



9 PM

Compilation

30th Jan to 4th Feb 2023

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General Studies Paper – 1

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General Studies - 1

1. [Gandhi's ideals of non-violence and communal harmony remain relevant 75 years after his assassination](#)

Source: The post is based on the article “**Gandhi's ideals of non-violence and communal harmony remain relevant 75 years after his assassination**” published in **The Indian Express** on **30th January 2023**.

Syllabus: GS 1 – Indian History

Relevance: Ideals of Mahatma Gandhi

News: Mahatma Gandhi was assassinated on January 30, 1948. The year 2023 marks the **75 years of his assassination** and even after so many years, Gandhi's ideals of non-violence and communal harmony remain relevant.

What were Gandhi's beliefs?

He believed that the people of India could not be truly free unless there is an **end to social discrimination, economic empowerment, solidarity and empathy** towards different languages, religions and cultures.

He made the most humble and poverty-stricken Indian feel that he was one amongst them. He acted **as an agent to connect different strata of the society**.

Gandhi understood that the idea of violence taken up by revolutionaries cannot stay for a longer time. Hence, he **preached non-violent resistance**.

He **transformed the idea of Indian independence** from a small educated elite into a mass and people-centred movement. He gave the freedom struggle a **vernacular dimension**.

Gandhi was against untouchability and rejected distinctions based on caste, creed, and religion. He believed that India could be a secular country with all religious faiths co-existing in harmony and in mutual respect.

He used his ideals among the masses to stop communal riots and indiscriminate killings.

However, the partition of India was a deeply wounding experience for him which he took as a personal failure.

How are these beliefs still relevant today?

Gandhi believed in masses and tried to bridge the gap between the lower strata and elite. However, in the present we can see this gap is widening.

Gandhi believed in the coexistence of all religions, caste, creed, etc. However, differences and discrimination still exist.

Gandhi believed in the empowered citizen, self-reliant and progressive India. However, we are back to the politics of entitlement with the distribution of welfare as offerings from the state and its leaders.

Hence, the ideals of Gandhiji can be applied even today in transforming India.

2. [Welfare schemes will falter in the absence of accurate population data](#)

Source– The post is based on the article “**Welfare schemes will falter in the absence of accurate population data**” published in **The Indian Express** on **30th January 2023**.

Syllabus: GS1- Population and associated issues

Relevance– Population census

News– The article explains the need for conducting the census, due in 2021.

Why is conducting the population Census, due in 2021, necessary?

Challenges in proper estimation– The biggest challenge is to estimate **the district population**.

The district is the **basic administrative unit** for governing, planning, and executing government projects and schemes.

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In the absence of updated Census data, **annual population count** at the district level is estimated by using **past Census information**.

Such exercises give **reasonably fair estimates** when the year of population estimation is within the range of a maximum of 10 years. Beyond this period, estimations can be erroneous due to **dynamic patterns of population components**.

Many districts of India are experiencing a **faster demographic transition**. So using census data of 2011 after 2021 becomes more of an **assumption-based model**.

Covid-19 further **makes the situation complex** as it impacts the fertility and mortality situation in the country.

Many states lack a complete **civil registration system** with a full count of birth and death data. So, the demographers face enormous challenges in providing population counts at the district level.

Migration data– It has great implications for **economic activities and social harmony**. With economic progress, the **pattern of migration** in India has been changing in unprecedented ways.

Representative data– The Census counts everyone across regions, classes, religions, languages, castes, marital status, and occupation patterns. Most national-level surveys such as NFHS and NSSO do not have **representative data at the population subgroup level**. It will be known only via population Census.

What is the way forward?

India has a **long history of conducting Census** without interruption from 1881 with the rare exception of Assam in 1981 and Jammu Kashmir in 1991.

A regular Census at the national and sub-national levels has been a **matter of pride** for India. It has to be continued until India achieves a **fool-proof civil registration system and a dynamic National Population Register**.

Postponing the Census has **immediate and long-term negative consequences** for India. The government and other stakeholders should **take urgent steps** to conduct the Census as early as possible.

3. Tasks for India's millet revolution

Source– The post is based on the article “**Tasks for India's millet revolution**” published in **The Hindu** on **31st January 2023**.

Syllabus: GS1- Economic geography. GS1- Cropping patterns in various parts of country

Relevance– Diversification of agriculture for sustainability

News– The article explains some facts and statistics about millets in India. It also explains the issues with millets cultivation in India and steps needed to boost the production of millets.

What are some facts and statistics about millets in the context of India?

Millets have **special nutritive properties**. They are high in protein, dietary fiber, micronutrients, and antioxidants. They have **special agronomic characteristics like drought-resistant and suitable for semi-arid regions**.

Two groups of millets are grown in India. **Major millets** include sorghum, pearl millet and finger millet. **Minor millets** include foxtail, little millet, kodo, proso, and barnyard millet.

In 2019-20, the total production of nutri-cereals was **47.7 million tonnes**. The bulk of this was maize, a non-millet crop used mainly as feed.

The production of sorghum, pearl millet, and finger millet along with other millets put together was **18.9 million tonnes**.

Currently, millets are procured in only a few States. **Stocks in the central pool** are small. In May 2022, central stocks had 33 million tonnes of rice but only four lakh tonnes of nutri cereals.

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What are issues with millets cultivation in India?

There has been a **decline in the area under millet cultivation**. Over the last decade, the production of sorghum has fallen, the production of pearl millet and finger millet has stagnated or declined.

The low productivity of millets is another challenge. The productivity of jowar and bajra has increased, but only marginally. The yield of bajra was 1,079 kg per ha in 2010-11 and 1,237 kg per ha in 2017-18.

What are the lessons from the experience of the M.S. Swaminathan Research Foundation in promoting the production and consumption of millets in the Kolli hills, Tamil Nadu?

Yield enhancement was attempted by using **improved seeds, new agronomic practices, and new technology**.

Customised post-harvest machinery was introduced.

Another major initiative was training. Ready-to-cook products were branded.

Net returns from value-added products were **five to 10 times higher** than from grain.

Yields have risen as a result of **improved seeds, agronomic practices and intercropping**. There have been significant improvements in incomes from millet farming.

What is the way forward to increase millet cultivation in India?

Increasing the production of millets requires **multiple interventions including scientific inputs, institutional mechanisms, and financial support**.

There is a need to pay attention to the **economics of millet cultivation**.

Small farmers in hilly regions and dryland plains are going to cultivate millets only if it gives them **good returns**. **Adequate public support** can make millet cultivation profitable.

4. [A problem of science at the Padma awards](#)

Source– The post is based on the article “**A problem of science at the Padma awards**” published in **The Hindu** on **31st January 2023**.

Syllabus: GS1- Indian culture

Relevance– Awards and recognitions

News– The article explains the issues raised by recent conferring of Padma awards under science and engineering category to plant breeders. It also tells about general perception of science.

What is the general perception of science?

Science is distinguished in practice by **following the scientific method** and the **rituals of academic publishing**. It is an activity that only a highly and specifically trained group of people is allowed to practise.

Its findings are presumed to be **implicitly superior** to knowledge that isn't uncovered and organised by the same rules.

Why the recent Padma awards to plant breeders under the category of science raises doubts?

Successful plant breeders defy the above-mentioned **perceptions of science**. So, perhaps they should be rewarded under a **category called 'agriculture and seeds**.

Cheruvayal K. Raman was awarded the **Padma Shri** for having conserved more than 50 rice varieties on a modest farm in Wayanad. He wasn't formally **trained as a botanist or scientist**. He has **not published scientific papers**.

Over the years, agricultural scientists have understood the **scientific basis** of the work of those like Mr. Raman. However, such a basis alone doesn't make something science.

Mr. Dudekula was also awarded with **Padma Shri** in the **'science and engineering' category**. He has been credited with popularizing the **dietary benefits of millets**.

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But his prescriptions also include **scientifically dubious elements** such as homoeopathy; consuming millets to “prevent” or cure various cancers, diabetes; and avoiding the consumption of milk, eggs, and non-vegetarian food.

Mr. Dudekula doesn't appear to have **published any scientific papers** demonstrating the efficacy of these claims.

What is the way forward?

We shouldn't **celebrate alternative systems** that compromise trust in scientifically tested medicine in the midst of a pandemic and several epidemics.

Increasing **access to and consumption of millets** could help India reduce its frightening prevalence of anemia. But, claims of **therapeutic effects against cancer** is a big leap and certainly requires scrutiny.

Before conferring any Padma award in the '**science and engineering**' category, the Indian government must ensure that a claim has been **scientifically validated**. It should encourage the **systematic validation** of all such claims before they are lauded.

5. [There's a lot in a name: Use of the term 'northeast' doesn't do justice to the complex history of the region's states](#)

Source– The post is based on the article “**There's a lot in a name: Use of the term 'northeast' doesn't do justice to the complex history of the region's states**” published in **The Indian Express** on **4th February 2023**.

Syllabus: GS1- Regionalism

Relevance–

News– The article explains the issues related to use of term northeast for extreme eastern parts of country

What is the meaning of the term northeast?

It is a metaphor used to describe the **complex, rich and heterogeneous area** in India's eastern extreme.

The identity of the northeast is shaped primarily by its **oppositional relationship** with other parts of the country. The term remains a **shorthand** for Assam, Arunachal Pradesh, Meghalaya, Manipur, Mizoram, Nagaland, Tripura and Sikkim.

The “**backward**”, “**underdeveloped**”, “**culturally isolated**”, or “**historically distant**” are used to mark its distinctiveness from other parts of the country.

It is further reinforced through **exclusive region-wide planning bodies, separate ministries and region-specific area studies centres**.

What is the history associated with the region?

In its **colonial origins**, the northeast was a frontier inhabited by the wild peoples of farther India who are **culturally outside Bharat**.

The adoption of the term by independent India was the recognition of its **conflict-mediating and order-keeping functions in a politically unsettled region**. After 75 years of independence, there is no shift in our understanding of the term.

What are issues with the use of the term northeast?

There is no agreement on what unifies the constituents of the northeast. There is no single criterion of culture, language, religion, ecology, economy, or agriculture that unifies the region. Yet, it is treated as a distinctive cultural zone.

Its use has generated **complex images, assumptions, beliefs and cultural justifications** about the region and its peoples.

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It **essentializes the history and identity** of the various states and their peoples. They are considered **unique and incomparable**.

The continued use of the term distorts its **constituent states' complex social and cultural environment and their deep historical links** with other parts of the country.

It misrepresents the **political, cultural and historical richness** of the individual states.



General Studies Paper -2

General Studies - 2

1. [In NREGA reforms, prioritise the worker and her dues](#)

Source– The post is based on the article “**In NREGA reforms, prioritise the worker and her dues**” published in **The Hindu** on **30th January 2023**.

Syllabus: GS2- Government policies and interventions

Relevance– Schemes for employment generation

News– The article explains the issues with MGNREGA. It suggests the reforms needed for the scheme.

What are the issues with the MGNREGA scheme?

The majority of reforms related to MGNREGA have focused on **centralisation** such as the **electronic fund management system, geo-tagging of assets and a national mobile monitoring system (NMMS)**. They have **disrupted implementation**.

Almost 3,000 women NREGA workers in Muzaffarpur district are protesting against the NMMS application after the app failed to capture their attendance.

The **process of wage payments** created by the central government has become even **more complex**. For instance, seven or more functionaries have to sign off before payment due to a worker can be approved.

There are **slow and unpredictable releases of funds** by the central government. It is one of the fundamental reasons for State governments inability to ensure the full potential of NREGA. As of today, ₹18,191 crore in liabilities is due to 24 States.

Worksites are not opened on time, and the work provided does not match demand.

What reforms are needed for MGNREGA?

Payment reforms– There is a need to **address delays in wage payments** to restore the faith of workers in the programme. In 2016, the Supreme Court of India directed the government to ensure that wages were paid on time.

The Ministry of Rural Development must **simplify the payment process** and has to be **transparent** about pending wage payments.

Implementation reforms– There is a need to **strengthen implementation capacities** where expenditure is low instead of curbing expenditure where employment generation is high. As per Economic Survey of 2016, states which are spending more are implementing the programme better because they have better capacities

For NREGA, reforms cannot be based on **‘targeting’ better**. There has to be a **focus on exclusion and not inclusion errors**. Exclusion must be identified at the household level.

Panchayats, blocks and districts where employment of SCs and ST families is lower than their proportion in the population must be identified. Similarly, panchayats where the **average wage being paid** is lower than the **notified wage rate** must be identified as well.

The **online Management Information System of NREGA** can be used to find the shortcomings. There is a need to run the programme like a **demand-based law**, and not a scheme.

Consultative process–The discussions on any proposed reforms should be made **participatory**. State governments have played a pivotal role in the successes and failures of NREGA.

Any proposed reforms must be tabled in State assemblies in addition to Parliament. **Civil society organisations, worker unions and representatives of self-help groups** should be brought into the discussion.

Other reforms– It is time the Government of India should **map the impact of each of its reforms** on access to NREGA, particularly in poorer States.

The central government must be **held accountable** for the denial of entitlements to NREGA workers as a result of top down reforms.

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2. [India must focus on health and education post-budget](#)

Source: The post is based on the article “**India must focus on health and education post-budget**” published in the **Livemint** on **30th January 2023**.

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

Relevance: About the status of healthcare and education.

News: The government must focus on improving the status of healthcare and education.

What is the status of healthcare and education?

Healthcare

-Low budget spending: The National Health Policy of 2017 set a target for government spending on healthcare which is 2.5% of gross domestic product (GDP) by both the Centre and states. But the budgetary outlay for healthcare has been range-bound between 1.2% and 1.4% in the period 2014-20. Thereafter, the covid pandemic saw it rising to 1.8% in 2020-21, and 2.1% for 2021-22.

-According to a public health research organization, India had 69,265 hospitals in 2019, which translates roughly to one hospital for every 20,350 Indians.

-The increased role of Private in health care: There are only 25,778 public hospitals against 43,487 private ones. Of the roughly 1.9 million hospital beds in India, there are only 0.71 million beds in public hospitals against 1.18 million in the private sector.

-Less health insurance penetration: Over 80% of India’s population is not covered by health insurance, forcing patients to pay for expensive treatment from their own pockets.

Education

-Unethical practices: Regulation in the sector has focused largely on higher education and elementary and secondary school stages. Regulation for the two other stages—pre-primary and tertiary (10+2) levels—is largely a grey area, leading to multiple unethical practices. A 2022 study by the ministry of education found that close to 61% of the Centre’s spending is focused on elementary and secondary education.

For example, many premier 10+2 institutions outsource their pedagogy to coaching outfits and charge exorbitant fees.

-Edtech and coaching classes are two other categories that require stricter regulation.

-Low spending: The 1968 education policy promised 6% of GDP. This was reaffirmed in the 1986 policy and its 1992 review, National Education Policy. But still, the combined Centre-state expenditure on education, as per Economic Survey 2021-22, has remained at 2.8% of GDP through 2014-20.

What should be done to improve the status of healthcare and education?

Regulating the healthcare and education sectors is not easy. So, there should be close coordination with states and their various institutions.

Budget is not the ideal vehicle to accomplish the complex task of improving regulatory structures. Hence, a post-budget start has to be made.

3. [‘General Assembly divided over UN reforms’](#)

Source- The post is based on the article “**General Assembly divided over UN reforms**” published in **The Hindu** on **31st January 2023**.

Syllabus: GS2- Important international institutions

Relevance- Global governance

News- The article explains the reason behind the slow pace of UNSC reforms. It also explains the issues with UNSC working.

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What are the reasons behind the slow pace of UNSC reforms?

The **disunited state of the UN General Assembly** is responsible for it. Reform of the UN Security Council was a **member-driven process**.

The members of the UNGA had to first come together to **pass a resolution** demanding the reform of the Security Council. Still, no resolution has been passed by UNGA

The General Assembly has always been **very much divided**. Among the 193 countries, there are **five negotiating groups** and they are neutralising each other.

Permanent members are not enthusiastic about reform of the UN system. But, they had all agreed that it was necessary for introducing changes in the Security Council.

What are the issues with UNSC?

The system of veto in the Security Council is 77 years old. It has become a **tool to block the work of the global body** and not to encourage it.

The Indian establishment views the UN as a **“frozen 1945-invented mechanism”**. Some powers have been singularly focused on their own advantage. They are not concerned about the well-being of the international community.

Why does India deserve to be a member of UNSC?

India had played a **vital role** in the past years in **improving the response mechanism** of the United Nations.

India has contributed in **stabilising the world** which had been shaken by pandemic and war in recent years.

4. [The French Connection – France’s pension reform is a story that resonates around the ageing rich world](#)

Source: The post is based on the article **“21st century India needs a real-time fiscal data portal”** published in the **Livemint** on **31st January 2023**.

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

Relevance: About French pension reforms.

News: The French government now tries to push through highly unpopular pension reforms.

Why does the government want to push pension reforms?

The French government’s pension system is one of the most generous in the world. But it has long been known to be unsustainable. The entire system cost Paris just under 14% of its GDP in 2021. This led to French public debt reaching record-high levels of 115% of GDP last year.

A report last year by the Pensions Advisory Council – a French state body – predicted the system will run into a deficit in the not-too-distant future. For example, by 2027 the pension deficit will be almost \$12 billion.

The Ukraine war has put extra strain on European economies that are now battling high inflation and energy crunches.

What are the reforms the French government proposes?

The government is seeking an increase in the minimum retirement age for most people from 62 to 64. It is also supporting businesses through tax cuts by ensuring pension reforms.

Note: *The burgeoning public debt and demographic decline are also witnessed in Germany, Spain, the Netherlands and Belgium. All plan to lift the minimum retirement age to 67 over the coming years – the UK will lift it to 68.*

This will ensure a more robust geopolitical role for France, both in Europe and across the world.

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5. [The funding and demand for MGNREGA](#)

Source: The post is based on the article “**The funding and demand for MGNREGA**” published in **The Hindu** on **1st February 2023**.

Syllabus: **GS 2 – Governance**

Relevance: **MGNREGS and associated concerns**

News: The article discusses the performance of MGNREGS and challenges associated with it.

What are some highlights of Economic Survey 2022-23 on the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)?

The Economic Survey 2022-23 showed that 6.49 crore households demanded work under the MGNREGS.

The survey credited the scheme for having a positive impact on income per household, agricultural productivity, and production-related expenditure.

It also said that the scheme helped with income diversification and infusing resilience into rural livelihoods.

What is Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)?

[Click Here to Read](#)

How has MGNREGA helped during the Covid Pandemic?

It acted as a lifeline for a record 11 crore workers during the first lockdown in 2020.

Wages earned under MGNREGA helped compensate between 20% to 80% of the loss of income caused because of the lockdown. The demand for the work also increased during the pandemic. Moreover, the demand for jobs under MGNREGA has seen a decline in recent months but it is still larger than pre-pandemic levels. This shows that rural households are still in need of the job despite the end in curbs of pandemic.

As per the Ministry of Rural Development, demand under MGNREGS has doubled in the last seven years,

Therefore, looking at the huge demand for jobs under the scheme, the government has increased the budget for the scheme over the years.

How has the Centre’s allocation for MGNREGS changed over the years?

The budgetary allocation for the scheme has increased successively since 2013 from ₹32,992 crore in the 2013-14 Union Budget to ₹73,000 crore in 2021-22.

However, in recent years, the **actual expenditure on the scheme has successively been higher than the amount allocated to it at the budget stage.**

What are the challenges with the implementation of MGNREGA?

Decline in the number of days of employment: The scheme provides 100 days of employment per household per year. However, since 2016-17, on average, less than 10% of the households completed 100 days of wage employment.

Further, the average days of employment provided per household under the MGNREGS fell to a five-year low this financial year.

Increasing Budgetary allocation: Every year the budget allocation on MGNREGS increases. However, it should be at least ₹2.72 lakh crore for FY 2023-24, if the government intends to provide legally guaranteed 100 days of work per household.

Moreover, every year, about **80-90% of the budget gets exhausted within the first six months.** This causes a slowdown of work on the ground and a delay in wage payments to workers.

Delay in wage Payments: There has been delay in the payments of wage to workers, even though SC has directed the centre to release the wages on time. Wage delays also have an impact on the MGNREGA work. **For example,** vendors are reluctant to supply materials for any new work due to the delay in payments.

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Minimum Wage Rate: Minimum wage rate under MGNREGS is fixed by the Centre on the basis of the **Consumer Price Index-Agricultural Labourers**. However, the type of work done by agricultural labourers and MGNREGS workers was different.

Therefore, it has been **suggested that minimum wage should be decided on the basis of the Consumer Price Index-Rural**. It is more recent and provides for higher expenditure on education and medical care.

Other issues: **Fake job cards, corruption, late uploading of muster rolls**, and inconsistent payment of unemployment allowance also hampers the implementation of MGNREGS.

6. [The New Great Game In The Himalayas – China’s territorial disputes are as much about dominating important rivers as occupying land](#)

Source: The post is based on the article **“The New Great Game In The Himalayas – China’s territorial disputes are as much about dominating important rivers as occupying land”** published in **The Times of India** on **1st February 2023**.

Syllabus: **GS 2 – International Relations**

Relevance: **concerns associated with water sharing between India and China.**

News: The article discusses the water challenges that India face from China.

What are the water challenges that India faces from China?

China’s requirement of freshwater is huge and it wants to fully utilize the water for its economy. China wants to have monopoly in the emerging green technologies, build a domestic chip making industry, extract rare earth metals, etc. All these would need a huge amount of freshwater.

Moreover, China **has built dams on almost every major river** on the Tibetan plateau, including the Mekong, Salween, Brahmaputra, Yangtze, Yellow, Indus, Sutlej, Shweli and Karnali.

It has unveiled plans to build dams on the rivers that still remain free flowing, such as the Arun and the Subansiri.

Further, China also **hides hydrological data from India and** hence has plans to weaponise the sharing of water.

It has planned to **occupy all important watersheds in the Himalayas** to justify water transfer schemes and its right to use waters emanating from these watersheds.

Therefore, there are chances to have disputes not only over land but also for water between India and China.

What are the water threats for India?

Most of the major rivers of South Asia originate in the Tibetan plateau. Nearly half that water, i.e., 48%, runs directly into India.

According to sources, nearly **60% of their freshwater sources for India are contaminated**. The water in the Brahmaputra River system, the Siang, turns dirty and grey when the stream enters India from Tibet.

Further, the **Tibetan glaciers are melting** at the rate of 7% annually and two-thirds of the glaciers on the plateau will be gone by 2050.

This current trend of melting suggests that **Ganga, Indus, Brahmaputra** and other rivers across the northern India plains could **become seasonal rivers in the near future**.

Hence, India will face a major scarcity of water in the coming future and may get involve in conflict with China. Therefore, there is a hidden war already on and India needs to recognize it early.

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7. [The New Great Game In The Himalayas – China’s territorial disputes are as much about dominating important rivers as occupying land](#)

Source: The post is based on the article “**The New Great Game In The Himalayas – China’s territorial disputes are as much about dominating important rivers as occupying land**” published in **The Times of India** on **1st February 2023**.

Syllabus: GS 2 – Social Issues

News: All India Survey of Higher Education (AISHE) report has revealed an increasing gender divide in the higher education.

The Covid-19 pandemic seems to have made it harder for women to achieve equality in the workforce. This is because, during the pandemic, men had more job security, and could negotiate higher wages. Furthermore, since the pandemic ended, the number of women in some classes has gone down. Also, in fields where women had made significant progress, the progress has now been reversed, reported by All India Survey of Higher Education (AISHE) for 2020-21. For example, the gender ratio in the [B.Com](#) course is down to 2016 levels.

Gap is increasing where the gender gap was already present and

What are the challenges to gender equality in education?

The setback in gender equality in college and university classrooms is in contrast to other developments in school education.

The ASER report, released two weeks ago, shows that parents are still interested in getting their daughters enrolled in schools.

But the gender divide in the higher education institutions is visible.

It will have a negative impact on girls’ empowerment, which could have a ripple effect on the nutrition, health and education of future generations.

What are the government steps to overcome the gender divide?

In the wake of the pandemic, the government was quick to respond to several welfare and equity-related issues, including relief packages under PMJDY and Pradhan Mantri Garib Kalyan Rozgar Abhiyaan and the launch of the SVANIDHI scheme for street vendors, a large percentage of whom are women.

What more should be done?

The Centre, state governments, and educational institutions need to work together to make it easier for women to return to university.

It requires increasing funding for scholarships, building more dorms and hostels, or helping to promote social change that will make it easier for half of the country’s population to achieve their goals.

8. [A new Sino-Russian alliance: What are its implications for India?](#)

Source– The post is based on the article “**A new Sino-Russian alliance: What are its implications for India?**” published in **The Indian Express** on **1st February 2023**.

Syllabus: GS2- Effect of Policies and Politics of Developed and Developing Countries on India’s interests

Relevance– India in changing global order

News– The article explains the emerging Sino-Russian alliance and its strategic implication. It also explains the Russian calculations behind the Ukraine war and its impacts.

China and Russia unveiled a **partnership “without limits” and with no “forbidden areas”** in Feb 2022. Russia and China had a **strategic partnership** for a long time. The Beijing declaration did lay out a solid basis for jointly confronting the West.

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What were the Russian calculations for invading Ukraine?

Putin had hoped that his military offensive would lead to **quick collapse of the regime** in Ukraine and **occupation of Ukraine**. This will impact the European security order.

It will deeply divide Europe and fracture the **US-led trans-Atlantic security system**. After the US withdrawal from Afghanistan, occupation of Ukraine will further undermine the **credibility of the US as a global power**.

Putin's victory in Europe would have had a **dramatic impact on Asia**. It would have **weakened US alliances** in Asia and **boosted China's ambition** to radically **reshape its periphery**. China would have used force for **unification with Taiwan**.

How has the Ukraine war played out?

Ukraine's determination has prevented the **quick collapse of the regime** in Kyiv. It has helped to mobilise massive military assistance from the Western world.

Putin is **locked in a stalemate**. He has lost nearly 50% of the territory Russia gained in eastern Ukraine during the early phase of the invasion.

Russia's **military material and manpower losses** have been immense. Moscow faces a harsh regime of **Western economic sanctions**.

What are the geostrategic implications of the Sino-Russia alliance and Ukraine war?

Putin and Xi have facilitated the **Western unity under American leadership**. The Ukraine invasion has also allowed the US to put **simultaneous pressure on both China and Russia**.

In Europe, the Ukraine war has helped the US to **galvanize and expand NATO**.

The Russian invasion has also triggered the **fear of Chinese territorial expansionism in Asia**. This has led to the **strengthening of US bilateral alliances** with Australia and Japan. The US has significantly raised its **military and political support** for Taiwan.

The **Sino-Russian alliance and the Ukraine war** have seen Germany and Japan joining the battle against Moscow and Beijing.

Japan and Germany happen to be the world's third and fourth largest economies. Their mobilisation significantly alters the so-called **"balance of powers"** between the West and the Moscow-Beijing axis.

Both Berlin and Tokyo are now committed to **raising their defence spending** to deal with the security challenges from Moscow and Beijing.

Washington is **limiting the influence** of Russia and China in Eurasia by bringing its **alliances and partnerships** in Europe and Asia closer.

Leaders of America's Asian allies joined for the first time a NATO summit last June in Madrid. NATO has promised to take a greater interest in shaping the Indo-Pacific balance of power.

There is a growing prospect that Moscow will become **more beholden to Beijing** after Putin's military misadventure in Ukraine. Beijing is unlikely to abandon Moscow. A weakened Putin will remain a **valuable asset for Xi** even as Beijing seeks to limit some of the new Western hostility to China.

How is it impacting India?

China can increase the **military pressure on the disputed border** with India.

Delhi depends on **Russian military supplies** to cope with the PLA challenge and Moscow is now a junior partner to Beijing. This is certainly not a good situation for India.

Dependence on Russian arms has severely constrained **India's position on Ukraine**. It has cast a shadow over **Delhi's engagement with Europe and the US**. It is now the biggest constraint on **India's freedom of action**.

India is facing the prospect of a **unipolar Asia** dominated by a **rising and assertive China**. So, it has turned to the US and its allies to restore the **regional balance of power**.

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The transition has become more urgent and complicated by the **new Sino-Russian alliance** Ukraine war.

9. [Is judicial majoritarianism justified?](#)

Source: The post is based on an article “**Is judicial majoritarianism justified?**” published in **The Hindu** on **2nd February 2023**.

Syllabus: GS 2 – Governance

Relevance: Concerns associated with judicial majoritarianism

News: The article discusses judicial majoritarianism and issues surrounding it.

What is judicial majoritarianism?

Judicial majoritarianism refers to **numerical majorities**, i.e., number of judges supporting a judgment.

Cases in SC are usually heard either by Division Benches which consist of two judges or by Constitutional Benches which consist of five, seven, nine, 11 or even 13 judges.

Judicial majoritarianism deals with the Constitution divisions which involve a substantial interpretation of constitutional provisions. Judicial majoritarianism **helps in the decision-making process easier**.

The concept of **majoritarianism comes from Article 145(5) of the Constitution** which states that no judgment in such cases can be delivered except with the concurrence of a majority of the judges.

However, it also says that judges are free to deliver dissenting judgments or opinions.

What is the issue with Judicial majoritarianism?

Now the question comes that when all judicial decisions are based on the set rules and laws, then why is there is difference in opinion among judges.

Differences in judicial decisions can be because of differences in either the methodology adopted and the logic applied by the judges.

Since judgements are made on different methodology and logic, **there are chances that those judges giving the majority may have fallen into error of methodologies or logics**.

In such a scenario, judges who are dissenting may form a minority but their methodology applied may be correct and without errors compared to those who formed the majority.

However, those forming the minority get very little attention.

A great example is of the dissenting opinion of Justice H.R. Khanna in *A.D.M. Jabalpur v. Shivkant Shukla (1976)* upholding the right to life and personal liberty even during situations of constitutional exceptionalism.

Moreover, **the rate of dissent itself is subjected to influences**.

For example, the study found that the rate of dissent where the Chief Justice was a part of the Bench was lower than in those cases where the Chief Justice was not on the Bench.

Such instances **highlight the concerns of the efficiency of the judgments** and of the majoritarianism procedures adopted by the judiciary in deciding the case of national and constitutional importance.

What can be the way ahead?

The system proposed by Ronald Dworkin can be adopted as an alternative to judicial majoritarianism.

He proposed for a system which may either give more weightage to the vote of senior judges given that they have more experience or to the junior judges as they may represent popular opinion better.

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However, such alternatives can only be explored when the rationale behind judicial majoritarianism is questioned.

10. [India-US: The high tech boost](#)

Source– The post is based on the article “**India-US: The high tech boost**” published in **The Indian Express** on **2nd February 2023**.

Syllabus: GS2- Bilateral Groupings and Agreements involving India and affecting India’s interests.

Relevance– India and US bilateral relations

News– The article explains the outcome of the recent inaugural dialogue of iCET between the NSAs of US and India. It also explains iCET and the history of technological cooperation between India and the US.

What were the outcomes of the meeting between India’s National Security Advisor and his American counterpart at the inaugural dialogue of iCET in Washington this week?

There was an announcement of a new road map for **deeper military and techno-economic cooperation** between the two countries.

Both announced the making of a **fighter jet engine** in India. GE Aerospace has applied for an **export licence for jet engine production** and **phased transfer of technology** to Indian entities.

What are some facts about the bilateral Initiative on Critical and Emerging Technologies (iCET) ?

It could lend a new **strategic depth and breadth** to the **expanding engagement** between India and the United States.

The idea was first mooted in the meeting between Prime Minister Narendra Modi and President Joe Biden on the margins of the **Tokyo summit of the Quad** last year.

The iCET involves **collaboration in a range of areas** including **quantum computing, semiconductors, 5G and 6G wireless infrastructure, and civilian space projects** such as lunar exploration.

The iCET process will be **monitored and driven** from the PMO in Delhi and the White House in Washington. It will hopefully bring **greater coherence** to this round of India-US technological engagement.

What is the history of technological cooperation between India and the US?

High technology cooperation has long been a **major focus of US-India relations**.

Early advances in **India’s nuclear and space programmes** in the 1950s and 1960s involved significant inputs from the US.

But the **US nuclear sanctions** from the 1970s led to decline in bilateral high-tech cooperation. The historic **civil nuclear initiative of 2005** opened the door for renewed technological cooperation.

11. [Fire and ice – Problem facing Ladakh](#)

Source– The post is based on the article “**Fire and ice**” published in **The Hindu** on **3rd February 2023**.

Syllabus: GS2- Polity. GS1- Regionalism

Relevance– Regional political issues

News– The people of Ladakh are on agitation for their demands.

What are the demands of agitating people in Ladakh?

They are demanding the inclusion of the region in the **Sixth Schedule under Article 244 of the Constitution**.

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Other demands are restoration of **full-fledged Statehood, separate Lok Sabha seats for Leh and Kargil districts and job reservation for locals.**

They describe the demands as key to **protecting Ladakh's identity, culture and the fragile environment.**

What are the main issues facing Ladakhi people?

Soon after its creation as a UT in August 2019, Ladakh came under a bureaucracy. It has been **hostile and unresponsive** to the local population.

The **constant tussle** between locals, elected representatives of two Hill Councils of Kargil and Leh has only widened over the months.

Leh's political and religious bodies formed the Leh **Apex Body** in 2020.

In Kargil district, some political parties and Shia Muslim-affiliated seminaries joined hands in November 2020 to form the **Kargil Democratic Alliance**. It is advocating for **re-joining with the erstwhile J&K State and restoration of its special status under Article 370.**

What is the response of the centre?

The Centre appears to be in a bind. **The two committees** appointed by it to reassure the local populations have made little progress in the last two years.

Second committee appointed this year under the Minister of State has only deepened local anger. It has **no mandate to address the issues** being raised.

12. Trading more within Asia makes economic sense

Source– The post is based on the article **“Trading more within Asia makes economic sense”** published in **The Hindu** on **3rd February 2023.**

Syllabus: GS2- Bilateral, Regional and Global Groupings and Agreements

Relevance– Trade and Economic relations across Asia

News– IMF has warned that global trade would slow down from 5.4% in 2022 to 2.4% in 2023. It calls for having a re-look at regional trade across Asia.

What are some facts and statistics about trade South Asia- East Asia Trade?

A recently published paper in an IMF says that a strong base exists for **South Asia trading more with dynamic East Asia.**

Since the 1990s, **South Asia-East Asia trade** has gathered pace. It is linked to India's trade re-aligning towards East Asia through its **'Look East' and 'Act East' policies, South Asia adopting reforms, and also China offshoring global supply chains to Asia.**

The **total merchandise trade** between South Asia and East Asia grew at about 10% annually between 1990 and 2018 to \$332 billion in 2018.

The **free trade agreements** linking economies in South Asia with East Asia may rise to 30 by 2030.

Regional trade in Asia is recovering after the COVID-19 pandemic. It has opened opportunities for South Asia to participate in global value chains and services trade.

What needs to be done for regional trade integration across Asia?

Reforms in taxation structure– Regional trade integration across Asia can be encouraged by **gradually reducing barriers** to goods and services trade. **Import tariffs and non-tariff measures** have risen in several South Asian economies since the 2008 global financial crisis.

Trade opening in South Asia should be **calibrated with tax reforms** as trade taxes account for much of government revenue in some economies.

Finance for loss making sectors and re-training of workers is also essential to promote gains from trade.

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SEZs reforms– There is a need to improve the performance of special economic zones and invest in services SEZs to facilitate exports.

South Asia has over 600 SEZs in operation. These SEZs have a variable record in terms of exports and jobs and fostering domestic linkages.

SEZ reforms in South Asia require **macroeconomic and political stability, good regulatory policies towards investors, reliable electricity and 5G broadband cellular technology, and also worker skills.**

Comprehensive FTAs– These will eventually lead to the **Regional Comprehensive Economic Partnership** to provide for a regional rules-based trade.

South Asia is a latecomer to FTAs when compared to East Asia. But, it has made a start with the **Japan-India FTA, the Sri Lanka-Singapore FTA and the Pakistan-Indonesia FTA.**

South Asian economies need to **improve tariff preference use.** They need to be better prepared in navigating the **complex rules of origin in FTAs** and including issues relevant to **global supply chains** in future FTAs.

Reinvented trade-focused BIMSTEC– It can facilitate stronger trade ties and support the interests of smaller members.

It requires **better resourcing its Secretariat, BIMSTEC FTA, trade capacity in smaller economies, and introducing dialogue partner status.**

What is the way forward for better integration?

A **narrower geographical coverage** between South Asia and Southeast Asia may be a **building block for trade integration** across Asia. The larger economies should facilitate gains from trade to the smaller economies.

There is a **need for political will** to implement **pro-trade policies** that can improve the lives of Asians.

India is South Asia's largest economy and its **G-20 presidency** can be a good platform to initiate these changes.

[13. System Bails Out – Kappan finally free on bail but many aren't, in contravention of juridical principles](#)

Source: The post is based on an article “**System Bails Out – Kappan finally free on bail but many aren't, in contravention of juridical principles**” published in **The Times of India** on **3rd February 2023.**

Syllabus: GS 2 – Governance

News: The Kerala journalist Siddique Kappan has been freed from jail after 846 days. He was charged with Unlawful Activities (Prevention) Act (**UAPA**) and the Prevention of Money Laundering Act (**PMLA**).

This issue highlights the concerns of prisoners who are kept in jails for a long period.

What are the concerns with the Indian laws and prisoners?

SC in recent cases has recalled **Justice Krishna Iyer's 1977 guidance** in which he called for “**Bail not jail**”.

However, many laws like the **UAPA** discourage bail and even the judiciary goes along with the pre-trial arrest and long hearing, instead of taking the responsibility of preserving the liberty of all citizens.

Furthermore, **conviction rates are low in IPC crimes**, e.g., 42.4% for murder, 28.6% for rape, and 21.9% for riots. It is the **undertrial prisoners which constitute 80% of the country's prisoners**, crowding the jails.

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Most victims do not have the legal, financial and emotional resources to fight for themselves and lead out of jail.

However, if courts take action properly, then even these resources wouldn't be needed by the undertrials.

14. Two years after Myanmar coup, how the country is a mess — and India's headache has worsened

Source: The post is based on the article **“Two years after Myanmar coup, how the country is a mess — and India's headache has worsened”** published in **The Indian Express** on **4th February 2023**.

Syllabus: GS 2 – International Relations

Relevance: India-Myanmar Relations

News: The article discusses the changing political scenario of Myanmar and its effect on the bilateral relations between India and Myanmar.

How did the political scenario of Myanmar change?

The Myanmar army seized power on February 1, 2021. The reason behind the coup was the fear that the party which won the election would rewrite the 2008 Constitution and move the powers of the military out of it.

Therefore, the Myanmar military overthrew the elected government and returned **Myanmar from democratic state to military dictatorship**.

However, the army led government/junta regime has failed to bring the country under its control. Pro-democracy civilian resistance groups (**People's Defence Forces or PDFs**) are fighting the junta and they have been joined by ethnic armed organisations (**EAOs**).

Furthermore, a National Unity Government comprising many of the elected parliamentarians has been lobbying foreign governments for diplomatic recognition.

The situation in Myanmar has turned violent.

How is the situation of Myanmar present concerns for foreign policy for India?

India has pursued a **“dual-track policy”** for over three decades with Myanmar, i.e., doing business with the junta and as well as sympathizing with the pro-democracy forces.

In the mid-1990s, **Myanmar military helped India** in securing the borders of its Northeastern states from Northeastern insurgencies. From that time, **India has had a good relation with Myanmar military rulers**.

Furthermore, India's engagement with the junta was also seen as retaining its influence in Myanmar **in the backdrop of rising threat from China**.

Now, with the ongoing crisis in Myanmar, **India is held between** supporting pro-democratic groups and military rulers. It **has its own national interest involved in it**, i.e., border security management and restricting China in Myanmar.

What are other associated concerns with India?

Obstacle in cross boundary transport: PDFs control large parts of the area in the Sagaing region through which the trilateral highway passes. There have been occasions when Indian officers had to intervene with the local PDF leaders to allow project vehicles to pass.

Obstacle in developmental project: Sittwe port in Myanmar has been developed by India as part of the Kaladan project. The port was developed with the objective of India-Myanmar maritime trade and to provide alternate access to India's landlocked north-east states.

It was said that it was ready for inauguration. However, now it seems way far.

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Security concerns with the North-eastern states of India: The Myanmar coup has led the people to move out of the country. Mizoram is hosting thousands of refugees from the adjoining Chin state in Myanmar.

Moreover, the Myanmar Air Force has bombed the area on the border with Mizoram. Its effect was also seen in the state which triggered panic in the area.

Further, as per **UN Office for Drugs and Crime**, there has been a 33 percent spike in **poppy cultivation in Myanmar**. The sharpest increase has been noticed in Chin state, in an area that borders northern Mizoram and southern Manipur.

Threat to national security: The Myanmar junta has recruited Indian insurgent groups (**IIGs**) in regions adjoining Manipur and Nagaland to fight against the local PDFs and other groups. The group has been renamed as junta.

The People's Liberation Army, one of the groups of IIGs, has been held responsible by India for the deadly attack on an **Assam Rifles convoy**.

Rohingya crisis: The Myanmar military has not been able to resolve the Rohingya crisis, which has also been the cause of regional destabiliser.

Concerns with India's image: India describes itself as the "**mother of democracy**". Its **presidency of the G20** is an opportunity to project the voice of the global south. Therefore, **India would be in a dilemma** in supporting the type of government in Myanmar and representing its stand on it globally.

What is the way ahead for India?

Despite these concerns, India has options like it can – **a)** open channels to the democratic forces and to some ethnic groups; **b)** can work more actively with ASEAN; **c)** could open an army-to-army channel with the junta; **d)** increase people to people channels; **e)** offer scholarships to Myanmar students like it did for Afghan students.

15. [On Budget 2023: Health in Amrit Kaal](#)

Source– The post is based on the article "**On Budget 2023: Health in Amrit Kaal**" published in **The Indian Express** on **4th February 2023**.

Syllabus: GS2- Issues related to development and management of health

Relevance– Health spending

News– Recently, the central government presented the budget for this year.

The total central government budget for health will be roughly Rs **86,175 crore**. It is roughly Rs 615 for every citizen. This is a **2.7% increase** from the previous fiscal year.

In real terms, the central government's health spending has declined.

What are issues with health spending in India?

A day of hospitalisation at a public hospital is estimated at Rs 2,800. At a private hospital, it is Rs 6,800. The Ministry of Health is expected to provide health services at a **low budget**. Therefore, the system fails the **most vulnerable** and they are forced to turn to the expensive private sector.

The poor, elderly and sick are already at a disadvantage. **A greater proportion of disposable incomes** is taken away from a poor household as compared to a non-poor one. It further broadens the gap between the two.

If a working member of the household falls sick, he must often withdraw from active employment. Their **main source of income** dries.

Households have to often **sell or mortgage their productive assets** to cover the treatment costs. This further reduces their capacity to bounce back.

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According to the **WHO**, **55 million people** fall into poverty or deeper poverty every year due to expenditures on health.

India currently spends about **3.2% of its GDP** on health. This is much lower than the average health spending of the Lower and Middle Income Countries. It is around **5.2%** for these countries.

The government spends about Rs 2.8 lakh crore roughly **1.1% of the GDP**. In contrast, China spends 3%, Thailand 2.7%.

What is the way forward for health funding in India?

First, the National Health Mission allocates less than 3% for **non-communicable diseases**. In comparison, the allocation for **communicable diseases is three times more** and for **reproductive and child health services** about nine times greater.

The burden of disease from NCDs accounts for more than half of the total burden of disease. Greater focus on communicable diseases should be **rebalanced** now to pay attention to non-communicable diseases.

Second, public health and primary health care focus on rural areas. Urban areas have poorly developed infrastructure for primary care. **Greater resources** are needed to improve health here.

Third, health research has been neglected for too long. Spending Rs 20 per Indian is inconsistent with the **need for innovations and technologies** in the sector.

The bulk of the resources provided to the ICMR goes towards **maintaining the large pool of scientists** and the output is poor.

India should follow the example of countries where **government-funded health research** is conducted at **academic institutions**.

The government's role is to make grants and not to carry out the majority of research. **Competitive funding** will encourage the best research.

We must find ways to both find **more money for health, and also more health for the money** to ensure that all Indians achieve their true potential.

16. Charge sheet scrutiny is not a case of prying eyes

Source– The post is based on the article “**Charge sheet scrutiny is not a case of prying eyes**” published in **The Hindu** on **4th February 2023**.

Syllabus: GS2- Functioning of judiciary

Relevance– Issues related to Criminal justice system

News– The Supreme Court has ruled that a charge sheet filed against an accused in a criminal case is not a ‘public document’ under the ambit of the Right to Information Act 2005 or the Indian Evidence Act.

What is the reasoning provided by SC in this decision?

In the Court's view, the **charge sheet** is different from the FIR. It cannot be shared with anyone other than the accused and the victim. A charge sheet is a **comprehensive account of the crime** in question.

It has **vital information** such as a list of **prosecution witnesses and documents** in support of the investigating officer's conclusions.

The details contained in these documents even before a trial begins would be **detrimental to the accused and the victim**.

What are the arguments against the decision of the SC?

The judgement seems to contradict an order passed by the Court in **Youth Bar Association of India vs Union of India (2016)**. It directed that the FIR should be on the **relevant investigating agency's website** within 24 hours of its registration.

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In earlier days of the Republic, **confidentiality** was the tradition of the judiciary. Courts were a **sacrosanct institution**. The slightest criticism of judicial decisions **invites contempt and punishment**.

We now have a situation where judges are often **criticised in the media** for judicial decisions that are **unconventional**.

It is true that **vested interests** might engage in finding loopholes in the charge sheet to **undermine the prosecution case**.

But this should not prevent the public from **access to the charge sheet** before commencement of the trial. It should not be denied an opportunity to **evaluate the quality of an investigation**.

Critical analysis by an outsider has the potential to **enhance the soundness of an investigation**. It can prevent **prosecution against innocent individuals**.

A trial court will actually benefit from **outsider scrutiny of the prosecution case** if a charge sheet is made available to the public.

A chance for the public to study a charge sheet will ensure that **prospects of loosely framed charge sheets** will be fewer.

17. Pakistan Conundrum – Islamabad’s economic collapse won’t be good for India

Source: The post is based on the article “**Pakistan Conundrum – Islamabad’s economic collapse won’t be good for India**” published in **The Times of India** on **4th February 2023**.

Syllabus: GS 2 – India and its neighbourhood- relations.

Relevance: About Pakistan’s economic crisis.

News: Recently, the IMF review mission rejected Pakistan’s debt management plan and demanded a steep increase in electricity tariffs to restrict subsidies. In response, Pakistan’s PM agreed to implement the harsh conditions.

What is the status of Pakistan’s economic crisis?

Pakistan is in the midst of a deep forex crisis with reserves down to just \$3.09 billion as of January 27. This can cover only 18 days of imports. Thus, Pakistan desperately needs to complete the pending ninth review of the IMF to avoid default.

Why Pakistan’s power sector is a cause of concern?

Pakistan’s power sector has **a) unsustainable subsidies, b) poor transmission, c) lack of accountability, c) privatisation of the power sector** led to the creation of 12 local distribution companies that mostly provided employment to military retirees, and **d) The government is also paying more than Pakistani Rs 1 trillion as Tariff Differential Subsidy.**

Why does India need to worry for Pakistan’s economic crisis?

Pakistan is also facing a new spate of home-grown terrorism. A total collapse of the Pakistani government could see the entire stretch from the Iran-Afghanistan border to Lahore becoming an extremist hotbed.

This will complicate India’s security challenges and lead to an even greater Af-Pak problem than the one the world has faced.

18. Going green – The Budget can help India transition out of its dependence on fossil fuels

Source: The post is based on the article “**Going green – The Budget can help India transition out of its dependence on fossil fuels**” published in **The Hindu** on **4th February 2023**.

Syllabus: GS 2 – Energy.

Relevance: About green initiatives in budget 2023-24.

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News: In the recent budget highlighted the government's commitment to move towards net-zero carbon emission by 2070.

What are the major green initiatives in budget 2023-24?

Read here: [Major thrust planned for green energy](#)

What is the rationale behind the announced green initiatives in budget 2023-24?

Inter-State transmission system for the grid integration of renewable energy from Ladakh:

With its vast stretches of barren land and one of the country's highest levels of sunlight availability, Ladakh is considered an ideal location to site photovoltaic arrays for producing a substantial capacity of solar power.

The transmission line will address the hurdle in setting up solar capacity in the region.

Viability gap funding for battery energy storage systems: Energy storage systems are crucial in power grid stabilisation and essential as India increases its reliance on alternative sources of power generation including solar and wind.

Exemption of customs duty on the import of capital goods and machinery required to manufacture lithium-ion cells: With the electric vehicle (EV) revolution poised to take off, the availability of indigenously produced lithium-ion batteries have become a necessity, especially to lower the cost of EVs.

Why India's green initiatives in budget 2023-24 is essential?

a) India holds the key to hitting global climate change targets given its sizeable and growing energy needs, **b)** With the country's population set to overtake China's this year, India's need for energy is set to surge exponentially, and **c)** The energy transition is urgent to leverage new industries, generate jobs on a sizeable scale, and add to overall economic output.

General

Studies

Paper – 3

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General Studies - 3

1. [Green debut – Green bonds can help lower borrowing cost](#)

Source: The post is based on an article “**Green debut – Green bonds can help lower borrowing cost**” published in **Business Standard** on **30th January 2023**.

Syllabus: GS 3 – Economic Development

Relevance: About green bonds

News: The Reserve Bank of India (**RBI**) last week for the first time issued sovereign green bonds worth Rs 8,000 crore on behalf of the Government of India.

What is the present scenario of green bonds?

The government is planning to issue such bonds worth Rs 16,000 crore this year as part of the overall market borrowing programme.

Green bonds are attracting the investors who are willing to accept **lower returns** to support green initiatives.

Even at global level, governments have used green bonds in a limited way.

According to the International Monetary Fund (**IMF**), sovereign green bonds constituted only about **2 percent of the total issuance** between 2016 and 2022.

Moreover, the Indian government issued green bonds as **five- and 10-year securities**. The yields given by green bonds are lower than the regular bonds for the same tenure. This yield difference is referred to as “**greenium**”.

According to the **IMF**, greenium is initially lower between the two bonds but as the markets emerge the yields will increase.

Amongst those who participated in the auction of green bonds were public-sector banks, insurance companies and Foreign Institutional Investors.

Moreover, the government has constituted a Green Finance Working Committee (GFWC) for optimal utilisation of the funds raised through green bonds.

What is the Green Finance Working Committee (GFWC) and what are its functions?

GFWC will support the **Ministry of Finance (MoF)** in selecting and evaluating green projects within the framework.

It will also supervise an annual report with details on the allocation of proceeds, project details, the status of implementation, and the level of unallocated proceeds.

The committee will have **representation from relevant ministries**. It will be **chaired by the chief economic adviser to the government**.

A mechanism has been planned to ensure funds are used only for the stated purpose. The environmental impact of projects will be brought out separately.

The **proceeds will be deposited in the Consolidated Fund of India** and will be made available for green projects. For this, the MoF will maintain a separate account.

What is the way ahead?

The government has also decided to engage third-party reviewers to provide annual assessments of the funds utilized for the green projects.

Hence, **transparency is necessary** for implementing the framework because it would help lower the cost of borrowing for the government.

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2. [Revisit the tax treatment of tobacco products](#)

Source– The post is based on the article “**Revisit the tax treatment of tobacco products**” published in **The Hindu** on **30th January 2023**.

Syllabus: GS3- Indian economy and mobilisation of resources

Relevance– Taxation of products that generates negative externalities

News– The article explains issues with taxation structure on tobacco products

In 2017, the **economic burden and health-care expenses** due to tobacco amounted to ₹2,340 billion, or 1.4% of GDP. But, India’s average annual tobacco tax revenue stands at only ₹537.5 billion.

Tobacco use is also the cause for nearly **3,500 deaths in India every day**. It impacts human capital and GDP growth in a negative way.

What are features of current taxation structure that are hindering efforts in regulating consumption of tobacco products?

One issue is the **overuse of ad valorem taxes**, which are not effective in reducing consumption. The GST system in India relies more on **ad valorem taxes** than the pre-GST system, which primarily used specific excise taxes.

In India, the **share of central excise duty** in total tobacco taxes decreased substantially from pre-GST to post-GST. It decreased for cigarettes from 54% to 8%, for *bidis* from 17% to 1%.

A large part of the compensation cess as well as the **National Calamity Contingent Duty** currently applied on tobacco products is specific. If specific taxes are not revised regularly to adjust for the inflation, they lose their value.

There is a **large discrepancy in taxation** between tobacco products. Despite cigarettes accounting for only 15% of tobacco users, they generate 80% or more of tobacco taxes. Bidis and smokeless tobacco have low taxes.

Bidis are the only tobacco products without a **compensation cess** under GST.

The current **six-tiered tax structure** for cigarettes is complex. It creates opportunities for cigarette companies to avoid taxes legally by manipulating cigarette lengths and filters for similarly named brands.

The GST rates on certain **smokeless tobacco ingredients** such as tobacco leaves, tendu leaves, betel leaves, areca nuts have either zero or 5%-18% GST.

Smokeless tobacco products in India are taxed ineffectively due to their small retail pack size which keeps the price low.

GST currently exempts small businesses with less than **₹40 lakh annual turnover**. Many smokeless tobacco and bidi manufacturers operate in the informal sector, which reduces the tax base on these products.

What is the way forward for effective taxation on tobacco products?

Inflation indexing should be made mandatory for any specific tax rates applied on tobacco products.

Taxes should be made **more consistent across all tobacco products**. The main principle behind tobacco taxation should be in protecting public health.

The **tiered taxation system on cigarettes** should be eliminated or reduced to two tiers, which can then be phased out over time to have a single tier.

It is important that all products that are exclusively used for tobacco making are brought under the **uniform 28% GST slab**.

The **mandatory standardised packing** should be implemented for smokeless tobacco pouches. This will also make it easier to implement graphic health warnings on the packaging.

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The **GST related exemptions** should not be extended to businesses that produce or distribute tobacco products. Conditions should be imposed on these exemptions so that tobacco businesses do not benefit from them.

3. Intellectual property rights sensitivity should not be at the expense of public health obligations

Source– The post is based on the article “**Intellectual property rights sensitivity should not be at the expense of public health obligations**” published in **The Indian Express** on **30th January 2023**.

Syllabus: GS3- Issues relating to intellectual property rights

Relevance– Innovation ecosystem

News– The article explains the National IPR policy. It tells about changes introduced in the IPR ecosystem in India and issues relating to it. It also explains the rationale behind Patent Act.

What are some facts about the National IPR Policy?

The overall purpose was to spell out the government’s **comprehensive vision for the IPR ecosystem** in the country for a more innovative and creative Bharat. **Seven broad objectives** were spelt out. Three of important goals are-

To have strong and effective IPR laws, which **balance the interests of right owners with larger public interest**.

To **modernise and strengthen service-oriented IPR administration**.

To **strengthen the enforcement and adjudicatory mechanisms** for combating IPR infringements.

What are some structural and legislative changes introduced in the IPR ecosystem in the country?

The **Intellectual Property Appellate Board** was dissolved in April 2021 as part of tribunal reforms. Its jurisdiction was re-transferred to high courts.

This was followed by the establishment of **dedicated IP benches by the Delhi High Court**.

Efforts have been made to **improve the infrastructure and strength of the Indian Patent Office**.

What are the issues with the IPR ecosystem in India?

Patents have been provided in the pharmaceutical sector **at the expense of public health and national interest**. This is despite the presence of **legislative safeguards in the Patents Act** which were introduced between 1999 and 2005 to secure national interest.

Provisions such as **Sections 3(d), 53(4) and 107A of the Patents Act** were introduced to prevent the practice of “**evergreening**” of patents by pharmaceutical companies.

“**Evergreening patents**” on drugs relating to treatment of diabetes, cancers, cardiovascular continue to be granted to pharmaceutical innovator companies.

They are regularly enforced through courts at the expense of the **statutory rights of generic manufacturers**.

There is the non-application of the Supreme Court’s verdict in **Novartis AG v. Union of India & Others (2013) to prevent the evergreening** of a patent monopoly on drugs.

The Supreme Court ruling has not yielded mature outcomes from the Patent Office and subordinate courts.

The direct consequence of this is the **delayed entry of generic versions** of drugs. This adversely affects the **availability of affordable medicines** to patients in a lower middle-income country such as India.

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What is the rationale behind IP legislations such as the Patents Act?

They do not exist for the sole benefit of IP right owners. The **intended beneficiary** of the underlying Patents Act is the society. It is expected to benefit from **dynamic innovation-based competition** between market players.

Patent monopolies are granted to innovators in the hope that they will disclose something **inventive and of industrial value** to the public. The public may use it without the need for a licence after the expiry of the patent.

It increases the **general pool of knowledge in the public domain**. The other economic assumption is that it is expected to trigger **innovation-driven competition** between market players.

It results in **increasing the quality options** for the consuming public.

What is the way forward?

There are **four stakeholders under the Patents Act** — the society, government, patentees and their competitors. Each of these stakeholders has **rights under the statute**.

To enforce the Act to the **exclusive benefit of patentees** abridges the legitimate rights of other stakeholders. It leads to **anti-competitive market outcomes**.

It is needed to **reform the IPR ecosystem** to attract investment. However, it should not be **at the expense of public health obligations and long-term national interest**.

4. [Build, But Smartly – Infra along LAC is strategically vital. But Joshimath shows why projects must respect mountain ecology](#)

Source: The post is based on the article “**Build, But Smartly – Infra along LAC is strategically vital. But Joshimath shows why projects must respect mountain ecology**” published in **The Times of India** on **30th January 2023**.

Syllabus: GS 3 – Disaster and disaster management.

Relevance: About the infrastructure construction across LAC.

News: India is finally ramping up infrastructure development across LAC.

About India’s infrastructure construction across LAC

Ever since Galwan in 2020, there has been an extra urgency to bridge the gap in infrastructure between the Indian and Chinese sides.

The government amended the Environment Impact Assessment Rules last year that exempt highway projects of strategic and defence importance that are 100 km from the borders from obtaining environmental clearance.

India’s construction of a 135 km road connecting Chushul and Demchok in eastern Ladakh should be one among other projects in that strategically important area and BRO must meet the two-year construction deadline.

Read more: [Joshimath Crisis: Causes and Solutions – Explained, pointwise](#)

What are the environmental concerns associated with infrastructure construction across LAC?

a) unsustainable construction, industries and tourism can bring catastrophic consequences to the fragile zone, **b)** Studies by Kashmir University and other organisations show that glaciers in the Leh-Ladakh region will deplete by two-thirds unless conservation efforts are stepped up, **c)** The glaciers in the regions are already melting faster than expected due to construction of highways and human activities.

Must read: [Land subsidence: PMO reviews situation in ‘sinking’ Joshimath town](#)

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What should be done while creating infrastructure construction across LAC?

a) Strict protocols need to be worked out to ensure even strategic projects in sensitive regions have the least impact on the environment, **b)** The Joshimath crisis forced Indian troops stationed in the area to move to a different location. Therefore, infrastructure construction along LAC needs to be carefully planned and executed, not just for the environment but to ensure the projects' own longevity.

5. [Warning bells – India's regulatory framework must infuse confidence in investors, savers](#)

Source: The post is based on the article “Warning bells – India's regulatory framework must infuse confidence in investors, savers” published in **The Hindu** on **30th January 2023**.

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

Relevance: About India's regulatory environment.

News: The latest stock market issues surrounding the Adani group highlighted challenges associated with India's regulatory environment. The Securities and Exchange Board of India (SEBI) had stepped up scrutiny of the conglomerate's transactions, but there has been no official word from the markets' regulator.

Why the involvement of Public sector participation in the conglomerate is a cause of concern for India's regulatory environment?

Major state-owned banks and the LIC are key pillars of the country's financial system. **a)** This might trigger investor concern about broader financial sector stability, **b)** Deposits and life insurance policies as well as taxpayer resources that have been invested to keep the PSU lenders adequately capitalised. Investing such funds in the conglomerate will damage public trust and funds.

What should be done to improve India's regulatory environment?

Regulators could enhance credibility in India as an investment destination by tightening not just the listing requirements. Regulators must enforce strict actions in case of egregious breaches of the laws. This will infuse confidence in investors, and savers.

SEBI and the Reserve Bank of India must ensure reforms in the regulatory framework when India holds the G-20 presidency.

6. [Known unknowns of the fertiliser subsidy](#)

Source: The post is based on an article “Known unknowns of the fertiliser subsidy” published in **Business Standard** on **31st January 2023**.

Syllabus: GS 3 – Indian Economy

Relevance: concerns associated with subsidy on fertilisers

News: The government last year came up with measures to bring down the fertiliser subsidy bill. The article provides an analysis of those measures.

What were the measures proposed by the government?

First, it asked the fertiliser companies to buy up to 20 per cent of their LNG needs directly or via the Indian Gas Exchange (IGX).

Second, the government decided to review the domestic gas pricing formula, and caps rates.

What are the problems associated with the fertilizer subsidies?

Fertilizer along with food take up a huge amount of budget.

Fertilizer subsidy goes to manufacturers, mainly urea makers, to compensate them for selling fertilizer below market rates. These **fertilizer makers are the biggest consumers of imported LNG**.

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The cost of buying LNG is further growing due to the increasing global gas rates and stagnant domestic production. Due to which, the Finance Ministry had allotted Rs 1.05 trillion for 2022-23 to compensate fertilizer makers.

However, **the amount allotted for the subsidy is expected to increase further** due to the Ukraine conflict, high international prices of raw materials and finished fertilizers, currency depreciation, etc.

Moreover, a large amount of fertilizer subsidy goes to the foreign gas suppliers because **80 percent of the cost of urea is natural gas**.

Therefore, it is expected that the cost of subsidy will go up for FY24. Hence, due to these difficulties, the government came with those two proposals.

How would the first proposal for asking the fertilizer companies to buy up to 20 percent of their LNG needs will lower the subsidy costs?

It will allow **fertilizer companies to buy in a most cost-effective way** and find an exchange most suited for their purpose. This has huge potential to save on gas subsidies.

However, the government needs to change the regulations for companies to gain from this proposal.

At present, fertilizer units source LNG using a pooling mechanism managed by Gail India. But the way the pool works is that efficient fertilizer plants end up subsidizing inefficient ones.

Even if an efficient fertilizer maker gets gas from IGX under the new 20 percent sourcing rules, it would still need to pay the difference between the IGX rate and the average pool price.

This would reduce the incentive for efficient fertilizer units to seek gas outside the pool.

Therefore, the 20 percent procurement volumes should have been kept out of the pooling price mechanism.

Moreover, the government's second proposal to cap on domestic gas prices could help in reducing the pooled gas prices.

How would the second proposal of the government on capping the prices help in reducing the prices of gas?

The **Parikh Committee recommended** capping domestic gas rates, and changing the fixed prices for domestic gas from global gas benchmarks to crude oil rates.

This is because industrial customers have switched to crude-linked alternatives due to lower crude prices than gas prices.

Therefore, the adoption of recommendations could lower domestic gas prices and, thus, the pooled gas prices for fertilizer companies.

What are the challenges with India?

India has adopted these domestic policies but these domestic policies may have limited impact due to the global cause of leading to higher prices of natural gas.

The LNG production is limited and the demand is soaring all over the world which is ultimately increasing the price. Hence, the government might have to bear the burden of subsidy for a longer period.

[7. Education challenges of employment](#)

Source: The post is based on an article **"Education challenges of employment"** published in **Business Standard** on **31st January 2023**.

Syllabus: **GS 3 – Employment**

Relevance: **India's labour force participation rate and unemployment**

News: The article discusses how education is associated with employment and labour participation rate in India.

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What are highlights of the data?

India suffers from a **poorly educated workforce** that is confined to **poor quality jobs**. Most employment is **informal and in the unorganized sector**.

For example, 48 percent of the workforce had not cleared their 10th exams, 28 percent had cleared between the 6th and 9th standards and 20 percent had cleared only the 5th standard. Only **12 percent of the workforce was a graduate** or postgraduate whereas this ratio in the US is about 44 per cent for persons of 25 years or more.

During September-December 2022, the overall unemployment rate in India was 7.5 percent but **the unemployment rate for graduates was at 17.2 percent**.

And in the same period, nearly 40 percent of the workforce had only high school degrees, i.e., between the 10th and 12th standards.

This shows the dismal picture of India's labour force because labour participation rate decreases with less education.

How does the Labour Participation Rate (LPR) change with education?

The labor participation rate and the unemployment rate increase with education and vice versa.

For example, for those with an education between 10th and 12th standards, the LPR rose to 40 percent with the unemployment rising to 10.9 percent compared to those who are less educated. Moreover, in the US, the unemployment rate drops as the education levels rise. However, it is the opposite in India.

Furthermore, the LPR among graduates is rising in India which is a positive indication for lowering unemployment rate.

What are other problems with the employment in India?

Even though the LPR has improved for graduates, the jobs for them are not growing enough to make a difference to the composition of the workforce. They have still not reclaimed their pre-Covid share in the workforce.

Moreover, other problem with the Indian workforce is that many graduates leave India for better job opportunities abroad.

India has been unsuccessful in offering adequate jobs and enough good quality jobs to its graduates.

8. [Hedging and entrenched attitudes from India and Pakistan are a reminder that technical agreements are only a partial solution](#)

Source– The post is based on the article “**Hedging and entrenched attitudes from India and Pakistan are a reminder that technical agreements are only a partial solution**” published in **The Indian Express** on **31st January 2023**.

Syllabus: GS3- India and neighborhood relations

Relevance– India and Pakistan bilateral relationship

News– The article explains India current stand on the updation of Indus Water Treaty. It explains the important legal provisions of IWT related to negotiation of disputes. It also talks about the attitude of India towards water diplomacy

What is India's current stand on the Indus Water Treaty?

New Delhi has expressed its intention to **update the Treaty** to incorporate the lessons learnt over the last 62 years. It has given a 90-day notice to Islamabad.

It has claimed that the adamant position of Pakistan had made the **communication channels** over shared waters defunct.

India has adopted the **moderate approach of not terminating but modifying** the IWT.

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It has attributed the breach of treaty to **Pakistan's unilateral decision** to approach the Permanent Court of Arbitration. Pakistan has **bypassed the mandate of Indus Commissioners**. It has violated the **dispute settlement mechanisms provided by Articles 8 and 9 of the Treaty**.

Conversations on renegotiating and upgrading the IWT began a few years ago. In 2021, a **parliamentary standing committee report** suggested renegotiating the Treaty.

What are some important legal provisions of the Indus Water Treaty?

Under **Article 60 of the Vienna Convention** on the Laws of the Treaties, a party can criticize an agreement and give notice of its intention to terminate it if the other party violates its fundamental provisions.

Article 8 of Indus Water Treaty specifies the **roles and responsibilities of the Permanent Indus Commission**.

Article 9 is relevant for **addressing any dispute** that might emerge between the two countries. It provides for the **appointment of a neutral expert** in case there is a lack of consensus among the Commissioners.

If the neutral expert believes that the difference should be treated as a dispute, it can be referred to the **Court of Arbitration**. However, the Commission has to report the facts to the two governments.

The report must state the **points of concord** in the Commission, the **views of each Commissioner** on these issues and also mention the issues of disagreement.

Only after receiving such a report can either of the governments address the issue bilaterally or through the Court of Arbitration.

What has been the attitude of India and Pakistan in case of water diplomacy?

Pakistan has shown an inclination for **third-party mediation**. India has seen Pakistan's objection to the hydel projects as a tactic to delay them.

Both countries have opted for **diplomatic hedging**. This attitude has framed the water diplomacy between the two countries as well.

Pakistan has contested the **Ratle project on the Chenab River** on grounds of design and violations of the IWT. It asked the World Bank to establish a **Court of Arbitration** to look into the project. India objected to this process by claiming that it was a **unilateral move**.

What is the way forward for water diplomacy by India and Pakistan?

We cannot look only at **legal aspects**. The **practice of diplomacy and the use of law** for explaining and justifying government actions are equally important.

The reasoning put forward by India and Pakistan requires scrutiny. **Ecological and economic concerns** are also important to understand the diplomatic fault lines.

Technically-negotiated agreements are **only partial solutions** and can put incremental strains on transboundary rivers and their ecosystems for years.

The two countries should use **bilateral dispute settlement mechanisms** to discuss the sustainable uses of water resources.

Article 7 talks about future cooperation. There is a need to **discuss the transboundary governance issues in holistic terms**. It could be the **starting point** for any potential diplomatic negotiations.

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9. [21st century India needs a real-time fiscal data portal](#)

Source: The post is based on the article “**21st century India needs a real-time fiscal data portal**” published in the **Livemint** on **31st January 2023**.

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

Relevance: About real-time fiscal data portal.

News: Former chief economic adviser in his book mentions accounting tricks that made it difficult to gauge the precise extent of the fiscal deficit. Hence, the government should make efforts for a more transparent and accessible budget for India’s citizens and investors.

Why does India need a real-time fiscal data portal?

At the moment, fiscal data in India is fragmented, incomplete, and often comes with lags. This makes it **difficult to analyse government finances** across the country comprehensively.

If local body grants provided by the Union government to states are shown as entries in the budgets of both the Union and states, it will **overstate government spending**.

Most **states do not maintain reliable and up-to-date data** on off-balance sheet spending and contingent liabilities (including liabilities on account of state level public enterprises).

Different states tend to have different budgetary classifications, making inter-state comparisons difficult.

Must read: [Economic Survey 2022-23 PDF](#)

What are the committee recommendations that demand a real-time fiscal data portal?

-A **2018 committee on fiscal statistics** appointed by the **National Statistical Commission (NSC)** argued for a complete overhaul of India’s fiscal database.

The committee found that **a)** local government accounts were simply unavailable for most states, **b)** India’s fiscal data lacks compilation, classification into suitable categories and eventual publication on a website or in printed form.

The report mentions that as many parts of the financial system have been digitized, it is possible to **build a comprehensive real-time fiscal data warehouse**.

-Over the years, a **number of Finance Commission reports** have advocated the setting up of an **apex fiscal council to aggregate fiscal data**. Such a council can help clean up public finance statistics and provide a more accurate view of the flow of public funds across the country.

Read more: [India needs to use its fiscal armoury to fight inequality](#)

What are the advantages of a real-time fiscal data portal?

The portal will **a)** inform about the funds flowing across the three tiers of government—Centre, state and local governments, **b)** be an invaluable resource to understand the Indian economy, **c)** allow India’s citizens to monitor fund flows minutely, **d)** improve the quality of reporting, thereby driving up the efficiency of public spending, **e)** allow government vendors and related businesses to plan their purchases and inventories better, **f)** help government to estimate borrowing needs of different levels of government accurately.

Hence, the government should **create a federal fiscal organization** to bring more consistent reporting standards and **a real-time fiscal data portal** that can bring about economy-wide efficiency gains, and pre-empt fiscal crises in the future.

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10. [Solar energy is not the best option for India](#)

Source– The post is based on the article “**Solar energy is not the best option for India**” published in **The Hindu** on **1st February 2023**.

Syllabus: GS3- Energy

Relevance– Sources of energy

News– The article explains how the overemphasis on solar power is not the right option for India. It also provides arguments in support of hydropower

Why overemphasis on solar energy is not the right option for India?

The first is the **wrong comparison** of solar power with coal electricity at the **load centre**, instead of at the pithed. It costs about half that of the load centre. According to the Central Electricity Authority, moving electricity through high voltage wires is cheaper than moving coal.

The second flaw is not **comparing like with like**. Solar electricity is **intermittent** and coal electricity is continuous. There is a need to add the cost of storage by battery.

Supporters of solar power add the **environmental cost of carbon** to coal. But, now the carbon market has crashed.

The **shadow price or true economic value of coal** is even lower than its market price. The cost of labour in mining carries a **shadow price of zero**.

Some researchers estimate the cost of carbon emission in terms of **deaths due to particle pollution**. Implicitly, they only include the particulate emission cost of carbon.

The number of deaths is multiplied by a figure for the value of statistical life. It is calculated by asking potential victims about their desire to pay to avoid an **increase in probability by 10% of your death** due to pollution.

They have arrived at a **figure of ₹1 crore**. The comparable figure in the United States is ₹1.8 crore. In reality, They don't get so much compensation in case of any accident.

Thus, solar energy is **made financially viable** by leaving out storage battery costs and providing subsidies and concessions that are front loaded by the government.

What are arguments in support of hydropower?

Renewable energy in large hydro is both **low carbon and least cost**.

India has utilised only about **15% of its hydro potential** whereas the U.S. and Europe have utilised **90% and 98% of their potential**, respectively.

The **extent of utilisation of hydro potential** seems to be an index of **civilisational development and evolution**. The Three Gorges project on the Yangtze by China is the world's biggest hydro electric project.

One major reason for the stress in the power sector is the focus on renewable energy in a big way.

NTPC was a **model thermal power producer** meant to produce coal-based electricity. It is doing unrelated diversification into renewables. It is not its core competence.

11. [Expect action on our aim of carbon neutrality by 2070](#)

Source– The post is based on the article “**Expect action on our aim of carbon neutrality by 2070**” published in the **mint** on **1st February 2023**.

Syllabus: GS3- Environment

Relevance– Climate change

News– The article explains the challenges in reducing emissions by developing countries. It also tells about the steps taken by India to fight climate change and the way forward to meet financial needs for a low emission path.

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What are the issues in the fight against climate change?

Many developed countries have already **peaked their emissions**. But, it is an enormous task for developing countries to **achieve carbon neutrality**.

The **low carbon development strategy** is being suggested to achieve low emissions. But, it needs **appropriate technology and huge financial resources**.

Developed countries have made a commitment of funds and technology transfer. But, **resource flow and transfer of technology** is inadequate.

What are steps taken by India to fight climate change?

India is committed to **decouple emissions and economic growth** in its development strategy. Its strategy is guided by **NDCs adopted in 2015 and updated in 2022**. Country has set the target of **net-zero emissions by 2070**.

More than **40% of existing electricity** is based on non-fossil fuel resources. It is envisaged to reach **50% by 2030**.

The **total carbon stocks** in country forests are increasing. Carbon sequestered through forest and tree cover is estimated at 30.1 billion tonnes of carbon dioxide

The **vision of LiFE** seeks the rational utilisation of natural resources with transition from fossil fuels to cleaner sources of energy.

The renewable energy is covered under country provision for **priority sector lending**. **Green bonds** are gaining traction in global and domestic financial markets. SEBI has enhanced the scope of **green debt securities**.

What is the way forward to meet the financial needs for fighting climate change?

2.5 trillion is needed to meet India NDC targets by 2030. **Mobilisation of resources** from private and public resources will be vital.

A **holistic approach** is needed for scaling up resources for climate action. An **enhanced role by multilateral development banks** to catalyse private finance at **scale and reasonable cost** is imperative.

Developed countries should **assume the responsibility** of enabling access to financial resources and technology. The **G20 presidency provides** an opportunity to India to highlight **global cooperation in accessing technology and finance**.

12. [Why state must cede power to communities](#)

Source– The post is based on the article **“Why state must cede power to communities”** published in the **Business Standard** on **1st February 2023**.

Syllabus: GS3- Economy, GS1- Society

Relevance– Developmental model across the world

News– The article explains the reason for the broken state of affairs across the most advanced societies. It also explains the importance of community in achieving development

What are the reasons for the broken state of affairs across the most advanced societies of the world?

Large parts of the blame can be put on two types of liberalism —**classical liberalism and left liberalism**.

Classic liberalism believes in **excessive individual rights and freedoms, free markets and a limited state**. This led to the **rise of inequality and the concentration of wealth and power**. It helped the **rise of left liberalism, or progressive liberalism**. It ended up **expanding the power and role of the state** even more.

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Liberalism was built on the implicit assumption that **traditional social institutions** like family, tribe, caste, and religion were **oppressive**. They need dismantling. These institutions did become oppressive as a result of giving them **excessive power**.

Currently, it is the liberal state that is the **most oppressive institution**. It is leading to broken societies.

What is the importance of communities?

The way out of this state of affairs is to **re-empower older and newer institutions** that build community. So, the role of community becomes important.

Communities should be given more powers to **provide the basic services** like health and law & order.

Community organisations will **expand livelihood opportunities** at a far lower cost and with greater alignment with community objectives than government.

Outside Europe and America, the countries that actually managed to address issues like jobs, education were **“illiberal” and largely monocultural countries** in Asia. Examples are Japan, Asean and China.

The **list of “broken” countries** now includes most of the developed West. Family, community and other social organisations have broken down in these countries.

What is the way forward for the development of Indian society?

There is a need to always **focus on strengths**. India’s strengths are our strong family, caste and tribal values and affiliations. With reform and empowerment, they can deliver **better social and economic outcomes**.

Taxpayers can be encouraged to contribute a specific proportion of their post-tax incomes to a community organisation of their choice. These contributions will surely need **social audits**.

There is a need for **inheritance tax on wealthy persons** who do not leave at least 50 per cent of his posthumous wealth for charitable or social purposes.

There is no case for an **annual wealth tax**. It will just encourage the wealthy to evade and shift to **tax havens**.

An inheritance tax, with **generous exemptions** for property and cash left for family, will offer **incentives** for contributing to the betterment of society.

13. Economic survey 2022-23 highlights

Source: The post is based on the following articles

“The Economic Survey that wasn’t” published in **The Hindu** on **1st February 2023**.

“The Economic Survey’s growth forecast is a little too optimistic”, “An economic overview that scores on cogency” and **“India’s Economic Survey has got back to its true and tested format”** published in the **Livemint** on **1st February 2023**.

“Optimistic outlook – Higher growth will need more reforms” published in the **Business Standard** on **1st February 2023**.

“Express View on Economic Survey 2023: Reason for optimism” published in the **Indian Express** on **1st February 2023**.

Syllabus: GS 3 – Government Budgeting.

Relevance: Economic survey 2022-23 summary.

News: The government recently released the [Economic Survey 2022-23](#). This article presents important Economic survey 2022-23 highlights.

What are the advantages of Economic Surveys?

a) The Economic Survey is the medium in the country for a rigorous, thoughtful, and nuanced discussion of new economic ideas. Such as universal basic income, economic divergence among

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States, steps to improve property tax revenues using satellite technology, estimating internal migration of people, and so on.

b) It has typically been the medium to raise issues for public discussion over strategic economic matters.

c) The survey provides a report card of the government's economic performance.

What are the challenges associated with Economic Surveys?

Government is not constitutionally bound to present the Economic Survey or to follow the recommendations that are made in it.

Historically, the survey's recommendations are not always reflected in the Union Budget. Thus, surveys ended up becoming a collection of long opinion pieces on the Indian economy and economic matters.

What are the positives from the Economic survey 2022-23?

The Economic Survey 2022-23 summary highlights **1)** recovery from the pandemic-induced disruption is complete and the "GDP growth will probably lie in the range of 6.0% to 6.8%." This is due to **a)** a rebound in private consumption aided by a release of "pent-up" demand, **b)** a surge in exports in the initial months of 2022-23, and **c)** the increase in government capital expenditure, **2)** Provided some new data which increases transparency. Such as on the housing market, digital infrastructure, etc, **3)** Widened its coverage, with detailed chapters on climate change and the social sector, **4)** Places India's economic story in a global context with realism. **5)** India is entering a new era of growth, where its citizens can look forward to a better quality of life with better-equipped schools, affordable healthcare, and increased formal employment opportunities and **6)** It highlights the continuity of reforms in India. It compares the reform story of the last eight years to the 1998-2002 period. Such as "creating public goods, fostering trust-based governance, and the recent introduction of the Jan Vishwas Bill".

Must read: [Economic Survey 2022: Highlights](#)

What are the challenges highlighted by the Economic Survey 2022-23?

The Economic Survey 2022-23 summary **1)** pointed out that the 'Make in India' and manufacturing gross value added (GVA) grew only at 4% (real) even before the pandemic hit, **2)** Growth in private consumption has come at the cost of decreasing household financial savings, **3)** The economy has seen a K-shaped recovery, **4)** There is huge disguised unemployment in agriculture, **5)** Reforms since 2014 have not resulted in higher growth so far because of one shock after another, **6)** Balance-sheet stress in both the corporate and the banking sectors after the financial crisis will affect growth outcomes.

Global concerns: **1)** Rich-world central banks are likely to keep raising interest rates. While inflation has come down, it is still nowhere near their targeted 2%, **2)** Central banks have been gradually withdrawing the money they had printed and pumped into the financial system. This will keep long-term interest rates high and discourage consumption, hurting their imports and our exports, **3)** Ongoing Ukraine war could affect the global economy in multiple ways.

What are the major recommendations highlighted by the Economic Survey 2022-23?

a) Capital expenditure must grow to facilitate employment despite fiscal deficit limitations, **b)** The private sector has all the necessary pre-conditions lined up to step up. So, they need to increase private capex spending, **c)** Reforms such as goods and services tax and the Insolvency and Bankruptcy Code need more work to perform as desired, **d)** The money should be spent on creating assets that would boost future productivity, instead of on current consumption, **e)** Highlighted the need to harness Nari Shakti (women power), education and skilling, **f)** There was a need to dismantle LIC – license, inspection and compliance, **g)** Provide affordable, reliable and

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viable power supply and **h)** Ensure energy security and energy transition for India to fully realize its potential.

Read more: [Economic Survey 2022-23 PDF](#)

The Survey emphatically states the Indian economy is well-placed to embark on a growth trajectory similar to what it experienced post-2003. But achieving sustained growth would require more policy interventions.

14. [Budget 2023 pulls off an artful balance](#)

Source: The post is based on an article “**Budget 2023 pulls off an artful balance**” published in **The Indian Express** on **2nd February 2023**.

Syllabus: GS 3 – Indian Economy

Relevance: Budget 2023-24

News: The article discusses the concerns that the domestic economy was facing and the way this year’s budget addresses those.

What are the domestic economic concerns and how does the budget address those?

Capital expenditure and infrastructure creation: There were global uncertainties, lower consumption rates, slow exports, and tight monetary conditions.

Total public sector borrowing in 2022-23 was upwards to 9 percent of GDP and the current account deficit was widening. So, a budget was needed to push on public investment and reduce the deficit.

Therefore, **this year’s budget has taken steps towards ensuring capital expenditure and infrastructure creation**. A big public investment push was the need of the hour **to increase growth and job creation**.

Moreover, the central capex has jumped from 1.7 percent of GDP to 2.7 per cent due to the previous budgets. However, **this year’s budget is more ambitious** and has targeted central capex at 3.3 percent of GDP next year.

If achieved, **this would constitute a doubling of capex** in just four years and would help in **job creation, crowding-in private investment**, improving economic competitiveness and boosting growth.

Subsidies: Subsidies were **higher due to the pandemic and the Ukraine war**. **Revenue expenditure** used to be 4.5 times the capex allocation in 2019-20.

However, this year, **the ratio is expected to fall to about 2.5**, if the budgeted projections become productive and will fall further to two in the next year.

Fiscal consolidation: The budget has focused on consolidating **0.5 percent of GDP next year**. The budget speech has re-affirmed the central **fiscal deficit will be brought below 4.5 per cent of GDP by FY26**. This means at least 1.5 percent of GDP consolidation will be brought over the next two years. This was needed due to the higher fiscal deficit faced by the centre.

Hence, the budget has focused on all the right aspects such as improving the quality of spending, staying on a consolidation path, re-affirming medium-term fiscal targets.

However, there are still challenges present.

What are the challenges and what can be the course of action?

Tax Buoyancy: Tax buoyancy is strong this year because of increasing growth and higher inflation. However, **growth and inflation are expected to slow which could lower the tax buoyancy in the next year**.

Furthermore, to achieve this year’s target, **gross taxes would need to grow** upwards from 9 percent in the last quarter to 16 percent in the January-March quarter.

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If this year's targets are not achieved, it would further increase the target of tax buoyancy required for the next year.

Therefore, **policymakers will need to closely monitor**, so that contingency revenue plans are made in case nominal GDP or tax buoyancy don't fructify, so the capex is protected.

Absorptive capacity of states and PSU's: There is a need to focus to improve the absorptive capacity of states and PSU's because they have been lagging on capex in recent years.

Mobilising revenues: It is necessary **to double down on revenue mobilisation** in the coming years. Lower food and fertiliser subsidies in FY24 created 0.8 percent of GDP in fiscal space that was used to reduce the deficit and boost capex.

Therefore, **the focus must be on mobilising revenues** (both direct and indirect taxes) and increasing asset sales, if the deficit is to be brought down by 1.5 percent of GDP in the next two years without compromising capex.

15. Tiresome rules out, trust-based model in

Source: This post is created based on the article "**Tiresome rules out, trust-based model in**", published in Live mint on 2nd Feb 2023.

Syllabus Topic: GS Paper 3, changes in industrial policy and their effects on industrial growth

News: In her budget speech, Finance Minister (FM) Nirmala Sitharaman emphasized on trust-based governance.

To enhance ease of doing business for companies, FM proposed to reduce 39,000 compliances and decriminalize 3,400 legal provisions.

For achieving the above goals, government introduced Jan Vishwas Bill to amend 42 Central Acts.

Other measures for ease of doing business in India

Extension of the scope of **Digi Locker** to include business entities.

Permanent Account Number (PAN) will be made a common identifier for all digital systems of specified government agencies.

A unified filing process will be implemented to eliminate the requirement of separate submission of same information to different government agencies.

For MSMEs, the government introduced relief measures under [Vivad Se Vishwas](#).

A voluntary settlement scheme will be introduced to settle the contractual disputes of the government and government undertakings, under court's proceedings.

The government has proposed **to delegate powers under the SEZ Act** to International Financial Services Centres Authority. It will avoid dual regulation and set up a single window IT system for registration and approval from IFSCA, SEZ authorities, GSTN, RBI, SEBI and IRDAI.

Some concerns raised by industrialists

Budget had widened the tax authorities' power to withhold any refunds to a taxpayer. It could result in increasing load of over-burdened constitutional courts.

16. The social sector has been short-changed once again

Source- The post is based on the article "**The social sector has been short-changed once again**" published in **The Hindu** on **1st February 2023**.

Syllabus: GS3- Mobilisation of resources

Relevance- Fiscal policy

News- The article explains the focus of the budget. It talks about the allocation for welfare programmes of the government. It also explains the importance of welfarism.

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What are the focus areas of the budget ?

It reiterates the **strategic vision** of this government in which **economic recovery and job creation** rest on increased **capital expenditure** by the government. **Welfare spending** is not the priority.

The Budget announced a **capex of ₹10 lakh crore**, a 33% increase over last year. Along with **grant-in-aid for capital assets**, the budget estimate for effective capex is now **₹13.7 lakh crore**. It is 4.5% of the GDP, up from 3.9% last year.

The government remains on its **path of fiscal consolidation**. The **fiscal deficit for FY24** is projected to be 5.9% of the GDP. It is a reduction from 6.4% for the current year.

The Finance Minister reiterated her commitment to reaching a fiscal deficit below 4.5% by 2025-26.

What is the allocation in the budget for schemes providing safety nets and better human development outcomes?

The Budgetary estimate for **food subsidy** is ₹1.97 lakh crore compared to the revised estimate of ₹2.8 lakh crore for 2022-23.

The government had already announced the withdrawal of additional provision of 5 kg of cereals per person per month through the **Pradhan Mantri Garib Kalyan Anna Yojana**.

The existing benefits under the **National Food Security Act** continue and will now be given for free. But, this does not compensate for the reduced quantity of grains.

The MGNREGA has also seen a massive budget cut. The BE for 2023-24 is ₹60,000 crore compared to the RE of ₹89,400 crore for 2022-23.

MGNREGA wages for a few years have been not only lower than the **minimum wages**, but also the prevailing market wages for unskilled workers in rural areas. Further, there are issues of delayed payments.

Programmes that provide **nutritional support for women and children** have also seen inadequate and lower allocations. The allocation for **Saksham Anganwadi, Poshan Abhiyan** remains almost the same at ₹20,554 crore compared to the ₹20,263 crore last year.

PM-POSHAN has been allocated ₹11,600 crore compared to the RE of ₹12,800 crore for 2022-23.

Samarthya scheme, which focuses on women empowerment has been allocated ₹2,582 crore compared to the previous year's allocation of ₹2,622 crore.

Each of these schemes pertains to some of the **most vulnerable communities** and provides services that are critical to improving nutrition status.

A recent **report of the Accountability Initiative** showed that the budgets for anganwadi services and mid-day meals are over 30% less than in 2011 in real terms.

The allocations for the **National Social Assistance Programme** have also remained stagnant.

Education and health have also not seen any substantial increase. In nominal terms, the Budget of the Department of School Education has increased by 8.4% and that of the Department of Health and Family Welfare by 3.8%.

What is the importance of social sector initiatives for welfare?

The expenditure on these different **social sector initiatives** contributes in a large way to improving the lives of people in the long term as well as to economic revival.

Spending on MGNREGA or the food subsidy or pensions can **revive demand**. Providing public services in health and education improves **human development outcomes, increases productivity, and creates employment opportunities**.

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The extent of **job creation by capex**, especially for wage workers, needs to be assessed. The increases in capex are to a large extent in highways and railways. These areas use **capital-intensive technologies with small wage components**.

17. [India's G20 Presidency: LiFE lessons for global markets](#)

Source– The post is based on the article “**India's G20 Presidency: LiFE lessons for global markets**” published in **The Indian Express** on **3rd February 2023**.

Syllabus: GS3- Environment

Relevance– Sustainable development

News– The world is facing its first truly global energy crisis, with turbulent markets and sharp price spikes. It is creating difficulties for citizens, businesses and governments.

What is LiFE initiative?

It demonstrates **India's leadership on global issues** by promoting **sustainable lifestyles and consumption** choices worldwide.

LiFE initiative was launched in October 2022 **to nudge individual and collective action** to protect the environment.

This includes **making informed personal choices** such as **using public transport** more, **buying electric vehicles**, **adopting energy-efficient appliances** in homes.

What is the importance of LiFE initiative?

LiFE initiative could help **lower energy costs, carbon dioxide emissions, air pollution and inequalities in energy consumption**. The programme could potentially help put developing and advanced economies alike onto a more **sustainable path**.

Reducing emissions– IEA analysis shows that if all countries adopt the measures recommended by LiFE, it would reduce global carbon dioxide emissions by more than 2 billion tonnes by 2030. This will be **one-fifth of the emissions reductions** needed this decade to put the world on a path to net zero emissions. The measures would also save consumers globally around **\$440 billion in annual energy bills**.

Doesn't negate the strong policies action– Strong policy actions for expanding clean energy technologies. We need to do many things at once to tackle the world's environmental challenges while ensuring **secure and affordable energy supplies** for all.

That is why LiFE's recommendations become important.

Industries like steel and cement can learn from LiFE by adopting approaches that use **resources more efficiently**. Increasing the volume of recycled steel can reduce the amount of steel production that needs to be **decarbonised**.

Combines individual accountability and policy actions– We all need to make the right choices when it comes to the **environment and sustainability**. These choices should be supported by **appropriate infrastructure, incentives or information**.

For example, **public transport** must become **more efficient and readily accessible** to encourage citizens for its use. **Urban planning** needs to be optimised so individuals can live closer to work and amenities that reduce commute times and encourage walking and cycling.

Sustainable development– It's important that the environment should not be prioritised at the expense of **India's broader development agenda**. This requires a range of measures. LiFE's recommendations can help support this.

Global relevance– LiFE shouldn't be seen as only relevant to India and developing economies. Its lessons are **applicable globally**. It could make the biggest difference in advanced economies. The **global energy crisis** has led to renewed interest in **behaviour change and energy efficiency**, particularly in advanced economies.

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How India's G20 Presidency represents a unique opportunity to globalise the LiFE initiative?

It provides a **knowledge-sharing platform** for other leading economies to realise the impact of LiFE's recommendations on climate change, air pollution and unaffordable energy bills.

G20 makes up nearly **80 per cent of global energy demand**. Meaningful changes by its members can make a big difference.

18. Decluttering the defence budget

Source: The post is based on an article "**Decluttering the defence budget**" published in **Business Standard** on **3rd February 2023**.

Syllabus: GS 3 – Government Budgeting

Relevance: Budget 2023-24 for the defence

News: The article discusses the shortcomings of the Budget 2023-24 in the defence sector.

What are the shortcomings with the budget in the defence sector?

Decline in budgetary outlay: The defence budget, including pensions to veterans, has for the **first time fallen to below two percent of the GDP**.

The defence budget showed a rise of 13 percent over the previous year's budget. However, **this rise in the defence budget is only 1.5 percent when compared to the revised estimates for the last year**.

Moreover, capital outlay for modernisation and infrastructure development increased to 57 per cent since 2019-20. However, compared to last year's capital budget allocations, **this year's capex allocation represents a raise of barely 6 percent**.

This is inadequate because of prevailing macro-fiscal environment of high inflation and a falling rupee.

Moreover, the **defence capital allocations form a part of the capital investment** outlay in the Union Budget.

While the capital investment outlay has risen for the third year in a row by 33 percent, the rise in defence capital allocations is not upto the mark.

Inadequate distribution of the budget amongst the three services: The distribution of the capex fund amongst the three services (Airforce, Army, Navy) **is not uniform**. The allocations would have been made on the basis of roles assigned to each service by National Security Strategy (NSS).

NSS objectives would have made budget allocations more effective because that would determine the kind of warships, equipment, tanks, missiles, etc. needed for the three services.

However, the current budget has allocated non-uniform fund to the three services without keeping in mind these objectives.

Inadequate allocation of the budget to other organization of the defence: The budget allocations for **the coast guard, the Jammu & Kashmir Light Infantry and for the Border Roads Organisation is not as expected**. These organizations form a part of the defence ministry budget.

Therefore, the budget allocations would have been made according to their role and functions. However, this has not been done.

Hence, it would be better to allow those organizations to **have their own demand for grant or to consolidate their allocations** along with the consolidation of Defence R&D Organisation budget.

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19. A 'waterfall' for insolvency resolution

Source– The post is based on the article “A ‘waterfall’ for insolvency resolution” published in the **Business Standard** on **3rd February 2023**.

Syllabus: GS3- Changes in Industrial Policy and their Effects on Industrial Growth

Relevance– Exit process of the business

News– The Ministry of Corporate Affairs has recently issued a discussion paper inviting comments on the changes it is proposing to further strengthen the IBC.

What is suggested by the discussion paper on strengthening the IBC?

It suggests proceeds up to the **liquidation value** will be distributed **in the order of priority provided in the liquidation waterfall** to secured and unsecured creditors.

Any **surplus over the liquidation value** will be ratably distributed among creditors in the **ratio of their unsatisfied claims**.

Creditors strike **different commercial bargains** with the company. All secured creditors have different levels of security interest. Some are undersecured, some are fully secured and some are oversecured.

What are the important provisions in the IBC related to realisation of debt by creditors in the insolvency process?

The insolvency law honours **pre-existing contractual relationships** between debtors and creditors. Secured creditors have priority claims on their respective security.

In recognition of the amount of security, an undersecured creditor and a fully secured creditor have **different entitlements** in an insolvency proceeding.

During the **rehabilitation stage**, the moratorium keeps the **security intact**. It will be available to the secured creditor during liquidation.

During the **liquidation stage**, the secured creditor can either take away the security and sell it on its own, or leave it with the liquidator to sell the security and receive the sale proceeds. Insolvency proceedings **generally protect the secured claim** to the extent of the value of security.

Where the secured creditor's claim **exceeds the value of the security**, the excess is treated as an **unsecured claim**.

Section 52 of the IBC allows a secured creditor to realise the security interest on its own. If **realisation exceeds the debts** due to the secured creditor, the excess has to be tendered to the liquidator.

When realisation falls short of the debt owed to the secured creditor, the unpaid debt is to be paid by the liquidator in accordance with the **waterfall under section 53**.

In the waterfall, debts owed to a **secured creditor** for any amount unpaid following the **realisation of security interest** ranks lower than the financial debts owed to **unsecured creditors**.

What are the issues with the liquidation process?

Data shows that the **rehabilitation process**, on average, realises Rs 177 if the company has assets valued at Rs 100.

Assuming that the creditors have a security interest over all the assets, they would get only Rs 100 if the company is liquidated or they enforce their contracts otherwise.

The surplus of Rs 77 that the **rehabilitation process** generates is meant to satisfy the unsecured claims of creditors.

The distribution of this excess has been **contentious**.

In 2019, the legislature and judiciary settled the law that creditors, whether secured or unsecured, should be paid not less than what they would receive in the **event of liquidation**.

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This **allows discretion to the Committee of Creditors** to distribute the excess. The Committee has not been generous while exercising discretion.

There is a feeling that the excess is being mostly appropriated by members of the Committee.

What is the way forward?

The insolvency law generally reflects **public interest choices**. The **policy of distribution of excess** to satisfy unsecured claims should also reflect **public interest choice**.

Business needs both financial and operational credit, in the interest of availability of credit. Therefore, excess needs to satisfy **unsecured claims of financial creditors and operational creditors equitably**.

There is even a case for **prioritising unsecured claims of operational creditors** as they do not sit on the decision-making table.

There is a need to resolve the dispute by **distributing liquidation value vertically** among financial and operational creditors.

Excess resolution proceeds over the liquidation value can be **shared horizontally** among all creditors in proportion to their remaining claims.

The **National Company Law Appellate Tribunal** has urged to **consider entitlement for operational creditors**, based on the amount realised in the resolution plan over and above the liquidation value.

The discussion paper has essentially proposed a formula on these lines and equates all unsecured claims at par. Implementing this proposal can keep the **insolvency proceedings integrated, rather than making it complex**.

[20. New income tax regime: A nudge on income tax mustn't become a shove](#)

Source: The post is based on the article **"A nudge on income tax mustn't become a shove"** published in the **Livemint** on **3rd February 2023**.

Syllabus: GS 3 – Government Budgeting.

Relevance: About the new income tax regime.

News: In the Budget 2023-24, the government introduced a new income tax regime.

About the new tax regime on Personal Income Tax

Read here: [New tax regime gives spending flexibility](#)

What are the advantages of the new income tax regime?

a) The new tax regime offers no tax-free gaps to park money, **b)** It suits persons who cannot gather the documents needed to claim deductions, **c)** Provide greater liberty on what one can do with their salaries, **d)** Rise in discretionary income could do economy a favour.

What are the concerns associated with the new income tax regime?

-Loss of revenue: The new tweaks are expected to cost the exchequer around ₹37,000 crore in lost revenue next fiscal year.

-The new income tax regime does not phase out India's old tax regime.

-Few state-run institutions depend on their tax sops for a chunk of their business would protest against the new regime.

Overall, the new regime will offer a case study in behavioural economics of Indians.

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21. [The Union budget ticks all the right boxes for India Inc](#)

Source: The post is based on the following articles

“The Union budget ticks all the right boxes for India Inc” published in the **Livemint** on **3rd February 2023**.

“Express View on Budget 2023: Adding it up” published in the **Indian Express** on **3rd February 2023**.

Syllabus: GS 3 – Government Budgeting.

Relevance: Budget 2023-24 is for various sectors.

News: The government has recently presented the Union Budget 2023-24 in Parliament.

What are the major highlights of the Union Budget 2023-24?

Must read: [Union Budget 2023-24 Highlights](#)

What are the domestic economic concerns and how does the budget address those?

Read here: [Budget 2023 pulls off an artful balance](#)

Why budget 2023-24 is for various sectors?

The budget 2023-24 is a growth-oriented one. For instance, It increases consumption demand by reducing taxes.

Infrastructure is a long-term growth engine. This year’s budget increases infrastructure development by **a)** Increasing CapEx, **b)** Continuing the 50-year interest-free loan facility for states, **c)** Introducing dispute resolution under ‘Vivad se Vishwas’ to settle contractual disputes of government and public sector undertakings, **d)** Creating an urban infrastructure development fund.

All this will have a multiplier effect on demand and provide an impetus to the private-sector capital expenditure cycle.

For the MSME segment: **a)** Announced a revamped credit guarantee scheme, **b)** corporates are incentivized to make timely payments to MSMEs, **c)** For MSMEs that came up short in executing government contracts during the pandemic, the government has announced a one-time refund of 95% of their forfeited security amounts.

For greener ecosystem: [Major thrust planned for green energy](#)

What are some concerns highlighted in budget 2023-24?

-The budget **continued scaling down the government’s disinvestment target**. For instance, in 2021-22, the budget had pegged proceeds from disinvestment at Rs 1.75 lakh crore. Actual proceeds stood at a mere Rs 13,627 crore. For the coming year, the budget has lowered disinvestment to Rs 51,000 crore.

-**Not provided a detailed roadmap:** The government has chosen not to provide a medium term fiscal roadmap. According to the government, “medium term projections amidst unprecedented global turbulence and headwinds may not be reliable”. But a detailed roadmap would have helped the government to align short-term measures with the goal of achieving medium-term targets.

To sum up, the budget 2023-24 is pro-growth, pro-infrastructure, pro-energy transition and pro-MSMEs as well.

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22. [Co-ops Get Their Moment In The Sun](#)

Source: The post is based on the article “Co-ops Get Their Moment In The Sun” published in **The Times of India** on **4th February 2023**.

Syllabus: GS 3 – Government Budgeting

Relevance: Budget 2023-24 for the cooperative sector

News: The article discusses measures announced by this year’s budget to boost the cooperative sector.

What are some of the measures announced in the budget for cooperatives?

Decentralised storage capacity: The budget has announced setting up of massive decentralised storage capacity so that farmers can store their produce and receive remunerative prices by selling at an appropriate time. It will be the **world’s largest grain storage facility**.

Concessions in income tax rate: The budget has announced a concessional income tax rate of 15% for cooperatives to promote the growth of new cooperative manufacturing societies.

Increase in the limit of cash deposits and loans: The budget has increased the limit of cash deposits and loans to Rs 2 lakhs in cash provided by primary agricultural cooperative societies (PACs), primary cooperative agricultural and rural development banks.

Higher Limit for TDS: Cooperative societies has been given a higher limit of Rs 3 crore for tax deducted at source (TDS) on cash withdrawals.

Relief to sugar cooperatives: The claims for payment made to sugar farmers before the assessment year 2016-17 will now be **considered an expenditure**. This is expected to provide approximately Rs 10,000 crore in relief to the sugar cooperatives.

Model bye-laws: The budget also announced that model bye-laws for PACS are being formulated. It will enable them to become multipurpose cooperatives to meet the country’s diverse needs and remain financially profitable.

What are the other developments made by the government for cooperatives?

National database of cooperatives: The government is establishing a national database of cooperatives to reduce the sectoral and geographical variations.

National Cooperative Policy: A committee has been constituted by the cooperation ministry to formulate a National Cooperative Policy. It will include stakeholders’ recommendations and become a link to connect the masses with the country’s financial system.

National Cooperative University: The government is also working towards establishing a National Cooperative University to provide trained manpower to cooperatives.

Memorandum of Understanding (MoU): Recently an MoU has been signed, enabling PACS to provide the services offered by the Common Service Centre.

Computerisation: The computerization of 63,000 agricultural cooperatives has also been started.

These are some of the measures taken up by the government. Further to read what are cooperatives: [Click Here](#).

23. [AI chatbot, my future colleague](#)

Source– The post is based on the article “AI chatbot, my future colleague” published in **The Indian Express** on **4th February 2023**.

Syllabus: GS3- Awareness in the field of IT and Robotics

Relevance– AI enabled technologies

News– Over the past few months, a chatty bot has become a sensation.

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What is chatbot?

It is a **generative AI or algorithm** that can be used to make content. We can type questions on Chatbot and receive written answers.

It enables the **human-machine hybrid work mode** that is slowly becoming popular.

It maintains **objectiveness** in its response and does not have **subjective biases**.

What is the potential of this technology?

ChatGPT or similar AI tools are already being **used by architects, lawyers and coders** in their workplaces.

For architects, it can **generate images of designs** based on inputs. For lawyers, it creates first **drafts of basic agreements. It swiftly writes simple codes** for coders.

It's also **good for examinations**. Recently, ChatGPT scored higher than many human candidates on an MBA exam at the University of Pennsylvania's Wharton School of Business.

Microsoft Corp has announced that it will make a **multiyear, multibillion-dollar investment in OpenAI**. It will **incorporate AI tools like ChatGPT** into all its products and make them available for other businesses to build on.

Why is there a need to be cautious about the use of this technology?

It is **no substitute for thoughtful and careful research**. Its findings cannot be relied on to substitute the judgement of a lawyer, doctor or engineer or other professionals.

It might also start **eliminating junior-level positions** in fields like law, architecture, coding and research-oriented jobs.

The **future of white-collar work** will be impacted as AI will steadily replace them. It **creates challenges** for countries like India where unemployment is already high.

[24. India's much-hyped tiger recovery needs a total reboot and official monopoly over tiger research should end'](#)

Source: The post is based on the article **"India's much-hyped tiger recovery needs a total reboot and official monopoly over tiger research should end"** published in **The Times of India** on **4th February 2023**.

Syllabus: GS 3 – Environment and Bio-diversity Conservation.

Relevance: About issues of tiger conservation.

News: According to a world-renowned conservation scientist, India has about 3,000 tigers, but with focused efforts based on the science of the tiger-prey relationship, India has the potential to hold 10,000-15,000 tigers in the wild.

Why man-animal conflict is a central problem in tiger conservation?

Man-animal conflict is a national problem. This is because **a)** competition for space is high among tigers, leading to intraspecific aggression. This causes evicted tigers to come into conflict with humans, **b)** India has 3.8 lakh sq km of suitable forests but the viable breeding tiger population is concentrated only in about 50,000 sq km area.

How to address man-animal conflict to enhance tiger conservation?

State chief wildlife wardens have enormous powers under the **Wildlife Protection Act, 1972**. They need to take some hard decisions such as Tigers that predate and have lost the fear of humans should be immediately killed. This will mitigate the conflict by at least 70%.

This is because capturing tigers is not a solution as there are no places with abundant wild prey for tigers.

The role of forest bureaucracy should be only to protect tigers from people and people from tigers.

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What are the other steps that have to be done for tiger conservation?

a) The government should take steps to increase prey density to more natural levels, **b)** National Tiger Conservation Authority (NTCA) should remove restrictions on the tranquilising or killing of dangerous problem tigers, **c)** Adherence to habitat management principles should be based on solid science and not whims and fancies, **d)** Official monopoly over tiger research, monitoring, nature education, tourism, filmmaking, and even village relocation should end.

NTCA and India's much-hyped tiger recovery need a total reboot. For that, a new wildlife task force with experienced officials, scientists, and enlightened political leaders needs to be set up to ensure a radical overhaul of tiger conservation.