

9 PM Compilation

5th to 10th June, 2023

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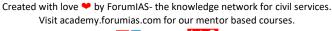
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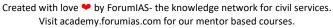
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General

Studies

Paper -1

General Studies - 1

1. A Short Guide To Marriage

Source: The post is based on the article "A Short Guide To Marriage" published in The

Times of India on 10th June 2023. Syllabus: GS 1 – Indian Society

Relevance: About the evolving meaning of marriage

News: The term marriage has evolved with the time. The present meaning of marriage differs from the past meanings.

How does the current meaning of marriage differ from the past?

The phrase marriage is now used to describe relationships between two individuals. However, historically, marriages were meant to unite families.

Further, the concept of marriage, which is understood today, can be confusing at both interpersonal and legal levels because expectations of couples in a marital union have evolved.

Moreover, marriages in the past have always been alliances negotiated by families rather than two individuals.

Even though marriage practices differed from societies to societies, one thing that remained common was that families were given privilege, not individuals.

Therefore, when two people got married, they connected with the entire family together.

However, this notion has changed today. The modern romantic unions may not truly be considered traditional marriages. It may be called a new social practice which is yet to be fully understood.

What were the objectives of traditional marriage?

Traditionally, the primary objective of marriage was to bring families together in order to expand their influence, wealth, and security in the present and future.

This meant that heterosexual couples were expected to fulfill their duty of producing children, as it was not considered optional.

Further, since marriages were aimed at increasing the families' reach in society, it was forbidden to marry certain categories of kin. **These types of marriages were considered as incest.**

Moreover, the kinsfolk with whom marriages are disallowed differ from society to society. **For example,** in some states in northern India, marriage between those who have a common great grandfather is not permitted.

Among the seven vows in Hindu marriage, there are at least three where the couple promise to look after their elders and a fifth one to produce and take care of their own progeny.

In Islam, from the early ritual of Imam Zamin among Shias right up to nikaah, the families of the bride and groom are closely involved.

Similarly, **in Europe**, until the late 18th century, parents would arrange betrothals for their children from infancy.





In traditional societies, the question of marriage was never solely driven by pure romance.

Hence, when dating emerged as a practice, many moralists in 19th-century America, including some feminists, believed that it posed a threat to morality.

They feared that this would undermine families and lead to an increase in abortions, if people were given the freedom to pursue romantic relationships.

What can be the way ahead?

The increasing prevalence of romantic unions between two individuals represents a significant shift in modern history.

Labelling these unions as "marriages" can challenge the traditional perception on family-centric considerations such as restrictions on who one can marry, inheritance rights, and the notion of legitimate offspring.



General

Studies

Paper –2

General Studies - 2

1. Citizen activism that is missing from the wrestling ring

Source—The post is based on the article "Citizen activism that is missing from the wrestling ring" published in "The Hindu" on 5th June 2023.

Syllabus: GS2- Development Processes and the Development Industry

Relevance– Issues related to civil society

News- A few nationally acclaimed wrestlers have been protesting against their federation chief, allegedly for sexual harassment.

There is a lack of citizen activism seen during Nirbhaya protests and the Anna Andolan.

What have been the characteristics of civil society activism in India?

Middle-class activism was at its peak in the colonial period. This was not completely free of social conservatism and caste-based fractures. But it had a pluralistic and egalitarian dimension.

It revolved around socio-economic initiatives undertaken by urban elites of the upper castes, lower-middle and middle classes. It was directed towards individuals of lower social status.

The middle classes were not active in civil society participation from the Nehruvian era onwards. They were part of **power structures** within the **state-centred political economy**.

As per some scholars, there has been dominance of **caste/community-based organisations**. The country lacked a m**odern civil societ**y. Others have appreciated the role of these organisations in **aiding democratisation**.

Some scholars say that in India, religion, caste, ethnicity and language have been effectively mobilised in articulating and representing **group identities and interests.**

During the United Progressive Alliance, there was a resurgence of **urban**, **middle-class activism** around issues of **political corruption**.

There was rising discontent among middle classes. It was due to **corrupting influences** of **mass-based politics and vote banks** and suspicions" towards unions, subordinate castes and Muslims.

This middle-class equated **technocratic governance and entrepreneurialism** with progress. For them, politics represented **social division and 'barriers to development'**.

How has the nature of civil society activism changed after 2014?

Post-2014, the ideology of the ruling Party has influenced this middle-class. It reflects the **changing Indian sensibility**, especially among India's professional and middle classes.

Thus, the middle classes now represent a kind of a civil society base of the ruling party. It can explain a weakening attachment towards **independent social actors**, as the wrestlers.

The weakness of personality-driven Anna Andolan is evident. The Narmada Bachao Andolan ultimately ended in failure.

NBA was disinterested in mobilising peasants and workers in rural Gujarat. **Ecological concerns** privileged urban middle class perspectives.





However, there still exists space for **popular mobilisation**. In Tamil Nadu, labour rights organisations compelled the M.K. Stalin government to stall the **implementation of a new labour law**.

The farmers' agitation demonstrates the **continuing influence** of these organisations in parts of northern India. Some of these groups have now given their support in favour of the protesting wrestlers.

2. The Delhi ordinance is an unabashed power-grab

Source—The post is based on the article "The Delhi ordinance is an unabashed power-grab" published in "The Indian Express" on 5thJune 2023.

Syllabus: GS2- Issues pertaining to federalism

Relevance- Constitutional issues related to National Capital Territory of Delhi

News- On May 19 this year, the Union government <u>promulgated an ordinance to amend</u> the Government of National Capital Territory of Delhi (NCTD) Act, 1991. It nullified the Supreme Court judgement of May 11 on the powers over bureaucratic appointments in Delhi.

The SC viewpoint on the position of Delhi in India's federal constitutional scheme?

As per Supreme Court, <u>Article 239AA</u> in the Constitution has accorded the National Capital Territory of Delhi a "sui generis" status.

The Court held that there is no "homogeneous class" of Union Territories and States. The Indian Constitution has several examples of **special governance arrangements**. These treat federal units differently from each other.

India's federal system has been described as asymmetric due to the special status accorded to Jammu and Kashmir under Article 370 and special protections under Article 371, and 5th and 6th Schedule Areas.

SC used the **asymmetric federalism framework** to clarify the position of the NCTD in India's federal scheme.

It remarked that though NCTD is not a **full-fledged State**. **Article 239AA** created an **asymmetric federal model** for the NCTD. The **unique constitutional status** conferred upon it makes it a **federal entity**.

For countries with deep ethnic, linguistic, and cultural differences, an asymmetric model of federalism is desirable. It accommodates the interests of various social groups through territorial units.

The Court noted that the principles of federalism and democracy are interlinked. Use of legislative power by the state fulfils people's aspirations.

Federalism creates "dual manifestation of the public will". Here, the priorities of the two sets of governments are different.

Why is the presidential ordinance problematic?

It does not augur well for **judicial independence**. The legislature can alter the **legal basis** of a judgment. But it cannot **directly overrule** it.





The power of ordinance is only to meet an **extraordinary situation**. It cannot be used to serve **political ends.** The ordinance by the Union government is an act of **constitutional subterfuge.**

The ordinance creates a civil services authority where bureaucrats can overrule an elected Chief Minister. It destroys long-established norms on **bureaucratic accountability.**

For all these reasons, the ordinance is a direct assault on federalism and democracy.

For further reading- https://blog.forumias.com/supreme-court-empowered-delhi-govt-centre-gets-ordinance-to-put-bureaucrats-over-cm/

3. Spare the rod and change the law

Source—The post is based on the article "Spare the rod and change the law" published in The Hindu on 5th june 2023.

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

Relevance: Issues related to generic medicine

News- The Director General of Health Services (DGHS) issued directions that doctors in Central government hospitals to prescribe only generic medicines instead of branded drugs.

Why do Indian doctors lack trust in the quality of generic medicines?

Firstly, India has **lagged behind countries like the U.S.** in creating the appropriate legal and scientific standards ensuring **bio-equivalence testing.** It provide guarantees to doctors on the interchangeability of generic medicines with each other and the innovator drug.

India mandated bio-equivalence testing only in 2017. Drugs Technical Advisory Board (DTAB) recommended that existing generic drugs, approved prior to 2017 be tested for bioequivalence. But, it was ignored by the government.

Many doctors have developed faith in particular brands. The **patient feedback** has taught them that other brands do not work as effectively.

Second, it should be ensured that the drug remains stable through a stressed supply chain in differing conditions of heat and humidity.

The law prescribing **mandatory stability testing** prior to providing marketing approval became **mandatory in India only in 2018.** But it did not apply retrospectively to generic drugs approved prior to 2018.

What is the way forward?

Hence it is not appropriate for the DGHS to force doctors to prescribe drugs by **generic names**. The DGHS must work towards resolving the **genuine concerns** of doctors.

There is a need for regulations which require pharma companies to identify on their packaging whether a drug has been tested for bioequivalence and stability as required by the law.

Building the confidence of doctors in generic medicine serves **public interest** better than threatening them with **punitive action**.





4. A word of advice to the Delhi police

Source—The post is based on the article "A word of advice to the Delhi police" published in "The Indian Express" on 6thJune 2023.

Syllabus: GS2- Mechanisms, Laws, Institutions for the Protection and Betterment of Vulnerable Sections.

Relevance- Issues related to sexual harassment

News- The protest by India's medal winning wrestlers has been in the news for long. Two cases of sexual harassment are registered by the Delhi police against the president of the Wrestling Federation of India.

The cases were under the Protection of Children from Sexual Offences (POCSO) Act and the relevant sections of the Indian Penal Code.

Is delay in registering have impact on prosecution process and legal proceeding in sexual harassment case?

At the stage of the registration of the FIR, the mandate of the Supreme Court in Lalita Kumari vs Govt. of Uttar Pradesh and others (2014)) should be considered.

Once a **cognizable offence** is made out under **Section 154 of CRPC**, the police have to mandatorily register the FIR.

The **veracity of allegations** cannot be inquired into before registering an FIR. In case the delay in reporting the matter is over three months, the **reasons for the delay** are to be explained satisfactorily.

A mere delay in an FIR is no ground to discard the **victim's allegations**, if the **truthfulness of the explanation** for the delay is established in the court. Otherwise, it may need corroboration with **additional and credible evidence**.

What is the legality of narco-analysis tests?

Such tests are conducted either on a suspect or on a witness but not on a victim under conditions laid down in *Selvi vs State of Karnataka* (2010).

The truthfulness of the allegations cannot be established with the aid of such tests. The credibility of the statement of the victim is tested through a thorough cross-examination.

However, such tests administered on the accused may help in a **further investigation** if some information or material is discovered after such tests.

What are legal aspects related to the arrest of the accused in this case?

Allegations realted to sexual assault at the workplace attract **Section 8 or Section 10 or Section 12 of the POCSO Act** in the case of a minor victim. It will attract *Section 354 of the IPC* in case of other victims.

In none of these sections, the punishment is more than **seven years of imprisonment**. Therefore, according to CrPC, arrest is not mandatory unless there is **material evidence** to show the possibility of **tampering of evidence** or making any threat.

Since the accused is an influential person, these apprehensions mentioned above may not be ruled out. However, there need to be **reasons and material** to justify the arrest.





What is the way forward for Delhi police and prosecutors in this case?

The best option available with the Delhi police is to **complete the investigation** quickly and have the final report in court.

For offences punishable with imprisonment of less than 10 years, investigation needs to be **completed in 60 days** after arrest . Since no arrest has taken place, this provision is not applicable in the given cases

For the minor victim, there is also a presumption in favour of prosecution under the POCSO Act. It will be for the accused to prove that he did not commit the offence.

When the victims are insistent in their allegations and are protesting for justice, the allegations cannot be said to be false. However, the court may still **frame charges and proceed with the trial.**

The ultimate decision to proceed with the trial or not to, and frame charges would be taken by the judicial magistrate after deliberations. Any delay in investigation will have adverse consequences and shake public confidence in the Delhi police.

5. In the short term, stabilise the Line of Actual Control

Source—The post is based on the article "In the short term, stabilise the Line of Actual Control" published in The Hindu on 6th june 2023.

Syllabus: GS2- Bilateral groupings and agreements

Relevance: Indo-China relations

News- From the last few years, the situation on the Line of Actual Control (LAC) has continued to remain extremely tense.

Why is there a need for stability in the region?

There was the biggest mobilisation of Chinese forces into Tibet after Galwan.

As per India's External Affairs Minister S. Jaishankar, the situation along the LAC in Eastern Ladakh remains very fragile and quite dangerous in terms of military assessment.

Thirdly, Chinese territorial claims include the entire Arunachal Pradesh and the occupied Aksai Chin. It claims Ladakh and Arunachal Pradesh as two of the **five fingers that are attached to the Tibetan Palm.**

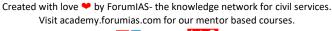
The current mindset among the Indian security establishment is that the "salami slicing tactics" of the Chinese must be halted.

Further, advanced **surveillance technology** provides visibility of movement of opposing forces. Better roads and improved logistics enhance the reaction capability. It is increasing the chances of **face-offs and clashes.**

What are the existing agreements on LAC and its flaws?

Since 1988, four agreements have been signed between the two countries (in 1993, 1996, 2005 and 2013) to maintain peace along the LAC.

Article I of the 1993 Agreement stipulates the creation of joint mechanisms to verify and settle LAC-related disputes.





The Working Mechanism for Consultation and Coordination on India-China Border Affairs (WMCC) was created in 2012. It meets twice in a year but has little to show in terms of results on the ground.

The 3,488-kilometre-long LAC has **only four Border Personnel Meeting (BPM)** points. The **Lipulekh BPM Point** which was proposed in the **Article V of the 2005 Protocol** has not been established till now.

What is the way forward?

Convert the **LAC** into a Line of Control (LC) by delineating it on the map and on the ground without prejudice to border claims.

The disputed areas on the LAC can be treated as **no entry zones.** Alternatively, both sides should be allowed to patrol these areas as per a mutually agreed frequency.

Joint patrolling of the disputed areas must also be explored as this can result in the maintenance of status quo and an increase in confidence.

6. UGC's clamp down on distance education goes against the spirit of NEP2020

Source—The post is based on the article "UGC's clamp down on distance education goes against the spirit of NEP2020" published in The Indian Express on 6th June 2023.

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

Relevance: Issues related to distance education

News- An affidavit was filed recently in the court by the UGC after an inspection claim that **Narsee Monjee Institute of Management Studies (NMIMS)** started its sub-campuses in five different locations without requisite permissions.

What are the issues regarding such regulations?

Higher educational institutions (HEI) are required to adhere to the **UGC's policy of territorial jurisdiction even for ODL**. It is contrary to the idea of open learning as the technology which has no geographic or political boundaries.

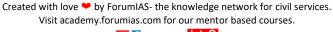
In the past too, this regulation caused several regular universities to **lose their learning centres** outside their state. For example, **Bharathiar University in Coimbatore** was forced to discontinue around 450 franchises.

In a country, the number of seats in educational institutions is below demand. Cutting off on an efficient alternative like ODL will be a major mistake. It can hurt **the nation in the long-term.**

Funding of higher education by the state has gone down and the traditional brick-and-mortar campuses are too expensive.

Under the graded autonomy scheme of UGC, only institutions with a NAAC score of more than 3.26 on a scale of 4 (A+ grade) are permitted to start ODL courses. In fact, Kerala does not have a single such varsity and consequently cannot run any ODL programmes.

Further, ODL courses are a major source of revenue for universities.





What is the way forward?

Any **regulatory system** that thrives on i**nspections as a means** to deliver on its objectives will suffer from subjectivity, arbitrariness and corruption.

UGC must **adopt technology rather than rely on inspections** as a primary method of compliance.

Perhaps it's time to revise the notion that "**education is not for profit**". The money has to come from somewhere.

7. Centre's 'lateral entry' plan gains traction

Source: The post is based on the article "Centre's 'lateral entry' plan gains traction" published in Business Standard on 6th June 2023.

Syllabus: GS 2 - Governance - Role of Civil Services in a Democracy

Relevance: Concerns associated with lateral entry

News: Recently, the Union Public Service Commission (UPSC) issued a list of 20 lateral recruitments to middle and senior levels of central government service.

What is lateral entry?

Click Here to Read

How has been the response of the people for the lateral entry?

When the government initiated lateral recruitment for middle and senior positions in 2019, it saw opposition from group of people.

However, despite the opposition, the government has still continued to recruit personnel through lateral entry.

Further, the lack of opposition to the recent advertisement indicates that lateral recruitments have become a regular and accepted practice within the government system.

However, specialist roles in areas like audit, Railways, and tax (direct and indirect) have not yet been opened to lateral recruitments, despite reports of the government facing a shortage of specialists.

What are the concerns with lateral entry?

As per former chairman of the UPSC, Deepak Gupta, such recruitments could potentially devolve into an uncontrolled spoils system that favors politicians.

Further as per a former CAG, while selective use of lateral entry may have limited benefits, its widespread implementation could ultimately undermine the entire system.

Moreover, the new entrants through lateral recruitments are not designated as members of the Indian Administrative Service (IAS) or an equivalent service.

However, acknowledging the need of lateral entry, the Department of Personnel and Training (**DoPT**) has taken steps to establish designated officers and sections to manage the process more systematically instead of relying on ad hoc arrangements.





Despite this, **there are still challenges associated. For instance,** despite being granted an extension beyond the initial three-year term, a lateral entrant chose to resign in just eight months into his new term without giving any reason.

This highlights that challenges and factors influencing individuals' decisions to leave still exist within the government.

Must Read: Issue of lateral entry into the Bureaucracy

What can be the way ahead?

First, it is necessary to evaluate whether a specific gap within the government can be effectively filled by a lateral entrant, rather than solely focusing on vacancies.

Second, it is also required to invest in HR capabilities by bringing in experienced professionals through lateral entry at senior positions.

Third, the government has set up the **Capacity Building Commission and Mission Karmayogi** to train government employees about their roles. However, both the institutions have not stepped in to deal with lateral entrants.

Fourth, the government has implemented a streamlined process for lateral entry appointments to bring in the most talented individuals with expertise to fulfill specific tasks.

The aim is to ensure that the best-of-the-best talent is inducted through lateral entry and effectively utilized within the government.

TANGENTIAL FACTS

- Lateral entrants supplement the current direct recruitments for IAS where annual intake has gone up to 180
- IAS vacancies are 20% plus. Both direct and lateral intake will reduce vacancies to single digits by about 2025
- Lateral entrants need to be inducted in HR functions
- 60 posts to be filled through lateral entrants all in ministries at the Centre
- States have yet to start similar schemes

Source: Business Standard



8. Why the fourth India-Africa forum summit should happen during Delhi's G20 presidency

Source: The post is based on the article "Why the fourth India-Africa forum summit should happen during Delhi's G20 presidency" published in The Indian Express on 6th June 2023. Syllabus: GS 2 – International Relations – Bilateral, Regional and Global Groupings Relevance: About the fourth IAFS

News: The fourth India Africa Forum Summit (**IAFS**) was disrupted by the pandemic, causing a delay after the previous three summits held in 2008, 2011, and 2015.

This disruption has caused a setback to the <u>African Union's</u> (**AU**) envisioned summit timeline. Now, since the AU is holding summits with its partners, India should also hold the fourth IAFS before the G20 summit this year.

How can the fourth IAFS be held before the G20 summit?

First, currently, it is Africa's turn to host the fourth IAFS. The previous summits took place in India, with the second one held in Addis Ababa, the headquarters of the African Union Commission.

Initially, Mauritania was recommended as the host for the fourth IAFS. However, it was found that Mauritania lacks the necessary facilities to accommodate a large summit.

Therefore, discussions have shifted now to find a viable host location. In such a scenario, **Addis Ababa is the best suited** as it has the facilities for holding such large summits.

Second, the size of the fourth IAFS may be an issue. **The first two summits followed the Banjul formula**, involving 15 African countries and the AU Commission. However, the third summit expanded to include all 54 African countries, making it a massive event.

The options are whether to invite all African countries or return to the Banjul formula. However, hosting a large summit is time-consuming.

On the other hand, when the summit is held in Africa, following the Banjul formula with 15 countries is more manageable.

Third, there are concerns over members who will attend the summit. The Banjul format includes both permanent and rotational members of IAFS. The five permanent members are South Africa, Nigeria, Senegal, Algeria, and Egypt, who are the founders of the New Economic Partnership for African Development.

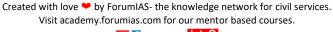
However, these countries do not provide sufficient regional representation from all parts of Africa. Hence, the Regional Economic Communities (RECs) play a crucial role in ensuring regional balance.

When the AU was established in 2002, it recognized eight RECs. The countries that chair these eight RECs should be invited to participate in the summit, allowing for broader representation across the continent.

What is the importance of the Banjul format for India?

The inclusion of the Banjul format in the summit allows for increased interaction with countries that may not engage in bilateral discussions with India.

For instance, Comoros is strategically important, but engagements with it are infrequent.





Which countries are expected to participate if fourth IAFS is held this year following the Banjul format?

The five permanent invitees, including South Africa, Nigeria, Senegal, Algeria, and Egypt along with the AU Chair Comoros and Senegal as the past chair are expected to be the part of the fourth IAFS.

Apart from the five permanent invitees and the AU representatives, there would be eight other representatives invited to the fourth IAFS.

9. Law panel's recommendations on sedition law: Stepping backwards

Source: The post is based on the article "Express View on Law panel's recommendations on sedition law: Stepping backwards" published in "The Indian Express" on 6th June 2023.

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

Relevance: About retaining sedition law.

News: The 22nd Law Commission has said that the sedition needs to be retained, but certain amendments could be made for greater clarity regarding its usage.

What is Sedition?

Must read: Section 124 A or Sedition law

What are the Law Commission's recommendations for retaining sedition law?

Must read: Sedition law can be retained but with safeguards: Law Commission

What are the reasons given by the committee for retaining sedition law?

Read more: The reasons Law Commission gave while recommending a stronger sedition law

What should be done?

After initially defending the law, the Centre told the Court last year that it would review it. Prime Minister is on the view of shedding colonial baggage as the country marks 75 years of Independence. Accordingly, the Union Home Ministry in an affidavit asked the SC to defer the hearing till it is reviewed by a "competent forum."

Now the Parliament must step in and must finish what it started (revoke sedition). This is essential in polarised times when the spaces for freedom of expression and the right to dissent seem endangered.

10. A global order as technology's much needed pole star

Source—The post is based on the article "A global order as technology's much needed pole star" published in "The Hindu" on 7th June 2023.

Syllabus: GS2- Polity

Relevance– Issues related to impact of technology on global polity

News- Since the 2000s, the rapid scale and pace of development of technology have radically transformed our societies and daily lives.

How is the notion of nation-state changing?

As per political theorists, a nation-state is a territorially-bounded sovereign polity.

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There are now several threats occurring across the borders of nation-states, like cyber-attacks. It has a ripple effect on the **physical boundaries**. It can challenge their **socio-economic and political existence**.

Web3, peer-to-peer networks and blockchains has allowed state and non-state actors to influence areas such as trade, commerce, health and education.

Geography-based rules are no longer **easily enforceable** because of the declining significance of geographical borders in the era of high technology. Any form of **virtual activity** is not confined to the borders of a country. Data travels across the world at high speed.

Such activities are beyond the laws of a nation-state. It is extremely difficult in the absence of a **globally accepted norm**, to enforce the law in that geography. It is difficult to collect evidence without cooperation from other geographies.

It is also difficult to establish applicability of any country-specific legislation due to the universal nature of technology.

The emergence of newer technologies has exposed the **incapacity and inability** of the government of the nation-state to **administer and regulate** these technologies.

Multinational corporations, NGOs and supranational organisations are not limited to nationstates. These entities have **transcended physical boundaries** to collaborate with the rest of the world.

How has the borderless nature of technology challenged the traditionally accepted concepts of sovereignty, jurisdiction?

On the economic side, five largest American tech companies have a **valuation of more than \$4,100 billion**. These have surpassed Germany's GDP in terms of valuation. One of the most important levers of these companies is data and their use.

Data has become the most important raw material of our times. Only a handful of companies now hold **economic power and influence** over it. Their huge size allows them to increase the amount of **information analysed** by them to influence our activities.

What is the way forward to deal with the challenges presented by modern technology?

There is a need for a **principle-based global order for technology.** It would help in dealing with **enforceability challenges** in the adoption and diffusion of technology.

It can provide guidance to emerging economies to deal with the evolving definitions of their sovereignty.

There is a need for a data-sharing ecosystem based on privacy, free flow of data. A global regulatory system trusted by all countries; particularly developing countries is required.

India needs a data transfer and data privacy law. But these laws have limitations in the absence of a global principle-based regulation architecture trusted by all countries.

The finance minister has emphasized the need to have a **globally coordinated approach** to the **regulation of digital assets** such as crypto-currencies.





For India, G-20 is the perfect opportunity to take leadership as it has done earlier in **green initiatives** such as the International Solar Alliance or the Coalition for Disaster Resilient Infrastructure.

11. Modi and Biden's New Asia

Source- The post is based on the article "Modi and Biden's New Asia" published in "The Indian Express" on 7th June 2023.

Syllabus: GS2- International relations

Relevance- Issues related to changing global dynamics between major powers

News– 20th edition of annual Shangri-La Dialogue was concluded in Singapore over the weekend, to capture the shifting strategic trends in Asia.

What are the key highlights of this year's Shangri-La dialogue?

This year's SLD highlighted the **deepening tensions** between the US and China.

The US wants to resume high-level talks with China. It wants to focus on confidence-building measures to prevent the tensions from escalating into a hot war.

China is unwilling to accept the US **terms of engagement**. China sees the Biden administration's persistent call for **high-level dialogue** as a trap.

The two ministers outlined their **competing visions of regional security.** Austin insisted that the US does not seek c**onflict or confrontation** but will not tolerate **bullying or coercion**.

Chinese defence minister Li insisted that he was not against dialogue, but the US must create the **right conditions**. Li also accused the US of **"double talk"**.

Li is blaming America for the growing regional tensions. He warned against the resurgent "cold war mentality". He demanded that mutual respect should prevail over bullying and hegemony.

Many Asian heads have criticised US actions but are **silent on China's deeds**. There is a reluctance in the Asian countries to jeopardise the **deep economic relationship** with Beijing. There is a deliberate effort to avoid **politically offending China**.

Australian prime minister Anthony Albanese outlined Canberra's **strategy of engagement** with China while standing up to Beijing's **military bullying**.

Canada too is ready to join the **geopolitical game in the Indo-Pacific.** The Canadian defence minister has promised to ramp up Canada's military presence in the Indo-Pacific.

What is progress made by the US Indo-Pacific strategy?

Many Asian nations have stepped up **political and military engagement** with the US. Chinese warnings against such cooperation with the US are having very little **deterrent effect**.

Top officials of the Biden administration have made frequent trips to the region to **rebuild old** alliances, develop new coalitions, and demonstrate the political will to confront China.

The US is taking measures to **control technology exports** to China. It has **growing military support** for Taiwan.





Washington is finding it difficult to convince Europe, which is **deeply tied** to the China market. But, NATO is now **raising its game** in Asia. Japan has taken the lead in drawing Europe into **Asian security** and South Korea is ready to join hands.

In the two and a half years, Washington has elevated the **Quad to the summit level**. It has unveiled the **AUKUS alliance**, launched **trilateral coordination** with Seoul and Tokyo,

It has unveiled a **local quad – "along with Australia, Japan, and the Philippines"** to counter the Chinese military pressures against Manila.

The US has been encouraging Japan to raise its military capabilities, modernising the military alliance with South Korea, revitalising the military partnership with Manila and enhancing security cooperation with Indonesia.

Which areas show the convergence of interests between India and the US?

Building a **stronger strategic partnership** with India has been a high priority for the Biden administration.

Austin travelled to Delhi. His talks with the Indian establishment have produced a "road map" for a significant elevation of bilateral defence cooperation. It includes technology transfers and joint defence industrial production.

For nearly two decades, India and the US have talked of **transforming defence cooperation**. The **change in the Indo-Pacific** and the **shared interests** in stabilising the **Asian balance of power** demand a solid **India-US defence partnership**.

12. Get, Jet, Go – on India-US agreement to co-produce fighter jets

Source—The post is based on the article "Bonn meeting: Taking stock of climate action" published in the "The Indian Express" on 7th June 2023.

Syllabus: GS 2- Bilateral and multilateral agreements involving India

News: India and the US have made significant progress in their strategic relations by agreeing to co-produce fighter jet engines.

India and the US are set to sign a formal agreement for the co-production of GE-F414 engines. The agreement may be signed in the next visit of Indian PM to the US. This agreement involves a 100% transfer of technology.

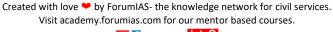
What is the significance of the agreement?

Only a few countries currently manufacture their own jet engines.

India's previous attempt to develop an indigenous engine, the Kaveri project, failed to meet technical requirements. The new deal with the US is a crucial step towards building India's own military-industrial complex in line with the goal of Atmanirbhar defence.

Given the changing geopolitical environment, including the China-Pakistan axis and the new China-Russia compact, strengthening the India-US military relationship is crucial for India.

Importing defence equipment from Russia become harder due to US-led sanctions against Moscow.





13. Law Commission's sedition recommendations: Silencing what's left of dissent

Source: The post is based on the following articles

"Law Commission's sedition recommendations: Silencing what's left of dissent" published in the Indian Express on 7th June 2023.

"Doubling down on sedition" published in the Business Standard on 7th June 2023.

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

Relevance: About retaining sedition law.

News: The 22nd Law Commission has said that the sedition needs to be retained, but certain amendments could be made for greater clarity regarding its usage.

What is Sedition?

Must read: Section 124 A or Sedition law

What are the Law Commission's recommendations for retaining sedition law?

Must read: Sedition law can be retained but with safeguards: Law Commission

What are the reasons given by the committee for retaining sedition law?

Read more: The reasons Law Commission gave while recommending a stronger sedition 1aw

What are the key judgements under the Sedition Law after Independence?

Read here: Sedition Law in India (Section 124A IPC) - Explained, pointwise

What are the concerns associated with Law Commission's recommendations for retaining sedition law?

According to Kapil Sibal, a Member of Rajya Sabha, criticised the commission recommendations on the following issues,

Make sedition more discretionary: the imposition of harsher punishments and make the law even more vague and discretionary. For example, both "tendency" and "inclination" are nouns used interchangeably in the English dictionary; they are by their nature open to interpretation.

Law Commission has a conceptual confusion: The difference between criticism of the government and acts against the State, which is punishable under different legislative enactments, might be misunderstood by the Law Commission.

Silence the critics: In the recent past, the sedition law has been used to silence journalists, academics, political opponents, and students, including minorities. The Law Commission's recommendations are intended to silence even the limited opposition and protests.

Make sedition more draconian: The recommendations seek to make sedition law even more draconian. Even a tendency or a mere inclination to incite violence or cause public disorder can come within the ambit of sedition.

Out of sync with democracy: The Indian Penal Code already has provisions, such as Section 153A, under which scores of protestors can be arrested without a warrant. So, the enhancement of the sedition law is out of sync with democracy as plural and argumentative as India's.

Overall, the government should not accept the recommendations of the Law commission for retaining sedition.





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14. India-Nepal relations soar high

Source: The post is based on the article "India-Nepal relations soar high" published in the

Business Standard on 7th June 2023.

Syllabus: GS 2 – India and Neighbourhood relations.

Relevance: About India-Nepal relations.

News: The recent visit of the Nepali Prime Minister to India has highlighted the ongoing developments in India-Nepal relations.

What are the key decisions made during the recent visit?

Must Read: India, Nepal sign pacts on energy, transport

What are the recent developments in India-Nepal relations?

Must read: Recent development in India - Nepal relations - Explained, pointwise

Why does Nepal need India's assistance?

Poor state of Nepal's economy: Nepal's economy is in bad shape. It is facing food and fuel inflation, shortage of essential commodities, and depleting foreign exchange reserves. Nepal is also experiencing a recession with an increasing trade deficit, inflation, unemployment and declining foreign direct investments.

Currently, Nepal is seeking assistance from an extended credit facility offered by the International Monetary Fund. Thereby, its immediate focus is on containing inflation, and maintaining foreign exchange. In that, India can help Nepal significantly.

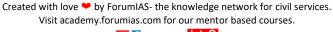
Political Instability in Nepal: Domestically, Nepal continues to be politically unstable. The lack of a clear majority in Parliament and the recent unveiling of the Bhutanese refugee scam has made the present government venerable.

Issues with Chinese project deliverance: China's infrastructure and assistance has fallen short of Nepal's expectations. Border infrastructure remains underdeveloped, and the trade deficit with China has grown disproportionately. None of the nine Belt and Road Initiative (BRI) projects have been implemented to date. China is even propagating Pokhara International Airport as part of its BRI, though Nepal has denied the claim.

China has also begun to intervene in Nepal's internal politics to further its interests. China's limitations have compelled Nepal to focus on beneficial Indian projects and partnerships.

How India can improve India-Nepal Relations?

- -Sustained engagement can address their mutual suspicions and build trust between India and Nepal.
- -Recognise the strategic importance of each other in the evolving global order and maintain a positive momentum between India-Nepal relations.





15. Nine years of Modi govt: In education, big plans, some key gains

Source: The post is based on the article "Nine years of Modi govt: In education, big plans, some key gains" published in The Indian Express on 8th June 2023.

Syllabus: GS 2 - Education

Relevance: About the achievements and concerns with the education system in India

News: The current government in its second term has made significant development in the field of education in India.

What are the developments made?

NEP 2020: There has been notable progress over the past year. For instance, common entrance tests for central universities, granting universities more autonomy to collaborate with foreign institutions among others have been implemented. The NIPUN Bharat scheme has also been implemented.

However, some of the announcements on NEP are believed to be superficial. For instance, the renaming of the mid-day meal scheme as **PM POSHAN** without any additional funding allocation.

Further, despite the NEP's recommendation to include breakfast as part of the mid-day meal, the Finance Ministry refused to implement this for pre-primary and elementary classes.

Similarly, the relaunch of the Samagra Shiksha Abhiyan Scheme has received lower funding than proposed by the Education Ministry.

National Curriculum Framework: The NCF, a policy document for revising textbooks and classroom pedagogy, is nearly complete.

School Textbooks: The NCERT has undertaken three rounds of revisions in school textbooks. The third round aimed at reducing the curriculum burden on students.

Foreign Universities: The current government has made significant progress in liberalising higher education to accommodate foreign universities.

Currently, the UGC is preparing a regulation that would allow foreign universities to establish campuses in India, have their own admission process and fee structures and recruit faculty and staff from here and abroad.

New Institutions, Enhanced Capacity: Over the past nine years, the government has established several new centrally run educational institutions.

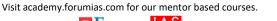
Additionally, existing institutions have undergone significant capacity enhancement through the implementation of the EWS quota. This has increased the intake capacity.

Female representation: Various initiatives have been taken to increase female representation in male-dominated educational institutions.

For instance, the supernumerary seats were introduced for women at IITs and NITs in 2018. This resulted in a rise in female representation from 9% in 2017 to 20% in 2022 at IITs.

Moreover, according to AISHE data, there has been a reduction in gender disparity in higher education enrolment since 2014.

Other initiatives: The no-detention policy under the RTE Act 2009, which guaranteed promotion through Class 1 to 8, was scrapped in 2019.





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The National Testing Agency was set up in 2017, the Medical Commission of India was dissolved in September 2020 and replaced with a new body – **National Medical Commission. Higher Education Financing Agency (HEFA)** was set up in 2017.

What issues with education remain?

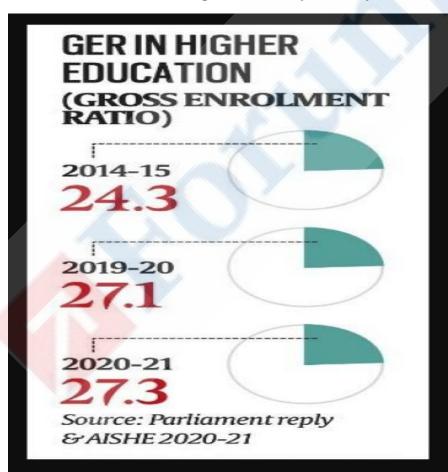
Autonomy: In contrast to the first term of the government, **the momentum seen in granting autonomy to institutions diminished in the second term**. While the IIMs received increased autonomy, other centrally run institutions like central universities and IITs have not been granted similar freedoms.

Additionally, as per a recent investigation, the promised autonomy under the Institutions of Eminence (IOE) scheme mostly exists in theory.

Vacant Faculty and Leadership Positions: In the past nine years, central educational institutions (CEIs) have faced a shortage of teachers and vacant leadership positions. Even the appointment of heads of CEIs has been slow.

Other Issues: Despite the promise made to raise public spending on education to 6% of the GDP, the overall allocation towards education has been stagnant at 2.8% to 2.9% of the GDP.

The establishment of National Research Foundation (NRF), the Higher Education Commission of India and Digital University has not yet been done.



Source: The Indian Express

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16. Express View on OPEC's new move: Crude cuts

Source: The post is based on an article "Express View on OPEC's new move: Crude cuts" published in **Indian Express** on **8**th **June 2023**.

Syllabus: GS Paper 2 – Effects of policies of developed and developing countries on India's interest

News: OPEC+ countries have decided to further cut crude oil production for 2024. This decision has significant implications for global oil prices and India's economic recovery.

The group has agreed to reduce overall production targets from January 2024 by a further 1.4 million barrels per day (bpd) to a combined output of 40.46 million bpd. Saudi Arabia, the biggest OPEC producer, would lead these cuts.

What are the reasons for these production cuts?

Demand for oil has fallen behind supply due to weakness in global growth. It is weakening crude oil prices. This trend is likely to continue for some time.

What are its implications for India?

India imports crude oil to satisfy more than 80% of its needs. Therefore, production cuts, which could increase prices, will hurt India.

However, 2 factors will be important to consider impacts on India. First, India is importing crude oil from Russia at lower than market prices. Second, oil prices in India have not reduced much despite fall in global crude prices.

17. This Pride Month, let's count the wins for queer and trans rights

Source- The post is based on the article "This Pride Month, let's count the wins for queer and trans rights" published in "The Indian Express" on 8thJune 2023.

Syllabus: GS2- Vulnerable sections of the population

Relevance- Issues related to LGBT

News- Pride Month is here again. The country is waiting for the Supreme Court's verdict on the marriage equality case.

What are steps taken by state organs for the upliftment of trangender community?

SC expanded the definition of women in the **Medical Termination of Pregnancy Act** to include transgender persons. They are now **legally entitled** to avail of abortion services.

The apex court also took several measures to make the **judicial system queer-inclusive**. It expanded its **Gender Sensitisation and Internal Complaints Committee** to include queer non-binary lawyers.

It came out with a module for **sensitisation of the judiciary** on the LGBTQIA+ community. It has taken other small steps, like creating **universal restrooms** in the court complex.

The Government of India expanded the ambit of **Ayushman Bharat**. It included transgender persons through the **TG Plus card** which entitles them to health. There has also been progress in making **medical curricula queer-inclusive**.

There was good news related to **political representation** of transgender persons. Bobi Kinnar became Delhi's first transgender municipal councillor.





Sonu Kinnar, another transgender person, also made history by becoming president of Nagar Palika Panchayat of Chandauli, Uttar Pradesh.

What are the issues still faced by transgender community?

The **NALSA judgement** paved the way for the **legal recognition** of transgender persons. The **Transgender Persons Act** insisted on **medical interventions** to change gender. But in India, laws are often not **implemented on the ground**.

Transgender people often face difficulty in **accessing public spaces**. The Karnataka government's recent decision to allow transgender people free bus travel was much needed. The Ministry of Social Justice and Empowerment started the **SMILE scheme** for transgender people and set up a few **shelter homes called Garima Grehs**. It is facing flak for **restricting funding** to the existing shelters.

The **Transgender Persons Act** has many provisions that are yet to be realised though the rules. Examples are making **transgender welfare boards**, **transgender protection cells**, etc.

What is the way forward for upliftment of transgender community in India?

There is a need to be cognisant of the pending demands of the community. There is still no central law banning unscientific, inhuman, and traumatising conversion therapy in India. There is no regulation of sex-normalising surgeries for intersex children.

The long pending demand of the transgender community for **horizontal reservations** needs sincere deliberations and actions.

18. Tackling the human-dog conflict

Source- The post is based on the article "Tackling the human-dog conflict" published in "The Hindu" on 8th June 2023.

Syllabus: GS2- Government policies and interventions. GS3- Environment

Relevance- Issues related to street dogs

News- Over the past few decades, the growing population of street dogs has posed increasing challenges for municipalities and cities across the country.

The Prevention of Cruelty (Animal Birth Control) Rules 2023 rules that have been designed to address emerging challenges.

What are the alternatives to ABC?

First, there is **culling.** But, it is a **cruel solution**. Past such practices show that the dog population has bounced back time and again.

Second is Confinement in pounds or shelters. But they are economically unviable and unsustainable.

The room freed up on our streets because of **round-ups and culling** will be filled by dogs. It is because of abandonment, free-roaming and breeding pets and street dogs. This is no kind of solution.

How 2023 rules on ABC address the resolve that shortcoming in earlier rules?

ABC programmes are now being **streamlined.** The **burden of its implementation** will fall on the **ABC monitoring committees** at the State, district and municipality levels.





The rules require updated infrastructure investments for the capture, housing, surgery and release of dogs. It requires specific processes to be recorded such as keeping and reporting.

It focuses on procedures for responding to **conflict situations.** It requires the **engagement of organisations** to ensure that the standards of ABC are high.

It calls for differentiation of street dogs from pet dogs to improve data collection and analysis.

What is the way forward to tackle the menace of street dogs?

A **scientific approach** is required to tackle the street dog conflict and population issue.

Social marketing and human behaviour change demands our attention too. Instead of attacking each other, there is a need for **shared expertise and commitment** to resolve complex societal problems.

If there is no research on the benefits of ABC on dogs, we must put our money into it. If there are **poor ABC programmes**, organisations must take ownership and improve their standards through training.

19. One World One Health

Source: The post is based on the article **"One World One Health"** published in **The Times of India** on 9th June 2023.

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Syllabus: GS 2 – Issues associated with health

News: This article discusses the current state of digital health and the potential it holds for transforming healthcare.

Digital health is on the brink of disruptive technologies but lacks a standardized framework and global vision.

What is the status of digital health in India?

India has seen transformative digital tools in public health, such as CoWIN and eSanjeevani, during pandemic.

CoWIN tracked vaccine logistics, registered people for vaccination, and generated digital certificates, democratizing the vaccination drive.

eSanjeevani, a telemedicine platform, allowed online consultations with doctors from home, handling over 10 crore consultations.

Other digital tools like **Aarogya Setu and RT-PCR app** informed policy and strengthened India's Covid response.

India is building a national digital health ecosystem – **Ayushman Bharat Digital Mission** (**ABDM**) – to exploit the potential of digital tools in public health. ABDM empowers patients to store and access medical records, share these with healthcare providers, and ensure treatment.

What are the challenges to digital health?

most transformative digital solutions are not easily accessible due to copyright regimes and proprietary systems.





Digital public goods or open-source solutions exist. But there is no global governance framework for digital health that can ensure interoperability across systems and address concerns around data security and privacy.

What should be done?

- 1) Converge scattered efforts into a global initiative on digital health and institutionalize a governance framework.
- 2) Collaborate on a protocol for digital health, similar to what was done for the internet.
- 3) Identify and scale up promising digital solutions as digital public goods.
- 4) Involve all stakeholders and build trust for global exchange of health data.
- 5) Find ways to fund such initiatives.

20. Wrong On Rights - Gujarat HC misses the point on abortion

Source: The post is based on the article "Wrong On Rights - Gujarat HC misses the point on abortion" published in The Times of India on 10th June 2023.

Syllabus: GS 2 - Issues Related with Women

Relevance: concerns with abortion rights of women

News: The parents of a 17-year-old pregnant teen sought permission from the Gujarat High Court to terminate her pregnancy. However, the pregnancy has crossed the 24-week threshold due to the delay in revealing her situation.

What has been the observation of the court in the case?

Surprisingly, **the judge cited Manusmriti to argue that** it was acceptable for 17-year-olds to bear children.

Instead, the focus should be on the well-being of the girl, as the existing laws criminalize consensual sexual activity among teenagers and young adults.

The law may soon also prohibit women from marrying before the age of 21, which does not align with reality.

Hence, **according to the current laws**, the girl is, considered as a "statutory rape survivor," and the 23-year-old is labeled as a "rapist."

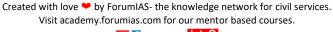
Further, instead of acknowledging the sensitivity and complexity of the case, the judge postponed the next hearing until June 15 after a medical evaluation, causing further distress.

What can be the way ahead?

The right to privacy grants women the autonomy to decide whether or not to continue a pregnancy.

The Supreme Court, last September, specified that all women, whether married or unmarried, have the right to a safe abortion.

In December 2022, **the Delhi High Court** allowed the abortion of a 33-week-old fetus, saying "mother's choice is ultimate"





Therefore, if the court believes that the girl can be a mother, it should equally recognize her right to a safe abortion.

21. A pragmatic approach, for better India-Nepal ties

Source- The post is based on the article "A pragmatic approach, for better India-Nepal ties" published in "The Hindu" on 10th June 2023.

Syllabus: GS2- Bilateral groupings and agreements **Relevance**– India and Nepal bilateral relationship

News- The Prime Minister of Nepal, Pushpa Kamal Dahal Prachanda's first bilateral visit to India since assuming office

What was the attitude of leadership during the summit?

He has not paid attention to irritants in relationship such as the 1950 Treaty, border differences, and India's reluctance to receive the report of the Eminent Persons Group set up by the two governments.

The Indian Prime Minister has **shown sensitivity**. He reassured Prachanda that differences on the border issue would be resolved to **mutual satisfaction**. Neither side tried to justify their official version of the border as the correct one.

What were important developments during the summit?

The visit has helped in underlining the real priorities, such as hydropower projects, energy supply to India, infrastructure, access to Indian river transport, innovative tourism circuits, and better connectivity.

The finalised **Detailed Project Report of Mahàkali Treaty** will be submitted to both governments expeditiously. The modalities of implementation will be concluded within one year after their approval of the DPR.

There is a new dimension of cooperation in the power sector with the transmission passage from Nepal to Bangladesh through India.

There was finalisation of an agreement for long-term power trade. It was agreed to increase the quantum of export of power from Nepal to India to 10,000 MW within a timeframe of 10 years.

Enhancing **digital financial connectivity** is another crucial development. The MoU between the National Payments Corporation of India and the Nepal Clearing House Ltd. for facilitating **cross-border digital payments**.

India offered to create a **ground station and supply 300 user terminals** to offer the services of the **South Asia Satellite** to Nepal. They would promote regional cooperation in the space sector, and space technology applications.

What is the way forward for improvement in the bilateral relationship between India and Nepal?

The real challenge for Nepal is to **depoliticise cooperation** with India, especially in water resources cooperation. It needs to improve the **quality of democracy and governance** and check unbridled corruption.





For India, it may be necessary to address the **perception in Nepal** that it is no longer a foreign policy priority.

It is necessary to give a **sense of ownership, equality and credit** for progress in sectors such as hydropower to parties across the political spectrum.

22. How to renovate India's soft power

Source- The post is based on the article "How to renovate India's soft power" published in "The Indian Express" on 10th June 2023.

Syllabus: GS2- International relations

Relevance- Issues related to India foreign policy

News- The article explains the areas where India can work to increase its soft power.

Which are the areas that are important for increasing India's soft power?

Universities: The intellectual decline of universities like Shantiniketan, <u>Delhi</u>, Allahabad, Presidency, JNU, represents failed **governance and strategy**. **Harvard's \$51 billion endowment** is due to partnership with alums and philanthropists.

Our university renewal has begun. IIT-<u>Mumbai</u> has a business school, <u>IIM-Bangalore</u> is starting undergraduate degrees, and IISC is starting a medical school.

Non-profit universities like Ashoka are now **strong alternatives** to studying abroad.

Think tanks: India has a weak layer between academia and journalism that focus upon **research, evidence, and second-best choices**. Good government requires a steady stream of good ideas.

Their challenges in India include the lack of lateral entry into government, domestic philanthropic preferences, suspicion of foreign funding, and weak legitimate corporate advocacy.

These challenges are reducing. **Policy legitimacy** for think tanks will grow our marketplace for **policy ideas** and generate **global soft power.**

Government schools: It's embarrassing that **only 50% of India's kids** attend government schools. If anything should be **free with quality** in a society, it is primary education.

Unlike China, India's economic transition is happening to service jobs. Service sector requires foundational skills of literacy and numeracy.

NIPUN Bharat mission aims for the universal acquisition of critical foundational skills by 2026.

Publishers: The dominance of the West in publishing books and academic journals is built on history, skills and resources.

There is a lack of highly-ranked Indian academic journals. The peer review system is based on soft relationships and technology that are not easily accessible. Almost 50% of peer-reviewed hypotheses are unreplicable or get retracted.

Translation: 'State of Indian Translations Report' suggests only 5,600 Indian language books exist in English.



Translation scale is a **uniquely Indian problem**. It is further complicated by the **complexity of translating** books among Indian languages.

The **Bhashini Project** of the Ministry of IT, the AI4Bharat Centre at IIT-Madras, and the Bharatiya Bhasha Samiti of the Ministry of Education will unlock our languages for ourselves and for the world.



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General

Studies

Paper -3

General Studies - 3

1. The net zero challenge

Source—The post is based on the article "The net zero challenge" published in livemintThe Indian Express on 5th June 2023.

Syllabus: GS3- Environment. GS3-Economy

News- The RBI has released "Currency and Finance Report for 2022-23 — "Towards a greener cleaner India" report.

What are the findings of the report?

An annual **GDP growth rate of 9.6%** would raise net GHG emissions by **10.5 times** of levels in 2021-22.

The nationally determined contribution will set back economic output by as much as 9% by 2049.

Only a more ambitious action of achieving **net zero by 2050** would limit the losses from extreme weather events and decarbonisation to **3% by 2049**.

The report talks about the **inflationary impact of the status quo** against the alternative of achieving net zero by 2050.

What are the financial risks involved in transition towards net zero?

The productive life of **existing fossil fuel-based assets will be shortened.** It will expose the banking sector through loans to these assets. Such risks are more pronounced for public-sector banks.

However, the financial risks are not just limited to conventional energy, non-conventional energy registered an increase in share of industry bad loans.

There are **risks to assets**, and therefore to the banking system, from the growing incidence of extreme weather events.

What are the policy alternatives mentioned in the report to address these risks?

The report lays significant emphasis on the **role of fiscal policy**. It makes a case for fiscal intervention in the form of a **carbon tax or an emission trading system**.

It finds that a carbon tax of \$25 per tonne and \$50 per tonne of Co2 under different scenarios can be effective, alongside other policy interventions.

It mentions the role of shifts in production to less energy intensive sectors like fisheries, textiles, land transport and services. But there is no roadmap for these sectors that have long confronted legacy issues.

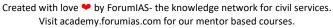
2. Banks up to tricks with bad loans again?

Source: The post is based on the article "Banks up to tricks with bad loans again?" published in Business Standard on 5th June 2023.

Syllabus: GS 3 - Indian Economy - Money & Banking

Relevance: About Evergreening of Loans

News: The RBI governor in a conference of the directors of public-sector banks (**PSBs**) has made comments regarding tricks adopted by banks to conceal the real status of stressed loans.





What are some of the tricks adopted by PSBs?

Click Here to Read

What is the effect of evergreening loans on private and public sector banks?

In private banks, shareholders bear the brunt, promoters may be removed and even face legal consequences.

In contrast, when PSBs mismanage their finances, no significant action is taken against bank chairman, board of directors, or officials.

Hence, there is lack of accountability in PSBs due to the absence of core reforms, which has significant implications for the overall banking system.

Must Read: RBI governor cautions against evergreening of loans: Are banks, corporates still window-dressing loans?

Why do PSBs suffer more loss than the Private sector banks?

PSBs hold a significant portion of people's savings and play a crucial role in providing loans to small businesses, farming, and acting as the primary channel for government schemes, subsidies, and pensions.

However, despite having the potential to make profits, PSBs have often incurred losses or minimal profits.

The main reason for the losses is the prevalence of corruption in lending to unreliable projects that ultimately fail. A large number of small and big businesses have also burdened PSBs with staggering bad loans.

What is the current situation of bad loans in the PSBs?

As per the Union Finance Minister Nirmala Sitharaman, scheduled commercial banks had written off bad loans of ~10 trillion in five years and only 13 percent of the write-off had been recovered.

Further, the cumulative recovery of bad loans through the Insolvency and Bankruptcy Code (**IBC**) until September has been just 30.8 percent.

Moreover, more than 90 percent of the bad loans originate in PSBs and many loans are designed to go bad. When a case is referred to the IBC, there are almost no assets left to recover.

What can be the way ahead?

Factors such as bank recapitalization, gradual resolution of bad loans, and overall economic growth have led to a significant increase in the shares of PSBs since 2020.

However, given the current scenario of evergreening loans, this can again make banks suffer losses. Hence, the measures by the RBI to check such activities are appreciated.





3. <u>Corridors, not translocation, key to decongesting India's tiger reserves</u>

Source: The post is based on the article "Corridors, not translocation, key to decongesting India's tiger reserves" published in The Times of India on 5th June 2023.

Syllabus: GS 3 - Environment - Tiger Conservation

News: The successful implementation of Project Tiger has led to an increase in the tiger population. Due to which, tiger density in some the reserves have increased.

What are the concerns present with increasing tiger density?

A high density of tiger population has resulted in increased conflicts between humans and animals.

This has caused translocating tigers from the reserves which have a higher density to the reserves which are less congested/empty.

Why is translocation needed?

Click Here to Read

What are the concerns with the translocation of tigers?

Read Here: Tiger translocation project: Need and significance - Explained

What are the different views regarding the translocation of tigers?

Some argue that the issue of high tiger density is only a problem in certain over-managed and renowned reserves as vast areas of tiger habitat do not face issues with high density.

While others are of the view that congestion does not necessarily require translocation. There is a need to prevent degradation of forests in buffer areas and the translocation should only be considered as a last resort.

It is also argued that reintroducing prey and stopping hunting is crucial for the survival of translocated tigers.

What can be the course of action?

First, in order to reduce the tiger density, the urgent need is to stop the unscientific practice of habitat manipulation that results in high density of prey.

This includes clearing extra-wide view lines, the famed 'exotic weed removal' schemes, the creation of meadows, creating excessive water holes natural as well as artificial, and replenishment in the dry season.

It is believed that **natural decline in prey density** will eventually lead to a decrease in tiger density.

Second, translocating tigers, along with habitat manipulation, is seen as aggravating the problem rather than solving it. Translocation exercises are costly, particularly when conservation funds are limited.

Instead, corridors between distant reserves can be established to address the issue.

Third, the only solution to tigers spreading into the buffer areas that causes man-animal conflict is the stringent regulation of human activities in those areas and keeping infrastructure development out of the buffer.





4. Resolute measures can save the planet from the harm of plastics

Source: This post is created based on the article "**Resolute measures can save the planet** from the harm of plastics", published in **Live Mint** on 5th June 2023.

Syllabus Topic: GS Paper 3, Environmental pollution

News: On World Environment Day, 2018, India's Prime Minister made a historic announcement to make India single-use plastic-free by 2022. Despite the ban on 21 items of single-use plastic last year, the implementation has been ineffective in most parts of the country.

What are some of the facts related to plastic pollution?

The world produces 400 million tonnes of plastic every year.

About 75% of all plastic ever produced has become waste.

Around the world, one million plastic bottles are purchased every minute, and up to five trillion plastic bags are used worldwide every year. Half of all plastic produced is designed for single-use purposes.

Studies suggest that there will be more plastics than fish in the ocean by 2050.

Most plastic items never fully disappear; they just break down into smaller and smaller pieces. These microplastics can enter the human body and accumulate in organs.

What are the concerns associated with plastic pollution?

The presence of microplastics has been detected in human organs, and in the placentas of newborn babies. Plastic-associated chemicals, such as methyl mercury, plasticisers, and flame retardants, can enter the body and are linked to health concerns.

The greenhouse gas emission from production, use and disposal of conventional fossil fuel-based plastics is estimated to grow to 19% of the global carbon budget by 2040.

Plastic pollution also results into clogging of drains contributing to urban floods, aesthetic deterioration, landfill leachates, and damage to coral reefs.

What should be done?

Refusing all single-use plastics and ensuring the extended producer's responsibility. Full ban on single use plastic should be implemented.

Encouraging local clean-up drives.

Norms and standards must be put in place by governments, cities, towns, businesses, and the finance sector to eliminate unnecessary plastics.

Transitioning from a linear plastics economy to a circular one.

Adopting a low resource-intensive lifestyle and prioritizing the concepts of refuse and reduce over reuse, recycle, and repair is crucial.

Over 100 countries have adopted legislation on plastic bags, and many have introduced rules on single-use plastics more generally. However, these legislations cannot be successful without participation of citizens.





5. Dealing with deepfakes

Source– The post is based on the article "Dealing with deepfakes" published in "The Hindu" on 6th June 2023.

Syllabus: GS3- Scientific Developments and their Applications and Effects in Everyday Life. **Relevance**– Issues related to civil society

News- On May 28, the wrestlers protesting peacefully in New Delhi were arrested, and boarded in a van. Shortly after, a photo appeared to show four of the wrestlers posing with wide smiles for a selfie in the van.

What is deepfake?

A deepfake is something that a machine has produced using **deep learning** and which contains **false information**.

Deep faking is a significant 'upgrade' from photoshopping images. Here, machines process large amounts of data to **falsify images and videos** with fewer imperfections.

What are issues with deepfake?

People worldwide have already used the technology to create a video of Barack Obama verbally abusing Donald Trump, manufacturing **revenge porn**.

Chatbots can **mimic intelligence**. But, it is difficult to tell the difference when they make a mistake. People believe certain information to be 'true' because a machine gave it to them.

What are potential benefits of deep learning?

Using deep learning, the ALS Association in the U.S. founded a "voice cloning initiative". It restores the voices of those who had lost it to amyotrophic lateral sclerosis.

Deep learning has also been adapted in comedy, cinema, music, and gaming. Experts have recreated the voices and/or visuals of visual artist Andy Warhol.

It has enhanced our ability to understand, and even reinterpret, history.

What is the way forward to stop the misuse of deep learning?

Despite its misuse, deep learning can be saved from **bad aspects**, just like the kitchen knife or the nuclear reactor. The focus must be on how it can be used properly.

The experience with **solar geoengineering** offers a useful insight, it **modifies the climate** by blocking sunlight, But. it has planet-wide consequences. Many scientists have called for a **moratorium on the use** of this technology and for **international cooperation**.

There is a need for laws that regulate its use and punish bad actors. Wider consultation with people for their inputs can guide the future of such a powerful technology.

A good starting point could be manipulation of **hyper-realistic digital representations** of our image and voice. This should be considered a **fundamental moral right** in the age of deepfakes. It can be a stepping stone for individuals to become more scientifically, and digitally literate.

China has responded strongly to misuse of deep learning. It has **banned deepfaked visuals** whose creators don't have permission to modify the original material and which aren't watermarked.





6. Built To Not Last - on Bihar bridge collapse

Source: This summary is based on the article "**Built To Not Last** ", published in The Times of India on 6th June 2023.

Syllabus Topic: GS Paper 3 – Disaster Management, Infrastructure

News: Recently, a 200m stretch of a 3km-long bridge over the Ganga in Bihar collapsed, leading to many deaths.

This is the 2nd such incident after the Morbi bridge collapse in Gujarat.

Furthermore, there have been infrastructure related incidents like roads caving in, bridges collapsing, and expressway stretches being washed away across India.

What were the reasons behind Bihar bridge collapse?

The prevalent state-private contractor-builder nexus is identified as a leading cause.

High-value infrastructure projects often being rushed through without proper structural inspections, quality audits, or safety monitoring. It is to achieve the political success. It results into flawed design and poor construction quality.

No one takes accountability for these repeated failures.

In case of Bihar bridge collapse, 2 issues were highlighted:

- 1. First, parts of the bridge had already collapsed last year due to wind and rain. IIT-Roorkee experts had noted serious structural defects. However, construction was continued.
- 2. Second, an attempt was made to downplay the incident by claiming that authorities had demolished the bridge.

What are the effects?

First, human fatalities and injuries.

Second, severe environmental pollution. Debris from substandard construction materials, dust, and ash contaminate rivers and country sides, causing damage to aquatic and other ecosystems.

7. Lapses in Road Safety: A casual attitude to safety

Source: The post is based on the article "A casual attitude to safety" published in "The Indian Express" on 6th June 2023.

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

Relevance: About the Lapses in Road Safety.

News: India has just witnessed its most horrific train accident in over two decades in Odisha. A bus carrying some of the injured persons from the train accident site in Balasore to a hospital had a head-on collision with a van in Bengal's Medinipur district. This questions the issue of road safety and railway safety.

About the recent train accident and the issue of railway safety in India

Must read: The Issue of Indian railway safety - Explained, pointwise

What are the reasons for lapses in road safety?

There are five primary reasons for accidents — and deaths and injuries due to accidents. They are





Faulty design: Every highway, modern or old, has several well-identified "death traps". The majority of bad accidents take place primarily because of bad design.

Poor maintenance and wear and tear: The Morbi Bridge tragedy in Gujarat is an example of poor maintenance.

Improper safety protocols and regulations: These include selling of cars that would not meet crash test regulations, poor implementation of seat belts in automobiles, etc.

Human error: This is sometimes compounded by fatigue and boredom.

Wilful flouting of safety regulations and norms: This is due to both societal attitudes as well as lack of law enforcement.

Read more: SC directs committee to build a framework to ensure road safety

Consumer and citizen safety has to be the priority for successive governments. Indian citizens should hold the authorities responsible for poor safety and quality enforcement.

Must read: Road Safety in India - Explained, pointwise

8. Seeing India's energy transition through its States

Source—The post is based on the article "Seeing India's energy transition through its States" published in "The Hindu" on 7th June 2023.

Syllabus: GS3- Energy

Relevance- Issues related to energy transition

News- In the upcoming G20 forum, India is planning to propose a multiple energy pathways approach to accommodate the diverse contexts and development trajectories of countries.

Why are States critical actors in India's energy transition?

There is a **multi-tier governance** of energy production and usage. An **effective transition** will require narrowing the **implementation gaps** between the Centre and the States.

India's achievements on its **2022 target for 175 GW renewable energy** offer some insights. Only Gujarat, Karnataka, and Rajasthan met their individual targets.

States are important for **implementation**. Centre may set goals. But the realisation of these goals often depends on how they are aligned with **State priorities and capabilities**.

There are **legacy issues** in the electricity sector, such as high losses, unreliable supply and service quality. It could be exacerbated by the transition. These must be addressed at the State level.

States are laboratories of **policy innovations**. For example, early initiatives by Gujarat and Rajasthan on solar have contributed significantly to renewable energy uptake at the national level.

Similarly, PM KUSUM is an adoption of successful State experiments on the **solarisation of agriculture** at a national scale.

States could also be **roadblocks to national goals**. It happens when the goals are perceived to be misaligned with State priorities.





What is the way forward to ensure that the state plays an important role in energy transition?

There is a need to engage with diverse **State contexts**, **capabilities**, **and priorities**. These are shaped by various factors like **techno-economic options**, **fiscal space**, **and social and political imperatives**.

An effective transition requires multi-scalar planning and execution strategy, consideration of inter-linkages and cross learning.

Central agencies have also developed **multiple indexes** that rank States on **different aspects of energy transition**. There is a need to complement this with analysis of **State-level preparedness** for energy transition.

How a state-level framework to understand plans, actions, and governance processes towards an energy transition will expedite transition?

First, it helps to broaden the transition discourse from a **narrow set of outcomes**. It includes the **processes that shape the outcomes**.

Understanding the effects of transitions on **transparency and accountability** in processes, and **affordability and reliability** of services is crucial.

It leads to greater transparency which could enable participation of stakeholders in the processes. It will ensure public legitimacy.

It would create a greater sensitivity to State-level diversities on **priorities**, **capacities**, **and opportunities** in the **national policy discourse**. It enables more evidence-based policy choices towards a **pragmatic energy transition**.

9. Bonn meeting: Taking stock of climate action

Source– The post is based on the article **"Bonn meeting: Taking stock of climate action"** published in the **"The Indian Express"** on **7th June 2023**.

Syllabus: GS 3 – Environment – Climate Change

News- Negotiators from around the world are currently meeting in the German city of Bonn to discuss ways to strengthen their collective response to climate change.

One of the most important tasks to be accomplished at this year's Bonn meeting is known as Global Stocktake.

What are some facts related to Global Stocktake (GST)?

It is mandated by the **2015 Paris Agreement**. It is aimed at **assessing the progress** being made in the fight against climate change. It decides the ways and means to enhance the global effort to **bridge the adequacy gap**.

This exercise is expected to result in a significant increase in the global response to climate change.

The current stocktake has been going on for more than a year now. It is supposed to conclude this year. It is the first such exercise.





Why is the current set of actions inadequate to limit the global temperature rise within 1.5 degree Celsius from pre-industrial times?

The **sixth assessment report of the IPCC** gives clear indication of it. The world needs to cut its emissions by almost **half by 2030 from the 2019 levels** if it has to retain any realistic chances of achieving the 1.5 degree target.

At current levels of climate action, the world is headed to a nearly **3 degree Celsius warmer** world by **2100**.

Why is course correction on climate change difficult?

Under the Paris Agreement, countries are allowed to decide the level of their contribution to the global effort to contain climate change.

But, the collective effort of every country is now **proving inadequate**. So, some amount of imposition is necessary. No country is comfortable with that.

Why do GST discussions have fault lines similar to climate negotiations?

Rich and developed countries want **major emitters** like China and India to do more. Developing countries have been reminding the developed countries of their **unfulfilled commitments**.

The **fault lines** were evident during the opening meeting of the third and final round of technical discussions on Tuesday.

The United States said bridging the gap was not the **sole responsibility of the developed countries.** It would not accept such suggestions in the GST decisions.

Developing countries argue that the developed countries were unable to **deliver on their commitments**. It was the main reason for the **climate crisis** in recent years.

The United States also said that the next round of climate action plans finalised by countries must have **emission reduction contributions** from all sectors of the economy.

This again was directed at countries like India. India has not committed to restricting **methane emissions** from agriculture.

What is the reaction of India to US suggestions on GST?

India reacted strongly to the US suggestion. As per India, it would not accept US messages on GST related to **content of a country's Nationally Determined Contributions**.

India said it retained its "sovereign right" to determine its climate targets in pursuit of its national goals. It aligned itself with other developing countries in reiterating the demand for the closing of pre-2020 gaps.

10. An Expenditure Council could help promote fiscal prudence

Source: The post is based on the article "An Expenditure Council could help promote fiscal prudence" published in Live Mint on 7th June 2023.

Syllabus: GS 3 - Indian Economy - Issues Related to Mobilization of Resources

Relevance: About the need of Expenditure Council

News: The government's efforts to offer freebies may have economic implications. This highlights the need for a supervisory body, an Expenditure Council (EC), just like the GST Council.





What can be the responsibilities of Expenditure Council?

It would be responsible for developing guidelines and promoting consensus among state governments regarding resource allocation.

It can implement schemes that encourage inclusive growth, promote sustainable development, and maintain fiscal health. It could also play a crucial role in providing guidance to state governments in ensuring optimal utilization of funds.

What efforts have been taken in the past to examine India's expenditure patterns?

The Expenditure Reforms Commission (**ERC**) set up by the Atal Bihari Vajpayee government in 2000 has examined India's expenditure patterns.

Similarly, the current government formed an Expenditure Management Commission in 2014 to recommend spending reforms.

However, no such body facilitated a consensus-building platform between states and the Centre.

Can existing organizations take up the task of examining financial expenditure?

National Development Council (NDC): The NDC, which was associated with the now-dissolved Planning Commission, used to serve this purpose. However, with the dissolution of the Planning Commission, the relevance of the NDC has faded.

Niti Aayog: The Niti Aayog is already burdened with multiple responsibilities, which can make it difficult for it to solely focus on this task in the absence of the Planning Commission. Even states may not be keen to collaborate with it on fiscal matters.

Finance Commission: It lacks a platform for effective collaboration and strategizing between the central and state governments regarding the efficient utilization of resources.

Thus, **there is a need for an Expenditure Council (EC) to** prioritise the areas, especially on the concurrent list where states can spend efficiently.

What can be the structure, objective and functionality of the EC?

Structure: The EC should have a composition **similar to the GST Council**, with the Union finance minister serving as the chairperson. Additional members should include the minister of state in the ministry of finance and finance ministers from all states and Union territories with legislative assemblies.

Objective: The primary goal of the EC should be **to foster financial responsibility by establishing guidelines that discourage unnecessary expenditures**. It can shift the focus towards prudent, strategic, and sustainable resource allocation. It can recommend states to refrain from such expenditures which lack long-term benefits.

Functionality: EC could analyse state-level schemes and budgets, identify unnecessary expenses, and recommend strategies for their reduction or alteration. **It could also regularly publish reports and guidelines**, providing a roadmap for state governments to follow.

Moreover, instead of imposing decisions, the EC should encourage dialogue and cooperation among states, facilitating the development of shared understandings.

Voting: In voting, **EC** should have the same mechanism as the **GST** Council. The Union finance minister would hold a third of the voting power, while the combined states possess the



remaining two-thirds. Any decision would necessitate at least three-fourths of the total votes to pass.

There is also a need to establish robust dispute resolution mechanism to efficiently handle disagreements or disputes that might arise from its decisions.

Hence, this holistic approach would ensure that the EC is well-equipped to handle the complex nature of national financial planning, promoting sustainable growth and economic stability.

11. The Great India Stack Story

Source: The post is based on the article "The Great India Stack Story" published in The

Times of India on 7th June 2023.

Syllabus: GS 3 - Indian Economy - Inclusive Growth

Relevance: About digital financial inclusion

News: The article explains India's achievement in digital financial inclusion.

How has financial inclusion evolved?

The term financial inclusion was first introduced by former RBI governor YV Reddy, emphasizing the importance of enhancing access to banking services for marginalized sections of society.

However, the term today has evolved to digital financial inclusion.

What is digital financial inclusion?

Digital financial inclusion includes universal access to and use of formal financial services relating to saving, borrowing, investing, insurance and pension by digital means. Thus, going beyond microfinance and microcredit.

India, in this area, has emerged as a global and undisputed leader during the past nine years.

What is India's digital financial infrastructure?

India Stack is India's digital financial infrastructure. It addresses nearly all aspects of financial inclusion using digital technology.

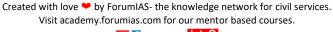
The infrastructure is secure, reliable, and interoperable among different companies. In terms of efficiency, access, cost effectiveness and scale, it has no competitors around the world.

India Stack effectively 'stacks' three different layers of digital infrastructure.

What are the three different layers of digital infrastructure in India Stack?

Layer 1: Layer 1 is the <u>Aadhaar</u> identity system, which enables electronic verification of an individual's identity. Within this layer, electronic authentication of identity (e-KYC) and electronic signing of documents (e-Sign) are facilitated.

Layer 2: Layer 2 of India Stack is the payment layer formed by platform Unified Payments Interface (UPI), which intermediates secure fund transfers between Aadhaar-linked bank accounts in real time and at no or minuscule cost. The system facilitates peer-to-peer (P2P) as well as peer-to-merchant (P2M) transactions.





Layer 3: Layer 3 of India Stack is the data layer. Once fully implemented, financial information providers (FIPs) such as banks, credit rating agencies, insurance providers, etc. would store the transactions data of their customers under their Aadhaar numbers on the platform.

Financial information users (FIUs) such as lenders, wealth managers, brokers and wallet firms will have access to these data but not directly.

However, only the RBI-regulated account aggregator fiduciaries will have direct access to the platform and would, with the consent of the customer, provide their data to the FIUs in return for a fee.

This data sharing will speed up transactions such as loan and insurance sales and facilitate targeted marketing.

What can be the way ahead?

With the help of Layers 1 and 2, digital financial transactions have grown from just 4.4% of GDP in 2015-16 to 76. 1% in 2022-23.

Further, India's digital platforms are also **integrating financial inclusion with economic inclusion.** The government now makes cash transfers directly to the bank accounts of farm families.

Even other countries are looking forward to adopting India's DPI model. These all-show India's achievements in financial as well as economic inclusion.

12. How can we transition to a low-carbon city?

Source: The post is based on an article "How can we transition to a low-carbon city?" published in The Hindu on 8th June 2023.

Syllabus: GS 3 - Environment

Relevance: Measures needed for transitioning cities worldwide.

News: There has been a significant increase in the emission of carbon dioxide in 2020 by the cities worldwide.

Transitioning to low-carbon economy requires to integrate mitigation and adaptation options in multiple sectors. **This is called the 'sector-coupling approach'** and it is necessary to decarbonise urban systems.

Why are energy-system transitions important?

An energy-system transition could reduce urban carbon dioxide emissions by around 74%. Therefore, the transition must focus on both the demand and supply sides.

On the supply side, actions include phasing out fossil fuels, increasing the use of renewable energy sources, and employing carbon capture and storage technologies.

On the demand side, the "avoid, shift, improve" framework should be adopted. This involves reducing energy and material demand, shifting to renewable alternatives, and improving energy efficiency.

Additionally, in order to address residual emissions in the energy sector, we must implement carbon-dioxide removal (**CDR**) technologies.





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What can be the different strategies adopted to mitigate and adapt to low-carbon cities? The strategies to mitigate and adapt to low-carbon varies based on a city's characteristics.

Established Cities: Established cities can focus on modifying existing infrastructure to improve energy efficiency. Promoting public and active transportation like walking and cycling would also help.

Measures such as electrifying public transport and implementing renewable-based district cooling and heating can also be adopted.

Rapidly Growing City: Rapidly growing cities can aim to bring workplaces closer to residential areas and reducing transport energy demand. These cities can also adopt low-carbon technologies, including renewables and carbon capture and storage (CCS).

New and Emerging Cities: These have great potential for emissions reduction by implementing energy-efficient services, adopting people-centric urban designs, and enforcing building codes that require net-zero energy use.

How can an energy transition be just?

Energy systems are directly and indirectly linked to livelihoods, local economic development, and the socio-economic well-being of people.

Hence, a one-size-fits-all approach is insufficient to ensure a socially and environmentally just transition in energy systems.

This is because transitioning to renewable-energy sources could affect groups of people or communities in developing economies and sectors that depend on fossil fuels.

Therefore, balancing energy supply with rapidly growing energy demand, ensuring energy security, and considering export needs are important.

Additionally, **addressing issues related to l**and dispossession in large-scale renewable energy projects, spatial concentration of poverty, marginalization of communities, gendered impacts, etc. are important.

Moreover, developing economies such as Nigeria, Angola, and Venezuela, which rely heavily on fossil fuel exports, may face significant economic challenges when transitioning away from these industries.

Therefore, a socially and environmentally just energy transition requires specific approaches that address the diverse situations and challenges, ensuring that no one is left behind.

What lies ahead?

Transitioning cities to low-carbon energy systems requires efforts that consider factors such as urbanization, national contexts, and institutional capacities.

Hence, it is important to **engage multiple stakeholders in** energy governance and decision-making processes.





13. India could learn from Thailand how to boost tourism

Source: The post is based on an article "India could learn from Thailand how to boost

tourism" published in Live Mint on 8^{th} June 2023.

Syllabus: GS 3 - Industries and Industrial Policies

Context: The article discusses the success of Thailand's tourism industry and suggests ways India could learn from it to boost its own tourism sector.

Between 2015 and 2019, tourist arrivals to Thailand jumped from 30 million to 40 million. Despite the impact of the COVID-19 pandemic, the country is still expected to attract about 25 million tourists this year.

Significance of the tourism industry

The World Travel and Tourism Council estimates the industry amounted to 7.6% of global gross domestic product (GDP) last year, despite pandemic effects.

Southeast Asia's success now extends beyond Thailand to Vietnam and even tiny Cambodia (which received 6.6 million tourists in 2019).

What are the factors behind success of Thailand Tourism?

Thailand's tourism policies, such as visa-free travel for many countries, have also contributed to its success.

Thailand has been successful in attracting tourists due to its innovative approach to tourism. An example is the Eathai food court in Bangkok, which offers a hygienic and accessible street food experience for both locals and foreigners.

The Thai government removed the requirement for the Thailand Pass, which had been a deterrent for tourists due to the need to obtain Thai health insurance. This led to a surge in arrivals in the second half of the year.

After slowdown from China, Thai government conducted roadshows across India to drum up business.

What are the challenges India's Tourism industry is facing?

India attracted 11 million tourists in 2019. The number will reduce further if visitors of Indian origin returning to visit family are deducted.

Initiatives like 'Dekho Apna Desh' campaign are not attractive to foreign tourists.

Initiatives like lowering GST for hotels are insufficient to attract foreign travelers.

India needs the initiatives like first Incredible India! advertising campaigns, which made India from being a backpackers' destination to being a country loved by the luxury traveller. This year also has been declared "Incredible India! Visit India Year" by the government. But the slogan has become old and repetitive. Innovation is the need of the hour.

What can the course of action?

Instead of merely expanding the number of countries eligible for an e-visa, India could introduce visa-free travel for the G20 and wealthier Southeast Asian neighbors.





Augmenting capacity – on setting up decentralised grain storage facility

Source: The post is based on an article "Augmenting capacity" published in Business

Standard on 8th June 2023.

Syllabus: GS 3 - storage, transport and marketing of agricultural produce

News: Rs 1-trillion programme approved by the Union Cabinet in India to create the world's largest decentralised grain storage capacity in the cooperative sector.

The godowns will be built at the block level and run by cooperatives.

Cooperative societies would provide various utilitarian services to farmers. Which will include grain procurement, fair price shops, custom hiring centers for farm machinery, and common facilities for grading, sorting, assaying, and preliminary processing of the farm produce.

How will the grain storage facility benefit farmers?

Saving on transportation costs, as they would not have to take the produce to distant mandis (markets).

Realization of better prices by keeping their produce in safe custody and selling them in the lean season at higher prices.

The post-harvest losses for perishable commodities like fruit and vegetables are as high as 25 to 30 per cent.

The receipts issued by the warehouses for the stored stuff would serve as legally valid collateral for institutional loans.

On a broad level, it will tackle the paucity of grain storage space by increasing capacity by 70 million tonnes.

Lastly, the scheme will not create an extra burden on the exchequer. It would be implemented by the Ministry of Cooperation by leveraging the funds available under various existing schemes of different ministries

14. The trade landscape is changing structurally to India's advantage

Source- The post is based on the article "The trade landscape is changing structurally to India's advantage" published in the "mint" on 8th June 2023.

Syllabus: GS3- Indian economy **Relevance**- Issues related to trade

News– The article explains the phenomena of increasing exports of India.

How rising exports in India reflects structural changes in the trade basket?

India added 628 new products to its **export basket** by 2022. The new products are highly concentrated in **high-tech manufactured goods**, **chemicals**, and **electronics**.

Between 1994 and 2022, India has carved out **new markets** for over 600 products. It has become the market leader in some of these new **product categories**. For instance, India is a large net exporter of certain turbojets and defence technology.

The growth of the **new product basket** outpaces the growth of **legacy products**. Productions such as helicopters, arms and ammunition, and electrical machinery registered some of the highest growth rates.





Exports of India's **top-three products**, which include petroleum, diamonds, and medicaments, continue to grow. But the share of these products is declining.

How does a change in product basket impact sensitivity to exchange rate fluctuations? Research shows that as the export baskets shift towards high-value goods, there is decline in the sensitivity of exports to real effective exchange rates.

While the **exchange rate sensitivity** was as high as 2.5 for 1994-2007, it shows a significant drop to 0.6 for 2008-2022.

There is rising **integration with the global value chains (GVCs)**. It is also **respons**ible for decline in sensitivity to exchange rate.

How beneficial is the PLI scheme beneficial for the Indian economy?

Most of India's GVC participation has generally remained **upstream**. Upstream trade involves **less value-addition** and can be more prone to **demand shocks**.

In this context, policies such as the **production-linked incentive scheme (PLI)** can prove useful for developing downstream linkages. The PLI scheme can further integrate India into **downstream GVCs** by incentivising global manufacturers to set up shop in India.

PLI scheme is criticised for manufacturers **using incentives** to set up **assem**bly units which are **low in value** instead of manufacturing plants.

The experience of countries like China and Vietnam shows that assembly in **low value added**, led to **employment generation** for a large number of low-skilled workers.

The assembly units also helped build **backward linkages** to domestic sectors in these countries, creating further value-addition.

As firms build their footprint, they will develop into producing more sophisticated components. It will lead to higher value creation.

How is India's performance in the services exports?

Early 2000s was a period of BPOs mushrooming to provide **cost-cutting back-end information technology (IT) services**. India now looks beyond just cost-cutting.

Data from the Asian Development Bank shows that India went from providing **back-end services** in law, IT and management in 2010 to upstream, high-value-added services in these areas by 2020.

Our services exports have also shown a **low degree of vulnerability** to **global income fluctuations.** For instance, services exports to the US and Canada have shown a low degree of correlation with the GDP growth in these countries.

How India's integration into manufacturing GVCs can also increase through exports of services?

Intangible services include pre- and post-production activities such as supply chain management know-how, brand management and design.

Firms specialising in **pre- and post-production activities** within a GVC make the largest value additions.





15. A Ghostly Tale For World Oceans Day

Source—The post is based on the article "A Ghostly Tale For World Oceans Day" published in "The Times of India" on 8th june 2023.

Syllabus: GS3 – Environment Pollution **Relevance**: Issues related to Marine life

News- The article highlights the importance of ocean health and conservation of marine life on World Ocean Day.

What are the issues related to oceans?

The FAO report indicates 30% of the world's ocean stocks are over-exploited, depleted or recovering from depletion caused by various factors. These factors are overfishing, by-catch of species caught in fishing gears, climate change, marine debris etc.

Every year an estimated 8 million tonnes of plastic waste end up in the oceans.

Abandoned, lost or discarded fishing gear commonly is referred to as 'ghost gear'. It accounts for roughly 10% of all marine debris accumulating in our marine environment

What are the problems created by ghost gear?

Ghost gear is a **threat to biodiversity and marine habitats**, especially corals and endangered species like sharks, turtles and dugongs.

Ghost gear also causes **increased operational costs** for boat owners. Lost gear is a hazard to boat navigation and safety at sea.

Significant costs are incurred to remove entangled gear from propellers or engines. Entangled gear causes **breakdowns leading to costs of repair and rescue**, and loss of fuel.

What are the solutions in this regard?

Ocean clean-ups can remove ghost gear. It is all-important to have strategies at landing centres and fishing harbours to prevent ghost-gear pollution.

Governments, companies and gear manufacturers should **incentivise – by money or discounts** and access facilities – fishers to return used and damaged fishing gear.

Fishing gears collected should be part of a 'circular economy' for recycling or upcycling, transformed into art, ornaments or sports nets among other useful things.

Eliminating ghost gear from the ocean requires **commitment**, **cooperation and innovation** at every level throughout the fishing-gear supply chain

There is a need to spread awareness among fishers by **training local communities** in upcycling ghost nets.

An untapped potential of ghost gear creates **new business opportunities and additional sources** of income for marginalized fishing communities.





16. Deadly billboards - Despite frequent accidents, there is no political will to regulate billboards

Source: The post is based on the article "Deadly billboards - Despite frequent accidents, there is no political will to regulate billboards" published in The Hindu on 8th June 2023. Syllabus: GS 3 - Road Safety.

Relevance: About billboard accidents in India.

News: Giant outdoor billboards are crashing and becoming death traps for many in recent times. The recent deaths of three workers, in Coimbatore last week, after they were crushed by the falling steel frames of a hoarding is one such example.

Why there are increased incidents of billboard accidents?

a) Many municipal corporations fail to curb unlicensed hoardings, **b)** Occasional corrective actions against billboards are often due to the intervention of the judiciary or triggered by fatal accidents. For example, the Tamil Nadu government removed thousands of unauthorised hoardings in Chennai on the directions of the Supreme Court in 2008, **c)** Many leaders, especially political leaders, encourage their larger-than-life projections on flex banners and illuminated cutouts and **d)** There is a lack of manpower in municipalities to enumerate unlicensed hoardings, periodically inspect authorised billboards, and act against unstable or illegal ones.

All these made enforcing legal and all-weather structural stability requirements of billboards being ignored.

Read more: Lapses in Road Safety: A casual attitude to safety

What should be done to prevent further billboard accidents?

The outdoor advertising market globally is poised to grow to \$67.8 billion in 2023. So to prevent further billboard accidents the government should do the following.

a) Violators deserve stringent punishment, **b)** International studies have pointed to billboards being dangerous distractions on roads as they affect a driver's response time, vehicle lateral control and situational awareness. So, accidents caused by such distractions must be documented in the annual Road Accidents in India report.

Must read: Road Safety in India - Explained, pointwise

17. Cities Never Sleep States are allowing more shops to run 24×7. They need to back it with better policing, public transport

Source: The post is based on the article "Cities Never Sleep - States are allowing more shops to run 24×7. They need to back it with better policing, public transport" published in The Times of India on 8th June 2023.

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

Relevance: About shops and establishments running round the clock.

News: The Delhi government has recommended that 155 shops and establishments be granted permission to run round the clock. If this proposal is cleared it will take the list of such shops running round the clock to 523. It acknowledges the changing pattern of work in urban India.





About legislation on shops and establishments

Legislation and operating conditions for shops and establishments come under the ambit of state assemblies. Most states have been relaxing restrictions and giving shops more leeway in the way they operate.

What are the challenges in Delhi's decision to permit shops and establishments to run round the clock?

Shops and establishments in Delhi face bureaucratic interferences when they are working 24×7. For example, the Tamil Nadu government allow blanket permission to all shops and establishments to work round the clock. The only condition is that each employee must be given at least a day off in a week and written consent is needed from women who work through the night.

What should be done to ensure the smooth operation of shops and establishments?

a) India needs far better policing and a public transport ecosystem that also adapts to these changes, b) Permitting shops can play a critical role in encouraging more women to join the workforce or enhance their prospects by opening opportunities beyond their neighbourhood.

So before permitting shops and establishments to run round the clock, states first need to strengthen their most basic function.

18. Bridging the growing trust deficit in Manipur

Source—The post is based on the article "Bridging the growing trust deficit in Manipur" published in "The Hindu" on 9thJune 2023.

Syllabus: GS3- Security

Relevance- Security Issues related to north-east

News- Ethnic violence between the Meiteis and the Kukis in Manipur is taking place for some days, especially after the Manipur High Court's march order. The order asked the State to recommend Scheduled Tribe (ST) status to Meiteis.

What are the concerns of Kukis that are responsible for conflict?

Manipur High Court asked the State to recommend ST status to Meiteis.

The Manipur government had begun a drive to evict tribal villages from reserved forests. It was perceived to be an **anti-tribal move**. It led to **discontent and suspicion** among the Kukis and other tribals.

Hundreds of Kuki tribals have been dislodged from their **traditional settlement areas** without **rehabilitation**.

What are the concerns of Meiteis that are responsible for conflict?

Meiteis form 52% of the State's population but are restricted to 10% of the geographical area. They cannot shift and relocate themselves because of their non-inclusion in the ST category to the hill area.

Meiteis are concerned that non-inclusion in STs list has deprived them of the **right to occupy** 90% of the territory of the State.

The **land issue** is more crucial for them. Meiteis have had a history of violence and struggles before integration with India and acquiring the Hindu tag.





They formed **several insurgent groups** such as the People's Liberation Army, with bases in Bangladesh and Myanmar. They also protested the **presence of Mayangs** which included **Manipur Muslims called Pangals.**

What is the way forward to calm the situation?

The solution lies in **military operations**, till the **intensity and the spread** of the violence is controlled. The Indian Army, the Central Reserve Police Force, the Border Security Force and even the Indian Air Force have been deployed.

The Centre's stand and the presence of the Army and central forces are restoring the **confidence** of the Kukis.

The administrative and judicial interventions of the immediate past have proved to be very costly. It is necessary to take care of the sensitivities of the tribals, their susceptibilities. There is a need to undo the damaging steps that have created the trust deficit, which is the root cause for the turmoil now.

19. Before talking cooperation, China needs to stop aggression against India

Source—The post is based on the article "Before talking about cooperation, China needs to stop aggression against India" published in the "The Indian Express" on 9th June 2023. Syllabus: GS3- Bilateral groupings and agreements

News- Recently, China's top diplomat to India, Ma Jia, wrote that China and India can work together towards the recovery and growth of the world economy (<u>*A Focus on Common Interests'</u>, IE June 2).

What are the steps needed to be taken by China for improving relations with India?

There is a huge difference between China's claim to have a **peaceful relationship** with India and its actions. Beijing should undergo a **psychological assessment.** It should maintain **pragmatism into its South Asia policy.**

There is a need to **mend ties.** Acknowledging India as an **indispensable Asian and global power** is a starting point for any future cooperation.

Certain **good faith measures** are needed. It should **maintain calm** at the borders. It should not undermine India's **relationship with its neighbors** in South Asia. Maintaining **peace at the borders** is the first step towards cooperation.

Moreover, there is no **strategic logic** for the **uninhabitable high grounds** that China is trying to capture.

China has built a foreign policy narrative based on a lack of respect from the West. It should treat everyone with respect, especially a rising power like India.

Why does the onus of improving relationships lie more on China?

Indians feel that China's India policy is driven by dogmas such as the Middle Kingdom and unipolar Asia.

Since the 1962 Sino-Indian war, Sinophiles within the Indian establishment have held the view that **China's frontier aggression** is driven by Beijing's desire to contain India in Asia and the developing world.





China's dream of a **unipolar Asia** will never materialise. If Japan was a **counterweight** in the past, India is the counterweight of the future. Recent **macroeconomic forecasts** suggest that India's position is strong in a long run.

What are the impacts of Chinese aggressive moves on its relationship with India?

China's aggression is pushing India towards military alignment with **West**. It exacerbates **China's security dilemma** with a **deepening Indo-US alliance**.

India has had more hesitation with the West than it has with China today. However, **China's** belligerence is creating a new set of hesitations for China.

When India joined the **RCEP negotiations** in 2012 and became the **second-biggest stakeholder in the AIIB** in 2014, it was seen as the start of Asian multilateralism.

New <u>Delhi</u>'s refusals for the RCEP show increasing disenchantment with ideas built on **promises** of **cooperation**. The clashes in Galwan changed things forever.

20. What Manoj Mishra got right about Yamuna restoration

Source—The post is based on the article "What Manoj Mishra got right about Yamuna restoration" published in "The Indian Express" on 9th June 2023.

Syllabus: GS3- Environment

Relevance- Issues related to river pollution

News- On Sunday, hundreds of volunteers from all walks of life formed a human chain along the banks of the Yamuna to raise awareness about the pollution in the river.

What are the issues with the approach to rejuvenating rivers in India?

There is **no paradigm shift i**n the **approach to rejuvenating rivers** in more than 40 years. Ganga Action Plan had an **STP** (Sewage treatment Plant)-centred approach.

The **Namami Gange plan** also assigns a **dominant role to STPs**. The Namami Gange seems to be a replica of the GAP.

There is a lack of **creative thinking**. There are shortcomings in **cleaning the river approach**. River needs to have enough water and its floodplains shouldn't be obstructed from **recharging groundwater**.

The current paradigm of pollution control aims to control the quality of the effluent at the source of the pollution. It does not bother about the river's assimilative capacity.

What is a better approach to rejuvenate the river Yamuna in Delhi?

The Yamuna is not just about the water body that flows through <u>Delhi</u>. Attention should be given to what **happens upstream.** Care should be taken of the **needs of the people** who depend on it downstream.

A river has its own **capacity to tackle pollution**. But these are contingent on its flow. Flow depends on **upstream aquifers**. Besides, there are **seasonal variations** in the amount of water. Aquatic plants also help the river **assimilate pollution**.

Tackling industrial pollutants is important. No river has the capacity to **cleanse inorganic pollutants.** A better approach should be to account for both **effluent standards** and the **ability of the river to tackle pollution.**





Delhi should look at **alternate sources** for its drinking water like rainwater harvesting and groundwater recharging.

Absence of a **statutory provision** to safeguard floodplains is a big issue. There is a need for a **River Regulation Zone**, along the lines of the **Coastal Regulation**.

Diversion of water by building barrages does injustice to the river: **"Lift not divert water"** is the right strategy.

What are issues with river management in Delhi?

The master plans of Delhi paid little attention to the relationship of the city's people with the Yamuna. Urban planning in the country does not give attention to the geomorphology of water bodies.

The industrial and drinking water needs of Haryana on the west of the river and UP on the east are predominantly met by groundwater. However, the Delhi Jal Board is getting nearly 90% of its needs from surface water.

In the past, Delhi did not depend on the Yamuna for **potable water**. It relied on step wells, water tanks and canals. Things began to change in the late 19th century.

21. Getting railway safety back on track after Odisha

Source—The post is based on the article "Getting railway safety back on track after Odisha" published in "The Hindu" on 9th June 2023.

Syllabus: GS3- Disaster management

Relevance- Issues related to rail accident

News- A major train accident happened at Bahanaga Bazar station in Balasore district, Odisha, on the evening of June 2.

What may be the possible causes of the accident?

There is **interlocking of signals** and routes through a **series of relays and logic gates**. It ensures that a train is guided by signals to a route to avoid an encounter with another train. In this case, this interlocking might be overridden by **manual intervention**.

There are two possible causes. In the first, it was done by a **signal maintainer** who has access to the **equipment hut or relay room**. He may have acted in haste to **expedite the maintenance work** so that the running train is not affected.

In the second instance, it is done with **criminal intention** to cause an accident.

However, it is quite surprising to understand that a signal maintainer can meddle with the system and cause havoc of this magnitude.

The heart of the **interlocking equipmen**t is housed in a **central relay room** in the main station building. The station master and the maintainer have keys to a double lock.

The **tampering with equipment** in this room is possible by the maintainer, in connivance with the station master. But, the chances of this are low.





On the other hand, there are some pieces of **remote equipment** installed in **huts and location boxes**. The access to these is possible only by the **authorised maintainer**. The possibilities of tampering are greater in such locations.

What is the way forward to avoid such types of accidents?

Stronger safeguards against such misadventures are needed.

The provision of a **double lock system** even for remote huts in railway stations can be explored. But it increases the chances of train delays.

This is an age of mobile phones and IT applications, and it is possible to have a system of **multiple digital authorisations** to access such equipment without the **physical movement** of staff other than the maintainers.

The rail network in India is **largely saturated**, the number of train services has gone up exponentially. There is a need to **fill all vacancies** in the safety categories.

The <u>provision of Kavach</u> could not have prevented this accident. But other aspects of safety do demand **faster implementation of Kavach**. This would not only enhance rail safety but also improve the sectional capacity to run more trains.

22. Investment: The Next Big Story

Source: The post is based on the article "Investment: The Next Big Story" published in The Times of India on 9th June 2023.

Times of India on 9th June 2023.

Syllabus: GS 3 - Indian Economy - Growth & Development

Relevance: About the factors behind increasing investment rates

News: The article explains factors behind the increasing investments rates in India.

What is investment and what are its impacts?

At an aggregate level, investment refers to spending by economic agents (households, private corporations and government) on creation of capital assets.

In the short run, investment influences GDP via the transactional impact of generation of capital assets while **in the longer run**, it boosts the productive capacity of the economy and increases overall efficiency.

What has been India's investment story?

India's share of investments in GDP (investment rate) peaked at 35.8% in 2007-08, while it dropped to 27.3% in 2020-21 due to the pandemic.

However, the investment rate has recovered to 29.2% in 2022-23. Further, the investment rate attained a level of 31. 7% on a standalone basis during January-March 2023, the highest in the last 35 quarters.

What caused the rise in the investment rate?

First, the government implemented counter-cyclical fiscal policy to support the economy when the private sector withdrew due to uncertainty.

The government's budgetary capital spending has jumped from its pre-Covid level of 3.6% of GDP in 2019-20 to 4.9% of GDP in 2022-23, the highest since the Global Financial Crisis in 2008.





Second, the government has tried to retain focus on long term macro-stability while announcing structural measures to revive investments.

For example, the National Infrastructure Pipeline, National Monetisation Programme, Gati Shakti, etc. has attempted to improve the business climate.

Third, with the RBI's intervention, the twin balance sheet syndrome, which was a burden on both the corporate sector as well as the banking sector, has now improved.

As per CMIE data, the non-financial sector's debt has declined sharply from 16.8% in 2020-21 to 10. 7% in 2022-23. This has helped boost profitability in the corporate sector.

This improvement has translated into better asset quality for the banking sector. As per RBI data, the gross NPA ratio of all scheduled commercial banks reduced from 11.2% in FY18 to 5.0% in September 2022.

Fourth, Normalisation of economic activity after the pandemic has also pushed up investments.

Fifth, geopolitical preference of 'China Plus One' strategy has benefited countries like India, Vietnam and Bangladesh in attracting and boosting investments.

Sixth, input price inflation has shown signs of moderation. For instance, the price of the Brent crude oil has decreased from the previous year. This decline would help lower WPI inflation.

What can be the way ahead?

The global economic downturn and strong tightening of interest rates over the last year have created near-term cyclical headwinds. These factors may temporarily slow down the pace of investment rate.

However, according to the IMF, India has had one of the strongest post-Covid gains in investment rate, and it likely to outperform peer groups in the long run. Therefore, we can continue to expect the investment rate to increase further.

23. RBI puts bank boards on notice

Source: The post is based on the article "RBI puts bank boards on notice" published in

Business Standard on 9th June 2023.

Syllabus: GS 3 - Indian Economy - Money & Banking

Relevance: About the recent meeting of the RBI governor

News: Recently, the RBI governor held a conference with private as well as public sector banks' directors.

What are the excerpts of the meeting?

The RBI Governor expressed confidence in the resilience of the Indian banking system, due to the implementation of various initiatives.

For instance, the RBI has implemented established a dedicated vertical for supervisors and a college of supervisors.

Furthermore, the central bank has ensured a degree of independence for key assurance functions in banks, such as risk management, compliance, and internal audit, through a system of dual reporting to the CEO and the board.





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The **RBI's off-site surveillance**, which requires banks to upload raw data to the RBI, has been beneficial in providing an overall view of risks at individual banks and within the system.

Further, the **Annual Financial Inspection report and the Risk Assessment Report (RAR),** which the RBI submits to banks, have been crucial at pointing out areas of concern.

Now, the major problem areas highlighted in the RAR is resolved within a few weeks or months of submission of the report instead of taking too much time.

Moreover, the RBI governor presented a 10-point charter for bank boards. Out of which, there were few important issues that require serious consideration.

What were the important issues highlighted by the RBI governor?

Dominance of CEOs: The RBI governor has said that the dominance of the CEO is the central problem of governance in bank boards.

He gave the example of **the failure of the Royal Bank of Scotland (RBS)** during the global financial crisis. Despite having a high-profile board with the necessary skills, the board was unable to prevent the disastrous decisions made by the CEO.

Further, it becomes difficult for directors to challenge a CEO especially if he or she has a track record of performance. Therefore, directors worry that they may derail a performing CEO.

Composition of Board Member: Board members are often selected from a limited pool of individuals, including former CEOs, retired bureaucrats, and other professionals.

They have good relations with the CEOs. Due to which, they find it difficult to challenge the decisions made by the CEOs.

Further, directors often receive significant compensation, and the CEO plays a crucial role in the renewal of their terms. This creates a situation where directors do not find it suitable in challenging the CEOs.

Hence, to address the issue, it is necessary to have at least one or two directors whose selection is independent of the CEO and the promoter.

Changing the experts: Currently, the board members include experts from the small-scale sector and agriculture specialists.

However instead of including these experts, the regulator should focus on three areas of expertise: banking, audit, and risk management.

What can be the way ahead?

The RBI governor highlighted the concerns and shortcomings in the banking system.

He urged boards to value the system of a bank and make it into a healthy corporate sector as it directly impacts the institution's reputation, stability, and long-term viability.





24. Odisha train collision: Solutions that don't take Railways back to business-as-usual

Source- The post is based on the article "Odisha train collision: Solutions that don't take Railways back to business-as-usual" published in the "The Indian Express" on 10th June 2023.

Syllabus: GS3- Infrastructure

Relevance- Issues related to safety of railways

News- Recently, there was death of nearly 300 passengers in a train accident at Balasore in Odisha. It has drawn attention to the safety preparedness of the Indian Railways.

What are issues related to operation and maintenance that impacts the safety of railways? There are issues of highly-congested trunk routes. This generates pressure, both on operations and maintenance.

Excess time for maintenance means slow operations. Focussing on train operations without sufficient time for maintenance means a more failure-prone system.

A system of **providing traffic blocks** in the passenger timetable already exists. Time is allocated for maintenance along a route, where no trains are scheduled. Earlier, there was discretion in **the utilisation** of this block period.

The reason for providing discretion was to give operations sufficient room to deal with train delays or to push unscheduled freight trains.

Today, it is still not a complete solution even though blocks are granted as required by the maintenance departments.

There is a lack of mutually agreed annual plan between the maintenance departments and the operations department for coordinated use of the traffic block.

The second issue is directly connected to the recent mishap. There was tampering with the signalling equipment.

It has been suggested that the immense pressure on the field staff at highly congested routes leads to the adoption of shortcuts.

The current practice of a **disconnection memo** to the station master from the signal maintainer followed by a connection memo is not strictly followed.

The staff is under severe strain to minimise failures and ensure that trains are not detained due to a failure.

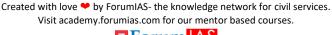
The two-agency authorization for opening the relay room, where all the sensitive equipment resides, is violated. Other equipment like junction boxes and point machines are protected with seals but again these can be broken.

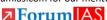
What is the way forward to resolve these issues?

There are a couple of measures that could address the **systemic constraints.**

The basic idea is improvement at systemic level and move away from a reliance on the ingenuity of the individual.

It is possible to make an annual plan of maintenance and map it on the block corridors so that all infrastructure assets are maintained.





There is a need to internalise the paper memo process and the physical locks and seals as part of the electronic system. It needs to develop the **necessary software** and implement it in the field.

25. The necessity of electricity distribution companies

Source- The post is based on the article "The necessity of electricity distribution companies" published in "The Hindu" on 10th June 2023.

Syllabus: GS3- Energy

Relevance- Issues related to electricity sector

News- The article explains the issue of reforms in the electricity sector.

What are the reforms introduced by the Electricity Act 2003?

It provided the framework for the **dismantling of the State Electricity Boards**. It provided for separation of generation, transmission and distribution into separate companies.

Electricity generation was delicensed, while transmission and distribution remained licenced and regulated activities.

Under the new regime, a **competitive industry in generation** has evolved. The share of private investment in the creation of **new generating capacity** has increased rapidly.

Competitive procurement through long-term power purchase agreements has grown. The prices discovered through the market are lower than anticipated under the earlier arrangement for determining tariffs.

The impressive growth in renewable power is the result of private investment. Further, India now has one of the cheapest rates for solar power supply in the world.

What is practice followed in the United Kingdom?

In the U.K, a mandatory power pool had been created. Here, all generators submitted bids for the next day, indicating the quantity they could supply along with the price. The demand and supply the pool price for electricity.

There is **full retail competition**. Consumers could choose from among several suppliers.

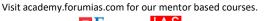
Why are these reform ideas unsuitable for India?

Power is supplied from individual power plants through long-term contracts at prices determined for each. As the plant depreciates, the fixed cost component in the tariff declines. So, the older the plant, the cheaper its electricity.

If India adopts the free market model, all electricity would be sold at the price of the electricity from the **most expensive plant** at which demand would be fully met.

What are issues related to open access and cross-subsidisation in the electricity sector? The Electricity Act gives consumers with a load of 1 MW and above the right to open access. It enables them to buy electricity from anywhere and pay the Discom only for the use of their distribution network and a cross-subsidy surcharge.

The Electricity Act calls for progressively reducing cross-subsidies. However, it has remained unimplemented. **Cross-subsidy surcharges** are continuing and acting as a barrier.





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Not many large consumers are meeting their electricity needs even now using open access.

Why is the idea of dispensing with the Discoms not an optimal solution to issues faced by the electricity sector?

Discoms are seen as the **weak link in the supply chain** of electricity. There are issues related to **rising cumulative losses** and an inability to pay generators on time.

The problems with Discoms lie in the **domain of political economy**. There is the inability of regulators in the States to determine **cost reflective tariffs**. State governments find it difficult to give timely subsidies as required by law.

There is the political economy issue of misgovernance and rent seeking in some States.

The Discom has the **universal service obligation** of supplying electricity to meet the full demand of every consumer in its licence area. It does this by entering **long-term power purchase contracts.**

Power-generating capacities have risen rapidly. Investment in **generating capacity** has been taking place primarily on the strength of **long-term PPAs with Discoms**.

The energy transition to renewables is accelerating and the reliability of power supply is increasing.

Without Discoms this edifice would collapse. Without new investment, India may face power shortages again.

26. How FAME changes impact EV fortunes

Source: The post is based on the article "How FAME changes impact EV fortunes" published in the Business Standard on 10th June 2023

Syllabus: GS3 – Changes in industrial policy and their effects on industrial growth.

Relevance: About the recent changes to FAME II Scheme.

News: Recently, the government decided to slash demand incentives by 33-63 percent from June, for the second edition of the FAME Scheme.

What is the FAME scheme?

Read here: Faster Adoption and Manufacturing of Hybrid and EV (FAME) Scheme

What is the FAME II Scheme?

Read more: Cabinet approves Scheme for FAME India Phase II

What are the key changes brought in the FAME II Scheme?

a) The cap on subsidy was lowered to 15% of the ex-showroom price from the earlier 40%, **b)** The subsidy benefit available per Kwh of battery capacity was also cut by Rs. 10,000 per Kwh from Rs. 15,000 per Kwh.

The changes will increase the e-Vehicle prices. Further, the EV adoption pace will slow down over the near term, and e2W penetration for FY25 lowered to 10-12% from an earlier estimate of 13-15%. The Sales of registered e2Ws may total only around 1.2 million in FY24, half of the 2.3 million target.

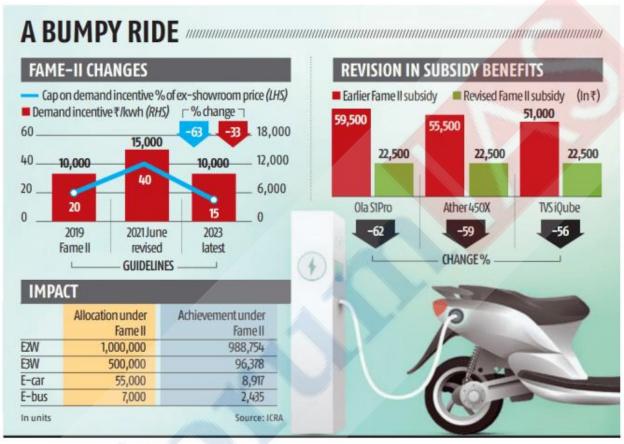




What is the significance of the FAME Scheme?

The proper functioning of the FAME Scheme was paramount for India's plans to have 80% of new sales coming from e2Ws by 2030. Likewise, it is essential to achieve a third of passenger car sales powered by batteries.

What are the challenges faced in the implementation of the FAME Scheme?



Source: Business Standard

Lesser support from the government: The government had sponsored only 41% of the target of more than 1.5 million EVs since the launch of the scheme in April 2019. The scenario for passenger vehicles is much lower. The shortfall in incentives to cars and three-wheelers is over 85%.

The other challenges include a) Inadequate Charging infrastructure, b) Financial institutions were hesitant to finance battery-operated vehicles, c) Last year, the FAME Scheme faced subsidy misuse from some of the e2W manufacturers.

What should be done to improve the adoption of eVehicles?

A new report by FICCI-Yes Bank report emphasises the importance of demand incentives and credit pathways to ensure eVehicle penetration. So, the government should revisit its recent changes.

