention should strengthen anti-defection law, not undermine it](#)

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

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

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

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

What is anti-defection law?

**Read more: [“Nominated members” and “Anti-defection Law” in India](#)**

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What are the concerns associated with the recent Judicial intervention?

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

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

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

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

**Read more:** [The success of anti-defection law in India and its relevance in multiparty parliamentary system](#)

What are the other constitutional challenges exposed in Maharashtra?

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

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

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

**Read more:** [Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive](#)

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

### 15. [The G7 plan to counter the Belt and Road initiative](#)

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

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

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

#### **About PGII project**

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

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

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

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

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

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

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

#### [About BRI](#)

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

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

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

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

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

#### [16. G7 is trying hard not to be yesterday's club](#)

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

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

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

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

#### **The G7 final communique**

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

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

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

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

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

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

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

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

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

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

### Importance of G7 for India and vice versa

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

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

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

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

(1) Titled "**Resilient Democracies Statement**" wherein India can be important to promote a **rules-based international order** and the other being,

(2) Titled "**Joining Forces to Accelerate Clean and Just Transition towards Climate Neutrality**", wherein India, without being responsible for the problem of climate change, is doing everything in its power to be part of the solution. India has requested the Western countries to invest heavily in India's renewable energy market.

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In addition, **India's can also play some role** in improving food security, pursuing concerted efforts to overcome the Covid-19 pandemic, fighting corruption, protecting freedom of expression, both online and offline, and ensuring an open and secure internet.

India's participation in this meeting as an observer will help in advancement of India's foreign and security policy objectives.

### 17. [Bring the shine back on government jobs](#)

**Source:** The post is based on an article "Bring the shine back on government jobs" published in the "The Hindu" on 29<sup>th</sup> June 2022.

**Syllabus:** GS 2 Role of civil services in India, Governance;

**Relevance:** Civil Services Reforms

**News:** At present, India has been witnessing a number of protests across the country over the Agnipath scheme.

### **Some Facts and figures related to Unemployment problem in India**

According to the NCRB, an Indian citizen died of suicide every hour due to joblessness, poverty or bankruptcy in 2019.

As per the government reports, about 25,000 Indians died of suicide between 2018 and 2020.

In January 2022, several unemployed people resorted to protests over alleged flaws in the railway's recruitment process.

Haryana terminated the services of over 2,000 contractual health workers (nurses, sweepers, security guards, paramedical staff) who had been hired during the pandemic.

Various medical institutions in Delhi terminated hundreds of nurses, paramedical staff, lab technicians and other contractual workers.

### **What is the status of vacancies in the government departments?**

**First, vacancies** in the government are **not being filled** at a **sufficient pace**. As of July 2022, there were around 60 lakh vacancies in the Central government, state government, PSU banks, PSUs and other institutions.

Second, where **vacancies** are being **filled**, they are **notably skewed** towards **contractual jobs**. For example, as per **the Indian Staffing Industry Research 2014 report**, about 43% of government employees (about 12.3 million) had non-permanent or contractual jobs like Anganwadi workers with low wages and no social security cover.

Some States sought to amend recruitment for Group B and C employees for increasing contractual employment (for a five-year period). Post the five-year period, they can be regularised, only if the workers could pass a **rigorous performance appraisal**, otherwise, they would be dismissed.

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In 2013, the Supreme Court ruled that a **contractual employee** for a government department was not a government servant.

### What should be done?

Instead of expanding contractual employment, government should bolster public services. For example, our healthcare system does not have the capacity to provide adequate healthcare support to citizens under normal conditions, forget about pandemic.

India possess significant **potential for job creation** in various areas as mentioned below:

(1) In renewable power generation. For example, in rooftop solar power generation, manufacturing of solar panel modules and end-use servicing,

(2) In the waste management sector, there is significant scope for expanding waste-water treatment capacity. Around 300 jobs per year can be created in a city municipal corporation for solid waste treatment practices

(3) The green jobs can be created due to adoption of electric vehicles and encouraging green mobility

(4) In addition, urban farming can be encouraged, with significant **job potential** in permaculture, gardening and nursery management.

(5) There is potential for PSU reform. They can be given greater autonomy, with the government retaining control via a holding firm. Indian PSUs could aspire to be as large and efficient as the Chinese ones.

There is a need to attract talent to the government. Instead of **downsizing** or simply avoiding the cost of pensions and benefits, the government should **right-size government** because the public services require more doctors, teachers, engineers, and fewer data entry clerks.

The government can start with reforms advocated by the **Administrative Reforms Commission**.

### [18. Straddling cooperation and challenges at BRICS](#)

**Source:** The post is based on an article “Straddling cooperation and challenges at BRICS” published in the Business Standard on 28<sup>th</sup> June 2022.

**Syllabus:** GS 2 International Organizations

**Relevance:** BRICS

**News:** Recently, the BRICS Summit was held virtually. It included a **high-level dialogue** on global development.

### [About the BRICS](#)

It was established to promote the **global south cooperation mechanism**. It was needed for both the strategic and economic purpose. For example, shielding from the domino effect of Western geo-economic compulsions and decisions.

### **Developments so far before 14<sup>th</sup> Summit**

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Recently, the joint commission on space cooperation was formed for the BRICS nations, for advancing remote sensing and data sharing mechanisms between member states.

### Various cooperation announcement made in the Summit

#### Overall

Members will cooperate to **strengthen** and **reform** global governance. They will work in solidarity to combat Covid-19, safeguarding peace and security, promoting economic recovery, expediting implementation of the 2030 SDGs, deepening people-to-people exchanges, and promoting institutional development.

Members have converging interests on **critical issues** such as counter-terrorism; trade; health; traditional medicine; environment; science technology and innovation; the reform of the multilateral system etc.

#### India's Proposals

India proposed strengthening the BRICS Identity system, and creating an online database for BRICS documents.

India proposed establishment of a **BRICS Railways Research Network**, and strengthening cooperation between MSMEs to improve connectivity and supply chains between member states.

India will hold a **BRICS start-up** event this year because India has become the **3<sup>rd</sup> largest start-up ecosystem** in the world. Therefore, it is in the right position to lead a global South.

India advocated for strengthening civil society organisations and think-tanks.

India highlighted the significance of building **people-to-people connect** within BRICS, cooperation in the **post-Covid global recovery** etc..

#### What are the friction points and challenges between BRICS members?

At the summit, all **five nations** articulated their priorities, which indicates towards diverging national interests

India highlighted the need for **greater sensitivity** among BRICS members to each other's security concerns, like terrorism. For example, China blocked the US-India joint move to list **Pakistan-based terrorists** as a global terrorist.

In the **post-Ukraine war phase**, the **global governance order** has seen fracture.

Both Russia and China want to rely on **mechanisms** which are **outside the control of the West**. This would lead to pressure on BRICS members to embrace the same newer mechanisms for global governance and finance.

In recent G7 meetings, the western countries have indicated **greater stringent sanctions** to be imposed on Russia. This is expected to pose more challenges in free **flow of trade** and **commerce** between BRICS member states.

The probability of normalization of the **China-India dispute** since **the Galwan crisis** of 2020.

#### The Way Forward

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There are discussions on a **possible expansion** of BRICS. For example, the promotion of **BRICS Outreach** and **BRICS plus Cooperation** was in the spirit of extending cooperation to other emerging markets and developing countries.

### 19. [The anti-defection law — political facts, legal fiction](#)

**Source:** The post is based on the article **“The anti-defection law — political facts, legal fiction”** published in **“The Hindu”** on **30<sup>th</sup> June 2022**.

**Syllabus:** GS2 – issues and challenges pertaining to the federal structure.

**Relevance:** To understand the issues surrounding Paragraph 4 of the Tenth Schedule.

**News:** Recently, The Supreme Court granted time to dissident legislators in the Maharashtra Assembly to reply to the Deputy Speaker’s notice under the anti-defection law. The political crisis in Maharashtra, and many others before it, remind what the Tenth Schedule can and cannot do.

What is anti-defection law?

**Read here:** [“Nominated members” and “Anti-defection Law” in India](#)

Paragraph 4 of the Tenth Schedule creates an exception for mergers between political parties by introducing three crucial concepts — that of the **“original political party”**, the **“legislature party”**, and **“deemed merger”**.

A **“legislature party”** means the group consisting of all elected members of a House for the time being belonging to one political party.

An **“original political party”** means the political party to which a member belongs (this can refer to the party generally, outside of the House).

A party shall be **“deemed”** to have merged with another party if, and only if, not less than two-thirds of the members of the legislature party concerned have agreed to such merger.

**Must read:** [Explained: Speaker’s powers in a rebellion](#)

What are the challenges associated with Paragraph 4 of the Tenth Schedule?

**Firstly**, Paragraph 4 **does not clarify** whether the original political party refers to the party at the national level or the regional level.

**Note:** The Election Commission of India recognises political parties based on the national and regional levels.

**Secondly**, In most cases, there is no factual merger of original political parties at the national (or even regional) level. A legislature party can be deemed to be a merger of political parties, even if there is no actual merger of the original political party with another party.

Hence, the deemed merger seems to be creating a “legal fiction.”

**Thirdly**, Defection gets easier in smaller legislative assemblies, where even a sole member can account for two-thirds of the legislature party’s strength to cross the floor without attracting disqualification.



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**Read more:** [The success of anti-defection law in India and its relevance in multiparty parliamentary system](#)

What should be done?

**Deletion of Paragraph 4 from the Tenth Schedule:** Both the Law Commission in 1999 and the National Commission to Review the Working of the Constitution ((NCRWC) in 2002 made this recommendation.

An **academic revisiting of the Tenth Schedule by the Supreme Court**, to guide future use of the anti-defection law should happen sooner.

**Read more:** [Ruchi Gupta writes: The crisis in Maharashtra shows the anti-defection law to be ineffective, even counterproductive](#)

### 20. [The significance of PM Modi's visit to the UAE](#)

**Source:** The post is based on the article **“The significance of PM Modi's visit to the UAE”** published in **“Indian Express”** on **30<sup>th</sup> June 2022**.

**Syllabus:** GS 2 – Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

**Relevance:** To understand the recent developments in India-UAE relationships.

**News:** Indian Prime Minister recently visited the UAE for the fourth time. India is engaging with the UAE well beyond the confines of diplomatic protocols. This highlighted India's engagement with the UAE.

What are the recent developments in India and UAE relationships?

-During the virtual summit in February 2022, both sides signed a **Comprehensive Economic Partnership Agreement (CEPA)**. The deal was negotiated and finalised in just 88 days and promises to increase bilateral trade from \$60 billion to \$100 billion in five years. It came into force on May 1 and has already ushered in preferential market access for 97% of tariff lines accounting for 99% of Indian exports to the UAE.

-Indian PM Modi has bestowed the **Order of Zayed**, the UAE's highest civilian award.

-Recently, India and UAE also issued a **Joint Vision Statement** titled, “Advancing the India and UAE Comprehensive Strategic Partnership: New Frontiers, New Milestones”.

-Dubai-based DP World and India's National Skills Development Council signed an agreement to set up a **Skill India Centre** in Varanasi. The Centre aims to train local youth in logistics, port operations and allied areas so that they can pursue overseas employment.

What are the regional factors responsible for increased India – UAE ties?

**Normalisation of ties between the UAE and Israel:** Ever since the signing of the Abraham Accords, the UAE and Israel entered into new avenues of trilateral and multilateral cooperation.

**Initiatives from the US:** For instance, The US has announced that US President forthcoming visit to West Asia will see a virtual [India, Israel, US, UAE are I2U2 Summit](#).

India should take a sustained public diplomacy to improve its ties with India and the UAE.

### 21. [The Indian challenge in Afghanistan](#)

**Source:** The post is based on an article “The Indian challenge in Afghanistan” published in the “The Hindu” on 30<sup>th</sup> June 2022.

**Syllabus:** GS 2 – International relations, bilateral relations

**Relevance:** India-Afghanistan Relations; India’s Neighborhood First Policy; India has the first responder; HADR

**News:** Recently, a massive earthquake hit Afghanistan. Consequently, the Indian Air Force was moved in with tonnes of relief material, making India a ‘first responder’.

#### **About the quake**

The massive earthquake was centered around **the Afghanistan- Pakistan border**. It was measured 5.9 on the Richter Scale.

#### **Relief Measures**

##### **(A) Overall**

Due to proximity, **Pakistan** was able to send relief aid quickly, declaring that the aid was from “the people of Pakistan”. In addition, Iran also sent relief material by air.

**Taiwan** has offered \$1 million despite not being a member of the world body due to Beijing’s objections.

**Japan, South Korea**, and the **UAE** have also responded to the UN’s appeal for aid to Afghanistan.

The **United States Agency for International Development** also announced aid without making any specific commitment.

The **UN Security Council** allowed **sanctions exemption** for the delivery of humanitarian aid.

##### **(B) Indian Specific Relief Measures**

**India** announced plans to send a technical team to “closely monitor and coordinate the efforts of various stakeholders” for the effective delivery of **humanitarian assistance**.

However, India probably asked for aid to flow through the Iranian route, instead of Pakistan. It was because India’s aid in Afghanistan was being diverted to Pakistan.

#### **Afghanistan’s Response to Indian Relief Measures**

Afghan officials have welcomed not only aid, but called for the restarting of small projects across the country.

#### **What are the challenges in providing relief aid?**

There are difficulties involved given the broken **Afghan banking** and **financial systems** and **lack of infrastructure**.

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The U.S. **instructions** mandate that all aid should be in **cash**, since no banks will do business or accept letters of credit to **the Afghan central bank (DAB)**. Although Cash transfers to the DAB are possible, its own reach to the furthest parts of the country is doubtful.

The UN organizations also provide cash, and aid agencies have long had to use reliable **local hawala networks** for transfers. India will not agree to **large-scale Indian aid** being spent in this manner.

### **What are the challenges to the reconstruction of Afghanistan?**

It will be difficult to transport the requirements for reconstruction, through territory other than Pakistan.

**Afghanistan's domestic industries** have been side-lined by **Pakistan, Turkish or Chinese ones**. For example, Pakistan's cement companies such as **Lucky Cement**.

Most of the **UN activity** for Afghanistan is done through Pakistan. For example, that major UN agencies and the International Organisation for Migration are present in Pakistan.

**Security issues:** There is a presence of the **Islamic State Khorasan (IS-K)** in many parts of Afghanistan. In recent times, it has become strongly anti-India, along with al-Qaeda. For example, it carried out a **recent attack on a gurdwara** in Kabul.

Difficulties in the implementation of Indian projects are more likely to arise from intra-Afghan tensions rather than any hostility to India.

### **What should be done?**

India should encourage Afghan cement plants and related industries, and ensure optimal use of coal, which is now being exported to Pakistan at cheap prices.

Furthermore, India has around 400 projects in all the 34 provinces of Afghanistan. Thus, India can ask for the protection from Taliban for them.

It is also important to remember that the Taliban have never actively been anti-India.

## 22. [India's health disorder](#)

**Source:** The post is based on the article **"India's health disorder"** published in the **Business Standard** on **29<sup>th</sup> June 2022**.

**Syllabus:** GS 2 Social Sector; Health Sector

**Relevance:** Health Facilities

**News:** India has witnessed substantial divergence between the numbers of Covid-related deaths reported by **Indian official sources** and numbers cited by **the World Health Organization**. Therefore, due to such deviations, there is a need to look into the status of **India's health care system**.

### **Adequacy in health care in India**

A number of studies have documented notable healthcare success in India. For example, the case of polio eradication.

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### Shortcomings in health care in India.

#### Healthcare Facilities

India has failed to create adequate **public** and **private health facilities** across the country.

The **private health care services** are **non-affordable** to less affluent sections of society. For example, it is difficult for a privately employed, earning around Rs 30,000 a month.

In **publicly-owned medical facilities**, hospitalization is a time taking process, except for **emergencies** that arise due to road or other accidents. For instance, the waiting period for a **hysterectomy operation** in a government hospital is usually eight to nine months.

In the **Indian private hospitals**, there is a lack of **sufficiently professional diagnoses**. **In fact, experts' advice** is largely driven by profit-making. **For example**, where a blockage in one of the heart arteries has been found in routine diagnosis, the cardiologist generally advises **angioplasty**, including installing **one or more stents** in addition to **statin** and **blood thinner medication**. However, as per a **2020 study by the US National Institute of Health**, "there is no need for invasive procedures (read stents) in patients without symptoms". It is safe to begin treating the problem with **medication and lifestyle change**. If **symptoms persist**, then **invasive treatment options** can be discussed.

#### Health Insurances

The health insurance coverages provided in India are highly restrictive in nature. For instances,

- (1) any **pre-existing ailments** would be covered only after a waiting period of three years,
- (2) There is a **two-year exclusion period** for **cataracts**, hernia, hysterectomy, joint replacement, pregnancy, dental treatment, and external aids.
- (3) Further, congenital diseases and non-allopathic treatment are not covered at all.
- (4) Ayurvedic treatment, which is low-cost in nature, is found to be excluded.

It is surprising that the Indian insurance regulator allows so many exceptions under private health insurance.

#### Others problems

There are issues of inadequate numbers of doctors-nurses in government hospitals.

#### 23. [Home and abroad: On PM Modi's G-7 commitments and freedom of speech](#)

**Source:** This post is based on the article "**Home and abroad: On PM Modi's G-7 commitments and freedom of speech**" published in **The Hindu** on **1st Jul 22**.

**Syllabus:** GS2 – International Relations (IR)

**Relevance:** Regarding the recently concluded G7 annual summit meeting in Germany

**News:** PM of India attended the G7 annual summit meeting in Germany along with other special invitees from Argentina, Indonesia, Senegal, and South Africa.

Most of the deliberations took aim at the twin challenges seen from Russia and China.

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What economic initiatives were discussed?

G7 countries discussed the following economic initiatives:

- the launch of a \$600 billion U.S.-led Partnership for Global Infrastructure and Investment (PGII)
- commitments on fighting climate change
- funding renewable energy changes
- mitigating inflation
- managing the continued global crisis over the COVID-19 pandemic

What other issues were discussed at the meeting?

**Challenges to the international order** that emanate from **Moscow’s war in Ukraine** (including tightening sanctions, the impact on energy markets, and cybersecurity threats),

**Beijing’s “expansive maritime claims”**, rights violations, and unsustainable debt creation in lower income countries.

The G-7 countries issued separate statements on support for Ukraine, food security and a **‘Climate Club’**.

In addition, the G-7 and special invitee “partner countries” issued a statement on **“Resilient Democracies”**, committing to free and fair elections, protecting freedom of expression, and gender empowerment.

What was India’s stand at the summit?

The Prime Minister of India made it clear that it is the **developing world that needs the most support**, including to weather the “knock-on” effects of the Russia-Ukraine conflict.

The Government sought to **distance itself from the PGII**, pitched as a G-7 counter to China’s Belt and Road Initiative.

India also made it evident that it had only signed on to the statements on “Resilient Democracies” and a “Just Energy Transition”, and not the many statements castigating Russia and China.

India also stayed away from President Putin and President Xi’s stringent criticism of the West.

Way forward

On the global stage, the G-7 outcomes mean New Delhi will have to continue to walk a tightrope between these two blocs that are growing more polarised and inimical towards each other.

### 24. [A road safety quartet and the road ahead](#)

**Source:** This post is based on the article **“A road safety quartet and the road ahead”** published in **The Hindu** on **1st Jul 22**.

**Syllabus:** GS2 – Govt policies and interventions

**Relevance:** Road safety in India

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**News:** In spite of several years of policymaking to improve road safety, India remains among the worst-performing countries in this area.

The persistently high annual death toll brings into question the **country's ability to meet Sustainable Development Goal (SDG) 3.6**, which aims to halve the fatalities and injuries from road traffic accidents by 2030.

Meanwhile, the United Nations is holding a high-level meeting on Global Road Safety on June 30 and July 1, 2022 to review the progress and challenges.

What is the situation wrt road safety in India?

1,47,913 lives were lost to road traffic accidents in 2017 as per Ministry of Road Transport and Highways statistics.

The National Crime Records Bureau (NCRB) figure for the same year is 1,50,093 road accident deaths.

Further, India's data on road crash mortality are seen as an undercount, and the Global Burden of Disease report for 2017 estimates, based on verbal autopsy sources, that there were 2,18,876 deaths.

What are the new findings on road safety?

A new analytical series on road safety worldwide, published by *The Lancet*, proposes that India and other countries could cut accident-related deaths by **25 to 40%**.

Globally, Low and Middle Income Countries (LMIC) bear the maximum burden of road fatalities and injuries, with high economic costs — an average **of 3-5% of GDP** — suffered by these countries in 2014.

What are the issues with road safety in India?

India amended its law on motor vehicles in 2019, but its **implementation by State governments is not uniform or complete**.

The focus of State governments, remains conventional, with an **emphasis on user behaviour** (drivers and other road users), education and uneven enforcement.

– **Low emphasis is placed on structural change** such as raising engineering standards for roads, signages, signals, training for scientific accident investigation, raising policing skills etc.

In India, **speedy highway construction** without reconciling fast and slow-moving traffic, presence of ramshackle vehicles, rampant wrong-side driving, and poor trauma care in non-urban centres contribute to high death and disability rates.

Major interventions in India, first suggested by the **Sundar Committee (2007)** and ordered by the Supreme Court in **S. Rajasekaran vs Union of India** have not made a dent in the problem of pedestrian deaths. The measures include setting up of an apex national body for road safety, and fixing decentralised responsibility at the district level.

– The Sundar Committee pointed out that India lacked a technically competent investigation arm that could determine the cause of accidents;

– the National Road Safety Board Rules, 2021, provide for the formation of technical working groups covering, among other things, crash investigation and forensics.

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In the absence of scientific investigation, perceptions usually guide the fixing of liability.

The MV Act stipulates only a **fine up to one lakh for failure to follow norms** and stipulations by the designated authority, contractor, consultant or concessionaire, leading to death or disability. Also, there is little evidence that even this has been enforced after a public inquiry.

How can road safety be improved?

Using the Global Burden of Disease data, a statistical model was constructed to estimate the number of lives that could be saved with interventions in the respective areas for each country.

– An average of 20,554 lives could have been saved in India with a **reduction in speeds**, 5,683 with **helmet interventions** and 3,204 with **seatbelts**.

In addition, 17% of road traffic injury-related deaths in LMICs could be avoided if trauma care facilities improved.

What can be done to cut death and injury rates?

In the short term, slowing down traffic, particularly near habitations, segregating slower vehicles, enforcing seat belt and helmet use and cracking down on drunken drivers could produce measurable gains.

### 25. [The worrying slowdown in India's fight against poverty](#)

**Source:** This post is based on the article “**The worrying slowdown in India's fight against poverty**” published in **Livemint** on **1st Jul 22**.

**Syllabus:** GS2 – Issues related to poverty and hunger

**Relevance:** Impact of the pandemic on income and consumption

**Context:** A new poverty estimate has been released by SBI Research.

What do the findings of the recent estimates suggest?

As per SBI Research, **Poverty in India declined** to 17.9% in 2020-21, compared with the last available official estimate of 21.9% in 2011-12.

These new estimates suggest an **annual decline of 2.75 million** in our number of poor during 2012-21, as against a drop of 20 million every year between 2004-05 and 2011-12.

The data confirms a **sharp slowdown in India's rate of poverty reduction** by two other estimates by authors affiliated to the World Bank and International Monetary Fund released earlier this year.

Data indicating a slowdown in poverty reduction

There is sufficient evidence to suggest that economic conditions of most people at the bottom of the distribution have worsened.

### **PLFS Data**

**Per capita real income from PLFS surveys also shows a 1.1% decline per annum** between 2018-19 and 2020-21. The PLFS also reports that the drop was largely due to weakening urban per capita incomes, which went down by 4.2% per year over that period.

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– Consumption expenditure, from PLFS data, shows **per capita monthly consumption declining** at 0.12% per annum between the years 2018-19 to 2020-21. Once again, it was urban areas that saw a decline in per capita consumption, at 4% per annum, as against a rise in rural per capita consumption of an annual 3.7%.

– PLFS data also shows that the proportion of India's population for whom per capita income was not sufficient to meet consumption expenditure was 26% in 2018-19, which increased to 29% in 2020-21.

**Both agricultural as well as non-agricultural wages fell in the last year**, with farm wages declining at an annual 2% and non-farm wages at 3.8%.

Urban income and consumption declines raise questions on claims of an economic revival.

What are the implications?

The decline in India's trend of poverty reduction in the last decade is worrying.

But what is also a worry is the sharper decline in urban incomes, which has implications for a demand revival in the economy.

While it may have contributed to reduced inequality, it also poses a problem of sustaining economic growth.

Some of these trends could worsen in the wake of an inflationary spiral India is going through that will reduce real disposable incomes.

Way forward

Clarity on poverty may be unavailable until data on consumption expenditure is available.

However, the trends in evidence raise concerns on the rising vulnerability of people and sustainability of growth.

These require an immediate response, irrespective of our poverty debate.

### [26. Selfish rich inequality hypothesis: The selfishness and graft of the rich drive inequality](#)

**Source:** The post is based on an article "**The selfishness and graft of the rich drive inequality**" published in "**The Hindu**" on **1st July 2022**.

**Syllabus:** GS 2 Poverty and Hunger; and GS 3 Inclusive Growth

**Relevance:** Selfish Rich Inequality Hypothesis

**News:** In recent days, a 'Selfish Rich Inequality Hypothesis' has been proposed based on an analysis of the Gallup World Poll of 2018.

### **What is the selfish rich inequality hypothesis?**

It says that, whether the rich are richer than the poor because they have been more selfish in life than the latter.



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### What are the causes of this selfish rich inequality?

The issues of **selfishness**, **criminality** and **corruption** aggravate inequality. In other words, the rich have become richer in those countries, where **institutions** are weak, **rule of law is weak**, **bureaucracy is malfunctioning** and **corruption is rampant**.

In another way, in such countries, the rich have been involved in **selfish grabbing**

### What are the pieces of evidence in support of the selfish rich inequality hypothesis?

As per the study, the respondent who were more aged in nature firmly believed in this **rich inequality hypothesis**.

In **more affluent states**, where **higher income inequality** prevails, more respondents believe in the inequality hypothesis.

In the affluent states having a **high incidence of crime** (measured as the number of convictions per lakh of the population) in, most respondents corroborated the rich inequality hypothesis.

The respondents in States which are more **corrupt** and display **greater extreme inequality** are more likely to believe in the corruption of the rich and thus corroborate the hypothesis in question. For example, most respondents believed that the rich get richer through illegal, grabbing activities (rich traders, for example, evade local taxes by bribing officials).

In terms of the principal (voters)–agent (public institutions in a State including the State government, judiciary and the police) relationship. The relationship is determined by the **overall state of political and economic environment conditions**. If there is a lack of **confidence** in the agent, it is difficult to sustain growth, and maintain accountability and transparency. For example, minorities are prone to be more humiliated, assaulted and killed, and there would be allegations of promoting crony capitalism.

**Consequences of non-inclusive growth:** If growth is not inclusive, it engenders resentment against the rich. Further, it builds a strong belief in the hypothesis in question.

### What should be done to avoid selfish rich inequality?

In countries conforming to the **selfish rich inequality**, there is a **broad agreement** that inequality in their country is unfair and that the government should aim to reduce it. There is a need to **strengthen public institutions** in India in the present context.

### 27. [On reproductive rights, India's MTP and Surrogacy Acts don't go far enough](#)

**Source:** The post is based on the article “**On reproductive rights, India's MTP and Surrogacy Acts don't go far enough**” published in the “**Indian Express**” on **1st July 2022**.

**Syllabus:** GS 2 – Social Sector; Health Sector

**Relevance:** Reproductive Rights in India

**News:** Recently, reproductive rights were overturned in the US through **the Roe V. Wade judgment**. Bodily autonomy and reproductive rights must be viewed from legal, medical, and social lenses.

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What are the challenges associated with MTP Act?

**The Medical Termination of Pregnancy (Amendment) Act 2021**: The act is in reality far from ideal.

(1) It has been criticised for not taking a **rights-based approach**. It doesn't give the pregnant person complete autonomy in ending the pregnancy. For example, a pregnancy can be terminated on **certain conditions** which include:- (a) Grave danger to the physical/mental health of the pregnant woman; (b) foetal abnormalities; (c) rape/coercion; and (d) contraceptive failure.

(2) A woman's right to choose to end the pregnancy even in the first few weeks is still not recognised in India.

(3) Women have to undergo various systemic barriers. In fact, the final decision regarding termination of pregnancy is not decided by the pregnant person, but it is decided by **one/two registered medical practitioners (RMP)** or a **medical board** depending on the **gestational period**.

(4) It uses the word "woman", thereby leaving out **pregnant transgender** and **non-binary persons** who are biologically capable of bearing children.

(5) Other significant issues are the lack of access to RMPs, affordability, and social stigma. These issues lead to **unsafe abortions**.

(6) Further, abortion facilities are not provided in **all public health centres**, especially in rural India. And, abortion facilities in **private medical centres** are expensive. It is available only for those who have the **resources** like those belonging to the high class and persons having caste privilege. Therefore, most unmarried women end up resorting to unsafe abortions in illegal clinics or at home.

(a) In India, the **skewed sex ratio** is proof that unsafe abortions and female foeticide are rampant.

(b) According to the NFHS 2019-21, 27% of the abortions were carried out by the woman herself at home.

(c) According to the **UNs Population Fund (UNFPA) State of the World Population Report 2022**, around 8 women die each day in India due to unsafe abortions. About 67% of the abortions were classified as unsafe between 2007-2011.

### **About the Surrogacy (Regulation) Act 2021**

(1) The Act has been alleged to be **exclusionary** in nature, disregards privacy, and also exploits women's reproductive labour.

(2) The act has been alleged to be disregarding privacy. It requires the intending couple to declare their infertility and reveals the identity of the surrogate, both of which violate the right to privacy and **the landmark Puttaswamy judgment**.

(3) It strips the **reproductive autonomy** of LGBTQ+ persons and single, divorced, and widowed intending parents. Only a **heterosexual married couple** (with certain preconditions) can be the intending parents. Therefore, It can also be seen as a violation to **the fundamental right to equality**.

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(4) It allows only altruistic surrogacy, denying women compensation for their reproductive labour. It is also seen as a **direct manifestation** of the patriarchal mindset.

What should be done?

Experts believe that there should be regulations instead of a **complete ban** on **commercial surrogacy**.

The situation in India is far from perfect. Therefore, the gaps in both the MTP Act 2021 and the Surrogacy Act need to be fixed.

The government should strive for inclusivity, complete bodily autonomy, and reproductive equity.

### 28. [Amendment proposals for IT rules miss the main point](#)

**Source:** The post is based on the article “**Amendment proposals for IT rules miss the main point**” published in the **Live Mint** on **30th June 2022**.

**Syllabus:** GS 2- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Relevance:** Social media Regulations; IT Rules 2021

**News:** Recently, the Bombay and Madras high courts, ordered to stay the operation of the **inter-ministerial appellate body** that was to operate under **the 2021 IT Rules**. **The body aims to monitor digital news publications and over-the-top (OTT) platforms.**

The court observed that this oversight mechanism threatens **media independence** or “rob the media of its independence”. Now, the proposed amendment to the 2021 IT Rules to establish a body above social media platforms, which has a similar effect

#### **What are the proposed amendments to the IT Rules?**

A **Grievance Appellate Committee (GAC)** will be set up. It will act as an oversight mechanism for **grievance redressal officers**, who were required to be appointed by social media platforms under the 2021 rules.

The amendments also seek to impose **additional obligations** on social media platforms. They “**shall cause**” their users not to host, display, publish, etc. something they could not. However, so far, the platforms were only required to inform their users about the kind of content they could not publish etc.

#### **What are the issues associated with the proposed amendment?**

The body will be able to decide what kind of speech stays up on the internet, what must be taken down, and what gets reinstated.

The body will **not have legislative backing** as it will not be established by the statutory law of the Parliament. It will be established by the ministry through its own rules.

In a democracy like India’s, the executive does not have the power to create bodies such as the GAC, which can impinge upon the **citizens’ fundamental rights** because there are **little to no procedural safeguards** built into the scheme of the rules.

In addition to **constitutionality issues**, a GAC cannot operate at a very large scale in **today’s information ecosystem**. For example, A popular Indian social media platform reported that it

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received about **7mn user complaints** in March 2022. Even if around 1% goes to the GAC, the panel may need to deal with at least **tens of thousands** of appeals per month.

The mechanism works to act upon **individual pieces of content**. It will not solve the systemic issues.

It raises the risk that if platforms fail to comply with the **new obligation** under the new directions, then the social media platforms may lose their **intermediary protection** under the IT Act. It ignores the **jurisprudence on intermediary protections** that have been recognized in the Supreme Court ruling, under the constitutional scheme of India.

The amendment may lead to the loss of the **social media platform's intermediary protection** if the platforms do not comply with the new obligation in the proposed amendment. It is extremely difficult to exercise complete control over the individual content.

What should be done?

The present model which gives **intermediary protection** to platforms and asks the platforms to only respond to **government orders** or **court directions** for the removal of content is globally recognized. The SC of India has also upheld it in its **Shreya Singhal judgement**.

The government must not only take the proposed amendments back but also repeal the 2021 IT Rules in their entirety and hold fresh consultations with civil society and other stakeholders with a view to put the people, not the government, first.

### [29. Do not weaken the anti-defection law](#)

**Source:** The post is based on the article **“Do not weaken the anti-defection law”** published in **“The Hindu”** on **1st July 2022**.

**Syllabus:** GS2 – issues and challenges pertaining to the federal structure.

**Relevance:** To understand the issues surrounding Paragraph 4 of the Tenth Schedule.

**News:** The political crisis in Maharashtra again created the debate on anti-defection law. Further, the Supreme Court intervention gave undue advantage to the dissident legislators.

What is anti-defection law?

**Read here: [“Nominated members” and “Anti-defection Law” in India](#)**

Supreme Court of India has described the anti-defection law as “constitutional correctives against a legislatively perceived political evil of unprincipled defections induced by the lure of office and monitory inducements”.

Initially, there were two exceptions provided in the schedule which would exempt a legislator from disqualification.

**1)** A split in their original political party resulted in the formation of a group of legislators. If the group consisted of one-third of such legislators of that party, they were exempted from disqualification.

This **exception was deleted** from the schedule through the **Constitution Amendment Act of 2003** because of the frequent misuse of this provision.

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2) 'Merger' can be invoked when the original political party of a legislator merges with another party and not less than two-thirds of its legislators agree to such a merger.

The 'Merger' exception contained in [paragraph four of the schedule](#) has been taken recourse to by a large number of legislators across States and even in Parliament to defect to the ruling party.

**Read more:** [The success of anti-defection law in India and its relevance in multiparty parliamentary system](#)

**What are the judicial interventions on Anti-defection law-related issues?**

**Girish Chodankar vs The Speaker**, Goa State Legislative the Bombay High Court held that the merger of two-thirds of Members of the Legislative Assembly is deemed to be the merger of the original party.

In **Ravi S. Naik vs Union of India (1994)**, the Supreme Court clarified on voluntarily given up the membership of the party. The court had said, "an inference can be drawn from the conduct of a member that he has voluntarily given up the membership of the party to which he belongs."

In **Kihoto Hollohan** case (1993) the court held that judicial review cannot be available prior to the making of a decision by the Speaker nor at an interlocutory stage of the proceeding. Giving longer time to the dissidents to submit replies is contrary to this decision.

**Must read:** [Explained: Speaker's powers in a rebellion](#)

The law, though not perfect, is a serious attempt to strengthen the moral content of democracy. The nation expects better compliance of the law by the lawmakers. The anti-defection law needs to be strengthened and not weakened.

### 30. [One recruit, one salary – Agnipath Scheme](#)

**Source:** The post is based on the article "One recruit, one salary" published in "Business Standard" on 1<sup>st</sup> July 2022.

**Syllabus:** GS2 – Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Relevance:** To understand the issues surrounding Agnipath Scheme.

**News:** Recently, the government of India introduced a new recruitment scheme for the armed forces, [Agnipath](#).

**Must read:** [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

What are the advantages of Agnipath Scheme?

From the 10th year onwards, Agnipath will yield 31,250 soldiers each year (25 per cent of 125,000) for extended service tenures.

The Agniveers will form a distinct rank in the military, different from any other existing ranks. The rank and file would be younger, fitter, more mentally robust and more technologically savvy, with the average age dropping from the current 32 years to a youthful 27.

To ease his transition into civilian life, the defence ministry will give each Agniveer a "Seva Nidhi" package at the end of the four-year engagement, amounting to a tax-free Rs 11-12 lakh.

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**Must read:** [How can Agnipath be made more attractive? Recommendations from 2 former army leaders](#)

What are the challenges associated with the Agnipath scheme?

The Agnipath Yojana should not be implemented at the cost of a unit's combat effectiveness.

India, which is operationally committed around the year on two-and-a-half fronts — China, Pakistan and in Jammu & Kashmir — treating soldiers equally has always been a basic principle of combat leadership. The way human relationships will play out between the Agniveers and the existing full-time soldiers will create some challenges.

Every country that has implemented major military personnel and manpower reforms has done so with great deliberation and awareness of the high cost of failure. The scheme is announced even without a small-scale pilot project to validate the key assumptions and beliefs.

**Read more:** [Education Ministry to recognize in-service training received by Agniveers as credits for graduation](#)

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# General Studies Paper – 3

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## **VIRTUAL PRIVATE NETWORKS (VPNs)**

### 1. **Veiled threats to privacy**

**Source:** This post is based on the article “**Veiled threats to privacy**” published in the **Business Standard** on **3rd June 22**.

**Syllabus:** GS3 – Information Technology

**Relevance:** New rules for Virtual Private Networks (VPNs) and related concerns

**Context:** Cert-In recently issued a new directive making it mandatory for VPN service providers to keep user data for at least five years and share records with authorities when required.

This new regulation **threatens free speech and privacy**.

What is a VPN?

- Read [here](#)

What are the different use cases of VPNs?

By surfing through a VPN, **users can mask a large proportion of personal data**, obfuscate location, and conceal surfing patterns. This makes them useful to people with many different use-cases. **For instance:** They can be used by the following –

- **Human rights activists** who don't wish to be tracked by hostile regimes
- **Corporates** seeking end-to-end encryption for communications. Also, in the WFH era, corporates routinely give a geographically widespread set of employees secure log-ins tied to a single VPN-based location
- People who wish to **access geo-blocked websites**, and content. VPNs allow users to communicate privately, and to access websites that autocrats block. For instance: Russia, Iran and China block and ban VPNs, and hand out jail-time and fines for anybody caught using them.
- People who wish to **access online banking services only available to residents of a given country**
- Those who simply wish to **protect their data**
- People who want to **access Netflix or Amazon Prime content from, let's say, Mexico**, while sitting in Delhi.

VPN providers offer combinations of **privacy**, and **data security**. Most keep no logs of users, and maintain as little user-data as possible.

How does a VPN provide privacy and data security?

Somebody who's not using a VPN has an IP address, which translates to their location. This is **visible to every website** that the user visits. The internet service provider (ISP) can also track the surfing patterns of the user, enumerating every website that is visited.

That is, if user X visits websites A, B, and C, the **service provider knows** all about it. Websites A, B, C also know where X is coming from, using which ISP, etc. If the ISP has instructions to block any given websites, it **can prevent the user from going to those sites**.

User X also **leaks other data and metadata** to any website visited.



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When user X uses a VPN however, **several types of masking happen**.

– As far as the ISP is concerned, the VPN is the only site that X is visiting. The VPN **re-routes and redirects the user** to wherever, without informing the ISP.

– Second, the **IP address changes to that of the VPN**, as far as any other website is concerned. If it's a good VPN, one also ceases to leak data in the same way.

How have VPN providers responded?

New directives by the govt not only run counter to the entire use case for VPNs, it is also technically impossible for many of them to comply with.

VPN servers are not only not configured to keep logs; they are often designed to actively delete logs.

**Some VPN providers have already started walking out of India**, which is no surprise.

*In 2021, about 20% of India's surfers used VPNs, up from around 3.3% in 2020.*

### DEFENCE TECH IN INDIA AND RELATED ISSUES

#### 2. Evaluating the arsenal

**Source:** The post is based on an article "**Evaluating the arsenal**" published in the **Business Standard** on **3<sup>rd</sup> June 2022**.

**Syllabus:** GS3 Indian Security

**Relevance:** Various Security Forces and their Mandate

**News:** The Ministry of Defence (MoD) and the Indian Army are assessing procurement of another 100-200 mobile SP howitzers. The additional 200 guns would equip 10 medium artillery regiments.

#### **Historical trends**

##### **(1) Medieval Times**

In 1526, Babur defeated the Sultan of Delhi, Ibrahim Lodhi and won the First Battle of Panipat.

Babur was able to do so simply by deploying and employing artillery skilfully.

Whereas Ibrahim Lodhi failed to register victory despite having a large number of troops, and war elephants because he had no field artillery in the battle.

##### **(2) Modern Times**

India's **modern military** learnt the importance of artillery usage from World War II and India's experience in the 1947-48 Kashmir campaign, the 1962 Sino-Indian war, 1965 war and 1971 war when India hardly had any artillery.

In the 1999 Kargil War, the artillery demonstrated its utility. For example, Bofors FH77 gun destroyed or degraded the enemy's combat potential.

#### **Artillery numbers**

Today, India has about **226 artillery regiments**. India is looking to increase the artillery regiments to 270. Each regiment would have about 18 artillery guns plus two reserve guns. Thus, the total arsenal will amount to **5,400 artillery pieces**.

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**Mediumisation** of all the artillery regiments has been done in wake of the Kargil War. This involves replacing 105 mm and 130 mm field guns with 155 mm medium guns.

**Multi-barrelled rocket launchers:** Their number is growing. For example, 6 units of the indigenous Pinaka, 3 Russian SMERCH regiments and 5 Russian GRAD BM21 regiments.

In addition, there are three units of **BrahMos cruise missiles**, and a fourth under raising.

**Sophisticated surveillance and target acquisition (SATA) systems.** This picks up and locates enemy guns and radars that can then be destroyed by counterfire. India has indigenous **Swati weapon locating radar**.

India has LOROS (long-range recce and observation system) systems which have been imported from Israel. They are used to detect locations of enemy guns and batteries.

Over the last five years. The Indian army's **five artillery regiments** have been equipped with 100 guns called as **K 9 Vajra**.

### What are the issues?

The army has long been **deficient** in artillery, which is the **most lethal killer** in today's **modern battlefields**.

The Defence Research & Development Organisation (DRDO) and the **Ordnance Factory Board** have failed to **design** and **manufacture** affordable, long-range artillery guns in India. Therefore, the army is lacking in firepower.

At the same time, the MoD has **failed to address the shortfall** by acquiring guns from the international market.

– For example, the present acquisition of the artillery gun is inadequate, given, each strike corps is authorised four medium SP regiments, each with 20 howitzers.

### Way Forward

**(A) Increasing gun performance:** The **chamber size** of the artillery gun can be increased. This would increase the range and capability of guns. More chamber size allows burning of more propellant, creating greater pressure on the projectile, propelling it further. That increases the range of the ammunition.

For example, the **DRDO's Advanced Towed Artillery Gun System (ATAGS)** has a 25litre chamber.

**(B) Precision of the artillery gun can be improved:** A gun with greater precision needs to fire less ammunition for achieving the desired effect on a target. This can be done using following technologies:

– **The Excalibur ammunition:** the projectile is guided precisely to the target with the help of **onboard inertial** and **GPS guidance**. However, it is not in service with us.

– **Krasnopol:** This is another type of guided ammunition. The projectile is guided onto the target with a laser designator. However, India's stocks of Krasnopol have been destroyed because they were now outdated.

**Increase projectile range without increasing chamber capacity or the length of the barrel:** This can be done by putting a ramjet on the **rear** of the **projectile**. For example – BAE Systems is already doing that.

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(D) Higher performance explosives can be placed in projectiles in order to improve the lethality. The **DRDO's High Energy Materials Research Laboratory** is working on the bimodular charge systems.

### **DIGITAL INDIA AND RELATED ISSUES**

#### 3. **Opinion: The Digital India transformation**

**Source:** The post is based on an article "The Digital India transformation" published in the Indian Express on 02<sup>nd</sup> June 2022.

**Syllabus:** GS3 Indian Economy, Infrastructure

**Relevance:** Digital India, Digital Economy, Digital Infrastructure

**News:** Recently, the Prime Minister of India expressed his idea of India that "every Indian must have a smartphone in his hand and every field must be covered by a drone".

#### **About the Digital India Mission**

The Digital India was launched on July 1, 2015. Digital India is a transformative programme to deliver the objectives of the **digital transformation** of India, bringing about inclusive growth and transformation using technology.

#### **Importance of Digital Transformation**

The digital age provides an **opportunity** to transform the lives of people in many ways. For example, technology is a means to **empowerment** and a tool that **bridges** the distance between hope and opportunity."

#### **How has Digital India led to the digital transformation in India?**

India today is home to more than 75 crore smartphones, 133 crore Aadhar Cards, more than 80 crore internet users, has 4G and is now accelerating towards 5G. Further, India has the lowest data tariffs in the world.

Digital India solved some of the most **difficult problems** faced by the country like public services delivery. The **Jan-Dhan-Aadhaar-Mobile (JAM) trinity** has ensured targeted delivery of government schemes to its beneficiaries without leakage or misuse. The poorest have received every penny of their entitled benefits.

The government has resorted to **DBT technology** in the last eight years. This has led to **savings of public money**.

Digital ecosystem provided ways to tackle the **challenge** of the pandemic. For example, digital technology was used for vaccination, digital education for students when schools were closed, etc.

The **drone's technology** and **GIS technologies** are being employed to provide digital land records to the rightful owners under the **SVAMITVA Yojana**. This will reduce disputes, facilitate monetisation of land, availing bank loans and scientific village level planning.

**Fintech innovations** and **India's digital payments revolution**. For example, UPI and Aadhaar-Enabled Payment Systems (AEPS) were some **innovative digital payment products**.

Digital India has led to the emergence of more than **61,400 start-ups**, making India the **third-largest start-up ecosystem** after the US and China. Nearly 44 start-ups achieved **unicorn status** in 2021.

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India is rapidly becoming **atmanirbhar** in **electronics manufacturing** due to **Modified Special Incentive Scheme (MSIPS), Electronics Manufacturing Cluster, National Policy on Electronics 2019**, etc. As a result, India has more than 250 mobile phones, components and accessories manufacturing units today.

Indian companies have developed their own 4G and 5G technologies. In fact, the commitment to making India self-reliant in **semiconductor chip manufacturing** has also attracted many big investors.

### Way Forward

Digital technology must be low-cost, developmental, inclusive, and substantially home-grown.

Digital technology should bridge the **digital divide** and usher in **digital inclusion**.

## CYBERSECURITY AND RELATED ISSUES

### 4. [Cyber safety](#)

**Source:** This post is based on the article “**Cyber safety**” published in **Business Standard** on **29th May 22**.

**Syllabus:** GS3 – Information Technology

**Relevance:** Cybersecurity and related issues

**Context:** The recent ransomware attack targeting SpiceJet has put a spotlight on one of India’s biggest cyber-vulnerabilities.

[Why India needs to strengthen its cybersecurity architecture?](#)

**Both government services and private sector businesses have moved en masse into the digital space**, and their efforts have been embraced enthusiastically by India’s 780 million broadband users.

This means millions of Indian websites gather sensitive data, with the Unified Payments Interface (UPI) processing close to 5 billion transactions per month. Many of these apps and websites, and the databases at their back-end, are **insecure**.

All are juicy targets because they contain huge amounts of **sensitive personal data**.

Moreover, reports by various global IT security providers confirm that India is a **favourite destination for digital bad actors**.

– It is believed to be the **third-largest nation in terms of being the target of attacks**. Known victims include Air India, SpiceJet, sundry logistics and shipping services, power utilities, and banking and health care sites.

– According to the cybersecurity company Trellis, **ransomware attacks targeting India jumped by 70% year-on-year** in the fourth quarter (January-March 2022). In a large majority of known cases, human error allowed initial entry and exploitation.

[How does a ransomware work?](#)

Ransomware injects malicious code that encrypts the website and locks the owner out.

Then the bad actor demands ransom payment to decrypt and allow the owner access again.

During this process, the data available may also be copied, which creates new potential targets.

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What are the challenges involved?

**A complicated legal situation:** The legal situation is complicated because India doesn't have a private data protection law, which means redress for the victims may be unavailable.

**Under-reporting:** As, no service provider, government or private, wishes to suffer the loss of credibility that's involved in being publicly hacked, it means under-reporting.

What is the way forward?

There are many things organisations may do to make themselves less vulnerable –

- a) Secure data, whether it's stored on the cloud or on their own servers.
- b) Identify and firewall the sensitive parts of their networks from the customer-facing bits.
- c) Ensure that access to the sensitive parts is controlled by **multi-factor authentication**.
- d) Ensure that internal communications, and transactions with sensitive information, are **end-to-end encrypted**.
- e) Actively **probe their own networks for possible vulnerabilities**.
- f) **Build in redundancy**, so that if their servers are attacked by ransomware, they can rapidly reload necessary systems and data.

Above all, the stakeholders in the Indian digital ecosystem **need to educate users and employees** about cybersecurity. This has to be a cooperative process involving many private and government organizations, and it should be led by the Indian Computer Emergency Response Team.

GS3 – ENERGY AND INFRASTRUCTURE – INDIA'S ENERGY SECTOR

### **ENERGY SECURITY AND RELATED ISSUES**

#### 5. **Power for growth**

**Source:** This post is based on the article “**Power for growth**” published in **Business Standard** on **30th May 22**.

**Syllabus:** GS3 – Economy – Issues related to growth and development, Energy and Infrastructure

Relevance: Coal shortage in India and related issues

**News:** The coal shortage could worsen the power crisis in the coming months in India. According to news reports, an internal assessment of the power ministry shows the shortage could increase in the September quarter, which can lead to widespread outages.

The domestic production of coal is unable to keep pace with rising power demand.

What are the negative impacts of coal shortage?

**Small businesses are suffering** because of the non-availability of reliable power. Power shortage is the last thing Indian businesses, recovering from the pandemic-induced disruption, need. A continued shortage will delay the recovery and may push smaller units out of business.

What are the major issues faced by the power sector?

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The trouble in the power sector is not limited to the production of power.

**Poor state of the distribution companies (discoms):** The state of state distribution companies, or discoms, is perhaps a bigger worry for the sustainability of the sector.

– The **inability of discoms to clear their dues** compels the Union government to announce one package after another to bail out the sector, but nothing changes on the ground.

What has the government done to address the problem?

### **On coal crisis**

After pushing producers to import coal, the government has now reportedly decided that **Coal India will buy from overseas** and distribute it to power producers.

### **On poor state of discoms**

The government has, once again, come out with another relief package. The latest scheme, notified recently, will allow discoms to **pay their dues in 48 installments**.

Further, the **late payment surcharge will not be imposed**.

– Distribution companies owe about Rs 1 trillion to generation companies. The cumulative late payment surcharge is in excess of Rs 6,800 crore.

Why the relief package for discoms might fail?

The government hopes that deferring payment without imposing an additional late payment penalty would help the discoms bring their finances in order. However, given the track record of the discoms, it is safe to argue that the **scheme will not change much**.

It's worth recalling the government had announced a special liquidity scheme worth Rs 90,000 crore for discoms to help clear dues in 2020. But the **dues started rising again** in a few months. Even in the latest scheme, it is not clear how deferring payments will help.

If discoms are not able to clear their current payment, how will they pay past dues in addition?

Main issue with the discoms

The basic problem is that state-run discoms are **unable to cover costs**, which makes the business unviable.

No liquidity support or deferment of payment will help if discoms are unable to recover costs year after year.

This happens largely because **state governments do not allow discoms to regularly increase power tariffs** for political reasons.

**Inefficiency in discoms** adds to the problem.

Way forward

Higher coal prices would push up generation cost and if it is not passed on to the end consumers, it will increase risks for the entire value chain.

Therefore, in the absence of urgent systemic reforms, the power sector could become a drag on economic growth.

### **COMPETITIVENESS LEGISLATION IN INDIA**

#### 6. **Is it time for India to go for competitiveness legislation?**

**Source:** The post is based on an article “**Is it time for India to go for competitiveness legislation**” published in the **Live Mint** on **01<sup>st</sup> June 2022**.

**Syllabus:** GS3 Indian Economy; Issues and Challenges in Growth and Development

**Relevance:** India’s Competitiveness

**News:** Recently, Cuts International, Institute for Competitiveness and Institute for Studies in Industrial Development published a white paper on ‘**Improving India’s Competitiveness for Inclusive Economic Growth**’. It discussed some of the pillars for improving and sustaining India’s competitiveness.

#### **What are the economic reforms discussed?**

It includes digital growth, **trade policy reforms** and a mix of **inward** and **outward looking measures**.

The economic reforms can help in fulfilling the agenda of **alleviating poverty** and **creating better jobs**.

#### **What are the issues?**

There is an inherent lack of **cohesion** between various ministries, departments and agencies working towards **competitiveness**. For example, the ministry of commerce and industry has two departments, both entrusted for different aspects.

The **National Manufacturing Competitiveness Council** could not make any impact.

#### **What are the pillars for improving India’s competitiveness for inclusive economic growth?**

There is a need for a ‘**whole of government**’ approach, within the Centre, and with and among states.

A robust **institutional structure** is essential for achieving business competitiveness, capacity building, supply chain resilience and negotiating free trade agreements (FTAs).

There is a need for a law and **an institution** which can persuade all organizations to pursue competitiveness. It requires policy convergence of both inward and outward looking policies through an **overarching legislation** with a **supervisory body**. India can take a cue from the **US Competes Act**, an umbrella legislation that covers all US policies aimed for global economic leadership.

Other key areas include **information and communication technology (ICT)**, **6G technology**.

Exports of goods and services depend on robust domestic linkages and production capacity.

There is a need for strengthening of trade linkages and our industrial base to limit **inverted duty structures**.

Action is also needed on **non-tariff factors**: incentivize innovation, strengthen the intellectual property regime, reduce logistical costs and ease the running of a business.

India must also leverage **advanced technologies** such as 6G, Internet of Things and blockchain.

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### Way Forward

A **National Competitiveness Commission** under a new law would provide a robust forum for **policy dialogue**. It would also ensure proper policy implementation in India.

India's priorities are **competitiveness enhancement, self-reliance** and **exports-led growth**. The administrative reforms act as enablers.

The idea of competitiveness-focused legislation needs to be floated and acted upon. It would enable India to carve out a position for itself on the global stage.

In India, the Centre announced a ₹76,000 crore package for semiconductors by way of its **production linked incentive (PLI) scheme**.

India is trying to boost its manufacturing capacity through **Atmanirbhar Bharat** and **Make in India**. India can strengthen its global forward and backward linkages through the **supply chain resilience initiative** (SCR) and collaboration with other ASEAN countries in the Indo-Pacific region.

India's department of telecom (DoT) has constituted six task forces on 6G Technology.

The MEA's New, emerging and strategic technologies (NEST) division promotes **national interests** and ensures **India's active participation** in international forums on technology governance.

The multiple ministries and departments involved in various functional aspects should **talk to each other** in a meaningful way.

### INDIA'S BEVERAGE SECTOR

#### 7. [How trade deals can take our beverages to global markets](#)

**Source:** The post is based on an article "**How trade deals can take our beverages to global markets**" published in the **Live Mint** on **01<sup>st</sup> June 2022**.

**Syllabus:** GS3 Food Processing and Related Industries in India- Scope' and Significance, Location, Upstream and Downstream Requirements, Supply Chain Management.

**Relevance:** Non-Alcoholic Beverages Sector

**News:** Recently a study titled 'Contribution of Non-alcoholic Beverage Sector to Indian Economic Growth & Atmanirbhar Bharat' was released.

#### **Findings of the study**

The **beverage processing** in the country is low.

India's **19<sup>th</sup>** rank in terms of revenue in 2019 was below China and other developing countries like Mexico, Brazil, Indonesia, and Nigeria.

#### **India's Potential/Strength**

India has a lot of **strength** in **raw material availability**, and is one of the **largest global producers** of horticulture products.

It leads the global production of bananas, mangoes, lemons, lime, papaya and also other ingredients needed for non-alcoholic beverage processing like milk and sugar.

India has a large and growing **domestic market** as well as **export opportunities**.



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These can be key drivers for scaling up beverage processing as well as investment in research and development and product innovation.

### What are the challenges?

Overall per capita sales revenue continues to be low, due to **high prices**. India hardly exports any beverages.

In 2020, India ranked **59th** among global exporters of fruit and vegetable juices (HS code 2009), while Brazil ranked first. Further, **foreign investment in the sector is only around 1%** of the overall investment.

Less than 10% of the fruits grown in this country are used for **beverage processing**.

Around **25-30% of India's fruits and vegetables are wasted** along supply-chain paths. This figure is less than 10% in countries with strong beverage processing industries.

**High GST rates:** India's GST rates are higher than countries with which it has trade agreements (or FTA plans). It impacts the competitiveness of its firms in export markets. For example, **zero-sugar carbonated drinks** and **carbonated fruit-based drinks** attract 40% tax (20% GST + 12% compensation cess) in India, whereas Australia has imposed a standard 10% tax on all goods.

In the past, India kept most of its food processing industry, including beverage processing, outside its trade pacts.

### Importance of the sector

Beverage processing can help **increase farmer incomes**.

– For example, **Apple supply chain participant farmers**, after training by beverage companies, got a **20% higher yield** per hectare, **5% higher** prices, and **59% more income** per harvest season vis-à-vis their counterparts in the same district.

### Way Forward

The government incentives like the **production linked incentive scheme** can unleash our strength in beverage processing.

India can use **trade agreements** to seek **greater market access** for its exports.

– This should be a key area for discussion in **trade agreements** with the UK, Canada and the EU. For example, Countries like Brazil, China, Japan, the US, UK, Thailand and Mexico use their trade agreements to promote processed food exports (including non-alcoholic beverages).

Given its strength in raw materials, India needs to enhance its **domestic manufacturing** capabilities at a fast pace. Further, India should adopt a well-planned **export strategy** to promote **Brand India** in export markets.

There should be **rationalization of GST** on carbonated sugar-sweetened beverages, zero-sugar drinks and nutritious/essential drinks like fruit juices and packaged water among others.

The rationalization will increase **domestic market sales**, enhance **tax revenue collections** from the sector, and enable our companies to **scale up and export**.

– For example, Denmark's residents used to travel to neighbouring countries to purchase untaxed sugary foods and beverages. However, when Denmark scrapped the sugar tax, the government earned more, reduced sales of illegal soft drinks, increased investment in manufacturing, and stopped people crossing the border to buy cheaper soda.

### **PAPER INDUSTRY AND RELATED ISSUES**

#### 8. **Another anti-trade action**

**Source:** This post is based on the article “**Another anti-trade action**” published in **Business Standard** on **30th May 22**.

**Syllabus:** GS3 – Economy – Industrial policy and growth

**Relevance:** India’s trade policy

**News:** The Union Ministry of Commerce and Industry recently issued a statement that all imports of paper products — from newsprint to letter paper — will require pre-registration. From October 1, according to the new requirements, imports will be subject to a **Paper Import Monitoring System**, which will require importers to register themselves in a manner similar to systems that have been put into place in the past for steel and coal.

#### What are the issues with the decision?

There can be little justification for this **return to the licence-quota raj** in yet another industry. It is yet another step backward for India towards the pre-liberalisation period, especially as the specific justification provided by the ministry is **protectionist in nature**.

The Ministry statement stated the “move will also go a long way in promoting Make in India and Atmanirbhar in this category”. The **misuse of “Make in India”**, intended initially to create global competitiveness for Indian industry, continues.

This action from the government comes at a time when **global newsprint prices have been increasing sharply**. Newsprint prices have more than tripled from the lows in 2020. Domestic prices have risen to match. If the Indian paper industry is failing to use its capacity under these circumstances, then foreign producers can hardly be blamed.

#### Are the concerns regarding dumping wrt this sector valid?

Dumping is a technical term indicating that imports are being sold in a particular country below their production cost in their place of origin. Has such a determination taken place for the paper industry in recent months?

If the concern is dumping, then the ministry needs to put a targeted, appropriate, anti-dumping duty in place — not a return to import licences.

There is already a 5 per cent Customs duty on imports of newsprint. Is there evidence that this is insufficient to control dumping?

#### What is the way forward?

Many mature economies have **independent authorities** that hold public hearings to hear from producers, importers, and consumers before assessing injuries from imports. The independent board of regulators then vote on their conclusions, with the votes also made public. At the very least, such an **institutional framework** needs to be put into place in India.

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### INDIA'S FDI POLICY

#### 9. India's aversion to Chinese investments and how geopolitics impacts PLI

**Source:** This post is created based on the article “**India’s aversion to Chinese investments and how geopolitics impacts PLI**” published in **Business Standard** on **30<sup>th</sup> May 2022**.

**Syllabus:** GS Paper 3 – Indian Economy – FDI and Investments

**News:** Many countries are competing for the share in investments coming out of China. India is facing heavy challenges from other countries.

Countries have been trying to attract **companies leaving China for various reasons**. Apple has started leaving China and other companies may follow. Many South-East countries such as **Vietnam, Malaysia, Indonesia and Thailand are in the race of attracting companies** such as Apple, moving out of China.

**Vietnam has successfully attracted** Samsung to shift its mobile business from China. It now accounts for half of the smart phone outputs of Samsung.

Similarly, it has urged Apple CEO Tim Cook to step up business in their country.

**Apple produced around \$1.67 billion worth of phones in 2021 in India.** India accounted for 3.1 per cent of Apple’s global manufacturing base in 2021, up from 1.3 per cent in 2020.

However, issues like Covid-19-related lockdowns are prompting Apple to push its suppliers to look elsewhere to expand production.

#### **What are the challenges India is facing in attracting investments?**

Unlike other countries **India has an advantage**, as factories of big Taiwanese vendors of Apple Inc — Foxconn, Wistron and now Pegatron — are already running in India.

Now, to take advantage of [PLI scheme](#), these factories are looking at threefold increase over the previous year. However they are facing challenges in expanding their capacity in India.

**First**, Companies **require a substantial ecosystem of suppliers within the country** to reduce the cost, then only they prepare to expand their capacity. This case doesn’t look possible as Chinese suppliers dominate the mobile device supply chain globally for both mobile devices, laptops and tablets.

It is only possible if Chinese supplies setup their shops in India, bringing along their technology. However, due to **changes in India’s Foreign Direct Investment policy** after the India-China border clashes in 2020, Chinese companies have been excluded from automatic clearance route.

**China based suppliers are also looking for diversification** due to increasing labor cost in China and lockdown based restrictions. A large number of Chinese companies have setup their base in Vietnam, due to lesser restrictions, similar culture and low cost.

**Second**, Taiwan can be an alternative of China for technology and suppliers. However they are conservative, take time in technology-sharing or transfer and are more expensive.

**Third**, “Atmanirbhar” drive is also not successful in challenging dominance of Chinese players in all critical supply chain.

**Fourth**, Building a domestic supply base is the long-term solution, but it will take time.

## **TRANSITION TOWARDS CLEAN ENERGY**

### 10. India's changing goal posts over coal

**Source:** This post is based on the article “**India's changing goal posts over coal**” published in **The Hindu** on **31st May 22**.

**Syllabus:** GS3 – Energy and infrastructure, Environment and conservation

**Relevance:** Phase-out of coal-based power by India, issues & challenges

**News:** In April, the Union Finance Minister had said India's transition away from coal as a fuel for power would be hampered by the Russia-Ukraine war.

#### **Why the 'move away from coal' is so important?**

The **threat of global warming** looms over the planet, promising to bring about unprecedented natural calamities. An effective way to prevent this is to cut the use of fossil fuels — coal, natural gas and oil.

**Coal emits more carbon dioxide:** About 80% of the world's energy requirements are met by the abovementioned three fuels. However, the worst culprit of them all is coal, which emits nearly twice as much carbon dioxide as natural gas and about 60% more than oil, on a kilogram-to-kilogram comparison.

– Combusting coal also leaves behind **partially-burnt carbon particles** that feed pollution and trigger respiratory disorders.

The consequence of these chemical reactions gains great significance because, the power sector in India accounts for 49% of total carbon dioxide emissions, compared with the global average of 41%.

#### **What is the extent of India's dependence on coal?**

As of February 2022,

– the installed capacity for **coal-based power generation** across the country accounts for about **51.5%** of power from all sources.

– **Renewable power** accounted for **27%**

– **Natural gas** as fuel accounted for **6.3%**

Coal-based power stations are retired periodically, which happens all the time. But is not fast enough nor are new additions being halted. And coal is still inexpensive compared with other sources of energy.

According to the IEA's Coal Report 2021, India's coal consumption will **increase at an average annual rate of 3.9%** to 1.18 billion tonnes in 2024.

So, it is not easy to shift away from coal overnight.

#### **How has Russia-Ukraine war made India's move away from coal difficult?**

**Increasing prices of natural gas:** Natural gas has been dubbed as the transition fuel in India's plans to move away from coal. The international cost of natural gas has zoomed in the recent past from a level that was considered already too high to be financially viable.

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- On May 17, 2022, the price per MMBTU of gas was ₹1,425, compared with ₹500 in April, 2021.

Of the 25,000 MW of gas-based power plants, about 14,000 MW remains stranded, or idle, because they are **financially unviable**.

While renewable energy sources are cheaper than coal, their ability to generate power consistently is **subject to the natural conditions** — the wind and the Sun. Coal can give power on demand.

Storage technologies are **still not mature enough** to help renewable energy sources become reliable generators of power.

### Is there a coal availability crisis that is exacerbating our problems?

It appears that the sudden rise of demand post-pandemic has caught policymakers off guard. From having asked States only recently to stop importing coal, the power Ministry urged States earlier this month to **step up coal imports** as the private sector would take till about 2025 to produce significant amounts of coal.

As per a letter by the Ministry, Coal India, the country's largest supplier of the dry fuel is set to **import coal** for the first time since 2015. The aim of the exercise is to avoid a repeat of the power outage crisis that India faced in April — the worst in more than six years.

An internal power Ministry presentation is said to point to a 42.5 million tonne (MT) coal shortage in the quarter ending September on the back of high demand for power supply. Without imports, utilities are **likely to run out of coal supplies by July**.

## GS3 – ENVIRONMENT – ENVIRONMENTAL ISSUES

### ENVIRONMENTAL IMPACT OF TOBACCO CONSUMPTION

#### 11. Of lungs, trees and sin stocks

**Source:** This post is based on the article “Of lungs, trees and sin stocks” published in **The Hindu** on **31st May 22**.

**Syllabus:** GS3 – Environment and conservation

**Relevance:** Environmental and health impact of the tobacco industry

**Context:** In 1987, the World Health Organization (WHO) marked ‘World No Tobacco Day’ to bring attention to the ill-effects of tobacco.

‘Poisoning our planet’ is the theme for May 31 this year, in an effort to highlight the ill-effects of tobacco on the environment.

Meanwhile, large corporate enterprises themselves are making efforts to reduce the harm of tobacco consumption

#### Prevalence of tobacco consumption in India

The second Global Adult Tobacco Survey estimated that **28.6% of all adults in India** used tobacco in 2016-2017, second only to China.

The survey said **42.4% of men** and **14.2% of women** used tobacco — both the smokeless form, i.e. chewing tobacco, and smoked form, i.e. cigarettes and ‘bidis’.

#### What are the ill-effects of tobacco?

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### On health

- In 2021, smoking killed about 8 million people. But tobacco is not just a bane on human health.
- Although farming of tobacco only contributes to 1% of GDP as per one study, the **direct health expenditure** on treating tobacco-related diseases alone accounts for 5.3% of total health spending in India in a year (WHO).

### On environment

According to the WHO,

- 600 million **trees are chopped down** annually to make cigarettes
- 84 million tonnes of **CO<sub>2</sub> emissions** are released into the atmosphere
- 22 billion litres of **water** is used to make cigarettes.

In addition to the environmental costs of production, cigarette butts, packaging, plastic pouches of smokeless tobacco, and electronics and batteries associated with e-cigarettes pollute our environment.

*India, the world's second-largest producer of tobacco, produces about 800 million kg annually.*

[What are some challenges in countering tobacco epidemic?](#)

**Need to do more:** Most efforts to counter the tobacco epidemic have been directed at creating awareness about the ill-effects of tobacco. These have borne fruit. Over 90% of adults in India, across strata, identify tobacco as being harmful. Additional gains in overcoming the ill-effects of tobacco are therefore unlikely to come from more awareness campaigns alone.

**Source of livelihood:** About 6 million farmers and 20 million farm labourers work in tobacco farming across 15 States (Central Tobacco Research Institute). Farming of tobacco cannot be stopped without serious economic consequences and/or social disruption.

[What are the efforts being made by companies?](#)

**Use of carbon credits:** The forestry community has devised solutions and instruments to incentivise the reduction of deforestation through the use of carbon credits.

- With the surge in new commitments to zero carbon from the international commodity sector, **companies are putting pressure on their supply chains to transition to sustainable practices and reduce deforestation.**

**Carbon sinks:** Companies like Unilever, Amazon, Nestlé, Alibaba, and Mahindra Group are **pledging to cut emissions** and are poised to invest an estimated \$50 billion in nature-based solutions such as carbon sinks. This is driving new interest in sourcing from sustainable landscapes and buying high-quality forest carbon credits. The revenue from this is many times higher than the earnings from selling tobacco leaves.

Cigarette companies themselves appear to be changing. In 2016, one of the largest cigarette companies pledged to begin transitioning its customers away from tobacco to smoke-free products. By transitioning to safer nicotine delivery systems, and moving away from tobacco, cigarette companies are potentially **lowering the risk of their customers dying from cancer.**

The **rise of environmental, social, and governance (ESG) managers** has helped.

[Way forward](#)

While there are problems in the business of tobacco and cigarettes, there are options, solutions and global movements being undertaken by the largest corporate enterprises.

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Educating potential consumers to not consume tobacco, supporting consumers in their journey to quit, and incentivising industry to help consumers and the planet will protect not just our lungs, but also the air we breathe.

GS3 – INDIAN ECONOMY – INCLUSIVE GROWTH AND ISSUES ARISING OUT OF IT

### GROWTH IN THE NE REGION

#### 12. How the Northeast has been transformed in the last eight years

**Source:** The post is based on an article “**How the Northeast has been transformed in the last eight years**” published in the **Indian Express** on **31<sup>st</sup> May 2022**.

**Syllabus:** GS3 Inclusive Growth

**Relevance:** North-Eastern Region, Balanced Regional Growth and Development

**News:** There is an upcoming workshop of chief ministers and chief secretaries of Northeastern states along with Union ministers and secretaries on developmental issues of the Northeast.

Since the last eight years, there has been a magical transformation of the eight Northeastern states, shooting N-E to prominence as the **Ashtalakshmi** of the nation.

#### **Issues in N-E Development So Far**

The eight states of the Northeast have not been given the attention they deserved.

The states have been facing the problems of **insurgency**, **difficult terrain**, **cultural distinctiveness** and **political apathy**.

#### **Potential of N-E**

Prime Minister Modi has called the Northeast region as “**India’s natural economic zone**”. The region has been given a priority. Now, the region is called as “**new growth engine of India**”.

It is endowed with extraordinary **natural wealth**, a **strategic advantage** as the **gateway** to Southeast Asia and unrivalled **economic potential**

#### **What have been the developments in the N-E Region in the last eight years?**

(1) **Militancy incidents** have reduced by 74 per cent, **civilian deaths** have come down by 84 per cent, more than an 800 per cent increase in **surrenders** by extremists, and **AFSPA** has been lifted from some districts for the first time in decades.

(2) The **budgetary support** to the Northeast has risen from Rs 36,108 crore in 2014 to Rs 76,040 crore in 2022 (110 per cent).

(3) The government has launched programmes to **increase mobility** and **connectivity** in the North—Eastern region(N-E).

(a) In 2014, Arunachal Pradesh and Meghalaya were put up on the railway map for the first time;

(b) Arunachal’s Itanagar, Tripura’s Agartala and Manipur have been connected and in the remaining five capitals connectivity projects are nearing completion.

(c) The Government of India has been focusing on **road connectivity**. For example, over 38,000 kms of rural roads have been completed since 2014

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(d) The **number of airports** has increased from just six in 2014 to 15. The N-E region have been given **priority** under the **UDAN scheme**. There are 46 operational routes in the region.

(4) The tele-density (number of phones per 100 people), especially **rural tele-density** has significantly improved in the Northeast states.

(5) BSNL has recently commissioned **20 Gbps international bandwidth** for the Northeast through Cox's Bazar in Bangladesh. This will address the issues of latency and network congestion in the N-E. The improvement in **internet connectivity** will open for the establishment of software parks and high-speed data centres in the **BPO** and **IT industry**, in N-E Region.

(6) the **inherent strengths** of the region are being leveraged in sectors like agriculture, tourism, textiles, handicrafts. For example, the North Eastern Regional Agricultural Marketing Corporation has been revived; and the **National Mission for Edible Oil** (for palm oil) aims to leverage the region's potential.

(7) The welfare schemes viz. Pradhan Mantri Garib Kalyan Anna Yojana (PM-GKAY) and the National Food Security Act (NFSA) are being implemented.

### Way Forward

Prime Minister Modi has articulated solutions ingrained in the governance philosophy of **sewa, sushasan and gareeb kalyaan**.

A **joint agri task force** should be formed which would provide **strategic direction** to the initiatives. It will also ensure **speedy resolution** and implementation of **various agri and allied sector schemes**.

The union and state government should work with the spirit of **cooperative federalism**. There should be collective responsibility for the development of the region.

There is an ambition of making the Northeast the hub of **sports** in the world, a leading exporter of **exotic horticultural products**, a hotbed of **startups** and the most attractive tourist destination in India.

## GS3 – INTERNAL SECURITY – THREATS TO INTERNAL SECURITY

### CHALLENGES TO INTERNAL SECURITY

#### 13. Doses of statecraft to meet India's challenges

**Source:** The post is based on an article “**Doses of statecraft to meet India's challenges**” published in the “**The Hindu**” on **31<sup>st</sup> May 2022**.

**Syllabus:** GS3 Internal Security

**Relevance:** Security-based interventions and Statecraft

**News:** Recently, the Russia-Ukraine War and the political turmoil in South Asia dominated the newspaper headlines. These developments have pushed the debate on India's many internal security problems on the backburner.

#### **Internal Security problems in India**

#### **Case Studies of limitations of security solution**



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**(1) Upheaval in Kashmir:** The J&K has continued to see extreme violence followed by spells of near normalcy since 1947. The situation has become more volatile since the revocation of Article 370 of the Constitution.

Now, terrorists have started **targeted killings** of police officers, **outsiders**, mainly Kashmiri Pandits. There were warnings that this year's **Amarnath Yatra** could be one of the targets of the militants.

No proper solution has emerged to a long-standing problem. The **doctrine of containment** is not having the desired effect. There is an absence of an **all-in-one grand strategy** to deal with the situation.

### **(2) The continuing problem involving Maoists.**

Maoists or Naxalites having strong ideological underpinnings have continued to exist since the late 1960s when **Charu Mazumdar** talked of a '**Spring Thunder over India**' and created inspiration.

The Maoists have combined **ideological ideation** and **brutal killings** to pose challenges to the police, intelligence and security establishments of the States and the Centre.

It represents the biggest challenge to the idea of India. Despite negotiations, Maoists have seldom displayed a commitment to peaceful ways.

Maoists find an echo among intellectuals in the cities and the 'poorest of the poor' in the rural areas

**(3) Pro-Khalistan movement:** there is a resurgence of militancy in the Punjab. For example, '**sleeper cells**' have been discovered in Punjab, the recent attack on the **HQ of Punjab Police Intelligence wing** in Mohali. The movement has the backing of Pakistan's Inter-Services Intelligence. It indicates that Punjab militancy has not been permanently extinguished.

**(4) Insurgency in North-East:** In Assam, the **United Liberation Front of Asom-Independent (ULFA-I)**, which operates from Myanmar is trying to revive its activities after a long spell of hibernation. In Nagaland, the **National Socialist Council of Nagalim (I-M)** has initiated a fresh push for a solution of the 'Naga political issue'

**(5) A threat in the South:** There are signs of a possible revival of LTTE-sponsored militancy in Sri Lanka due to recent economic crises and uncertainty there. This is likely to revive LTTE-sponsored activities in Tamil Nadu

### **What are the limitations of a security vigil?**

The security agencies, which do a security vigil, can only deal with the **immediate threat**. They are a **temporary solution** and will not amount to problem-solving.

The forces threatening the state have adopted **new technologies** and **modes of warfare**.

### **What does Statecraft involve?**

It involves

- **fine-grained comprehension** of inherent problems
- an ability to quickly respond to **political challenges**.
- strengthening the ability to **exploit opportunities** as they arise. It involves a **degree of political nimbleness** rather than leaving everything to the **security agencies**.

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In addition to faith in the **security establishment**, it requires putting equal emphasis on implementation of **policies** and **programmes**, **formulating strategies** that favour **political deftness**, strength and agility.

### Way Forward

Long-term solutions require the use of **statecraft**. In many countries, both the authorities and security agencies are beginning to acknowledge the importance of resorting to **statecraft**.

A **deft statecraft** is needed to prevent a resurgence of the past. It is critical in finding lasting solutions to a host of problems that continue to afflict India.

The grand strategy, grand simplifications or resort to higher doses of security cannot solve the security problems.

A properly structured set of policies, having **liberal doses** of statecraft in addition to a proper set of **security measures**, is the best answer to India's needs, now and in the future.

### GS3 – SCIENCE AND TECHNOLOGY – RESEARCH AND DEVELOPMENT

#### **SCIENTIFIC RESEARCH AND RELATED ISSUES**

##### 14. **Linking science and innovation**

**Source:** The post is based on an article “**Linking science and innovations**” published in the **Business Standard** on **31<sup>st</sup> May 2022**.

**Syllabus:** GS3 Science and Technological Development

**Relevance:** Research and Development

**Context:** As per **Wilhelm von Humboldt**, the purpose of a research university is to search for knowledge. However, it is said that such knowledge becomes more beneficial when it walks out of the university's door in the heads of its students.

#### **About the linear model of innovation**

This mental model states that scientific research leads to discoveries. These discoveries enable the development of new technology. The new technology feeds into production and the market.

#### **Shortcomings in the model**

Scientific research actually has a very limited role in **industrial innovation**. This is because scientific research aims to generate new ideas or lead to an enhanced understanding of nature. Whereas, **technology** is meant to expand the realm of **practical human possibility**. It is aimed at developing a new product or service. Therefore, utility is at the heart of technology, or engineering

**About a chain-linked model of innovation:** It was proposed to replace the simplistic linear model.

(1) It proposes that Innovation starts and ends with the market. Further, designing and testing is the **core development activity**.

(2) Knowledge — both technological and scientific — plays a key role not as a trigger for innovation, but as a repository which helps **solve problems**. Research is done to gather more knowledge to solve the problem where present knowledge has failed to solve problems.

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(3) Scientific research plays an important role in reinvigorating technical progress in some particular field. It is important in science-based industries and to the innovation of new technological paradigms. For example, it plays an important role in the advancement in certain fields, like **biotechnology** and **semiconductors**.

(4) The scientific research in itself alone does not matter in most of the world's R&D effort. R&D in firms aims to improve existing products through development of new products. Thereafter, public scientific research alone does not matter. The firms must have **in-house research** to produce new knowledge using the output of the public research system. Therefore, **Public scientific research** can serve as a **well-spring** for **industrial innovation**.

### Importance of public research:

(1) The public research done in the research universities are great sources for **new scientific understanding**. For example, Stanford is seen as a definitive contributor to Silicon Valley and its technology giants.

(2) **Talent (or Student) is the key output of public research:** For example, Stanford's students have found a number of great companies — Hewlett-Packard, Varian, Google, Yahoo, Uber, Twitter, Apple, and hundreds more. There have been a number of other contributions in the field of economy, science, literature and every field.

### India's R&D Situation

In 2019, the Indian government funded roughly 63% of the national R&D. About 7% R&D happened in our universities, and 56% in autonomous government R&D laboratories.

Approximately 10% of National R&D is **publicly funded scientific research** aimed explicitly at industry in the **Council of Scientific and Industrial Research**, the Ministries of Science and Technology, Earth Sciences, and Electronics and Information Technology, and the Department of Biotechnology.

### What are the problems in India?

India's publicly-funded research is mostly concentrated in autonomous laboratories instead of **industry** and the **higher education system**. This may lead India to miss a huge opportunity.

The scientific researches in India have been under-invested or under-funded because it has been believed that the benefits would not be apparent enough.

### Way Forward

There should be clarity about the **concepts of science** and **technology**. This can save firms and public research institutions from wasting work and effort.

The government should focus on increasing **public subsidy** of scientific research. Further, India's publicly funding scientific research must be done within the **higher education system**, and not in autonomous laboratories.

Doing research in the autonomous laboratories deprives society from getting output of talent (or students).

#### **EVs AND RELATED ISSUES**

##### **15. India's EV ambition rides on three wheels**

**Source:** This post is based on the article “**India's EV ambition rides on three wheels**” published in **The Hindu** on **1st June 22**.

**Syllabus:** GS3 – Energy and Infrastructure

**Relevance:** Electric Vehicles (EVs) and related issues

**Context:** Three-wheeler EVs have come to dominate the EV landscape in India. Given the success of e-three-wheelers, it is worth taking a closer look at their dominant position, how they got here, and what India's EV policy can do to sustain their success and extend it to the other categories.

##### **Domination of three-wheelers in EV segment**

Three-wheeler EVs like e-autos and e-rickshaws account for close to **65% of all EVs registered in India**.

- In contrast, two-wheeler EVs come at a distant second with over 30% of registrations and passenger four-wheeler EVs at a meagre 2.5%.

Under the targets for FAME-II, e-three-wheelers have crossed over 4 lakh vehicles of the 5-lakh target since 2019. The numbers are expected to be higher given the prevalence of unregistered vehicles in India.

At the current rate, e-three-wheelers are expected to **breach the 5-lakh target by 2023**.

##### **State wise trends of e-three-wheeler registrations in India**

The EV registrations data show that **Assam, Bihar, Delhi, Uttar Pradesh and West Bengal** account for close to 80% of all e-three-wheeler registrations, with U.P. accounting for close to 40% of all registrations.

Of these five States, Assam, Delhi, U.P., and West Bengal have formalized EV policies while Bihar has a draft policy with a final policy due to be introduced later in 2022.

Indigenously designed and produced, e-three-wheelers like e-rickshaws have become a common sight in these States.

##### **What are the reasons behind this growth?**

##### **State-specific factors**

With **financial assistance from FAME-II**, local manufacturers have built a truly Indian EV with its unique design catering to Indian commuter needs. Costing between ₹1 lakh and ₹1.5 lakh, e-three-wheelers are **produced by scores of local workshops and small enterprises** and have come to dominate the e-three-wheeler market.

The **EV policies put in place by these States** as part of FAME-II have been instrumental in driving this growth. The focus of the EV policies of these five States is on accelerating adoption of EVs among consumers and promoting local manufacturing.

– All five States provide **road tax exemption of 100%** and on registration fees.

– Assam, Delhi and West Bengal have linked incentives to the battery size (in kWh) with additional benefits on interest rate on loans and scrappage incentives in some cases.

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- U.P. offers **100% interest-free loans to State government employees** for purchasing EVs in the State and 30% subsidy on the road price of EVs to families with a single girl child. To promote sales of EVs manufactured within the State, U.P. **exempts SGST** on all such vehicles.
- Bihar's draft EV policy also **focuses on adoption and manufacturing**.

These States have performed exceptionally well in the FAME-II scheme and are on their way to achieve the target of 5 lakh e-three-wheelers.

**High population density** and **shortage of affordable public transport** in all these states, may also be contributing factors.

### **Overall factors**

Developing both the demand and supply sides.

Subsidies, tax exemptions, and interest-free loans.

### Why e-three-wheelers are more popular?

**Inexpensive means of transport** for millions, are **easy to maintain**, and have **relatively low operating costs**

The indigenous design allows for **easy local manufacturing** in workshops and small enterprises and makes them **relatively easy to charge and maintain** compared to their two-wheeler and four-wheeler counterparts.

**Issues with e-two and four wheelers:** This segment has problems both on the demand and supply side.

Since two-wheelers and four-wheelers are essentially associated with personal use, **consumers are justifiably apprehensive** in adopting such vehicles given the host of issues which come with it.

The **recent incidents of fires in e-scooters** have added to the apprehension.

**Reliable manufacturers** with proven track records in the two-wheeler and four-wheeler EV space in India **are hard to come by**.

This further adds to the supply side crunch and there are very few affordable offerings for the consumer.

### Way forward

Subsequent EV policies must pay **special attention to safety issues**, and incorporate appropriate design and passenger safety standards.

State-level policies have led to an increasingly fragmented manufacturing industry with non-uniform standards. This fragmentation has led to legacy automakers struggling to compete with the large number of manufacturers in every State. EV policies must address this issue so that legacy automakers are not demotivated from competing in the e-three-wheeler space.

Future EV policies must therefore **take into account the existing and emerging stakeholders** on the demand and supply sides for effective implementation.

With the prevailing trajectory of EVs, India must take lessons from its e-three-wheeler success story to sustain its EV ambitions.

#### **PUBLIC EXPENDITURE AND RELATED ISSUES**

##### 16. **States should focus on the quality of public expenditure**

**Source:** This post is based on the article “**States should focus on the quality of public expenditure**” published in **Livemint** on **3rd June 22**.

**Syllabus:** GS3 – Economy – Mobilization of resources

**Relevance:** GST and related issues, public expenditure management

**News:** States were guaranteed bi-monthly compensation for any loss of revenue in the first 5 years of GST implementation from 1 July 2017. The 5-year period will end on 30 June and there is a growing demand from many states to extend the GST compensation mechanism beyond that.

Given this **uncertainty over the extension** of GST compensation and the possibility of it tapering off at least in the medium term, it is imperative for states to devise strategies towards **prudent public expenditure management**.

How can states create additional fiscal space?

Additional fiscal space can only be created through two routes:

- either by enhancing both tax and non-tax revenues, or
- by careful expenditure management.

As possibilities for the first route are constrained within the federal system, the second route could be a pragmatic approach.

In this context, **getting expenditure priorities right** and **efficiently utilizing funds** is of paramount importance.

The **13th Finance Commission** had also suggested that due weightage be given to “*the need to improve the quality of public expenditure to obtain better outputs and outcomes*” from fiscal transfers.

What is the key constituent of prudent public expenditure management?

An important constituent of the quality of public expenditure is **reducing committed expenditures in budgets** and focusing on outlays that are “future-” and “growth-oriented”.

- This entails an assessment of the institutional arrangements relevant to the **fiscal rules** and **budgetary procedures** in states.

##### **Steps already taken**

- As a first step, a **system of performance budgeting was introduced** to assess performance against set goals/objectives. However, this was not able to establish a clear one-to-one relationship between financial budgets and performance.
- **Outcome budgeting was introduced in 2006-07**, which also recognized that outlays do not necessarily mean outcomes.

What is the RBI's triple E framework?

A framework was suggested by the RBI study in 2009. This study proposes a “triple E framework” to assess expenditure quality, which has constituents of expenditure adequacy, effectiveness and efficiency.

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- **Expenditure adequacy** is in terms of focusing on the government's primary role.
- **effectiveness** is about assessing performance, and
- **efficiency** involves an assessment of the output-input ratio.

What are the present trends wrt public expenditure of states?

Present patterns of public expenditure in many states are unlikely to pass the test set out by the RBI study's 'triple E' framework.

**Expenditure adequacy:** The classic case of **new welfarism** has been the **proliferation of subsidies and freebies**. Increased allocations for these have often resulted in inadequate allocations for public goods, and hence, low provisioning levels.

Once expenditure adequacy is undermined with expanded subsidies and freebies, the scope for assessing **effectiveness and efficiency** gets narrower and is limited to expanding the coverage of such schemes.

Even though freebies and subsidies increase private consumption and could generate growth in the short term, these **reduce fiscal space in the long term**.

Way forward

**States need to rationalize expenditure**, which includes reassessing the continued desirability of specific expenditure programmes, such as unbridled subsidy expansion. Such an approach would also help in **realizing possible efficiency gains** in the provision of public goods and services, and thus create fiscal space.

States need to **look beyond GST compensation** and adopt a **long-term view** to manage finances. The long-term solution rests on state efforts at **revenue raising, expenditure re-prioritization or rationalization** and **judicious borrowings**.

**State finance commissions (SFCs)** – In most states, state governments are either apathetic towards the institution of SFCs, or, in certain cases, poor implementers of the recommendations made. For the sake of their own finances, states must change this.

### INDIA'S TRADE POLICY

#### 17. Opinion: How trade can boost India's growth

**Source:** The post is based on an article "**How trade can boost India's growth**" published in the **Indian Express** on **01<sup>st</sup> June 2022**.

**Syllabus:** GS3 Indian Economy; Effects of Liberalization on Indian Economy

**Relevance:** External Sector, India's Merchandise and Service Export, Macroeconomic Condition.

**News:** India's exports have reached \$418 billion in FY 2021-22. These figures have surpassed the pre-pandemic level of \$331 billion in FY 2018-19.

#### Status of India's Exports

##### **National**

- Total merchandise trade, including imports of \$610 billion, amounts to \$1.28 trillion for FY 2021-22.

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### State-wise statistics

– As per the **Export Preparedness Index (EPI) 2021** for Indian states, there were wide variations across the states due to high variation in trade policy, business ecosystem, export ecosystem and performance.

### What were the driving forces?

The government's **proactive policy schemes**, such as merchandise exports scheme, duty exemption scheme, export promotion capital goods, transport and marketing assistance scheme have helped the export sector.

In addition, the RBI's **gold card scheme** and **interest equalisation scheme** and the export promotion council's **market access initiative** were also useful.

### India's Export Potential

**The annual growth rate** of India's exports between 2011 to 2020 is a little over 1%. This is way below 3% and 4.2%, respectively, for China and Bangladesh.

According to **India's Trade Portal estimates**, there are a huge difference in India's exports potential and actual exports in many sectors, especially pharmaceuticals, gems and jewellery and chemicals.

India is endowed with a large share of the **working-age population** for the next couple of decades.

### Importance of India's Export

The revival of exports has provided relief at a time when major **components of aggregate demand** such as consumption and investment had been slowing down.

These milestones on the **trade front** are a sign of a **rising India**. It would certainly accelerate the growth.

The trade achievements are a sign of **growing confidence** in the Indian economy.

The acceleration of **merchandise** and **services exports** could potentially make the Indian economy a \$5-trillion economy.

### What are the opportunities?

Many of the manufacturing giants are moving away from the **labour-intensive assembly** of network products, which offers India an opportunity.

As the Economic Survey (2019-20) suggests, "**assemble in India**", particularly in network products, will increase India's share in world exports to 6% and create 80 million jobs.

### What are the challenges/threats?

Despite India's offering of a **big market** and **cheap manpower**, the space vacated by manufacturing giants such as Japan, Korea, Malaysia and China have been captured by Vietnam, Bangladesh, Mexico and Thailand.

India's rank in the **logistics performance index** is 44 while China's rank is 26 and South Korea's 25.

The **price competitiveness** of India's exports is lower compared to China, South Korea and others. This is because the unit cost of a container of exports is significantly higher for India compared to others.



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### Way Forward

It is time to address **sector-specific** and **market-specific problems** to fully capitalise on exports across sectors. India's key strength is in **labour-intensive manufacturing**.

India has to increase its participation in global value chains (GVCs). India should capitalise on the "**China+1**" strategy, avoid protectionism and **inverted duty structures**.

India needs to **find out the reasons which caused MNCs relocation** to countries like Vietnam, Bangladesh and Mexico.

Work on **institutions** facilitating trade, processes for exports and imports and logistics.

Work upon **reduction in trade and transaction costs** as well as ensuring reliability and timely delivery, which is important to becoming part of GVCs.

There are also opportunities arising out of **geo-political conflicts** and the intention of the world to diversify its supply chain portfolio.

The states having scores below the national average should **usher reforms** like reducing red tape and complex laws including taxation.

The **complexities of trade and business** can be reduced by recently concluded FTAs with the UAE, and Australia. This will **reduce tariffs** and **give market access**. These FTAs may help in streamlining policies. Further, India is negotiating FTAs with the UK, GCC and Canada.

The government should bring down **non-tariff barriers such as administrative fees, labelling requirements, anti-dumping duties and countervailing** measures.

In addition to the merchandise exports, India should focus and diversify its **services exports** from IT and IES exports to other categories including travel and tourism and business, commercial and financial services.

### GS3 – AGRICULTURE – FOOD SECURITY

#### **FOOD SECURITY IN INDIA**

##### 18. **Opinion: For India, a lesson in food security from Sri Lanka**

**Source:** This post is based on the article "**Opinion: For India, a lesson in food security from Sri Lanka**" published in **The Indian Express** on **2nd June 22**.

**Syllabus:** GS3 – Food Security

**Relevance:** Need for self-sufficiency in basic foods

**Context:** India needs to have a strategy of self-reliance in producing basic foods, including edible oils.

Against this backdrop, the article suggests taking lessons from countries like Sri Lanka, and framing a suitable policy to boost its food security for the long term.

#### **Examples of Sri Lanka and Saudi Arabia**

##### **Sri Lanka (SL)- (Huge import dependence despite having the resources)**

Its population (21.5 million) is less than Tamil Nadu and Kerala.

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Despite this fact, it imports a huge amount of dairy products. For instance: its imports of whole milk powder (WMP) were 89,000 tonnes in 2020. This amount of WMP can produce almost 2.1 million liters per day (MLPD) equivalent to milk. While SL produced 1.3 MLPD domestically.

It translates into an import dependence of over 60% — for a country having very little foreign exchange today to import anything, leave alone milk powder.

### **Saudi Arabia – (Aiming for food security despite having limited resources)**

At the other end, we have Saudi Arabia, home to over 35 million inhabitants (including immigrants) and also the world's largest vertically integrated dairy company.

Almarai Company has six dairy farms in the desert kingdom, producing more than 3.5 MLPD of milk. The animals are sourced from the US and Europe. The entire feed and also forage given to them are procured from abroad.

The company has even purchased thousands of acres of land in California, Argentina, and Romania to grow alfalfa hay, which is then shipped back for feeding the cattle.

### India's import dependence for edible oils

India is hugely import-dependent for edible oils, just as Sri Lanka has been in dairy.

– **60% of its total consumption is imported** annually.

### Why the import dependence for edible oils has assumed significance now?

Till recently, this dependence didn't seem to matter. **Low international prices** meant that the import bill, though high, fell from **\$9.85 billion** in 2012-13 to \$9.67 billion in 2019-20.

– Indian consumers paid more or less the same for imported palm, soyabean, and sunflower oil in 2019 as they did in 2012.

But in the last couple of years, **retail prices of most oils have increased to almost double or even more.**

– The value of India's vegetable oil imports surged to a record **\$19 billion** in 2021-22.

This has brought to light the dangers of over-dependence on imports of essential food commodities.

### Way forward

As a country with a population many times that of Sri Lanka and Saudi Arabia, **India needs to have a strategy of self-reliance for basic foods.**

GS3 – INDIAN ECONOMY – MONETARY POLICY

## **INFLATION AND RELATED ISSUES**

### 19. **Price Of Wrong Price Strategy**

**Source:** The post is based on an article “**Price of wrong price strategy**” published in the **Times of India** on **3<sup>rd</sup> June 2022**.

**Syllabus:** GS3 Indian Economy, Issues and Challenges in growth and development of the Indian Economy

**Relevance:** Inflation Targeting

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**News:** India is now facing a dual problem of **low growth and high inflation** at the time when India is facing a **historic opportunity** to use exports to boost India's **GDP growth**.

### Historic Opportunities

Two large countries China and Russia are reducing their presence on the **international trade landscape, providing opportunities to India:**

- China, the main export engine of the world has been shutting down its factories, and MNCs are looking for new production locations, and
- Russia is facing strict economic sanctions

### What is the status of inflation and growth in the Indian Economy?

#### Inflation

Inflation has been surging alarmingly over the past few weeks. The **CPI (consumer price index) inflation** was close to 8% in April against the RBI's legally mandated target of 4%.

#### Growth

The **economic recovery** has been much weaker than expected. The growth was 4.1% in the fourth quarter of 2021-22.

### What are the driving forces behind rising inflation?

This has been primarily due to **supply-side bottlenecks**. This has been triggered first by the pandemic and subsequently by the Russia-Ukraine War and lockdowns in China.

### Measures Taken Now

#### (A) Monetary Policy Strategy

RBI has been pursuing an **easy monetary policy**. For example, RBI is still in "**accommodative**" mode.

#### (B) Fiscal Policy Strategy

The central government is trying hard to bring down the cost of commodities.

The central government has now announced a slew of measures to ease the **supply constraints**. For example, ban on wheat exports, cap on sugar exports, lowering of the excise tax on petrol and diesel, reduction in the import duty on steel, imposition of an export duty on steel products and increased the export duty on iron ore among others.

### What are the issues in the RBI and the government measures to tackle inflation?

#### (A) Monetary policy

Despite having supply constraints, RBI's monetary policy is aimed at **encouraging demand**. As a result, inflation has been increasing.

#### (B) Fiscal Policy

It is going to have a **modest effect** on inflation because inflation is now **broad-based**. It means, it has extended to virtually every **good** and **service** in the economy.

Instead of the inflation containment, the government's interventions will damage **growth** by undermining **exports** and **investment**.

### How will the government measures impact the growth?

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The government's actions will have only a **marginal effect** on inflation. These efforts may cause significant damage to the **incipient recovery**.

India has unprecedented scope to attract **international firms** to produce and export from here. But, exploiting the opportunities requires an **appropriate policy stance, and a stable and consistent trade policy**.

The radical policy exposes both **exporters** and **importers** to large losses. For example, firms cannot fulfil their contracts. Thus, foreign firms will be reluctant to place orders with Indian firms.

MNCs will be **discouraged from shifting their production to India** due to a risk that its exports could be banned, and its imports may be subjected to high duties overnight.

The **Centre's revenue will see reduction** due to reduction in excise taxes on petrol and diesel.

### Way Forward

The **macroeconomic policy** has the delicate task of simultaneously **tackling inflation** and promoting the **recovery**. Therefore,

The **RBI** must take full responsibility to **tackle inflation**. It should give a clear signal that it will focus only on bringing inflation down without getting distracted by any other objective.

The **government** should focus on **growth**. It should reduce market interventions, eliminate prohibitions, and dismantle trade barriers. This will incentivise the firms to export and invest.

The government needs to step back from the inflation fight, and instead encourage RBI to tighten monetary policy.

### 20. Inflation demands fiscal action more than a monetary one

**Source:** The post is based on an article "Inflation demands fiscal action more than a monetary one" published in Live Mint on 02<sup>nd</sup> June 2022.

**Syllabus:** GS 3 Indian Economy, issues and Challenges in mobilization of resources; growth and development

**Relevance:** Inflation

**News:** Recently, Inflation in India has been on an upward path

#### Status of Inflation

Wholesale price index inflation stands at 15% and consumer price inflation is nearly at 8%.

#### About the monetary policy system in India

In 2015, India introduced the '**channel system**', in contrast with the '**floor system**' of the US.

The policy rate ranges between **the upper bound rate** at which banks can borrow from RBI under penalty and **the lower bound rate** (such as the marginal standing facility), at which banks can park their funds with RBI for a positive rate of return (referred to as the reverse repo rate).

#### Should RBI do another hike in its policy interest rate soon?

The RBI's standing deposit facility (SDF) rate of 4.15% along with a repo rate hike to 4.4% counts can lead to **double tightening** of monetary policy.

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At present, RBI has adopted the SDF rate at the place of the **reverse repo rate**. The SDF rate (4.15%) is well above the old 3.35% reverse repo rate. Overall, an SDF is beneficial as it **does not require the collateral of government securities**, while reverse repo transactions do. This will **free up G-Secs for other collateralized borrowings**, reducing the risk in such transactions significantly, etc.

An increase in the upper bound (repo rate) makes it costly for banks to have inadequate reserves.

Similarly, a decrease in **the lower bound** reduces their incentive to **park money** with RBI and increases liquidity in the banking system, affecting other short-term interest rates as banks go in search of adequate returns on now-surplus funds.

The RBI has raised the reverse repo rate from 4%, to 4.40%. The SDF rate was revised from 3.75% to 4.15%. This means monetary policy was tightened considerably in two ways.

### Should monetary policy respond to supply shocks?

The current rise in inflation is primarily a result of oil price escalation on account of the Ukraine-Russia war. This inflation has rippled through all other commodity prices. It constitutes a **supply shock**.

If RBI raises its lending rate further, it may lead to **another shock**. For example, the **working-capital loans** and **short-term credit lines** to firms will become costlier.

### Way Forward

#### Monetary Policy

The **channel** or **corridor** itself is also an **effective policy tool**. If the central bank wants to tighten monetary policy, instead of increasing its policy rate each time, the RBI can shift the **corridor up**.

The corridor changes alter the **opportunity cost of funds** kept with RBI. For example, if the corridor is shifted downwards, or if the lower-bound SDF rate is declined, banks won't keep extra funds with RBI. They would invest elsewhere for returns. It will increase demand for **short-term securities**, thus raising their **prices** and **lowering yields**.

The corridor changes have better and more **direct transmission** than **transmission of policy rate changes**.

#### Fiscal Policy

The government can go for **fiscal policy**. For example, price relief on petroleum products through a reduction in taxes.

At present, the wholesale inflation has not translated directly into retail inflation so far. Therefore, the government should release stock to address food inflation.

The government can invest in cold chains for perishables. It can stabilize prices in the longer term and help India keep inflation in control.

## **ASSET MONETISATION**

### 21. Asset monetisation

**Source:** This post is based on the article “**Asset monetisation**” published in the **Business Standard** on **2nd June 22**.

**Syllabus:** GS3 – Economy – Mobilization of Resources

**Relevance:** Asset monetisation and related issues

**News:** The Union government’s asset monetisation plan seems to be facing resistance from government departments and public sector enterprises (PSEs).

The government’s target of mobilising Rs 1.62 trillion in the current fiscal year would thus become difficult to achieve.

#### What is the progress of Asset monetisation plan?

As per reports, PSEs in the oil and gas sector, such as Hindustan Petroleum Corporation, Indian Oil Corporation, and GAIL, **may not go ahead** with the pipeline monetisation plan.

– The government was expecting these firms to transfer part of their pipeline assets to infrastructure investment trusts and raise resources.

– The asset monetisation pipeline of central government departments and PSEs is estimated to have a **monetisation potential of Rs 6 trillion by 2024-25**. The idea is to transfer public sector assets to the private sector for a limited period to **unlock value** and reinvest the proceeds in other or new assets. Expected efficient use of assets in private hands will also increase overall benefits

Another report suggested the Ministry of Railways and Department of Telecommunications are also **lowering their target** for asset monetisation, and will depend more on internal resources and budgetary support for investment.

#### Why are PSEs reluctant to monetise their assets and the resultant impact?

The petroleum sector PSEs consider pipelines **core assets** and are reportedly not keen to monetise them.

These firms are also said to have argued that they are in a **better position to mobilise funds from the markets at a lower cost** for investment.

#### **Impact:**

The reported reluctance among the PSEs and government departments to monetise assets **could affect the overall investment** in the economy.

#### Why asset monetisation is needed?

Since private sector consumption and investment demand are still weak, **higher government expenditure** can help revive demand.

Although the government has been supporting the economy with higher investment, its **finances are stretched**, and it is not in a position to significantly increase the scope of expenditure.

In this context, **asset recycling and monetisation could be useful in pushing up overall investment** in the economy. Although India needs higher investment in general, its importance in the post-pandemic period has only increased.

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### Way forward

Since some participants seem unwilling, the government would do well to **reassess the asset monetisation plan**. It is likely that some PSEs are unwilling to give up control of core assets for good reasons and should not be forced to do so.

To be sure, a **one-size-fits-all solution may not work**. The idea of transferring assets for a defined duration can work well in a sector like roads, for instance. In the petroleum sector, the **inability to pass on higher prices will dent the profitability and investment capability** of PSEs, which may not be covered by asset monetisation.

Further, the government should **push full privatisation of PSEs**. Asset monetisation in state-owned telecom companies, for instance, is unlikely to take them very far.

The govt departments that hold large assets, such as the railways, will **need to be dealt with differently**. Different kinds of assets will need **different methods for monetisation**.

### **DISINVESTMENT AND RELATED ISSUES**

#### 22. **Improve governance before divesting**

**Source:** The post is based on an article “Improve governance before divesting” published in the Business Standard on 02<sup>nd</sup> June 2022.

**Syllabus:** GS3 Issues and Challenges in Mobilization of Resources; Investment Models

**Relevance:** Disinvestment and Privatization; Corporate Governance

**News:** In the last few decades, the government has realised that the **public sector enterprises (PSEs)** should not be present in many of the sectors of the economy. Therefore, they need to exit.

#### **What are the issues in the functioning of the PSEs?**

The listed PSEs perform worse than their **sectoral peers** on the stock market.

– For instance, during FY17 to FY22, the **PSE index return (Nifty PSE)** was less than 2% compared to Nifty 50 return of over 90% and Nifty 500 return of over 85%.

**Investors** do not have full faith in the PSEs. They are **sceptical** whether their operations are based only on market considerations, whether PSEs will keep shareholders’ interest as supreme and whether their boards are actually independent.

Investors expect that the structural/operational issues of the PSEs should be resolved before they are listed/or if already listed, to resolve them without any delay.

In the last few decades, the corporate governance norms and standards in India have evolved. The recommendations of **Kumar Mangalam Birla Committee** 1999 led to the **clause 49** requirement in the listing agreement of companies with stock exchanges.

Listed PSEs routinely seek **various regulatory dispensations or** exemptions. They cite various reasons like serving a public purpose, historical reasons, strategic consideration, PSE’s incorporation under special act, and so on. Therefore, they have put little effort to **align** their **structures, operations and work culture** in line with the other listed companies in the private sector.

In India, the rule-making on the subject of **minimum public float norms** for listed companies is in the government’s domain. However, world over this is in the realm of **market regulators** and stock exchanges.

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The PSEs often disregard the **rule** whether they **don't have relaxations**. For instance, **55 listed PSEs** didn't have the requisite number of **independent directors** and **28** didn't have even **one-woman directors** (independent or otherwise) on their board.

There is **constant pressure** to achieve the **annual target of the disinvestment amount**. The government does little to improve the corporate governance of PSEs.

### Way Forward

It is important for the PSE to improve the corporate governance norms before initiating any divestment/privatisation process.

The PSEs should follow the same regulatory norms and framework like their peer firms which are listed on the stock market.

**The Uday Kotak Committee** has taken into account the changing scenario, the experience gained, and reviewed the corporate governance norms.

Instead of announcing the **disinvestment amount target**, the government should announce the **annual targets** like the number of PSEs to achieve minimum public float in that year; meeting the norms of independent directors and a woman director in their board; etc.

The new approach will benefit the investors in PSEs and will fetches **better price** to the government during divestment or privatisation.

### GS3 – AGRICULTURE – MAJOR CROPS

#### **FALL IN THE PROCUREMENT OF WHEAT**

##### 23. [A ban on wheat exports was the country's least damaging option](#)

**Source:** This post is based on the article “**A ban on wheat exports was the country's least damaging option**” published in **Livemint** on **3rd June 22**.

**Syllabus:** GS3 – Economy

**Relevance:** Wheat export ban and related issues

**Context:** The Indian export ban on wheat in mid-May drew much negative attention. The ban was on private sector wheat exports, leaving open government-to-government contracts.

The widespread criticism of the ban was misplaced.

[Details about the wheat export ban and related issues](#)

The issue has been covered in detail in the following articles,

- [Boon to ban: How the wheat export story changed in two months](#)
- [Why GoI can resume wheat exports](#)
- [What explains India's U-turn on wheat exports?](#)
- [India can't feed the world with a major chapati crisis at home](#)
- [Frequent policy flip-flops are bad for farmers as well as consumers](#)

Why the criticism of the wheat export ban is unwarranted?

Economists routinely condemn sudden policy reversals because these erode trust in government. However, in this case, it was the **least damaging of options** before the government.

Reducing the free food grain would have been an even more disastrous betrayal of public trust.



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To have provided farmers a bonus above the MSP of ₹250 per quintal, so as to outcompete export demand, would have been a **fiscally disastrous additionality** to the food subsidy.

In the midst of a fiscal watch on public debt levels, and inflation concerns, all avenues were blocked other than a ban on free-flowing wheat exports.

The wheat export ban signalled **cognizance by the government of the need for multiple actions** to stem inflation

How have other countries responded to India's wheat export ban?

International calls to reverse the ban continue.

At a high-level ministerial meeting in New York on '**Global Food Security: Call to Action**', India was reminded of its global responsibilities, especially in the context of its upcoming role as chair of the G-20.

The issue figured prominently in a meeting of the UN Security Council. And of course, it will come up at the G-7 meeting later this month in Germany.

The immediate reason for the ban was the drop in the production of wheat due to extreme heatwave conditions caused by global warming and climate change.

Global leaders reminding India of its responsibilities have themselves not come through with their climate finance commitments.

Way forward

The principle is clear.

The setting of global targets and monitoring of individual country contributions cannot be selectively done by a powerful subset of countries. Countries outside that exclusive subset have to be **allowed to retreat from commitments** to the free flow of exports if their domestic imperatives compel them to do so

GS3 – SCIENCE AND TECHNOLOGY – INFORMATION AND TECHNOLOGY

### **ASSISTIVE TECHNOLOGY AND RELATED ISSUES**

#### 1. **[New WHO report on assistive technology for disabled provides a roadmap for India](#)**

**Source:** This post is based on the article "**New WHO report on assistive technology for disabled provides a roadmap for India**" published in **The Indian Express** on **6th June 22**.

**Syllabus:** GS2 – Govt policies and interventions, Issues related to Disability

**Relevance:** Assistive Technology (AT) and related issues

**News:** The World Health Organisation (WHO) and United Nations Children's Fund (UNICEF) jointly launched the **first Global Report on Assistive Technology (GReAT)** on May 16.

What is Assistive technology (AT)?

It may include any item, piece of equipment, software programme or product system that is used to **increase, maintain, or improve** the **functional capabilities** of persons with disabilities.

These aids could also be

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- **Physical products** such as wheelchairs, eyeglasses, hearing aids, prostheses, walking devices or continence pads;
- **Digital products** such as software and apps that support communication and time management; or
- **Adaptations** to the physical environment, for example, portable ramps or grab-rails.

Different disabilities require different assistive technologies, and these are designed to help people who have difficulty speaking, typing, writing, remembering, seeing, hearing, learning, or walking.

*A billion people globally are currently estimated to be in need of assistive technology (AT); this is projected to double by 2050.*

### What are the findings of the GReAT report?

The GReAT report draws upon surveys conducted in 20 countries. Some key findings:

- Proportion of the population currently using **at least one assistive product** ranges from **less than 3% to about 70%**.
- Those reporting that they **use or need at least one assistive product** range from about 10% to nearly 70%; the extent to which these needs are met varies from about 2% to nearly 90%.
- Universal assistive technology coverage implies that everyone, everywhere receives the AT that they need without financial or any other hardship.

### What are the challenges regarding access and coverage wrt AT?

These are best understood when seen from the following five parameters.

**People:** This is related to the age, gender, type of functional difficulty, location and socioeconomic status of those in need of AT.

**Products:** The range, quality, affordability and supply of assistive products continue to pose considerable challenges. Quality and standard issues such as safety, performance and durability are key concerns.

**Provision:** The information and referral systems remain complex and **services are not available across all geographies** and populations. The range, quantity and quality of assistive products procured and provided, as well as the efficiency of delivered services, remain **below par**.

**Personnel:** The **workforce gaps** are not just about numbers, but also about adequate training and education too.

**Policy:** A survey of more than 60 countries reported that they have at least one government ministry or authority responsible for access to AT. Even then, the current levels of access imply a long road to universal AT access.

### India

Disadvantaged groups and communities face hardships in their **search for affordable quality healthcare** in India. This is more so wrt obtaining ATs and associated services — the estimated **unmet need is about 70%**.

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ATs handed out in camps or as a part of social service initiatives are a **sporadic activity** without the use of statistics as a basis for unmet needs. Products are often **sub-standard** and lead to poorer health outcomes.

### Way forward

Including assistive technology in **universal health and social care** services is a critical imperative.

The health system's responsibility in providing **equitable access to ATs**, is increasingly being recognised and **country-level plans** are being drawn up with an aim to fund and provide ATs under the UHC.

Until AT solutions are integrated with the existing primary healthcare packages the current top-down approach is of limited benefit. The GREAT Report provides that roadmap.

## GS3 – INDIAN ECONOMY – ISSUES RELATED TO GROWTH AND DEV

### **INDIA'S GDP AND RELATED ISSUES**

#### 2. **India is not the fastest growing big economy**

**Source:** The post is based on an article “**India is not the fastest growing big economy**” published in the “**The Hindu**” on **11<sup>th</sup> June 2022**.

**Syllabus:** GS3 Indian Economy; issues and challenges pertaining to growth and development

**Relevance:** India's GDP growth

**News:** Recently, the Provisional Estimates of **Annual National Income in 2021-22** was released. It showed that India's GDP grew 8.7% in real terms and 19.5% in nominal terms (including inflation) which made India the **fastest growing major economy** in the world.

#### **What are the problematic areas in the present GDP estimation?**

As per data, Indian GDP has registered **no growth** since the pre-pandemic year. India has just recovered the level of GDP that was before the pandemic. It was impacted by the COVID-19 lockdown, supply disruptions following the war in Ukraine and the severe COVID-19 lockdown in China.

It also means India has been facing **high inflation**.

#### **What are the underlying causes for the above-mentioned problem?**

There is an issue in **correctness of data** used in quarterly estimates since very limited data are available for estimating it. The reasons are

(1) During 2020-21, full data could not be collected due to the pandemic induced lockdown and other measures.

(2) **Agriculture** is a part of the unorganised sector. Very little data is available for its assessment.

(3) The limited data available for the organised sector is used as a proxy for the **non-agriculture unorganised sector**. This method may have been acceptable before demonetisation (2016),

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however, the **unorganised non-agriculture sector** has suffered far more than the organised sector during the waves of the pandemic.

At present, the **data** used remains largely unchanged. This implies that the same error is being carried forward. It means the errors made in the quarterly data are repeated in the annual data.

If GDP data are incorrect, data used on its components like **private consumption** and **investment** are also incorrect.

– For example, according to the RBI, consumer confidence throughout 2021-22 was way below its pre-pandemic level. So, consumption could not have come close to its pre-pandemic level.

### **What is the possible correction in the provisional estimate?**

The GDP for 2021-22 has grown by only 1.8%, and not 8.7%. Further, It would be less than the pre-pandemic GDP of 2019-20 by 4.92%. It is because the organised sector and agriculture are growing at the official rate of growth of 8.2% and 3%, respectively. However, the **non-agriculture unorganised component** has been declining due to the **closure of units** and the **shift in demand** to the organised sector.

### **Way Forward**

Clearly, recovery is incomplete and India is not the fastest growing big economy of the world.

## **GLOBAL HUNGER**

### **3. Global hunger calls for a collective action**

**Source:** The post is based on an article “**Global hunger calls for a collective action**” published in the **Live Mint** on **10<sup>th</sup> June 2022**.

**Syllabus:** GS 3 Issues of Buffer Stocks and Food Security

**Relevance:** Food Security

**News:** In a statement, the United Nations’ Secretary General, said that: Global hunger levels are at a new high. In just two years, the number of **severely food insecure people** has doubled from 135 million to 276 million.

The present situation is pointing towards a global food shortage. It may push millions of people into **food insecurity**, followed by **malnutrition**, **mass hunger** and **famine**, in a crisis that could last for years.

### **What are the causes of stress?**

#### **Proximate Causes**

The coronavirus pandemic created **food insecurity** by disrupting agricultural production, supply-chains and livelihoods.

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The cost of energy and fertilizers rose sharply due to high crude oil prices between late 2020 and early 2022.

The **Russia-Ukraine war** has disrupted world wheat exports and world maize exports, as both countries are major exporters. This has been due to blockades and economic sanctions.

Climate change has impacted wheat yield in 2022. For example, the **world's largest producer of wheat** (China) is facing rain, the **world's second-largest producer of wheat** (India) is facing an **unprecedented heat wave**, the US wheat belts have insufficient rain etc.

Another cause of concern is that **world prices of wheat** have risen by 60% in less than six months. In addition, energy, fertilizers and pesticides are surging which will adversely impact agricultural output.

The availability of food grains for human consumption is constrained not only by output levels, but also by alternative uses. For example,

- (a) 33% of maize produced in the US and 40% of wheat produced by the EU is fed to cows.
- (b) proportion of grains and vegetable oils are used to make biofuels—ethanol and biodiesel.

### Ultimate Causes

There is a **deeper structural problem** in the world food system.

(1) production and exports are concentrated in 10-12 countries. like Eleven countries account for 70% of global wheat production. Just ten countries account for 86% of world wheat exports.

(2) A relatively small proportion of world output—25% for wheat and 15% for maize—is exported. The rich countries are the major exporters.

(3) Similarly, just **ten countries** account for 83% of world imports. All ten are developing countries. Around 2/3rd of the world's population lives in these countries in the developing world.

(4) The regions that are dependent on wheat imports for food are North Africa, Sub-Saharan Africa and the Middle East. Russia and Ukraine provide 25%-75% of their wheat imports.

(5) **Poor** is the most vulnerable section in these countries which are hardest hit. They spend at least 40%, of their income on food. As per **Amartya Sen's analysis** in Poverty and Famines, famine deaths are caused due to income shortage rather than food shortages.

### Consequences

The poor countries cannot afford to buy scarce food at high prices. Therefore, poor will suffer hunger and starvation

The situation will further unleash **economic, social and political tensions** within these countries in the developing world, which could spill over across **national boundaries**.

### Way Forward

Global hunger is a global problem. It requires **international collective action** instead of **national actions** in isolation. Therefore, the measures should be implemented with solidarity through cooperation.

## **INDIA'S TRADE POLICY**

### 4. **International trade remains important**

**Source:** The post is based on an article “International trade remains important” published in the Business Standard on 8<sup>th</sup> June 2022.

**Syllabus:** GS3 Indian Economy, Effects of liberalization on Indian Economy

**Relevance:** International Trade, External Sector

**News:** In 2022, international trade is being impacted by a continuing global pandemic, a European war, widespread economic sanctions, supply chains disruptions and sudden national bans and caps on exports of essential commodities.

#### **Global Trade**

The World Trade Organization (WTO) estimates that global goods trade has expanded by about 40 times (in terms of volume) and nearly 300 times (in terms of value) between 1950 and 2020.

The **World Bank data** shows that the share of world trade (including services) in world GDP soared from 24% in 1960 to 57% in 2010. However, it has plateaued thereafter.

Consequently, unprecedented growth in global GDP has been principally due to the sustained surge in world trade.

#### **India's trade**

India's trade to GDP ratio has risen from 15% in 1990 to 27% in 2000 and peaked above 50% in 2011. The total (goods and services) exports share of GDP has touched nearly 25%.

#### **Importance of Global Trade**

Trade contributed to competitiveness, productivity and technical progress.

India too benefited. India liberalised complex and restrictive trade regime after 1990 and made the exchange rate market responsive.

#### **What were the driving forces behind the growth in world trade?**

The general technological progress, rising national savings and investment, and the spread of good education played important roles.

The major causes of expansion in world commerce were the **eight “Rounds” of multilateral negotiations** for trade liberalizations under the auspices of **the General Agreement on Tariffs and Trade, the precursor** between 1947 and 1994. These negotiations were driven by industrialised countries. The developing nations were mostly **“free riders”**.

#### **What are the challenges?**

After the formation of WTO, there has not been a single successful **Round of multilateral trade liberalisation**.

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At present, there has been a shift to large and small preferential and **free trade agreements** (PTAs and FTAs) having limited member country participation.

At present, the Ukraine conflict is damaging global trade and production.

Since 2011, India's trade share in GDP had declined markedly to 39% by 2019. This has been due to the stagnation of **merchandise exports**.

### **What are the factors which have led to India's lacklustre performance?**

First, the rupee's exchange rate (in terms of the Real Effective Exchange Rate) was overvalued for much of this period.

Second, India failed to participate effectively in the rapid increase in global value chain based trade after 2000.

Third, there has been marked rise in India's tariffs and other protective measures after 2015. This has been against **buoyant expansion** of the country's goods exports, both within and outside global value chains (GVCS).

The world trade dynamism has faltered since 2010, following the **global financial crisis** and other **deglobalizing factors** such as Brexit, the Trump protectionism, the global pandemic and the war in Ukraine and associated economic sanctions.

### **Broad priorities for India's trade policy**

(1) Phase out the tariff increases that have occurred since 2017, because the best trade policy for any nation is to maintain an **open** and **unrestrictive trade policy** and as per "**symmetry theorem**" of 1936, "a tax on imports amounts to a tax on exports"

(2) Instead of tariffs or quota restriction on imports, the government should use external payments pressures, and exchange rate depreciation as the primary instruments.

(3) The monetary and fiscal measures are preferable to export bans and duties to deal with inflation because sometimes the latter pave the way to balance of payments problems.

(4) India's concluded FTAs with Australia and the UAE are welcomed. There should be discussions with other Gulf Cooperation Council nations, Israel, the UK, the European Union (EU) and the new Indo Pacific Economic Framework.

(5) In order to improve India's currently low engagement in global and regional value chains, the government should rethink renewed engagement with the **Regional Comprehensive Economic Partnership (RCEP)** in our Asian neighbourhood. This has huge potential for trade expansion.

### **CMIE'S' CONSUMER SURVEY FINDINGS**

#### **5. How best to interpret CMIE's consumer survey findings**

**Source:** This post is created based on the article "**How best to interpret CMIE's consumer survey findings**" published in **Live Mint on 7<sup>th</sup> June 2022**.

**Syllabus:** GS Paper 2, **Social and associated issues**

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**Context:** Centre for Monitoring Indian Economy (CMIE) has been at the forefront of providing necessary data that provide information about the average Indian household. However, some discrepancies in the survey methodology brought the CMIE data under question.

CMIE provided the surveys during lockdowns that helped to understand the scale of urban unemployment and distress migration of urban workers to rural farms. It received admiration for providing real-time data, free from state influence.

### What are the discrepancies in CMIE survey?

CMIE reports **fewer women in the workforce than the Periodic Labour Force Survey (PLFS)**.

Women's **labour force participation rates** estimated by CMIE are roughly half the 'official rate' estimated by the PLFS.

CMIE shows a **higher share of respondents with post-office savings**, pension (or provident fund) plans, and insurance products (life and health) compared to the All India Debt and Investment Survey (AIDIS) 2019.

### What are the concerns raised against the CMIE survey?

**First**, Very poor, uneducated, and very rich have found less representation in the survey, compared to National Family Health Survey (NFHS, 2019-21).

**Second**, the **sampling theory** demands that surveys **select households in the primary sampling unit (typically villages or urban wards) randomly** from a list of all households in that unit. However, CMIE did not follow this theory. It asked field staff to count the number of households in the street after entering there and pick a random number, between 5 and 15, to select households. **After completing the main street, the person moves to the inner streets.** Thus, there was a **lack of a complete listing, the absence of a random start, and the use of an 'ad-hoc' interval (5-15)** to select households.

**Third**, this method is mainly **problematic in rural areas**, where **residential arrangements are not random**. Richer households often tend to be clustered on the Main Street and poorer households on the periphery.

CMIE is currently investigating its survey methods for any biases. Thus, until these reviews and corrections are done, these surveys should be used cautiously.

GS3 – INDIAN ECONOMY – MONETARY POLICY

### **INFLATION AND RELATED ISSUES**

#### 6. **The inflation spectrometer**

**Source:** The post is based on an article "**The inflation spectrometer**" published in the **Business Standard** on **7<sup>th</sup> June 2022**.

**Syllabus:** GS3 Indian Economy

**Relevance:** Macroeconomic Conditions; Inflation



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**News:** Inflation is a **macroeconomic phenomenon** which is under pressure at global and local level.

### Major driving factors behind inflation

Inflation is caused by a number of factors which may include supply, demand, local and global factors.

### Globally

The inflation started with the **US fiscal stimulus** during Covid-19. This pushed inflation. This led to increased demand when global production was impaired due to Covid-19. This resulted into **shortages** and **longer delivery times**.

The **wage-price spiral** (when higher prices lead to higher wages, which in turn drive the next round of price hikes) is now visible in the US. This may be visible across the world.

The **Russia-Ukraine conflict** has made it harder to adjust with demand and supply disruption caused earlier. The conflict and the associated sanctions have reduced the global supply of food and energy.

The countries are competing for the **remaining supplies of energy**. This has been the driving force in pushing up prices.

In addition, Higher prices have also **not** triggered **investments** in new supplies yet, as suppliers lack certainty on how long the shortages may persist.

### Local drivers of inflation:

Inflation occurs when a **stimulus pushes** aggregate demand above the economy's capacity to meet it. In India, the **total government deficit** is higher than in pre-Covid times. The recent fiscal steps to prevent a rise in fertiliser and fuel prices may lead to spreading of inflation over a longer period.

The rise in India's **current account deficit (CAD)** suggests domestic demand, at present, is unsustainable.

The labour market is also the most important driver of sticky inflation. The NREGA work demand has reduced. It is the most reliable indicator of unemployment in India.

Some other drivers of Indian inflation are the rise in **telecom tariffs**, and the low base of cereals prices

### Measures Taken

Nearly every major economy has announced energy subsidies due to domestic political compulsions as well as the need to sustain growth,

### What are the issues in fiscal and monetary policy measures?

The **fiscal and monetary measures** have limited implications. They cannot offset the shortages. The above-mentioned **fiscal measures** will only prolong the period of higher energy prices.

### Way Forward

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The **US federal fiscal deficit** as a share of gross domestic product or GDP has declined. There is an ongoing switch between **goods-to-services** in consumption; shipping bottlenecks have been easing; global industrial production has restarted, and there is evidence of **excessive inventory** in many supply chains.

The US needs to do further **monetary tightening**.

**The Monetary Policy Committee** should target the inflation. Further, the consumer price index may provide a better measure of **persistent inflationary impulses** in the economy that monetary policy can try to address.

There should be **normalisation of rates** given the healthy post-Covid recovery.

Instead of using interest rates, the government can let the rupee weaken to address the BOP imbalance.

### 7. How to keep inflation under control

**Source:** The post is based on an article “**How to keep inflation under control**” published in the **Indian Express** on **6<sup>th</sup> June 2022**.

**Syllabus:** GS3 Indian Economy, Agriculture Sector, Monetary policy

**Relevance:** Food Inflation, Edible Oil, etc.

**News:** Recently, the GDP growth of India has been pegged at 8.7% for the fiscal year 2021-22. It seems the economy is largely out of the shadow of Covid-19.

But both GDP growth and inflation are likely to be in the range of 6.5 to 7.5 per cent in 2022-23 if bold and innovative steps are not taken.

#### **What are the problems in front of India's growth story in 2022-23?**

India is witnessing a raging inflation that is CPI at 7.8%, food CPI at 8.4%, and WPI inflation at more than 15%

#### **What are the proposed focused policy actions to deal with the problems?**

**First**, the RBI should keep **inflation** at 4%, plus-minus 2%. For this, it has already started the process of **tightening monetary policy** by raising the repo rate. There should be **fine calibration** of the repo rate at least to 5.5% by the end of 2022-3.

**Second**, the finance ministry should go for more **prudent fiscal policy**. The fiscal deficit which soared to more than 9% in 2020-21 and 6.7% in 2021-22, in wake of Covid-19 must be tightened.

**Third**, the government should adopt a **rational trade policy**. There should not be a **knee jerk reaction**, like, India announced a ban on exports of wheat, and imposed restrictions on sugar exports in the name of taming inflation. In fact, the **abrupt export bans** are **poor trade policy**. A **more mature approach** requires a gradual process of minimum export prices and transparent export duties. Further, abrupt restrictions/bans on exports, cannot tame inflation visible globally.

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The government can moderate inflation at home through **liberal import policy**, and **reducing tariffs** across the board. For example, the government reduced tariffs on palm oil, soya oil, and sunflower oil where CPI is very high. Similarly, the government should also reduce tariffs on **rapeseed** and **cottonseed oils** which remain prohibitively high at 38.5 per cent for crude and 49 per cent for refined despite high inflation in the last two years.

### What are the challenges?

The **fiscal deficit reduction** to less than 5% is going to be **challenging** because of **enhanced food and fertiliser subsidies**, and **cuts in duties of petrol and diesel**.

Further, the fiscal policy might remain more populist. Therefore, the fiscal deficit might remain in the range of **6.5 to 7.5%** in 2022-23.

### Way Forward

The **tax revenues** should be improved substantially. The government can go for **monetising land** and **assets of public enterprises**.

India must focus on two critical commodities, i.e., **crude oil** and **edible oils** to become self-reliant. For example, India is almost 80% dependent on crude oil imports and 55-60% dependent on edible oils imports for our domestic consumption.

To reduce import dependence in crude oil, **sugarcane** and **maize production** can be promoted, in water abundant states like eastern UP and North Bihar. This can lead to **massive production** of ethanol from sugarcane and maize.

To reduce import of edible oils, a large programme of **palm plantations** in coastal areas and the **northeast** is the right strategy.

To control **food inflation** on a sustainable basis, **investment** should be made to **raise productivity** and to make **agri-markets** work more efficiently.

## GS3 – SCIENCE AND TECH – INFORMATION TECH

### Web 3.0 and related issues

#### 8. [Web3 is the business model of a decentralized new virtual world](#)

**Source:** The post is based on the article “**Web3 is the business model of a decentralized new virtual world**” published in the “**Livemint**” on **10<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Awareness in the fields of IT

**Relevance:** Understanding the concept of Web 3.0, its characteristics and examples.

**News:** Practical examples of Web 3.0 proved that it is like going back to early human settlements, with all transactions happening peer-to-peer with easy mutual trust and locally minted currency.

Blockchains provide the decentralized foundation of trust for this new old world, and Web 3.0 is the business model driving it.

### What is Web 3.0?

Web 3.0 is decentralized, owned by the user community, uses blockchain technology, and is powered by cryptocurrency.

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What makes Web 3.0 unique?

Some other unique characteristics include,

**Permissionless:** Since one does not need the consent of a controlling entity like Facebook or Google to engage.

**Ubiquitous:** With the internet is available everywhere to everyone, even to machines.

**Leader-free:** As users participate as equals in a project's governance and ownership through crypto-tokens as proof-of-stake.

It is also **Trustless:** As transactions and interactions can happen without the need of a central authority.

What are the real-world examples of Web 3.0?

**Helium** is a decentralized wi-fi network, owned by everyone and powered by cryptocurrency.

**Arcade City** is a decentralised taxi service, owned by a cooperative of drivers.

Israeli startup **La Zooz'** is a self-managed ride-sharing platform, that connects drivers with empty seats and riders.

**Axie Infinity** is a video game popular in Asia, especially in the Philippines.

How does web 3.0 evolve?

Web 1.0 was about reading static content pages on MSN, Yahoo or AOL in 1990s.

Web 2.0 burst forth in 2005 with Facebook, Twitter, YouTube, etc. This facilitated people with creating and posting their own content. This is a highly centralized model.

Web 3.0 goes beyond active participation by letting persons own and build pieces of it through ownership tokens and blockchain enablers.

Overall, If the pre-internet/web1 era favoured publishers, and the web2 era favoured the platforms, Web 3.0 favours the next generation of innovations. Further, it is all about tilting the scales of power and ownership back toward creators assessed users.

### ONDC AND RELATED ISSUES

#### 9. [Open network for e-commerce: It's an idea whose time has come](#)

**Source:** This post is created based on the article **“Open network for e-commerce: It's an idea whose time has come”** published in **Live Mint on 7<sup>th</sup> June 2022. Syllabus Topic – GS Paper 3 – Science and tech**

**Context:** The Open Network for Digital Commerce (ONDC) was launched in few cities recently on a pilot basis. It has the potential to usher in a disruptive change.

#### **India's potential in digital economy**

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India has the world's highest fintech adoption rate of 87%, as compared with the global average of 64%.

E-commerce market in India doubled between 2017 and 2020.

3 of the largest public digital platforms in the world are from India i.e.

4. Aadhaar – A unique digital identity platform
5. Unified Payments Interface (UPI) – largest digital payments ecosystem.
6. **Co-Win** – the largest vaccination platform

### About ONDC

Open Network for Digital Commerce (ONDC) is a globally first-of-its-kind initiative that aims to democratize digital commerce.

Read [about ONDC](#)

### How ONDC would bring disruptive changes in online commerce?

It creates a **shift from a platform-centric model to open networks**. It means citizens of India would be able to make deals using any ONDC-compliant platform.

Furthermore, it will **digitize the entire value chain**, and standardize operations (like cataloging, inventory management, order management, and order fulfillment).

It will **make e-commerce more inclusive** for small retailers.

It will **give freedom of choice** to the consumer.

Not only that, but it will **enable transactions of any denomination**, thus making ONDC a truly 'open network for democratic commerce'.

**Small businesses will be able to save more** as they won't have to pay deep cuts to aggregator platforms.

ONDC will be **compliant with the Information Technology Act, 2000**, and the emerging Personal Data Protection Bill. It will provide privacy protection to the users.

The development of ONDC has been very **contextual to Indian needs**, designed for a diverse society with a wide continuum of digital skills and for solutions to specific local problems.

Lastly, it **offers a vital global template for the harnessing of technology** for and as a public good at population scale in an inclusive and equitable way.

GS3 – INDIAN ECONOMY – IND POLICY AND GROWTH

### **REGULATION OF FINTECH**

#### 10. [Fintech challenge is a fantasy](#)

**Source:** This post is based on the article "**Fintech challenge is a fantasy**" published in **The Business Standard** on **9th June 22**.

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**Syllabus:** GS3 – Economy – Money and banking

**Relevance:** Fintech sector and related issues

**News:** The government is poised to launch 75 digital banks soon.

What will be launched are **Digital Banking Units (DBUs)**. **These are a new way of making available digital products of existing banks and non-banking financial companies (NBFCs).**

If one thinks that a sleek set of new banks is going to challenge traditional banks, one is mistaken.

**What are Digital Banking Units (DBUs)?**

These are the outlets where people can avail of banking products, mostly on their own.

There will be personnel to assist them, but these will be kept to the minimum.

In other words, a DBU can be seen as a branch that operates mostly in a digital (or paperless) mode.

DBUs are one way in which digital products can be offered. In this model, the digital products stay within the bank.

**What are the advantages offered by DBUs?**

By eliminating paper, DBUs can **reduce processing time** and **help enhance employee productivity**.

**What are the challenges?**

Even highly literate customers **prefer the convenience of walking into a normal branch** to meet many of their banking needs. To suppose that in under-served areas, people will be able to help themselves to any but the most basic banking products (say, deposits) is a stretch.

DBUs may be able to grow deposits quickly, but they are unlikely to be able to do much on the asset or fee income side.

**What are Neo-banks?**

Digital products can also be offered through **digital banking subsidiaries** or by **standalone digital banks (neo-banks)**

– In the late 1990s and early 2000s when online banking came into fashion abroad, banks did experiment with digital banking subsidiaries. These did not work and were subsumed into the parent. Standalone banks based on internet banking did not survive either.

Standalone digital banks have made a comeback, thanks to the mobile phone. They are part of the broader category of players labelled fintech.

**What are the various ways in which fintech can happen?**

Fintech, which is the provision of financial products through electronic platforms, can happen in three ways.

**One**, through entities that compete with banks (such as digital banks).

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**Two**, through entities that collaborate with banks by providing a range of services, such as customer acquisition, KYC checks, loan processing and screening, loan collection, risk management, customer management and so on.

**Three**, through entities that eliminate the need for financial intermediation, for example, peer-to-peer lending platforms.

### Are digital banks a threat to traditional banks?

Unlikely. These banks do not target traditional banks head on due to the following factors:

Digital banks take **higher risks** and are often suffer from **poor margins and profitability**.

**Target different customer base:** Digital banks typically target high risk customers that banks tend to avoid. These include: **a)** Individuals with lower incomes or lower credit scores, **b)** commercial real estate and **c)** unsecured lending.

**Digital banks' potential for fee income is lower** because they deal with lower income clients.

**High marketing expenses:** What they save on non-establishment of brick and mortar branches is more than offset by huge marketing expenses. Not surprisingly, most are loss-making.

**Centrality of bank branches:** The experience of the past two decades suggests that the **centrality of the branch to banking remains**. Digital banking cannot wholly substitute the branch when it comes to customer acquisition. It is a tool for customer retention, an added service that banks provide by way of holding on to customers.

Banks have always adapted to the challenges thrown at them by competitors, like NBFCs and fintechs. They have evolved their business model by providing high-yielding products that the competition is offering, or acquiring the competition altogether.

Hence, the notion that fintech will displace banks is a fantasy. Banks will imitate fintechs or swallow them, they aren't going to disappear.

### Way forward

Digital banks are lightly regulated at the moment. They are a threat, not so much to banks, as to banking stability on account of the systemic risk they pose. Hence, they **need to be regulated tightly**.

## IPR AND RELATED ISSUES

### 11. Crime and copyright infringement

**Source:** The post is based on an article "**Crime and copyright infringement**" published in the "**The Hindu**" on **8<sup>th</sup> June 2022**.

**Syllabus:** GS3 Intellectual property rights (IPR)

**Relevance:** The Copyright laws in India

**News:** The Supreme Court of India, in ***Knit Pro International v. The State of NCT*** has ruled that the copyright infringement is a cognisable offence under the Code of Criminal Procedure (CrPC), 1973.

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### Legal framework for copyright in India

The Indian Copyright Act makes a distinction between **commercial** and **non-commercial infringement**.

It allows the courts to impose a sentence of less than six months or a fine of less than Rs. 50,000. The imprisonment may extend up to three years.

The law criminalises those acts which grossly violate a copyrighted work. For example, Bollywood production house faces criminal investigations on the criminal complaints filed by scriptwriters.

### What is a cognizable Offence?

It means that the police can begin investigations into allegations of copyright infringement on receiving a complaint. However, in a **non-cognisable offence**, the police start an investigation only after a judicial magistrate had taken cognisance of the offence and directed the police to initiate an investigation.

### Implication of the judgment

Since the offence would be cognisable and non-bailable. Therefore, the copyright owners, especially in the software and music industries, can extort disproportionate **licence fees** in the name of **police threat** against **potential infringers**.

This will take away the right of the accused to post a bail bond with the police. This prevents shifting the responsibility on to the courts for **judicial determination** on a case-by-case basis.

The decision can pave the way for the police to impinge on **civil liberties**, like it can have **chilling effects** on free speech. Further, it can lead to impeding the ease of business and have

### What are issues in allowing the police to begin criminal investigations into copyright infringement?

Unlike trademark law, it is **not mandatory** under the Copyright Act to register copyrights as a necessary precondition in order to enforce the same. A copyright is created the moment a piece of art or music or literature is fixed on a medium, provided it is original.

There can be issues on asserting whether the said piece of art or music or literature is in fact 'original'.

In case of original content, the use of the copyrighted work is permissible or not, is another question.

If a copyright work is qualified for protection under the Designs Act of 2000. In that case, the copyright protection cannot be claimed under the Copyright Act.

Further, in the very question of determination of copyright infringement, the court requires the court to apply the test of **substantial similarity** (both qualitative and quantitative) on a case-by-case basis.

The present levels of **training** and **funding** of the investigation officers like the average police sub-inspector, to conduct an **efficient investigation** into **copyright infringement** is limited.

### Argument against making copyright infringement a cognizable offence



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The criminalisation of copyright infringement in India should be re-looked. In 1914, the copyright infringement only attracted a **monetary fine** under the **Imperial Copyright Act, 1911**. Later, one-year imprisonment was introduced in 1957. Further, the term of punishment was tripled to three years.

The TRIPS do not require criminalising all kinds of copyright infringement. It differentiates between **copyright infringement** and **copyright piracy**. All piracy of copyrighted works is an act of infringement, but all infringement cannot be termed as piracy. For example, the criminal measures can be applied against **“wilful copyright piracy”** on a **“commercial scale”**.

It is difficult to establish guilt beyond **reasonable doubt** in copyright infringement cases.

### Way Forward

The law should be amended to **differentiate** between the different acts of copyright infringement and to include the requirement of **prior judicial cognisance** to start criminal investigation by the police.

## GS3 – INDIAN ECONOMY – MONEY AND BANKING

### **BAD BANK AND RELATED ISSUES**

#### 12. Of what good is a bad bank?

**Source:** This post is based on the article **“Of what good is a bad bank?”** published in **The Hindu** on **7th June 22**.

**Syllabus:** GS3 – Economy

**Relevance:** Bad bank and related issues

**News:** Union Finance Minister recently announced that the **National Asset Reconstruction Company** (NARCL) along with the India Debt Resolution Company (IDRCL) will take over the first set of bad loans from banks and try to resolve them.

The decision to set up a **bad bank** was taken by the Union government during the Budget presented last year in the aftermath of the nationwide lockdowns, and the moratorium was subsequently extended to borrowers by the Reserve Bank of India (RBI).

*The gross non-performing assets (GNPA) ratio of Indian banks has declined from a peak of 11.2% in FY18 to 6.9% in Q2FY22.*

#### **What is a ‘bad bank’?**

A bad bank is a financial entity set up to buy non-performing assets (NPAs), or bad loans, from banks.

The aim of setting up a bad bank is to help **ease the burden on banks** by taking bad loans off their balance sheets and get them to lend again to customers without constraints.

After the purchase of a bad loan from a bank, the bad bank may later try to **restructure and sell the NPA to investors** who might be interested in purchasing it.

#### How does a bad bank generate profit for itself?

## 9 PM Compilation for the Month of June, 2022

A bad bank makes a profit in its operations **if it manages to sell the loan at a price higher than what it paid to acquire the loan** from a commercial bank.

However, generating profits is usually **not the primary purpose of a bad bank** — the objective is to ease the burden on banks, of holding a large pile of stressed assets, and to get them to lend more actively.

### What are the pros and cons of setting up a bad bank?

#### Advantages

– A supposed advantage in setting up a bad bank, it is argued, is that it **can help consolidate all bad loans** of banks under a single exclusive entity. The idea of a bad bank has been tried out in countries such as the U.S., Germany, Japan and others in the past.

#### Disadvantages

Former RBI governor Raghuram Rajan has been one of the fiercest critics of the idea.

– He argued that a bad bank backed by the government **will merely shift bad assets** from the hands of public sector banks, which are owned by the government, to the hands of a bad bank, which is again owned by the government.

Other analysts believe that unlike a bad bank set up by the private sector, a bad bank backed by the government is **likely to pay too much for stressed assets**.

– While this may be good news for public sector banks, which have been reluctant to incur losses by selling off their bad loans at cheap prices, it is **bad news for taxpayers** who will once again have to foot the bill for bailing out troubled banks.

### Will a 'bad bank' help ease the bad loan crisis?

A key reason behind the bad loan crisis in public sector banks, is the **nature of their ownership**.

– Private banks are owned by individuals who have strong financial incentives to manage them well. On the other hand, public sector banks are managed by bureaucrats who may often not have the same commitment to ensuring these lenders' profitability.

– To that extent, bailing out banks through a bad bank does not really address the root problem of the bad loan crisis.

Further, there is a huge **risk of moral hazard**. The safety net provided by a bad bank gives banks more reason to lend recklessly and thus further exacerbate the bad loan crisis.

### Will it help revive credit flow in the economy?

Read [here](#).

## GS3 – ENVIRONMENT – ENVIRONMENTAL REPORTS AND SURVEYS

### ENVIRONMENTAL PERFORMANCE INDEX (EPI) 2022

#### 13. Explained: What is the environment index, and why has India questioned it?

## 9 PM Compilation for the Month of June, 2022

**Source:** This post is based on the article “**Explained: What is the environment index, and why has India questioned it?**” published in **The Indian Express** on **11th June 22**.

**Syllabus:** GS3 – Environment

**Relevance:** India’s poor performance on the Environment Index

**News:** The newly released **Environmental Performance Index (EPI) 2022, measured by Yale and Columbia universities, ranks India at the bottom position** among 180 countries.

The Environment Ministry has issued a rebuttal, saying the indicators used in the assessment are **based on “unfounded assumptions”**.

**What is the Environmental Performance Index (EPI)?**

The EPI is an international ranking system of countries based on their environmental health.

Read [here](#).

**How poor is the EPI assessment of India?**

With a rank of **180** and a score of 18.9, India has fallen from rank **168** and a score of 27.6 in 2020.

India comes after Pakistan, Bangladesh, Vietnam and Myanmar, the poorest performers.

Denmark tops the list with a score of 77.9.

India ranks close to the bottom on a number of indicators including ecosystem vitality (178th), biodiversity (179th), biodiversity habitat index (170th), species protection index (175th), etc.

**What are the objections raised by India?**

In a statement, the Ministry of Environment, Forest and Climate Change stated that some of the indicators used for assessing performance are **extrapolated** and based on surmises and **unscientific methods**.

Two major concerns have been cited

- Baseline data does not seem to have been used, and
- There has been no explanation for the weightages assigned to certain indicators.

The Ministry said the **shifting of weightage on many indicators** has resulted in India’s low ranking.

- For example, for **black carbon** growth, India’s score actually improved from 32 in 2020 to 100 (the top score) in 2022, but the weightage of this indicator has been reduced to 0.0038 in 2022 from 0.018 in 2020.

**What is the objection with the projection?**

The government has objected to calculations of greenhouse gas projections for 2050.

The government said the projection for greenhouse gas emissions has been computed based on the average rate of change in emission of the last 10 years rather than modelling that takes into

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account a longer period, extent of renewable energy capacity and use, additional carbon sinks, energy efficiency etc.

It said crucial **carbon sinks that mitigate GHG, such as forests and wetlands, have not been taken into account.**

India's **low emissions trajectory**, unlike high historical trajectories of developed countries, **has been ignored**, it said.

The government has objected to the **low weightage given to per-capita GHG emissions.**

Among other objections raised:

- the index emphasises the extent of protected areas rather than the quality of protection that they afford
- the computation of biodiversity indices does not factor in management effectiveness evaluation of protected areas
- indicators such as agro biodiversity, soil health, food loss and waste are not included even though they are important for developing countries with large agrarian populations.

[Do environmental scientists agree with the report?](#)

As per experts, the climate change parameter of the EPI report is “**highly problematic**”.

- The EPI 2022 makes an assumption that every country has to reach net-zero by 2050 — whereas the understanding is that developing countries will need more time.
- GHG emissions will continue to grow in poorer countries for a time, unlike many developed countries, which have peaked.

The EPI 2022 is **neither ethically correct nor reflects the political reality.**

Moreover, the **low weightage given to per-capita GHG emissions** automatically reduces the ranks of countries like India and China.

- Even if air pollution declines steadily, in countries like India and China, by virtue of their large populations the overall figure of the health burden for instance, will always be high and therefore will always fall in the bottom of the pile, if per-capita GHG emissions are given lower weightage.

[Way forward](#)

Despite issues with the EPI, India does have severe local environmental issues, which have been highlighted in the report and need to be addressed.

### [14. Look at per capita: Environment reports don't do justice to better measure of India's carbon footprint](#)

**Source:** This post is created based on the article “**Look at per capita:**” published in the Times of India on **8<sup>th</sup> June 2022.**

**Syllabus:** GS Paper 3- Environment

## 9 PM Compilation for the Month of June, 2022

**News:** Environmental Performance Index (EPI) 2022 was released recently.

Recently, Environmental Performance Index 2022 ranked India at the bottom of 180 countries. The findings of the index are not accurate.

EPI does not generally accept information directly from governments. Data is used from multiple sources, including government data. Thus, the ranking does not accurately reflect India's performance.

EPI shows that India's performance on air quality is abysmal.

### **Why EPI findings about India, are not accurate?**

EPI report must consider the following aspects in its findings:

**First**, almost one in six humans live in India.

**Second**, India's cumulative CO<sub>2</sub> emissions till 2019 were a mere 3% as against 47% of the US and EU combined. The industrialised nations, which have emitted most of the greenhouse gases are among the best performers in EPI.

**Third**, in terms of per capita GHG emission, India is at 53 and ahead of Norway.

**Fourth**, India's per capita energy consumption in 2019 for air-conditioning was just 25% of the world average of 272 kWh.

### **What steps India should take?**

**First**, as per Pollution Control Board data poor air quality is mainly on account of post-harvest practices in agriculture and natural causes. But, not all farmers burn their stubble, where stubble has an economic value, stubble is not burnt.

**Second**, cost-effective solutions to reduce the impact of natural causes such as dust need attention right away.

**Finally**, rethinking the role of public transport is indispensable.

## GS3 – INTERNAL SECURITY – VARIOUS SECURITY FORCES AND THEIR MANDATE

### **INDIAN AIR FORCE**

#### 15. **How India Got Her Top Guns**

**Source:** The post is based on an article “How India got her top guns” published in **The Times of India** on 11<sup>th</sup> June 2022.

**Syllabus:** GS3 Indian Security; Indian Security Forces and Their Mandate

**Relevance:** Indian Air Force

**Context:** In 1940/50s Indian Air Force (IAF) undertook air combat tactics and training through the **Royal Air Force**.

#### **Evolution of IAF Training**

## 9 PM Compilation for the Month of June, 2022

In the post-independent India, The Indian Air Force (IAF) has sent pilots abroad (like the UK) to undergo the **Pilot Attack Instructors (PAI) course**. These pilots were required to pass on their knowledge to squadron pilots.

Although, **Maharajpur, Jamnagar, Bhopal, Amarda Road & Cholavaran** were established as centres. But, **training courses** like **air to ground weapon delivery, air to air combat and tactics** were continued to take place overseas.

During the 1960s, no IAF Fighter Leader was trained for nearly 15 years, till 1972 due to **lack of funds** and **approvals** coupled with the 1962 and 1965 wars.

### **Measures Taken to develop tactics and training more suited to Indian needs**

The Directorate of Offensive Operations was established to give a fillip to training and tactics in the IAF

The **Tactics and Combat Development and Training Squadron (TCDTS)** was set up as a one-year experiment. Initially, it was moved to Ambala. Later it was renamed as **the Tactics and Air Combat Development Establishment (TACDE)**.

Further, the establishment was moved to Jamnagar. In 2000, TACDE was moved to **Gwalior** because the location was geographically better.

The TCDTS has been given the task of conducting **low-level night strikes** on Pakistani Air Force (PAF) bases. Therefore, TCDTS has executed **night-time raids** at major PAF bases.

In 1973, the course for the **first Fighter Combat Leader (FCL)** was started. It had three pilots each from **MiGs** and **Sukhois fleets**, who were all Flight Commanders of their various squadrons and qualified PAIs from the pre-TACDE era.

The **PAI course** was reintroduced at TACDE. It was instituted as a subset of the broader **FCL Course**.

The **Fighter Strike Leader** and **Master Fighter Controller** courses were added in 1989. Further, Surface to air guided weapons (missiles) combat crew were also integrated.

In 1997 the Helicopter Combat Leader course was added.

### **Outcomes**

More than 500 pilots and over 100 Fighter Controllers had graduated from the above said unit.

### **What are the challenges?**

The MiG-21 would remain the only aircraft at TACDE for the next 12 years.

## **CDS AND OTHER ARMED FORCES REFORMS**

### 16. **CDS: Unsettled questions**

**Source:** This post is based on the article "**CDS: Unsettled questions**" published in the **Business Standard** on **9th Jun 22**.

**Syllabus:** GS3 – Various Security Forces & Agencies & Their Mandate

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## 9 PM Compilation for the Month of June, 2022

**Relevance:** The office of Chief of Defence Staff (CDS)

**News:** The government has recently announced eligibility conditions for the post of Chief of Defence Staff (CDS).

There is a **noticeable difference** between the CDS the government wanted in 2019 and what it seems to want today.

It is disconcerting that the government has modified the eligibility criteria for appointment as CDS so early in the life of the institution. This raises the question: Was the structure of the CDS, as conceived by the government's top decision makers, flawed?

What changes have been introduced in the eligibility conditions?

**Post opened for retired officers:** The most obvious difference between the 2019 eligibility conditions and the ones the government has promulgated now is that a lieutenant general, vice admiral or air marshal (*referred to collectively as lieutenant generals hereafter*) who has retired up to two years ago can now be recalled to serve as CDS for up to three years until he reaches the age of 65.

It is unclear why the defence ministry is opening the post for retired officers.

Do the three serving chiefs and 17-odd serving army commanders, all of them senior lieutenant generals, not provide the government with adequate options?

### Issues with the conditions

– A service a lieutenant general who has retired as far back as two years ago will be **rusty in his knowledge of current developments**

– Appointing a retired lieutenant general as CDS would only **give rise to suspicion** that the eligibility criteria were framed in order to elevate that particular individual.

Experience has shown that allowing retired officers to return to service in elevated positions usually **does not turn out well**.

Nor would recalling to service a retired lieutenant general, to tenant the post of CDS, provide an answer to the contentious questions relating to the **CDS's precedence and seniority**.

– Currently, the three service chiefs, all the equivalent of full generals, are senior to the defence secretary. Army commanders (*who hold the rank of lieutenant general*) are the equivalent of secretaries.

The 2019 order creating the CDS appointed him “secretary” and the head of the Department of Military Affairs (DMA). That created a conundrum: *If the service chiefs are senior to the defence secretary, how can the CDS— by virtue of being secretary heading the DMA — be the equivalent of the defence secretary and, therefore, junior to the three army chiefs?*

There would be rough edges to the policy even within the three services since, technically, an army commander, who is junior to the service chiefs, could supersede them to become CDS.

The new CDS policy must address these issues.

Way forward

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There is an **inescapable need to appoint the CDS** to take forward the military's agenda of equipment modernisation, manpower rationalisation and, perhaps most urgently, the creation of integrated, tri-service theatre commands.

Other CDS responsibilities that warrant no delay are his role as advisor to the Nuclear Command Authority and implementation of the Five-Year Defence Capital Acquisition Plan and the Two-Year Roll-On Annual Acquisition Plans.

### **INDIGENISATION OF DEFENCE SECTOR**

#### **17. Indigenise smart: Heavy investment in R&D is needed to take Indian defence production to next level**

**Source:** This post is created based on the article “**Indigenise smart: Heavy investment in R&D is needed to take Indian defence production to next level**” published in **The Times of India** on **8<sup>th</sup> June 2022**.

**Syllabus:** GS Paper 3 – Industries and Industrial policies of India – Science and technology

**News:** To promote indigenization, defense ministry has given the initial approval to projects worth Rs 76,390 crore.

All the proposed capital acquisitions will be under the ‘Buy and Make Indian’ mechanism.

#### **What are the projects approved?**

Construction of eight next-generation corvettes for the navy,

Procurement of wheeled armored fighting vehicles, and

The manufacture of Dornier aircraft and Sukhoi-30 MKI aero-engines by Hindustan Aeronautics Limited

#### **Why India is moving towards indigenisation?**

**First**, with 50% of India's overall military assets Russian made, War in Ukraine has brought India's over-dependence on Russia to light.

**Second**, the performance of Russian military platforms in the war has been poor.

#### **What are the factors to be considered in indigenisation?**

**First**, the competitive bidding process must be tightly controlled. The bidding process could throw up controversies that defeat long-term objectives.

**Second**, India has achieved 90% indigenization in the ‘float’ (hull and superstructure) component of warship-building. However, the ‘move’ (propulsion) and ‘fight’ (weapons) components are still at 60% and 50% indigenisation.

**Third**, most of our indigenisation success has been in auxiliary and spares. For example; after the failure of the Kaveri project, we are yet to develop a fully indigenous aero-engine for military aircraft.



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**Fourth**, we need to significantly up our investment in R&D. Also, a cutting-edge military-industrial ecosystem with universities, private sector, and defence PSUs, should be developed.

GS3 – ENERGY AND INFRASTRUCTURE – INDIA'S ENERGY SECTOR

### **ENERGY SECURITY**

#### 18. **Avoiding the coal scarcity trap**

**Source:** The post is based on an article “**Avoiding the coal scarcity trap**” published in the **Indian Express** on 10<sup>th</sup> June 2022.

**Syllabus:** GS 3 Infrastructure: Energy

**Relevance:** Power Crisis

**News:** In 2021, the Indian government gave instructions to generators to import coal while India was in the midst of a power crisis. It directed the power stations itself to import coal to the extent of 4% of their requirement and blend it with domestic coal.

#### **What are the causes of the power crisis?**

India has been facing high power demand due to the **sudden early onset of summer** in 2022, and the post-Covid economic recovery.

The **Russia-Ukraine conflict** has led to a **sharp increase** in the price of **imported coal**. Therefore, the average price of imported coal is about **\$140 per tonne** against about **\$60 per tonne** a year ago.

Power stations designed on **imported coal** stopped importing because it was no longer **economical** for them to generate, given their **contract price** with the distribution companies. The stations started hunting for domestic coal as a substitute, thus putting pressure on domestic coal.

The domestic coal supply has seen disruption due to the issue of **availability** of **railway rakes** for transportation.

#### **Measures taken by the government to deal with the power crisis situation**

**First**, all generators have been asked to **import coal** to the extent of 10% (as against 4% earlier). Instead of a generator, Coal India will import the coal and function as the **aggregator** on behalf of the generators. CIL can import at a cheaper cost by accumulating demand as well as standardising the coal grade to be procured.

**Second**, the government has directed **imported coal-based plants** to run at **full capacity**. They have been given assurance that their enhanced cost of operation would be compensated. Further, if power plants fail to import coal and curtails domestic coal entitlements, they will be penalized.

**Third**, in order to ease the burden on the availability of railway rakes, the **concept of tolling** has been implemented. The states can transfer their allotted coal to **private generators** located near the mines instead of transporting it to far away state generators.

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**Fourth**, the Central Electricity Regulatory Commission (CERC) has to seek the consent of beneficiaries if the tariff went up by more than 30%, if some alternate fuel is used.

**Fifth**, a committee of officials has been set up to rework the **energy charge** for imported **coal-based generators**.

**Sixth**, the government has advised **REC/PFC** to arrange for the **additional working capital**.

**Whether the government can really give a direction to private generators to import coal at a higher cost?**

As per Section 11, the government may direct a generating company to operate and maintain any generating station in extraordinary circumstances.

Further, the Appropriate Commission may offset the **adverse financial impact** of the issued directions on any generating company in such manner as it considers appropriate.”

**What are the issues the government's directions?**

**First**, there are elements of **trust deficit** b/w the **government** and the **regulator**. For example, in accordance to Section 11(2), the **regulator** has to work out the **energy charge** rather than setting up a committee of officials to do so. Further, the **adverse financial impact** would be offset by the regulator.

**Second**, the **revision of the energy costs** by the committee have been done without transparency with respect to the coal cost, its calorific value, transportation cost, etc. Therefore, a major generator has objected to the energy charge, calling it an underestimation by about 33%.

**Third**, the coal problem has been because of the **non-availability** of **rakes** in India.

**Way Forward**

There is a need for **1,000 additional rakes** to ferry 38 MT of coal over five months. In addition, there should be no dip in the production of domestic coal during the monsoon season.

GS3 – AGRICULTURE – MAJOR CROPS

**FALL IN PROCUREMENT OF WHEAT AND RELATED ISSUES**

19. [Is the ban on wheat exports good policy?](#)

**Source:** The post is based on an article “Is the ban on wheat exports good policy” published in the “The Hindu” on 10<sup>th</sup> June 2022.

**Syllabus:** GS3 Marketing of Agricultural Produce and Issues and Related Constraints

**Relevance:** Wheat export ban

**News:** Over the last month, the government has banned the export of wheat and imposed quantitative restrictions on outbound sugar shipments.

The wheat export ban came within days of a push to enhance India's wheat supplies to the rest of the world after Russia's invasion of Ukraine.

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The government has argued that farmers have not lost out due to the ban, as most had already sold their produce this season.

The article is a discussion with experts who consider the efficacy of these curbs.

### **Export opportunities**

Even before the Ukraine-Russia war, **global food prices** were increasing because of excess liquidity across the world.

The war gave India an **opportunity** to export more wheat. **Ukraine** and **Russia** export contributed 55 million tonnes to the global export market out of 200 million tonnes. Farmers were getting higher **Open market prices** (Rs. 2,400 a quintal) compared to the **MSP** (Rs. 2,100).

Last year, India **exported** 8 million tonnes out of global exports of around 64 million tonnes. Now, there is **no shortage** of **sugar production** this year. We are expecting **35 million tonnes**.

### **Argument in favour of the government decision**

The government has argued that farmers have not lost out due to the ban as most had already sold their produce this season.

Almost 30 countries have implemented the policy of export curbs per se. They have a sovereign right to do so.

## GS3 – ENVIRONMENT – ENVIRONMENTAL ISSUES

### **WATER CRISIS IN INDIA**

#### **20. What India is doing to tackle its water crisis?**

**Source:** This post is based on the article “**What India is doing to tackle its water crisis?**” published in **The Times of India** on **11th June 22**.

**Syllabus:** **GS3** – Environment and conservation

**Relevance:** Water crisis and related issues

**Context:** Although India has 16% of the world’s population, the country possesses only 4% of the world’s freshwater resources. India is water-stressed due to changing weather patterns and repeated droughts.

But it looks like the country has finally got its act together and several measures are now in place to conserve and rejuvenate our water bodies.

What is the situation wrt water crisis in India?

In the 75 years since Independence, **annual per capita availability of water has declined** by 75%.

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Due to encroachment, India is staring at depletion of groundwater and pollution of surface water, including vanishing water bodies – ponds, lakes, tanks, wetlands.

– Provisional data from the country's first census of water bodies shows that 2% of water bodies have been encroached.

What steps are being taken to address the water crisis?

**Jal Shakti Abhiyan (JSA)** was started in 2019 as a movement for water conservation, recharge and rainwater harvesting in 256 water-stressed districts.

– The JSA now covers all 740 districts in the country. States are implementing it, while the Centre provides the nudge.

The states are also preparing an **inventory of water bodies**, which should make encroachment in the name of building infrastructure or setting up industries difficult.

According to the fifth minor irrigation census, various water bodies in rural areas are not in use for various reasons such as non-availability of water, siltation, salinity etc. With water bodies vanishing or becoming unusable, the Centre has decided to build 50,000 water bodies – **Amrit Sarovar** – across the country by August 15 next year to conserve water.

– The initiative aims to develop and rejuvenate 75 water bodies in each district as part of 'Azadi ka Amrit Mahotsav' (75 years of Independence) celebrations. The project seeks to refocus various schemes, including MGNREGS and Watershed Development Component.

Issues that need to be resolved

Experts flagged many issues – from policy gaps to legislative provisions – that have been affecting overall water management in the country.

– **Water being a state subject** invariably leads to a political tug of war when it comes to water-sharing between states.

– **Fragmented policy environment:** There's no integration of surface and groundwater, drinking water and irrigation, and departmental coordination. The national water policy is very irrigation-centric.

– **Excessive dependence on groundwater:** Reports have flagged how use of over 85% fresh water in agriculture has led to a crisis in several states, including Punjab, Haryana and western UP, with excessive dependence on groundwater in cultivating water-guzzling crops such as paddy and sugarcane.

**Indiscriminate use of water for irrigation and absence of conservation efforts** have left over 10% of water bodies in rural areas redundant.

Way forward

Rainfed agriculture in the country has to be incentivised, given its high contribution to India's food and nutrition security.

Centre has urged states to focus on enumerating, geo-tagging and making an inventory of all existing water bodies on priority under the JSA so that encroachment can be prevented.

GS3 – ENVIRONMENT – BIODIVERSITY AND CONSERVATION

**MICROORGANISMS AND THEIR SIGNIFICANCE**

21. **Microbes cause Earth to function — from plants to humans, we all live due to microbial activity'**

**Source:** The post is based on an article “**Microbes cause Earth to function – from plants to humans, we all live due to microbial activity**” published in **The Times of India** on 11<sup>th</sup> June 2022.

**Syllabus:** GS3 Science and Technology in our day-to-day life

**Relevance:** Importance of Microorganism

**Context:** The speed of evolution in the microbial world is enormous. If there is a favorable condition, then microbes multiply in hours. These microbes are a very important part of nature.

**Importance of Microbes**

Their **microbial activities** are foundational for the functioning of our planet. The plants, and animals including humans **evolved** with microbes. They create **suitable conditions** for life. For example, microbes produce oxygen in the oceans, generate sulphur and nitrogen, prepare soil etc.

It is an important part of the **ecosystem**. For example, Human body is also like an ecosystem in which microbial organisms constantly interact.

– For example, microbes live on the skin surface, inside our gut tract etc.

Microbes interact with land, oceans etc. They play an important role in **bio-geochemical cycles**. For example, bacteria generate a large part of **Earth’s sulphur cycle**, impact cloud formation, the climate, etc.

The microorganism like bacteria and fungi also release important molecule like geosmine, in the soil.

**Are microbes harmful to human beings?**

Out of millions of species of microbes on our planet, only a few can cause disease in humans. There are **innumerable diverse species** which are very beneficial to us.

– For example, bacteria are used for nitrogen fixation. Also, they are vital for sustaining our food chain. For instance, microbes are used for fermentation, making sanitised beverages, creating bread, yogurt, cheese and so on.

**Impact of climate change on microbes**

The microbial life is changing dramatically due to climate change. For example, soil depletion and degradation cause reduction in the microbial activities in soil. This causes **greater soil erosion** and decreased **food production**.

**How can we help to preserve microbes?**

There is a need to leave ecosystems alone. There should not be any unwarranted **anthropogenic interference**. Human beings should be respectful of the planet.

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GS3 – ENVIRONMENT – ENVIRONMENTAL REPORTS, SURVEYS

### ENVIRONMENT PERFORMANCE INDEX (EPI) 2022

#### 1. India at bottom in EPI 2022 but environment survey confuses and stifles honest discussion on climate change

**Source:** This post is based on the article “**India at bottom in EPI 2022 but environment survey confuses and stifles honest discussion on climate change**” published in **The Indian Express** on **13th June 22**.

**Syllabus:** GS3 – Environment

**Relevance:** India’s last rank on the Environmental Performance Index (EPI), criticism by the govt and related issues

**News:** The **2022 Environmental Performance Index (EPI)** released on World Environment Day (June 5) has triggered much distress in India, as the country is ranked last (180th).

The government has issued a fierce rebuttal.

How do we make sense of this debate?

**What are some problems with indexes?**

Indexes are **inherently problematic**, especially when applied to something as multi-dimensional and complex as environmental performance.

**Subjectivity:** Index makers have to **make judgements** about what issues count, how they are best measured individually, and how much importance to give to each issue and indicator.

– **For example**, indicators may focus on current rates of increase or decrease in environmental pressures — as the EPI does for carbon dioxide emissions and tree cover gains — but understate the accumulated effect that relates to actual harm, thereby ignoring past effects.

**What are the challenges in measuring climate change progress?**

Climate change is a **global environmental problem**, and because its effects depend on the accumulation of greenhouse gases over time, measuring progress in a given country is challenging.

Climate change mitigation has to be measured against what it is reasonable and fair to expect from different countries, **taking into account their past emissions as well as national contexts**.

The problem, however, is that there has been an inconclusive 30-year debate on this question; any choice of benchmark involves major ethical choices.

**What are some issues with the EPI 2022?**

The index is severely compromised by how it incorporates action on climate change mitigation.

EPI is essentially **applying the same standard across vastly different socio-ecological contexts**. For example, the EPI leaves out arsenic in water, which is a major threat in Bangladesh. Arsenic is not counted by the EPI because it is not as widely prevalent as lead, which is included.

**High weight to climate change:** Giving climate change a high weight in the index (38%) – a questionable decision, given the development needs of poorer countries — means the issue of past emissions comes to the centre of the EPI.

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**Poor choice of benchmarks:** EPI relies heavily on the trend of greenhouse gas emissions by a country in the past decade as an indicator of progress.

– For climate change, 53% of the weight is allocated to these trends, and another 36% to whether the continuation of these trends brings a country close to zero emissions in 2050. They **assume that the world must reach net-zero emissions by 2050**, and so the appropriate benchmark is whether all countries are reducing emissions and reaching zero by 2050.

Thus,

**EPI's approach is contrary to widely accepted ethical principles**, especially the global political agreement on common-but-differentiated-responsibility (CBDR). It ignores the fact that countries have different responsibilities for past accumulations and are at different levels of emissions and energy use.

– **For example**, India's energy use and carbon dioxide emissions are about a tenth each of the US's. So, while it is reasonable to expect the US to decrease emissions rapidly, the contribution of a country like India should lie in becoming ever more carbon-efficient with its development, or increasing emissions but at a decreasing rate and as little as possible.

This approach is guaranteed to **make richer countries look good**, because they have accumulated emissions in the past, but these have started declining in the last decade.

### Way forward

EPI's flawed and biased approach distracts from a much-needed honest conversation about the environment in developing countries like India.

## GS3 – ENVIRONMENT – CLIMATE CHANGE

### **JUST ENERGY TRANSITION PARTNERSHIP (JETP)**

#### 2. [Welcome a G-7 package for an energy transition](#)

**Source:** This post is based on the article **“Welcome a G-7 package for an energy transition”** published in **Livemint** on **13th June 22**.

**Syllabus:** GS3 – Environment

**Relevance:** G7's climate deal with India

**News:** It's a win for India's diplomacy that the G7 group looks set to offer it a climate partnership deal. Unless it places an unfair burden on us, let's use the funds to decarbonize our economy faster.

#### What is the Just Energy Transition Partnership (JETP)?

Upon taking over the G-7 presidency for 2022, host Germany had promised to build on Glasgow's momentum.

**Approach:** The German approach includes building not just climate partnerships, but “climate and development” alliances beyond the G-7, though largely focused on G-20 members.

**Significance:** This is significant because this approach takes into account the societal and economic development of each partner and will not try to force-feed partners a standard solution.

The likely template will be the **Just Energy Transition Partnership (JETP)** that France, Germany, the UK and US, along with the EU, signed with South Africa at last year's CoP-26.

That partnership—with special emphasis on the words “just” and “transition”—is about helping fund South Africa's decarbonization by replacing coal usage with clean energy.

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The agreement also recognizes that a **departure from coal cannot happen overnight**, and a big move away from carbon emissions would require options for the vast number of people employed by coal-based power plants.

At its core, the idea is to **assist green transitions by making finance available** from developed countries, multilateral institutions and groups of green investors.

[What is the climate deal being offered to India by G7?](#)

The US and Germany have proposed a **G-7 partnership with India** to support and fund the makeover of its energy mix from fossil fuels to carbon-neutral sources.

Such a deal is likely to be announced later this month at the G-7 summit in Schloss Elmau, Germany, should New Delhi and the seven agree to the JETP on the table.

India is a special invitee to this year's summit, along with Indonesia, South Africa, Senegal and Argentina.

**Constituents of the deal:** If reports of the offer are true, a critical portion of the pact will ask for **a)** reducing the number of coal-burning power plants under development, and **b)** gradual closure of our coal mines.

This could be a sticking point. It would also shine a light on some G-7 members that have made negligible efforts to reduce domestic demand for fossil fuels (such as the US).

[Way forward](#)

The JETP project can be seen as an effort towards Paris Agreement's promise of \$100 billion in annual funding for countries like India that had gone unfulfilled.

### GS3 – ENERGY AND INFRASTRUCTURE – INDIA'S ENERGY SECTOR

#### **POWER SECTOR REFORMS**

#### 3. [Red marks in green power plans amid lack of reform in electricity pricing](#)

**Source:** The post is based on an article **“Red marks in green power plans amid lack of reform in electricity pricing”** published in the **“Business Standard”** on **13<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance:** To understand the need for power sector reforms.

**News:** Recently the Union Power Minister has asked states to set up steering committees at the level of chief secretaries to plan for the energy transition.

[Why there is a need for power sector reforms?](#)

Source: Business Standard

**No money spent on capital expenditure:** Capital expenditure among states is rising fast, but it is not rising in the energy or power sector. This is worrying since the demand for energy is rising across India and this expansion will need commensurate investments by state governments.

For instance, 20 large Indian states' aggregate capital expenditure growth in FY22 grew by 48%, but their energy spending is less than 10%.

**Note:** According to the recommendations of the 15th Finance Commission, the Centre has provided more fiscal room for states to borrow from the markets. The condition is the money has to be spent on power reforms.



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**Funds utilised for past debts:** The money given by the centre to revive the power sector is going to meet the past debt liabilities of the distribution companies. Because these are paying for old dues, the **return on equity** for these spendings is abysmal in each state.

For example, According to a CAG report, Jharkhand has total outstanding loans of over Rs 20,000 crore to its power generation and distribution companies.

**High energy subsidy burden:** A Comptroller and Auditor General (CAG) report on the states shows that

-In Telangana, of the total subsidy spent by the state each year, the share for discoms was almost 54%.

-Similarly, in Karnataka energy subsidies were Rs 8,647 crore in FY17, more than half of the total subsidies paid out by the states.

Further, **States have not taken any steps to rationalise power tariffs.**

**Read more:** [Power Ministry working on a scheme to liquidate the past dues of Discoms](#)

What should be done to improve the energy sector?

According to a research paper, more capital spending can take place in the energy sector only if **a)** Power sector reforms are linked to market-based pricing, **b)** Replacing the long-standing system of subsidies or free power to targeted user groups, **c) Improve the quality of the distribution networks:** This includes the provision of metering capacity, or installing substations for renewable energy to feed into the grids, **d) Focus on specific problems:** States such as **Jharkhand** and **West Bengal** need to spend money to encourage the population depending on coal mining and ancillary business to gravitate to other sectors.

**Read more:** [Nursing the ailing power discoms back to health](#)

GS3 – ENERGY AND INFRASTRUCTURE – ELECTRIC VEHICLES

### **BIOMASS – CO-FIRING**

#### 4. [Biomass co-firing: Why India's target for coal power plants is challenging](#)

**Source:** This post is based on the article “**Biomass co-firing: Why India's target for coal power plants is challenging**” published in **Down To Earth** on **13th June 22**.

**Syllabus:** GS3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc

**Relevance:** To understand the challenges associated with Biomass co-firing.

**News:** The unavailability of biomass pellets of agricultural residues is halting the implementation of co-firing [biomass](#) with coal in thermal power plants.

What is Biomass co-firing?

Biomass co-firing is the practice of substituting a part of the fuel with biomass at coal thermal plants. Coal and biomass are combusted together in boilers that have been designed to burn coal. For this purpose, the existing coal power plant has to be partly reconstructed and retrofitted.

What are the steps taken to improve Biomass co-firing?

According to the 'National Mission on use of biomass for coal thermal power plants' set up by the Union power ministry, around 95,000-96,000 tonnes of biomass pellets are required per day for co-firing.

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National Mission on use of Biomass in coal-based thermal power plants, also called SAMARTH (Sustainable Agrarian Mission on use of Agro-residue in Thermal Power Plants) has shared a list of 70-80 pellet manufacturers with the power plants.

To strengthen and regulate the supply chain, the manufacturers were also asked to be registered under SAMARTH.

Training for pellet manufacturers has been conducted by the National Power Training Institute all over the country.

What are the benefits of Biomass co-firing?

**Reduction in CO2 emissions:** Substituting 5-7% of coal with biomass in coal-based power plants can save 38 million tonnes of carbon dioxide emissions.

Biomass co-firing is an effective way to curb emissions from open burning of crop residue; it also decarbonises the process of electricity generation using coal.

**Read here: [Can biomass co-firing offer a viable solution to coal shortage and stubble burning?](#)**

What are the challenges faced in Biomass co-firing in India?

There is not much improvement in Biomass co-firing in India because,

**Low Pellet manufacturing capacity:** India's pellet manufacturing capacity is 7,000 tonnes per day at present despite a surplus of 228 million tonnes of agricultural residue available in the country.

**Higher price in the open market:** Pellet suppliers favour selling their product to industries such as textile, food processing, metal-based or in the open market at higher prices.

**Increased demand from industries in NCR:** Commission for Air Quality Management in National Capital Region and Adjoining Areas directed industries in Delhi-National Capital Region to switch to cleaner fuels by end of September 2022. Hence, the Biomass demand from industries escalated.

**Challenges in biomass pellet storing:** Only pellets with up to 14% moisture can be used for combustion along with coal. Storing biomass pellets for long durations at the plant sites is hard, since they absorb moisture from air quickly, rendering them useless for co-firing.

**Seasonal availability and unreliable supply** of biomass pellets.

**Must Read: [Scale of crop residue generation in India](#)**

What should be done to improve biomass for co-firing?

**a)** SAMARTH must map the existing pellet manufacturers and incentivise entrepreneurs to set up more pellet manufacturing plants, **b)** SAMARTH has to ensure the price of biomass pellets is capped and protected from fluctuations in market demand, **c)** Platforms need to be established to ensure farmers have an intrinsic role in this business model of pellet manufacturing and co-firing in power plants.

## **BATTERY SWAPPING AND RELATED ISSUES**

### **5. Swap the Battery And Get Going In Your EVs**

**Source:** This post is created based on the article “Swap the Battery And Get Going In Your EVs” published in **The Times of India** on 14<sup>th</sup> June 2022.

**Syllabus Topic: GS Paper 2 – Infrastructure and energy**

**News:** NITI Aayog has recently released the draft battery swapping policy.

#### **What was the need of draft battery swapping policy?**

**First,** major auto manufacturers are agreed on the view that electric vehicles shall be the mainstay of future mobility in India.

**Second,** as per the reports by India Energy Storage Alliance projects Indian EV and EV battery markets shall grow at a CAGR of 36% and 30%, respectively, in the next four years.

**Third,** Niti Aayog estimates EV sales penetration in India at 80% for two-wheelers (2W) and three-wheelers (3W), 70% for commercial cars, 40% for buses, and 30% for private cars, by 2030.

**Fourth,** there is a policy predictability and political will to enact the EV movement in the country. Majority of the states have already come up with dedicated EV policies.

Thus, battery swapping has tremendous potential to create new economic opportunities for various stakeholders and the nation. It propagates the concept of Battery as a Service (BaaS).

#### **What are benefits associated with battery swapping?**

**First,** in India vehicles used in the services by e-commerce, food and grocery delivery companies will form a good number of EVs. Both companies and gig workers can't afford their vehicles to sit idle for 4-6 hours every day for routine charging. The battery swapping will cost effectively transforms batteries from a one-time capital expenditure to a recurring operating cost (pay per use).

**Second,** battery swapping will require a dense swapping station network across the city. This will trigger new ventures and enable small business owners like kirana stores and restaurants to get benefitted from this opportunity.

**Third,** battery swapping shall present OEMs with an opportunity to generate revenue steam for the vehicle's entire lifetime.

**Fourth,** battery swapping stations, requiring less than 20% of land area vis-à-vis charging stations.

**Fifth,** Most people owning an EV tend to charge their vehicles overnight after coming back from work. Battery swapping can help balance the load on the grid by spreading the vehicle charging hours across different times of the day.

**Sixth,** It will provide an opportunity to India to globalize the cost-efficient indigenous battery swapping technologies and take economic benefits.

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GS3 – INDIAN ECONOMY – ISSUES RELATED TO GROWTH AND DEVELOPMENT

### **REGIONAL IMBALANCES IN GROWTH AND DEV**

#### 6. Regional imbalance – Focus on equitable growth

**Source:** This post is based on the article “**Regional imbalance – Focus on equitable growth**” published in **Business Standard** on **15th June 22**.

**Syllabus:** GS3 – Inclusive growth and issues arising from it.

**Relevance:** To understand the issues associated with the regional imbalance in the Indian economy.

**News:** One of the biggest challenges for policymakers is to enable the post-pandemic economy to attain higher sustainable growth in the medium term. The task of attaining higher sustainable growth has become more challenging because of global headwinds and India’s own weaknesses such as **higher public debt**.

What are the positive situations of the Indian economy?

- India’s corporate and bank balance sheets have improved and can support growth.
- Large foreign exchange reserves are helping India in dealing with external pressure.

What is the status of regional imbalance in the Indian economy?

The recently released Annual Survey of Industries highlighted the **regional imbalance in the distribution of industries**. This has implications for job creation and quality of life in general. For example, about 16% of all factories considered in the survey were in Tamil Nadu, and states such as Madhya Pradesh, Jharkhand, and Bihar had under 2% share.

The reasons for such regional imbalance are **1) Locational advantages** such as coastal states importing raw materials and exporting the final product, **2) Better administration** in the state.

In the absence of corrective action, the gap is likely to grow over time with the concentration of productive assets. This will lead to increased social tensions.

How can India reduce the regional imbalances in the Indian economy?

India needs to contend with the formidable issues of **uneven distribution of growth and sustained regional imbalances**. Successive finance commissions have tried to reduce the regional imbalance.

**a) Promote manufacturing:** Only the manufacturing sector can provide large-scale employment and pull people out of the agriculture sector, **b) Ensure free movement of labour:** This will allow large states to export surplus labour to states which have more factories and offer employment opportunities. Further, the state government’s has to avoid local labour reservation laws, **c) Focus on exports:** India has to take advantage of its surplus labour to become a manufacturing hub and increase exports.

### UNEMPLOYMENT IN INDIA

#### 7. Trained but unemployed

**Source:** The post is based on an article “Trained but unemployed” published in the Business Standard on 17<sup>th</sup> June 2022.

**Syllabus:** GS3 – Economic growth and development

**Relevance:** Pradhan Mantri Kaushal Vikas Yojana

**News:** In a recent interview, the **Minister of State for Skill Development and Entrepreneurship** said the government was spending ₹ 5,000 crore on skill development initiatives. Further, the government seeks to recruit one million people in 18 months

#### **Background**

The government announced **the Pradhan Mantri Kaushal Vikas Yojana (PMKVY)**, its **first skill development initiative** in 2015. It aimed to train as many people as possible and provide them with placements.

#### **2nd Iteration**

The government has shifted its focus to reskilling. It recognises the fast-changing need for skills in different sectors.

#### **3rd Iteration**

The government has changed the scheme from a **supply-driven programme** to a **demand-driven model**.

#### **Overall Achievements**

##### **Certification Record**

A combined analysis of three iterations shows that **certifications** varied from a low of 29.3% to 84.4% during this period.

Lakshadweep certified 79 of the 270 placed candidates. Rajasthan certified 9.26lakh of 11lakh candidates total enrolled candidates during this period.

Ten of the 36 states/UTs which includes, Uttar Pradesh, Haryana, Tamil Nadu and Maharashtra, had a certification rate higher than the national average of 76.5%.

##### **Placement Records**

**Less than 10%:** – Lakshadweep did not place a single candidate. Three states, including Maharashtra, placed less than a tenth of the certified candidates.

**Between 10 and 30 per cent:** 22 states recorded placement rates in this range, which includes Rajasthan, Uttar Pradesh, Haryana

**placement rate of 30 per cent and above:** Eleven states and UTs, like Punjab placed 39.6% of the total certified candidates. Ladakh provided placement for 54.1% of the certified candidates.

##### **What are the issues?**

The record of the **flagship skill development programme**, which aims to enhance the **employment potential** of Indians, has been poor.

It has been able to enrol **14.2 million people** in the PMKVY since the start of the programme in 2015. However, the **performance** in terms of placements has not been remarkable which may be due to the pandemic and economic slowdown.

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Around, three-fourths of the total enrolled have been certified. Further, a little over a fifth or 2.4 million have found placements.

### Way Forward

The union government would still need to reorient its programme in order to improve its placement record.

### 8. On Centre's plan to recruit 10 lakh personnel in 18 months: Waiting for jobs

**Source:** This post is based on the article “**On Centre's plan to recruit 10 lakh personnel in 18 months: Waiting for jobs**” published in **The Indian Express** on **17th June 22**.

**Syllabus:** GS3 – Issues related to growth and development

**Relevance:** Unemployment in India

**News:** The Centre's decision to recruit personnel to fill vacancies is a nod to the festering unemployment issue

Moreover, for a nation that has had a significant demographic dividend finding productive employment for its youth was to be an imperative for India.

What is the situation wrt unemployment in India over the years?

In the last few years, unemployment has remained a major concern

– the leaked Periodic Labour Force Survey (PLFS) in 2018 revealed that India's unemployment rate was the highest (6.07%) in four decades.

– The latest PLFS suggests that the overall unemployment rate is now at 4.2% in 2020-21, compared to 4.8% in 2019-20. Also, the labour force participation rate (LFPR) has inc to 41.6%, up from 40.1% in 2019-20.

But the PLFS data will not bring much cheer to the Government despite a decrease in unemployment, according to official data. This is because the decrease, says the PLFS, has also **coincided with the transfer of employment into lower productive and unpaid jobs** away from salaried employment.

The, **industrial jobs have decreased** with more employment in agricultural and farm-related jobs — a trend that accelerated following the lockdown and has not reversed since then. Unemployment rates among the educated (above secondary education — 9.1%) and t >he youth (age between 15-29 — 12.9%) have only declined marginally.

What is the way forward?

It is clear that the Government must tackle unemployment and, concomitantly, the quality of employment issue, on a war footing.

In this regard, India's announcement that the Government will be recruiting 10 lakh personnel within the next 18 months should be seen as a step in the right direction.

The bulk of the promised employment is to fill up vacancies.

The country cannot afford to squander more years in its race to reap the benefits of its demographic dividend, and the push to provide jobs for those seeking to enter the labour force, even if belated, will help ease matters for the medium term.

### 9. The jobs push

**Source:** This post is based on the article “**The jobs push**” published in **The Indian Express** on **16th June 22**, and the article “**A unique jobs conundrum**” published in **Business Standard** on **15th Jun 22**.

**Syllabus:** GS3 – Economic growth and Development

**Relevance:** Employment problems and related issues

**News:** The Centre recently announced plans to recruit 10 lakh people in ministries and departments over the next one-and-a-half years.

This might not be enough considering the scale of the unemployment problem that India is facing. Private sector’s contribution will be needed.

#### The underlying structure of India’s economy

The jobs problem in India is worsened by the underlying structure of the Indian economy.

The **rapidly growing services sector** tends not only to be **less employment intensive**, but is also more **geared towards absorbing the skilled sections** of the labour force.

And the **gig economy**, which does employ the unskilled, simply doesn’t create enough jobs for the millions entering the labour force each year.

#### What is the key challenge?

The challenge has been, and continues to be, the **inability to facilitate the creation of a labour intensive manufacturing sector** that is able to absorb the low and semi-skilled sections of the labour force.

#### Issues with the recruitment drive

The Centre recently announced plans to recruit 10 lakh people in ministries and departments over the next one-and-a-half years. This move suffers from some fundamental constraints —

**the size of government.** According to the report of the 7th Pay Commission, the total sanctioned strength of the central government fell from 41.76 lakh in 1994 to 38.9 lakh in 2014. In 2021, the strength of the central government stood at 34.5 lakh as per the Union budget. Moreover, between 2006 and 2014, the average recruitment in the central government was a little over one lakh each year.

– These numbers not only raise questions over the absorptive capacity of the state, but also imply that **government employment actually forms a small proportion of the formal labour force**, and an even smaller part of the total labour force.

In fact, the Pay Commission report had noted that “*the central government is at best a marginal source for employment generation.*” Thus, considering the scale of the challenge, this recruitment drive will not be enough.

Further, this expansion in public sector jobs **pose a challenge to the promise and goal of minimum government.**

Moreover, implicit in this move is also the acknowledgment that **not enough jobs are being created by the private sector**, which should be the principal driver of employment generation.

**The government does not have the wherewithal to recruit on this scale.** Taken together, the various recruiting agencies, such as the UPSC and the Railway Recruitment Board, hire just about 100,000 people a year. A National Recruitment Agency set up in 2020 was expected to subsume the role of multiple government recruiting agencies but is not yet functional.

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**Budgetary constraints:** The real danger of this mega-recruitment drive is that **capital expenditure may be curtailed** to make way for higher salary budgets.

### Way forward

Making the government the employer of first resort and the move towards Big Government marks a significant step back in terms of economic policymaking, and indirectly reflects the government's failure to meaningfully tackle the employment crisis.

With rising protectionism in trade policy and the great leap back to semi-autarky in industrial policy, India faces the danger of losing the gains of the past three decades.

### **PM'S HUMAN DEVELOPMENT COUNCIL**

#### 10. **Needed: A PM's council for human development**

**Source:** This post is based on the article "**Needed: A PM's council for human development**" published in **Business Standard** on **15th June 22**.

**Syllabus:** GS3 – Economic Growth and Development

**Relevance:** A case for a PM's Human Development Council

**Context:** India's goal should be to be in the top 50 nations of the world by 2047 in human development and at least a rank below 100 by 2030. These need a prime minister-led human development council under the NITI Aayog.

The governing council/ National Development Council itself can be that body with exclusive meetings on human development at least twice a year. All chief ministers, concerned Union ministers and a few experts from these sectors must be a part of this council.

#### Why India needs a PM's Human Development Council?

Due to the following factors:

- **Providing opportunities to every citizen of India** to develop their fullest human potential is not only good for inclusive development; it is necessary for sustaining high rates of economic progress. Evidence from across the world substantiates this.
- Outcomes in the indicators of health, education, nutrition, clean water, sanitation, etc are all inter-related. They depend on a simultaneous improvement in all related sectors, with the **gram panchayat or an urban local body as a unit**.
- Unfortunately, **India neglected human development for decades** even though a few IITs and IIMs provided global class human capital for leadership.
  - The Sarva Shiksha Abhiyan and the National Rural Health Mission increased the pace of improvement but it was not good enough to change India's 130 rank in the Human Development Index.
- The thrust on removing the asset deficits of deprived households, in the form of housing, toilets, electricity, cooking gas, among others provides an **opportunity for better outcomes in human development**.
- PM played a critical role in providing leadership to the chief ministers of all states in the fight against Covid and in the Gram Swaraj Abhiyan. It shows how the **partnership between the Centre, state, local governments and community organisations** like self-help groups and frontline workers **can achieve development outcomes**.



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- **Community connect** with the use of technology as a means has the power to **speed up infrastructure roll-out** for higher growth.
- There's a **need for partnerships between the federal government and the states and local governments** for need-based implementation of development schemes.

What indicators need to be monitored?

An illustrative list of 12 key indicators is given below:

- 1) Monitor stunting among infants.** Stunting (child too short for age) reflects chronic undernutrition during the most critical periods of growth and development in early life. It highlights the need for diverse food and timely health check-ups.
- 2) Wasting among infants** (low weight for height) indicates recent and severe weight loss. It happens due to inadequate quantity and quality of food or frequent or prolonged illnesses. These irreversibly affect the learning abilities of a child. Education suffers and illnesses begin.
- 3) Monitoring anaemia among women and children.** Anaemia reflects poor food diversity, besides prevalence of diseases. It also reflects the lack of timely access to primary health care.
- 4) Monitoring foundational literacy and numeracy** among all children under the Nipun Bharat programme.
- 5) Monitoring the status of youth in schools and skills programmes**
- 6) Monitoring the linking of households to health facilities** for holistic primary, secondary, and tertiary care with the Ayushman Digital Health Mission as a means.
- 7) Seventh, female work participation rate.** We need to monitor female employment in every *panchayat*. Women need opportunities for paid work.
- 8) Percentage of girls from deprived households in high schools and higher education** needs constant monitoring.
- 9) Funds, functions and functionaries with *panchayats* and urban local bodies** need active involvement of social capital of community organisations.
- 10) Access to credit** for all on the basis of individual micro credit plans.
- 11) Monitoring the life of the urban poor** to improve access to public services, education, health, nutrition, sanitation, housing and the like. Public campaigns to ensure access of services to urban poor are needed.
- 12) Monitoring market wages and availability of work** for men and women. It captures the essence of poverty of households and poverty of regions. The government will need to address inter-*panchayat* disparities by ranking them.

## **FOOD INFLATION AND RELATED ISSUES**

### **11. Tackling the crisis of rising global food prices**

**Source:** The post is based on an article “Tackling the crisis of rising global food prices” published in the “The Hindu” on 14<sup>th</sup> June 2022.

**Syllabus:** GS 3 Indian Economy; Issues in PDS, Buffer Stock and Buffer Stock

**Relevance:** Food Security, Agri-Exports

**News: Recently,** the government of India has banned wheat exports and imposed restrictions on the export of other food commodities.

#### **History of Food Price Crises**

Since the adoption of **Green Revolution technology** in the early 1960s, the world has faced **food price crises** three times in terms of nominal as well as the real prices: (1) **1973-76** Period, (2) 2008-11 Period, and (3) Since 2020.

**Few trends are important about these crises:** 1) They were not caused by any serious shortfall in agriculture production, but the factors outside agriculture 2) The interval between two consecutive price shocks has narrowed down considerably. 3) The severity of the shock is becoming stronger.

#### **Causes behind the recent spike**

It has been caused by **supply disruptions** due to COVID-19 and the ongoing **Russia-Ukraine war**.

The commodities that are traded more at the global level are more vulnerable to **global supply disruption**. **For example**, trade dependence for vegetable oil is around 38%, for wheat is 25%, among others. Therefore, the current food price spike first began in vegetable oils and then expanded to cereals.

Nowadays, food crops are being **diverted** for **biofuel generation**. For example, the proportion of vegetable oil used for biodiesel increased from 1% in 2003 to more than 15% in 2021.

Food prices hiked because of **an increase in the prices of fertilizer and other agrochemicals**.

The global prices are being transmitted to the domestic prices because the share of the agriculture sector in export and import is substantial.

#### **Measures Taken by India to moderate the transmission of global prices to the domestic market**

The government has adopted **trade policy** and **other instruments** to balance the interests of producers and consumers and to protect the economy against excessive volatility in international prices. **For example**, the government **liberalized** imports and imposed checks on exports to ensure adequate availability of the food items as the international prices have gone too high.

The government has used a **buffer stock of food staples** to maintain price stability, especially in the wake of global food crises.

#### **Is the present move of Wheat export restrictions damaging India’s image as a reliable exporter?**

In order to understand the image of a reliable and credible exporter, there is a need to differentiate between **disturbing normal export** and regulating exports exceeding the normal level.

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India's ban is not disrupting its **normal exports**. India was a very small exporter of wheat (Only 0.1% to 1% share in global wheat trade during 2015-16 to 2020-21). Therefore, despite the ban, the wheat exports this year will be much higher than the average wheat export from India in recent years.

In order to compensate for the present disruption, around **50 million tonnes** of wheat is required in the international market. India produced only double of it. Therefore, the absence of a ban could have led to a **severe wheat shortage** and **food security** in India.

### What should be done?

Just like the Green Revolution of the 1960s which lowered food prices, India requires **new breakthroughs** for large-scale adoption.

The spending on agriculture research and development (especially by the public sector and multilateral development agencies) should be increased.

The global agri-research system under the **Consultative Group on International Agricultural Research (CGIAR)** should be rejuvenated

Diversion of land under **food crops** and **food output** for biofuel should be carefully calibrated.

The energy prices and disruptions in the movement of food across borders should be checked. In addition, climate change can be another source of supply shocks in the future. Therefore, it should be checked.

A **global buffer stock** of food should be established to ensure food prices and supply remain stable at the global level

## GS3 – INDIAN ECONOMY – INDUSTRIAL POLICY AND GROWTH

### IPR AND RELATED ISSUES

12. [Easing of IP restrictions on vaccines is welcome. But it will need to be accompanied by technology transfers](#)

**Source:** This post is based on the article “**Easing of IP restrictions on vaccines is welcome. But it will need to be accompanied by technology transfers**” published in **The Indian Express** on **18th June 22**.

**Syllabus:** GS3 – Intellectual Property Rights (IPR)

**Relevance:** Waiver of IP restrictions on vaccines, vaccine equity

**Context:** Nearly two years after it was initiated by India and South Africa, a proposal to waive patents on Covid-19 vaccines has been approved by the World Trade Organisation (WTO).

But, the waiver of IP rights will not amount to anything substantial if pharma companies in the Third World do not have the know-how to produce medicines and vaccines.

### Has the deal come out late?

Vaccine supply is no more the challenge it was at the beginning of this year. The argument that the deal has come too late is, therefore, correct to an extent.

### What really needs to be done?

The vaccines currently in use provide protection against the more severe forms of Covid. But it's also clear that these shots do not always guard against infection. The virus continues to pose new questions even though it appears to have become less virulent.

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Information flows must, therefore, be geared towards **developing second-generation preventives and therapeutics**.

– Easing intellectual property restrictions should be seen as the first step in this endeavour.

Waiver of IP rights will not amount to anything substantial if pharma companies in the Third World do not have the know-how to produce medicines and vaccines.

### Why technology transfer and partnerships are necessary?

In India, for nearly five decades, the generic industry has reverse-engineered drugs to mass manufacture low-priced therapeutics. But vaccines present a different order of challenge:

– Manufacturers require not only patented knowledge, but also partnerships with the original innovator to develop these preventives. Such arrangements help vaccine manufacturers **mobilize technical skills and raw materials**.

Technology transfers led to some of the most effective interventions in the battle against the virus. **For instance:** The tie-up between pharma major AstraZeneca, Oxford University and the Serum Institute of India is a case in point.

### Way forward

There was a global consensus, very early in the pandemic, that knowledge sharing would be critical in the battle against the pathogen.

However, this understanding did not translate into equitable distribution of the most potent shield against the virus.

The WTO decision, though belated, is a corrective. Much more will be needed in the coming months.

### 13. **Patently false: WTO debate on waiving vax IPR misses the point. Equitable access needs quick tech transfer**

**Source:** This post is based on the article “**Patently false: WTO debate on waiving vax IPR misses the point. Equitable access needs quick tech transfer**” published in **The Times of India** on **14th June 22**.

**Syllabus:** GS3 – issues relating to Intellectual Property Rights

**Relevance:** WTO debate on waiving vax IPR

**News:** The ongoing WTO ministerial conference in Geneva is discussing, among other things, a temporary waiver of intellectual property rights (IPR) on Covid vaccines.

The genesis was an earlier India-South Africa proposal in October 2020. Since then, many other countries have backed the idea.

Of course, as the draft says, India won't benefit on account of its status as a vaccine exporter. However, the underlying reason for the original proposal, **inequitable vaccine access** in a health emergency, remains.

Therefore, it's an issue that needs a solution.

### Issue of inequitable vaccine access

In large areas of Africa, many are yet to be vaccinated. The core issue, therefore, is narrow access as manufacturing is largely confined to a handful of countries.

### What's the best way forward?

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Evidence shows it's **not a temporary IPR waiver**. For example, US firm Moderna announced in 2020 it will not enforce IPR on its mRNA vaccine as long as Covid is active. **It didn't make a difference**.

The key to expanding vaccine manufacture is by **spreading technical know-how** currently available to a handful of firms.

– Technology transfer in 2020 from AstraZeneca to Serum allowed India to quickly ramp up vaccine production.

**Finding a way to facilitate technology transfer**, along with a **financing mechanism**, will be of help to Africa. Moreover, this channel can be later used to make other vaccines when Covid recedes.

### **TELECOM SECTOR IN INDIA**

#### **14. With only 3 serious telecom operators, administrative allocation of spectrum space should take the place of auctions**

**Source:** The post is based on an article “With only 3 serious telecom operations, administrative allocation of spectrum space should take the place of auctions” published in the Indian Express on 14<sup>th</sup> June 2022.

**Syllabus:** GS 3 Infrastructure, Communications

**Relevance:** Telecom Sector

**News:** In January, the Department of Telecommunications (DoT) announced a rescue package for some telecom companies (telcos).

#### **What were the rescue packages?**

The government dispensed with the requirement of **performance bank guarantees** required earlier than security. It increased the **tenure of spectrum** holding from 20 to 30 years, allowed for the surrender of the **unutilised** or **underutilized** spectrum after 10 years, and most importantly removed the **levy of spectrum usage charges**.

In addition, the government acquired a 35% stake in Vi in lieu of the **spectrum** and **licensee fee dues** that the operator vowed to it

In addition, Airtel got a respite from the government on account of easier and longer payment terms.

#### **Evolution of the Indian Telecom Sector**

In 1994, there was a **public sector monopoly** in the telecom sector. The public sector operators served the elite.

In the following years, the combined forces of **technology** and **deregulation** helped break the shackles of public sector dominance.

A few years ago, India had a **hyper-competitive telecom market**. Indian telecom operators provided the lowest tariff in the world.

However, at present, the telecom sector is facing lack of market competition due to the presence of a virtual duopoly.

#### **Why was there a need for a rescue package?**

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The private sector that embraced **cutting-edge technology** has established its market **dominance** in the Indian Telecom market. They have done so through the market rather than administrative fiat.

If there is **no third telecom player** in the Indian market, subscribers would be at the mercy of a **virtual duopoly**. In reality, **BSNL** has largely become redundant to promote competition in the telecom sector.

A **competitive telecom** sector is fundamental to realizing India's digital ambitions. **Monopolized markets** are vulnerable to **cartelization**.

At least three telecom operators can provide **serious competition** in all aspects of network quality, package availability, and service innovation.

Monopolies have no incentive to innovate. Competition will guarantee that operators invest in network infrastructure upgradation and offer consumers a wide range of innovative service options.

The imminent 5G networks demand **massive investment** and **sophistication of operations**. It can be achieved through a level playing field.

### Other challenges

There has been ill-conceived and botched-up **First Come First Serve (FCFS) method** for **administrative spectrum assignment**.

The government's revenue generation was seen only through the lens of **spectrum sold** through auctions. The government did not see that it lost revenue as many of the spectrums remained **unsold** due to high reserve prices.

At present, the government will find it difficult to induce competition because neither **deregulation** nor **technology** can boost competition.

There is an ongoing debate between the **regulator, TRAI**, and the **Digital Communications Commission (DCC)** on whether the 5G spectrum should be assigned to companies like TCS, Amazon, and Google, among others, for their private enterprise business. Telcos and the DCC opposed this as this would impact both the **business model** of operators and the **discovered price** in an auction.

### The Way Forward

Therefore, the government needs to **redesign policy** to induce competition. Preserving numbers, alone, is not sufficient to **induce competition in the telecom sector**.

In addition to preventing the exit of Vi from the market, the government needs to bring **structural changes** to embed competition within the sector. For example, revisiting the **spectrum assignment regime**.

The administrative assignments of spectrum can be considered once again. All spectrum can be assigned at **reasonable prices** and in the process, a grand bargain can be struck with telecom operators.

In a **dynamic market** such as telecom, operators have always faced and will continue to meet **market uncertainty**. In 2014, the Over the Top (OTT) players damaged the business model of telecom licensees by making all calls and messaging virtually free.

The government's revenue collections could be higher if all spectrum is **assigned** (reduced risk of spectrum being unsold) instead of being **auctioned**. In addition, the government would have more **tax revenue** in a competitive telecom sector.

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At present, the **public sector operator (BSNL)** does not have capability to run its 5G business. Therefore, it needs to be privatised

### **RIGHT TO REPAIR**

#### 15. Upholding the right to repair

**Source:** This post is created based on the article “Upholding the right to repair” published in The Hindu on 14<sup>th</sup> June 2022.

**Syllabus Topic: GS Paper 3 – industries and industrial policies**

**News:** The U.S. state of New York recently passed the Fair Repair Act. It has also ignited the debate in India on providing right to repair to the consumers.

The US’s Fair Repair Act requires manufacturers to supply repair information, tools, and parts to independent repair shops and not just their own stores or partners.

It will provide the repair shops a level playing field with the company’s store and also provide them with the security from intellectual property (IP) rights violations.

#### **What are the issues in ensuring Right to repair?**

At present following issues are faced in the process of repair by third parties:

Manufacturers claim that the quality and functioning of **the product might be adversely affected if they allow repairs by consumers and third parties**. This claim is correct due to absence of repair instructions and genuine parts.

Manufacturers incorporate **warranty clauses** which lapse when the product is repaired by a third party.

Often, **manufacturers reduce the durability of the product**. It compels consumers to either repurchase the product or get it repaired at exorbitant prices fixed by the manufacturers.

#### **What rights can be provided to the consumers or repairers?**

**A blanket waiver of warranty should be avoided** when the product is repaired by a third party. To protect the quality of the product, clause can be incorporated for use of company-recommended spare parts and certified repair shops.

Manufacturers can sign a **non-disclosure agreement** to protect the IP with the certified repairers/businesses.

**A repair certification/licence** can be allotted to those who pass certain criteria and skill tests. It will provide employment and skills to the certified persons to handle the repair manual.

#### **What legal changes are required to ensure right to repair?**

The ‘right to repair’ can be said to be implicit in **Section 2(9) of the Consumer Protection Act, 2019**. However, it is not being followed. Thus, explicit insertion of a ‘right to repair’ clause is required in the act.

The **product liability clause under Section 84** can be amended. It should be expanded to impose product liability concerning various reparability parameters of the product.

France requires manufacturers to display a **reparability index on** their products which consists of five parameters. This helps consumers understand if the products are repairable, difficult to repair or not repairable at all. India can also follow this practice.

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**EU's guidelines on Ecodesign** for Energy-Related Products and Energy Information Regulations, 2021. Guidelines mandate manufacturers to provide spare parts for up to 10 years to avoid premature obsolescence.

### GS3 – INTERNAL SECURITY – VARIOUS SECURITY FORCES AND THEIR MANDATE

#### **AGNIPATH SCHEME**

##### 16. **The flawed rationale behind Agnipath**

**Source:** The post is based on an article “**The flawed rationale behind Agnipath**” published in the **Business Standard** on **18<sup>th</sup> June 2022**; and “**Agnipath, a fire that could singe India**” published in the “**The Hindu**” on **18<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Various security forces and their Mandate

**Relevance:** Agnipath Scheme

**News:** Recently, the government launched the Agnipath scheme. It has sparked off vehement protests from aspirants to defence services.

#### **Nature of Indian Defence Forces**

India has always had a complete volunteer **defence force**. Indeed, there is **fierce competition** to join as the riots indicate.

There are strong economic reasons for such a high competition. There is **economic security**, and **social status** for service personnel.

#### **What were the driving force behind such a move?**

The armed forces are facing **long-delayed modernisation**. For example, the Indian Air Force have 30 squadrons of fighter jets against the needed 42 squadrons, the Indian Navy have 130 ships against the need of 200-ship; and the Indian Army is already short of 1,00,000 soldiers.

**Financial motivations:** The financial burden of the **defence personnel salary** and pension has increased. It has substantially increased the budgetary expenditure on defence pensions. The savings in the pensions bill would be directed towards the **modernisation of defence forces**.

At present, the Indian economy is incapable of supporting the needs of the India **armed forces**.

India has been facing an active **military threat** from **two adversaries**, China and Pakistan.

There are **internal security challenges** in Kashmir and the northeastern States of India.

#### **Arguments against the scheme**

The life is hard and dangerous in the Indian Armed Forces. Further, if you take away the **pensions** and the **healthcare**. It will reduce the soldier's status to low level posts in many **private sector organisations**. In fact, **many listed companies** pay more to temporary workers on assembly lines.

The scheme seems to reduce the ranks of the **unemployed** and serve as an adjunct to the **MGNREGA Act**. The numbers make that **argument absurd**.

Various countries have scrapped conscriptions. For example, France scrapped conscription in 1996, The US scrapped conscription after Vietnam.

It's hard to meet the security needs through purely **voluntary recruitment** without attractive economic alternatives.



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The **short-term recruitment policy** has neither been theoretically modelled nor tried out as a pilot project.

It will have adverse effect on the **professional capabilities** of the armed forces is certain.

This will lead to further increasing the tail when the armed forces are already boasting of a poor **teeth-to-tail ratio**.

The **Indian Air Force** and the **Indian Navy** employ their **airmen** and **sailors** in very specialised roles. This requires **technical skills**, and a **high degree of training** and experience. The short-term contractual soldier will find it difficult to fulfil the requirement.

In the past, the government defended the **class-based recruitment** by asserting that due to this the Army has “**performed exceedingly well**” and “changing to **All India class composition** will affect the functioning of the PBG [President’s Bodyguard] Presidential and the seniority structure of the regiment”. This is because soldiers draw their motivation from their social identity. The Government’s proposal for all-**India all-class recruitment** under Agnipath proposal lacks transparency in the reasoning.

There will be major problems in **training, integrating** and **deploying** soldiers with different levels of experience and motivations.

The 25% criterion for retaining short-term contracted soldiers could result in unhealthy competition, as it can lead to **rivalries** and **jealousies** amongst winners and losers.

There would be **legal challenges** as the Government has kept the contract at four years to deny the Agniveer gratuity and it is not counting the contractual period towards regular service. It could lead to **political agitation for longer tenures and pensions** to be picked up by the Opposition parties.

### 17. [Baptism by fire: Army pension needs pruning. But Agnipath protests show future soldiers’ anxiety needs better responses](#)

**Source:** This post is based on the article “**Baptism by fire: Army pension needs pruning. But Agnipath protests show future soldiers’ anxiety needs better responses**” published in **The Times of India** on **17th June 22**.

**Syllabus:** GS2 – Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

**Relevance:** To understand the challenges associated with the Agnipath Scheme.

**News:** Recently, the Union Cabinet has approved an attractive recruitment scheme for Indian youth to serve in the Armed Forces called AGNIPATH. Violent protests erupted in parts of India ever since the launch of the scheme.

**Must read:** [Cabinet clears Agnipath Scheme](#)

**Need:** The US in FY-2018 set aside 10% of the defence department’s total expenses for pension. In the UK, the pension outgo in FY-2019 was 14% of the total defence spending.

According to a parliamentary committee report in 2020, there are 3.2 million defence pensioners, with about 55,000 added annually. In 2010-11, pension outgo was 19% of total defence expenditure. The fallout of pension’s rising share is a corresponding decrease in expenditure to buy new equipment.

**Must read:** [Agnipath Scheme: Need, Benefits and Challenges – Explained, pointwise](#)

[What are the challenges associated with the Agnipath Scheme?](#)

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**Lack of motivation:** Post-announcement assurances of job preferences in paramilitary or police, or bank loans for potential entrepreneurs are inadequate to satisfy youth to be an Agniveer.

**Losing long-term job options:** According to CMIE's April 2022 jobs data, unemployment was 50% for the 15-19 age group, and 38.7% for the 20-24 cohort. The scheme will increase the unemployment figures.

**Read more:** [Education Ministry to recognize in-service training received by Agniveers as credits for graduation](#)

What should be done?

a) The government needs to quickly design a more effective package to help demobilised Agniveers' transition to civilian life, b) **Follow best practices:** In the US, it takes 20 years of service to be eligible for a pension. This helps the US to keep pension costs down. India can follow such practices.

### 18. [Agnipath will lead to a leaner military, savings in pensions. But there are challenges beyond the bold step forward.](#)

**Source:** The post is based on the following articles - "**Agnipath will lead to a leaner military, savings in pensions. But there are challenges beyond the bold step forward**" published in the **Indian Express** on **15<sup>th</sup> June 2022**;

"**A reform called Agnipath will ensure youthful and tech-savvy profile of armed forces while reducing burden of pensions and gratuities**" published in the **Indian Express** on **15<sup>th</sup> June 2022**;

"**Jawans, Josh & Jobs**" published in the **Times of India** on **15<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Various Security Forces and their Mandate

**Relevance:** Indian Armed Forces

**News:** Recently, the Government of India has announced the **Agnipath Scheme for recruitment of soldiers, the majority of whom will serve for four years.**

#### What is the Agnipath scheme

It will lead to recruitment of **non-officer personnel** to the armed forces, who will be called as **the Agniveer.**

They will be hired on **contract** in the age group of 17.5 to 21 years old and will serve for four years.

At the end of their service, they will get Rs 11.71 lakh through the **Seva Nidhi package** in which their contribution of 30% of the monthly salary will be matched by an **equal amount** by the government.

25% of the Agniveers in each batch, will be selected for **regular cadre** to serve for another minimum of 15 years.

They will get a **life insurance** cover of Rs 48 lakh, **ex-gratia payment** of Rs 44 lakh in case of death, and payment for the remainder of the **four years of service** in case of death.

#### What will be the process of recruitment?

The recruitment will be **All India All Class (AIAC)**. It will not be restricted by ethnicity or caste unlike the regiments introduced by the British colonisers.

They will be recruited from recognised **technical institutes** like the Industrial Training Institutes through a **centralised online system** with specialised rallies and **campus interviews.**

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### What was the need of such a reform?

At present, the “**colour service**” of 17 years have led to an **ageing army**. More than 60% of men are above 30 years of age. Today, the number of sepoys has fallen below 40%. Therefore, it will lead to **regular intake** and ensure availability of **youthful, patriotic, physically fit and highly-motivated youth**.

In fact, all major militaries in the world are **undergoing reform**. There is a trend towards **reduction** in the number of **personnel** and emphasis on increasing **capital expenditure** on modern weapons and equipment.

**Defence salary** and **pension bills** account for roughly half of the **annual defence budget**. It imposes **overall budgetary constraint** and compromises the availability of funds for military **modernisation**.

### Argument Against

The policy will lead to hiring without the promise of **lifelong benefits**, including the **shortened training**.

It will result in **demobilised young soldiers** who may pose a violent threat to society. It will be difficult to absorb them in the economy because India does not create adequate employment opportunities in India.

The new recruitment plan can strain existing **training resources** and produce a quality problem.

The mix of **long-term** and **short-term soldiers** will skew in favour of the latter and affect battle readiness.

### Argument in favour

In many **modern armed forces** around the world, the **service period** ranges from 2 to 8 years. Therefore, the Agniveers will bring down the **average age by 4-5 years**.

The shorter duration service does not compromise on training, morale and commitment. For example, the **Israeli army**, the **US** and the **UK Army** have shorter duration contracts.

The training for **Agniveers** will be **comparable** to the timeframe in many world-class **armed forces**.

In case of demobilisation, the demobilized soldiers will be in their 30s. They will have better skill-sets and motivation. Therefore, they will not pose a threat to society.

### Way Forward

The new reform can only be assessed in the coming years. The government will need to have a plan to **anticipate** and **address** the problems that lie beyond the **bold step forward**.

GS3 – INDIAN ECONOMY – ISSUES RELATED TO GROWTH AND DEV

### ESG FUNDS, RATINGS AND RELATED ISSUES

#### 19. Let's pin down the elusive 'E' of ESG transition finance

**Source:** The post is based on an article “Let's pin down the elusive 'E' of ESG transition finance” published in the Live Mint on 16<sup>th</sup> June 2022.

**Syllabus:** GS3 – Environment

**Relevance:** Environmental Finance

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**News:** Weather events are frequently impacting lives. India has given national commitment to net zero carbon emissions. Therefore, India should focus on **Sustainable climate funding initiatives** that broadly comprise the 'E' of **ESG transition finance**.

### Possible Interventions for transition towards sustainable development in India

#### In General

The **3 'R'**: recycle, re-use and reduce are crucial to combat climate challenges effectively.

#### Sectoral interventions

(1) **Heavy industries** like iron and steel can help reduce **carbon dioxide** exhaust by adoption of smaller '**scrap-based steel process plants**' (recycling) located near urban centres, instead of working on **integrated steel plants** which are highly polluting in nature.

Further, **deep decarbonization steel technologies** can be developed on a commercial scale. This requires appropriate technology investments.

(2) **Business** and **corporate social responsibility (CSR)** can promote **greener technologies** as well as afforestation of habitats and revival of lost water bodies across India.

(3) In the power sector, there are possibilities for **round-the-clock renewable energy (RTC RE)** supply as corporates demand for their sustainable operations. It requires **better power storage technologies** and **energy generators**. Further, power distribution companies (DIS+COMS) can support **electric vehicle (EV)** technology.

(4) In the construction industry, **rain water harvesting (RWH)** systems can be mandatory for building plan approvals. It will reverse groundwater depletion and prevent urban flooding.

#### Efforts Made So Far in Transition Finance

Various forms of renewable power, including **utility-scale solar power**, have been financed through a **pool of bank/financial institution loans, bonds** and **private equity**.

The revamped **Business Responsibility and Sustainability Report (BRSR) framework** for the listed corporates, and the **ESG assessment scores** introduced by credit rating agencies, are steps in the right direction.

Some European banks like **BNP Paribas** have come out with **climate analytics** and **alignment studies** which guides for a **carbon transition finance** roadmap towards net zero.

Recently, interim **decarbonization percentage targets** were set. It envisions raising the share of finance available to RE in overall power generation capacity, reducing **upstream exposure** to oil, and increasing the **financing** share of EVs in the automobile market by 2025.

#### Way Forward

The government can adopt **3 'C' approach** to push the laggards of **India Inc**, including **financiers** to fall in line for hastening a **green transition**. This requires, first **coax**, then **convince** and eventually **coerce**, similar to dismantling of LPG subsidies for well-off users in India.

Indian banks should devise their **own specific strategies** as most banks haven't yet framed comprehensive climate funding policies.

Indian corporates and financiers should act upon **transition finance** before **climate action regulations** start hitting them hard.

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India Inc., financiers and regulatory stakeholders should come up with a workable **'whole-of-industry investment and financing' approach** to facilitate a sustainable economy, similar to the **'whole-of-government' approach**.

The policy streamlining is needed for the growth of **wind** and **roof-top solar systems** and other renewables.

There is a need for development of robust **transition finance mechanisms** across various industry segments.

### GS3 – SCIENCE AND TECHNOLOGY – INFORMATION TECHNOLOGY

#### **5G AND RELATED ISSUES**

#### 20. [5G Impact: Traffic To Teaching, Factories To Farming](#)

**Source:** This post is based on the article **"5G Impact: Traffic To Teaching, Factories To Farming"** published in **The Times of India** on **16th June 22**.

**Syllabus:** GS3 – Awareness in the fields of IT, Space, Computers, robotics, nanotechnology, biotechnology

**Relevance:** To understand the benefits of 5G technology.

**News:** The government has announced the rollout of the transformational 5G services. This will bring about a revolutionary change in communication with benefits spanning various sectors.

What is 5G technology?

**Read here:** [5G technology](#)

What are the benefits of 5G technology?

**Education:** **a)** With the **enhanced mobile broadband (eMBB)** feature of 5G, the full potential of digital education can be unleashed, **b)** Expanding on PM eVidya, it can deliver high-quality educational content through mobile applications to every student in the country, **c)** 5G will also provide a major impetus to digital universities, **d)** Vocational training programmes, delivered in the **'phygital' mode**, can improve the employability of youth and women by providing hands-on experience and reducing on-job training time.

**Healthcare:** **a)** **Ultra-reliable low-latency communication (URLLC)** feature of 5G will enable user-friendly point-of-care diagnostics and the creation of much-needed connected ambulances, **b)** 5G will also significantly improve access to world-class medical advice, resulting in better follow-up care, **c)** A hospital-run private 5G network will enable even a handful of doctors and nursing staff to provide quality care to hundreds by monitoring their vitals while simultaneously maintaining electronic health records.

**NextGen banking:** **a)** Both eMBB and URLLC features will play significant roles in financial inclusion, **b)** India has already become a world leader with the **Unified Payment Interface (UPI)**. With the help of Geospatial Information Systems, India can reach the next level of simple, seamless and secure payments such as **'one-tap payment'** and **'cashierless store' models**, **c)** The payments bank model can be expanded through incremental steps towards a completely mobile formal banking system. This will enable citizens to securely access various bank facilities through a virtual branch experience, thereby enhancing the banking population of India.

**Read more:** [5G technology in India – importance, challenges and solutions](#)

**Transportation and mobility:** **a)** A network of EVs and charging stations can be created, optimising the availability of the charging infrastructure, and thereby enhancing the cost-

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effectiveness of EVs' ecosystem, **b)** The **massive machinetype communication (mMTC)** feature of 5G can help in integrating initiatives across transit systems, like FASTag for toll and entry tax. This can not only improve efficiency within the transportation sector but also reduce our carbon footprints.

**c)** Using the mMTC and URLLC features, India can reduce the long waiting times and inventory congestion in ports. The deployment of machine vision with software-enabled automatic-guided vehicles can help in better port-space management, **d)** Real-time automated monitoring of public spaces and traffic using city-owned private 5G networks will improve public safety and congestion in India's metro cities.

**Agriculture:** Farms can be equipped with a diverse range of sensors to continuously monitor the factors impacting the health of crops. Even small farmers with little virtual training can improve irrigation efficiency as well as crop yields through 5G.

**Manufacturing and Industry:** 5G private networks will be the cornerstone of industry 4.0. These networks connect an array of IoT (Internet of Things) sensors and devices and automate the scheduling of various processes based on intelligent algorithms.

Such networks can improve efficiency by an estimated 2-4 times while reducing carbon emissions. However, these gains are not limited to the manufacturing sector alone. Any industry that is able to digitise and schedule processes will be able to leverage many benefits of 5G.

**Renewable energy:** energy farms (especially wind and solar) already deploy numerous sensors, but because they are in remote regions, there is a delay in response. With 5G, their response time and efficiency can be radically improved.

**Governance and public safety:** **a)** Service delivery and citizen-engagement efforts can be improved with faster and safer digital identity verification. This will in turn enable faster implementation of direct benefit transfers and other such schemes. **b)** Deployment of IoT-based systems on similar networks, using the network function virtualisation feature of 5G, will improve the efficiency of projects under the Smart Cities Mission.

**Read more:** ["5G Technology" roll-out in India](#)

### GS3 – INDIAN ECONOMY – CRYPTOCURRENCY AND RELATED ISSUES

#### **REGULATION OF CRYPTOCURRENCIES**

##### 21. [On regulating Cryptocurrencies: Bubble in the air](#)

**Source:** This post is based on the article "**Bubble in the air**" published in **The Hindu** on **18th June 22**.

**Syllabus:** GS3 – Economy – Money and Banking

**Relevance:** Regulation of Cryptocurrencies

**News:** Crash in the Crypto market is yet another signal that retail investors are better off investing in this speculative asset class.

Moreover, it also highlights the need for regulation of Cryptocurrencies, without which the retail investors will have no protection from scams.

#### **Crash in the Crypto market**

Bitcoin, the most popular cryptocurrency, has lost over two-thirds of its value since its peak in November last year and has wiped out many retail investors.

Other cryptocurrencies have witnessed even larger losses, with some (Luna) plunging to zero.

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### Why Cryptocurrencies became widely popular?

Cryptocurrencies were initially touted to be **alternatives to fiat currencies**.

Since the supply of a lot of cryptocurrencies is limited by design, investing in them seemed like a **good way to protect one's wealth from inflation fuelled by central banks**.

But as it became obvious that cryptocurrencies have had very little acceptance as money, crypto-enthusiasts began to argue a slightly different case.

Cryptocurrencies were now touted as **an independent asset class** like gold and silver that could serve as an **effective hedge in times of crisis**.

The crash in the crypto market has put to rest the argument that crypto, as an asset class, is as good a hedge as precious metals.

**Easy monetary policy** adopted by central banks has also kept cryptocurrencies rallying despite concerns about their fundamental or intrinsic value.

Easy money from central banks fuelled the rise of a **get-rich-quick industry** that depended on selling to a greater fool.

Just as Internet stocks and tulip bulbs were the hallmarks of liquidity-fuelled bubbles in the past, cryptocurrencies are the leading symbol of the current bubble in markets.

### Way forward

Governments and their central banks have been largely unwilling to recognise cryptocurrencies as a legitimate investment asset.

– They are also unlikely to recognise private cryptocurrencies as they infringe on the state's fiscal and monetary authority.

Yet, to protect retail investors, a proper regulatory framework may help in protecting them from outright scams.

## CRYPTO MARKET CRASH AND RELATED ISSUES

### 22. The reasons behind the crashing crypto market

**Source:** This post is based on the article "**The reasons behind the crashing crypto market**" published in **The Hindu** on **17th June 22**.

**Syllabus:** GS3 – Information and Tech

**Relevance:** Cryptocurrency and related issues

**News:** Bitcoin and many other cryptocurrencies have been crashing since they hit an all-time high late last year. Bitcoin has lost more than two-thirds of its value since it hit a peak of around \$69,000 in November last year.

Ethereum, another cryptocurrency popular among investors, has lost almost 80% from its peak.

As a result, the overall market capitalisation of cryptocurrencies has dropped under \$1 trillion for the first time since January 2021.

### Why are cryptocurrencies crashing?

It may not be possible to pinpoint the exact reasons why investors are fleeing cryptocurrencies at the moment.

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Most analysts believe that the **fall in the price of cryptocurrencies is in line with the fall in prices of stocks and other assets** as Central banks such as the U.S. Fed Reserve tighten monetary policy to fight price rise.

– As central banks withdraw liquidity from the market, there's less money chasing assets, which in turn causes the prices of assets to drop.

Others believe that the crash could also mark the **popping of the bubble** that has driven the prices of cryptocurrencies to stratospheric levels.

Sceptics have long argued that the price of cryptocurrencies seems driven more by speculative fervour fuelled by easy monetary policy than by any fundamental factors.

### How do governments view cryptocurrencies?

Some sceptics have also argued that even though private cryptocurrencies can rise to the status of alternatives to fiat currencies over time, **governments and central banks may not allow this to happen.**

Many countries have taken several steps to **discourage the widespread use of cryptocurrencies.**

– While countries such as China and Russia have opted to impose **outright bans** on cryptocurrencies, others such as India have tried to **tax and regulate** them heavily.

**Do cryptocurrencies hold value?** Cryptocurrency enthusiasts argue that cryptocurrencies such as Bitcoin have always been subject to extreme price swings, and that the **current crash is a good time to buy these virtual currencies** at a tremendous bargain.

It should be noted that, unlike fiat currencies issued by central banks, the **supply of various cryptocurrencies is limited by design.** By holding their wealth in cryptocurrencies that either maintain their value or even appreciate in value over time, investors can protect themselves against the debasement of their wealth by central banks.

## GS3 – INDIAN ECONOMY – MONETARY POLICY

### INFLATION AND RELATED ISSUES

#### 23. Oil prices are not the real policy challenge for countries like ours

**Source:** The post is based on an article “Oil prices are not the real policy challenge for countries like ours” published in the Live Mint on 17<sup>th</sup> June 2022.

**Syllabus:** GS 3 Indian Economy; Issues and challenges pertaining to growth and development

**Relevance:** Monetary Policy, Inflation Targeting

**News:** The US Federal Reserve has raised its federal funds rate by another 75 basis points to tame inflation. The Reserve Bank of India (RBI) has also raised its policy rate, including an **inter-meeting rate** hike.

#### **Inflation Forecasts**

Recently, India's inflation forecast has been revised from 4.5% to 6.7% in a span of a few months.

#### **What are the reasons for inflation forecast revision?**

A **major geopolitical conflict** that broke out in early 2022 has led to upending of the inflation forecasts globally. Therefore, the RBI was also compelled to take this into account for the inflation forecast.



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Criticisms that RBI has been remiss in meeting its inflation target and treating the upper bound as its central inflation target miss the point of ours.

### Why is the RBI being criticized?

RBI has set the **upper bound** as the **central inflation target**. It is being criticized for **prioritizing growth** over its inflation mandate in the last few years which has led to the present inflationary pressure situation.

### Why is the RBI's criticism not correct?

(A) In the last few years, the Indian economy has faced successive shocks in the last few years. There were

(1) The balance sheets of the financial and non-financial sector had to be repaired substantially over the last decade after the **credit excesses** of the previous boom.

(2) There was a collapse of a large non-banking financial company and housing finance companies.

(3) Thereafter, India has also faced the brunt of the pandemic or the lockdown induced economic slowdown.

(B) It has to be understood that the RBI was not prioritizing growth so much as it was ensuring **macro stability**.

### What is the appropriateness of an inflation-targeting regime?

Monetary policy is a **short-run aggregate demand management tool**. It is not the right instrument to address **supply-side induced inflation**. The central banks have a limited role and effectiveness in dealing with supply-side inflation

The central bank can be blamed for **not suppressing demand** and **economic growth** because **demand compression** is a valid policy option until **supply-side problems** are not fixed. It will alleviate pressure on supply and cools down prices.

The monetary policy has **asymmetric effectiveness**. It cannot generate **inflation** by itself (unless aided by fiscal stimulus and other real factors). But it can be effective in taming inflation. This is because there is no cap on how far rates can rise.

### What are the other challenges?

The US Fed is raising interest rates. It endangers macroeconomic and financial stability in emerging economies.

The US Fed is doing **monetary tightening** after a long period of **extraordinary accommodation**.

### Way Forward

At present, the central banks must focus on broader macro and financial stability, of which inflation is one part

In the current global context, the RBI' monetary policy normalization is important to ensure **macro and financial stability**, orderly conditions in **capital markets** and normal evolution of the **external value of the currency**. It will ensure financing a considerably large current account deficit without disruption.

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### 1. [On India's unemployment issue: Persistent problem](#)

**Source:** This post is based on the article “**Persistent problem**” published in **Business Standard** on **19th June 22**.

**Syllabus:** GS3 – Economy – Issues related to growth and development

**Relevance:** Unemployment in India and related issues

**News:** Poor state of employment creation in India is reflected in the recurrent protests against changes in the government's recruitment policy or delays in appointment.

The ongoing violent protests against the change in the recruitment policy for armed forces, which have led to a massive loss of public and private property, are yet another example in this context.

Has the unemployment rate declined?

Yes.

Periodic Labour Force Survey (PLFS) [annual report](#) shows that the unemployment rate declined and the workforce participation increased. But, it is important to look beyond the headline numbers.

– According to the report, the **unemployment rate declined to 4.2%** compared to 4.8% during the previous year, and 5.8% in 2018-19.

Since this was the period when the economy was **recovering from a stringent lockdown**, the labour force participation rate increased to 41.6% compared with the level of 40.1% in the previous year.

The female workforce participation rate, which has been a significant drag on labour force participation, also improved during this period.

Has the unemployment actually gone down?

No.

The improvement was not particularly on account of improved employment opportunities.

– **More people joined the workforce** due to the decline in household income. This is also evident in the quality of employment.

- During the period under review, the percentage of people employed in the agriculture sector increased to 46.5% as against 45.6% in the previous year. This is significantly higher than the 42.5% in 2018-19.
- Consequently, the **proportion of labor employed in the manufacturing sector declined**.

Among the workers earning wages and salaries, the **percentage of employees not getting any social security benefit** declined marginally to 53.8% compared to the previous year, but **was significantly higher** than the 49.6% in 2017-18.

Overall, while the share of self-employed people increased, the proportion of workers earning wages declined.

The latest quarterly PLFS report for January-March 2022, which was also released last week, **did not show any material change** in labour force participation with the recovery in economic activity.

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What are the challenges before India?

The most pressing challenge before India will continue to be **employment creation for an expanding workforce**.

While the government is promoting select industries in the manufacturing sector through an incentive scheme, it would not be able to create jobs at the scale required.

**Nearly half of India's labour force is engaged in agriculture** and can move only to low-skill manufacturing.

This is the exact opposite of what India's labour market needs.

– Sustained higher growth with an increase in productivity can be attained only by moving the labour force out of agriculture.

**India's labour force participation is also significantly low** and would be a drag on growth in the medium to long run.

### 2. [The EPI may rankle but India can recast policies](#)

**Source:** The post is based on an article “**The EPI may rankle but India can recast politics**” published in the “**The Hindu**” on **20<sup>th</sup> June 2022**.

**Syllabus:** GS3 Ecology and Environment

**Relevance:** The Environment Performance Index 2021

**News:** Recently, India was placed last among all 180 assessed countries in the latest Environmental Performance Index (EPI), carried out by Yale and Columbia Universities.

#### **Key findings of the EPI index**

India performed better in **sub-metrics** such as growth rates for black carbon, methane and fluorinated gases, and greenhouse gas emissions based on their intensity and per capita volumes.

India performed low on **projected GHG emissions** for mid-century, a target for **Net Zero emissions**. The EPI report estimates that **China, India, the United States, and Russia** are expected to account for over 50% of **global residual greenhouse gas** emissions by 2050.

For more: Read [here](#)

#### **What is controversial in the index?**

It emphasised on **climate change mitigation**. It prioritised the release of **GHGs** from countries. It reduced the emphasis on the **stock of CO2** from industrialised countries which is warming the globe. India would have ranked much better, if the latter was emphasised more than the former.

#### **The Indian Government's response**

The ranking agencies have not “engaged” with India on the climate change mitigation programme.

India protested the EPI for introducing a new metric on climate with increased weight in the calculation compared to the 2020 assessment.

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The Union government rejected the ranking based on the grounds that it used “**unfounded assumptions**”, “**surmises**” and “**unscientific methods.**”

The important tenets, like **the United Nations principle of Common But Differentiated Responsibilities and Respective Capabilities (CBDR-RC)**, which forms the basis of the Paris Agreement, have been ignored by the agencies in the EPI.

The report ignored the facts that India has to raise the **living standards of hundreds of millions**. Despite this, India has secured to have **low per capita GHG emissions**, **reduced intensity** of GHG emissions in its economy, India has made big strides for **achieving 40% renewable power generation**, India’s support to **electric vehicles**, India launched a **major carbon sink initiative**, and India has done a lot for **wetland conservation**.

### **What are the objections to various claims made by the Indian Government?**

The ISFR was based on **poor methodology**. For example, it relied on a relaxed definition of forest, it claimed expansion of forests when satellite imagery of the same areas showed a decline, the urban tree agglomerations were found added as forest.

There is little doubt that India’s air is very **polluted**. For example, in 93% of India, the amount of pollution remains well above the World Health Organization (WHO) guidelines.

India does not have a **centralised system** to drive pollution control efforts and achieve substantial improvements.

### **Way Forward**

The Union government can focus on providing **clean public transport, cycling and pedestrianisation** because the present transport system contributes about 13% of emissions.

In order to achieve **Net Zero emissions** by 2070, the government can strive to reduce emissions from buildings, including embedded carbon in construction materials such as cement and steel.

India can expand **rooftop solar power** across residential deployments and commercial structures.

The government must provide **stronger protection for biomes**. It can generate wide-ranging benefits and biodiversity can recover. This protection of tree cover will augment carbon sinks.

India can adopt models of **development beyond GDP**, which has been proposed by **Amartya Sen, Joseph Stiglitz and Jean-Paul Fitoussi**.

India can adopt a rigorous **dashboard approach** to indicators. It can assign high weight to the environment.

### 3. [Petty patents can boost R&D](#)

**Source:** The post is based on an article “**Petty patents can boost R&D**” published in the “**The Hindu**” on **20<sup>th</sup> June 2022**.

**Syllabus:** GS3 Issues related to Intellectual property rights (IPR)

**Relevance:** The Petty Patents or Utility Model

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**News:** Recently, India was ranked 46 in WIPO's Global Innovation Index (GII) 2021, up from 81 in 2015. These findings corroborate are similar to findings in the UNCTAD's **Digital Economy Report 2021**.

### Importance of Innovation

Innovative activity is the key driver of **competitiveness** and **economic growth**. It is important for the **Indian Economy**.

The innovation can lead to **self-reliance in technology**, especially in the context of the incipient **digital revolution**.

India's rising rank in the **global innovation league** suggests India has a lot of potential, and opportunity, to strengthen the competitiveness among business enterprises.

### Indicators of innovative activity

(1) Gross R&D (GERD) and (2) The number of patents registered, are the key indicator of innovative activity.

### Status of the patent filings in India

The patent filings by Indian enterprises and other institutions have increased from 8,841 in 2011 to 23,141 in 2020 (WIPO).

### What are the issues in the field of innovation in India?

#### Issues in GERD

- (1) **India's gross R&D expenditure (GERD)** as a percentage of GDP at 0.7% is low.
- (2) The **Indian enterprises** have not got into an R&D culture. Only 30% of the GERD is spent by business enterprises, despite the generous tax incentives offered by the government.
- (3) The bulk of innovative activity is conducted by a handful of companies in the **pharma** and **auto sectors**.

#### Issues in case of patents in India

The patents granted have been only 776 and 4,988 for Indian enterprises and other institutions respectively.

Many patent applications fail to satisfy the **three-pronged test** of novelty, inventive step and utility.

The patent system fails to encourage **minor innovations** since the **criteria** for **inventiveness** tend to look at the **novelty** of the invention

### What can be done to boost the R&D activities of Indian enterprises?

The development countries spend billions of dollars on **R&D subsidies** given to **national enterprises** to shore up their competitiveness. However, as per the World Trade Organization rules, subsidies up to 50% of project costs have been made **non-actionable**.

The India government can go for **partial funding** for specific R&D projects undertaken by **business enterprises**. It may be done in a desirable direction or field.

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– For instance, to promote capability building for **new products, process innovations** for local or global markets, focus on enhancing **ecological sustainability**, promote **industry's linkage** with public-funded research laboratories and universities, and so on.

Furthermore, products based on **indigenous developed technology** could be given **production tax concessions**, as well as **income tax concessions** to encourage innovation.

### Way Forward

India should protect **minor innovations** through the so-called **utility models** or **petty patents** in order to promote **local innovation**. This has been done by several **East Asian countries**.

The utility model or petty patents regime provides **limited protection** to **minor incremental innovations** made, especially those by **MSMEs**. For example, providing a **limited period of protection** (5-10 years in contrast to 20 years in case of patents) and having less stringent requirements and procedures.

The **petty patents** and **industrial design patents** can encourage **domestic enterprises** to undertake **minor adaptive innovations** and foster an **innovation-based rivalry** among them.

#### 4. [Partha Sen writes: The inflation tightrope](#)

**Source:** The post is based on an article “The inflation tightrope” published in the Indian Express on 20<sup>th</sup> June 2022.

**Syllabus:** GS3 Indian Economy; Issues and Challenges pertaining to growth and development

**Relevance:** Inflation Targeting

**News:** The Indian economy has been hit by inflationary shocks. The RBI failed to keep the inflation rate below the upper threshold of 6%. Only after inflation hit 7%, it raised the repo rate.

### Mandate of the RBI

In 2016, an independent monetary policy committee was constituted. It embraced the idea of **inflation-target**.

The Reserve Bank of India is 4 per cent, with a band of 2 per cent on either side. However, the RBI did

Monetary authorities raise **interest rates** if inflation is above the **preferred target**, and vice versa. It causes a compression in demand (and a fall in economic activity), which in turn will reduce inflation.

### What are the causes of inflation?

Some part of inflation is coming from abroad. For example, global supply chain disruption and so on.

There has also been a steady **outflow of foreign funds** from the stock market. This caused the rupee to **depreciate**. This raised the prices of imported goods, for example petroleum products. This further added to the inflationary woes.

### Measures Taken So Far

#### The Monetary Policy Response

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The RBI has raised the cost of borrowing by increasing the repo rate, with a promise of more to come.

### The Fiscal Policy Response

The central government has cut fuel taxes. Further, it has also banned the export of certain items.

### What are the problems in India's inflation targeting framework?

In a bid to follow international best practices, the RBI seems to have fallen for a **fashionable framework**, without thinking about the **structure** of the Indian economy. This can be illustrated through the following points.

The first point relates to **agriculture's role** in the Indian economy. India's **non-food** and **non-oil components** of the consumer price index CPI are about 47%. The RBI has no control over international prices of food and oil. Therefore, it is left to squeeze less than 50% of the domestic economy to lower inflation.

The real interest rise works through **demand compression**. But the problem is on the supply side.

The RBI's monetary policy is silent on the **exchange rate** and its **effects** on output in the Indian Economy.

– For example, Until the 1970s, the monetary policies aimed to achieve both, **internal balance** (full employment and low inflation using monetary and fiscal policies); and **external balance** (balanced current account through the exchange rate).

The inflation targeting can be at odds with the external balance. For example, as the RBI raises **interest rates**, outflows will possibly slow down with the **rupee appreciating**.

Over time, from a policy perspective, the **internal balance** has come to mean only **low inflation**, since “the market” will ensure full employment.

Further, the Reserve Bank of India policy targets demand constraints. It faces the problem of tackling **Supply shocks** (originating from food and oil, primarily). If **output** is stabilised **using macroeconomic policies**, it can lead to prices rise even at higher levels. Further, on the other hand, if the authorities try to **stabilise prices**, it will lead to a fall in the output and employment in the country.

### What is the situation of India's foreign exchange reserves since 2020?

Until 2020, India had seen **massive portfolio capital inflows**, and its **current account deficits** were financed by **foreign reserves**.

In about six months, the foreign exchange reserves have fallen from around \$640 billion to around \$600 billion due to reversal in portfolio inflows. The RBI has executed “**sterilised intervention**”, in which it has bought foreign exchange (with rupees) and sold the government bonds.

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### 5. [Ashok Gulati and Ritika Juneja write: An oil palm plan for home](#)

**Source:** The post is based on an article “An oil palm plan for home” published in the Indian Express on 20<sup>th</sup> June 2022.

**Syllabus:** GS3 Indian Economy, Effects of liberalization on Indian Economy; Issues and Challenges pertaining to buffer stocks and PDS; Major Crops – Cropping Patterns in various parts of the country

**Relevance:** Self- Reliance in Edible Oil in India; Oil Palm

**News:** Recently, **The World Trade Organisation’s (WTO) 12th Ministerial Conference was concluded.**

It struggled to find satisfactory answers to some of the complex questions pertaining to global trade, especially with respects to trade in agriculture commodities and public stockholding for food security purposes,

**What are the major issues in international trade related to trade in agricultural commodities?**

The most **appropriate trading rules** with respect to **agriculture, trade** and **food security** have not been figured out in dire situations like pandemics, wars, social/political disruptions or natural disasters.

In crisis times, many countries become **inward-looking** citing domestic **food security** needs.

– For example, Russia’s export ban on **wheat** and **sunflower oil**, Ukraine’s ban on exports of **food staples**, Indonesia’s ban on **palm oil** exports, Argentina’s ban on beef exports, and India’s wheat export ban etc.

**What are the impacts of such inward-looking measures by the countries?**

Sudden actions such as these lead to **supply disruption**, exacerbate the **pressure** on global trade leading to a spike in the **prices** of these commodities, threatening the food security of net food-importing countries.

Supply disruptions during the pandemic and the Russia-Ukraine war have led many nations to think about “**self-sufficiency**” in critical food items, or at least **reduce their “excessive dependence**” on imports of essential food products.

– For example, India is working to reduce its dependence on palm oil import.

### **India’s Agri-EXIM Situation**

India’s Agri-exports are more than its Agri-imports. This means that Indian agriculture is largely globally competitive.

However, India’s **biggest Agri-import item, edible oil**, accounts for 59% of India’s Agri-import basket. Further, Palm oil comprises more than 50 per cent of India’s edible oil imports, followed by soybean and sunflower.

### **Measures Taken for making India self-reliant in edible oil**

The **National Edible Oil Mission-Oil Palm (NEOM-OP)** was launched in 2021 to achieve self-reliance in edible oils, primarily through traditional oilseeds such as mustard, groundnuts and soya.



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The objective of NEOM-OP also includes to bring in at least 1 million hectares under oil palm by 2025-26.

### What are the challenges for making India self-reliant in edible oil?

The cultivation of traditional oilseeds would require an **additional area** of about **39 million hectares** under oilseeds.

However, such a large tract of land will not be available without cutting down the area under cereals. This could endanger **India's food security**.

### Way Forward

The government can reduce **import dependence** in edible oils through promotion of **oil palm** at home.

India has identified **2.8 million hectares** of area where **oil palm** can be grown suitably.

The oil palm is a **long gestation period crop**. It takes four to six years to come to maturity. Therefore, during this period, smallholders need to be fully supported in the form of subsidy or else.

Besides the cultivation, the processing industry needs to ensure that there is an oil recovery of at least 18 to 20%.

The oil palm can be declared as a plantation crop which would allow the **corporate players** to develop their own plantations and processing units.

### [At the centre of job creation](#)

**Source:** This post is based on the article “**At the centre of job creation**” published in **The Hindu** on **21st June 22**.

**Syllabus:** GS3 – Economy – Issues related to growth and development

**Relevance:** Unemployment in India, job creation and related issues

**Context:** The government should re-establish its role as the principal employment generator.

Moreover, with its announcement that 10 lakh government jobs will be provided over the next 18 months on a “mission mode”, the govt has sent the following message:

– the **creation of employment is indeed a problem** and can no longer be hidden from the public discourse.

– the **private sector**, especially modern sectors such as the service and manufacturing sectors, which are dominated by multinational companies, **have not created many jobs**. Even if the IT sector or the modern gig economy have created jobs, these are either very **high-skilled jobs** or **low-skilled ones**.

### What are the employment trends in India?

**First**, the present government is relying on the Employees' Provident Fund Organization/National Pension System/Employees' State Insurance Scheme registrations and exits as indicators of the formal labor market.

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– This could be **misleading**, as companies may be increasing registrations to cross the threshold to become eligible to fall under any of these. Hence, this might be more a case of formalization rather than employment generation.

**Second**, media reports show that more than 85% of those aspiring for those 10 lakh jobs could be consumed by **existing vacancies in Central government departments** (8,72,243). In that sense, the pronouncement possibly **does not indicate 10 lakh new jobs**.

**Third**, 241 central public sector enterprises (CPSEs) have been shedding jobs in recent years — jobs declined from 10.84 lakh in 2017-18 to 10.71 lakh in 2018-19 and to 9.22 lakh in 2019-20. This downward trend is a cause for concern.

**Fourth**, The 10 lakh jobs creation also needs to be seen in the context of the labour market. Even though the labour force and workforce participation rates have increased marginally, there is a **decline in the quality of jobs**. This means that there is a rise in the unpaid segment of the self-employed and a rise in the share of the agricultural sector in total employment over the last three Periodic Labour Force Surveys (43% to 47%). This is a historical retrogression.

– On the other hand, the **manufacturing sector's share in national income has declined** in 2020-21 (10.9%) compared to that in 2018-19 (12.1%).

**Employment shares in the informal enterprises have increased** — for men (71% to 75%), women (55% to 57%) and all persons (68% to 71%) from 2017-18 to 2020-21.

Why govt must assume a central role in job creation?

The private sector **creates jobs in response to market forces** and while taking into consideration radically altering technological developments.

The projections about employment generation by the gig economy are unreliable, as they are computed by a trade body or by consulting agencies which have **vested interests**.

Projects in the modern private sector consume a lot of capital to **generate very few jobs**.

– For instance, recently, there was a report that the Adani Group has invested ₹70,000 crore (or ₹700 million) in Uttar Pradesh to create merely 30,000 jobs.

Foreign Direct Investment, which at any rate is highly capital-intensive, goes mostly into the **non-manufacturing sectors**.

Way forward

Employment is not merely about numbers and growth figures.

India needs to concentrate on enabling the creation of decent work and a sustainable labor market, to which India is committed as a member of the United Nations and the International Labour Organization.

The government should play a significant role soon. The government should re-establish its role as the principal employment generator through jobs in its ministries and CPSEs and through assured employment generation programmes like MGNREGA.

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### 6. [Madan Sabnavis writes: The jobs puzzle](#)

**Source:** This post is based on the article “**Madan Sabnavis writes: The jobs puzzle**” published in **Indian Express** on **21st June 22**.

**Syllabus:** GS3 – Economy – Issues related to growth and development

**Relevance:** Unemployment in India, job creation and related issues

**Context:** While the government’s intent to add over a million jobs in the next 18 months is laudable, the task is **audacious and challenging** from both an administrative and financial point of view.

Important reports regarding employment

Three reports have appeared recently on the issue of jobs.

The first pertains to **start-ups that have begun issuing pink slips to their employees**. The number given for this year so far is above 10,000 and more could be in the offing.

The second pertains to the **NSO survey**, which says that the unemployment rate in 2020-21 (July to June) was at **4.2%**, down from **4.8%** in 2019-20. This sounds good because it seems that even though start-ups are retrenching staff, somewhere in the country, opportunities are being created.

And the third is the determination shown by the government in creating opportunities — it has assured the **creation of one million jobs over the next one-and-a-half years**.

Problems with the Unemployment data

The **NSO data** talks of the unemployment rate coming down to 4.2% in 2020-21. But this **does not seem in sync** with those times when several people had lost their jobs and when migrants were forced to go back home with their workplaces closing down.

In fact, the **PLFS data does throw up some anomalies**.

– From 2018-19 onwards, the unemployment rate has been coming down — from 6.1% in 2017-18 to 4.2% in 2020-21. But, during this phase, the GDP growth rate declined from 6.8% in 2017-18 to 6.5 per cent and 3.7 per cent in 2018-19 and 2019-20 respectively, contracting thereafter by 6.6 per cent in 2020-21.

– Therefore, there does seem to be something amiss here as **lower GDP growth is being associated with a decline in the unemployment rate**, which should be the other way.

What is the situation wrt unemployment in India?

**Consumer durable goods have been registering negative or slightly positive growth** for the last five years or so — this is a reflection of the purchasing power of the people that ultimately can be linked to job creation.

Why Start-ups cannot be relied upon for large scale job creation?

Globally, 80-85% of start-ups fold in the first couple of years mainly due to non-viable models that fail the scaling-up challenge — when an enterprise that works at the micro-level does not survive as it expands.

For this deep pockets are required and if funds are not forthcoming, it adds to the pressures on the firm.

A fallout of this is **retrenchment**.

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Therefore, while start-ups sound exciting, job creation at scale cannot be part of these experiments, unless there is an assured flow of funds.

What are the issues with the promise of 1 million govt jobs?

**First**, can this number be accomplished in this short period of time, considering that there are fairly lengthy processes involved in hiring people to government departments?

**Second**, hiring such a number is good for the country, but **finding meaningful roles** for them in various departments needs to be seriously examined.

**Third** issue is the **increase in cost for the govt.**

– As per the budget for 2022-23, the average outgo per employee was around Rs 12.20 lakh. Assuming the new set earns half of the existing average, the additional cost would be at least Rs 60,000 crore. The other associated cost that has to be kept in mind relates to **pension funds**.

Way forward

The overall unemployment picture looks complex today. While officially, the rate is coming down, experience during the pandemic doesn't support such optimism.

The high hopes placed on startups to propel India have proved to be a dampener from the point of view of the stock market performance as well as employment. It has led to job destruction rather than creation.

India may have to wait for the traditional route of economic growth to gradually create spaces for more jobs.

### 7. [Flaming question: Why is it so easy to burn trains? Because effective RPF, local police coordination is missing](#)

**Source:** This post is based on the article “**Flaming question: Why is it so easy to burn trains? Because effective RPF, local police coordination is missing**” published in **The Times of India** on **20th June 22**.

**Syllabus:** GS3 – Internal Security

**Relevance:** Destruction of railway property during protests

**News:** Over 500 trains were cancelled recently following protests against Agnipath scheme. The cancellation follows instances of arson and wilful destruction of railway property.

Yet again, Indian Railways (IR) has been made collateral damage.

Cancellations not only directly inconvenience millions but undermine the economy, as railway rakes transport 3.3 million tons of freight daily, mainly coal.

This senseless destruction and related disruption should be stopped.

*Between FY-2016 and FY-2020, losses on passenger service rose from Rs 36,286 crore to Rs 63,364 crore. Given GoI's fiscal challenges and limited rail budgets, willy-nilly people dependent on train travel will suffer.*

Who is responsible for security of Indian Railways (IR)?

IR's security is overseen by its own force, Railway Protection Force (RPF), and backed by central legislation.

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– RPF is empowered to **arrest without a magistrate’s order** and in 2019 its handpicked personnel were given commando training.

As trains crisscross states, state governments also come into the picture. **Government Railway Police (GRP)**, and **local police** assist in safeguarding railway assets and passengers.

– GRP is funded equally by IR and states, but is under the administrative control of the local government.

Why IR’s security performance is still unsatisfactory?

It’s because of **gaps in coordination with the state police**.

This was examined in detail in a 2011 CAG performance audit of IR’s security.

– GRP and state police forces handle security of trains, tracks and railway premises, while RPF protects properties and consignments. The performance of local policing is influenced by a state government’s political signalling.

Consequently, the leeway agitations get has a direct impact on IR’s assets.

In this unfavourable environment, CAG’s report observed that a **unified overseeing arrangement** between RPF and state police **is missing**.

In short, there are **coordination problems that IR has not addressed**.

Way forward

RPF, headed by a police officer on deputation, needs to strengthen its coordination protocols with local police. Trains shouldn’t be such easy targets for arsonists.

### 8. [Analysing spectrum auction](#)

**Source:** The post is based on the following articles

“**Analysing spectrum auction**” published in “**The Hindu**” on **22<sup>nd</sup> June 2022**.

“**Progress without limits**” published in “**The Hindu**” on **22<sup>nd</sup> June 2022**.

**Syllabus:** GS3 Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance:** To understand the various challenges associated with the spectrum auctions.

**News:** Recently, Cabinet has approved the much-awaited airwave [auction for ultra-fast mobile internet networks](#). With this, India is set to join the league of 5G-enabled nations.

What is 5G technology?

**Read here:** [5G technology](#)

What are the benefits of 5G technology?

**Must read:** [5G Impact: Traffic To Teaching, Factories To Farming](#)

What is a Spectrum Auction?

[Click Here to read about it](#)

What are the key factors responsible for the Spectrum Auctions?

**Reserve price:** The reserve price significantly and positively correlates with the winning bid price. However, a higher reserve price also inhibits bidders from bidding for more spectrum blocks, resulting in lower amounts of spectrum sold.

If the quantity effect is more than the price effect, it results in reduced revenues for the government exchequer.

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**Position of telcos vis-à-vis Over The Top providers:** The willingness to pay by the telcos depends on their position vis-à-vis Over The Top providers who are providing substitute services such as Voice Over Internet Protocol.

**The number of bidders:** Reserve price and the number of bidders in the auction have a positive effect on the auction. The number of bidders was reduced from seven in 2016 to three now.

What are the incentives for bidders in present spectrum auctions?

**a)** Abolition of annual spectrum usage charges for all spectrum procured in this auction and the deferred payment option incentivise bidders to be active in the auction. **b)** TRAI in its April 2022 recommendation reduced the spectrum reserve price by more than 35% from its 2018 level.

What are the concerns associated with the spectrum auctions?

**Firstly,** Government's decision to set the reserve price for the spectrum based on the regulator's recommendations reveals a **prioritisation of revenue over the industry's long-term health.**

**Secondly,** Telecom sector is facing heavy financial stress that has shrunk the sector to a near duopoly. This forced the surviving operators to resort to tariff increases to protect their viability and ability to make future investments. At this time, even though the government provided an annual pay-out of the licence fee over a 20-year term, the price is still high.

**Thirdly,** 5G technologies such as machine-to-machine communication, smart grids and autonomous vehicles are still in infancy even in advanced economies. These technologies are some years away from scale-based economic viability. So, the service providers will take an ultra-cautious approach both to bidding for spectrum and in rolling out services.

**Fourthly,** Captive Non-Public Networks undermine the economics of traditional telcos.

India must be conscious of the challenges and opportunities of 5G services, and ensure that the technology caters to the largest sections of the population.

### 9. [A new global standard for AI ethics](#)

**Source:** The post is based on the article **"A new global standard for AI ethics"** published in **"The Hindu"** on **22<sup>nd</sup> June 2022.**

**Syllabus:** GS3 Awareness in the fields of IT, Space, Computers, robotics

**Relevance:** Artificial Intelligence(AI) and their global standards.

**News:** Artificial Intelligence(AI) and AI algorithms despite having numerous benefits have certain inherent challenges.

What is Artificial Intelligence?

**Read here:** [Artificial Intelligence](#)

What is the status of AI in India?

India is one of the world's largest markets for AI-related technologies, valued at over \$7.8 billion in 2021.

The National Strategy on Artificial Intelligence was released by NITI Aayog in 2018. The strategy highlights the massive potential of AI in solving complex social challenges faced by Indian citizens across areas such as agriculture, health, and education, in addition to the significant economic returns that AI-related technologies are already creating.

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India has made great strides in the development of responsible and ethical AI governance. For instance, starting from NITI Aayog's #AIForAll campaign to the many corporate strategies that have been adopted to ensure that AI is developed with common, humanistic values at its core.

### **Read more:** [Government efforts regarding artificial intelligence in India](#)

What is the UNESCO's AI Agreement?

Recently, 193 countries reached a groundbreaking agreement at UNESCO on how AI should be designed and used by governments and tech companies.

**Aim:** To fundamentally shift the balance of power between people, and the businesses and governments developing AI.

**Based on:** UNESCO's Recommendation on the Ethics of Artificial Intelligence. Countries which are members of UNESCO have agreed to implement this recommendation by enacting actions to regulate the entire AI system life cycle, ranging from research, design and development to deployment and use.

**Key recommendations:** **a)** Underscores the importance of the proper management of data, privacy and access to information, **b)** Recommend member states to ensure that appropriate safeguards schemes are devised for the processing of sensitive data and effective accountability, and redress mechanisms are provided in the event of harm, **c)** Take affirmative action to make sure that women and minority groups are fairly represented on AI design teams, **d)** AI systems should not be used for social scoring or mass surveillance purpose, **e)** Member states should invest in and promote not only digital, media and information literacy skills, but also socio-emotional and AI ethics skills to strengthen critical thinking and competencies.

What are the issues associated with AI?

**Not diverse:** The data used to feed into AI often aren't representative of the diversity of human societies. So, the outcomes produced using AI can be biased or discriminatory.

**Biases in facial recognition technologies:** For three facial recognition programs released by major technology companies, the error rate was 1% for light-skinned men, but 19% for dark-skinned men, and up to 35% for dark-skinned women.

These biases in facial recognition can lead to wrongful arrests from the law-enforcement authorities.

What are the expected outcomes of UNESCO's AI recommendation?

**Firstly,** The recommendation will serve as a compass to guide governments and companies, to voluntarily develop and deploy AI technologies that conform with the commonly agreed principle.

**Secondly,** governments will themselves use the Recommendation as a framework to establish and update legislation.

With UNESCO's agreement, AI can be put to work where it can have the most impact: hunger, environmental crises, inequalities and pandemics.

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### 10. [No single-use plastic](#)

**Source:** This post is created based on the article “No single-use plastic” published in Business Standard on 22<sup>nd</sup> June 2022.

**Syllabus:** GS Paper 3, Environment – Pollution

**News:** The long pending ban on single-use plastic seems set to come into effect on July 1.

**Read** – [All about single use plastic ban](#)

However, some of the companies, specifically producers of beverages where straws are integral to their products, are seeking more time.

#### **Why the demand to stay on ban on single-use plastic is not right?**

**First**, already sufficient time has been given to industries to adapt to biodegradable products. The phasing out of these straws and other use-and-throw plastic products was initially notified by the Central Pollution Control Board way back in 2018, which is being extended continuously since then.

**Second**, Compostable straws made of paper, PLA (poly-lactic acid), or corn-starch, are now being commonly used in many other countries. These products can be produced or imported for use in India.

**Third**, indigenous manufacturing capacity for such items is expected to be expanded as demand grows.

#### **What are the issues associated with single use plastics?**

Nearly 90 per cent of single-use plastic material is **neither recycled nor disposed of properly**. The bulk of it ends up either on roads or drainage systems leading to **water-logging** or in the waterways, reaching right up to the seas to **affect aquatic ecosystems**.

A sizable part of it lands up in **garbage dumps**, where it can stay for hundreds of years, **emitting toxic fumes to pollute the air**. Traces of **plastic toxicants are often found even in cooked** or processed foods packed in substandard plastic containers.

India’s annual per capita plastic waste generation, estimated at about 4 kg, may seem low compared to that of many other countries. **But in terms of the total mass, it ranks third in the world, next only to China and the US.**

As many as 170 countries pledged to do away with hazardous plastic by 2030, in the United Nations Environment Assembly in Nairobi. About 80 of them have fulfilled their commitments by imposing a complete or partial ban on the production, trade, possession, and use of unwanted plastic material. **Thus India should also do away with the single use plastic now.**

### 11. [Open access: A game changer for green energy?](#)

**Source:** This post is created based on the article “Open access: A game-changer for green energy?” published in Business Standard on 22<sup>nd</sup> June 2022.

**Syllabus:** GS Paper 3, Indian Economy – Infrastructure – Energy

**News:** Government recently notified green energy open-access rules. The article analyses the rules.



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India's 2030 target is 500 GW of non-fossil generating capacity. However, the present grid-connected installed capacity (including large hydro) is about 165 GW.

### What was the need for green energy open access rules?

To reach the figure of 500 GW, the renewable capacity will have to be increased from about 10 GW per year to about 40 GW per year. But it is a difficult task due to the following factors:

**First**, this capacity addition will require incremental investments to the tune of Rs. 13 trillion.

**Second**, The accumulated losses of discoms (as of March 2020) are about Rs 5 trillion, or 3.5 percent of gross domestic product (2019-20). Each unit of energy sold results in a loss of 60 paise for the discoms. Thus, there will be few investors, who would be willing to take risk of investing in them.

**Third**, the solar capacity is suffering from the following issues

1. The imposition of safeguard duty for two years led to the postponement of the investment in the solar capacity.
2. Usual issues like land acquisition
3. upsurge in solar tariff
4. The imposition of basic customs duty is going to increase the cost of capital expenditure (capex)
5. Increase in freight charges due to a shortage of containers and
6. Increase in goods and services tax on solar cell/modules from 5 percent to 12 percent.
7. The directive to buy solar panels from an approved list of models and manufacturers (ALMM) for government projects. ALMM only includes domestic manufacturers.

### How green energy open access rules are helpful?

Consumers can now demand green power from discoms (power distribution companies).

The eligibility for applying for open access has been reduced from 1 MW to 100 KW for any consumer.

A decision to grant open access or not would have to be taken in 15 days. If the permission is not granted within the time limit, it would be treated as deemed permission.

### What are the issues with the green energy open-access rules 2022?

**First**, with the decrease in the required capacity, a larger number of commercial and industrial consumers will become eligible for open access.

It will create a situation where only the subsidised consumer will remain in the billing fold of the discoms.

**Second**, the states still can deny open access citing technical issues. Some states are already denying open access to even mighty railways citing, so there will be no question if the same is done to the consumer.

Third, government's indulgence in tariff-related issues does not give the desired impact. It is because, Electricity Act 2003 under section 176(2)(z), just allows rules framing for government, only for those activities which are under its domain, and tariff is not one of them.

### What should be done?

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**Improve the financial health of Discoms:** nobody will invest in renewable capacity also, if they are uncertain of their payments.

### 12. We Have A Long Wait Before India Inc Gets Space-Ready

**Source:** This post is created based on the article “We Have A Long Wait Before India Inc Gets Space-Ready” published in Times of India on 22<sup>nd</sup> June 2022.

**Syllabus:** GS Paper 3- Science and technology

**Context:** Recently, India opened up the space sector, with the intention of gaining economic and strategic importance. However, reality has been different.

India’s share in the \$440-billion global space economy is only around 2%.

In June, 2020, India announced reforms based on four pillars; 1) Freedom of innovation for the private sector, 2) Changing the government’s role to be an enabler, 3) Preparing youth for the future, 4) Using space technology for the progress of the common man.

Although the private sector has shown interest in the collaboration, but, is not to the extent expected. A global report by SpaceTech Analytics finds that India has more than 350 private space tech firms, but the majority of these are just start-ups.

#### **What are the reasons behind the disinterest of the private sector?**

First, there is Indian businesses’ propensity for risk aversion.

Second, the space sector does not offer an easy success, despite the opportunities it is presenting.

Third, for the success of reforms, political will, financial capability, indigenous futuristic technologies and global partnerships are required.

Fourth, the sector is highly capital-intensive and risk-prone.

#### **What should/can be done?**

Earlier this month, NASA’s Thomas Zurbuchen said in Bengaluru:

*“Mind you, there would be no private sector if not for Nasa.”*

First, ISRO must follow the NASA model of partnering with and enabling the private sector. ISRO’s technical prowess and vision can be helpful in utilizing the potential of eager and ambitious albeit small (in number and size) private industry.

Second, the Centre must increase ISRO’s funding and enhance its capacity. It will enable the ISRO to handle big science missions such as Gaganyaan, Chandrayaan, and Aditya and help the private sector innovate and build technologies for the future.

Third, IN-SPACe, whose headquarters was inaugurated two weeks ago, must bridge industry gaps with expertise and wherewithal from Isro, through NSIL or otherwise.

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### [13. It is time India plans a hub airport flight path](#)

**Source:** The post is based on the article “It is time India plans a hub airport flight path” published in the “The Hindu” on 22<sup>nd</sup> June 2022.

**Syllabus:** GS 3 Infrastructure; Transport

**Relevance:** Air mode of Transportation

**News:** There is an ongoing discussion on transforming India’s metro gateway airports into a hub airport. Today’s conditions are just right for building a hub airport.

#### **The concept of a hub airport**

A hub airport is one which is served by a **multitude of airlines**, connecting several **airports** through non-stop flights.

In addition to a **common passenger terminal** with arrival/departure flows segregated on different floor levels, at the hub airport, there is a separate corridor for **transit flyers**, who use the airport only to connect flights.

A hub airport operates on the **concept of waves**. A wave of incoming flights arrives and connects with another wave of **outgoing flights** that departs an hour or two later.

#### **Advantages of a hub airport**

It is a win-win for all. A hub creates **economies of scale** for the airport and airlines alike.

‘**Hubbing**’ allows for the **maximum combination** of flight pairs at the hub airport. Therefore, it provides a wider choice of **destinations** and **frequencies** for **connecting passengers**. In addition, it lowers ancillary costs, such as avoiding the time and cost of an overnight stay.

The **direct connectivity** is increased with other airports. It provides more **revenue opportunities** due to increased passenger footfalls.

It improves the **wider airport ecosystem**, such as **aero** and **non-aero service** providers at the airport, including cargo and ground handling, fuelling, retail and duty-free, vehicle parking, aircraft maintenance repair and overhaul (MRO), and fixed-base operation (FBO) services at the airport.

This enables airlines to serve city pairs that are otherwise **economically unviable** for non-stop flights.

An airport acts as a **force multiplier** with economic activity, jobs and employment, investments, business, trade, commerce, tourism, culture, and benefits to other sectors of the economy. For example, if one job is created in the aviation sector, it leads to the creation of up to six jobs in various allied sectors, such as the tourism and hospitality sector.

In fact, it propels the economic and social development of the city and its inhabitants, too.

#### **What are the requirements for making a major airport hub, whether domestic or international, in India?**

- (1) sufficient local consumer demand;
- (2) good geographic location, and
- (3) necessary infrastructure to support high-volume traffic.

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### What are the favourable factors for making an airport hub in India?

As per the **UN Department of Economic and Social Affairs, Population Division – Report on International Migration 2020**, India has the **largest diaspora**, or **transnational community**, at 18 million people across all six continents and regions.

India is located on busy **international air corridors** that connect Europe, Africa, and the Middle East with Asia.

As per the **IMF World Economic Outlook Database April 2019**, India is the **5<sup>th</sup> largest economy** in nominal GDP terms.

India is the 7th largest by land mass, India can support the development of more than one hub airport.

India's Airport business is largely monopolistic. Normally, a competing airport is not found in the same urban area;

In India, Airport development is a regulated business. It has **minimum downside risk** for investors.

The **Airports Economic Regulatory Authority of India** has established a robust, fair, and transparent process for Airport tariff determination.

At present, India is the **third-largest domestic aviation market** in the world, next only to the **United States** and **China**. There is a continuous surge in passenger demand in India.

### What are the impediments?

There are **capacity constraints** at major airports because of a lack of landing slots, especially during peak hours.

The Airports Authority of India Act (AAI), 1994 constrains the AAI/airport operators from **commercially exploiting** available land for **non-aeronautical activities**.

There is a **'high cost-low fare'** operating environment in India.

There are 34 operational international airports in India. But **smaller international airports** are either completely left out or have very limited scope in starting international flight operations

There are problems with high duties and taxes like imposed on Aviation turbine fuel (ATF)

### What are the opportunities?

There is a need to develop **inter-modal connectivity (rail/road – air)** and **logistics support infrastructure (warehousing)** as a part of the **future airport master plans** to fully exploit potential with cargo and freight;

The aspiring hub airports can partner with tier-2 and tier-3 airports in their catchments;

Airports should develop allied service capabilities, such as cargo handling, aircraft MRO and FBO.

The **duties** and **taxes** should be rationalized, such as bringing ATF under the ambit of GST.

In India's case, the **first two requirements** of making a **major airport** are largely addressed. At present, the focus should rightly be on addressing the **third requirement**.

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### 14. [Crypto came tumbling after](#)

**Source:** This post is based on the article “**Crypto came tumbling after**” published in **The Hindu** on **23rd June 22**.

**Syllabus:** GS3 – Economy

**Relevance:** Fluctuations in the crypto market and related issues

**News:** Crypto market is witnessing a crash right now. But, Crypto assets like Bitcoin have been subject to wide fluctuations in their prices since their inception. The current downturn is not the first of its kind.

As crypto assets are digital assets, the rate of return is sensitive to changes in the global liquidity condition.

Why Crypto is popular?

It is an asset that allows people to keep their money outside the formal financial system and make it accessible so that it can be used anywhere in the world.

Why there was a marked rise in Crypto prices in recent years?

The phenomenal rise in the price of Bitcoin in recent years has dwarfed the fluctuations in its price in the past.

The popularity of Bitcoin is obvious from the **price differentials with Ethereum and Litecoin**.

The rise in the price of crypto assets began at the onset of the pandemic, as people with excess funds parked them in crypto assets. This made sense given the lack of investment opportunities on account of the uncertainty arising from lockdowns.

What are the factors behind the recent downturn in Crypto market?

As the COVID-19 spread slowed down, people started to move their funds out of crypto assets and into more **lucrative real investment opportunities** arising from a recovering economy. This led to the eventual decline in prices.

The **halt in withdrawal by Celsius** especially led to panic among investors, as this company is supposed to be one of the biggest crypto lenders.

### Major reason

Recently, there have been changes in the price of an important class of assets: **government bonds issued by the governments of developed countries**.

– Many central banks across the developed world have been **raising their policy interest rates** to combat rising inflation.

– Debt raised by developed country governments, especially the U.S. but also by U.K. and Germany, is an important class of assets because these are deemed as safe assets across the world.

– As the central banks of these countries raise their policy interest rates, the **rate of return is also expected to go up**, motivating large institutional investors to buy more of these.

Accordingly, these investors would get out of some current investments and use the newly realized liquidity to buy these safe assets.

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Why the demand for safe assets has increased?

The world over, demand for safe assets has increased as many developing countries have grown fast and accumulated enormous foreign exchange reserves.

These countries then demanded USD-denominated assets to **preserve the value of their portfolios**.

Events like the pandemic only increased the demand further for safe assets.

Unfortunately, the supply of safe assets has not kept up with this demand, as the developed countries that produce these assets have grown at a much slower rate.

Way forward

Given that there is generally a shortage of safe assets, it is likely that the **demand and prices of crypto assets will change frequently** as institutions look for alternatives with slight movements in the rate of return on safe assets.

Overall, investors must understand the nature of crypto assets and their demand and not ignore the interconnectedness of financial markets at the global level.

### 15. [Do We Need Geoengineering & What Are The Risks?](#)

**Source:** The post is based on the article **“Do We Need Geoengineering & What Are The Risks?”** published in **“The Times of India”** on **23<sup>rd</sup> June 2022**.

**Syllabus:** GS3 Conservation, environmental pollution and degradation, environmental impact assessment.

**Relevance:** To understand the concepts of geoengineering.

**News:** With record-breaking heatwaves hitting many parts of the world, scientific circles have been debating whether countries should prepare to deploy geoengineering technologies to deal with such climate emergencies or not.

What is Geoengineering?

Geoengineering is an umbrella term for various experimental technologies designed to deliberately alter the climate system to reduce the impacts of global warming. They are broadly fall under two categories: Solar Radiation Modification (SRM) technologies and Carbon Dioxide Removal (CDR) technologies.

Premier universities such as Cambridge and Harvard have set up specialised geoengineering research centres. There are a few geoengineering modelling programmes in India as well.

#### **What are Solar Radiation Modification (SRM) technologies?**

SRM aims to reduce the amount of solar radiation reaching Earth by reflecting sunlight back into space, thereby reducing surface temperatures. Scientists are proposing to do this by a variety of techniques such as making clouds brighter, thereby reflecting sunlight like a mirror. Or by thinning/ removing the ‘cirrus clouds’ that absorb solar radiations and warm the earth. These technologies are attracting the most attention.

SRM has many techniques. Such as,

**Cloud engineering:** Countries have been seeding clouds to force more rainfall for years. China has been implementing an extensive cloud seeding programme, with plans to cover more than

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half of the country by 2025. In India, cloud seeding has been tried in states such as Tamil Nadu, Karnataka and Maharashtra during droughts.

These practices have encouraged scientists to propose cloud engineering of the planet to reduce warming. But still, cloud engineering is in the ideation stage.

**Stratospheric Aerosol Injection (SAI):** It is one of the technologies that has reached the experimentation stage. SAI aims to mimic large volcanic eruptions that have a cooling effect on the globe. During large eruptions, millions of tonnes of sulphur particles (called aerosols) are injected into the upper atmosphere, where they reflect back the incoming solar radiations, thereby cooling the planet.

For example, the eruption of Mount Pinatubo in the Philippines in 1991 caused global cooling of 0.6°C for the following two years. Scientists are now proposing to send aeroplanes and balloons to the stratosphere to release millions of tonnes of aerosols to mimic a smaller version of Mount Pinatubo.

### **What are Carbon Dioxide Removal (CDR) technologies?**

CDR is about removing carbon from the atmosphere, either by the massive deployment of machines to extract CO<sub>2</sub> from the air or by more natural methods like planting trees.

What are the advantages and disadvantages associated with the Stratospheric Aerosol Injection (SAI)?

**Advantages:** Several modelling studies indicate that SAI might reduce some of the worst effects of climate change, such as lowering warming and reducing the frequency of heatwaves and high-intensity storms.

Also, the price is so affordable that a few dozen countries can easily deploy this technology unilaterally.

**Disadvantages:** **a)** SAI might create unintended consequences such as adverse impacts on rainfall, crop production and ocean acidification, **b)** Large-scale spraying of aerosols into the atmosphere could also deplete the ozone layer, enlarging the ozone hole, **c)** If the aerosol injection is terminated abruptly this will cause rapid warming, disrupting the water cycle and leading to massive biodiversity loss, **d)** Unilateral use of SAI could lead to significant adverse effects in other countries, leading to conflicts.

What will be the future of geoengineering techniques?

The best way to solve the climate crisis is by cutting down the global emissions. But environmentalists fear that the excessive focus on geoengineering would move the focus away from cutting emissions.

Countries will deploy geoengineering on a large scale only if they fear large-scale casualties or economic disruptions due to extreme climatic events.

Before deploying, **a)** enough research must be done about the safety and effectiveness of these technologies, **b)** A global governance mechanism based on international rules-based system must be established to deter the unilateral deployment of these technologies, **c)** Better to be prepared for the consequences.

India should take the lead from the global South in developing scientific knowledge on the subject.

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### 16. [GVC restructuring: China's zero Covid policy & India's opportunity](#)

**Source:** The post is based on the article “**China's zero Covid policy & India's opportunity**” published in “**Business Standard**” on **23<sup>rd</sup> June 2022**.

**Syllabus:** GS3 Indian Economy and issues relating to planning, mobilization, of resources, growth

**Relevance:** To understand the global value chain (GVC) restructuring and stand of India.

**News:** Just after reopening the complete lockdown, Shanghai reimposed a fresh, partial Covid-19 lockdown again. This shows China's zero-tolerance strategy toward Covid-19.

The lockdown provides another opportunity for global value chain (GVC) restructuring and relocation. India should utilise this opportunity and must attract relocating supply chains.

What are the phases of GVC restructuring?

**Global financial crisis and aftermath:** The process of GVC restructuring began in the wake of the global financial crisis of 2008-09 followed by a series of natural disasters like the Tohoku earthquake in Japan, the Tsunami and the Thai floods in 2011.

The earthquake impacted semiconductor production, the Thai floods disrupted the automotive value chains followed by electronics and electrical appliances.

During risk rebalancing, large corporations preferred regionalisation of GVCs or shorter-length supply chains.

**During US-China trade tensions: “China plus one”** emerged as the alternative strategy for MNCs to relocate their subsidiary operations.

In sectors like automobiles, machinery, transport equipment and electrical equipment, the EU, Mexico, Taiwan and Vietnam, have gained from this strategy.

**Pandemic-led border closures, followed by the Ukraine war:** This further added to supply chain woes by disrupting the flow of critical minerals, elements and components.

The availability of easily substitutable inputs from alternative trading partners is now being considered as a means to make GVCs more resilient.

Globally, two alternatives, **localisation and regionalisation** are being debated for GVC resilience. Both strategies compromise efficiency but they reduce geopolitical risks.

**Read more: [The Global Semiconductor Shortage – Explained, pointwise](#)**

How does Localisation benefit GVC restructuring?

**Localisation** means the use of domestically produced inputs is encouraged through protectionist instruments such as tariff increases and restrictions on imported inputs.

**Challenges:** Building complete supply chains domestically is a **more time-consuming process**. Further, relying solely on domestic inputs will **make localised supply chains rigid and actually less capable** of adjusting to exogenous shocks.

**Status of India:** India's trade policy has been more protectionist in the last few years and this is one of the reasons for India's inability to take advantage of the earlier waves of GVC restructuring and shifts.



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How does regionalisation facilitates GVC restructuring?

Over the last two decades, global trade has been increasingly dominated by GVC-led trade in intermediate goods.

Several countries directed their trade policies to facilitate the movement of intermediates across multiple borders. For example, China and ASEAN economies adopted a differential and favourable tariff structure for imports of parts and components/ intermediates, particularly in sectors like automobiles and electronics.

This has been a major contributory factor in these countries' ability to attract export-oriented foreign direct investment (FDI) in these sectors.

**India and regionalisation:** India maintains much higher levels of tariffs and relatively fewer duty-free lines in GVC-intensive sectors. Further, customs compliance has been made more cumbersome in India for importers utilising free-trade agreement (FTA) preferences.

India's **trade policy was not designed in recognition of the importance of integration with GVCs** for enhancing its trade participation as well as manufacturing competitiveness.

**Read more:** [India must integrate with global value chain :ADB](#)

What should be done to attract GVCs to India?

Apart from low and favourable tariff structures, trade and investment agreements play a significant role in integrating with GVC/regional value chain networks. Hence, India must negotiate trade agreements with ASEAN or East Asian economies.

India should work on the early conclusion of the review processes of its existing FTAs/Comprehensive Economic Cooperation Agreement and Comprehensive Economic Partnership Agreement. with ASEAN, Korea and Japan.

India should also follow up the India-Australia early harvest scheme with necessary investment liberalisation provisions towards achieving a full-fledged comprehensive agreement.

Recognising that integration with GVCs is an important means to achieving long-sought manufacturing competitiveness in India. Hence, India should reorient its trade policy to take advantage of China's zero-Covid strategy.

### 17. [Fiscal weakness – State finances can impede growth](#)

**Source:** The post is based on the article **“Fiscal weakness – State finances can impede growth”** published in **“Business Standard”** on **23<sup>rd</sup> June 2022**.

**Syllabus:** GS3 Indian Economy and issues relating to planning, mobilization, of resources, growth

**Relevance:** To understand the challenges faced by state government finances.

**News:** State governments indulge in most of the general government spending (including the central government). According to a recent Reserve Bank of India(RBI) study, five states namely, Bihar, Kerala, Punjab, Rajasthan, and West Bengal figure among the most stressed states fiscally.

The study has highlighted 10 vulnerable states based on their debt stock in 2020-21. These 10 states account for around half of the total expenditure by all state governments in India.

**Read more:** [Five states need to take steps to stabilize debt levels: RBI](#)

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What are the reasons for distressed state government finances?

**Impact of Pandemic:** Before the pandemic, the average gross fiscal deficit (GFD) to gross domestic product (GDP) ratio was at 2.5%, though some states ran fiscal deficits above 3.5%. But the pandemic significantly affected government finances.

During the pandemic State's revenues were hit. Despite that, States continuously provided medical care and supported the vulnerable sections of the population.

**Decline in revenue collection:** Revenue expenditure constitutes about 80-90% of total expenditure in these (10 vulnerable) states, which clearly affects their ability to spend on growth-enhancing asset creation.

What are the risks highlighted by RBI to state government finances?

The RBI study also underlines several risks to state government finances. Due to that, the RBI projections suggest that most states would have a debt-GSDP ratio of over 30 per cent by 2026-27. These risks are,

**a)** Growing preference for distribution, **b)** Some states reverting to the old pension scheme is also a cause for concern, **c)** The guarantees extended to state-owned enterprises and the mounting debt of power distribution companies, **d)** According to estimates, the off-budget borrowings of state governments have increased to about 4.5% of GDP and **e)** The end of the compensation regime under the goods and services tax would further weaken the fiscal position of the states.

What should be done to improve the state government finances?

An unsustainable level of debt in some of the large states would not only affect growth prospects, but could also pose risks to macroeconomic stability. Hence, India needs an overall medium-term consolidation road map.

### 18. The role of caste in economic transformation

**Source:** The post is based on an article "The role of caste in economic transformation" published in the "The Hindu" on 23<sup>rd</sup> June 2022.

**Syllabus:** GS3 Issues and Challenges pertaining to growth and development in India; Inclusive Growth in India

**Relevance:** Barriers to inclusive Growth in India

**News:** Recently, India witnessed agitations against farm laws, agitation for reservation by agriculture castes, and is witnessing an ongoing protest against the Agnipath programme, at present.

#### **What are the reasons for such protest?**

They are all arguably an outcome **simmering discontent** due to jobless economic growth for at least two decades, coupled with rising poverty and discontent in rural areas.

#### **How does it impede the economic transformation in India?**

As per **Arthur Lewis**, a Nobel Prize winner for development economics, accumulation of **physical capital** is vital for economic transformation in the developing world. Further, **Theodore William Schultz**, emphasized that **human capital** in the form of educated workforce and entrepreneurs, is vital for better transition to modern sectors.

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There were divergent outcomes in **structural transformation** between countries in the **Global South**, particularly **India, China** and **South East Asia**. It was because all the nations which attained **inclusive growth** in the Global South succeeded in **land reforms**, human capital formation, investment in infrastructure through **capitalism** and began industrialisation in the rural sector.

However, only India lost the game. It has been due to **three factors** which impeded **Inclusive growth** in India:

(1) The caste system shapes the **ownership pattern** of **land** and **capital**. It has led to **ownership and land inequality**.

(a) India has one of the **highest land inequalities** in the world today. **It started** under **British rule**. They assigned land ownership to **proper cultivators** who belong to certain castes at the expense of **others/labourers** belonging to lower castes who cultivate granted/gifted lands. It is still reflected in the **post-independent land ownership pattern** in India because **Dalits** and **lower castes** remained excluded in the **post-independent land reforms**.

Since **Economic reforms of 1991**, the farm lobby has lost its power. The land has lost its productive capacity.

The farm cultivators could not transform into the **capitalist entrepreneurs** in the modern sectors, except a few castes in western and southern India.

(2) There is an **elite bias** in **higher education**. Further, it is found that there is a historical neglect of **mass education**

The Indian education system has been suffering from an **elite bias** since colonial times. These elite were largely from **upper castes**. This has continued in the post-independent India. The service growth since 1991 reforms is an outcome of this historic elite bias in education.

India did not achieve much success in **human capital formation** which was required for the **manufacturing growth**. In contrast, **Chinese** and other **East Asian Countries** invested in **basic education** and gradually shifted towards **higher education**.

Therefore, they accumulated **human capital** which contributed to their success in **manufacturing**. Unlike India which concentrated in **high-end technology jobs**, these countries captured **low-end manufacturing jobs**.

(3) Caste system generated a **barrier to entrepreneurship**. It was done through its rigid **social control** and **networks which** facilitated **economic mobility** for some and **erects barriers** for others in the modern sector.

The relative success in South India is being attributed to the **'Vaishya vacuum'** or an absence of traditional merchant castes.

In contrast, **agrarian capitalists** entered into urban enterprises in the South East Asian Countries.

**What were the reasons due to which the agriculture sector could not benefit from the economic reforms?**

Due to historical **neglect of education** and the **entry barriers** erected by the upper castes in **modern sectors**. It is validated by the **recent agitations** by the Jats, the Marathas and the Patels, demanding reservation for their castes in higher education and formal jobs.

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### 19. Towards a single low tax regime

**Source:** The post is based on an article “Towards a single low tax regime” published in the “The Hindu” on 23<sup>rd</sup> June 2022.

**Syllabus:** GS3 – Government Budgeting

**Relevance:** GST Reforms

**News:** The Goods and Service Tax (GST) regime which reduced big barriers to free trade and economic growth in India is back in the news due to various reasons, including demand for **low-tax regime**.

#### **Why should India move towards a low tax regime?**

The late **Finance Minister of India**, Arun Jaitley had announced that the **28% GST slab**, which he called the “**dying slab**”, would be phased out, except for luxury items. In addition, he said, India would eventually have just two slabs: 5% and a standard rate between 12% and 18%.

There is empirical data from across the world which talks about the benefits of **a unified single tax**.

The ‘**Sin**’ taxes impede the **growth rate** and creation of jobs under ‘**Make in India**’ in India. The **high taxes** create an **economic ripple effect downstream**, which finally reaches down to the bottom of the **employment pyramid**.

- For example, a five-star hotel, paying sin tax, generates a lot of direct low-salaried employment such as waiters, housekeeping staff, etc., it also generates **indirect employment**, such as it buys furniture, carpets, air conditioners, cutlery, etc. So, it’s unwise to tax these hotels to death.

It is **a complicated and confusing tax regime**, due to its **different slab nature**. For example, the GST on bread is zero, but the **vegetable sandwich** is in the 5% tax slab, hitting the vegetable grower directly.

The present regime leads to **harassment** and **litigation**. For example, ID Fresh Food appealed against a GST ruling of the **Authority for Advance Rulings**, which made a distinction between **rotis** and **parotas**, in which rotis were subjected to 5% slab and parotas were subjected 18% slab.

There are various items that are exempt from GST. For example, **Petrol, diesel, and aviation turbine fuel** come under Central excise and State taxes. These Central excise duties and varying State taxes on petrol and diesel, are probably the highest in the world

In addition to above, there is a **distrust** between the States and the Centre on revenue sharing. Various state governments are angry at the Centre for reducing the **States’ autonomy** and disregarding the **federal structure** of the Constitution.

#### **Way Forward**

The Finance Ministry must adopt the principles of **Keep It Simple, Stupid (KISS)** which is used in the **low-cost airline model**. It means keep a framework which is so simple that even a stupid person would be able to understand and comprehend it without problem.

The government can come up with **a single low tax regime** along with a list of exempt items. The tax regime can be of **just two categories**: (1) goods eligible for **zero tax** and (2) goods that will fall under a single rate, say 10% or 12%.

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The GST framework should allow more people to buy items purchased by the rich and upper middle class.

The GST reform would ensure **compliance**, widen the **tax net**, improve ease of doing business, boost the economy, create jobs, increase tax collections and reduce corruption

### 20. Crude oil diplomacy

**Source:** The post is based on the article “**Crude oil diplomacy**” published in “**Business Standard**” on **24<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance:** To understand India’s Crude oil diplomacy.

**News:** Recently, a few private-sector refiners decided to import larger quantities of crude oil from Russia. This is likely to impact India’s Crude oil diplomacy and diplomatic standing with Western allies and West Asia, currently the country’s top suppliers.

Last month, Russia became India’s second-largest oil supplier by overtaking Saudi Arabia.

Why there is an increasing import of Russian oil?

**Significant discounts:** This makes it a compelling option for refiners in the public and private sectors to buy Russian oil.

**Maximising profitability:** Since the price is discounted, there is no logical argument against private refiners maximising profitability by sourcing inputs from the cheapest available source. Further, the state-owned oil companies are doing the same.

Why Crude oil diplomacy is important for the Indian economy?

**The market of the private sector refineries:** State-owned refiners’ output is sold in the domestic market. But, a significant portion of private refineries’ production is exported, sometimes to markets that have imposed sanctions on Russia.

Even though India has officially taken a strictly “neutral” position vis-à-vis Russia’s invasion of Ukraine and the private players also do not violate any domestic political protocols, this is not considered appropriate.

**Challenges to India’s relations with the US and their allies:** Indian military’s dependence on Russian matériel and spares has created a discomfiture in the US and the European Union(EU).

Europe already seeks to cut its fossil fuel dependence on Russia. If India continues to import Russian oil then it might hamper India’s diplomatic position.

**Pressure from other principal suppliers:** Iraq is India’s largest supplier of crude oil. Saudi Arabia already felt compelled to cut prices, fearing an erosion in its market share. But this will not continue in the long run. They might pressurise India to reduce its import from Russia. This might be a reality soon as they become bigger suppliers to Europe in the near future.

What should be India’s Crude oil diplomacy?

India should do everything in its power to minimise economic tensions. Since commercial crude oil imports require licences, India could utilise this lever to good effect to secure India’s longer-term interests.

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### 21. [The problems plaguing thermal power generators](#)

**Source:** This post is based on the article “**The problems plaguing thermal power generators**” published in **The Hindu** on **24th June 22**.

**Syllabus:** GS3 – Energy and Infrastructure

**Relevance:** Power crisis due to shortage of coal and related issues

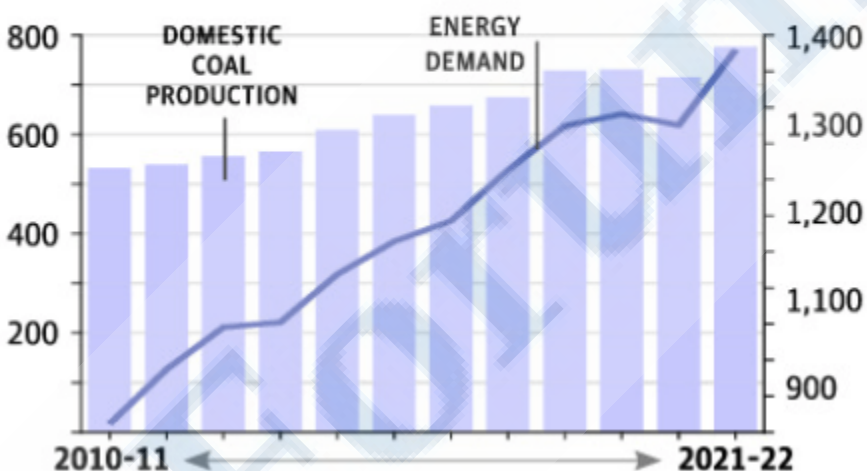
**News:** On June 10, India’s power demand touched a record high of 211 MW even as the coal shortage continued with coal stocks available only for eight days.

Consequently, the Ministry of Power directed the power-generating companies or ‘gencos’ to use imported coal for 10% of their requirement, failing which their domestic supplies would be cut.

India is the second-largest producer of coal, with reserves that could last up to 100 years. Despite that, year after year, the shortage of coal supplies continues to be an issue.

**How did India get to this stage?**

**Chart 1 |** The chart shows India’s total domestic coal production in million tonnes (left-axis) and energy requirement in billion units (right-axis) in the past 12 years



**Source: The Hindu**

As seen in chart 1, the **domestic production of coal stagnated** between FY18 and FY21, but revived in FY22.

The **power demand too surged** owing to economic recovery and hotter weather conditions.

**Pressure on domestic sources:** Until FY20, domestic sources contributed to about 90% of the power sector’s coal receipts; the remaining was filled by imports. But by FY22, the reliance on imports decreased to 3.8% which built pressure on domestic supplies.

**High price of coal in the international market:** This dip in imports can be attributed to the skyrocketing prices of coal in the international markets. The price of imported coal is nearly 5-6 times higher than domestic supply.

– Hence, States are wary of using imported coal as it would raise the cost of power substantially.

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The use of imported coal will also **push up the price of power supply to the power distribution companies** or 'Discoms,' often dubbed as the weakest link in the power sector chain.

### What are other perennial bottlenecks behind India's power crisis?

**Discoms owe long-standing dues** to the tune of ₹1.16 lakh crore to the gencos. Delays in payments by discoms create a working capital crunch for generating companies which in turn inhibits them from procuring an adequate quantity of coal.

*A power sector supply chain typically looks like this – **Generation (genco) -> Transmission (transco) -> Distribution (discom) -> end user***

Further, they are unable to pay generators on time. Discoms in Tamil Nadu, Rajasthan and Uttar Pradesh are the most financially stressed.

Why are discoms not able to the gencos on time?

Discoms are bleeding because the **revenue they generate is much lower than their costs**.

This is evident from the gap between the average cost of supply and average revenue realised (see chart 6). Tamil Nadu, Jammu and Kashmir, and Rajasthan have the widest gap between revenues and expenses of discoms. Apart from providing power at cheaper rates, some State governments do not revise tariffs periodically. Further, the delay in getting compensation from the government also compounds the woes of cash-strapped discoms.

### [22. Open network for digital commerce](#)

**Source:** This post is based on the article “**Open network for digital commerce**” published in **The Hindu** on **23rd June 22**.

**Syllabus:** GS3 – Industrial policy and growth

**Relevance:** Open network for digital commerce and related issues

**News:** The government of India announced the launch of the pilot phase of open network for digital commerce (ONDC) in five cities in late April.

The aim was to “democratise” the country’s fast growing digital e-commerce space that is currently dominated by the two U.S.-headquartered firms — Amazon and Walmart.

What is ONDC?

As per the strategy paper on ONDC, it is a **not-for-profit organisation** that will offer a network to enable local digital commerce stores across industries to be discovered and engaged by any network-enabled applications.

It is **neither an aggregator application nor a hosting platform**, and all existing digital commerce applications and platforms can voluntarily choose to adopt and be a part of the ONDC network.

The ONDC aims to enable buying of products from all participating e-commerce platforms by consumers through a single platform.

– Currently, a buyer needs to go to Amazon, for example, to buy a product from a seller on Amazon. Under ONDC, it is envisaged that a buyer registered on one participating e-commerce site (for example, Amazon) may purchase goods from a seller on another participating e-commerce site (for example, Flipkart).

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The ONDC model is trying to replicate the success of the Unified Payments Interface (UPI) in the field of digital payments.

**Read more: [Open network For Digital Commerce – Explained](#)**

What led to formation of ONDC?

The Department for Promotion of Industry and Internal Trade (DPIIT), under Ministry of Commerce and Industries, conducted an outreach during the outbreak of the COVID-19 pandemic to understand its impact on small sellers and hyperlocal supply chain functioning.

It found that there is a **huge disconnect** between the scale of online demand and the ability of the local retail ecosystem to participate. Following this, consultations were held with multiple ministries and industry experts and “ONDC was envisioned to revolutionise digital commerce in India,” as per the strategy paper.

What is the current status?

Presently, ONDC is in its **pilot stage in five cities** — Delhi NCR, Bengaluru, Bhopal, Shillong and Coimbatore — with a target of onboarding around 150 retailers.

The government has also constituted an **advisory council** to analyse the potential of ONDC as a concept and to advise the government on measures needed to accelerate its adoption.

Over the next five years, the ONDC expects to bring on board 90 crore users and 12 lakh sellers on the network.

What are the likely benefits of ONDC?

The ONDC will **standardise operations** like cataloguing, inventory management, order management and order fulfilment. Hence, it'll be making it simpler and easier for small businesses **to be discoverable** over the network and conduct business.

However, experts have pointed out some likely potential issues such as getting an enough number of e-commerce platforms to sign up, along with issues related to customer service and payment integration.

### 23. What India needs to do to reduce its fertiliser bill

**Source:** The post is based on an article “What India needs to do to reduce its fertiliser bill” published in the Indian Express on 24<sup>th</sup> June 2022.

**Syllabus:** GS3 Issues related to Direct and Indirect Farm Subsidies;

**Relevance:** Fertiliser Issues

**News:** In 2021- 22, India’s import of fertilisers touched an all-time high of \$12.77 billion in fiscal terms.

### **What are the factors that make India fit for agricultural activities?**

India has no dearth of **land, water** and **sunshine** to sustain vibrant agriculture. India is abundant in all these resources. For example:

(1) India’s land under **crop cultivation** (at 169.3 million hectares) is far higher than any other country. For example, US (160.4mh), China (135.7mh), Russia (123.4mh) or Brazil (63.5mh).



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(2) India is endowed with the **perennial Himalayan rivers**. It has **average annual rainfall** of nearly 1,200 mm, in contrast to other countries like Russia's 475mm, China's 650 mm and the US's 750 mm

### What are the challenges in the agricultural sector in India?

#### Fundamental Challenges

(A) India is short and heavily **dependent** on imports in the fertilizer sector. It can be illustrated by below mentioned fact:

– India heavily imports **mineral fertilisers** like urea, DAP, complex fertilisers (containing nitrogen-N, phosphorus-P, potassium-K and sulphur-S in different ratios) and single super phosphate (SSP).

– India also substantially imports the **intermediates or raw materials** required for the manufacture of these fertilisers. For example, for urea, the primary feedstock is imported natural gas. For DAP, domestic manufacturers import intermediate chemicals, namely phosphoric acid and ammonia. Some even produce phosphoric acid by importing rock phosphate and sulphuric acid.

(B) The **foreign exchange outgo** and the **fiscal cost** (subsidy part) are the two associated cost with the import of above said items.

(C) In addition to the above problems, the Indian farmers are well known to do **over-application** of the fertilizers.

#### Ongoing challenges

At present, the global prices of urea, DAP, MOP, phosphoric acid, ammonia and LNG have increased at lot

#### Way Forward

First of all, there is a need to cap or even **reduce consumption** of **high-analysis fertilisers** – particularly **urea** (46 per cent N content), **DAP** (18 per cent N and 46 per cent P) and **MOP** (60 per cent).

- This can be done by incorporating **urease** and **nitrification** inhibition compounds in urea. In addition, products such as liquid **“nano urea”** can be used which is conducive to easier absorption by the plants

Second, promote sales of **SSP** (containing 16 per cent P and 11 per cent S) and **complex fertilisers**.

Third, **DAP** use should be restricted mainly to paddy and wheat because other crops don't require fertilisers with 46% P content.

#### Others

India can also import more rock phosphate to make SSP directly or it can be converted into “weak” phosphoric acid.

The **agriculture departments** and **universities** should revisit their existing **crop-wise nutrient application recommendations**, and create awareness amongst farmers about **suitable substitutes** for **DAP**. They should advise farmers to keep themselves away from all high-analysis fertilisers.

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The government should popularise the use of **high nutrient use-efficient water soluble fertilisers** (potassium nitrate, potassium sulphate, calcium nitrate, etc) and **alternative indigenous sources** (for example, potash derived from molasses-based distillery spent-wash and from seaweed extract).

Farmers should know India imports a substantial part of the fertilizers used by them in their fields, and India is also a **mineral resource poor country**.

24. [M Venkaiah Naidu writes: Without soil conservation, there is no food security](#)

**Source:** The post is based on an article “Without soil conservation, there is no food security” published in the Indian Express on 24<sup>th</sup> June 2022.

**Syllabus:** GS 3 PDS, Buffer Stock and Food Security

**Relevance:** Challenges and Solutions to food security

**News:** Recently, Sadhguru, a spiritual leader, had launched an initiative known as “**save soil campaign**”. In addition, he also completed 100 days of solo biking across many countries to promote concerted action on saving soil.

**What are the factors that have led to food security?**

The **agricultural modernisation** has led to improvement in the **crop production**, which in turn has ensured food security to large swathes of people across the world. It should be kept in mind that around 95% of global food production depends on soil.

**What are the challenges to food security?**

Soil is a **fragile** and **finite resource**. Soil degradation is going on at an unprecedented scale across the world. Therefore, it is a significant challenge to **sustainable food production**.

**Soil Degradation:** About 1/3<sup>rd</sup> of the earth’s soils are already degraded. About 90% could be degraded by 2050 if no corrective action is taken.

– It is estimated that 96.40mn hectares or about 30% of India’s total geographical area — is affected by land degradation.

**What are the causes that lead to soil degradation.?**

Apart from **natural causes**, there are **human activities** which also lead to soil degradation. According to the Food and Agriculture Organisation’s ‘**State of Land, Soil and Water**’ report, out of around **5,670mn hectares** degraded land, 29% is attributed to **human-induced land degradation**

The agriculturists have adopted modern scientific techniques. For example, they now resort to **extensive use of fertilisers** and **pesticides** which lead to the deterioration of soil health and contamination of water bodies and the food chain, which pose serious health risks to people and livestock.

According to the **FAO’s latest ‘State of the World’s Land and Water Resources for Food and Agriculture’**, **soil pollution** is another issue.

Further, as per studies, around 160 million hectares of cropland worldwide is affected by **salinisation**.

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### Lesson that can be learnt from India

Since ancient times in India, mother earth has been considered a divine entity and her worship is an integral part of the **country's civilisational ethos**, and the Indian farmers have followed sustainable and holistic agricultural practices.

According to the **United Nations Institute for Training and Research** and the **World Future Council's report** namely "**A Healthy Planet for Healthy Children**", there are various success stories. For example, **Sikkim** in India became the **first organic state in the world**. It phased out chemical pesticides and fertilisers.

The Union government introduced the **revolutionary soil health card (SHC) scheme**. The SHCs have been distributed to about 23 crore farmers. It has contributed to improving the health of the soil.

In addition to the above measures, India is also working to **restore 26mn hectares** of degraded land by 2030.

### Way Forward

There is a need for **collective global action** involving governments and civil society to reverse this alarming trend. All the stakeholders like the government's functionaries, farmers, CEOs, scientists, school children, etc. must work to save the health of the planet and ensure food security.

The need of the hour is to adopt **innovative policies** and **agro-ecological practices** that create **healthy and sustainable food production systems**.

(1) In fact, **natural farming** and **organic farming** are not only **cost-effective** but also lead to improvement in soil health and the farmland ecosystem.

(2) There is an urgent need for action to **reduce dependence** on pesticides worldwide and to promote policies advocating **healthy and sustainable food systems** and **agricultural production**.

(3) Efforts should be made to **reduce soil erosion**. The Soil erosion not only affects fertility but also increases the risk of floods and landslides.

### 25. India has emerged as a major buyer of Russian crude. But some caution is in order

**Source:** The post is based on the article "**India has emerged as a major buyer of Russian crude. But some caution is in order**" published in the "**Indian Express**" on **25<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance:** To understand India's Crude oil diplomacy.

**News:** India is the third-largest importer and consumer of oil in the world. Recently, a few private-sector refiners decided to import larger quantities of crude oil from Russia.

Historically India imported oil and crude from Iran, Iraq and Russia. Last month, Russia became India's second-largest oil supplier by overtaking Saudi Arabia.

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About crude oil and Russia

Crude is the raw natural resource extracted from the earth, subsequently refined into widely used products like petroleum, jet fuel and heating oils. The price of crude impacts the cost of essential goods like food and clothing.

Russia is the world's largest exporter of oil products to global markets and the second-largest exporter of crude oil behind Saudi Arabia. About 60% of Russia's oil exports go to Europe and another 20% to China.

As the Russia-Ukraine crisis intensifies, Europe's Russian crude purchases fell by 5.5 Lakh barrels a day, Asia's consumption rose by 5 lakh barrels. Hence, Russia has not suffered a significant loss in terms of crude oil sales.

**Read more:** [Crude oil diplomacy](#)

About India's increasing crude oil import from Russia

According to the Wall Street Journal, India has increased imports of Russian crude more than 25-fold since the start of the invasion in February. As of June 1, 2022, India is importing an average of a million barrels a day.

There are many benefits associated with importing Russian oil. Such as,

-India is refining crude oil or turning it into products like jet fuel and diesel and selling it to Europe and other nations.

-Helps India to curb inflation that has been made worse by rising fuel prices.

-The government can bring down prices and halt the decline in the value of the Indian rupee.

What are the challenges associated with importing Russian oil?

**Firstly**, the European Union has announced a ban against insuring ships carrying Russian oil. Countries like India, China and Turkey that are increasing their oil purchases from Russia have six months to find a work-around to the insurance ban by using non-European insurance companies.

**Secondly**, European companies own most of the ships carrying Russian oil to India. These insurance sanctions will impact the companies that own these ships as well.

**Thirdly**, buying cheap Russian crude may only be a temporary solution to our long-term fuel needs.

What should be done?

Electric vehicles and electric batteries substitute non-renewable resources like petroleum and diesel. There is a concentration of battery factories /suppliers in China and South Korea.

Hence, India should take steps to prevent shortages by putting in place factories which will build electric batteries. The invasion of Ukraine has taught India to be more self-reliant and have in-house energy sources.

### 1. [Aerial boon for farming](#)

**Source:** The post is based on the article "**Aerial boon for farming**" published in "**Business Standard**" on **27<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Technology missions in Agriculture.

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**Relevance:** To understand the benefits of drones in Agriculture.

**News:** Within a year after the government liberalised the drone policy, the farm sector has become the biggest user of these multi-utility flying robots. The country's agricultural drone market is projected to grow at a robust annual rate of over 25% in the next five to six years.

What is the reason for increasing drone usage in Agriculture?

**a) Shortage of farm labour** in agriculturally progressive regions is contributing to growth in drones' demand, **b) Reduced cost in hiring drones:** The cost of hiring drone service is expected to fall (to Rs 350-450 per acre) as the scale of its use increases for common services, such as applying plant protection chemicals or crop nutrients. This is far lower than that of getting the same work done manually or with conventional machines.

### Other contributory factors

**a) Government support:** The government support the use of drone through various acts such as a slew of financial and other kinds of incentives, a production-[linked incentive \(PLI\) scheme for the drone sector](#) and conducting "Bharat Drone Mahotsava 2022". Further, inclusive drone development is one of the four priorities of the government,

**b) Increased flow of private investment** into the UAVs sector, **c) Numerous enterprises**, ranging from start-ups to well-established auto companies, have come forward to manufacture and set up facilities to provide custom-hiring services to farmers, **d) Drone exports:** Many drone makers got export orders from Japan and other Asian and Gulf countries.

**e) Skill training:** The civil aviation ministry expects that around 100,000 skilled drone pilots may be urgently required to operate these unmanned aerial vehicles. The minimum education qualification has been reduced to passing class 12 to facilitate a greater enrolment of the rural youth for this purpose.

Thus, India seems to have the potential to become the global leader in manufacturing and utilising UAVs and reduce the Chinese dominance in the global bazaar for drones.

**Read more: [Drone Imports Ban and Boosting Indigenous Drone Manufacturing – Explained, pointwise](#)**

How drones are used in Agriculture?

**Firstly**, Drones are employed in agriculture for a variety of purposes such as estimating the planted area and likely production, assessing crop damage by pests and diseases, and digitising land records, apart from their most common use for spraying pesticides and plant nutrients.

**Secondly**, The use of drones in the farm sector is unlikely to remain confined to a few broad areas, such as spraying, surveying, mapping, and surveillance.

**Thirdly**, Specially designed sensors equipped with artificial intelligence tools can enable drones to distinguish between healthy and diseased or pest-infested plants for better targeting of pesticides and other plant-protection chemicals.

**Fourthly**, large drones can be used to transport farm produce, especially perishable items like vegetables, fruit, meat, and fish, to markets directly from farms in the least possible time and with minimum damage to the stuff.

**Read more: [‘Kisan drones’ will help in the development of agriculture sector. Analyse the initiatives of government for the promotion of drone use](#)**

All this could enable farmers to fetch higher prices due to the better quality and freshness of their produce. Drones, if used prudently, can prove to be a major game-changer for the farm sector.

### 2. [Bringing MSMEs into global value chains](#)

**Source:** The post is based on an article “Bringing MSMEs into global value chains” published in the “The Hindu” on 27<sup>th</sup> June 2022.

**Syllabus:** GS Paper 3, Indian Economy; Issues and Challenge in mobilization of resources, growth and development in India

**Relevance:** MSMEs sector

**News:** Recently, World MSME Day was celebrated on June 27 for giving attention to the MSMEs. Just like any other large businesses in India, they have also contributed to growth and achievements.

#### **About the micro-small and medium enterprises (MSME)**

MSMEs are **privately owned enterprises** with less than Rs. 50crore in investments in plant and machinery and turnover below Rs. 250 crore.

#### **Importance of MSMEs**

They are the **backbone** of the Indian economy. For example, it accounts for over 99% of businesses in India.

They have given valuable contributions to job creation and sustainable development across the world. For example, MSMEs are the **largest employer in India** outside of agriculture, validated by the fact that MSMEs employ over 11.1 crore people or 45% of all workers.

#### **What are the challenges in the functioning of the MSMEs?**

These businesses are the ones that have faced the harshest of environments over the last few years.

(1) The Pandemic-induced disruptions severely impacted MSMEs. They have faced a lack of access to resources

(2) Due to war, they are facing supply shocks and soaring fuel, food, and fertilizer prices.

(3) Further, the ongoing climate crisis is going to become the **greatest disruption** multiplier of all.

(4) Most MSMEs do not meet today’s standards on productivity, environmental sustainability, health and safety of workers.

(5) There is a **high degree of informality**, with many enterprises unregistered, and both employers and workers lack awareness of and commitment to comply with labour and environmental laws.

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(6) The informal enterprises cannot access **formal MSME support** and **financing** nor participate in **global value chains** that require full compliance with all applicable regulations.

The economic landscape is changing due to **digitalisation**, greening, and the reorganisation of value chains.

(1) Digitalisation concerns the integration of digital technologies, such as big data, artificial intelligence, and virtual reality, in business processes, also known as Industry 4.0.

(2) “Greening” requires **cleantech innovation** and **entrepreneurship** to accelerate the transition to a **circular** and **low carbon economy**.

(3) To increase the resilience of supply in response to recent shocks, and other reasons like shift in the production locations in the global value chains across countries and regions.

### Measures Taken by the Government and other agencies

The government has launched **the Atma Nirbhar Bharat** (self-reliant India) and has identified the development of the MSME ecosystem as a top priority for achieving this.

India’s ambitious **“Make in India” campaign** wants to make India a global manufacturing hub.

The **production-linked incentives (PLI)** schemes and the recently launched zero effect **zero defect (ZED) certification** are helping to promote and boost the MSMEs sector.

The UN system in India is supporting these and other MSME development initiatives at the local, state, and national levels.

The government initiatives such as the **Digital Saksham** and the interlinking of the Udyam, e-Shram, National Career Service (NCS), and Atmanirbhar Skilled Employee-Employer Mapping (ASEEM) portals aim to promote digitalisation in the MSMEs.

At present, together, the Bureau of Energy Efficiency (BEE), and UNIDAO provide energy efficiency advisory services to various MSMEs in different sectors of the MSMEs.

ILO, together with the Federation of Indian Chambers of Commerce & Industry (FICCI) and corporates, are supporting MSMEs in creating and retaining jobs

**The Start and Improve Your Business program** is helping over a lakh young people across five States launch enterprises.

### The Way Forward

To leverage the demographic dividend, India needs to create many jobs, especially for the one million young people entering the labor market every month.

The policymakers should work on creating an **environment** to fully unlock emerging opportunities in the rapidly changing global value chain ecosystem and maximize the demographic dividend

MSME owners should commit to **formalize** their businesses, investing in improved productivity, compliance, and most of all, decent work and jobs for India’s aspiring youth.

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### 3. [The art and science of managing inflation](#)

**Source:** The post is based on the article **“The art and science of managing inflation”** published in the **Business Standard** on **28<sup>th</sup> June 2022**.

**Syllabus:** GS 3 Indian Economy; Issues and Challenges Pertaining to Growth and Development; Planning and Mobilization of resources

**Relevance:** Monetary Policy; inflation Targeting

**News:** In recent weeks, the conduct of monetary policy in India has been severely criticized by economists.

#### **About the Monetary Policy Committee**

The primary objective of the Monetary policy Committee is its **flexible inflation-targeting** mandate.

#### **What have been the lacunas in MPC policies?**

**One**, there has been an **unnecessary delay** in changing priorities from supporting growth to **controlling inflation**.

**Two**, in addition to balancing the **inflation-growth trade-off**, the MPC policy has been pursuing multiple objectives. Therefore, it resulted in the loss of focus on the primary objective, leading to **persistently high inflation**.

#### **What are the underlying challenges in the conduct of monetary policy?**

**First**, on **inflation targeting**. Monetary policy is always based on forecasts. The consumer price index inflation forecast moved lower from 4.9% in the September 2021 round to 4.7% in January 2022. However, when the **geo-economic impacts** of the Ukraine crisis on commodities and **energy prices** were factored into, it resulted, the inflation forecast jumped to 5.2 percent. Thus, there is an uncertainty in inflation targeting.

**The second** concern is the **fiscal dominance** of monetary policy. The transmission of monetary policy signals into the spectrum of interest rates is varied, with each rate having different behavioral, regulatory, and structural causes for the changes as well as functional impacts.

A third concern is whether RBI’s **“management” of the rupee** has been distracting from the primary objective of **price stability**.

In reality, at present, India is facing an episode of the **open economy impossible trinity**. For example, there is a global spill-over effect of G-10 central bank actions. It definitely requires **foreign exchange intervention**.

#### **What should be the priority areas of the monetary policy?**

##### **(1) Conventional Focus**

Globally, the role of monetary policy has been to fix the policy rate in order to ensure **macroeconomic stability**. Further, the rest of the yield curve was allowed to be moved based on **market** and **economic conditions**. In fact, the monetary policy was not involved in an attempt to control the slope and curvature.



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### (2) Focus areas at present

Since the **global financial crisis**, the **conventional framework** has been mostly abandoned. Now, **monetary policy** works through various instruments like quantitative easing, yield curve control, etc. to change the structure of the yield curve.

In India too, the RBI had deployed programs like targeted **long-term repo operations**, **G-sec Acquisition Programme** over and beyond normal **open market operations** to influence the **yield curve** at selected maturities, during the pandemic phase.

#### 4. [Sushil Kumar Modi writes: The online marketplace is skewed in favour of big players and hurts small businesses and consumers](#)

**Source:** The post is based on the article “**Sushil Kumar Modi writes: The online marketplace is skewed in favour of big players and hurts small businesses and consumers**” published in “**Indian Express**” on **28<sup>th</sup> June 2022**.

**Syllabus:** GS 3 – changes in industrial policy and their effects on industrial growth.

**Relevance:** To understand the issues surrounding the online marketplace.

**News:** The proliferation of a wide range of e-commerce platforms has created convenience and increased consumer choice. But, the online aggregator platforms have damaged large segments of small and medium businesses and favour the domination of a few big platforms. Across the world, small businesses are suffering from the unethical practices and unequal bargaining power of these large platforms

How do big players hurt small businesses and consumers in the online marketplace?

For consumers

**a)** Big platforms resort to predatory pricing to acquire customers even as they suffer persistent financial losses, **b)** The cashback and deep discounts offered by big players have turned out to be a forerunner to customer addiction, **c)** Big players take away choice from suppliers and consumers. This, in the long run, can be viewed as an exclusionary practice that eliminates other players from the market, **d) Using customer data:** While using these platforms, citizens share their data voluntarily and involuntarily. The aggregators gather shopping habits, consumer preferences, and other personal data.

For small businesses

**a)** A few select sellers, who are generally affiliated with the e-market platforms, reap the benefits of greater visibility and better terms of trade. Further, they also have complete control over customer reviews and ratings on the platform; manipulation and arbitrary removal have also been reported, **b)** Online travel aggregators are often accused of cartelisation. For example, the Competition Commission of India’s investigation in the OYO-MakeMyTrip collusion case, **c) Lack of a fair and transparent dispute resolution mechanism** for sellers on e-commerce platforms.

**d)** Unreasonable and one-sided contracts allow travel aggregators to have a disparity clause (in the rates). This allows them to offer rooms at a much cheaper rate but bars the hotels from doing so. Restaurants are many a time forced to accept orders at prices much lower than their agreement. The same goes for Taxis attached to aggregators like Ola and Uber also.

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What should be done to protect the online marketplace?

- 1) A set of comprehensive rules and regulations should be put together. These regulations need to be inclusive, should eliminate the conflicts of interest inherent in current market practices, and prevent any anti-competitive practices.
- 2) A model agreement that is fair and allows a level playing field between the aggregators and their business partners should be implemented. For instance, the [Digital Markets Act of the EU](#).
- 3) Strong and quick grievance redressal and dispute resolution mechanisms should be established. The rules should allow for punitive penalties for unfair practices.
- 4) Market dominance and subsequent invoking of fair competition rules should be triggered at the level of micro-markets and for product segments.

### 5. [Go beyond supply curbs to squeeze plastic waste](#)

**Source:** The post is based on the article “**Go beyond supply curbs to squeeze plastic waste**” published in the Live Mint on 28<sup>th</sup> June 2022.

**Syllabus:** GS 3 – Ecology and Environment

**Relevance:** Plastic Pollution

**News:** India’s **Central Pollution Control Board (CPCB)** is set to prohibit the manufacture, import, stocking, distribution and sale of single-use items w.e.f. 1 July, 2022.

#### **What are the problems with plastic?**

The plastic waste disposal has led to **large-scale invasion** in the natural environment. The entire ecosystems are at threat of being choked by the plastic materials that refuse to blend back into nature. For example, **marine species** are being killed by microplastics.

As per the studies of **the United Nations Environmental Programme (UNEP)**, there is a **plastic output** of 400 million tonnes per year. About 12% of it was burnt and only 9% recycled.

India is among the **top three generators** of plastic waste, along with China and the US.

India’s informal sector is very big. Therefore, it registers a patchy record on compliance.

#### **What makes plastic so important?**

The plastic is very **cheap** and **affordable**. It has succeeded because there is an **economy of scale** in its production.

#### **What should be done?**

There should be emphasis on **recycling** because at present it is difficult to fully phase out the plastic as, there is an absence of substitute. In addition, the government has been organizing events like a “**hackathon**” to solve the problem of substitution.

The curb on supply should go hand-in-hand with **demand compression**. Otherwise, it may adversely affect outcomes.

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There is a need for a **broad attitudinal shift** to play a major role. This can be done through campaigns.

Globally, the UNEP has launched the “**Plastic is forever**” initiative. It indicates, the plastic does not decompose.

### 6. [Market reality is catching up to the tech startup ecosystem](#)

**Source:** The post is based on an article “**Market reality is catching up to the tech startup ecosystem**” published in the Indian Express on 28<sup>th</sup> June 2022.

**Syllabus:** GS 3 Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development, and Employment.

**Relevance:** Start-up Ecosystem

**News:** In recent years, India has been witnessing the growth of the **start-up ecosystem** which has been in overdrive for the past few years.

#### **What are the factors that have led to growth in the start-ups in India?**

On the **supply side**, the start-ups were able to find **cheap money**, and they also benefitted from **negative real interest rates**.

On the **demand side**, the start-ups were supported by the strength of the Indian consumer, and the economy. India has been witnessing an accelerated **financial inclusion** (bank accounts) and identification became easy in India through **Aadhaar**. Connectivity also increased through **mobile phones**.

#### **What are the challenges?**

In recent times, the start-ups that have gone public, are facing losses. For example, **Paytm’s**, **Zomato** and **PB Fintech (Policy Bazaar)** have registered losses.

The era of **cheap money** is now showing signs of weakness in India. The investors from **early-stage venture capitalists** to **institutional and retail investors**, are likely to be more cautious in their dealings. For example, **Alibaba** and **Ant Financial** exited their entire holdings in Paytm Mall. The start-ups ranging from Ola to OYO, are planning to raise funds at lower valuations.

Due to high no. of the smartphone users in India, the **transactions** routed through the **UPI platform** was high, and there is near **universality of bank accounts**. But in reality, there are not many consumers with significant **discretionary spending capacity**, and those with the capacity aren’t increasing their spending as these companies would hope. For example, in 2021-22, Zomato received around 11 orders per customer for the entire year or less than one order per customer per month.

Another worrying factor is the **complete absence** of any increase in spending by the consumers who are already on these platforms. For example, Zomato, in 2020-21 registered an average order value of Rs 397 and in 2021-22 the average order value was Rs 398.

#### **What should be done?**

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There is a need for **tighter financial conditions**, and a **re-rating of the market**, both of which will impact both fundraising efforts and valuations.

There is a requirement to **answer questions** like to what extent will investors continue to subsidise consumers? Will startups still command the same valuations they have received in previous fundraising rounds? Or will we see down rounds?

### 7. [5G technology will soon be here. India must prepare](#)

**Source:** The post is based on the article **“5G technology will soon be here. India must prepare”** published in **“Indian Express”** on **29<sup>th</sup> June 2022**.

**Syllabus:** GS 3 – Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

**Relevance:** To understand the importance of optic fibre manufacturing.

**News:** With over 117 crore telecom users and more than 82 crore internet subscribers, India is one of the fastest-growing markets for digital consumers. Top smartphone manufacturers in India have already released phones with 5G capability. Now it is time for the government to improve digital infrastructure, especially optic fibre manufacturing to facilitate smoother implementation of [5G technology](#).

Why does India needs to focus on digital infrastructure?

A 2019 Mckinsey study rated India as the second-fastest digitising economy. Digital infrastructure seamlessly integrates with physical and traditional infrastructure. Networking equipment that relies on optical fibre and other semiconductor-based device ecosystems are at the heart of building the 5G infrastructure.

The government has taken several measures to build the next generation of digital infrastructure. But the success of initiatives such as [Bharatnet Phase III](#) and the world’s largest rural broadband project face challenges due to the non-deployment of high-quality fibres. For instance, a little more than 30% of mobile towers have fibre connectivity; this needs to be scaled up to at least 80%.

**Must read:** [5G Impact: Traffic To Teaching, Factories To Farming](#)

The status of optic fibre manufacturing in India

In the last 10 years, domestic manufacturers invested more than Rs 5,000 crore in this industry. The industry has generated direct and indirect employment for around 4 lakh individuals.

India’s annual optic fibre manufacturing capacity is around 100 million fibre km (fkm) and the domestic consumption is around 46 million fkm. India is also exporting optical fibre to over 132 countries.

Indian optical fibre cable consumption is predicted to increase to 33 million fkm by 2026 from 17 million fkm in 2021.

**Read more:** [5G technology in India – importance, challenges and solutions](#)

What should be done to revive optic fibre manufacturing?

**Tackle cheaper imports:** Countries such as China, Indonesia and South Korea are dumping their products in India at rates lower than the market price.

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The government must impose anti-dumping duties to protect the domestic industry. Directorate General of Trade Remedies has recently begun investigations against optical fibre imports.

**Enhance digital infrastructure:** India needs to invest in R&D, offer production-linked incentive schemes to support indigenous high-tech manufacturing and develop intellectual property in critical aspects of digital connectivity.

The need of the hour is to unlock the full potential of India's optical fibre industry and enable India to emerge as a major manufacturing and technology hub while achieving atmanirbharta in its 5G journey.

### 8. [India's economic constraints and an energy holdback to be eased](#)

**Source:** The post is based on an article "**India's economic constraints and an energy holdback to be eased**" published in the **Live Mint** on **29<sup>th</sup> June 2022**.

**Syllabus:** GS 3 Infrastructure; Energy Sector

**Relevance:** Energy Sector

**News:** The Indian economy is under pressure due to high global oil prices. In the **current fiscal year**, India may witness a balance of payments **deficit**. However, at present, the problem of deficit can be tackled with large buffer of foreign exchange reserves with the Indian central bank.

#### **What are the issues ahead?**

- 1) High volatility in the **global oil prices**,
- 2) **Slower global economic growth**,
- 3) **International investors** showing uncertainty due to the ongoing monetary tightening by many central banks and
- 4) **Volatile geopolitical situation**

#### **What are the lessons in the ongoing episode of turmoil in the global market for crude oil?**

India is **structurally deficient** in energy. So, it needs to generate **foreign exchange** from the rest of the world to pay for its **energy imports**. It can be done either through exports or capital inflows.

In January 2019, Vijay Kelkar had pointed out that the growth strategy followed by any country depends on empirically identifying important structural constraints to growth. Then the policies should be designed to ease those constraints. India in the past identified following structural constraints.

#### **History of India's four earlier structural constraints addressed by the government**

**1) The savings constraint:** India faced the growth challenge as India had a very low savings rate in the years after independence, of around 9.5% of GDP. India undertook **bank nationalization** in 1969. Thereafter, India's savings rate went up by more than 5 percentage points within a decade.

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**2) The food constraint:** India faced shortage of food in the 1950s and 1960s. We were dependent on food imports from the US. It risked India's independent foreign policy. Therefore, India steered the **Green Revolution** at the end of the 1960s. It helped India break the food constraint.

**3) The foreign exchange constraint:** India had 'scarce' 'foreign exchange'. India was hit by **periodic balance of payments crises** till 1991. Thereafter, India opened up the economy in 1991. It broke India's **foreign exchange constraint**, both through **greater trade** with the world as well as **capital inflows** into the economy.

**4) The home market constraint:** Earlier, it was said in the 1970s, that India's domestic market was not big enough to **absorb industrial goods** that were being produced by local manufacturers. It was because of **low average incomes** as well as **unequal distribution of income**. The economic growth raised the income level, **higher support prices** were given to farm produce which built the rural market and the international market was also recognized after 1991.

### Way Forward

At present India is facing another structural problem of **the energy constraint**. Similar to above policy measures, the government can solve the issues through **green transition** because India is better endowed with sunshine and other renewable sources than crude oil.

India needs to be part of **emerging global supply chains** for the provision of new forms of energy in the coming decade.

### 9. [Agnipath is part of a larger process of defence reform and modernisation](#)

**Source:** The post is based on an article "**Agnipath is part of a larger process of defence reform and modernisation**" published in the **Indian Express** on **29<sup>th</sup> June 2022**.

**Syllabus:** GS 3 Internal and External Security of India; Various security forces and their mandate

**Relevance:** Defence Reforms

**News:** Recently, the government has launched the **Agniveer recruitment reform** in the context of defence reforms.

Recently other reforms have also taken place. For example; the Chief of Defence Staff (CDS) has been appointed. In addition, there has been pursuit for reorganisation of the armed forces into **theatre commands** to promote jointness and synergy.

### History of Defence Reforms

Since the **Peace of Westphalia** in 1648 till the end of the First World War in 1918, there has been a notion that a **general mobilisation** for war culminates in a **full-scale conflict**. This mobilisation was not considered as a peaceful act. It represented the most decisive act of war. For example, the Austria-Hungary and Germany mobilised the army soon after the assassination of **Archduke Franz Ferdinand** which culminated into the commencement of the World War I.

In the **Second World War**, the **alliance system** and **mobilisation system** became important aspects of warfare. These systems were carried forward into the Cold War till the collapse of the Soviet Union in 1991. This system warranted a **mass concentration of heavy armour** which necessitated the deployment of large conventional armies.

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In post-world war period, the **modern warfare** based on **modern technology** overtook the traditional method of determining **casus belli** of war.

The **mutually assured destruction (MAD) doctrine** came into the dynamic of war due to the entry of **nuclear weapons** into the warfare.

In the 1970s, the **US defence experts** and the **Soviet military theorists** started rethinking that the **landscape of warfare** would rapidly transform in the future, due to **military-technical revolutions** in computing, communications, space know-how, and transformative changes.

In addition to the methods of warfare, there has been a rise of **transnational non-state actors**. This has led to evolution of the nature of conflict and warfare.

In addition, in the mid-1990s, **China** also commenced a **fundamental restructuring** of its **force**. It tried to prepare its military for **modern war**. It ramped up **defence spending** on new weaponry. It enhanced anti-access area denial tactics, and establishing programmes to boost the Chinese defence industry etc. It also restructured **command structures** to develop **an integrated fighting force**. In the mid-70s, the Chinese army was shrunk from approximately 3mn to around 9,75,000 and the **higher defence management paradigm** was reorganised into **theatre commands** by February 2016.

### India's Defence reforms

India started seriously thinking of **reforming** and **modernising** its **defence forces** and **command and control structures** in the wake of **the Kargil War in 1999**.

**The Kargil Review Committee (KRC)** recommended reforms in the **recruitment practices** of the armed forces. It stated, "the Army must be young and fit at all times. Therefore, the period of colour service should be reduced from the present practice of 17 years to **seven to ten years**".

In 2000, a **Group of Ministers (GOM)** endorsed the **KRC's recommendation** that there is a need to ensure a younger profile of the services to ensure that the armed forces are at their fighting best at all times.

### The Way Forward

The future of warfare entails a **lighter human footprint**. However, it should be kept in mind that soldiers must be equipped with **state-of-the-art weaponry**, **cutting-edge technology** and a highly **informationised environment**.

The proposed recruitment reform in India would help in **right sizing** the armed forces provided in the future, there are going to be imperatives of **fifth generation warfare**.

### 10. [Full privatization of PSBs: Our bank privatization agenda demands clarity](#)

**Source:** The post is based on the article "**Our bank privatization agenda demands clarity**" published in "**Livemint**" on **30<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning, mobilization, of resources.

**Relevance:** To understand full privatization of PSBs and its issues.

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**News:** According to media reports, investment banks and other likely investors have recently asked the government to fully withdraw the Centre's share from PSBs for facilitating a better disinvestment process and value discovery. This raised debate on the privatization of state-owned banks once again.

**Must read:** [Privatization of PSBs – Explained, Pointwise](#)

What are the advantages of full privatization of PSBs?

**1)** Improve capital allocation efficiency and overall productivity by an order of magnitude, **2)** Will take care of PSB networks, outdated systems and stifling bureaucracy, **3)** Might avoid poor decision-making by providing better incentives.

Other benefits of privatization of PSBs include reduction of public sector dominance of the banking sector and promotion of allocative efficiency.

**Must read:** [Privatization in India and related issues | Timeline](#)

What is the legal challenge to the full privatization of PSBs?

But that faces a legislative challenge. Because **Section 3(2B)(c)** of The Banking Companies (Acquisition and Transfer of Undertakings) Act of 1970 requires the government to hold at least 51% of a PSB's paid-up capital at all times. The government will have to amend this Act if it wants to sell all its equity.

**Other challenges:** Formalization of credit, financial inclusion and providing the Centre and states with transaction processing platforms for the delivery of direct benefits to underserved Indians will take a huge hit.

**Read more:** [Hope fades for PSBs](#)

What should be done?

**End dual governance:** The government has to end its twin-track governance model for PSBs, with the regulator always second-guessing the dominant shareholder's next move.

For example, while the Reserve Bank of India (RBI) must approve the appointment of private bank CEOs, the government's choice of chief executives is binding on RBI.

**Improve governance:** The Centre's tussle with PSB boards gives rise to various forms of rent-seeking and thereby creating a problem of bad loans. The government should focus on improving PSBs standards of governance, rather than simply trying to offload them via bulk stake sales.

These will foster a viable financial sector with both PSBs and Private sector banks to support the Indian economy.

11. [Goods and Services Tax at five: The new regime's journey so far](#)

**Source:** The post is based on the following articles

**“Goods and Services Tax at five: The new regime's journey so far”** published in **“Livemint”** on **30<sup>th</sup> June 2022**.

**“Next stage for GST”** published in **“Business Standard”** on **30<sup>th</sup> June 2022**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning, mobilization, of resources.



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**Relevance:** To understand the achievements of the GST Regime in the past 5 years.

**News:** The Goods and Services Tax (GST) has completed its 5th year since its inception on 1 July 2017. Recently, The 47th meeting of the GST Council has also taken place.

What is the reason for introducing GST?

**Firstly**, The GST replaced 17 central and state taxes and 13 cesses, eliminating the **cascading impact of indirect taxation** and laying the foundation for a common national market.

**Secondly**, Indirect tax regime was **based on origin and was inefficient**. This resulted in high costs accruing to the economy.

**Thirdly**, Many **industries were uncompetitive** under the old tax regime, and it altered choices of factory or warehouse location that should be determined by purely business considerations.

**Fourthly**, As per an estimate by the Federation of Indian Chambers of Commerce & Industry (Ficci), the **overall tax burden on goods** ranged between 25% and 30% prior to GST.

**Read more:** [The Supreme Court's Judgment on GST - Explained, pointwise](#)

What is the reason for multiple tax slabs under GST?

[GST Council](#) considered two essential factors before arriving at a 5-tier rate structure.

**1) Principle of equivalence:** All items have been fit into rate slots nearest to the prevailing aggregate duty rates of all indirect taxes, **2) Safeguard the poor from inflationary pressure:** Items with 60% weight in the Consumer Price Index (CPI) were exempted from GST, while another 15% were subject to just a 5% levy.

What is the status of GST in past five years?

-The proportion of the taxable value of goods and services covered under the lowest bracket of the 'nil' tax rate has gone up from 9% in 2017-18 to nearly 17% in 2019-20.

-Further, things that are in the highest GST bracket of 28% are estimated to have been brought down from 12% to 7.6% in 2019-20. Consequently, the effective GST rate had come down from 14.4% at inception to 11.6% in 2019.

-The GST-to-GDP ratio went up from 5.8% in 2020-21 to 6.4% in 2021-22, reflecting improved compliance (but not at the expected level).

-To **promote MSMEs**, the government has enhanced threshold exemptions from GST registration, quarterly filing of GST returns for taxpayers with an annual turnover of ₹5 crore, and a composition levy scheme, among others.

-Overall, in the five years (2017-18 to 2021-22) since the introduction of GST, the overall resource growth for states was 14.8% per annum, versus an annual average growth rate of 9% between 2012 and 2015.

**Must read:** [Analysis of GST regime in India - Explained, Pointwise](#)

What are the things in progress for GST Regime?

**Firstly**, A vast number of exemptions for products means that there is no input tax credit to claim by many taxpayers; it also means a smaller tax base, forcing a few items to bear the burden of offsetting the exemptions given to a large number.

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**Secondly**, the GST system has been grappling with structural issues, such as multiplicity of rates and difficulty in enforcing compliance.

**Thirdly**, Rate rationalisation is important as the current overall rate is not revenue neutral compared to the taxes subsumed in the GST, which has been one of the biggest reasons for revenue underperformance.

**Fourthly**, The government has already extended the collection of compensation cess. If extended further, the Council would have to decide the growth rate at which the states will be compensated.

What are the updates on the recommendations of the four working groups?

The GST Council had constituted four groups of ministers to look into different issues.

**a)** The Council accepted the report submitted by the group of ministers (GoM) headed by the Karnataka Chief Minister on exemptions and correction of the inverted duty structure.

**b)** The Council also accepted the recommendations of the GoM headed by the Maharashtra Deputy Chief Minister on strengthening the GST system. The group, among other things, advocated better tracking of high-risk taxpayers.

**c)** The GoM headed by Meghalaya Chief Minister, which looked into areas such as online gaming, casinos, and horse racing has been asked to reconsider the concerns raised by some states.

What is the future of the GST Regime?

**Utilise the data collected:** GST regime has rich data. This can offer very useful and penetrating insights into the health of the economy and trends in economic activity from a cyclical perspective.

**Revenue-neutral rate:** Moving to the revenue-neutral rate with fewer slabs would help boost revenue for both Centre and states.

Thus, GST would make an ongoing contribution to sound public finances, but also sound policymaking by the Union and state governments,

### [12. A direct approach to conservation](#)

**Source:** The post is based on the article “**A direct approach to conservation**” published in **The Hindu** on 30<sup>th</sup> June 2022.

**Syllabus:** GS 3 Environment and Ecology

**Relevance:** The Payment for Ecosystem Services

**News:** It has been found that India has not been able to mobilise private and public finance through **Payments for Ecosystem Services** (PES). This could have helped India achieve **the 2030 agenda for sustainable development** and **the Paris Agreement on climate change**.

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### **What are the biodiversity finance measures that can enable biodiversity protection and sustainable use?**

There are incentives like biodiversity-relevant taxes, fees, levies, tradeable permits, and **Payments for Ecosystem Services (PES)**.

There has been governmental support and political will to mobilize finance through pesticide levies, admission fees to natural parks, hunting and fishing permit fees, and the trade-in energy-saving certificates.

#### **About the PES**

It works through the establishment of **performance contracts**. People who can help provide the **desired ecosystem service** are rewarded based on their actions, or the quantity and quality of the services themselves.

It incentivizes **local people** to manage threatened ecosystems. It helps in the achievement of Sustainable Development Goals through **conservation** as well as **poverty alleviation**

### **What are the issues in biodiversity financing in India?**

The government has not been able to promote **monetisation of environmental benefits** or the **Payments for Ecosystem Services (PES)**. PES is a **pivotal economic instrument** that can be used for conservation and increasing ecosystem services.

The PES has not achieved much attention either in the research or policy mandate in the Indian subcontinent.

However, it has seen successful implementation in Latin American and African countries. For example,

(1) In the **Western Cape, South Africa**, the Cape Nature Stewardship Program protects biodiversity on private lands.

(2) **Kenya's Wildlife Conservation Lease Programme**, maintains open areas for wildlife and grazing on personal grounds.

(3) In terms of raising money, PES programs such as **Costa Rica's Pago Por Servicios** and **Ecuador's Socio Bosque** were among the few to mobilize significant finances.

### **Why have such economic incentives for ecological restoration not received academic, research, and policy prioritisation?**

There is an absence of a **solid institutional mechanism** that ensures simultaneous transfer of funds from buyers to suppliers, investment in local capacity building, cost efficiency, the scope for development benefits, and maintaining the sustainability of funds.

However, the PES mechanism is yet to be implemented or even tested for efficacy.

### **What should be done?**

A **local monitoring mechanism** is key to successfully implementing a PES program. For example, there have been successful **local institutional mechanisms** for PES implementation in the **Kodagu district of Karnataka**, where native trees were restored in the coffee plantations.

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The **OECD highlighted** that the studies should be conducted to the evaluation of the impact of the PES Programs as the **financial instruments** for biodiversity conservation.

The **TEEB India Initiative** can play a role in highlighting the economic consequences of the loss of biological diversity. Thus, would help prioritize **ecosystem restoration financing** through a direct approach.

The environmental economist or stakeholders should build a successful PES program. It will automatically overcome the impediments to implementation.

### 13. [Phased ban on plastics is welcome. Challenge will lie in enforcement, bringing in viable substitutes](#)

**Source:** The post is based on the article **“Phased ban on plastics is welcome. Challenge will lie in enforcement, bringing in viable substitutes”** published in the **Indian Express** on 30<sup>th</sup> June 2022.

**Syllabus:** GS 3 Ecology and Environment

**Relevance:** Plastic Pollution

**News:** The government has introduced rules to ban plastic in India in a phased manner. Now, the ban on the manufacture and use of **several common use-and-throw plastic** products will come into effect from 01 July 2022.

#### **New Plastic Ban rules (To be banned in a phased manner)**

At present, the banning would apply to relatively **low utility items**. Like, plastic cutlery items, ice cream, and balloon sticks, sweet boxes, invitation cards, cigarette packs, PVC banners measuring under 100 microns, and earbuds are some of the items that will no longer be available.

Further, the prohibition will be extended to **polythene bags** under 120 microns in December 2022.

#### **Some Success achieved by the state in a plastic ban so far**

Some food vendors, takeaway restaurants, and grocery outfits have begun using biodegradable cutlery and cloth or paper bags.

The government claims that many **plastic units** are making the switch to using **packaging alternatives** such as cotton, jute, paper, and crop stubble waste.

#### **What are the reasons for poor implementation?**

Although, in the past five years, more than 20 states have put in place some form of regulation on plastic use. But their implementation has been patchy at best.

But the **state pollution control boards** and the **municipalities** which are mandated to enforce the plastic ban \ are **poorly-staffed, feebly empowered, and cash-strapped**.

#### **What should be done?**

##### **Enforcement**

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The Environmental Ministry will set up the **control rooms** to monitor the ban on plastic items.

The government should **raise awareness** amongst people and take all stakeholders into confidence. For example, the success of Sikkim and Himachal Pradesh testifies to this.

### Plastic Substitution

The innovations should be made to develop the **alternatives sector**, which can produce at a scale that will enable businesses all over the country to make the **environment-friendly transition**.

The **22,000 plastic manufacturing units** in the country can work towards the **alternative segment** so that the **environmental footprint** of the **packaging sector** can be reduced to a considerable extent.

Industry experts say that the prices of a lot of the **current plastic substitutes** burden the retailer and the consumer.

The government should provide **hand-hold** to businesses, especially small outfits already strained by the economic fallout of the pandemic.

In the long run, it must join hands with industry bodies to facilitate R&D in viable plastic substitutes.

### 14. [Semiconductors: Heroes Of The New Digital World](#)

**Source:** The post is based on an article “Semiconductors; Heroes of the New Digital World” published in The Times of India on 30<sup>th</sup> June 2022.

**Syllabus:** GS Paper 3, Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.

**Relevance:** Semiconductor Industry; and Semicon India Program.

**News:** The government has launched **the Semicon India program** to secure a semiconductor manufacturing ecosystem in India. It will make India **self-reliant** on key items such as semiconductors.

### About the government initiative

It provides attractive **fiscal** and **non-fiscal incentives** for companies to set up production across the value chain.

### Decoding chips:

A chip essentially comprises **electronic circuits** which are layered over a substrate made up of silicon.

All chips have a basic mandate, either to store, transmit or process data at optimal speeds. In addition, they can also be used to accommodate the requirements of the devices they fit into.

### What are the processes in the making of Semiconductors Device?

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The making involves a series of intense and complex processes. The making demands extreme precision and large capital investments.

### **Fabless Phases (only design)**

Semiconductor chips are first designed in R&D **centres** using specialized **software-based Electronic Design** and **Automation** tools.

### **Foundry Phase (only fabrication)**

The Graphic Design System files containing the design are then transferred to a **fab/foundry** to initiate the **manufacturing process**.

It involves the manufacturing of **electronic circuits** in a very specialized and highly controlled environment, possibly the cleanest places on earth.

Specific operations are performed on the **silicon wafer** over the course of **2-3 months**.

### **Outsourced Semiconductor Assembly and Test (OSAT) Phase**

At a later stage, the products are subjected to testing, packaging, and assembly through **Outsourced Semiconductor Assembly and Test (OSAT)** companies. It is labor-intensive and a less capital-intensive process in manufacturing.

### **Why is it important for India to become self-reliant in semiconductors?**

These are used in **memory chips, communication chips, logic chips, and sensor chips** in the today's digitally interconnected world,

It enabled schools, offices, and businesses to operate and remain functional, during the Covid pandemic when the whole world came to a standstill and the only way forward was digital.

It also powered the **supercomputers** which enabled the rapid development of the Covid vaccine. Therefore, it has played an important role in the resumption of economic and social activities globally.

It is the core of **future technologies** like AI, blockchain, 5G technologies, Yuval Noah Harari's Homo Deus – a mix of flesh and silicon – in the near future.

India imported **\$54 billion of electronic goods** in 2020. Most of the import was from China. The large-scale import dependence has a **negative impact** on India's **balance of payments, forex, and strategic interests**.

**It forms the bedrock of all ICT equipment. The indigenisation of the supply chain** has positive implications across sectors like telecom, defense, space, internet surveillance, power, automobile, etc.

In addition, there is a **large indigenous market** for semiconductors. For example, India's semiconductor consumption was \$20 billion in 2020, and it is growing at a CAGR of 15%.

### **The Way Forward**

The success of **Semicon India** is fundamental to **Make in India** and **Digital India**. It is key for India's integration into the global value chain.

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### 15. [Growing reliance on MGNREGA in rural areas, elevated youth unemployment in urban areas, are worrying signals](#)

**Source:** This post is based on the article “**Growing reliance on MGNREGA in rural areas, elevated youth unemployment in urban areas, are worrying signals**” published in **The Indian Express** on **1st Jul 22**.

**Syllabus:** GS3 – Issues related to growth and development

**Relevance:** Growing problem of unemployment in India, lack of jobs

**Context:** Employment scenario in India remains poor. This can be gauged by the data on work demanded and availed by households under the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS).

Worrying MGNREGS data

**MGNREGS data:** Number of households seeking employment under MGNREGS has increased gradually.

	No of households availing work under MGNREGS
May 2022	2.61 Crore
May 2021	2.22 Crore
May 2019	2.10 Crore

What does the MGNREGS data indicate?

MGNREGS data points to few possibilities:

**First**, that not enough productive jobs are being created in rural areas — 21 states and Union territories observed an increase in households availing work under the scheme.

**Second**, that the jobs that are being created aren't remunerative enough, requiring households to supplement their incomes by working under the scheme. After all, inflation pinches the poor more.

**Third**, post the pandemic, households are trying to rebuild their emergency buffers.

What are some other indicators of lack of employment generation in India?

Protests against the Indian railways recruitment process, and against the government's Agnipath scheme for recruitment for the armed forces,

Pressures from various castes to expand the scope of reservation

Attempts by state governments to reserve jobs for locals.

All of these factors reflect the failure, under the watch of successive governments, to absorb the millions of low and semi-skilled workers, who are entering the labour force each year, and those who are stuck in the low productivity agricultural sector.

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### 16. Don't ignore the services sector

**Source:** The post is based on the article “**Don't ignore the services sector**” published in the **Indian Express** on **1st July 2022**.

**Syllabus:** GS 3 Indian Economy

**Relevance:** External Sector

**News:** India aspires to become a \$5-trillion economy. It is predicated on the growth of its **international trade** to \$2 trillion by 2030 which is equally contributed by **the merchandise and services sector**.

#### **About the Status of services and manufacturing sector**

It comprises over 50% of the GDP, overriding the contribution of both agriculture and manufacturing.

The year 2021-22 was an astounding success as the **manufacturing and merchandise exports** had crossed the **\$400 billion rubicon**. The services exports had exceeded \$254 billion, which was an increase of over **20%** year-on-year.

India's merchandise and manufacturing import were **\$600 billion** versus our exports of over **\$400 billion**. In contrast, India Services exports were over **\$100 billion** more than its **service imports**.

Further, around 50% and more of services exports are contributed by IT-ITES. The rest is contributed from management, legal, accounting, logistics, travel and tourism, education, healthcare, etc.

#### **What are the issues with the services sector?**

The services sector does not receive the recognition and encouragement in the form of incentives, just like the manufacturing and the merchandise sector.

There is a perception that the service sector including IT sector has flourished due to **minimum government intervention**.

Further, the service sector as a whole does not require any hand holding support of the government.

#### **Why does India need to focus on service exports?**

This year, the deficit in **merchandise exports-imports** is widening with the impact of rising crude prices.

There is a huge imbalance in the incentives offered between the merchandise export segment vs service export. For example, the **MEIS (Merchandise Exports Incentive Scheme)** provided more incentives than the **SEIS (Services Exports Incentive Scheme)**, even during the **Covid restrictions**.

These incentives serve to make businesses **internationally competitive** as well as recognise contributions made by service providers.

What should be done to improve the service sector?

Services sectors beyond IT require careful nurturing, especially **capex-intensive sectors** like hospitality, healthcare and education.



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The government should aim to **quadruple services exports** over the next 7-8 years. There should be a **strategic road map** with the right sort of government intervention to achieve the goals.

The government should focus on all other sectors (other than IT) to bring exponential growth to the table. For example, consider **international tourism**.

In addition, the government should embark on a **crash programme to enhance infrastructure**. For example, PPP Models can be to build more airports and highways, to improve **physical connectivity**.

It requires **individual entrepreneurship** to increase the hospitality quotient by adding more hotel rooms.

The government should provide attractive incentives like **direct taxation** for green field projects in **the services sectors**, especially in the building of hotels, hospitals and universities.

The government can bring the scheme for the services sector on lines of the **Production Linked Incentives (PLI) scheme**, in areas like hospitality, education and health care. It will ensure **capex investment**. It will result in increased productivity and avenues for employment.

India as a major economy, India's reliance should be on multiple sectors including, manufacturing and services.

### [17. About the ban on single-use plastics: Plastic Challenge](#)

**Source:** The post is based on the article "**Plastic Challenge**" published in **The Times of India** on **30th June 2022**.

**Syllabus:** GS 3 Environment and Ecology

**Relevance:** The Plastic Waste Management (Amendment) Rules, 2021.

**News:** The GoI notified the Plastic Waste Management (Amendment) Rules, 2021 in August last year. It prohibits **20 single-use plastic items** by 2022.

#### **About the rules 2021**

Various single-use plastic items will be banned from 1 July 2022, including ubiquitous plastic cutleries.

However, **plastic carry bags** having a thickness of less than 120 microns will be banned from the end of December.

#### **Why is plastic a cause of concern?**

The CPCB had estimated that India generates around 9,200 metric tonnes of plastic waste daily. This is most likely a gross underestimation.

Tonnes of plastic waste is dumped at landfills or out into the open oceans.

They disintegrate into tiny microplastics and find their way into marine life or terrestrial animals.

The microplastic eventually enters the **human food chain**, causing a lot of health problems

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### **Whether the nationwide single-use plastic ban beginning from today will be an effective counteraction?**

The scope of the ban is too small. Even the current efforts are unlikely to succeed in a meaningful way.

The problem is that **alternatives** to everyday plastic items are far more expensive. For example, paper straws cost five times as much as plastic straws.

The single-use plastic ban is likely to hurt **small vendors** and **manufacturers** disproportionately.

At present, inflation levels are very high, therefore, the users might breach the ban.

What should be done?

The government should work with the **plastic industry** to foster innovation and boost the production of **compostable plastics**.

The GOI should support the creation of an entire **waste management system** around compostable plastics. It should start from labelling to setting up **industrial composting units**.

### 18. [GST: Five years stronger](#)

**Source:** The post is based on the article **“Goods and Services Tax at five: The new regime’s journey so far”** published in **“Indian Express”** on **1<sup>st</sup> July 2022**.

**Syllabus:** GS3 – Indian Economy and issues relating to planning, mobilization, of resources.

**Relevance:** To understand the achievements of the GST Regime in the past 5 years.

**News:** The Goods and Services Tax (GST) has completed its 5th year since its inception on 1 July 2017. Seventeen different laws were merged, and a single taxation system was brought in through the GST. It was first discussed in the report of the Kelkar Task Force on indirect taxes in 2003.

**Must read:** [Goods and Services Tax at five: The new regime’s journey so far](#)

What are the challenges the GST regime had to tackle before it came into force?

Several countries moved to the GST regime long before India did in 2017. But, the **mechanism of the GST Council** itself is unique to India. This is because,

-The **quasi-federal nature of Indian polity** wherein both the Centre and the states enjoyed independent powers of taxation demanded a unique solution.

-States of different sizes and at different stages of development with their **legacy tax systems had to be brought together** under the GST.

-States were also at different stages in the use of technology for revenue collection.

-The states never had the power to levy service taxes. States have been asking from the very beginning for the power to levy service tax, and not simply [get] a share of it. With GST that has been brought in.

For example, Half of state domestic product is services. GST is giving additional powers to the state in terms of service tax.

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**Must read:** [Analysis of GST regime in India – Explained, Pointwise](#)

What is the performance of GST in past five years?

The GST Council has played a crucial role in forging a national consensus on key issues related to the tax regime — rates, exemptions, business processes and movement of input tax credit (ITC) etc.

Over 63.9 lakh taxpayers migrated into the GST in July 2017. This number has more than doubled to over 1.38 crore taxpayers as of June 2022.

Since the launch of the system, a total of 292 crore e-way bills have been generated of which 42% are for the interstate transport of goods.

Since its inception, the administration of GST continues to be IT-based and fully automated. The creation of GSTN, a professionally managed technology company to run the platform was a step in the right direction.

Most of the litigation on GST matters has centred around issues such as ITC, powers available to the GST officers on aspects of enforcement such as issuing of summons, arrest of persons and the attachment of property for recoveries. Recently, in **Mohit Minerals vs UoI case** the Supreme Court has not set aside or altered the fundamental features of GST.

**Read more:** [The Supreme Court's Judgment on GST – Explained, pointwise](#)

Overall, GST proved to be both consumer and assessee friendly. Indeed GST has made India a single market.

### 19. [About NITI Aayog's report on Gig and Platform workers: Platform economy](#)

**Source:** The post is based on the article “**Platform economy**” published in “**Business Standard**” on **1<sup>st</sup> July 2022**.

**Syllabus:** GS3 – Inclusive growth and issues arising from it.

**Relevance:** To understand the issues associated with Gig and Platform Economy.

**News:** NITI Aayog has recently released a new policy brief titled “**India's Booming Gig and Platform Economy.**”

What is “India's Booming Gig and Platform Economy” Report?

**Must read:** [India's Booming Gig and Platform Economy](#)

What are the challenges associated with the NITI Aayog report?

**Issues with compensation and protections in work:** This is particularly for those dependent on large and well-financed platforms. If the size of the workforce expands as projected as such issues will only increase. The report does not stressed these issues.

**Not easy to transform gig work into formal work:** The report asked the contractors and workers in the gig economy to transfer to the employer/employee roles in the formal sector. But straitjacket fitting of gig workers to employer/employee roles designed for the formal sector will not be a good idea.

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**Not easy to provide social security to gig workers:** According to the recent data from the Periodic Labour Force Survey (PLFS), more than half the salaried employees covered by the survey do not have any kind of security.

Considering this situation, mandating social security for those in the gig and platform economy is not feasible.

**Read more:** [Niti Aayog's report on India's gig economy: what has the think-tank recommended?](#)

What should be done to improve India's gig economy?

**Firstly**, Given the rapidly changing nature of the gig employment landscape, the issues associated with the gig and platform workers need more debate and discussion to discover a consensus.

**Secondly**, the impact on growth-creating platforms and gig contractors should also be closely scrutinised before new mandates or entitlements are implemented.

**Thirdly**, the government ensure that social security benefits are available to salaried employees first, as has long been the mandate, before extending it further.

**Read more:** [Gig Workers and their challenges – Explained, pointwise](#)

### 20. [The rupee's 'new lows': Why it's not necessarily a cause for concern](#)

**Source:** The post is based on the article “**The rupee's 'new lows': Why it's not necessarily a cause for concern**” published in “**Business Standard**” on 2<sup>nd</sup> July 2022.

**Syllabus:** GS 3 – Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

**Relevance:** To understand the positives of currency's fall.

**News:** The currency's fall gets more attention than its rise. At present, the Indian rupee is falling against the US dollar.

What is the status of the Rupee fall vis a vis other currencies?

The Finance Minister has recently pointed out that almost all currencies are falling against the dollar, and the rupee has fallen less than most. For instance, Rupee fell 6% in the first half of 2022. Compared to that, the euro has fallen by 11.6%, the yen by 19.2%, and the pound by 13.2%.

China's yuan has fallen less (3.6%), but the currencies of Australia, South Korea, and of course Pakistan have fallen more.

Actually, the rupee has **moved up against almost all currencies**.

**Read more:** [RBI Report on Currency and Finance – Explained, pointwise](#)

What is the long-term cause-and-effect relationship between country and currency?

Many people tend to get wrong about the long-term cause-and-effect relationship between country and currency. The present government came into office in favour of a “**strong currency**” policy.

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However, such policy ignores that almost every country with a successful long-term record of development (Japan and China being among the best examples) has pursued a **“weak currency” policy** in order to win export markets. In reality, A strengthening economy gets a strengthening currency, helped along by capital flows.

A weak economy, or one with high inflation, does not become strong if the country artificially boost its currency, or keeps it pegged too high. Such a policy would not be sustainable and would risk capital flowing out.

For example, At the stage of development, if a country can't compete on technology or product quality then the country can compete primarily on price. In such situations, a weak currency helps. Over time, as exports gain momentum and the economy achieves external viability, the currency reverses its decline.

How does India maintain its long-term cause-and-effect relationship between country and currency?

As for trade, over more than four decades (including the years of Nehru's atmanirbharta), **India kept the rupee over-valued**. So, while countries in East Asia boosted their trade, **India's share of the global trade total** collapsed by 80%– from about 2.5% in 1947 to about 0.5%.

India's trade and inflation record improved after its currency and other policies became more market-oriented in and after 1991. However, India yet has run a trade deficit in most years despite the rupee's continuous fall. This shows the reform done so far is not enough.

What should be done?

Reserve Bank to spend billions of dollars to boost the rupee is the wrong way. If India wants a stronger rupee, then India needs to do a better job of **managing the economy** such as **Inflation control, productivity improvement, etc.**

Recently, inflation rates are rising. It is natural that this loss in the rupee's domestic purchasing power should get reflected in a lower exchange rate. Change the performance metrics and the rupee will hold its own without the Reserve Bank having to intervene.

### [21. India's ban on select single-use plastic items: A start but still a long way from blanket ban](#)

**Source:** The post is based on the following articles

**“India's ban on select single-use plastic items: A start but still a long way from blanket ban”** published in **“DTE”** on **1<sup>st</sup> July 2022**.

**“Why The Plastic Ban Is Trapped In Polythene Bags”** published in **“The Times of India”** on **1<sup>st</sup> July 2022**.

**Syllabus:** GS 3 – Environmental pollution and degradation.

**Relevance:** To understand the challenges associated with Single-use plastic ban.

**News:** India's ban on select single-use plastic(SUPs) items comes into effect from July 1, 2022.

Does India impose a blanket ban on all single-use plastic items?

No, the Indian market will continue to sell a gamut of single-use plastic items like soft drinks and mineral water bottles, all products sold in multi-layered packaging, among others.

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The Indian government has tried to identify a handful of problematic plastics, which are low-utility and have high littering potential, from the bucket of single-use plastic commodity list and give the industry a reasonable time to phase them out.

**Must read:** [Ban on Single-Use Plastic – Explained, pointwise](#)

What are the challenges associated with the present ban?

**Issue of providing alternative opportunities:** Millions of workers are involved in producing SUPs in thousands of factories. In the past, no attempts were made to rehabilitate them. Similarly, no plan has been put in place to support the industry, especially the MSME sector.

**Unprepared for the ban:** Consumers are not ready to sacrifice convenience. Most market surveys show that SUPs are widely sold, and alternatives are expensive or unavailable.

**Seeking extension:** All India Plastic Manufacturers Association (AIPMA) is seeking an extension of 6-12 months on the ban, citing issues like **unavailability of alternatives, economic infeasibility and demand-supply gap**, which will increase the cost of their product packaging.

**Note:** An extension of six months was already granted to the industry, to transition away from single-use plastic items listed for phase-out.

**Read more:** [Explained: Why is single-use plastic being banned in India from July 1](#)

What is the status of the plastic alternatives market in India?

The alternatives market in India is at a nascent stage, which forces companies to import and thus, increases costs. This is primarily due to the scale at which the alternative market currently operates.

The shift is not easy. Currently, SUPs account for about one-third of the plastic consumed in the country. In other words, 6-7 million tonnes of SUPs are consumed annually, placing it among the top industrial materials consumed in terms of volume.

The market, therefore, requires alternatives to replace 6-7 million tonnes of materials. Unfortunately, SUP substitutes in such volumes are unavailable, mainly because the government has failed to promote the alternative industry.

**Read more:** [Single-use plastic ban: Reading the fine print reveals ominous loopholes](#)

Do alternatives to plastics viable?

Most life cycle analysis (LCA) of SUPs and their substitutes shows that the most significant environmental problems are due to the single-use nature of the products, not the material.

For example, LCA shows that a paper shopping bag must be used four to eight times to have a lower environmental impact than one single-use plastic bag.

What should be done?

The alternative market **needs to be offered support through government initiatives** to make its reach wider. However, it should be done with caution, so as not to create a fresh set of problems while fighting plastic pollution.

The plastic industry, manufacturers and FMCG companies should **consider coming up with design changes** in their product packaging to eliminate the necessity of ancillary plastics like straws.

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The national and state governments have to **ensure proper enforcement** of the notified ban.

Overall, replacing SUPs with biodegradable SUPs will not eliminate the problem of microplastics that are now poisoning our food chain and are even being found in the human bloodstream. Therefore, the solution to SUPs is to create an industry that turns 'single-use' products into 'multi-use' and creates a circular economy.

### 22. [How the RBI unconventionally innovated policy to fight the pandemic](#)

**Source:** The post is based on the article **“How the RBI unconventionally innovated policy to fight the pandemic”** published in **“Indian Express”** on **2<sup>nd</sup> July 2022**.

**Syllabus:** GS 3 – Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

**Relevance:** To understand the issues associated with RBI's inflation management.

**News:** The RBI has been missing the inflation target since 2019 by not raising rates. This raised some debates about RBI's inflation management.

What is the reason for rising inflation in India?

There are two reasons that inflation is on the rise. These are,

**a)** Inflation has been largely the result of supply-side shocks from vegetable prices, caused by crop damages due to unseasonal rains in late 2019, **b)** Widespread supply-side disruptions after the outbreak of the pandemic.

How does the RBI tackle inflation while ensuring growth?

The amended mandate of the RBI under the flexible targeting (FIT) framework reads as “price stability, taking into account the objective of growth”. Accordingly, the Monetary Policy Committee (MPC) was looking through higher inflation print during the pandemic while trying to resurrect growth. This is done through,

**First**, the MPC highlighted inflation concerns and voted to raise the policy repo rate. But, the RBI governor has ensured an orderly completion of the government's borrowing programme. This implies that lowering inflation and lowering government bond yields are contradictory objectives.

But, this basically ensures that the borrowing programme is completed seamlessly at low costs.

**Second**, MPC kept repo rates unchanged while the RBI changed the reverse repo rate during the pandemic. This means that the MPC lost its role in setting interest rates and so, its credibility.

**Third**, The RBI activated other segments of financial markets to keep the lifeblood of finance flowing as reduced demand and heightened risk aversion broke down the traditional credit channel of policy transmission.

Financial conditions were eased substantially by reducing the reverse repo rate, which **lowered the floor rate of interest** in the economy.

The mandate of the MPC is to control inflation for which the policy instrument is the repo rate, the RBI had used the LAF through changes in the reverse repo rate to alter liquidity conditions.

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The intent was to reactivate the credit channel by encouraging banks to explore opportunities for extending credit.

How RBI's approach is different from the rest of the world?

Inflation-targeting countries, because of their sole focus on inflation, experience lower inflation volatility but higher output volatility. Higher output volatility entails a higher sacrifice ratio — the proportion of output foregone for lowering inflation.

**For an emerging economy**, the costs of higher output foregone against the benefits of lower inflation must always be balanced. This is because the potential output keeps on changing given the shift of the production function.

**Developed countries**, on the other hand, operate near full employment — therefore, sacrifice ratios are lower. As a result, smoothening inflation volatility is relatively costless for them.

Despite the existing targeting framework, the **RBI did not get fixated on a one-point agenda**, daring to look beyond the inflation print. If the RBI followed the advice of its critics by sticking to textbooks, then the Indian economy would have been in an entrapment today. Hence, it was necessary to provide a lifeline to the economy at that juncture by focusing on the recovery.

### 23. The need of the hour: A Renewables revolution

**Source:** This post is created based on the article “The need of the hour: A Renewables revolution”, published in **Indian Express** on **2<sup>nd</sup> July 2022**.

**Syllabus topic:** GS Paper 3- Indian Economy, Infrastructure – Energy

**Context:** Renewable energy can limit climate disruption and boost energy security. Thus, their use must be incentivised and supported.

Fossil fuels are the major cause of the climate crisis. All climate indicators are breaking records. It is a strong indication towards **ferocious storms**, floods, droughts, wildfires and unliveable temperatures in vast swathes of the planet.

We are close to breach the 1.5°C limit that is maximum level of warming to avoid the worst climate impact as per the scientists. The emission must be reduced by 45 per cent by 2030 and reach net-zero emissions by mid-century.

Moreover, oil and gas prices have reached record price levels and renewables are getting cheaper.

Renewable energy can limit climate disruption and boost energy security. However, investors are still investing in fossil fuels and governments are spending billions of dollars in the form of subsidies for coal, oil and gas.

However, for the health of our societies and planet, polluting fossil fuels should be abandoned and the renewables-based energy transition should be accelerated.

### **How the renewable energy can be boosted around the world?**

**First**, Renewable energy technology should be made a global public good. By that intellectual property barriers to technology transfer would be removed.



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**Second**, improving global access to supply chains for renewable energy technologies, components and raw material. For example, higher costs for lithium and other battery metals are hurdle in deployment of such technologies. Thus, a global coalition is required to solve such problems.

**Third**, fast track solar and wind projects, by removal of red tap in approval procedures.

**Fourth**, energy subsidies from the fossil fuels must be diverted to renewable energy.

**Fifth**, triple the investments in renewables.

**Besides renewable energy, there are other methods to control climate change. These are** Nature-based solutions, such as reversing deforestation and land degradation, are essential. Thus, all these methods must be used together to control the Impacts of Climate Change.

### 24. [Clear signals the 'fringe' ought to read](#)

**Source:** This post is created based on the article "Clear signals the 'fringe' ought to read", published in **The Hindu** on **2<sup>nd</sup> July 2022**.

**Syllabus Topic** – GS Paper 3, Internal Security, Threats posed by state and non-state actors

**Context:** Recently, after the controversy over controversial remarks on the Prophet, India's top political and bureaucratic functionaries emphasised India's stronger credentials as a secular democratic polity.

Recently, External Affairs Minister, S. Jaishankar, National Security Adviser (NSA), Ajit Doval and Prime Minister made statements that emphasised India's stronger credentials as a secular democratic polity. All these remarks acknowledge that more damage should not be done to India's image as a country that celebrates its diversity and plurality.

Lastly, in its statement, Supreme Court also held the former spokesperson "single-handedly responsible" for igniting emotions while asking her to "apologise to the country".

### **Why the incidents like these should be avoided?**

First, Government has been making efforts to improve ties with many West Asian/Gulf countries, in part to ensure energy security and to attract investment from there in the infrastructure sector.

Second, as acknowledged by Mr. Jaishankar there are elements desperate to "fish in troubled waters". For Example, immediately after the controversy, the *Al-Qaeda in Indian Subcontinent (AQIS)* issued warning of suicide bombings in many Indian cities to protect the honour of the Prophet. The threat was aimed at a **transnationalisation of local political tensions and conflicts**. Thus, such issues have a 'transnational' mobilising potential.

**Third**, Muslims are closely integrated in Indian society, and have never empathised with jihadist organisations and their transnational aims. **For example**, foreign fighters from India are disproportionately outnumbered by their American, French or British counterparts. However, the issues like these will make Indian Muslims extremely vulnerable to the political use of Islam, **known as Islamism**. Islamism thrives on a transnationalisation of issues pertaining to the

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Islamic faith and practices. It led to the creation of Pakistan. Sharia-based Islamic state is a desired political order as per Islamism.

**Fourth**, after takeover of Afghanistan by Taliban, AQIS would like to capitalise on the ideological vacuum in the regional jihadist landscape. Taliban has no incentive to drive out AQIS, as it can be an important ally to combat their common foe, ISIS or the IS-K. Thus, Al Qaeda's ability to navigate Afghanistan's jihadist landscape will be a concern for India as it can be an indirect target of the former. This also explains India's recent diplomatic efforts to engage the Afghan Taliban and maintain its presence in Afghanistan.

### 25. [Reset mode – on GST Council Meet](#)

**Source:** This post is created based on the article “**Reset mode**”, published in **The Hindu** on **2<sup>nd</sup> July 2022**.

**Syllabus Topic** – GS Paper 3- Mobilisation of resources

**News:** GST Council meeting was held recently. There are many takeaways from this meeting.

GST Council meet, held recently, was its first 'regular' meeting after a nine-month break. It discussed recommendations of four ministerial groups' to fix various aspects of the indirect tax regime. The council ratified 3 out of 4 reports by the groups.

#### **What were the key takeaways from the meeting?**

**First**, a ministerial panel has been tasked with resolving the long-pending issue of constitution of an appellate tribunal for GST disputes.

**Second**, based on the recommendations by the panel, to rationalise tax rates, exemptions have been scrapped on several items. It may result in increase in the price of many goods and services.

**Third**, the rules for registering new firms have been tightened to close tax evasion loopholes.

**Fourth**, no council member brought up the issue of imposition of decisions by the center, even after the Supreme Court's recent judgment.

**Fifth**, various state government asked for the continuance of GST Compensation. It was a positive development, as governments of the ruling party also raised this demand, and center kept the issue open for further discussions. It proves the effectiveness of GST Council as a platform for critical deliberations and discussions.