

9 PM Compilation

May, 2023

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General

Studies

Paper -1

General Studies - 1

1. JCBs Not The Answer – on destruction of unauthorised colonies

Source: This post is created based on the article **"JCBs Not The Answer"**, published in Times of India on 3rd May 2023.

Syllabus Topic: GS Paper 1 – Urbanisation and associated issues

News: Recently, unauthorised houses were demolished around Tughlaqabad forte area. This demolition depicts the failure of urban governance in Indian cities.

Corruption of urban governance enable residents to obtain government identification and voting rights but not legal property titles.

However, this is not the issue of Delhi alone, urban centers, including Mumbai and Bengaluru are also facing the same issue.

What are the issues in urban governance of Delhi and other cities?

Although India's first urban master plan was designed for Delhi in 1962, it has failed to check the unauthorised proliferation of the "silent sprawl".

Master plans of Delhi, and other big cities were Unrealistic. Today, the Delhi Development Authority estimates that at least 5 million live in unauthorised colonies spread over 175 sq. km.

Despite drives to regularise the unauthorised colonies in cities, they face regular threat of clearance drives by municipal authorities.

Inhabitants of these colonies are integral to the city's economic and social life. Relocating them miles from their workplace is cruel when Indian cities have a poor public transport system.

2. The history and economics of India's population growth

Source: The post is based on the article "The history and economics of India's population growth" published in Indian Express on 3rd May 2023.

Syllabus: GS 1 – population and associated issues.

Relevance: About population growth helps economic development.

News: Despite India overtaking China in population, it still belongs to the lower-middle income category (per capita income is around \$2,200) This is just one-sixth of China's and even lower than Bangladesh's.

How has India's population grown over the ages?

Table 1: India's population over the ages

Period	Population estimate	Remarks	
9,500 years ago	2,00,000		
7,500 years ago	5,00,000		
4,000 years ago	4 to 6 million	Indus Valley Civilisation	
320 to 220 BCE	15 to 30 million	Mauryan Empire	
640	58 million	Around Hsuan Tsang's visit	
1595	125 million	Akbar's reign	
1871	255 million Census da		
1947	343 million	At the time of Independence	
2023 1426 million		India becomes most populous	

Source: A Population History of India by Tim Dyson (OUP, 2018)

Source: Indian Express

- -Around 4,000 years ago, most of the population (estimates vary between 4 to 6 million) was living in and around the Indus basin. "This was perhaps the largest concentration of human beings anywhere in the world at the time,"
- -By the time the Mauryan empire flourished, most of the population had shifted to the Ganges basin. "From this time forth the Ganges basin would always contain one of the world's largest concentrations of people."
- -The next data estimate has been arrived at by using Hsuan Tsang's observations.
- -The next milestone uses data from Ain-i-Akbari in 1595.
- -Since 1871 data has become more and more precise, due to formal census and UN projections.

Does population growth help economic development or hinder it?

The starting point of this debate is Thomas Malthus' argument in 1798 that population growth would depress living standards in the long run. Malthus suggested that the way to avoid this was to exercise "moral restraint.

During the 1950s and 60s, "the general view of economists was that high birth rates and rapid population growth in poor countries would divert scarce capital away from savings and investment, thereby placing a drag on economic development.

Between the 1970s and 1990s, economists "failed to detect a robust relationship between national population growth rates and per capita income growth".

In the 1990's the world was also introduced to the concept of "demographic dividend."

Note: Demographic dividend refers to a period in an economy's trajectory when there is a bulge in the working-age population (roughly speaking, the population between 15 and 65 years). This opens up a window of opportunity during which such a country can potentially raise its level of savings and investment.

How is population growth associated with economic growth?

Table 1 Growth rates of world population, GDP and GDP per capita, 1870- 2014							
	1870-1913	1913-1950	1950-1973	1973-2008	2008-2014		
Population	0.79	0.93	1.91	1.53	1.19		
GDP	2.10	1.81	4.78	3.31	1.95		
GDP per capita	1.30	0.88	2.87	1.78	0.75		

Growth rates of world population over the years

Source: Indian Express

The population researchers Fox and Dyson found that the period between 1950 and 1973 saw the fastest growth of population as well as GDP and GDP per capita. They also found few significant developments, a) Accelerated population growth in the post-war years was stimulated largely by the diffusion of medical knowledge, technologies, and public health initiatives, b) Between 1950 and 1973 poorer countries benefitted from a positive investment environment and burgeoning employment opportunities, c) After 1973, the decline in mortality was not due to rapid economic growth.

What will be the impact of population growth and economic development findings on India? Not every country has managed to escape what is often called the "middle-income trap". For instance, South Korea and Israel did, but Argentina and South Africa failed the transition.

India is a lower-middle-income country. India is already the most populous country and still expected to see a rise in total population for the next 40 years despite being below the replacement rate of fertility. We should best use India's demographic dividend.

3. What is behind Manipur's widespread unrest?

Source: The post is based on the following articles

"Imphal On Boil - Normalisation in Northeast is key to solving inter-ethnic tensions. India must also talk to Myanmar" published in The Times of India on 5th May 2023.

"What is behind Manipur's widespread unrest?" published in The Hindu on 5th May 2023.

Syllabus: GS 1 – communalism, regionalism & secularism.

Relevance: About ST status for Meiteis.

News: The All Tribal Student Union Manipur (ATSUM) organised a "Tribal Solidarity March'. The march was called to protest the Meitei demand for Scheduled Tribe status. The march was organised by tribals including Nagas, Zomis, and Kukis who comprise around 40% of the state's population.

About Manipur's ethnic composition

Manipur Valley comprises about 10% of Manipur's landmass. This valley is dominated by the non-tribal Meitei who account for more than 64% of the population of the State.

The Manipur hills comprising 90% of the geographical area are inhabited by more than 35% of recognised tribes.

While a majority of the Meiteis are Hindus followed by Muslims. There are 33 recognised tribes, broadly classified into 'Any Naga tribes' and 'Any Kuki tribes' who are largely Christians.

Note: The Meitei community have 2/3rd of the assembly seats.

Must Read: Who are Meiteis

What is the reason behind the inclusion of Meriteis as STs?

The Meiteis cite their own historic indigenous tribe status to bolster their ST claim. The Meiteis were recognised as a tribe before the merger of the State with the Union of India in 1949. They argued that the ST status is needed to "preserve" the community and "save the ancestral land, tradition, culture, and language" of the Meiteis.

A representation submitted by the Scheduled Tribe Demand Committee of Manipur (STDCM) in 2012 demanded ST status for Meiteis in 2012. The STDCM also said the Meiteis needed constitutional safeguards against outsiders, stating that the community has been kept away from the hills while the tribal people can buy land in the "shrinking" Imphal Valley.

In response, the Union Tribal Affairs Ministry sent a letter to the Manipur government in 2013 seeking specific recommendations along with the latest socio-economic survey and ethnographic report.

The Manipur High Court directed the State government to submit a 10-year-old recommendation to the Union Tribal Affairs Ministry for the inclusion of the Meitei community in the ST list. But tribals in the state fear this will erode their access to reservation benefits.

Why are tribal groups against ST status for Meiteis?

This is because a) The Meiteis have a demographic and political advantage besides being more advanced than them, b) The ST status to the Meiteis would lead to loss of job opportunities and allow them to acquire land in the hills and push the tribals out, c) The language of the Meitei people is included in the Eighth Schedule of the Constitution and many of them have access to benefits associated with the SC, OBC or EWS status.

4. Delhi demolitions: Under the cloak of law

Source—The post is based on the article "Delhi demolitions: Under the cloak of law" published in "The Indian Express" on 6th May 2023.

Syllabus: GS1- Urbanisation

Relevance- Issues related to urban planning

News– The periodic drama of demolitions of illegal construction has become the unfortunate event of Delhi's development.

What are issues with demolition drives in Delhi?

The need to demolish is portrayed as a **law and order issue**, not the **failure of urban planning**. The judiciary has **emerged as the arbiter** in the field because the demolition is presented as the **illegal use of land** defined by the **Master Plan of Delhi**.

This hides the **inadequacies of MPD**. It is unable to meet the **needs of all the residents**. These **inadequacies of MPD** need to be analysed by the creators of MPD, and not the judiciary.

All over the world, urban planners have shown **pragmatic creativity** to resolve problems related to the management of their cities. They have not used the **police powers of the state.** This is not the case with Delhi.

For example, the development of slums, mushrooming commercial, retail and industrial activities, are all evidence of a robustly **developing political economy.**

Urban planners of Delhi have not mediated this process by modifying the MPD in subsequent revisions. They have treated it as an **urban malaise** that needs to be eradicated.

As a result, the city today is not so much the product of the **original vision of MPD.** It is the product of the **contest between the haves and the have-nots.**

Those facing the police have naturally **appealed to politicians** for relief. They have used corrupt means to **"regularise" their initiatives** to survive under hostile circumstances.

As per some analysts, the process has been so pervasive that **70% of the city** has been regularised. It cast doubts on the efficacy of **demolition as an urban planning strategy.** Demolitions have only shifted the focus from the **original source of the problem, th**at is flawed MPD.

What are issues with urban planning in India?

The spatial norms, development controls, and even the basic planning ideology that are the basis of the Master Plan of Indian cities are modelled on urban development strategies of Europe and the US. They have different social, economic and cultural circumstances.

These were adopted after Independence by the **governing elite** because they **matched with their aspirations** for creating modern Indian cities.

This model has proved inadequate to handle the **complex problems of Indian urbanisation**. It is unable to deal with the **nature of indigenous urbanism** that fulfils the **expectations of new migrants**:

What is the way forward for urban planning in India?

The mindset of urban planners, civic authorities and the police must change. They must understand that they are dealing with an **ethical**, **not legal issue**.

The success of urban planning should not be contingent on the outcome of the **contest between** the haves and the have-nots.

Aborting the attempts of the have-nots to fulfil their basic needs is not the efficacious strategy to ensure the success of urban planning. The have-nots have a **legitimate status and rights to the city.**

5. Lots Of People? Good. Tiny Plots? Bad

Source: The post is based on the article "Lots Of People? Good. Tiny Plots? Bad" published in

The Times of India on 11th May 2023.

Syllabus: GS 1 - Population & Associated Issues

Relevance: benefits of rising population

News: According to the **United Nations (UN) population estimates**, this year, the population of India surpassed or will surpass that of China. The article explains how the Indian economy would benefit from the increase in population.

How will a rise in the younger population benefit the Indian economy?

First, given the technology and volume of capital available, a younger population results in a larger workforce and hence a higher GDP.

Second, a younger population saves more than old and this higher savings translates into higher investment. The higher investment further adds to the GDP.

Third, a younger population brings greater energy and vibrancy to a nation, leading to more innovation and its greater exploitation.

What are the concerns with the rising younger population?

The concern with the rising younger population is that it **leads to greater unemployment.** However, the unemployment rate depends more on policies, rather than the age composition of the population.

Moreover, the unemployment rate in India has been low in the 3-5% range and the major concern with India is underemployment rather than unemployment.

Although India has witnessed a decline in the ratio of underemployment post 1991 policy reforms, still more policy measures are required to accelerate this decline.

What are other benefits of a larger population?

A larger population benefits the economy in terms of public goods. For example, India's digital infrastructure.

On the cost side, with no additional cost for adding another user, the platform's per-user cost decreases as the number of users increases.

On the benefits side, as more users come on board, the value of the platform to the existing users rises since they can now transact with a larger number of users.

The larger number of users also generates a larger volume of data increasing their utility to potential data users.

This same argument also applies to other forms of infrastructure.

For instance, once a road is constructed, adding additional users does not reduce its accessibility to other users until traffic congestion occurs. Existing roads become more useful as the road network grows.

What are the disadvantages of a larger population?

A major disadvantage of a larger population is the **fixed quantity of agricultural land.** There has been a consistent decline in the size of agricultural land holdings, e.g., 48% of land holdings, by 2015, had fallen below half hectare in size.

Since agriculture involves a larger number of populations, the small agricultural land becomes uneconomical for the growing population. Hence, it is argued that a larger population is a bane for the economy.

What can be the solution to underemployment in agriculture?

The solution to the underemployment in agriculture is not the small population but **faster** migration of the workforce out of agriculture into industry and services.

The migration out of agriculture has been a at a slow pace. This needs to be addressed by the government to reap the benefits of the larger younger population.

6. El Niño amid heating oceans: We're now in uncharted waters

Source—The post is based on the article "El Niño amid heating oceans: We're now in uncharted waters" published in the "mint" on 11th May 2023.

Syllabus: GS1- Geography. GS3- Environment

News- The latest spike in ocean temperature matters is a cause of concern.

What are the impacts of rising ocean temperatures?

Huge energy stored—The changes in sea-surface temperatures matters a lot when expressed as energy added to the system that includes our ocean and atmospheres. It is the equivalent of hundreds of millions of atomic bombs.

It's energy that gets trapped in the system by an **increasing concentration of greenhouse gases**. That energy can manifest as **heat waves or storms**.

El-Nino and La-Nina cycles— La Niña has prevailed during the last three years. During this phase, trade winds push **warm equatorial water** westward from the US across the Pacific, where it piles up by Indonesia.

Every two to seven years, it switches to the **El Niño pattern**. Warmer water can shift back toward the Americas.

El Niño events can be **gentle or fierc**e. It depends on whether **strong westerly winds** helps warm water to **shift across the Pacific**.

El Niño is born in the **Eastern Pacific**. But, the **change in patterns** redistributes heat around the planet. It disturbs the entire **global atmospheric circulation**.

The cycle of El Niño and La Niña has probably been going on for millions of years, since our continents and oceans reached their current configuration.

Now, with **rapid overall warming**, the Pacific cycle might become **even stronger**. It is already creating more **extreme conditions**.

Impact on ocean circulations—There's more capacity for heat deep in the ocean. But, the water heats up at the surface first. Since cold water is heavier, it can create regions of stillness, where normal circulation stops and oxygen depleted oceans grow.

Scientists are observing **alarming dead zones** in the Gulf of Mexico, which are made worse by **nitrate runoff** from farms. It affects the phytoplankton, the zooplankton, the fish, the marine mammals and seabirds.

Warming oceans also lead to **marine heat waves**. It can **destroy kelp forests and grasses** that provided a home for fish and marine mammals.

7. Marriage for all, even if for a few

Source—The post is based on the article "Marriage for all, even if for a few" published in "The Hindu" on 12th May 2023.

Syllabus: GS1- Social issues. GS2- Polity

Relevance - Marriage rights for vulnerable communities

News - The Supreme Court began hearing the case for marriage equality within the ambit of the Special Marriage Act.

What are some facts about the parliamentary debate on the Special Marriage Act?

Member of Parliament, Vijaya Lakshmi Pandit, was one of the **Bill's proponents.** She predicted that the law will not be supported by many but that the next generation would demand the **right to choose their partners**. The proposed law could improve the lives of women.

There was a perception among some Parliamentarians that allowing citizens to marry anyone of their choice could potentially lead to a **collapse of society and civilisation**. The Bill's divorce provisions had raised fears of a **proliferation of sexual desires**.

Securing more rights for a large number of identities and desires can impose the 'lifestyle' of a few onto a majority that is not represented in these struggles.

Dr. Rajendra Prasad had bitterly opposed the Hindu Code Bill. As per him, the measure was **forcing something on a vast majority**, because a small, microscopic minority considered it a right.

What are issues with marriage equality for vulnerable sections of the population?

Indian polity and society still struggle with the idea of **marriage reform and individual choice**. Local and national politics have witnessed campaigns against **inter-caste and inter-community couples**.

Societal morality is given preference over rights afforded under the Act.

Vigilante groups have been empowered to prevent unions using **extra-judicial methods**. Queer couples may also face similar problems in future. Marriage is considered a **social institution** that upholds **hierarchies based on gender, caste and community.**

What is the way forward for marriage equality for vulnerable sections of the population? Legal sanction may offer at least some relief. Social transformations are not easy. But, laws are unlikely to disrupt the lives of 'vast majorities.

Some citizens may not be prepared for marriage equality. But law should have more potential than the public imagination. It should be aimed at improving the lives of the more marginalised.

Affording rights to a sexual minority reaffirms the rights of the citizenry as a whole.

8. The cultural markers of urbanisation

Source: The post is based on the article "The cultural markers of urbanisation" published in the Business Standard on 18th May 2023.

Syllabus: GS – 1: Urbanisation, their problems and their remedies.

Relevance: About the cultural markers of urbanisation.

News: The impact of urbanisation is not only limited to the demographic composition of an area but also has a much more lasting and profound impact on the cultural fabric of that area.

How do cultural markers of urbanisation create a lasting impact on society?

Sociologists used to think that urbanisation was nothing more than a simple population shift from rural to urban areas. But that is not the reality. Individuals from many ethnic backgrounds choose to migrate and dwell in cities, creating cultural concentrations

Over time, people can become "urbanised" and exposed to various cultures if they live in urban regions for a long time. They absorb these concepts and take them back to their smaller towns or villages, thereby influencing their immediate environments. For instance, large retail convenience stores in smaller towns are a clear marker of urbanisation.

These transformations are not as transitory. Instead, they are permanent. So, urbanisation, like globalisation, is aiding the transformation of the culture of a city.

Must read: A reminder of the flaws in India's urbanisation policies

Why India needs to pay attention to the cultural markers of urbanisation?

Increasing urban population: For the first time ever, in 2008, more people lived in cities than rural areas. About two-thirds of the world's population is predicted to reside in urban regions by 2050 and more than half of the world's population already living there.

GDP powerhouse: Further, metropolitan areas are thought to account for 70% of the global GDP. Cities serve as centres for trade, culture, research, productivity, and growth of society, the human race, and the economy. So, India needs to pay special attention to the cultural markers. **Cities might de-link from traditional culture**: Urban development has historically centred on culture. Cities without culture are just concrete and steel structures that are prone to social decay and disintegration and do not exist as vibrant living areas.

Sustainable development issues: But, the government face challenges in cities' sustainable development. The primary challenge includes maintaining the quality of urban life, safeguarding urban identities, valuing local cultures, and promoting cultural expressions, arts, and heritage as pillars of sustainable social and economic development.

Read more: The cow and the city: How Maldharis challenge Gujarat's ideas of urbanisation

What should be done to ensure the sustainable development of cities?

A UNESCO report also highlights the interlinked role of culture in making cities more sustainableand invigorating their distinct identity. The report suggests that in order to ensure infrastructure and services are available to billions of people, decent housing must be provided, green public spaces must be created, and social unrest and epidemics must be prevented.

The current emphasis on urbanisation should include cultural elements in urban policies

to ensure sustainability.

According to UN-Habitat's "New Urban Agenda", the focus is to make cities more sustainably developed, resilient and safe for human settlement and conducive to growth and prosperity. The New Urban Agenda must address these and other significant challenges.

9. Social media genie is out of the bottle, and we are all trapped

Source- The post is based on the article "Vikram Patel writes: Social media genie is out of the bottle, and we are all trapped" published in "The Indian Express" on 23rd May 2023.

Syllabus: GS1- Society. GS3- Role of Media and Social Networking Sites in Internal Security Challenges

Relevance- Impacts of social media

News– The recent violence in Manipur is yet another example of the unravelling of the social fabric of our country.

How has social media contributed to increased polarisation in the world?

Smartphones have allowed a person to **check into the online world** at all times. Social media has drowned the person in a **virtual world** where ideas, lies and hate proliferate and get transmitted.

Our **disagreements** about ideas hardens our attitudes towards the other person or the groups. As the hate is reciprocated, the two sides move further apart. It leads to the **heart of darkness** when words escalate into actual violence.

Social media has **desensitised** us from its effects. Earlier, a common medium to express a critique was to write a letter. The process took time. A person could reflect on what they had written. It often leads to a **moderation of language.**

Besides, one never shared this letter with an unknown community of persons. Social media has not only contributed to the **deterioration of public discourse**.

Social media represents an **existential threat to democracy**. Democracy requires **dialogue** and respect to build **consensus and compromise** on contentious issues.

Social media has amplified the most **unpleasant aspects of human personality**. It is a tendency to be **narcissistic**. They think their opinions are the most important of all. They are **sociopathic**, and don't care less about the feelings of others.

What is the way forward to limit the impacts of social media?

The human brain is wholly unprepared for the **sudden and profound effects** of social media.

The situation is about to get worse with the new age ushered by AI.

The world's richest companies have done little to **control the misuse** of their technologies. Governments are not sure about their response to social media.

There is a need for a citizen-led solution. There is a need to replace social media with social connectedness.

We should opt for a world in which we cherish our interactions with real people, read newspapers with views from all sides of the political spectrum and rebuild the social fabric of our society.

10. Uncertain showers – on weather forecasting capabilities of India

Source: This post is created based on the article "**Uncertain showers**", Business Standard on 1st June 2023.

Syllabus Topic: GS Paper 1 – changes to the geophysical phenomenon

Context: Despite the near-certainty of an El Niño this year, the IMD maintains its prediction of a 'normal' monsoon.

Why IMD is predicting a normal rainfall?

The IMD's expectation of a normal monsoon despite El Niño is based on the Indian Ocean Dipole (IOD) phenomenon, which involves a temperature swing between the western and eastern Indian Ocean.

The IMD believes the IOD could favour rain development and offset the reduced rains from an El Niño

However, it's important to note that IODs are not as strongly linked to plentiful rains as El Niño is to reduced rains.

Why an accurate prediction of rainfall s necessary?

The distribution of rainfall, both spatially and temporally, will be crucial. Significant deficits during July and August, particularly in central India, could impact agricultural output. More accurate assessments can be derived from the IMD's extended range forecasts that provide a fortnightly prognosis.

Therefore, States and the Centre must redouble efforts to convey accurate, timely information to farmers, using all available information channels, down to the block level.

11. Who should own the world's lithium?

Source—The post is based on the article "Who should own the world's lithium?" published in "The Hindu" on 2nd June 2023.

Syllabus: GS1- Economic geography. GS3- Economy

News- Significant reserves of lithium have been found in Jammu and Kashmir.

What is the status of India's lithium industry?

India's electric-vehicle market was valued at \$383.5 million in 2021. It is expected to expand to \$152.21 billion in 2030.

India imported **450 million units of lithium batteries valued at \$929.26 million in 2019-2020.** The ongoing **global transition to low-carbon economies, the rapid expansion of AI, and 5G networks** will greatly reshape **global and regional geopolitics**. The access to and control over rare minerals will play a crucial role in these changes.

Who should own these minerals?

In July 2013, Supreme Court of India ruled that the owner of the land has rights to everything beneath down to the centre of the earth.

The Supreme Court also recalled that the Union government could **ban private actors** from **mining** sensitive minerals. It is already the case with uranium under the Atomic Energy Act 1962.

Yet, large areas of land, including forests, hills, mountains, and revenue wasteland are **publicly** owned.

How do other countries manage lithium reserves?

In Chile, the government has designated lithium as a **strategic resource**. Its development has been made the **exclusive prerogative of the state**. The state has issued only 2 licenses to produce lithium in the country.

In April 2023, Chile's president announced a **new "National Lithium Strategy**". The new strategy calls for public-private partnerships for future lithium projects.

It will allow the state to regulate the environmental impact of lithium-mining, distribute the revenue from lithium production fairly among local communities, and promote domestic research into lithium-based green technologies.

Bolivia's new constitution gave the state the control and direction over the exploration, exploitation, industrialisation, transport, and commercialisation of natural resources.

It has **nationalised lithium** and adopted a **hard line** against private and foreign participation.

This is believed to be one of the factors for the country's failure to produce any lithium at a **commercial scale**. Bolivia's current president seeks to change that.

The President wants to join hands with other Latin American countries to design a **'lithium policy'** that would benefit all their economies.

Mexico's president has also nationalised lithium in February this year.

In general, the countries in Latin and South America are thinking through ways and means to pursue a multi-pronged strategy.

The actions of these governments are also a response to the **mobilisation of Indigenous Peoples** in the region who want to hold corporations and governments **accountable**.

What is the way forward for India?

The appropriate development of the lithium sector will require a very high level of effectiveness on the part of the Indian state. It is necessary to meet its multiple goals of social wellbeing, environmental safety, and national energy security.

Much of India's mineral wealth is mined from regions with very high levels of poverty, environmental degradation, and lax regulation.

General

Studies

Paper -2

General Studies - 2

1. Focus on the borders - India and China must end the lingering unpredictability across the LAC

Source: The post is based on the article "Focus on the borders - India and China must end the lingering unpredictability across the LAC" published in The Hindu on 1st May 2023.

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

Relevance: About the border tussle between India and China.

News: Indian Defence Minister met his Chinese counterpart on the sidelines of the **Shanghai** Cooperation Organisation Defence Ministers Meeting in New Delhi.

What are the key border discussions held during the meeting?

India's urgency and China's delay: Indian Defence Minister said that the Chinese violation of border agreements had "eroded the entire basis of bilateral relations." and conveyed a sense of urgency to resolve the Line of Actual Control (LAC) crisis.

-The Chinese Defence Minister, on the other hand, called on India to "take a long-term view" and "place the border issue in an appropriate position in bilateral relations".

Issues in disengagement: India conveyed that if normalcy is to be restored in ties, disengagement in the two remaining friction points will need to be followed by de-escalation. This includes the eventual de-induction of the estimated one lakh troops from both sides that have remained deployed in forward areas for close to three years.

Must read: Disengagement agreement at Pangong Tso Lake - Explained

What is the present state of border disengagement?

Over the past three years, buffer zones have been established in some of the five friction areas where the two sides disengaged.

However, in two other areas, Demchok and Depsang, China is slowing down the initial momentum of the Corps Commander meetings. The recently held 18th round meeting also did not yield a joint statement, suggesting stark divergences between India and China on how to move forward.

All this made **a)** De-escalation of the border a far-off prospect, **b)** Large deployments of military personnel in close proximity, and c) Increased the race to build more forward infrastructure in border areas.

What should be done?

India and China cannot restore normalcy in relations with the underlying unpredictability on the borders. So, managing the LAC should certainly remain the priority for both sides to prevent the recurrence of the clashes of 2020.

2. The ad-hoc epidemic – DU lecturer's suicide should occasion introspection on recruitments in universities and colleges. Government must regularise posts, fill vacancies

Source: The post is based on the article "Express View: The ad-hoc epidemic – DU lecturer's suicide should occasion introspection on recruitments in universities and colleges.

Government must regularise posts, fill vacancies" published in the Indian Express on 1st May 2023.

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

Relevance: About the issues with ad-hoc faculty recruitment.

News: A former ad-hoc lecturer at Delhi University College took his life after he did not get tenure after a provisional teaching stint of nearly five years. This again highlights the issues with the recruitment system in the country's higher education institutions.

Why are the issues with the ad-hoc faculty recruitment system in higher education institutions is essential?

Not eligible for various benefits: According to the education ministry figures for last year, the central universities employed more than 4,000 teachers on a temporary basis. They perform the same duties as the permanent faculty. But, the ad-hoc lecturers are not eligible for benefits such as gratuity, pensions, and the full range of medical allowances. Last year, the government also said that it had no plans to regularise the services of these ad-hoc teachers.

Not follow the rulebook: The statute books of most universities underline that if a vacancy is for a period longer than what is stipulated in the rules, interviews for permanent posts must be held. For instance, the DU's rules state that "ad hoc appointment shall only be made for a period of more than one month and up to four months". But most universities have found ways to dodge these provisions and normalise ad-hocism.

Increase in ad-hoc teachers: The number of ad-hoc teachers at DU has grown eight times in the last 10 years — last year, they comprised 40% of the university's teaching force.

The issue with permanent recruitment: Even if the permanent posts are advertised, interviews get delayed because of the centralised procedures. According to data presented by the education ministry in Parliament, more than 6,000 teaching positions are currently vacant across the country's central universities.

Read more: <u>Institutions of Eminence (IOE) scheme and issues with higher education – Explained, pointwise</u>

What should be done?

The National Education Policy 2020 envisions teachers' role in bringing about these far-reaching reforms. But, institutions cannot be built on the back of unfair employment conditions. Hence, the government should introspect the recruitment in universities and colleges and regularise posts, fill vacancies

3. India, its SDG pledge goal, and the strategy to apply

Source—The post is based on the article "India, its SDG pledge goal, and the strategy to apply" published in "The Hindu" on 1st May 2023.

Syllabus: GS1- Poverty and developmental issues. GS2- Governance

Relevance: Women in politics

News- The Prime Minister, Narendra Modi expressed concern that progress on Sustainable Development Goals (SDG) seems to be slowing down.

What are some facts about India's performance on SDG indicators?

India is 'On-Target' to meeting 14 of the 33 SDGs. It includes indicators for neonatal and underfive mortality, full vaccination, improved sanitation, and electricity access. But it does not apply equally across all districts.

Neonatal and under-five mortality are currently both 'On-Target' for the country. But 286 are lagging in case of neonatal mortality and 208 districts in case of **under-five mortality**.

There is significant progress on access to improved sanitation. But 129 districts are not on course to meet this SDG indicator.

Indicators such as eliminating adolescent pregnancy, reducing multidimensional poverty, and women having bank accounts have improved across a vast majority of the districts between the years 2016 and 2021.

For 19 of the 33 SDG indicators, the current pace of improvement is not enough to meet SDG targets.

Despite a national policy push for **clean fuel for cooking**, more than two-thirds of districts remain 'Off-Target'. Some 415 and 278 districts are 'Off-Target' for **improved water and handwashing facilities**, **respectively**.

SDG indicators for **women's well-being and gender inequality** are causes of concern. No district in India has yet succeeded in eliminating the practice of **girl child marriage** before the legal age of 18 years.

At the current pace, more than three-fourths of districts will not be able to reduce the **prevalence** of girl child marriage to the SDG target of 0.5% by 2030.

Despite the overall expansion of mobile phones, only 56% women report owning a mobile phone, with 567 districts remaining 'Off-Target'.

What is the way forward to improve India's performance on SDG indicators?

India adopted an **"optimisation" approach** to the COVID-19 pandemic. It was given the focus and resources necessary to succeed.

First, strong and sustained political leadership was critical to the success of both India's COVID-19 vaccination programme and **efficient rollout** of a **comprehensive relief package**. It was supported by a **responsive administrative structure** at all levels.

A similar **mission-oriented approach** that is **assessment-oriented** and provides adequate support for accomplishing India's district-level SDGs is now urgently needed.

Second, India's success with COVID-19 was largely possible both because of the existing digital infrastructure, and indigenous initiatives like the Co-WIN data platform, the Aarogya Setu application.

India must put in place a **coordinated**, **public data platform for population health management**. It must **consolidate its many siloed platform**s into an integrated digital resource for district administrators, as well as State and national policy makers.

Finally, a **targeted SDG strategy** delivered at scale of India's **COVID-19 relief package** must be executed with the same timeliness. The Government of India provided support through Pradhan Mantri Garib Kalyan Yojana.

This was critical in removing the adverse effects of COVID-19, especially for vulnerable and the socio-economically disadvantaged groups. It also demonstrated the value of a **proactive**, **government-supported programme** aimed at improving people's well-being.

4. The erosion of hard-won labour rights

Source—The post is based on the article "The erosion of hard-won labour rights" published in "The Hindu" on 1st May 2023.

Syllabus: GS 2- Issues associated with human resources -

Relevance-Issues related to labour rights

News- The article explains the issues of dilution of labour rights by some states.

What are some historical facts about labour rights?

On May 1, 1886, **Chicago in the United States** became the major site of a demonstration by labour unions in support of an eight-hour workday.

There was a violent confrontation between labourers and police in a meeting at the **Haymarket** Square in 1886. It became a symbol of the international struggle for workers' rights.

In 1889, the International Socialist Conference declared that, in commemoration of the Haymarket Square affair, May 1 would be an international holiday for labour.

In 1919, the **International Labour Organization** adopted the **Hours of Work Convention**. It limited the number of working hours to eight a day and 48 hours a week. British India ratified the Convention on July 14, 1921.

How has there been curtailment of labour rights in recent times by Indian states?

Several States amended the **Factories Act**, **1948**, using the ordinance route. Recently, the **Tamil Nadu and Karnataka governments** also increased the **number of working hours a day**.

Employers, especially in the garment and electronic industries, have demanded for a flexible work time regime to manage export orders.

Under the pretext of 'ease of doing business', regional governments offer many subsidies and exemptions to attract global and domestic capital. Apart from quantitative subsidies, these global companies press for qualitative subsidies.

Employers prefer no unions or weak unions where cheap and skilled workers are available. This leads to a race to the bottom. One State after another amended labour laws despite the fact that these companies do not help significantly reduce unemployment rates.

The typical demand is to increase the number of hours of work a day while adhering to the eighthour-day rule. For instance, Karnataka has increased the number of working hours a day, to 12 while complying with the weekly threshold of 48 hours.

There is movement from the three shifts regime to the two shifts regime. The worker spends about nine hours in the factory.

What are demands by corporations regarding amendment in labour rights?

Employers, especially in the garment and electronic industries, have demanded for a flexible work time regime to manage export orders.

In India, mainstream economists are in favour of increasing exports, even at the cost of labour rights and human rights. They recommend emulating countries like Bangladesh and Vietnam. In 2022, according to the Global Right Index by the International Trade Union Confederation (ITUC), Bangladesh ranked among the 10 worst countries where labour rights are not guaranteed. The companies believe they can enhance production by maximising the workers' time at the factory. This would help them cut travelling allowance and transaction costs.

What are the consequences of amendment in labour laws?

Workers are likely to be away from home for at least 14 hours since some of them spend two hours travelling to work. Eventually there is bound to be **diminishing marginal productivity** and employers may not benefit.

By extending the hours of work and **ensuring job insecurity**, India is going back to the 19th century in the name of **ease of doing business**. Due to lack of **political unity as well as trade union cooperation**, States are able to change labour laws without much opposition.

5. Exporting into a world with carbon tax

Source—The post is based on the article "Exporting into a world with carbon tax" published in the "Business Standard" on 1st May 2023.

Syllabus: GS2- Environment – Climate Change

Relevance– Issues related to climate change and carbon emissions

News- There is concern in India as the tangible implementation of the European "Carbon Border Adjustment Mechanism" (CBAM) kicks in on October 1 this year.

What is the logic behind "Carbon Border Adjustment Mechanism" by Europe?

In Europe, dramatic moves have been made by governments for **decarbonization.** In Germany, per capita, annual carbon dioxide emission has come down from the peak of 14.3 tonnes in 1979 to 8.1 tonnes in 2021.

Decarbonisation in the European Union (EU) produces a **global public good**. It comes at the **expense of European industry.** EU voters are conscious that they are paying more for goods in return for reduced emissions.

If **carbon intensive production** merely shifted out of the EU, the **global public good** of decarbonisation would not be delivered. Jobs in Europe would be lost. This has led to the idea of the **"carbon border tax":**

Imports into the EU should be taxed at the border. It will reflect the **market price of carbon** within the EU, and **achieve neutrality** in the decision of a firm to locate in the EU or outside it.

How India should respond to European "Carbon Border Adjustment Mechanism"?

The two industries that matter today for Indian exporters are **steel and aluminium**. Firms that take steel and aluminium into the EU are required to establish **measurement systems** about **carbon intensity**, and deliver statements on it.

Some in India argue for the use of India's **diplomatic influence** to get the EU to roll back its CBAM. This is likely to be an **inferior strategy.** The EU is only the first to introduce a **carbon tax**. Many other countries will surely follow.

Policymakers need to recognise this emerging landscape and better embed the Indian economy within it.

The CBAM describes the **information systems** required to track **upstream emission**. India needs to work on building these **information systems**.

What are steps taken in India for decarbonisation?

Policymakers and firms in India have known about these moves from the proposal stage in 2021.

The Ministry of Steel has run a "Green Steel" initiative. Electricity policy has given flexibility to buyers for exclusive renewable electricity-purchase mechanisms.

Indian firms in numerous industries have moved towards **sourcing renewable electricity**. These steps have helped prepare the ground for this day.

The electricity policy has created freedom for buyers to get renewable electricity at will. The **Union government's Interstate Transmission System (ISTS)** helps greatly. The system removes the barriers faced by private buyers and renewable-energy generators.

What is the way forward for green energy in India?

Electricity is a **state subject**, and local conditions diverge across the country. Subsidies for farmers are an issue in Haryana but not in Delhi. The **technical possibilities** vary by locale: Hydel in the Himalayas, solar in Rajasthan.

Carbon taxation in the world is one more important factor that varies in various states. For Gujarat, Maharashtra, Karnataka, and Tamil Nadu, exporting is important. These states require a greater focus on **carbon border taxes**.

These states need to become **pioneers in India's electricity sector** for full support to the requirements for renewable electricity of their export sector at efficient prices.

What are different strategies for decarbonisation in India?

A path based on **central planning**. Officials design the **electricity system**, and also establish **technical rules** such as the minimum efficiency of air conditioners.

There is another path based on carbon taxation. The carbon tax harnesses **private self-interest**, and is the path to lowest-cost decarbonisation in India.

6. <u>Ukraine crisis highlights India's need to reduce dependence on military imports</u>

Source- The post is based on the article "Ukraine crisis highlights India's need to reduce dependence on military imports" published in "The Indian Express" on 1st May 2023.

Syllabus: GS2- International relations

Relevance- Global geopolitics and its impact on India

News- The article explains the dilemma posed by Ukraine war for India foreign policy makers.

What is the Russian stand regarding the Ukraine war?

As per Putin, the Ukrainian nation does not exist, and it is an **inalienable part** of Russia's history, culture and spiritual space." Such claims are made by **hegemonic states** to hide their intentions for **dominance.**

Putin has accused the US and Europe of **bad faith**. Gorbachev was given assurance that NATO would advance "not an inch eastward". This undertaking was allegedly violated when NATO included 10 former Warsaw Pact members.

How has conflict posed a dilemma for New Delhi?

It remains engaged with Russia and China in the BRICS and Shanghai Cooperation Organisation (SCO), while also partnering with the US in the Quad and Malabar groupings. India simultaneously holds presidencies of the G20 and SCO. India will need a "tightrope walk" while maintaining "strategic autonomy".

The increasing closeness of Moscow with Beijing gives Beijing great leverage. It impacts Russia's capacity to pursue independent relations with other states, especially India.

There is a rapid decline in **Russia's capability as a defence supplier.** It should be a cause of worry for India.

The Quad and Malabar groupings show the **convergence of US and Indian strategic interests.** But their overall impact has been underwhelming. China sees this grouping as a **potential impediment to its hegemonic grand plan.** The Quad members except the US have also shown **nervousness in their responses to China**. Quad meetings have empahasised that the grouping has **no security implications** and is not an "Asian NATO".

What are prospects of Indo-US cooperation in assisting India in improving the security scenario of India?

In September 2021, Australia, the UK and US announced the formation of a **trilateral security pact, AUKUS**. Under it, the US and Britain will share many **advanced technologies** with Australia and would also assist it in acquiring a **nuclear attack submarine force**.

AUKUS shows that there is complete absence of any similar offer of training, military technology or hardware, by the US to India. This is despite the **strategic partnership and Indo-US civil nuclear deal and a host of defence-related agreements.**

An Initiative on **Critical and Emerging Technologies (iCET)** was announced in May 2022 by Joe Biden. It remains to be seen if iCET results in significant **sales or transfer of technology** to India or ends up like other Indo-US agreements.

What are the options for India to increase independence in defence supplies?

Weak performance of India's **military-industrial complex** has made it **import-dependent** for weaponry.

While "atmanir bharta" is a good. But technology has **long gestation periods.** India should draw useful lessons from China.

China has employed reverse engineering, coercion, and even blatant theft to acquire military technology from the USSR and the West.

7. The importance of constitutional punctuality

Source- The post is based on the article "The importance of constitutional punctuality" published in "The Hindu" on 1st May 2023.

Syllabus: GS2- Issues related to federalism

Relevance– Office of governor

News– Recently, the Tamil Nadu Legislative Assembly passed a resolution seeking to provide for a time frame for Governors to act on Bills passed by the State Legislature.

Why does the governor withholding the bill passed by assembly is against the spirit of the constitution?

When the Constitution was adopted, some of the **sovereign functions** were retained for the sake of continuity in governance. There was no time limit fixed for various authorities to **discharge duties**. Drafters of the Constitution assumed that nominated governors will discharge sovereign duties beyond the confines of **political partisanship**.

Article 200 of the Constitution limits the options before the Governor to give assent to the Bill sent by the legislature, or withhold assent, or reserve a Bill for the consideration of the President. Governors have wrongly understood this function as some discretionary responsibility.

However, a composite reading of the debates in the Constituent Assembly provides a different interpretation.

The original draft Article 175 moved for discussion provided **discretion to the Governor** to return the Bill.

While moving the amendment to this Article, B.R. Ambedkar said that there can be no room for a **Governor acting on discretion**" and recommended **removing the discretion**.

A simple reading of the Article is sufficient to show that the meaning of the phrase "withholds assent therefrom" has been misinterpreted to mean holding back the Bill.

What are practices followed in other countries regarding the veto of the bill?

In the United Kingdom, there has been **no royal veto** since 1708. In the United States, there is a **time limit of 10 days** for the President to give assent or veto a bill. If the President does not sign or vetoes the Bill within this time, it **automatically becomes an Act.**

What are the views of higher courts on authorities discharging their functions without any regard for a time limit?

The Supreme Court in **Shamsher Singh & Anr vs State Of Punjab** (1974), held that the **discretion of the Governor** is **extremely limited**. Even in rare cases, the governor shall act in a manner that is not detrimental to the interest of the state.

The Supreme Court has repeatedly held that the Governor shall only act on the aid and advice of the Council of Ministers.

The Supreme Court, in *Keisham Meghachandra Singh vs The Hon'ble Speaker Manipur* (2020), asked the Speaker of the Meghalaya Legislative Assembly to decide on the disqualification petitions under the 10th Schedule of the Constitution within a period of four weeks.

In the case filed by the State of Telangana against the Governor, the Supreme Court acknowledged that the words in Article 200, "as soon as possible after the presentation of the Bill", are important. Governors should necessarily bear this in mind.

8. India's hunger paradox: Self-sufficiency in production does not necessarily mean food security

Source- The post is based on the article "India's hunger paradox: Self-sufficiency in production does not necessarily mean food security" published in "The Indian Express" on 2nd May 2023.

Syllabus: GS2- Poverty and hunger

Relevance - Assessment of malnutrition and hunger

News- As per fifth National Family Health Survey (NFHS-5) data, 18% of children between ages 6-23 months, did not eat any food whatsoever in the 24 hours preceding the survey.

What are other statistics provided by NFHS5 related to food intake by children?

The **zero-food prevalence** was 30 % for infants aged 6-11 months, remains worryingly high at 13% among the 12-17 months old, and persists even among 18-23 months-old children at 8%. More than 80% had not consumed any **protein-rich foods** for an entire day.

Close to 40% did not eat any grains for an entire day, and six out of 10 children do not consume milk or dairy of any form every day.

What are the dietary requirements of children?

According to the **World Health Organisation**, at six months of age, **33% of the daily calorie intake** is expected to come from food. This proportion **increases to 61% at 12 months of age.**

The recommended calorie percentages mentioned here are the **minimum amount** that should come from food. It is presumed that the child obtains the remaining calories through **breastfeeding**. Consequently, the percentage of food-sourced calories only increases further when a child cannot receive breast milk when needed.

What are issues with NFHS surveys to assess the nutritional deprivation among the Indian population?

The assessment of the **extent of nutritional deprivation** among young children in India has relied on measures such as **stunting**, **wasting**, **compared to a reference population**.

These measures suggest **overall deficiencies in the child's environment**, without any guidance on the **specific nature of the deficiencies**.

Due to several factors that cause **stunting or wasting** among children, it is challenging for any single ministry, or department of the Government to take responsibility for designing, implementing and monitoring policies to reduce undernutrition among children.

The well-documented **intergenerational linkages** between child stunting and parental height, makes it a **problematic policy metri**c for **evaluating the effectiveness** of current programmes and interventions.

How can NFHS survey be improved to assess nutrition related metrics?

There is a need to **improve the NFHS surveys**. The **24-hour recall questions** on consumption of various food items are currently asked only of the most recently born children under the age of two. It should be systematically extended to children under five years.

Questions for adults should also be based on a **24-hour recall** following similar food items as the children's questions.

To better understand food security for all populations in India, assessments using **household-level** food insecurity modules developed by the Food and Agriculture Organisation can be adapted.

What is the way forward to tackle the issues of hunger and malnutrition in India?

The rising burden of cardiovascular and other non-communicable diseases in India is strongly linked to diet and nutrition. A national effort to establish routine dietary and nutritional assessments for the entire population is the need of the hour.

Measuring the **availability**, **accessibility** and **affordability** of nutritious food constitutes the foundation for any **evidence-based policy** to end hunger and improve **nutritional security** among Indians.

India must achieve the Sustainable Development Goal (SDG) 2 of "zero hunger", by 2030. The Mission Poshan 2.0 programme is dedicated to it. However, to effectively monitor and assess the performance of Poshan 2.0, there is an immediate need to develop appropriate food-based metrics.

India should consider a **strategic initiative** led by the Prime Minister's Office aimed at eliminating food insecurity in India. It should ensure **affordable access** to sufficient quantity and quality of **nutritionally diverse food**, with a special and **immediate focus on India's youngest children**.

9. India@75, Looking at 100: Going forward the India way

Source: The post is based on the article "India@75, Looking at 100: Going forward the India way" published in The Indian Express on 3rd May 2023.

Syllabus: GS 2 - International Institutions

News: The article discusses India's role in the United Nations.

How has been the role of India in the United Nations?

UN Security Council: In December last year, **India completed its eighth term on the UN Security Council.** It was a great opportunity for India to preside over the apex UN organ and take measures for the maintenance of international peace and security.

India is also putting efforts for a permanent seat on the Security Council in the intergovernmental negotiations of the UN General Assembly.

India-UN Development Partnership Fund: India is also taking efforts beyond UNSC.

For instance, the India-UN Development Partnership Fund which is administered by the Permanent Mission of India Office in New York, assists member states of the South with demand-driven socio-economic programs.

United Nations Counter-Terrorism Committee: India's voice on counter terrorism has moved beyond summits and high-level events and has become the mainstream narrative of the international community.

The work of India as Chair of the United Nations Counter-Terrorism Committee is still acknowledged as a powerful voice for a united and cohesive front in the fight against terror.

UN Commission for Social Development: India presided over the UN Commission for Social Development this February. This gave India an opportunity to look into the social development issues, especially those related to women.

The deployment in January 2023 of the all-woman peacekeeping contingent to Abyei in Africa was a step in this direction.

Further, India's determination to deploy women in the cause of peace is matched by the UN's bold emphasis on a strong female presence in the field for social cause and ensuring optimal outcomes.

UN Statistical Commission: India achieved a landslide win, capturing 46 of the 53 votes, in the recently concluded elections to the UN Statistical Commission in New York, leaving many member states behind.

This shows that the world considers India as a responsible, caring and contributing partner, willing and able to bring value to the global issues.

UN General Assembly: India's promotion of millets in International Year 2023 has gained recognition and acceptance at the UN General Assembly.

Further, the efforts of India to roll out vaccines is still recognised at the UN as India was the first country for many member states of the Global South for Covid vaccines during the pandemic.

What can be the way ahead?

The words of Swami Vivekanand, "Arise, awake and stop not till the goal is achieved", should be taken into consideration.

This is because India's diplomacy will have a growing number of roles and duties in a rapidly changing world.

10. The LAC crisis and the danger of losing without fighting

Source- The post is based on the article "The LAC crisis and the danger of losing without fighting" published in "The Hindu" on 3rd May 2023.

Syllabus: GS2- Bilateral groupings and agreements

Relevance– India and China bilateral relationship

News– The article explains the approach of current Indian government on LAC incursions by China.

What is the current situation on LAC?

Three years later after LAC incursions by China, only some areas have witnessed **disengagement**.

Depsang and Demchok, remain unresolved. 26 of the 65 patrolling points in Ladakh are out of reach to Indian soldiers.

Neither diplomatic meetings nor talks between corps commanders have made any progress since September last year.

Regular meetings between Indian and Chinese Ministers, Foreign and Defence, have not yielded results either. Beijing has ignored **Delhi's talking points.**

What was the approach followed by the India during 2013 Chinese incursions on LAC?

During the 2013 **Depsang crisis**, the PLA had blocked Indian patrols at **Y-Junction**. It is the same place where it has blocked them in Depsang since 2020.

Within three weeks, the PLA was forced to lift the block after the Indian Army launched a **quid pro quo operation** on the Chinese side in Chumar. The status quo as it existed before PLA's block was restored.

What has been the Chinese approach towards India in the recent incursions?

Over nine years, China's approach towards India has been hostile. China sent PLA soldiers to Chumar during Xi 's visit to Ahmedabad in 2014.

The Chinese leader did not pay attention to the Indian leader's plea in Beijing in 2015 to delineate the LAC and has blocked India's entry into the Nuclear Suppliers Group.

Satellite imagery shows that the Chinese were already building **massive military infrastructure** in Ladakh by the time the **Second Informal Summit** was taking place in **Mamallapuram** in late 2019.

What is the way forward for India on LAC incursions by China?

India is under pressure on the border. It needs to find a way to **transfer that pressure** back to China. Beijing has **never compromised** unless it has been forced into an **uncomfortable spot**. India has deployed this tactic since **Nathu La in 1967**.

India needs to be **proactive**. Political leadership needs to use its **bold imagination**. If the political leadership is fearful, the military on the China border will remain in a **defensive posture**.

Military is used as an instrument by states to pursue **policy ends and impose its will** upon the adversary. New Delhi must take **some military actions**. It will provide leverage to its diplomats. China is a much **bigger economic, military, industrial and geopolitical power** than India. But the gap shrinks considerably when it comes to local balance on the LAC. If Russia is unable to vanquish Ukraine, China cannot **militarily walk over** India.

Three years after the border crisis began, a **status quoist approach** can no longer be the answer. India will have to **wrest the initiative** from China.

11. No further delay – on sedition law

Source: This post is created based on the article "No further delay", published in Business Standard on 3rd May 2023.

Syllabus Topic: GS Paper 2 – Governance – Criminal Justice System

Context: The article analyses the progress on the Supreme Court's order that ordered the government to stop registering cases under Section 124A of IPC.

India's Supreme Court (SC) ordered the government, last year, to suspend all sedition trials and stop registering cases under Section 124A of the IPC until the provision was reviewed.

Consequently, those detained under this law were permitted to apply for bail. However, the government recently informed the SC that stakeholder consultation is not yet complete. It resulted in the postponement of the case that challenges the constitutionality of Section 124A.

This delay leaves the contentious law in a state of uncertainty.

What are the issues with government's delay in fulfilling the SC's order?

Shows unwillingness: The government's extended consultation period demonstrates its previous unwillingness to address the issue.

Against democratic ethos: Section 124A, implemented by colonial rulers, is inconsistent with India's democratic constitution and dedication to free speech.

Ambiguity of the law: Supreme Court decision in Kedar Nath versus State of Bihar, contributed to making this law more ambiguous. The ruling maintained the legality of Section 124A but made its application conditional. It allowed the state to interpret the law widely to arrest dissidents.

From 2015 to 2020, 356 cases were filed under the sedition law, with only 12 convictions. The petitioners have called for a review by a seven-judge Bench. The Supreme Court should expedite its decision, as Section 124A provides state actors with a tool to suppress dissenting voices.

12. A good divorce - Irretrievable breakdown of marriage should be a ground for divorce

Source: The post is based on the following articles

"Consent Is The Soul Of Marriage" published in The Times of India on 3rd May 2023.

"A good divorce - Irretrievable breakdown of marriage should be a ground for divorce" published in The Hindu on 3rd May 2023.

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

Relevance: About SC ruling on granting divorce for irretrievable breakdowns.

News: The Supreme Court in Shilpa Sailesh vs Varun Sreenivasan case held that a court can directly grant a divorce under Article 142 of the Constitution in cases where the marriage has irretrievably broken down.

About the status of divorced and separated couples in India

In India, divorcees have doubled in number over the past two decades. But the incidence of divorce is still at 1.1%, with those in urban areas making up the largest proportion.

According to Census 2011, the population which is "separated" is almost triple the divorced number. There are many women, particularly among the poor, who are abandoned or deserted.

About the current procedure for getting a divorce

For fault-based cases: Under Section 13 of the Hindu Marriage Act, a marriage may be dissolved on grounds of adultery, cruelty, desertion, bigamy, rape, etc. These are often called as fault-based cases. In these, a divorce petition can be moved by either party without the consent of the other.

For No-fault divorce: This could be sought only by mutual consent under Section 13-B. In such cases, the parties would ordinarily file a motion for divorce, and then have to wait six months before the decree could be passed by court.

The intent was to give a 'cooling-off period' and allow the couple time for reflection.

About the recent SC ruling on granting divorce for irretrievable breakdowns

Read more: Divorce can be granted on 'grounds of irretrievable breakdown': Supreme Court

What is the rationale behind granting divorce for irretrievable breakdowns?

- **a)** Courts in the past recognised that in many cases, the mandatory waiting period only prolongs the misery of the couple, and often delays or impedes a settlement, **b)** Irretrievable breakdown of marriage was considered by the Law Commission in a few of its reports. The Commission in its 71st report recommended that the law be amended to provide for "irretrievable breakdown of marriage" as an additional ground for divorce. The same was reiterated in its 217th report also.
- c) In 2010, the government introduced the Marriage Laws (Amendment) Bill, 2010. It proposed to add irretrievable breakdown as a new ground for divorce in both the Hindu Marriage Act and the

Special Marriage Act. But after amendment the 2013 bill mentioned that the six-month waiting period could be mutually waived by the parties, **d)** In **Sivasankaran vs Santhimeenal (2021)**, SC considered the question of social acceptance and economic security of women during irretrievable breakdown and said it should be granted unilaterally.

Note: Under the Hindu Marriage Act, irretrievable breakdown of marriage is not yet a ground for divorce.

What is Article 142 of the Indian Constitution?

Read here: What is Article 142?

What are the advantages of granting divorce for irretrievable breakdowns?

The ruling is much needed as **a)** it provides relief to couples from the "agony and misery" of waiting six to 18 months for a local court to annul the marriage, **b)** many women are still not financially independent. So, a faster divorce might provide faster financial settlement, **c)** normalise divorce and can eliminate the social stigma around divorce in India.

What are the concerns highlighted by experts on granting divorce for irretrievable breakdowns?

The experts point out that granting divorce for irretrievable breakdowns without a cooling-off period might push women into a disadvantageous position as there are high levels of gender discrimination in India.

The liberal notion of marriage as a partnership of mutual consent is not yet the reality in much of the country, and its dissolution usually entails enormous social and economic hardship for women and children.

13. Tariffs on electricity, water and gas: The cost of inefficient pricing

Source- The post is based on the article "Tariffs on electricity, water and gas: The cost of inefficient pricing" published in "The Indian Express" on 4th May 2023.

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

Relevance- Pricing of essential goods and services

News- The article explain the issues of tariff on utilities

What are the issues with tariffs on utilities in India?

The pricing of utilities like electricity, water and gas is a **complicated exercise** in India. Prices are **largely administered**. They are **not market driven**. They seldom cover the **costs of provision**. They are a **deeply political decision**.

Take the **example of electricity.** Tariffs levied by power distribution companies across states do not reflect the **cost of supplying power**. In 2020-21, the average cost of supplying power was pegged at Rs 6.19 per unit. In comparison, the revenue from discoms operations worked out to only Rs 4.21 per unit.

In the **case of water**, the recovery is even lower. According to some estimates, water boards across the country are able to recover only around a third of their operation and maintenance costs.

In the case of the <u>Delhi</u> Jal Board, in 2021-22, its projected income was insufficient to cover its operating costs and its interest liability.

The **distribution of tariffs** among different consumers is another issue. In most states, power and water tariffs paid by **agricultural consumers** are a fraction of those paid by **industrial and commercial users**.

For instance, in 2020-21, power tariffs for commercial users were **nine times more than** those for agricultural consumers, and industrial tariffs were seven times higher.

In comparison, in **developed countries**, tariffs for industrial consumers tend to be lower than those for households.

There are **multiple pricing regimes. Chhattisgarh's tariff order** is an example of this. Industrial consumers are further divided into six slabs and each slab is charged a **different fixed and energy cost**. Domestic consumers are divided into five slabs.

In the case of gas too, there are **multiple pricing regimes** — from the administered pricing mechanism (APM) framework to the non-APM and imported LNG regimes.

What is the way forward for tariffs on utilities in India?

Consumers should get the full benefits of lower gas prices during a down cycle, and producers get the full upside when prices rise.

The imposition of the **floor and ceiling** is **arbitrary** but so is the proposed increase in gas prices every year.

Prices tend to act as signals for both producers and consumers. Market based pricing tends to lead to optimal usage, increased efficiency and better outcomes.

For instance, higher prices that reflect the **true costs of electricity and water** would perhaps encourage farmers to shift away from water-guzzling crops. But their low cost encourages **inefficient usage.**

What are the impacts of lower tariffs?

Costs are more than revenues. So, the supplying entities have little funds for repairs and maintenance or invest in capacity enhancement.

As per a CAG report, of the 1,797 **unauthorised colonies** in Delhi, 1,573 colonies had not been provided with sewerage facilities as of March 2018. Moreover, 567 unauthorised colonies were still **dependent on tube-wells/hand-pumps.**

Higher tariffs would have allowed for greater investments by the Delhi Jal Board to ramp up water supply in these areas.

The provision of free or heavily subsidised utilities is not a governance model.

14. Staying Married To China - ON tackling threats from China

Source: The post is based on an article "Staying Married To China – Whether US, EU or India, decoupling from the world's second biggest economy is near impossible. De-risking is the new buzzword. But even that's not easy" published in The Times of India on 4th May 2023. Syllabus: GS 2 – International Relations

Relevance: concerns with economic dependence on China.

News: The US and the EU countries have changed their mind towards their strategy of decoupling from China. This could be seen from their speeches.

What are some of the speeches from the US for China?

The US secretary recently said that the US will speak out when its interest is at stake. However, this does not mean that it wants to decouple its economy from China's.

This is because a full separation of our economies would be disastrous for both countries. It would also be destabilising for the rest of the world.

A similar kind of message was given by **the US national security adviser**. He said that the US thinks of de-risking and diversifying, not decoupling from China.

What is the new de-risk strategy of the US and how does it differ from the previous decoupling strategy?

The new 'de-risk' strategy is a departure from the 'decouple' plan. It also intends to change the perspective of the US from the fact of geo-economic containment of China is not easy.

The decouple plan stated that the geo-economic containment of China would preserve the world's equilibrium without involving any form of conflict.

It was suggested that the US should restrict trade with China; deny China access to key raw materials; and stop technology transfers that China would need. These all would slow China's economic growth.

This advice was accepted by both Biden and Trump which aimed at starting **New Cold War**. However, it is different from the Old Cold War with the Soviet Union.

What are the differences between New Cold War and the Old Cold War?

The Old Cold War sought the Soviet Union to be geopolitically contained while the New Cold War aims at geo-economic containment of China.

However, it is not easy to sustain the New Cold War because China is the world's biggest manufacturing and trading nation with almost every country around the world having economic relations with it.

Hence, the US and the EU have discovered that it is not easy to achieve the geo-economic containment of China in the long run because they remain dependent on China in many ways and reducing these dependencies will take time.

They have also realised that countries and industries around the world are deeply integrated into China's economy, and vice versa. Hence, due to the complex global supply and value chains, decoupling is not easy.

What steps have been taken by India to reduce its dependence on China and what are the associated concerns?

In 2019, the Indian government opted out of the <u>Regional Comprehensive Economic Partnership</u> agreement to reduce India's trade dependence on China.

However, four years later India's trade deficit with China reached an all-time high of over \$85 billion. Indian businesses urged GoI that while decoupling is tough, even de-risking would require investments and policy changes that are not easily forthcoming.

Hence, it is not easy to substitute the dependence on China for India as well as the rest of the world.

15. <u>USCIRF's International Religious Freedom Report: Present imperfect – Irrespective of what the USCIRF says, India must review its rights record</u>

Source: The post is based on the article "Present imperfect - Irrespective of what the USCIRF says, India must review its rights record" published in The Hindu on 4th May 2023.

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

Relevance: About USCIRF's International Religious Freedom Report.

News: For the fourth consecutive year, the government rejected the recommendations of the U.S. Commission on International Religious Freedom's (USCIRF) latest report, calling it "biased and motivated".

What is the USCIRF's International Religious Freedom Report?

Read here: International Religious Freedom Report

About the latest USCIRF's International Religious Freedom Report 2023

Like the previous one, this one also designated India as a "Country of Particular Concern" (CPC) for its "worsening" record on religious freedoms.

The report has said that the Indian government is "promoting and enforcing religiously discriminatory policies", naming laws that deal with conversion, interfaith relationships, wearing the hijab and cow slaughter, as well as the CAA and the NRC.

According to the report, all of these have impacted minorities including Muslims, Christians, Sikhs, Dalits, and Adivasis (indigenous peoples and Scheduled Tribes) negatively.

The report has criticised the U.S. State Department for not having designated India as a CPC, and has called for sanctions on Indian government agencies and officials.

Note: The U.S. State Department imposed sanctions only once in 2005 in the aftermath of the 2002 Gujarat riots.

What are the concerns associated with the USCIRF's International Religious Freedom Report?

a) The process the USCIRF follows is non-inclusive, b) The organisation does not study the state of religious freedoms inside the U.S. This suggests a double standard and c) Its recommendations hold no influence within India. Instead, the reports are meant only for the U.S. government to deliberate on, and accept or dismiss.

India is a secular, inclusive and pluralistic democracy. The Centre may well consider an internal review of its conduct and the direction it hopes to lead India on issues such as religious freedoms and rights.

16. Reversal of OPS: Guaranteed pension is not bad economics

Source: The post is based on the article "Guaranteed pension is not bad economics" published in the Business Standard on 4th May 2023.

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

Relevance: About the reversal of OPS.

News: Many State governments are announcing reversion to the old pension scheme (OPS) and some are speculating to do the same. Many economists have said that this is a bad economics. But that is not correct.

About the National Pension Scheme and OPS

Must read: Comparison of National Pension Scheme with Old Pension System - Explained, pointwise

Why do many economists think the reversal of OPS is bad economics?

This is because **a)** the State has to bear the full burden of pensions, **b)** the scheme will become fiscally unsustainable in the medium to long run, and **c)** the unsustainable rise in pension allocation can only come at the cost of essential welfare expenditures allocated to the poor and marginalised sections.

Read more: Schemes like OPS will only exacerbate the gap between richer and poorer states

What are the concerns associated with continuing NPS?

Those who defend the NPS say that a) The returns in the market do not stay the same, and it may actually be higher and better than the OPS, b) NPS is inflation-covered because, under normal circumstances, the returns are higher than the inflation.

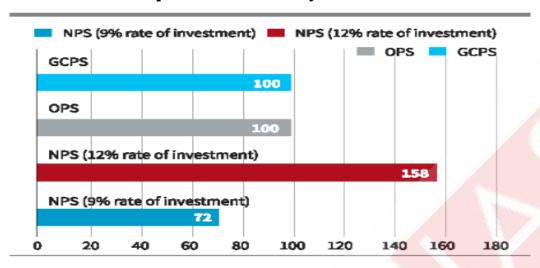
But they failed to understand that the NPS puts the entire burden of uncertainty on employees alone and not on the employers.

What can be done to provide OPS without any fiscal constraints?

The government should **rationalise taxes** as these are either negligible or non-existent in India. This can be done by implementing inheritance and wealth taxes.

Instead of OPS, the government can implement a contributory guaranteed pension scheme (CGPS).

How a CGPS can be implemented without any fiscal constraints?



Source: The Hindu

Let's assume that the employee contribution of CGPS is 10% like NPS and the return is 50% of the last drawn salary like OPS.

The State pays an additional balance of the difference between the 50% guaranteed pension and the market-determined pension amount. If the market returns are higher, then the State governments might get revenue.

Based on the chart, one can derive that, **a)** When the market return is 9%, the State ends up paying the gap, i.e. 28, but when the return is 12%, it gets to pocket the extra 58%, **b)** Under the CGPS, the burden is only the employer's contribution part.

So, it is safe to assume that the CGPS gives guaranteed pensions to the employees without putting the exchequer under additional burden necessarily.

Read more: Select Central staff can opt for Old Pension Scheme

17. <u>UAE's minister of economy writes: UAE-India CEPA promoted a favourable environment for</u> startups to thrive in both countries

Source—The post is based on the article "UAE's minister of economy writes: UAE-India CEPA promoted a favourable environment for startups to thrive in both countries" published in "The Indian Express" on 5th May 2023.

Syllabus: GS2- Bilateral groupings and agreements

Relevance- India and UAE bilateral relationship

News- The article explains the evolving partnership between India and UAE.

What are some important facts about the bilateral relationship between India and UAE?

The relationship is shaped by years old cultural and economic engagement through the Indian Ocean's network of exchange.

India-UAE relationship is today more than an economic partnership. It shows the deep, fraternal, and strategically important relationship between two countries.

The <u>India-UAE</u> partnership was based on the **trade of traditional items**. It was **strengthened with oil.** It found a formal dimension after the creation of the UAE Federation in 1971.

The relationship accelerated in the 1990s **after liberalisation**. India started exporting to the UAE and markets beyond. Today UAE is India's **third-largest trade partner**.

How is the Comprehensive Economic Partnership Agreement (CEPA) beneficial for the two countries?

It has generated **greater trade volumes** and improved **mutual access to markets**. It has generated a wide range of **economic**, **industrial and investment opportunities**.

The UAE-India CEPA has been an incredible success. The volume of non-oil trade reached the \$50 billion mark in 2022, with growth of about 10%.

It has generated **multiplier effects**. It is covering the **widest possible range of subjects** from digital economy to free trade, among other mutual priorities. It has served as a powerful platform for **unprecedented partnerships and multi-sectoral collaboration**.

The UAE-India CEPA is unleashing the spirit of entrepreneurship, inspiring innovators and investors. It is encouraging SMEs, startups to make inroads into new markets.

The UAE-India CEPA is also a strategic catalyst in addressing vital developmental challenges. It can tackle issues such as energy and food security, agriculture, and sustainability,

It adds greater importance to the presence of India and the UAE in regional blocs and multilaterals such as the I2U2 and UFI.

What is the potential of India and UAE relationship?

The UAE looks forward to the opening of the **IIT-Delhi** campus in **Abu Dhabi** next year. Positive outcomes are expected from the **MoU** in academic cooperation signed between Anwar Gargash Diplomatic Academy (AGDA) and O P Jindal Global University.

In September last year, the UAE and India signed an MoU to establish the Emirati India Cultural Council.

More recently, thAbu Dhabi unveiled its first exhibition of the year — 'Bollywood Superstars: A Short Story of Indian Cinema'. This deepening of India-UAE exchange of arts, culture and education indicates mutual trust and shared values.

The UAE-India CEPA and our strong **people-to-people relations** have created a **highly favourable business environment.**

It is an opportune moment for India's dynamic startup ecosystem, its unicorns and innovators, to **explore growth and diversification** into the Emirati market, and from there to the Middle East, Africa, and Europe.

18. Indo-Pacific naval strategy

Source—The post is based on the article "Indo-Pacific naval strategy" published in the "Business Standard" on 5th May 2023.

Syllabus: GS2- International relations

Relevance– Issues related to Indian maritime strategy

News– The article explains the reason for neglect of maritime diplomacy. It explains the importance of the Indo-Pacific for Indian maritime strategy.

What are the aims of New Delhi's Indo-Pacific policy?

India is safeguarding the world's sea lines of communications. India is seen in the role of "net security provider". There is fighting piracy threats, sea-based terrorism, smuggling, and fishing. It is providing humanitarian aid, disaster relief and search and rescue.

India also has a **huge diaspora** working and remitting money from the Gulf. In case of emergency, India has **evacuated its citizens**. India supports its overseas citizens on its own dollar.

India foots its own bill for overseeing the Indian Ocean. In addition, New Delhi currently provides \$18 billion dollars in **lines of credit** for **development projects in littoral states.**

Why was there a delay in developing India's maritime diplomacy and Indo-Pacific policy? New Delhi was preoccupied northwards. New Delhi's strategic attention remained on China and Pakistan. The four wars fought against these two adversaries reinforced its "continental mindset".

It was shaped by the historical experience of centuries of invasions from Central Asia. In the 19th century, there was the Great Game. Britain and Russia competed for influence in Central Asia, Asia Minor and to the borders of British India.

This "continental outlook" is deeply entrenched in New Delhi. This is despite the fact that most Central Asian invaders were assimilated into India.

However, sea-borne colonial powers repatriated Indian wealth to Europe, and completely destroyed the small-scale Indian economy. It taught India a valuable lesson about the **criticality of maritime power.**

Britishers believed that the Indian Navy should limit itself to the **defence of the British**Commonwealth. This view prevailed because New Delhi's **precarious finances** made it dependent upon Britain for warships.

The decision to buy a **Royal Navy light aircraft carrier, HMS Hercules** Shaped India's Navy decision making. The INS Vikrant was commissioned in 1961.

In 1962, the year after INS Vikrant was commissioned, China defeated India heavily. That reinforced India's continental mindset. It led to army and air force modernisation and marginalised the navy.

Its share of the defence budget, which had tripled from 4% in 1950-51, to 12% in 1959-60 was back to 4% after the war.

What is the current outlook of the Indian navy?

During the 1960s and 1970s, New Delhi realized that an **economically declining Britain** was an **inadequate partner**. The Soviet Union supplanted the UK as its **principal supplier of warships**, **technology**, and design expertise.

American design influence will begin shaping the Indian Navy's aircraft carriers. The first of the two indigenous carriers, INS Vikrant, are based on Russian design. But a **second indigenous carrier, INS Vishal**, will draw heavily on the US carrier philosophy.

So, the Indian Navy's Sea control strategy is likely to be based on **three aircraft carriers**, with two of them operational at any given time.

Each will be at the centre of a carrier battle group drawn from a total fleet of about 175 ships, including about 50 capital warships and about 600 naval aircraft, with about 100 of them based at sea.

Today, the navy has achieved significant headway in **heavy engineering skills.** The navy learnt the art of **integrating diverse weapon systems**, onto multi-role warships.

For example, in the Shivalik-class frigates, which began entering service in 2009, the navy integrated Russian Shtil anti-air missiles, Russian Klub anti-ship cruise missiles, the Israeli Barak-1 missile defence system, and the Italian Oto Melara 76-millimetre super rapid gun mount.

19. As Russia, China vie for upper hand, what SCO means for India

Source: The post is based on the article "As Russia, China vie for upper hand, what SCO means for India" published in The Indian Express on 5th May 2023.

Syllabus: GS 2 - International Institutions

Relevance: Shanghai Cooperation Organization (SCO)

News: The Council of Foreign Ministers of the Shanghai Cooperation Organization (SCO) will meet Friday in Goa.

About Shanghai Cooperation Organization (SCO)

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The main work of the foreign ministers' meeting is to prepare for the upcoming meeting of the Heads of State Council, or the SCO summit, expected to be held in July.

China and Russia dominate the SCO. Due to which, the SCO is criticized, and different views are often put up.

What are the different views regarding SCO?

The West views the SCO as a club run by China and ally Russia where the two dominant powers are in competition with each other for influence.

Moreover, four of the five Central Asian republics are members of SCO. Russia views these resource-rich republics, that were part of the erstwhile Soviet Union, as its strategic backyard.

However, the influence of China in the Central Asian-5 (C5) countries has grown with the Belt and Road Initiative and Russia has not been able to stop growing Chinese footprint over the region. Despite this, Russia's economic influence in the central Asian region is still strong, due to its political, cultural and people-to-people connections.

This power play in central Asia has its impact in the SCO and this is where Russia needs India.

Why is the presence of India in the SCO important for Russia?

Russia sees India's presence in the SCO as a potential countervailing force to Chinese dominance of Central Asia.

It was Russia which pushed for India's membership in the group. Due to which, in 2015, India was admitted as an observer along with Iran and Pakistan.

Moreover, the visit of the PM to the central Asian countries in 2015 and India becoming a member of the SCO in 2017 gave India a higher profile in Central Asia.

In post-US Afghanistan, SCO has helped India stay involved in the regional discussion on Taliban rule. SCO has also helped India to improve its ties with Russia given the increasing tensions with China after the Doklam issue.

What are the concerns with India membership in the SCO?

Some experts view the Quad grouping as a counter to the influence that Russia and China seek to project through the SCO, and **India's membership of both as a contradiction.**

However, the Quad is India's diplomacy in the Indo-Pacific and the SCO represents its diplomacy in the Eurasian landmass. It can also be seen as an exercise of true multipolarity.

Further, if the SCO is a bipolar China-Russia platform, it offers several multipolarities within itself as members have options to get the best deal for themselves.

For instance, India was the only country that did not sign a joint statement calling for the strengthening of the **Biological Weapons Convention** in last year's foreign ministers' meeting.

What is the way ahead for India?

SCO is described as a "diplomatic battlefield". Hence, the challenge for India is to use both the SCO and the Quad for its own interests instead of getting trapped in.

20. Switching on India's smart electricity future

Source—The post is based on the article "Switching on India's smart electricity future" published in "The Hindu" on 6th May 2023.

Syllabus: GS2- Government policies and interventions

Relevance-Issues related to electricity sector

News- The article explains the smart meter initiative of the government.

What is the progress level of the country on smart metrers?

More than **5.5 million smart metres** have been installed in India, and **over 100 million sanctioned.**

The target is to **replace 250 million conventional electric meters** with prepaid smart meters by 2025-26.

India is supporting this initiative through a **results-linked grant-cum-financing** to help power distribution companies become **financially sound and efficient** to deliver better services to consumers.

What are the benefits associated with smart meters?

A recent study by the **Council on Energy, Environment and Water (CEEW)** found that the majority of smart meter users have already begun to experience some of the technology benefits.

The study covered about 2,700 urban households that use prepaid or postpaid smart meters across six States. Half the users reported improvements in **billing regularity**, and two-thirds said paying bills had become easier.

Around 40% of users alluded to **multiple co-benefits** such as a greater **sense of control** over their electricity expenses, a drop in instances of **electricity theft**, and **improved power supply** to the locality.

In fact, 70% of prepaid smart meter users said they would recommend the technology to their friends and relatives. These findings give confidence that India's **smart metering transition** is heading in the right direction.

What are issues with the use of smart meters?

Half the users were not using the **smart meter mobile app**. Many were unable to access detailed electricity bills. It leaves them doubtful about their **bill computation and deductions**.

What is the way forward for the success of smart meters?

The Ministry of Power should drive a **nationwide campaign** to **educate consumers** about smart meter benefits and improve the uptake of smart metre apps.

The apps should be **accessible to users** from diverse socio-economic backgrounds and provide **actionable tips and information**.

High-user satisfaction in Assam and high uptake of the mobile app in Bihar indicate learning opportunities on how to scale smart meter usage for discoms in other States.

Discoms must **co-own the programme** and take the **driving sea**t. The majority of smart meters in India are being deployed by the Advanced Metering Infrastructure Service Providers.

Discoms must closely work with AMISPs to ensure a **smooth installation and recharge experience** for users. For this, discoms will need to **strengthen their internal capacity** through **suitable staffing and training interventions.**

Discoms, system integrators and technology providers should **collaborate** to devise i**nnovative** and **scalable data solutions.** Effective use of smart meter data is fundamental to unlocking their true value proposition.

This would require an ecosystem that fosters innovation in analytics, data hosting and sharing platforms, and enables key actors to collaboratively test and scale new solutions.

Policymakers and regulators must strengthen regulations to **empower consumers** to unlock new retail markets.

Currently, **important provisions** concerning phase-out of paper bills, arrear adjustment, frequency of recharge alerts, buffer time, rebates, and data privacy are scattered across **different regulatory orders** or simply missing.

Their incorporation within existing State frameworks will be crucial for a positive technology experience for end users.

Regulators must also enable **simplification and innovation** in tariff design and open the retail market to **new business models and consumers.**

21. Delhi University ad hoc teacher suicide: Chronicle of a tragedy foretold

Source—The post is based on the article "Delhi University ad hoc teacher suicide: Chronicle of a tragedy foretold" published in the "The Indian Express" on 6th May 2023.

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

Relevance– Faculty recruitment in higher educational institutions

News– Recently, an ad-hoc professor of Delhi University committed suicide after he was not given permanent appointment after 5 years of service.

What are the issues related to recruitment of permanent teachers by Delhi university that are relevant for other educational institutions also?

There had been **no permanent appointments** in most of the colleges for over a decade or more. So, there were thousands of applicants for the jobs.

Unlike the usual practice of shortlisting candidates for the interviews based on their **credentials**, everyone who had more than a certain number of **regulation-demanded points in their API score** was called.

API is the **Academic Performance Index**. It is a metric devised by the UGC to decide **academic merit.** But, a single metric cannot capture the **total capabilities of a teacher**.

The **lower standards** meant that every college had to interview hundreds and in some cases thousands of candidates. One college had more than 1,500 candidates in physics.

Each candidate was interviewed for only a few minutes by the board. Based on this limited interaction, candidates were selected for the appointment.

The **criteria of academic merit** was neglected. The candidate was recommended by certain **"social and cultural organisations"**.

What are the challenges faced by adhoc teachers of the university?

The ad-hoc teachers who had been teaching for more than 15 years, were not selected and were left without a job. College had **renewed their contract** year after year. So, there is less doubt about their **competence in teaching.**

A more sympathetic and humane administration could have devised creative ways for giving preference to existing ad-hoc teachers.

The chances of getting a teaching job for these displaced teachers in the future are **very bleak.** The government has decided that the **expansion of institutions of higher education** is no longer a priority. Instead, students are now encouraged to **opt for online courses.**

What are the limitations of online teaching?

Online teaching can at best **supplement classroom interaction**. The interaction with a teacher in a classroom, the peer group interaction plays a decisive role in **learning** and **developing the "soft skills"**. A video can never **replicate that experience**.

22. Why we must focus on curing, not criminalising drug users

Source—The post is based on the article "Why we must focus on curing, not criminalising drug users" published in "The Indian Express" on 6th May 2023.

Syllabus: GS2- Government policies and interventions. Issues related to development and management of social sector

Relevance: Drug abuse

News- There are reports that Himachal Pradesh is considering joining Uttarakhand, Gujarat and Madhya Pradesh as states that have legalised cannabis cultivation.

The production, manufacturing, possession, consumption, sale, purchase, transport and use of cannabis is prohibited and criminalised by the Narcotic Drugs and Psychotropic Substances (NDPS) Act 1985.

What are issues with the current approach to deal with drug abuse?

Criminalisation is used to deter the use of drugs. However, **drug dependence** has increased over the years across the world.

In India, 3.1 crore people are reported to have used a cannabis product in the last 12 months and about 72 lakh people required help to address their **cannabis dependency-related problems.**

Criminalisation means long **pre-trial incarceration and stigmatisation** of users. They lack **access** to de-addiction centres.

The 2001 amendment to the law differentiates between those who possess a "small quantity" of the drug and those found storing it in "commercial quantities". This is a welcome step in distinguishing between "drug users" and "drug traffickers".

However, **possession of the drug** for personal consumption or consuming it for recreational purposes remains an offence under the Act. Such cases constitute 60% of the total NDPS cases reported in India.

People who end up in jail often belong to the **socially and economically vulnerable class**. They constitute the **majority of the undertrial prisoners** under the NDPS Act.

Putting drug users behind bars makes their **rehabilitation** difficult and exposes them to the risk of becoming peddlers.

Rehabilitation of drug users is systematically replaced by the **denial of bail and enforcement of jail terms and penalties.**

The bail provision of the NDPS Act makes jail a rule, and bail an exception. The moral panic in society relating to drug use and abuse has an impact on the pre-trial procedure.

The **over-criminalisation** of drug users undermines their social well-being. It results in the wastage of precious time of the **criminal justice machinery**.

What is the way forward to deal with drug abuse?

In 2021, the Ministry of Social Justice and Empowerment recommended the **decriminalisation** of the possession of small quantities of drugs for **personal consumption**. Drug consumers should be treated as victims rather than culprits.

The Ministry also suggested **mandatory de-addiction and rehab facility** for 30 days followed by **mandatory community service** for one year for drug addicts. The ministry's position was along the lines of the approach advocated by **UN human rights experts.**

There is a need to focus on a public **health approach** to deal with drug addiction. Countries such as Portugal and Canada have demonstrated the **efficacy of the public health approach**.

Law enforcement agencies view drug users as offenders, whereas the public health systems focus on their **well-being**.

In India, **Sikkim** has tried to tackle the drug problem by differentiating between peddlers and consumers. It has tried to advance healthcare services to the **most vulnerable drug users**. The state's **model of decriminalisation** can be replicated at the national level.

23. Yes, Kids Are Born Digital

Source: The post is based on the article "Yes, Kids Are Born Digital – Where they need adult help is in fighting digital addiction. Because the neurochemistry of excessive smartphone usage is the same as that of narcotic drugs" published in The Times of India on 6th May 2023.

Syllabus: GS 2 - Issues Related to Children

Relevance: issue associated with use of mobile phones by children

News: Tim Cook, CEO of Apple who recently visited India, advised parents to limit the screen time for children. Even various surveys on Indian children show alarming findings.

What are the findings of various surveys on the use of mobile phones by Indian children?

A survey by Saurashtra University in Rajkot finds that 92% students prefer playing mobile games over playing outside and 78% students are habituated to having their phone while having meals. Another survey finds that nearly 55% of parents admit that their children aged 9-13 have access to a smartphone throughout the day.

As per the National Commission for Protection of Child Rights, 24% of children use smartphones while they are in bed, which increases with age and 37% of children frequently experience reduced levels of concentration due to smartphone use.

What are the concerns with children using smartphones?

Science has found that these phones have the same effects on the brain like other addictive substances such as drugs, cigarettes, and alcohol.

Excessive use of phones also causes bad effects like loss of concentration, lethargy, strain on the eyes and wastage of time.

Children have now become addicted to smartphones to get pleasure and enjoyment. Hence, whenever our brain gets any form of pleasure, a neurochemical called dopamine is released in our brain.

Dopamine makes us want more of the same pleasurable experience. This is the same as the dopamine released when getting addicted to narcotic drugs.

Hence, this dopamine is also released in the children causing them to want more and ultimately affecting them and making them feel uncomfortable when phones are taken away.

Furthermore, our brains also become habituated and after some time we develop tolerance to any pleasure. Hence, our addiction no longer gives us pleasure and we are only left with pain.

And if the phone is taken away from us, our pain manifests as anxiety, low motivation, depression, irritability and an inability to feel joy in anything. The same things happen with the children.

What can be the solution for children addicted to phones?

Ideally, a child should be removed from their phone or minimise its usage for 30 days.

Movement, such as **exercise or sports, should be a daily part of a child's life.** Only activities that require some effort such as reading, playing an instrument, sport or art should be the activities of choice for relaxation.

This would prevent any kind of addiction and the release of dopamine while enhancing their extracurricular activities and developing their brain in a good way.

24. Perils of new multilateralism

Source: The post is based on the article "Perils of new multilateralism" published in The Hindu on 6th May 2023.

Syllabus: GS 2 – Important International institutions, agencies and fora- their structure, mandate.

Relevance: About India's participation in multilateral institutions.

News: The Shanghai Cooperation Organisation (SCO) foreign ministers' meeting was held recently in Goa. This SCO meeting serves to underline India's current geopolitical dilemma.

What are the issues with India's participation in multilateral institutions?

Issues with India's participation in Western institutions: Not only western institutions but also the western governments' are criticising India's record on human rights, civil liberties and minorities.

The only places India can seek refuge are the organisations China founded or dominates.

Issues with India's participation in China-dominated institutions: China, Russia, and India are common to SCO, BRICS and RIC (Russia-India-China) groups. All these three multilateral

organisations have come up in the two decades when both India and China have grown phenomenally.

The common factor in all three forums is the pre-eminence of China and Russia as its loyal follower. This highlights the quality of multilateralism and multilateral institutions India is part of.

This is because, **a)** India is forced to spend so much time and energy, and invest so much political capital, in a grouping where it has so many serious clashes of interest, **b)** On border debates, India would be seen as rude to Pakistan as China itself have border disputes with India, **c)** These bodies, the SCO in particular, given its military-strategic priorities, do not help India's quest for strategic autonomy. Instead, they only limit that.

Other regional institutions: Over the decades, India has failed even to build a regional forum of its own to create a sense of geopolitically limited multilateralism. For instance, the South Asian Association of Regional Cooperation (SAARC) has been rendered mostly defunct.

Read more: G20 meet shows a deepening crisis in multilateralism

What should be done to revive India's participation in multilateral institutions?

SAARC should be expanded to include other major nations in the region. Such as, Afghanistan, Thailand, the Central Asian republics, Iran, and Russia.

As an instinctive reaction to Western institutions and governments' and Chinese dominant institutions, India should focus on non-alignment to attain strategic autonomy.

Must read: India's Approach to Multilateralism - Explained, pointwise

25. A position paper, China's image, and what it means

Source—The post is based on the article "A position paper, China's image, and what it means" published in the "The Hindu" on 8th May 2023.

Syllabus: GS2- International relations

Relevance– Important geopolitical developments

News- Recently, China released its position Paper on its policy in Afghanistan. Titled, 'China's position on the Afghan Issue'

What are some important points regarding China's position on its policy in Afghanistan? The paper delineates the core principles of Beijing's policy choices. These are 'Three Respects' and 'Three Nevers'.

China respects the independence, sovereignty and territorial integrity of Afghanistan and the independent choice, religious sentiments and national customs of the Afghan people.

These principles are put in **opposition to** the policies followed by the West. As per Beijing, western policies are influenced by **geopolitics and their vested interests.**

As per China, Afghanistan is currently transitioning from a period of turbulence to relative stability under the Taliban.

West has failed in fulfilling its commitments to the country. Its decision to intervene militarily and enforce its conception of democracy is blamed for the crisis.

It criticises the U.S. for imposing unilateral sanctions and illegally freezing Afghanistan's foreign reserves. China calls for a reversal of these actions.

Beijing commits to help Afghanistan move towards a more sustainable form of economy.

China urges the international community to view the Afghan issue in a **comprehensive**, **balanced** and objective manner.

China advocates using **alternative regional groupings** which do not include the U.S. and its allies, such as **SCO**, **the Moscow Format Dialogue**, **the China--Afghanistan--Pakistan Trilateral** for discussing the Afghan issue.

This will help Beijing in promoting an alternative model as opposed to the battered approach of the West. It will allow it to focus more on its priorities and form a consensus among Afghanistan's neighbours.

It calls for a bilateral and multilateral approach to respond to the 'Three Forces' of terrorism, extremism and separatism.

China urges the Taliban, regional countries and the international community to crack down on terror groups, specifically the East Turkestan Islamic Movement. They should help Afghanistan in augmenting its **counterterrorism capabilities**.

The question of refugees and narcotics and their cross border trafficking are also highlighted.

What are reasons behind China focussing on Afghanistan?

China has framed its involvement in **purely humanitarian terms**, **good neighbourliness and mutual respec**t for its neighbours. Thus, Beijing has avoided acknowledging its **own interests** in the country.

It blames the current turmoil in the world and presence of multiple crises for its **proactive** approach. As per China, countries are urging China to take charge as the U.S. has abdicated its responsibility.

China wants **stability in Afghanistan.** It is also important for Beijing to attain its own **security** and **economic interests** in the country and to present a **counter to U.S. hegemony.** For China, the **threat of terrorism** emanating from Afghanistan can harm Chinese interests.

Afghanistan is also economically very important for China due to its **Belt and Road Initiative (BRI)** and due to the presence of vast mineral resources.

Since the beginning of 2023, China has taken steps to project its image as a major country playing a crucial role in **ensuring global governance** and providing a **'moderate and pluralistic environment'** for dialogue.

The release of the concept paper on the Global security initiative and the peace proposal on **Ukraine** signal Beijing's quest to modify its image and solidify its role as a responsible mediator. Its apparent success in bringing Iran and Saudi Arabia to the **negotiating table** and the visits by leaders from Europe are projected as an indicator of **Beijing's growing influence**.

26. With COVID-19 'over', applying the lessons learnt

Source—The post is based on the article "With COVID-19 'over', applying the lessons learnt" published in "The Hindu" on 8th May 2023.

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

Relevance- Issues related to epidemics

News- World Health Organization, on May 5, 2023, declared that COVID-19 was no longer a public health emergency of international concern.

What are the lessons learnt from the COVID management?

Misinformation—There have been **knee-jerk and unscientific responses** to spikes in COVID-19 cases. The most recent example is the response in March--April 2023, when there was a rise in viral flu and SARS-CoV-2 cases.

It led to the closure of schools in some Indian cities and States. In some schools, mask wearing was made a **mandatory condition** for children to attend classes. This, in some instances, happened without a **formal government directive**.

It was not supported by **scientific evidence**. There was **misinformation**, and social media influencers were shaping the **public discourse**.

Neglect of local contexts—In outbreaks and epidemics, policy interventions and preventive advice need to factor in the local context. The context determines the epidemiological pattern, spread of disease and proposed interventions.

China faced a wave in December 2022. Switzerland, in April 2023, decided not to continue with any more COVID-19 vaccination. Countries have made decisions based on the local context. However, that does not mean every other country should do exactly the same thing.

Approach of influencers— An extremely worrying trend has been the **dogmatic stand** adopted by self proclaimed experts and influencers. They selectively and use **emerging evidence and published literature** to support their stand.

A few influencers have positioned themselves as 'super reviewers' of scientific studies. They have used social media platforms to find limitations and criticise even the most robust studies. They often fail to factor in that no scientific study is ideal.

In late April 2023, the not for profit Foundation for **People -Centric Health Systems** Analysed the trends and stance of influencers and experts on social media platforms and in newspaper reports on the COVID-19 linked **mask enforcement** for school children.

Those based out of India were analysed into three sub-groups: trained or practising public health experts and epidemiologists; other medical doctors and super-specialists; and everyone else.

The fourth group was of those who had had an opinion about India but living abroad, irrespective of their education.

In the subgroup of trained public health experts and epidemiologists, there was near consensus that schools should not be closed, and there was no role in making mask wearing mandatory for children.

Most clinicians and infectious diseases were a bit more supportive of masking, but very few supported universal masking for any age group.

In the sub-group of super-specialists, there was greater endorsement of mask wearing for children and of school closure.

Experts' and influencers living outside India were making stronger arguments for school closure and mask wearing for children in India.

COVID foreverers— There exist groups of 'COVID- foreverers. They keep insisting on the enforcement of restrictions such as **universal masking**.

What is the way forward for a sound approach on epidemic management in the present context?

COVID-19 has 'officially' transitioned from a population level challenge to more of an individual health concern. It is time for calm assessment, to shift the gears and also apply the lessons from the last three years.

The government should offer formal training courses on the principles and practice of epidemiology to prepare India for more nuanced responses to outbreaks and epidemics and to curb misinformation.

The government needs to **integrate** the COVID-19 response to **general health services**. There is no role of universal measures against COVID-19 to be enforced.

India's response to surges, outbreaks, and epidemics should be guided by a **nuanced understanding** of epidemiology and not unduly derailed by 'social media influencers'.

Therefore, in future, schools should not be closed for a COVID-19 uptick. **Wearing masks** in order to attend school should never again be made mandatory.

It is time to drop the COVID-19 fixation and move on to tackle other more **pressing health** challenges in the country.

27. The UN needs structural reform to establish its relevance again

Source: The post is based on the article "The UN needs structural reform to establish its relevance again" published in Live Mint on 8th May 2023.

Syllabus: GS 2 - International Institutions

Relevance: problems with the United Nations

News: The article discusses the declining role of the United Nations (UN) in international politics.

How has the role of the UN declined?

The UN once played an important role in international diplomacy.

The **United Nations Security Council** was the big forum of discussion of the happenings around the world. It was so powerful that even the unchallenged superpower of the day still found it necessary to make its case to the Council.

The UN was so important that even the US diplomacy after 9/11 and its decision to invade Iraq and Afghanistan required proper justification in the UN.

However, the UN, in recent times, **has become a non-playing character (NPC)** in international diplomacy because it has been unable to solve the issues of ongoing conflicts in Ukraine, Sudan among others.

What measures are being taken to bring reforms in the UN and what are the concerns with those reforms?

A paper published by the Geneva Centre for Security Policy says that the UN is attempting to bring changes in its system.

The initiatives that are being adopted to bring changes by the UN contain ideas on conflict prevention, peacekeeping, nuclear risk reduction, arms control, artificial intelligence and autonomous weapon systems, climate change and gender equity.

However, it is very likely that the UN will fail in these areas even if world leaders approve of the agenda.

This is because none of them addresses the reforms required in its political structure, which is the main reasons for the UN's growing irrelevance.

The UN political structure reflects the balance of power of the Industrial Age of 1945 while that power has not only massively shifted in the past three decades, but human civilization itself has entered the Information Age.

Power, interest, authority, responsibility and accountability are extremely mismatched, and until this is fixed, the UN cannot reverse its course of increasing ineffectiveness.

Must Read: United Nations Security Council (UNSC) Reforms - Explained

What can be the solution for the declining role of the UN?

First, there is a need that India must invest in creating alternative platforms for global governance and the formation of the G20 in the wake of the 2008 global financial crisis is a viable option.

India is heading the G20 this year and it is required that India must sustain the momentum even after the presidency is passed on to other countries.

Second, Some of the UN's specialized agencies like Unicef and UNHCR do an admirable job under difficult circumstances which cannot be done by others. They need to be strengthened while adopting other necessary reforms in the UN.

28. Without data, the government's policy prescriptions are just guesswork

Source—The post is based on the article "Without data, the government's policy prescriptions are just guesswork" published in "The Indian Express" on 8th May 2023.

Syllabus: GS2- Government policies and interventions

What are issues with data collection in India?

India has always conducted a **single decennial Census** between 1881 and 2011, including in 1941 at the height of World War II.

HCE surveys that provides **data on consumption** of food and non-food items were carried out every five years or less — in 1972-73, 1977-78, 1983, 1987-88, 1993-94, 1999-2000, 2004-05, 2009-10 and 2011-12.

However, there's been no Census after 2011. The **National Statistical Office** did an HCE survey in 2017-18, but its findings were not released.

There are claims and counterclaims about **poverty levels** without any **real data on consumption** by different classes of the population.

Even the **CMIE's longitudinal Consumer Pyramids Household Survey** only tracks monthly values and not actual quantities consumed of some 153 items.

The attitude of the government agencies responsible for undertaking the Census and HCE surveys is problematic.

What is one major example highlighting the unreasonableness of statistical exercises undertaken in India?

The unreasonableness of the statistical exercise can be highlighted through statistics relating to milk consumption and official production estimates.

As per **2011-12 HCE survey**, the **monthly per capita consumptio**n of milk was 4.33 litres for rural and 5.42 litres for urban India. These translated into a daily per capita of 149 gm and 186 gm respectively or a simple average of 167.5 gm.

The 167.5 gm average consumption was well below the daily per capita milk production estimate of 289 gm for 2011-12 by the department of animal husbandry and dairying.

The difference can partly be attributed to the **HCE survey** covering only milk **consumed by households**. It excludes the milk **consumed by businesses** such as tea shops and hotels.

But even if such consumption was taken at 50% over and above that by households, it would add up to just over 251 gm.

The gap between the survey-based per capita household consumption and estimated per capita production has increased over times.

The production data on milk shows the country's milk production has an average annual growth rate of 6.1%. During the same period, however, average liquid milk sales of cooperative dairies have grown by just 3.6 per cent per year.

Production data is not reflected in consumption. There is a mismatch between supply grow and demand growth.

What is the importance of the census?

The Census isn't a mere population enumeration exercise. It contains information on everything from housing conditions, inter and intra-state migration flows, gender, age, linguistic and religious profiles. It is vital for effective policy formulation and economic analysis.

29. <u>China Shops – India's multilateralism comes up against the reality of Beijing-Islamabad, Beijing-Moscow compacts</u>

Source: The post is based on the article "China Shops – India's multilateralism comes up against the reality of Beijing-Islamabad, Beijing-Moscow compacts" published in The Times of India on 8th May 2023

Syllabus: GS 2 – Important International institutions, agencies and fora- their structure, mandate.

Relevance: About China-dominated forums.

News: The Shanghai Cooperation Organisation (SCO) foreign ministers' meeting was held recently in Goa. During the meeting, India explained that neither China nor Pakistan should expect normal relations till their hostile approaches are rolled back.

What are the issues with India being a member of China-dominated forums?

The China-Russia strategic compact has forced India to re-evaluate its investment in China-dominated forums such as SCO and BRICS. This is because,

- -China is using these forums for its own zero-sum strategic tussle with the US.
- -Ultranationalist dispensation in China is politically unable to resolve the border dispute with India.
- -China's pitch for multipolarity is not in consonance with India's goals.

Read more: What are the issues with India's participation in multilateral institutions?

What India should do instead of being a member of China-dominated forums?

- -India's multi-alignment strategy so far did not leverage any of the forums to obtain a better deal with the West or Russia. This should be followed in future also.
- -Instead of China-dominated organisations, India should focus on platforms like the Quad, BBIN (Bangladesh-Bhutan-India-Nepal) and I2U2 (India-Israel-UAE-US).

Must read: India's Approach to Multilateralism - Explained, pointwise

30. The lack of a drug recall law in India

Source: The post is based on the article "The lack of a drug recall law in India" published in The Hindu on 9th May 2023.

Syllabus: GS 2 - Governance - Government Policies & Interventions in Various Sectors

Relevance: concerns over drug recall law

News: A multinational pharmaceutical company has recently recalled its drugs by issuing a public notice in newspapers in India, alerting people about a mislabeled batch of the medicine that it had accidentally shipped to the market.

Does India have a drug recall law?

The law in the US requires pharmaceutical companies to recall those drugs batches from the market those have failed to meet quality parameters.

However, India does not have any such law in the present and it has been considering the creation of a mandatory recall law for substandard drugs since 1976.

In 1976, the Drugs Consultative Committee along with the officials from the Central Drugs Standard Control Organisation (CDSCO), discussed the issue of drug recalls.

The issue, drugs being sold in another state while it has been recalled in one state, was discussed. The need for greater cooperation between various state drug controllers to facilitate better coordination was decided in the meeting.

However, this decision never translated into amending the Drugs and Cosmetics Act to create a legally binding structure to enforce such recalls.

In 2012, certain recall guidelines were published by the CDSCO but they lacked the force of law.

What is the significance of a drug recall law?

Substandard drugs have adverse health consequences which may also lead to deaths of children. In India, almost every month, dozens of drugs fail random testing in government laboratories and there was also news about Indian drugs failures overseas. These drugs require to be recalled in a transparent manner.

Why is there no drug recall law in India?

First, the Union Health Ministry's Drug Regulation Section is unprepared to deal with complicated drug regulatory issues. It focuses more on supporting the pharmaceutical industry's expansion than safeguarding public health.

Second, India has a **highly fragmented regulatory structure.** Each State has its own drug regulator. This enables pharmaceutical companies to sell drugs in another state where there is no such restriction.

Therefore, to create an effective recall mechanism, the responsibility of recalling drugs must be centralized, with power under one authority.

However, both the pharmaceutical industry and state drug regulators have resisted greater centralisation of regulatory powers.

Third, the drug recall system will bring public attention to the conditions of India's pharmaceutical industry. Therefore, there has been consistent opposition to such laws.

Must Read: Can a centralized regulation help drug quality?

31. Roads, traffic and GDP

Source- The post is based on the article "Roads, traffic and GDP" published in the "Business Standard" on 9th May 2023.

Syllabus: GS 2 – Government policies and interventions. GS 1 – Urbanisation

News- The article explains the issues of traffic management in India.

Why does traffic movement need to be a significant part of development economics and public policy in India?

The chaotic and slow traffic movement causes significant wastage of time and energy. It affects productivity and gross domestic product.

Traffic movement is not the only solution for the growth rate of GDP. But policy to improve traffic movement is a part of "small" policy changes. These policy changes can make a big difference to the growth rate of GDP.

Improving traffic movement can have significant **effects on welfare**. This is due to factors such as tension, road rage, and accidents that are waiting to happen.

What are the reasons for poor traffic management in cities?

Investment can be in **tangible assets or intangible assets**. Tangible assets include roads. Intangible assets include a sound system for smooth traffic movement.

India is spending too much money on tangible assets and very little on intangible assets. There is a tendency to spend on wider roads and flyovers. But there is inadequate attention to smooth traffic movement.

India often takes pride in world class highways. However, the opportunity cost of a world-class highway is very high.

Parking space for vehicles is limited in cities in India. Parts of the roads are used as parking spaces. This slows down traffic considerably.

Master plans of cities often do not allocate enough spaces for the purpose. Town planners feel that they need to focus on providing **land for housing, commerce** rather than on **less useful purposes** like parking.

What is the way forward for improving traffic management in India?

Only about **0.2% of national land mass** in India is used in the top 10 cities. This shows that there is **ample scope for increasing land** for cities. This can pave the way for providing far more spaces for parking in existing and new cities.

There is a need to **reconsider the licensing** of drivers. At present, the focus is on checking whether a person seeking a licence can drive a vehicle. But there is also a need to check adequately that the applicant can **drive without adversely affecting others.**

A change in licensing policy can help in improving the movement of traffic on roads.

India needs **good highways**, but not necessarily **world-class highways**. The difference between the cost of building a good highway and a world-class highway can be very large. The money saved can be used to **improve the traffic movement** within cities and small towns.

32. India's China strategy needs to be debated

Source- The post is based on the article "India's China strategy needs to be debated" published in "The Hindu" on 9th May 2023.

Syllabus: GS2- Bilateral groupings and agreements

Relevance- India and China bilateral relations

News- Recently, China renamed 11 places in Arunachal Pradesh. The announcement was made after approval from the State Council, implying a green light from the very top of the Chinese system. The "renaming" of disputed territories has been a long-held tactic of the Chinese government. This is the third batch of "re-naming" with reference to Arunachal Pradesh.

What is the situation on LAC?

As per a research paper submitted by a senior police officer, India has lost access to **26 out of 65 Patrolling Points** in eastern Ladakh.

India has adopted the **"play safe" approach**. It has turned areas that were accessible before April 2020 for patrolling by the Army into **informal "buffer" zones**. It has resulted in the loss of pasture lands at **Gogra hills**, the North Bank of Pangong Tso, and Kakjung areas.

This is a matter of national security and of grave concern. Yet, the government refuses to openly call out the Chinese threat.

What are several factors that explain Indian stand on Chinese aggression?

There is a **growing power differential and military capability differential** between the two countries. There is uncertainty about the **strategic actions of major powers** such as the U.S. in case of a military stand-off.

There is pressure from Indian business interests to **safeguard trade**. **Lack of consensus** within the various ministries about the response to the Chinese threat and **lack of political will** are also major factors.

These considerations have led to self-restraint by the Indian government. It has even refused to permit even a basic discussion of China in Parliament, on the grounds of national security.

Is India repeating the errors made in its pre-1962 engagement with Communist China?

Nehru viewed India and China as the two major south Asian civilizations. It recognised the Communist government in China and softened its line on China's invasion and occupation of Tibet, its encroachment on India's borders.

Present government's current policy of ignoring **Chinese threat** seems similar.

What is the way forward to deal with the Chinese threat?

The Indian government is **strengthening border defences and building infrastructure** on the Indian side. But it is not opposing **Chinese build-up** and continuing "**salami-slicing" tactics** on the disputed frontier.

There is a need for **acknowledgement of the problem**. It will initiate a process of resolving it.

As a one-party state, China does not have to worry about **public approval.** The Chinese Communist Party has built **domestic credibility** by valorising its international image.

It is now about **showing strength**, **determination**, **economic might** and an unwillingness to **compromise on core national interests**.

In fact, China's public image is a source of its vulnerability. It has always had a fear of being isolated in global affairs. Its assertiveness today is accompanied by diplomatic overtures in Europe, Russia and West Asia.

India was able to capitalise on **China's image-consciousness** to get Masood Azhar blacklisted by the 1267 UN Sanctions Committee. Hence, **image matters** to Beijing. It can be exploited to India's advantage.

However, the government must take the Indian people into confidence. It is time for an urgent debate in Parliament on India's China strategy.

33. Buddhism, India's soft power projection tool

Source- The post is based on the article "Buddhism, India's soft power projection tool" published in the "The Hindu" on 9th May 2023.

Syllabus: GS2- International relations

News– Recently, India hosted a two-day global Buddhist summit in New Delhi. It was organised by the Ministry of Culture in collaboration with the International Buddhist Confederation.

Why was the summit important for India?

Prime Minister, Narendra Modi, laid emphasis on the **continuing relevance** of the **Buddha's teachings** in today's world.

The summit was a significant opportunity for India to **project and connect** with the Buddhist population around the world. It will strengthen the **country's soft power.**

It saw a diverse group of 171 foreign delegates from South Korea, Thailand, Cambodia, Japan, and Taiwan, along with 150 delegates from Indian Buddhist organisations. It was attended by prominent scholars, *sangha* leaders, and dharma practitioners.

The Indian government hopes to demonstrate its commitment to preserving and promoting Buddhist culture and heritage.

What are the efforts by the Indian government to increase its soft power through Buddhist diplomacy?

The Indian government has been actively investing in its Buddhist diplomacy. There is a focus on promoting tourism through the development of the "Buddhist tourist circuit".

Mr. Modi is visiting Buddhist sites during his Southeast and East Asian visits.

What is the potential of Buddhist diplomacy?

India is well-positioned to play a leading role in **shaping the discourse** around **Buddhist issues** on the **global stage**. India **holds an advantage** due to the **faith's origins** in the country.

As per Mr. Modi, "India has not given 'Yuddha' to the world but 'Buddha'." India's want to provide an alternative to contested global politics, with morality as the guiding principle.

India wants to position itself as a great power committed to cooperation rather than coercion. It is rooted in its deep historical and cultural ties to the region.

The current government's guiding principles for foreign policy are Panchamrit principles. It includes "Sanskriti Evam Sabhyata". It means cultural and civilizational links.

Buddhist diplomacy has the potential to promote **regional cohesion**. Nearly 97% of the global Buddhist population is based in Asia.

During the Cold War, China effectively used **Buddhist diplomacy** to engage with its neighbouring countries. It continues to employ this approach to gain **legitimacy for its Belt and Road Initiative.**

What is the way for India to effectively utilise Buddhist diplomacy?

To maintain its edge over China, **more action** is needed. China is actively seeking to exert control over the **appointment of the next Dalai Lama**. It would be a blow to India's efforts to project its soft power through Buddhism.

India must act to ensure that it remains a key player in the global Buddhist community.

India should continue promoting Buddhism at the highest levels of government, while also organising cultural events to showcase the country's rich Buddhist history.

The **Indian Council for Cultural Relations (ICCR)** could play a significant role in promoting such events within and outside India.

India should work to strengthen its ties with **key Buddhist institutions and leaders** around the world. The Delhi summit was a step in the **right direction**.

India also needs to **utilise the reach of Bollywood** in promoting its Buddhist heritage. China, with its **influence over Hollywood**, has completely **dominated the narrative** around Buddhism through cinema. In contrast, India is behind in this domain.

India's G-20 presidency this year could be used to promote **Buddhist diplomacy** on a bigger scale through **various cultural meetings**. Buddhist teachings align with the motto of India's G-20 presidency, 'One Earth, One Family, One Future'.

34. Of hope and vigilance – WHO's announcement gives hope, but there is a message of caution

Source: The post is based on the article "Of hope and vigilance - WHO's announcement gives hope, but there is a message of caution" published in The Hindu on 9th May 2023

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

Relevance: About the WHO Declaration on COVID Pandemic.

News: Recently, the World Health Organization (WHO) has declared that Covid-19 no longer represents a global emergency status – 'Public Health Emergency of International Concern' or 'PHEIC'.

What is the Public Health Emergency of International Concern(PHEIC)?

Read here: Public Health Emergency of International Concern(PHEIC)

About the WHO Declaration on COVID Pandemic

Read more: COVID pandemic is no longer an emergency, declares WHO

What tasks should the nations focus upon?

Eternal vigilance on mutations: The WHO and nations have to ensure that the WHO announcement is not selectively received. The nations have to pay attention to multiple variants and sub-variants that continue to emerge regularly.

The nations must understand that at any point in time, it is possible that a new variant, or recombinant may lead to rapid transmission and cause severe disease, resulting in hospitalisations and even higher mortality rates.

Periodic drills for testing their health capability: The nations need to periodically test their capacity to respond to epidemic situations.

Utilise the infrastructure built during the pandemic: During the pandemic times, the governments built INSACOG laboratories that are capable of genetic sequencing. Similarly, other health infrastructures were also built. All these must be utilised well.

Increase R&D funding: The government should increase research and development funding into vaccine platforms, drug delivery systems, antivirals, and antibiotics. This will enable nations to be prepared for any upcoming health concerns.

Apart from nations, individuals should follow the hygiene and precautions that became a habit during the COVID years, particularly **a)** adhering to the vaccination schedule, **b)** following hand hygiene and **c)** masking under certain circumstances.

35. A north-south Asia corridor is a step in the right direction

Source: The post is based on the article "A north-south Asia corridor is a step in the right direction" published in the Indian Express on 9th May 2023

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

Relevance: About North-South Asia corridor for India.

News: Recently, India's National Security Advisor participated in a meeting in Saudi Arabia with his US, Saudi Arabia and UAE counterparts.

What are the key highlights of the meeting?

- -It marks a **deepening of India's outreach towards West Asia**, strengthening the initiative taken with the 12U2 grouping.
- -The meeting signals a broader, integrated approach to India's West similar to the Indo-Pacific along with the US and regional partners.

Plan on North-South Asia corridor: The meeting discussed a proposal to link countries in West Asia through rail networks and roads, as well as build corridors between the region and South Asia through sea lanes.

The project is a response to China's Belt and Road initiative, which has been used by Beijing to increase its footprint across Asia.

Read more: I2U2 summit can provide a foothold for India for a greater role in West Asia

About the viability of the North-South Asia corridor

The project is viable due to the following **a)** Asian countries now understand the issues with China's "debt trap" diplomacy, **b)** There is a visible reduction in the rivalry between the West Asian countries, **c)** Indian expertise in railways as demonstrated recently in Sri Lanka,

De-hyphenation in the region: The <u>Abraham Accords of 2020</u> functionally normalised ties between Israel and the UAE and Bahrain. Similarly, Saudi Arabia and Iran also restored their ties earlier this year.

What are the challenges in participating North-South Asia corridor for India?

- a) Land connectivity with West Asia remains a challenge for India, due to the India-Pakistan issue,
- b) the new project will test India's balancing act with Russia and China and Russia and the West.

Read more: India's new West Asia approach is a welcome break with past diffidence

What are the advantages of the North-South Asia corridor for India?

Provide energy security: Direct corridors between West Asia and the Subcontinent will ensure a more steady and reliable supply of crude oil.

Increase India's credibility in project execution: India building railways will increase the country's reputation as an executor of major projects.

Increase employability: The direct presence of Indian companies and government can brighten the prospects for millions of Indian workers in the region.

Read more: India - Central Asia Relations - Explained, pointwise

36. A question from Manipur: Who is an ST?

Source—The post is based on the article "A question from Manipur: Who is an ST?" published in "The Indian Express" on 10th May 2023.

Syllabus: GS2- Polity

Relevance- Identity politics

News— Reenetly, there were voilent protest in Manipur over demand for affirmative action by the state's Meitei community.

What are issues regarding ST status in India?

The stakes of reservation or affirmative action have become higher amid economic liberalisation and neoliberal reform.

Many marginalised groups not recognised as STs observe as their ST neighbours reap the advantage of **affirmative action benefits**. Such disparities can spark inter-community tensions and conflicts. **ST status** has become a **contentious issue**. There are about 720 recognised STs in the country today. At least a thousand more groups are vying for recognition as STs.

These are symptoms of a crisis in India's over-burdened, out-of-date reservation system.

There have been important policy documents that have made the same point.

The 2006 draft "The National Tribal Policy for the Scheduled Tribes of India" observed that, there is an increasing clamour from many communities to get included as ST. Adding new communities to the list reduces the benefits to existing STs. Therefore, it should be done, only if there is no room for doubt.

The draft pointed to the problematical nature of the **official criteria for defining STs** laid out by the **B N Lokur Committee in 1965**. These criteria are hardly relevant today. Other more accurate criteria need to be fixed. But, it may not be easy.

Justice Jasraj Chopra committee was appointed in 2007 by the Rajasthan government to examine the Guijars' demand for ST status.

As per the committee, a **national debate** should be initiated on the existing norms for according ST status to any community. Certain criteria should be abrogated as they had **become outdated.**

What are issues related to Assam's Adivasi community seeking ST status?

It raises profound questions about our **system of reservation**. In Northeast India, unlike in the rest of the country, the word Adivasi, is not used as an **equivalent for ST**.

The only major group of people that call themselves Adivasi are not officially recognised as ST. They are the descendants of tea workers brought as indentured workers to Assam.

The region's established STs don't **self-identify as Adivasi** because of the "backwardness" associated with the term. They prefer the English words tribe or tribal for **self-identification**.

The **census of 1891** classified tea workers simply as labourers. But the term Adivasi has a special appeal to their descendants because its original use was by tribal leaders of Jharkhand. They regard the place as their **original home.**

People who have spent years in tea plantations cannot be expected to retain their **primitive traits** and distinctive culture that marked their ancestors in other states.

They realy warrants **some relaxation in the criteria**. They are descendants of those having ST recognition in their places of origin.

If the Adivasis are among Northeast India's most deprived people today, it is the result of the precedence accorded to **indigeneity over citizenship** and successful **cultural adaptation into local societies.**

37. Securing the migrant vote

Source– The post is based on the article "Securing the migrant vote" published in "The Hindu" on 10th May 2023.

Syllabus: GS2- Salient Features of the Representation of People's Act

Relevance– Voting issues related to migrants

News– Lokniti-Centre for the Study of Developing Societies conducted a study between April 28 and May 1 among the migrant voters of Bengaluru to find out their voting patterns.

What were the main findings of the study in the localities of migrant workers from north and north-east?

Nearly 99% of them were not registered as voters in Karnataka. Most of these workers who live in houses near power mills or in makeshift arrangements near construction sites continued to retain their names on the voter lists of their home constituencies.

Some of them were not able to adequately exercise their political voting rights due to geographical constraints. They found it difficult to travel home for every election.

There were fewer than **5% of migrants** whose families were living with them. They were concerned that their localities were not safe for women.

There was **little awareness** among the migrant workers about the ECI's proposal to introduce **RVMs**. 80% of them supported the proposal when they were told about it. They were happy that RVMs would enable them to vote there.

Less than 10% expressed their apprehensions about this **mode of voting**. Many voiced their concerns and anxieties about the **system's accuracy**.

Despite the difficulties involved in casting their vote, the respondents greatly valued their **voting rights**. They said it was their **duty and responsibility to vote** as citizens of the country. They also said that voting is **important in a democracy**.

The migrants said none of them had ever **received money or goods or services** from any candidates or parties in exchange for their vote. They said they travelled back to their home States without any support or expectations.

The study also indicated the **involuntary choice**s that migrant workers have to make in order to maintain a **minimum standard of living.**

Many of the migrant workers from Bihar, Uttar Pradesh, West Bengal and Assam, said low and **irregular wages and lack of opportunities** in their home States were reasons for their migration without their families.

They were happy to move to their home States if they were offered **comparatively lower pay.** The most popular reason for this was to be closer to home and to their families and fewer expenses.

Migrant workers are often apprehensive about **registering themselves** as voters in any other State apart from their home State. This is due to various reasons such as **frequent changes in residence**, **fear of losing property** in their home State.

What is the scenario of the use of Remote Voting Machines by migrants?

The Election Commission of India has proposed it. It seeks to extend **voting facilities to such migrant workers** who find it difficult to travel to their native place to vote.

Some political parties objected to RVMs. As per them, ECI has not responded to pending complaints and questions about the **trustworthiness of Electronic Voting Machines**.

RVM initiative is much-needed, but it requires an additional push. It needs more thought and greater transparency.

38. How strategic convergence between US, UAE, Saudi Arabia and India can help Delhi

Source—The post is based on the article "How strategic convergence between US, UAE, Saudi Arabia and India can help Delhi" published in "The Indian Express" on 10th May 2023.

Syllabus: GS2- International relations

Relevance - Changing dynamics in the middle east

News- The recent meeting in Riyadh between Saudi Crown Prince Mohammed bin Salman and the national security advisers of the US, UAE, and India underlines the growing strategic convergence between Delhi and Washington in the Gulf.

What is the new foreign approach of India towards the Middle east?

It is a major departure from the **traditional approaches** to the Middle East. India followed the principles of the **Nehruvian foreign policy**. It proposed that Delhi must either **oppose Washington or keep its distance** from it in the Middle East.

The approach was broken with the formation of a **four-nation grouping called I2U2** that brought the US, India, Israel, and the UAE together.

Modi's foreign policy rejected the notion that Delhi can't be **visibly friendly to Israel**. He also transformed **India's uneasy relation**s with Saudi Arabia and the UAE, into **solid strategic partnerships**.

Delhi is interested in a new quadrilateral with the US, UAE, and Saudi Arabia.

The US is not the only Western power that India is beginning to work with in the Gulf. France has emerged as an **important partner** in the Gulf and the Western Indian Ocean. India now has a **trilateral dialogue with Abu Dhabi and Paris**.

What are some facts about Pakistan's role in Middle East affairs?

As India withdrew from its **historic geopolitical role** in the Middle East, Pakistan became the **lynchpin of the Anglo-American strategy in the Gulf.**

Pakistan was a key part of the **Baghdad Pact** created in 1955 along with Britain, Iraq, Iran, and Turkey to counter the Communist threat to the region.

After Iraq pulled out in 1958, the pact became the **Central Treaty Organisation** and moved to Ankara. The regional members of CENTO formed a forum on **Regional Cooperation for Development (RCD)** in 1964.

CENTO was dissolved in 1979, and the RCD morphed into **Economic Cooperation Organisation** in 1985.

Pakistan's **continuing strategic decline** makes it less relevant to the **changing geopolitics** of the Gulf. Pakistan in the 1950s was widely viewed as a **moderate Muslim natio**n with significant prospects for economic growth.

Now, it is facing the challenges of violent religious extremism and a weak economy.

Pakistan has drifted **too close to China**. Islamabad is tempted to **align with China and Russia** in the region. Former Prime Minister <u>Imran Khan</u>'s rush to Moscow when Russian President Vladimir Putin was about to invade <u>Ukraine</u>.

How has the US changed its approach to the Middle east?

The US is discarding its **pro-Pakistan bias** in thinking about the relationship between the Subcontinent and the Gulf.

The US will not abandon the Middle East. But it is recalibrating its regional strategy. US National Security Adviser Jake Sullivan has highlighted several elements of the new US approach. One was about **building new partnerships**, including with Delhi.

The other was about the **integration of the Arabian Peninsula** into India and the world. It will focus on **I2U2 and new regional coalitions.**

What is the current geopolitical dynamics of the Middle east?

Beijing is now the **second most important power** in the world. Its **diplomatic and political influence** in the region will continue to rise. Yet, Beijing is nowhere near **displacing Washington** as the **principal external actor** in the Gulf.

The **Anglo-Saxon powers** have no desire to cede the Gulf to Beijing.

There are **rising powers** in the Arabian Peninsula, especially Saudi Arabia and the UAE. The Gulf kingdoms have accumulated **massive financial capital** and are undergoing **ambitious economic transformation**.

They have also begun to **diversify their strategic partnerships**, **develop nationalism** rather than religion as the political foundation for their states. They are promoting **religious tolerance** at home, and **initiating social reform**.

What are the options for Indian strategic establishment in the Middle east?

Emerging Arabia opens enormous **new possibilities for India's economic growth.** It enhances the scope of Delhi's productive **involvement in promoting connectivity and security** within Arabia and between it and the regions including Africa, the Middle East, Eastern Mediterranean.

The engagement should also help India overcome the forces of **violent religious extremism** within the Subcontinent.

India should go for **modernisation of Delhi's strategic discourse** on the Gulf and a conscious effort to change the **outdated popular narratives** on the Arabian Peninsula.

39. <u>Jailhouse Shock – Tihar won't change unless some authority is made directly responsible for</u> running it

Source: The post is based on the article "Jailhouse Shock - Tihar won't change unless some authority is made directly responsible for running it" published in The Times of India on 10th May 2023.

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

Relevance: About managing Tihar Jail.

News: Recently, a gangster has been murdered in his prison cell in Tihar jail.

About the present incident in Tihar and Delhi High Court's observation

No prison guard apparently saw the assailants as they reached their victim, nor were any present at the victim's cell. Another CCTV clip shows police standing by as a second attack began.

This murder came weeks after the death of another gangster in a gang war inside Tihar. The Delhi high court said that the incident was 'Totally unacceptable'.

About the previous court observations on Tihar jail and its authorities

The Supreme Court in the past has pulled up Tihar authorities for collusion with inmates in flouting the jail manual and obfuscating investigation. Courts have criticised GoI and the Delhi government for "passing the buck" on security at the jail.

The present one should prompt all stakeholders to revisit the multiplicity of authority.

Read more: Tihar jail to get AI-powered surveillance system

What are the challenges in managing Tihar Jail?

- -Prisons are a state subject. Tihar is run by the Delhi government. But, the DG (Prisons) is an officer on deputation from Delhi police, which reports to the government of India.
- -Delhi police are in charge of custodial duties while patrolling, perimeter security, search etc are undertaken by Tamil Nadu Special Police, ITBP and CRPF.

Tihar is a place where some of India's most dangerous criminals reside and are in great danger. So, until some authority is made directly responsible for running it the condition won't change.

40. Green crosshairs - A multi-pronged counter is warranted to tackle the EU's carbon tax plans

Source: The post is based on the article "Green crosshairs – A multi-pronged counter is warranted to tackle the EU's carbon tax plans" published in The Hindu on 10th May 2023. Syllabus: GS 2 – Effect of policies and politics of developed and developing countries on India's interests.

Relevance: About Carbon Border Adjustment Mechanism of EU.

News: The European Union (EU) proposes to introduce a Carbon Border Adjustment Mechanism (CBAM) in the upcoming October. The carbon levies are estimated to be in the range from 19.8% to 52.7

What is Carbon Border Adjustment Mechanism (CBAM) and Why it is a cause of worry for India?

According to EU, the CBAM will ensure its climate objectives are not undermined by carbon-intensive imports and spur cleaner production in the rest of the world.

Must read: EU's carbon border tax - Explained, pointwise

Last year, about a third of India's iron, steel and aluminium exports were shipped to EU members. Engineering products are the largest export growth driver in recent years. So, the CBAM will **impact Indian exports to Europe**.

What are India's options against the CBAM?

The Centre view the tax as a sophisticated trade barrier put out within 'greenwashing' optics.

- -The EU believes the carbon tax is compatible with **World Trade Organization norms**, but India is looking to challenge that.
- -India may also flag the **incompatibility with the UN's climate change framework** which moots common but differentiated responsibilities for developed and developing nations.
- -A threat of retaliatory tariffs on EU imports might also be feasible.

Read more: Exporting into a world with carbon tax

What India should do against the CBAM?

India at present is planning to quantify the various carbon taxes levied in India. Many of the poorer countries rely more heavily on mineral resources than India does.

Having positioned itself as the voice of the global South, the current president of G20, India should explore all the options against the CBAM and also alarm other nations about the EU's carbon tax framework.

The fallout of Putin helping make NATO 'great again'

Source- The post is based on the article "The fallout of Putin helping make NATO 'great again" published in "The Hindu" on 11th May 2023.

Syllabus: GS2- International relations

News- NATO has added Finland as its 31st member in April 2023. Sweden will become a member eventually.

What are the changes happening in relationship dynamics between Russia and Europe and what are its implications?

First, managing relations with Russia has never been easy for the European Union. There are differences among member-states.

Some European countries such as Germany and France had a **soft corner** for Russia. Some Baltic states such as **Estonia**, **Latvia and Lithuania** were in favour of **treading a cautious path**.

Russia's invasion of Ukraine has deteriorated the **security situation** in Europe. It has given a **blow to the EU's image**. Russia's actions have now united European countries more than ever before.

Nordic countries may face a standoff with Russia is the **Arctic region**. It has received little attention till now. But, due to **climate change** and prospects of harnessing **untapped oil, gas and mineral resources**, it is receiving wide attention.

Apart from the United States, Canada, and Russia, the Nordic countries are members of the **Arctic Council**. They have a **direct stake** in **Arctic affairs**.

There have been **localised confrontations** between Russia and other actors here. NATO membership for the Nordic countries has brought a **new geo-strategic dimension** to the Arctic's future.

For Russia, cohabitation, rather than confrontation, with NATO was an option. But, its military action has changed everything. It has triggered a NATO expansion in the Nordic and has complicated the security landscape and created more frontiers.

There is more justification for NATO's existence now. Many countries now see their **secure future** in NATO.

What will be the implications of these developments for India?

First, India is unlikely to help Moscow in maintaining the balance of power to counter NATO. Whereas Russia may count on China for support. It will bring the two countries closer, strategically and militarily. It may not be in India's interest.

Second, in recent years, the Nordic region has become **strategically important** for India. Prime Minister Narendra Modi visited Copenhagen to participate in the **Second India-Nordic Summit** in May 2022, and underlined **India's deep interest** in cooperation. This region now coming under a NATO umbrella will complicate **India's strategic choices.**

Third, India has observer status in the Arctic Council. It pursues an Arctic Policy to promote multi-level cooperation. China is claiming itself as a 'Near Arctic State'. Its partnership with Russia in this region and Finland's NATO membership, may lead to the Arctic's militarisation. It will affect the interests of all actors including India.

India's global actor role will be tested in view of the new European security architecture led by NATO and contested by Russia.

41. The problem with India's multi-alignment stand

Source—The post is based on the article "The problem with India's multi-alignment stand" published in "The Hindu" on 12th May 2023.

Syllabus: GS2- International relations

Relevance- Ukraine issues and India stand

News– China's recent mediation efforts to resolve the Ukraine crisis have once again spotlighted India's approach to conflict resolution.

What has been the approach of China towards Ukraine use?

China has held the North Atlantic Treaty Organization's eastward expansion responsible for instigating the war. As per China, America is the biggest obstacle to a ceasefire.

It is **exploiting the differences** among western countries regarding the **extent of support** to Ukraine. It is cementing the **Beijing-Moscow relationship and** ensuring the survival of the Vladimir Putin regime.

Thus, China has effectively positioned itself in opposition to the **American approach**. This is not how India views its role in resolving the conflict.

How is India's position different from China?

In contrast to the Chinese President **first outreach** to the Ukraine, Mr. Modi has spoken to Mr. Zelenskyy many times.

In October and December last year, Mr. Modi had expressed India's **solidarity with Ukraine** while extending support for **peace efforts**. Mr. Modi had publicly told Mr. Putin that "**today's era is not of war**".

Washington understands the importance of India's **continuous engagement** with Ukraine. It is an important way of bringing New Delhi's response to the Ukraine war into **alignment with its own**. The **geopolitics of the Indo-Pacific and the Ukraine conflict** are inter-connected.

The regular Modi-Zelenskyy interactions shows India's **rising stature and recognition** of its unique position in the **emerging global order**. This is despite western criticism of India's continued energy imports from Russia.

Ukraine's Deputy Foreign Minister Emine remarked that "India wants to be the **Vishwaguru**, the global teacher and arbiter. Supporting Ukraine is the only **right choice for true Vishwaguru**."

New Delhi has expressed its disapproval of the Ukraine war. But it has avoided taking a **clear position in many UN resolutions** on the issue.

What are nationalist ideas about Indian foreign policy?

Nationalist ideas have always influenced the Indian state. The **choice of the 'Vishwaguru'** is at the core of the present government's **nationalist foreign policy discourse.**

Vishwa Guru image builds on **historical trends in India's political thought**. It seeks to emphasise the distinctiveness of the country's **cultural ethos and civilisational values**. It highlights the unique **nature of 'soft power'** in foreign policy debates.

India lacks **hard power.** If India had been adequately powerful, it would have stopped the Ukraine war. The Ukraine attack is being opposed. But nobody is ready to stop Russia because Russia has power.

This narrative assumes that a powerful **Indian civilisational state** will stand for global peace and stability.

What are the options for India?

The **ambiguous position** on Ukraine is not a better option for a nation aspiring to become a **permanent member of the UNSC**. It should have a commitment to speak as a **global voice against territorial aggression and rights violations** anywhere.

The normative pillars of the democratic, self-confident and morally superior Vishwa Guru identity cannot be identical to hegemon maximising its power at all costs.

Russian justifications are sometimes supported by China. India has no such **revisionist motives.** India's views on sovereignty converges with a **universally acceptable Westphalian notion**. It is against the communist China's political philosophy of 'might is right'.

Ukraine is seen as a victim which is resisting aggression from an authoritarian neighbour. The Ukraine war alone is not sufficient to undermine India's historical ties with Russia. It is based as much on New Delhi's military dependence on Moscow and India's strategic autonomy doctrine. A pursuit of 'multi-alignment' may have given New Delhi some diplomatic space in the ongoing war in Ukraine. However, it may not be sufficient for India to play the role of a mediator between Russia and Ukraine.

India currently lacks the material resources to match the extent of China's economic and military potential.

Through his **peace diplomacy**, Mr. Xi's primary aim is to discourage Mr. Zelenskiy to launch the **much-discussed counteroffensive**. It will increase Russia's dependency on China.

Mr. Putin has done immense damage to **Russia's global standing** and offended most of the democratic world.

Thus, the Modi government must ensure that India's refusal to condemn Russian belligerence and continued increase in the import of Russian fuel is not interpreted as a **pro-Moscow approach.**

42. SC verdict on Maharashtra political crisis: The apex court draws red lines

Source: The post is based on the following articles

"SC verdict on Maharashtra political crisis: The apex court draws red lines" published in the Indian Express on 12th May 2023.

"Mumbai Message – Shinde survives. But SC makes clear party has primacy over legislative wing – big implications" published in the Indian Express on 12th May 2023.

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

Relevance: About Supreme Court verdict on the Shiv Sena case.

News: The Supreme Court recently held that the then Maharashtra Governor's call for a trust vote, which led to the resignation of the Uddhav Thackeray government last June, was illegal.

About the Supreme Court verdict on the Shiv Sena case

Must Read: Supreme Court verdict on the Shiv Sena case

What are the significances of the SC verdict on the Shiv Sena case?

Clearly defined the boundaries of state machinery: The judgement marked the boundaries of the three constitutional arms of the state machinery, namely governors, the Election Commission and presiding officers of legislatures.

Limited the involvement of Governor and Speaker in power games: The role played by Governor and Speaker proved decisive in the power game. The court said that the Governor is not empowered to enter the political arena and play a role in inter or intra-party disputes and also clarified that the floor test is not the platform to resolve intraparty disputes. Similarly, the court said that the Speaker must recognise only the whip and leader who are duly recognised by the political party. This will make the hostile takeover of state governments with active gubernatorial support will be difficult in future.

Provide greater protection to political parties: The court held that the whip on voting represents the will of the party and not its legislators. It's the party that appoints its whip and the house leader. This means political parties now have a greater degree of protection against defection by legislators. **Utilised the constitutional principles effectively**: The SC has used the Constitution's tenth schedule – meant to prevent opportunistic defections – as the reference point to reach its conclusions. The most important conclusion is that a political party is superior to its legislative wing.

43. Diagnostic imaging of the Rajasthan Right to Health Act

Source: The post is based on the article "Diagnostic imaging of the Rajasthan Right to Health Act" published in The Hindu on 13th May 2023.

Syllabus: GS 2 - Government Policies & Interventions in Various Sectors Relevance: concerns associated with Rajasthan's Right to Health (RTH) Bill

News: The Rajasthan Right to Health (RTH) Bill has been controversial and there have been oppositions to it.

What are some of the flaws in the Rajasthan's Right to Health (RTH) Bill?

Addition of extra provisions: The problem with the bill is that additional changes/amendments have been added in the bill other than those recommended by the select committee.

For instance, the term 'designated health care centres' was introduced, and a reimbursement clause for unpaid emergency care was added.

These extra additions are praiseworthy but most other changes in the amended Bill were not beneficial in protecting public health interests.

Lack of representation of medical representatives: The bill initially included three representatives, from ayurveda, homoeopathy, and unani, as ex-officio members from the state health authority.

However, **the amended bill had provision for only one representative** from the alternative medical systems, with medical education representatives filling for the remaining two.

Further, the amended Bill swapped public health experts with Indian Medical Association (IMA) representatives as nominated members. **This left state and district health authorities with little or no representation.**

Restricting powers of the administrative organs: The grievance redress system proposed in the initial iteration underwent a considerable change in the amended Bill.

For example, the grievance redress system was initially proposed to be handled through web portals, helpline centres, and officers concerned within 24 hours.

However, patient grievances will now be handled by the concerned health-care institution within three days. This may lead to conflict of interests and add more burdens to the hospitals.

Lacks in public health representation: Health care laws should also focus on health promotion, disease prevention, and nutrition. However, the RTH does not aim to serve these purposes.

Repealing the Act: Some of those opposing the bill have called to repeal the law due to the ambiguous definitions of some terms such as the definition of emergency.

However, there are ambiguities even with widely accepted medical definitions. Therefore, it is required that all parties should come together to best elaborate the definitions rather than repealing a Bill.

What are some of the advantages of the bill?

The State government has stated that private multispecialty hospitals with less than 50 beds, and those that have not received government subsidised land/buildings, will be temporarily exempted from the bill.

This provision of the bill was widely accepted by the doctors' associations.

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What lessons can be learnt from the RTH bill of Rajasthan?

The lessons learnt are $-\mathbf{a}$) laws should be carefully drafted to avoid oppositions, \mathbf{b}) the government should not get influenced by organised medical interest alone in preparing any health policy, \mathbf{c}) governments and the medical community should also make themselves aware of the broader social dimensions of health and health legislation and \mathbf{d}) governments should be aware that adopting such kind of legislation without being financially ready might backfire.

44. Strategic convergence between India and US is growing

Source: This post is created based on the article "**Strategic convergence between India and US** is growing", published in Indian Express on 13th May 2023.

Syllabus Topic: GS Paper 2, International Relations, Bilateral Relations of India

Context: India-US relations are growing under the present government.

Previously India has seen US, with the suspicion and tried to renew the idea of non-alignment. However, present government discarded India's "historic hesitations" in engaging the US over the last decade.

What are the strong points of India US relations in the recent years?

The US is now India's largest trading partner with the trade worth \$190 billion. Unlike China, it supports India on issues of territorial integrity and terrorism.

The US is offering to modernize India's defence production and transfer advanced civilian and military technologies.

India found common ground with the US in the Indo-Pacific and Middle East. India participates in such coalitions as the Quadrilateral Forum with US, Japan and Australia in the east and with Washington, Tel Aviv, Abu Dhabi and Riyadh to the west of the Subcontinent

45. AYUSH collaboration with ICMR for scientific validation is right step

Source: This post is created based on the article "Strategic convergence between India and US is growing", published in The Hindu on 13th May 2023.

Syllabus Topic: GS Paper 2, Issues associated with health

News: Ministry of AYUSH and ICMR have at last joined hands to undertake quality human clinical trials.

The collaboration will generate evidence on the benefits of using ayurveda along with modern medicine in treating certain disease conditions of national importance.

This collaboration will be for ayurveda only, initially. The other systems of AYUSH will be included when central councils of the respective AYUSH systems are ready to work with the ICMR.

How will it create a path for inclusion of Ayurveda along with modern medicines?

First, an expert committee will soon decide the area/disease conditions to be included for detailed clinical testing.

Second, clinical trials for each disease will be done by two arms: 1) modern medicine as the standard of care, 2) A combination of modern medicine and ayurveda.

Third, if clinical trials scientifically validate the superiority of combining ayurveda and modern medicine, it will form the basis on which integrated medicine will be offered to patients.

Fourth, trial outcomes will form the basis on which integrated medicine will be offered to patients.

What is the significance of this collaboration?

It is the first major step in the evidence-based approach of validating AYUSH medical interventions. Previous trials conducted for validating use of AYUSH medicines were not successful.

Evidence-based approach of ICMR will be helpful for scientific validation of traditional medicines in India.

46. Welfare spending has been getting a regular pruning

Source: This post is created based on the article "Strategic convergence between India and US is growing", published in The Hindu on 13th May 2023.

Syllabus Topic: GS Paper 2, Welfare schemes for vulnerable sections of the population

Context: The Union Budget has been criticised for decreasing allocations for welfare schemes. Central government spending on essential social programmes has been for last 6-7 years.

Government has done well in providing tangible goods like cooking fuel, electricity, and promoting financial inclusion of women. However, there has been a decline in traditional government services like primary education and child nutrition.

During pandemic, significance of social security programmes was acknowledged by the government when it raised the Budget allocation for all the social schemes to 4.3% of GDP; but the allocation if again back to just 1.5%.

How have Welfare schemes faced funding cuts recently and what are the issues associated with it?

The **Saksham Anganwadi and Poshan 2.0 programmes** designed to fight child malnutrition have experienced a significant decrease in allocation, even though malnutrition rates remain high in India.

The **mid-day meal (MDM) scheme** has seen a 50% decrease in Budget allocation as a share of GDP. Evidence shows that the scheme has led to an improvement in class attendance, learning as well as nutritional outcomes and reduced stunting in children.

The **PM Matru Vandana Yojana (PMMVY)** that offers maternity benefits to women in the unorganised sector has also been underfunded.

MGNREGA and the Public Distribution System were key to averting disaster during the pandemic. However, the allocation to both these schemes has been reduced.

Out-of-pocket expenditure on health in India remains much higher than the global average, which leads to financial distress and pushes millions into poverty each year.

Central expenditure on school education (primary and secondary) has steadily declined from 0.37% in 2014-15 to 0.23% 2023-24.

There is an urgent need to increase allocations for welfare schemes, especially those aimed at education, nutrition, and health. It is essential for India to invest in its human capital if it aspires to become a global superpower.

47. Asymmetry, power - on SC judgement in the LG vs Delhi Government case

Source: This post is created based on the article

"Asymmetry, power", published in The Hindu on 13th May 2023.

"Supreme Court's Delhi verdict carries promise of a constitutional renaissance" published in Indian Express on 13th May 2023.

Syllabus Topic: GS Paper 2, issues associated with federalism in India.

News: The article provides and analysis of the SC judgment in the Delhi case

<u>Asymmetric federalism</u> has been a key positive feature of India's polity, but it hasn't always ensured peaceful relations between the Centre and its constituent units. The ongoing disagreement between the Union government and the Government of the National Capital Territory of Delhi (GNCTD) serves as a prime example. The Supreme Court has frequently intervened to clarify the governance parameters of the territory.

SC Ruling in the Delhi Case

Read - The SC ruling in the LG Vs Delhi Government case

What is the significance of SC ruling in the Delhi Case?

In the judgement, SC emphasised on **the sui generis (unique) nature of Delhi** and stated that the Union Territory's status should not be used to curtail the role of the elected government.

The verdict reinforces the principle that a representative regime shouldn't be undermined by an unelected administrator.

The judgement reaffirms Thomas Jefferson's idea that "just government should derive its powers from the consent of the governed".

It emphasises that the central government has a significant mandate, but its consent is to govern the country, not Delhi. Delhi's elected representatives have a more legitimate constitutional right to govern.

The Court maintained that Union Territories (UTs) with their own legislative assemblies should be treated akin to states. The judgment dismissed the idea of a homogenous class of UTs.

Justice Chandrachud emphasised the **importance of federalism** in a diverse country like India. He argued that recognising regional aspirations strengthens the unity of the country.

The Court disagreed with the argument that the Constitution has strong unitary features in respect of UTs. Quoting B. R. Ambedkar, it reiterated that the Indian Constitution is neither a league of states nor are the states administrative units or agencies of the government. Instead, the Centre and states under the Constitution are co-equals.

48. This strategic-economic bloc will only tighten the leash

Source- The post is based on the article "This strategic-economic bloc will only tighten the leash" published in "The Hindu" on 15th May 2023.

Syllabus: GS2- International relations

News- India is negotiating the U.S.-driven Indo-Pacific Economic Framework for Prosperity (IPEF).

Why is India prioritising free trade bloc that include the US rather than China?

The one clear difference is **China versus the U.S.** India's **top foreign policy priority** is developing a **strategic partnership** with the US. Its relationship with China has further deteriorated.

The big economic fear in the case of Chinja is the **free trade deal's impact** on India's manufacturing sector due to cheap Chinese goods.

What are issues related to IPEF?

The economic issues with the U.S. have been no less problematic. These are related to agriculture, intellectual property, labour and environment standards, and the digital economy.

Strategic partnership is not about accepting a completely U.S. **self-interest-driven economic framework** that does not suit India's current economic interests.

Traditionally, trade deals used to be **mostly about tariffs**. But issues related to intellectual property, services, investment, domestic regulation, digital, and labour and environmental standards, are becoming more important.

The U.S. 's IPEF proposal is entirely about all these other areas. The U.S. has also found a tariffs-free trade deal as a good way to **deal with the resistance** of many countries to free trade agreements.

IPEF's 'new age' language itself is the biggest trap. As per experts, the IPEF would result in a complete control over the economic systems of the participating countries by the US.

The IPEF is about developing a **strategic-economic bloc.** It is about an **integrated economic system** centred on the U.S. that excludes China.

The systemic integration caused by the IPEF's will leave little room for domestic policies to help a country's own industrialisation.

Developing country trade negotiators are used to the **traditional language of free trade agreements**. They find it quite difficult to understand and respond to the IPEF's language.

IPEF is proposed to be concluded by November 2023, and real engagements only began late lastyear. Traditional free trade agreements take years to conclude. The US is rushing through IPEF. What are the long-term economic implications of IPEF?

In the long run, IPEF will have a stronger effect on economic and trade flows. In the digitalising

world, giving up policy spaces in key areas such as digital, labour and environment, and export constraints, would take the form of an economic dependency.

The IPEF can have **implications in agriculture**, in terms of genetically modified seeds and food. It could mean surrendering policy space for regulating Big Tech.

The country can compromise a **comparative advantage in manufacturing** due to unfair labourand environment standards.

It will also seriously affect India's ability to create a **vibrant domestic ecosystem** in emergingareas such as a **digital economy and green product**

49. Even when women are breadwinners, they continue to shoulder bulk of domesticresponsibilities

News: The article discusses the findings of Women at Work report, published by Deloitte.

Source: The post is based on the article "Even when women are breadwinners, they continue to shoulder bulk of domestic responsibilities" published in The Indian Express on 16th May 2023.

Syllabus: GS 2 - Issues Associated with Women

Relevance: problems faced by women in managing work and household responsibilities.

What are the findings of the report?

As per the report, only 15 percent of working women split daily tasks equally with their partner. The rest bear the burden of household responsibilities while simultaneously being breadwinners.

As per the report, 53 percent of women have higher levels of stress and mental health issues

than their global counterparts.

The report highlights that 42 per cent of women take on the sole responsibility of household tasks along with their job.

This shows that men never regard household duties as their responsibilities. Instead, they always see household duties as the responsibility of females.

The survey further shows that even when men and women earn equally, it is the women disproportionately responsible for childcare.

When it comes to childcare, women tend to take more flexible work options to balance both ends while men exclude themselves from such responsibilities.

The survey further founded that 70 percent of women accepted the larger household role,

saying their partner is the primary earner.

However, the fact is that women step back and opt-out for promotions, making men the bigger earner by default.

Moreover, men utilize this "stay at home" privilege as a justification for neglecting domestic duties because society as a whole supports it as a "strictly" maternal domain.

However, if men want to opt for childcare, there is no support for them from the policy makersas there is no paternity leaves available for new fathers.

This is in contrast to developed societies in the West. For example, Finland allows seven months of leave for employees, male or female.

What can be the way ahead?

Policymakers need to look at paid paternity leave because this will encourage fathers to take part in childcare and become sensitive to the mother's needs. Otherwise, Indian women will continue to struggle with responsibilities.

Moreover, **91** percent of women are unhappy that their organizations aren't taking any steps to ensure gender diversity, stop them from quitting or support policy decisions taken by them. If these headwinds continue, India will lose its competitive edge to representational biases.

50. A Court recall that impacts the rights of the accused

Source- The post is based on the article "A Court recall that impacts the rights of the accused" published in "The Hindu" on 16th May 2023.

Syllabus: GS2- Indian constitution

Relevance- Issues related to fundamental rights

News– On May 12, in its interim order, the Supreme Court clarified that courts could grant default bail without relying on the Ritu Chhabaria judgement.

What are provisions related to bail in the Indian legal system?

The **right to statutory bail** is available to accused persons in cases when the investigating agency fails to complete its investigation within the **stipulated time**. It is often known as **default bail**.

Under Section 167(2) of the Code of Criminal Procedure (CrPC), the maximum time available to investigators is 60 or 90 days. It depends on the seriousness of the offence.

If the authorities are unable to complete the investigation within this time period, the accused can apply for default bail under Section 167(2) of the CrPC.

The right to bail has been described by the Court in multiple judgments as an indefeasible right. It flows from Article 21 of the Constitution.

In *Achpal vs State of Rajasthan* (2018), the Court held that an investigation report filed by an unauthorised investigating officer, would not bar the accused from availing default bail.

In *S. Kasi vs State* (2020), the Court further stated that even during the COVID-19 pandemic, the investigating agencies would not be allowed any relaxation for the **maximum stipulated period** of investigation. It could lead to additional detention of the accused.

Why are provisions related to bail not effective?

These protections related to bail have **eroded in practice**. Investigating authorities routinely filed **incomplete or supplementary charge sheets** within the 60/90 day period, to prevent the accused from **seeking default bail**.

In other instances, the investigating authorities would file charge sheets, incomplete or otherwise, after the 60/90 day period. It is **before the default bail application** could be filed bythe accused.

What are SC viewpoints in the Ritu Chhabaria case?

The Supreme Court's decision in *Ritu Chhabaria* delegitimizes such illegal practices. It held that incomplete charge sheets filed by the police would not bar an accused from applying for default bail.

The Court emphasised that the preliminary or incomplete nature of these police reports revealed that the investigation was not complete.

In *Jasbir Singh* (2023), the Supreme Court held that a complete charge sheet filed within time could not be rejected because the investigation did not have sanction.

Why is the SC decision to recall its judgement in the Ritu *Chhabaria* case is alarming? Right to default bail could be made subservient to concerns of 'difficulties' faced by investigative authorities.

The Supreme Court also agreed to defer decisions on bail for accused persons across the country as per *Ritu Chhabaria case guidelines*. It makes the matter even more serious.

51. Death by methanol

Source: This post has been created based on the article "Death by methanol", published in

The Hindu on 16th May 2023.

News: In two recent incidents in north Tamil Nadu, 17 people died and 50 were hospitalized after consuming spurious or illicit liquor.

Notably, these incidents occurred just one month after the state government reported no such alcohol-related incidents over the last 14 years.

Also, NCRB and union government reported a significant reduction in deaths caused by illegal alcohol from 2016 to 2021.

What measures were taken by the Tamil Nādu Government?

Since 2002, methanol has been brought under the ambit of the Tamil Nadu Prohibition Act, 1937. Methanol is said to be the main reason behind hooch tragedies.

Tamil Nadu Denatured Spirit, Methyl Alcohol and Varnish (French Polish) Rules, 1959 was also amended to control methanol supply.

What are the shortcomings behind these incidents?

The recent events highlight administrative shortcomings, including insufficient regulation of methanol and a lack of monitoring of cheaper brews that compete with official retail outlets.

These incidents underscore the need for a consistent and thorough policy to tackle the issue of illegal alcohol, along with a strict commitment to zero tolerance for this issue.

Top of Form

52. Haryana's new liquor policy: Drink to that

Source: This post has been created based on the article "**Haryana's new liquor policy: Drink to that**", published in Indian Express on 16th May 2023.

Syllabus Topic: GS Paper 2 – Governance – Government policies for various sectors

News: The Haryana government has announced its new liquor policy.

This policy allows certain offices to sell booze on the premises. The eligibility criterions are over 5,000 employees, office space of at least 1 lakh sq feet and a canteen over 2,000 sq feet.

What is the significance of Haryana's new liquor policy?

Taxes on liquor contribute a significant share to many states' own revenue. This policy will increase this tax revenue from corporates instead of common men.

It will train the people to develop the habit of responsible drinking. It is because, employees tend to remain discipline around their bosses and colleagues.

53. On sexual harassment in the workplace

Source: The post is based on the article "On sexual harassment in the workplace" published in The Hindu on 16th May 2023.

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

Relevance: About issues with the PoSH Act.

News: The Supreme Court Bench of India has said there are "serious lapses" and "uncertainty"

regarding the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (PoSH).

How was the PoSH Act formed?

In 1997 as part of the Vishaka judgment, the Supreme Court laid down specific guidelines known as Vishaka guidelines. The guidelines focused on the prevention of sexual harassment of women at the workplace.

After this, the Protection of Women against Sexual Harassment at Workplace Bill was introduced. It was later tabled in Parliament and went through amendments. The amended Bill came into force in 2013, as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) or PoSh Act.

Must Read: <u>Sexual Harassment of Women at Workplace(prevention, prohibition andredressal) Act,</u>
2013

What is the Protection of Women from Sexual Harassment (PoSH) Act, 2013?

The law expands the definition of 'workplace' beyond traditional offices to include all kinds of organisations across sectors, even non-traditional workplaces. It applies to all public and private sector organisations throughout India.

The law requires any employer with more than 10 employees to form an Internal Complaints Committee (ICC).

The Act mandates every district in the country to create a local committee to receive complaints from women working in firms with less than 10 employees and from the informal sector.

The employer has to file an annual audit report with the district officer about the number of sexual harassment complaints filed and actions taken at the end of the year.

Read more: Lack of committees against sexual harassment is disquieting, says SC

What are the observations made by the Supreme Court on the PoSH Act?

Improper constitution of ICCs: The majority of the ICCs either had an inadequate number of

members or lacked a mandatory external member.

Lack of responsibility: The Act does not satisfactorily address accountability. For instance, the Act does not specify who is in charge of ensuring workplace adherence to the Act, and who canbe held responsible if its provisions are not followed.

-Law is largely inaccessible to women workers in the informal sector.

-Sexual harassment is hugely underreported for a number of reasons such as the power dynamics of organisations, fear of professional repercussions, etc.

54. Why spurious liquor kills

Source: The post is based on the article "Why spurious liquor kills" published in The Hindu on 17th May 2023.

Syllabus: GS 2 - Issues related to Health

News: Recently, 22 people had died after consuming spurious liquor in the Chengalpattu and Villupuram districts of Tamil Nadu. The article explains the harmful impact of alcohol and measures needed to treat those.

What is the alcohol in liquor?

Liquor is differentiated by its alcohol content, e.g., beer has 5% alcohol while wine has 12%. Alcohol, which is frequently consumed, is known scientifically as ethanol.

The World Health Organisation has found that "no level of ethanol consumption is safe for our health". Long-term use leads to dependence, increases the risk of various diseases, and may eventually cause death.

How does ethanol affect the body?

Ethanol is a psychoactive drug that, in low doses, reduces the level of neurotransmission in the body, leading to its typical intoxicating effects.

Ethanol, inside the body, is metabolised in the liver and the stomach by alcohol dehydrogenase (**ADH**) enzymes to acetaldehyde. Aldehyde dehydrogenase (**ALDH**) enzymes transform the acetaldehyde into acetate.

Acetaldehyde becomes the main reason for harmful effects of ethanol in the body.

What is spurious liquor?

Spurious liquor is characterised by the liquid mixture containing **methanol along with ethanol.**Methanol is added in the liquor to strengthen the intoxicating effects and/or to increase its bulk volume.

The **Food Safety and Standards (Alcoholic Beverages) Regulations 2018** has provided standard for the maximum permissible quantity of methanol in different liquors.

What is methanol?

Methanol is commonly produced by combining carbon monoxide and hydrogen in the presence of copper and zinc oxides as catalysts at 50-100 atm of pressure and 250°C.

Methanol has several industrial applications including the production of acetic acid, formaldehyde, and aromatic hydrocarbons. It is also used as a solvent and as antifreeze.

Use of methanol is governed by various central and state laws. **For example,** the Indian Standard IS 517, specifies how to determine the quality of methanol.

Whereas, the Tamil Nadu Denatured Spirit, Methyl Alcohol, and Varnish (French Polish) Rules 1959, specifies what labelling and packaging requirements should be present for methanol.

How does spurious liquor kill?

The deadliness of spurious liquor arises from methanol. Once ingested, methanol is metabolised in the liver by ADH enzymes to form formaldehyde.

ALDH enzymes convert formaldehyde to formic acid. The accumulation of formic acid leads to a condition called **metabolic acidosis**.

Acidosis can lead to acidemia, a condition wherein the blood's pH drops below its normal value of 7.35, becoming increasingly acidic.

Formic acid also interferes with an enzyme called cytochrome oxidase, which in turn disrupts cells' ability to use oxygen and leads to the formation of lactic acid, contributing to acidosis. This ultimately leads to death.

How can methanol-poisoning be treated?

First, pharmaceutical-grade ethanol should be administered by healthcare workers because ethanol checks methanol from being metabolised to formaldehyde. Thus, preventing it from becoming poisonous.

Second, Fomepizole should be administered. It slows the action of the ADH enzymes, causing the body to produce formaldehyde at a rate that the body can quickly excrete, preventing the deadlier effects.

Third, healthcare workers may also recommend dialysis to eliminate methanol and formic acid salts from the blood. They can also administer folinic acid, which encourages the formic acid to break up into carbon dioxide and water.

55. New Delhi and the New Washington Consensus

Source- The post is based on the article "New Delhi and the New Washington Consensus" published in the "Business Standard" on 17th May 2023.

Syllabus: GS2- International relations

Palavanca India and changing oconomic order

News- Prime Minister Narendra Modi will attend the G7 summit in Hiroshima this week, the Quad summit in Canberra the week after. There are bilateral visits to Washington and Paris in June and July.

The restructuring of the global economic order will be high on India's bilateral and multilateral agenda.

What are geoeconomic changes being unleashed by the competition unfolding between the US and China?

The **geoeconomic competition** between Washington and Beijing had begun to develop in the Trump years. President Joe Biden has intensified it and provided an **ideological framework**.

In a major speech late last month, US National Security Adviser Jake Sullivan outlined a **set of policy initiatives** to pursue the geoeconomic contestation with China.

The US is seeking wider international consensus on the new economic approach from its allies and partners, including India. Some are calling the Biden initiatives as efforts to build a "New Washington Consensus".

Sullivan's speech criticises **conventional economic wisdom** and a call for a **transformation of the global economic order**.

What are several challenges highlighted by Sulivian that have arisen from the old Washington Consensus and inflicted damage on the US economy?

"Markets know best" approach led to the hollowing out of the US industrial base. There is importance of the markets. But, in the name of oversimplified market efficiency, entire supply chains of strategic goods along with the industries and jobs moved overseas.

There was a notion that "all growth was good growth". This led to the privileging of some sectors like finance and neglected other essential sectors like semiconductors and infrastructure. US industrial capacity took a real hit.

Old assumption that **economic integration** would make nations more **responsible and open**, and that the global order would be **more peaceful and cooperative**.

The **integration** of a **"large non-market economy**" like China into the WTO created many problems. **Economic integration** didn't stop China from expanding its **military ambitions** in the region.

Emphasise on "just and efficient transition" to green economic growth and reducing

economic inequality at home that has undermined American democracy. What are the solutions offered by Sulivian?

Sullivan offers a five-fold policy framework.

Return to industrial policy that was responsible for US economic development historically but was dismissed by economic neoliberalism in the last few decades.

He advocates the US's friends and partners to look beyond **traditional trade policies**. The US-proposed **Indo-Pacific Economic Framework** is not a free trade agreement.

In today's world, trade policy needs to be about more than **tariff reduction**. The focus shouldbe on developing **diversified and resilient supply chains**, promoting **clean energy transition**, **and massive infrastructure** that supports the rapidly expanding **global digital economy**.

The US should mobilise investment into emerging economies with **local solutions**, but with capital enabled by a **different brand of US economic diplomacy**.

This involves offering an alternative to **China's Belt and Road Initiative**, **addressing the global debt crisis**, **and** reforming multilateral development banks.

There is a need to develop a **new set of export controls on sensitive technology** that will limit national security threats from China and other rivals.

What are the choices for India?

The US is ready for **substantive engagement** with its partners. India must be ready to respond. There are many common areas of engagement, like **China's geoeconomic challenge**, the dangers of **dogmatic commitment to globalisation**, **technological cooperation** among like- minded partners, building **resilient supply chains**, addressing the **economic concerns of the Global South**, and reforming the **global financial institutions**.

There will also be many disagreements on the identification of priorities and the details of the specific outcomes in rearranging the global economic order.

It must be viewed as a historic opportunity for India. As one of the world's leading economies, India can and should actively **reshape the global economic order.**

56. The rising tide of dictatorship

Source- The post is based on the article "The rising tide of dictatorship" published in "The Hindu" on 17th May 2023.

Syllabus: GS2- Polity

Relevance- Threats to democracy

News- The article explains the subversion of democracy by majoritarian forces in current times.

What are the factors that lead to the rise of dictatorship?

History often repeats itself, especially when people forget that war or dictatorship or ethnicconflicts are not a solution to any issue.

Humanity still has not learnt from the **brutal regimes** that brought violence and bloodshed. Lessons from history fade away and nations continue to repeat these mistakes.

Revolutions, like those in France and Russia, gave an **individual**, **absolute power**. These emerged as **failed empires under brutal dictatorships**.

Widespread corruption, high crime rates, governmental incompetence, and the rule of law fail to awaken humanity. Such conditions give rise to "strong man" politics.

Dictatorships are forgotten by the public. People blindly begin to put faith in a leadership that projects competence and ability to advance the welfare of the people and the country.

After Stalin's brutal regime, Cuban revolutionaries allowed their **charismatic revolutionaryleader** to seize absolute power.

There is abuse of modern communication technology by authoritarian regimes for propaganda. It gives birth to manipulative dictatorships.

In current times, technological means are used to subjugate public opinion. Hitler and Stalinare replaced by Russia's Putin, Peru's Fujimore, Venezuela's Chavez, Hungary's Orbán and Turkey's Erdoğan.

How is democracy being subverted in current times?

This is an era of strident nationalism and xenophobia. The hopes of a new world of progress, harmony and democracy have turned into despair.

Over the last few decades, use of violence as a **weapon for retaining power** has reduced. Technology is used to **manipulate and govern public opinion** through deceit, lies, **anddeceptions** under the guise of **safeguarding the institution of democracy.**

For **reliability and acceptance**, "**non-democratic leaders**" allow a certain amount of dissentin the independent media. **Complete censorship** is replaced by **indiscriminate regulations**.

Elections are made to look fair and honest, through money, manipulation and the creation of acult leadership.

Mass use of force and subjugation has gradually converted into majoritarian brute force. It is supported by a subservient media that tactfully spins a public discourse which seems to be democratic. But, in reality it is a far right wing agenda.

This is apparently different from North Korea's Kim Jong-Un, Syria's Bashar al-Assad, or Saudi Arabia's Mohammed bin Salman, who openly use **subjugation**, **expurgation** and **physical punishment** to remain in power.

Right-wing intellectuals continually make efforts to **strengthen the discourse of nationalism**through the politics of **image building and exceptionalism**. It captures the attention of the masses.

Criticism is pushed to the fringes while the **dominant party discourse** remains in full force. It is done through **brain-washing the public** with doublespeak and sophisticated means of **surveillance and propaganda**.

57. Just Not Justice – Seizure or destruction of property without following due procedure is a troubling misuse of executive power

Source: The post is based on the article "Just Not Justice – Seizure or destruction of property without following due procedure is a troubling misuse of executive power" published in The Times of India on 17th May 2023.

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

News: Recently, the Allahabad high court's Lucknow bench has directed the state government to return the seized property of a gangster. This is because the seizure wasn't preceded by an inquiry into whether the property had been acquired illegally.

What are the High Court's observations regarding the seizure or destruction of property by the state?

The court also observed that there is a growing number of appeals filed by alleged or convicted criminals and peaceful protesters whose properties have been seized or bulldozed by state machinery without following due process.

What are the issues associated with the seizure or destruction of property by the state? The immediate seizure or destruction of property by state machinery is seen as "summarypunishment" even before investigators can decide whether the seizure of property or itsdestruction, is warranted or lawful. For example, the houses of three accused in a gangrape case in MP's Rewa has nothing to do with the crime they committed.

When governments and police take this summary punishment route, many lower court judges sanction these actions. Essentially, it means the executive has arrogated themselves with extrajudicial powers.

Last year, a group of former judges of HCs and the SC called the apex court's attention to the sweeping seizures of property and the use of bulldozers in a number of states. They called these as "an unacceptable subversion of the rule of law".

What should be done?

The Bengal government this year made its law on property seizure and fines more stringent to deter the destruction of public property during protests. The law's effectiveness and fair application will come down to the quality and fairness of policing.

The state machinery's application of improper seizure or destruction of property is not proper governance and not justice too.

58. New pension reform must reduce burden on future generations

Source: This post is created based on the article "New pension reform must reduce burdenon future generations" published in Indian Express on 18th May 2023.

Syllabus Topic: GS Paper 2 – Welfare schemes for vulnerable sections of the population by the **Context**: Recently, Government has constituted a committee to "improve" the NPS.

The issue of government employees' pensions is a critical issue. Five states in India have already announced a shift from the New Pension Scheme (NPS) back to the old defined-benefit (DB) Pension Scheme (OPS). The Indian government is taking steps to improve NPS due to its growing importance. Read about – Old Pension Scheme and New Pension Scheme

What are the challenges of New Pension Scheme (NPS)?

NPS funds are invested in market-linked securities. It has given an impressive annual return over 9% since its inception. However, there is a risk of lower future returns due to global trendsof lower interest rates.

Therefore, NPS suffers from market risk and might end up with a reduced pension annuity.

What are the issues with Old Pension Scheme (OPS)?First,

it is neither funded nor fiscally sustainable.

Second, by the year 2100, the dependency ration of India will increase 5 times. The World Health Organisation's life expectancy simulations show that for people aged 60, life expectancy would increase from 18 to 27.9 years in this period. Therefore, pension support period will increase by 55 per cent just this century.

Third, the OPS employees currently get pension at 50 per cent of their last drawn salary. This pension further increases with a dearness allowance (DA) to account for inflation, twice everyyear. If 25 years post-retirement is counted, this pension increases exponentially with higher DA. **Fourth,** in OPS, current workers finance those who are retired.

Fifth, with pension costs rising faster than revenue growth, this could potentially lead to decreased development expenditure and increased borrowing, leading to a debt trap.

Sixth, the base for determining the pension is the highest drawn salary instead of some average of earnings over the career followed globally.

What should be done?

A sustainable pension reform should retain contributions and the NPS fund management but avoid periodic increases in the annuity. The government could guarantee a certain percentage of the last drawn salary as a fixed annuity pension.

However, these guarantees should consider the declining trend in global interest rates and India's economic development stage, both of which could reduce nominal returns on the pension corpus. Additional benefits, like extending pension to the spouse and providing health and life insurance benefits, can be considered.

59. How India's drug regulatory regime can ensure greater credibility for our pharma industry

Source: This post is created based on the article "How India's drug regulatory regime can ensure greater credibility for our pharma industry" published in Indian Express on 18th May 2023.

Syllabus Topic: GS Paper 2 – Government policies and interventions for development in various sectors

Context: In the absence of effective regulations of pharmaceuticals industry, many casualties have taken place due to consumption of faulty medicines.

In January 2020, 12 children in Jammu died after consuming contaminated medicine manufactured by Digital Vision.

6 months later, a two-year-old from Himachal Pradesh died after consuming Cofset cough syrup, manufactured from the same company.

What are the issues associated with regulating pharmaceutical industry?

India has 36 drug regulatory bodies; however, an alarming number of drugs have recently failed to meet quality standards. For example, in February 2021, Global Pharma Healthcare had to recall a batch of eye drops exported to the US due to links with vision loss. Indian manufactured cough syrups caused many deaths in Gambia and Uzbekistan in 2022

Between November 2019 and November 2022, the **US FDA raised 60 Official Action Indications (OAIs)** against Indian pharmaceutical companies. It was found that procedures

to prevent microbiological contamination of drugs were not established or followed. Also, environmental monitoring programmes **do not include measures to control fungal contamination**.

Some of these actions led **to import alerts** preventing them from supplying to the US market. These compliance failures **can jeopardize India's reputation as a reliable drug manufacturing nation**.

3 per cent of all drugs in routine use — for hypertension, allergies and bacterial infections — were found to be substandard by regulatory inspectors.

What steps can be taken by government?

Despite the negative publicity, several countries still seek access to Indian generics. Therefore, the Indian pharmaceutical industry must take up the challenge and strive for zero defects in its products.

First, the Drugs and Cosmetics Act (1940) should be amended, and a centralised drug database should be created for effective surveillance of all pharmaceutical manufacturers.

Second, India's 36 regional regulators should be merged into a single body.

Third, setting common standards across states could help reduce the risk of inconsistent regulatory enforcement.

Fourth, India has more than 10000 pharmaceutical manufacturing units. To cover all, additional budgetary support is needed to enhance inspection teams and enable more frequent quality-related inspections.

Fifth, increased transparency and credibility is required by public access to detailed notes of drug application reviews, past violations, inspection records, and failure history.

Sixth, there should be clear penalties for firms exporting spurious drugs, a public database of safety data, and a national law on drug recall.

Seventh, the Central Drugs Standard Control Organisation (CDSCO) needs to be reinforced with statutory backing and should be independent.

60. Leaky Oil Borrell - on EU's stand over Russian Oil imports in India

Source: This post is created based on the article **"Leaky Oil Borrell"** published in **Times ofIndia** on 18th May 2023.

Syllabus Topic: GS Paper 2 – Effect of policies and politics of developed and developing

News: Josep Borrell, the EU foreign affairs representative, criticized India for supposedly violating sanctions on Russia. However, the EU's executive vice-president called for a more diplomatic approach, suggesting the EU and India should talk about the issue as friends.

This criticism was based on the report by Finnish research agency, Crea. It reported that Indiawas bypassing sanctions on Russia. This was due to the EU buying Indian diesel and petrol made from Russian oil.

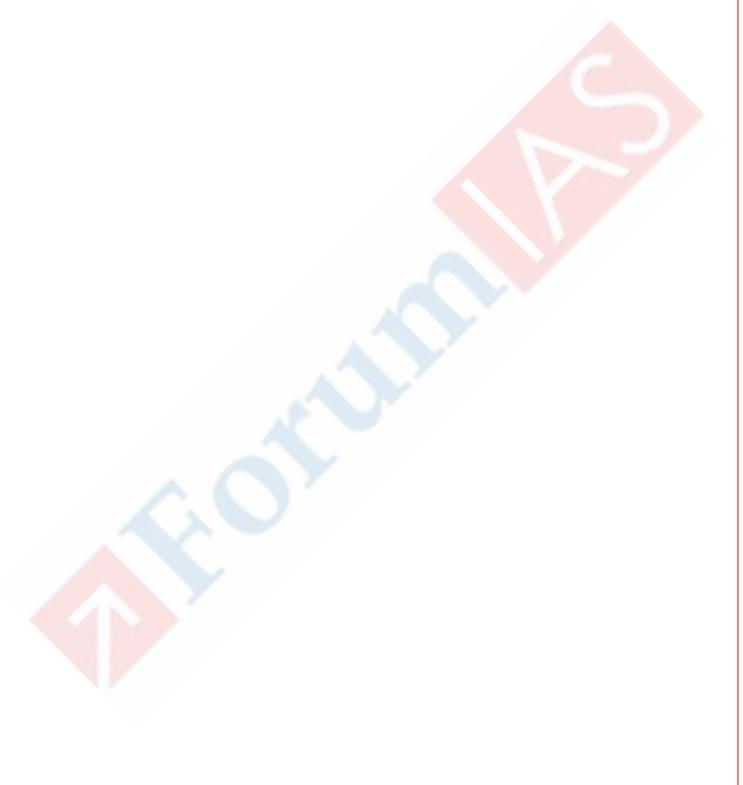
What is the background of these allegation?

As part of their sanctions on Russia, G7 nations had set the oil price limit at \$60 per barrel last year. India then started buying more Russian oil, such that by March 2023, Russian oil made up 35% of India's oil imports, up from just 1% before February 2022.

The EU has profited from this as it is India's third largest trading partner. Much of their trade includes oil products, with India now exporting nearly 3.8 million tonnes of oil products to the

EU, the G7, and others.

India has been supplying a lot of oil products to Europe, and this supply has tripled since Russia invaded Ukraine.



Crea reported that the EU was simply buying the same oil products from India that they used to buy directly from Russia. Therefore, it proposed a "place of origin" certification for products sold to the EU.

What is India's stand on this criticism?

The foreign minister argued that once Russian crude oil is substantially processed in another country, it's no longer considered Russian.

India is within its rights to import crude oil and export the processed products, regardless of the oil's original source.

61. About USCIRF report: Predictable counter – Introspection will do India good in areas where it faces international criticism

Source: The post is based on the article "Predictable counter – Introspection will do India good in areas where it faces international criticism" published in The Hindu on 18th May 2023.

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

Relevance: About USCIRF's International Religious Freedom Report.

News: For the fourth consecutive year, the government rejected the recommendations of the U.S. Commission on International Religious Freedom's (USCIRF) latest report, calling it "biased and motivated".

Read here: International Religious Freedom Report

What is the USCIRF's International Religious Freedom Report?

About the latest USCIRF's International Religious Freedom Report 2023 and issues withthe report

Read here: <u>USCIRF's International Religious Freedom Report: Present imperfect – Irrespective of</u> what the USCIRF says, India must review its rights record

The report release was followed by a briefing by a senior official. He said according to the U.S. Holocaust Museum, which tracks majoritarian trends, India is ranked eighth among 162 countries on the risk of "mass killing", a serious allegation.

What India should do?

India might come up with its own report on the state of religious freedom in the country to counter it. Further, India should introspect into the areas where it faces international criticism. The government must also devise more comprehensive methods for rejecting any unsubstantiated and unfounded challenges to India's reputation.

62. Two judgments and the principle of accountability

Source: The post is based on the article "Two judgments and the principle ofaccountability" published in The Hindu on 18th May 2023.

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

News: Recently, two Constitution Benches of the Supreme Court of India delivered important judgments. One is the Shiv Sena case and the other is regarding the administrative services in Delhi.

What are the SC judgments on these cases?

Must read: <u>SC verdict on the Shiv Sena case: Key takeaways from Supreme Court's Maharashtra verdict SC verdict on control over services: What tilted scales in Delhi's favour</u>

How did the two judgments are in contradiction to the core principle of each other? According to M.R. Madhavan, the Maharashtra judgment contradicts the core principle applied in the Delhi case. He explains this using a) triple chain of command, b) daily assessment by thelegislature.

Triple chain of command:

SC's Delhi judgment adheres to the principle of triple chain of command: The issue in the Delhi case the court held that the civil services in the Delhi government would be accountable to the Delhi cabinet and not to the Union government. This entails a **triple chain of command**: civil service officers are accountable to Ministers; Ministers are accountable to the legislature; and the legislature is accountable to the electorate. According to the court judgment, severance of any link of this triple chain would be antithetical to parliamentary democracy.

SC's Maharashtra judgment is against the triple chain of command: In the Maharashtra case, the SC ruled that the Tenth Schedule makes a differentiation between the legislature party and the political party. It determined that the power to issue directions was with the political party, and not the legislature party.

Therefore, the person in charge of the political party (who may not be a member of the legislature) would control every vote of the MLAs/MPs of that party. This reinforces the idea that the MP/MLA is not accountable to the electorate but only to the party. In doing so, it breaks the triple chainof accountability.

Must read: Shiv Sena case and SC judgement – Explained, pointwise

Daily assessment by the legislature:

In the Delhi judgment, the Court states that the government is assessed daily in the legislature through debates on Bills, questions raised during Question Hour, resolutions, debates and noconfidence motions.

But, in the Maharashtra judgment, the court states that the legislators of the party with a majority in the House have to abide by the directions of the political party. The party leadership controls the vote of its legislators on each issue. This makes the very idea of a daily assessment by the legislature meaningless.

Must read: Supreme Court ruling on administrative services in Delhi - Explained, pointwise

How anti-defection law led to this contradiction?

According to the author, the problem lies in the anti-defection law. He says that the law contradicts the democratic principle of accountability of legislators to their voters. The anti-defection law is based on the assumption that any vote by an MP/MLA against the party direction is a betrayal of the electoral mandate. This, according to the author, is an incorrect interpretation of representative democracy.

The constitutional design of a parliamentary democracy envisages a chain of accountability. The accountability of the government to the legislature is on a daily basis, and legislators have tojustify their actions to their voters in every election. But, the anti-defection law turn over this design by breaking both links of the chain.

What should be done to avoid this contradiction?

The court needs to relook at the 1992 Supreme Court judgment which upheld the anti-defection law.

63. India's trade and economic ties with the EU are set to strengthen

Source: The post is based on the article "India's trade and economic ties with the EU areset to strengthen" published in the Livemint on 18th May 2023.

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

News: In 2022, India and the EU economies celebrated 60 years of their relationship with the relaunch of talks on a bilateral trade agreement. The latest Brussels visit of the Union Minister for Commerce and Industry has added momentum to the negotiations.

About India-EU Goods and services trade

India is one of the world's fastest-growing economies, so it offers EU investors an attractive alternative market to China.

-The EU is India's third largest trading partner, accounting for 10.8% of India's total trade in goods. In the last decade, trade in goods between the two economies rise by about 30%. The EU is a key export market for India.

India is the EU's 10th largest trading partner, accounting for 2.1% of the EU's total trade in goods. But this is well behind China's 16.2% and the US's 14.7%.

- -Trade in services between India and the EU was around €30.4 billion in 2020.
- -India has a positive trade balance with EU in many categories like agri-food products.
- -Foreign investment from the EU to India has increased over the years. Over 6,000 European companies are present in India, which has led to significant job creation in the country.

Read more: India EU - Free Trade Agreement Talks

What is the potential of India – EU trade and economic ties?

- -The India-EU Trade and Technology Council (TTC) could serve as a platform to address some of the issues between India and the EU.
- -Indian companies have vast potential to enhance exports and diversify the export basket. India could develop successful business partnerships, enhance exports and attract investment from the EU.
- -India and the EU are participating in trade discussions in multiple forums, including the World Trade Organization (WTO) and G20. India EU collaboration can make trade more inclusive and growth-oriented for developing countries, building resilient global value chains (GVCs), integrating micro, small and medium enterprises (MSMEs) in global supply chains by using digital platforms, logistics for trade, and WTO reforms.
- -India and the EU have already agreed to work together on common priorities covering issues like its dispute resolution mechanism, subsidies on agriculture and fisheries, and an e-commerce moratorium. Both sides recognize the need to build on their common goals to pursue consensus-based solutions. This will support livelihoods and nutrition security for millions in India and other developing countries.
- -There is scope for attracting investment in the logistics sector with PM Gati Shakti and the National Logistics Policy of 2022.

What are the challenges in the India – EU trade and economic ties?

EU has raised high-tariff-related concerns in sectors like dairy, alcoholic beverages and automobiles and auto components from India. On the other hand, the EU's carbon tax is a cause of worry for India.

India and the EU have several other issues, like the content of an investment agreement, intellectual property rights and tackling climate change challenges.

Read more: India-EU free trade agreement: Why we need to change our approach to negotiations

What needs to be done to enhance India – EU trade and economic ties further?

India and the EU's bilateral trade and investment flows can be enhanced through targeted interventions and collaborations. Such as, a) Creating joint-capacity building programmes for supporting MSMEs integration with GVCs, b) Support to startups in each other's market, c) Conducting joint research, innovation and skilling programmes, d) Ensuring collaboration and joint projects on sustainable food systems, etc.

To address issues related to technical standards and the mobility of professionals, collaboration between regulatory bodies and mutual recognition agreements is essential.

India should **explore the scope for collaborations** to attract more tourists from the EU, enhance exports of organic products and traditional medicine such as organic food, Yoga and Ayurveda.

64. About Hiroshima G7 Summit: In Hiroshima, En Route To A North-South Bridge

Source: The post is based on the article "In Hiroshima, En Route To A North-South Bridge" published in The Times of India on 19th May 2023.

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

News: Indian Prime Minister is travelling to Hiroshima, Japan to participate in the 49th G7 summit. For India, this will be the tenth participation.

Read more: <u>G7 – History and members</u>

What is G7?

G7 countries have around 45% of global GDP. It has moved on to become an economy-plus forum encompassing in its deliberation major global challenges, including peace and security, counterterrorism, development, education, health, environment and climate change.

About the Hiroshima G7 summit

A Hiroshima action statement on food security is being worked upon. It aims to respond to the ongoing global food security crisis and to build more resilient, sustainable, and inclusive agriculture and food systems.

Read more: Explained | The G7 plan to counter the Belt and Road initiative

What is the importance of the G7 grouping for India?

Provides opportunity: India's participation in the G7 summits will provide India with an opportunity to meet with some of the most important leaders of the global community. The interactions with G7 countries provide useful input into understanding the dynamics of these major countries.

Help in expanding the rules-based order: India has been recognised as a partner of G7 for a

long and is seen as a strong voice of the democratic global south. India has also been shaping the narrative on development, environment, peace and stability. This can get significant attention from like-minded countries.



Aid the success of India's G20 presidency: Hiroshima G7 summit allows for a certain G20-G7 north-south bridging which India is best placed to undertake among major stakeholders in the world. Further, the presence of both Indonesia and Brazil (Present G20 troika countries) in the upcoming G7 summit further strengthens India's G20 presidency.

India has become the largest country in population terms and is on its way to becoming the third-largest economy in another decade. This has increased India's G7 membership fortune in future.

What are the concerns raised against the G7 grouping?

G7 articulate Western unity: G7 has a practice of "outreach" by interacting with a select number of invited countries decided by the host. For example, the recent host Japan does not invite China and Russia to be part of the summit.

Not the gathering of largest economies: G7 started in the early 1970s as a getting together of what were the largest economies in the world. But now, with the rise of BRICS, this is no longer the case and G20 has assumed the mantle of the premier economic forum of the world.

Read more: G7 is trying hard not to be yesterday's club

65. Poverty in India is yet again being overstated

Source: The post is based on the article "Poverty in India is yet again being overstated"

published in the Livemint on 19th May 2023. Syllabus: GS

- 2: Issues relating to poverty and hunger. Relevance:

About India's recent noverty measurements

News: As the 2024 elections approach, the Great Indian Poverty Debate has again started. As the government has not released the 2017-18 Consumer Expenditure Survey (CES), manytheories on poverty estimates are emerging.

What are the necessary factors in poverty measurement?

Head count: There has to be a consumption (or income) level below which individuals are deemed poor i.e. the "head count". But population sizes differ, so the headcount becomes the percentage who are poor.

Accounting inflation: Large countries like India and China have differential spatial (urban, rural, and state) rates of inflation. So, there is a need for state-specific poverty lines.

Raise the poverty line accordingly: There is a need to change the level of poverty line with development i.e. as a country becomes richer (less poor), the poverty line should be raised.

About India's poverty measurement criteria

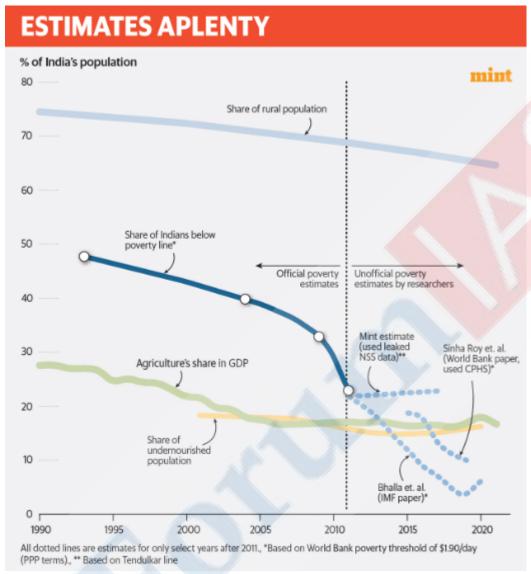
According to newspaper reports, the government is undertaking two back-to-back consumer surveys. But the questionnaire remains pretty much the same as in 2011-12.

The only major change is, to get more accurate reporting, each household will be visited thrice instead of once. **First**, for questions pertaining to seven-day consumption (fruits and vegetables). **Second**, for measuring 30-day consumption (most items). **Third**, for more durable items (recall period of 365 days).

World Bank and other experts, including Nobel laureate Angus Deaton, recommended having food questions on a weekly basis recall (rather than monthly) since the late 1990s. Post 2011-12, the government accepted a **Modified Mixed Recall Period (MMRP) method** has become the official, and only, method of data collection by NSS.

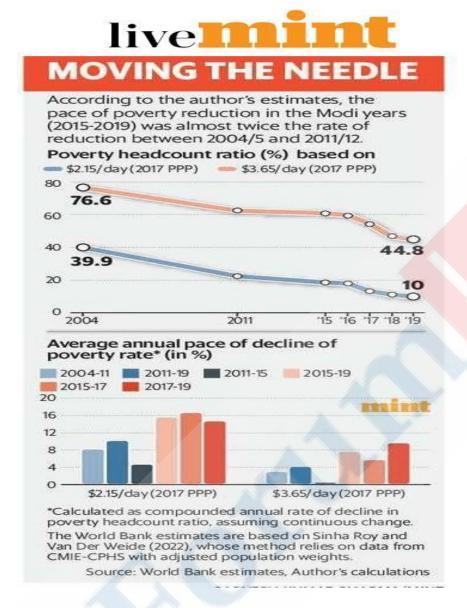
Read more: We shouldn't let Indian poverty turn into a great eternal mystery

What are the various theories on India's poverty estimation?



Source: Livemint

Why experts are suggesting India's poverty has reduced significantly in recent times?



Source: Livemint

Firstly, over the last decade (2011-12 to 2021-22), per capita GDP in India has increased by a cumulative 52%. Further, the real per capita consumption (national accounts data) grew at a healthy 3.13% CAGR, for an aggregate increase of 37%.

Secondly, average consumption increases by 37%. For example, the World Bank estimates a 67% "reasonable" pass-through of private final consumption expenditure (PFCE) growth to household consumption growth.

Thirdly, few experts said that India's poverty remains constant around 20-25%. But the constancy of the poverty rate is not correct. Because **a)** According to the MMRP method, poverty in India in 2011-12 was 10 percentage points lower at 12.4%, **b)** The 2017-18 survey did not collect data for any method other than MMRP. So, the poverty lines should not be constant.

Fourthly, the World Bank has recently updated its poverty estimates for India and other countries. It said that the pace of poverty reduction is considerably higher during the post-2013 period.

According to World Bank estimates, the pace of poverty reduction in 2015-2019 was almost twice the rate of reduction between 2004-05 and 2011-12.

Read more: There is no debate: There has been a persistent decline in poverty in India

At present, three organizations (NSSO, NCAER and CMIE) have ongoing surveys on consumption and therefore estimates of poverty.

66. A long-drawn test for India's diplomatic skills

Source: The post is based on the article "A long-drawn test for India's diplomatic skills" published in The Hindu on 19th May 2023.

Syllabus: GS 2 - Regional & Global Groupings

News: India is going to attend various multilateral organizations meetings in the coming months.

What are the upcoming multilateral meetings which India will be part of?

- a) Indian PM and other Quad leaders are expected to meet G7 countries in May, b) PM will visit the US in June, c) India will host the Shanghai Cooperation Organisation (SCO) Summit in July, d) PM will then attend the BRICS summit in South Africa in August and
 - e) India will host the G20 summit in September.

Therefore, there are many multilateral meetings on the list of India to attend, which shows that India is keen to get involved with the different global groupings.

It will also be a chance for India to showcase its diplomatic skills in maintaining the balance in its relations with various countries.

How is India trying to maintain balance?

India has maintained a sweet spot without following the Indonesian President to visit Ukraine nor has it invited Ukraine's Foreign Minister in the G20 meeting.

Further, India hosting SCO and G20 shows India's content to strike balance between the global order in the wake of war and changing geopolitical scenario.

India is also setting examples for many countries in South East Asia and the Global South by maintaining this balance.

For example, Saudi Arabia, the United Arab Emirates, Turkey and Israel are managing their ties with the West without joining its stand on Ukraine or sanctions.

Further, the France President has reiterated on the Strategic Autonomy after his visit to China this year. This strategic autonomy has benefited India to maintain its relations with the countries of its interests.

What are the challenges for India in maintaining this balance?

2. a) Unexpected victory of Ukraine over Russia may force India to reexamine its relationswith Russia, b) attacks by China across any part of the Line of Actual Control would make India to rethink on its strategies, c) India would also be forced to rethink if Russia escalates its stand on payment issues or withhold supplies of defence hardware to India under pressure from China, d) threats remain over imposition of unilateral sanctions by the West for buying Russian oil or sanctions under Countering America's Adversaries Through Sanctions Act-Related Sanctions (CAATSA) for acquisition of the Russian S-400 missile systems.

What can be the way ahead for India?

An important task with India ahead is to ensure China and Russia come to a consensus on a joint declaration at the G-20 summit in September.

This is because the G7 countries have always been in favour of excluding these two countries from the group.

Therefore, for India to get success in maintaining the balance with the nations, it has to show its diplomatic skills in making a consensus between the two nations.

67. PLI footprint in India-China trade

Source: This post is created based on the article "PLI footprint in India-China trade"

published in the Business Standard on 19th May 2023. Syllabus

Tonic: GS Paner 2 - India's International Trade

News: India's imports from China are reducing compared to imports from other countries. India's imports from China increased at a slower growth rate in comparison to global imports.

In FY23, India's import of electronics products from China decreased from \$30.3 billion to \$27.6 billion.

The decrease is most noticeable in sectors where the <u>PLI (production-linked incentive)</u> scheme is in operation.

For instance, there was a 70.9% decrease in imports of solar cells and parts, 23.1% in laptops and PCs, and 4.1% in mobile phones between FY22 and FY23.

China's share in India's merchandise imports has also decreased from 16.4% in FY18 to 13.8% in FY23.

What are the other areas of concern?

China is India's fourth-largest export destination, with exports during FY23 being \$15.3 billion. India had a trade surplus with China until 2005. However, due to China's technical advancement and India's product profile, this surplus turned into a more than \$83.2-billion deficit in FY23.

The major problem is not high imports but low exports. The figures of Chinese exports to Japan, Korea, and the US are 25.8 per cent, 21.4 per cent, and 21.4 per cent, respectively.

China still is India's number one supplier of import items.

Therefore, to become self-reliant India must invest in deep manufacturing. For electric-vehicle batteries, India must produce lithium-ion cells; for laptops, printed circuit boards should be made; for mobile phones, components should be manufactured and not merely the outer shellof the final product.

68. Why the Andhra HC struck down order seeking to regulate public assemblies, processions

Source: The post is based on the article "Freedom of speech the 'bulwark' of democracy: Why the Andhra HC struck down order seeking to regulate public assemblies, processions" published in The Indian Express on 20th May 2023.

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

Relevance: concerns associated with the Government Order of the Andhra Pradesh **News**: The Andhra Pradesh High Court has struck down a Government Order (GO) issued by the Andhra Pradesh government that sought to regulate public meetings, processions, and assemblies on roads, highways, and streets.

What were the arguments presented by the government on its order and what did the court say?

Andhra Pradesh Government: Through the GO, the government sought to regulate public meetings or assembly on roads. The government told the court that it decided to regulate the conduct of meetings without imposing a blanket ban to prevent accidents like stampedes.

The government further argued that roads are made for smooth movement of traffic. Therefore, if there is a hindrance to it, then the state can impose reasonable restrictions.

The state government relied on Sections 30, 30A, and 31 of the Police Act, 1861, to issue directions under the GO.

Court: The court clarified that Section 30 of the Police Act only gives authorities the power to regulate the conduct of assemblies, processions, etc., on public roads.

The Court emphasized that the power granted to the police or magistrate under these sections is limited to regulating assemblies, especially when there is road blockage.

The right to assemble or protest peacefully in streets, public places, etc. cannot be restricted totally by virtue of these sections of law.

The court further said that if the officer concerned thinks that the assembly may cause a breach of peace then he can ask the organisers to apply for a license and prescribe the conditions under which the procession can be held.

The court also held that an accident occurring at a particular place cannot be used as a "cause" to curtail the right to assemble on all other roads.

Instead, the cause of such incidents should be studied fully, and then guidelines can be issued to prevent repetition.

What did the court say about the right to assembly?

The court said that the "right to assemble, to protest peacefully, and to express one's opinion freely" is an important freedom which cannot be taken away.

Freedom of speech is the "bulwark" of democracy and is regarded as the first in the hierarchy of liberties.

Therefore, this freedom should not be curtailed on anyone's discretion and these rights can only be subject to a 'reasonable restriction'.

The court also relied on the Supreme Court judgment of 2018 which laid down guidelinesfor peaceful assembly.

What were the guidelines laid down in the 2018 SC ruling?

SC in Mazdoor Kisan Shakti Sangathan v Union of India, laid down guidelines for regulating protests and demonstrations.

The guidelines – a) regulated the intended number of participants in such demonstrations, b) prescribed the minimum distance from the Parliament House, SC, and the residences of dignitaries within which no demonstrations were allowed, c) imposed restrictions on certain routes where the PM, Central Ministers, and Judges pass through, d) disallowed demonstrations when foreign dignitaries were visiting a place or route and e) disallowed demonstrators from carrying firearms, lathis, spears, swords, etc.

69. Legal recognition for same-sex marriage is a natural consequence of the right to privacy

Source: The post is based on the article "It's Your Job, Milords – Legal recognition for same-sex marriage is a natural consequence of the right to privacy. So, Supreme Court not legislature is the correct forum to grant this right" published in The Times of India on 20th May 2023.

News: The article discusses the issues concerning same sex marriages.

What has been the stand of the Supreme Court on same sex marriages?

There are two important judgments of the SC in this regard – 1) Navtej Singh Johar (2018), which struck down Section 377 IPC and 2) KS Puttaswamy (2017), which recognized the rightto privacy as being a fundamental right.

Hence, legal recognition of same-sex unions/marriages comes as a continuation of these judgements. Whereas, denying it is a direct infringement of their right to privacy. However, SC has reserved its judgment on legal recognition of same sex marriage.

What are other concerns related with the recognition of same-sex marriages?

An important question arises whether the Parliament can intervene into the recognition of samesex marriages even if the court has recognized it.

If the answer is yes, then **legislature can by law reverse the judicial recognition** of the right to same-sex relationships.

However, if it is accepted that the legal recognition of same-sex marriages is only a natural consequence of their right to privacy, then the state would not be competent to make a policy decision in this area.

Moreover, if the fundamental right to embrace one's sexual orientation is considered a part of the fundamental right to privacy, then leaving the decision to recognize same-sex marriage on to the government would not serve the purpose.

This is because the government does not support this idea and it prioritizes social morality over constitutional morality.

What are the Constitutional provisions that support same-sex marriage?

The Constitution ensures every citizen the right to equality with the right against discrimination on any ground including sex and sexual orientation.

Therefore, as per the Constitution, the state cannot deny its citizens the right to legal recognition of marriages on the only ground of varied sexual orientation.

Must Read: <u>Legalising Same-sex marriages in India and associated challenges –</u>
Explained What can be the way forward for same sex marriages in India?

The legal recognition of same-sex marriages will not only guarantee the couple rights for

adoption, surrogacy, procreation but will also ensure dignity to their children.

Further, the institution of marriage is equally important to individuals regardless of their gender identities.

Moreover, **Justice DY Chandrachud also said that the** Supreme Court must not risk losing its role as a leading institution in upholding constitutional values. Else, the erosion of its authority would pose a significant threat to democracy.

Therefore, until the Parliament makes the law and recognizes the same-sex marriage, it is better

70. Tracking SDG progress the Bhopal way

Source: The post is based on the article "Tracking SDG progress the Bhopal way" published in The Hindu on 20th May 2023.

Syllabus: GS 2 – Mechanisms, Laws, Institutions & Bodies Constituted for Protection &Betterment

News: Bhopal has released its Voluntary Local Review (VLR). With that it has become the first city in India to join the growing global movement on localisation of Sustainable Development Goals (SDGs).

In 2015, 193 United Nations member-states adopted the 2030 Agenda for Sustainable Development. This agenda consists of 17 SDGs and 169 targets aimed at people, planet, and prosperity.

To depict the progress on the agenda, member-states submit a Voluntary National Review (VNR) to the UN's <u>High Level Political Forum (HLPF)</u>. This submission was recently extended to the local level. Now Voluntary Local Review (VLR) is also submitted which reports local implementation of SDGs at the sub-national and city levels.

What are the provisions of localisation of SDGs through VLRs?

Cities are crucial for achieving at least 65% of the 169 SDG targets, necessitating local urban stakeholders' involvement. The VLR serves as a tool to showcase local actions leading to equitable and sustainable transformations.

Although it is ideal for city's VLR to align to the State-level action plan (where available) and the country's VNR, VLR mechanism allows flexibility to the cities to select the SDGs to focus upon. This flexibility is given, considering the fund crunch and logistical challenges of cities.

India's progress on the Sustainable Development Goals (SDGs)

India has made notable progress towards adoption and achievement of the SDGs, with NITI Aayog presenting India's second VNR at the HLPF in 2020.

The Ministry of Statistics and Program Implementation (MoSPI) of India has published a National Indicator Framework (NIF) for the review and monitoring of the SDGs, representing India's unique development journey.

Efforts of India towards localisation of SDGs

India has made significant progress towards adoption and achievement of the SDGs. NITI Aayog presenting India's second VNR at the HLPF in 2020.

NITI Aayog reported that at least 23 States and Union Territories have prepared a vision document based on SDGs. Almost all of them have initiated steps to localise the SDGs. However, it is a time taking process.

Significance of Non-Governmental Stakeholders in the VLR Process

A VLR does not necessarily have to be initiated by a local government. It can be carried out by any city-level stakeholder within the framework of Agenda 2030.

Bhopal's VLR is the result of a collaboration between the Bhopal Municipal Corporation, UN-Habitat, and more than 23 local stakeholders.

Bhopal's VLR has helped identify the city's performance areas in solid waste management, public transportation, and open spaces per capita.

It also highlights areas that need improvement, like provisioning of adequate shelter, air pollution, city planning capacity, and even distribution of open spaces.

In the city of Canterbury in the United Kingdom, some residents and local groups came together to do the VLR, with the help of local government. However, the local government merely served as

Similar examples have been observed in Dhulikhel (Nepal), Singra (Bangladesh), and Amman (Jordan).

71. On PM Modi's visit to Australia: Delhi to Canberra, a new journey

Source: The post is based on the article "On PM Modi's visit to Australia: Delhi to Canberra, a new journey" published in Indian Express on 20th May 2023.

Syllabus: GS 2 - Bilateral, multilateral agreements of India

News: Prime Miniter Modi has continued with the scheduled visit to Australia, even after the cancellation of Quad Summit. It shows the importance India places on its relationship with Australia.

What are the strengths of India Australia Relations?

Cultural Links: There are strong cultural connections between these two vibrant, democratic societies. This is evident in the similarities between places like Parramatta in Sydney and Polo View in Srinagar.

Regular visits: High-level visits between the two countries are now regular. For instance, Australian PM Anthony Albanese visited India just two months ago.

Shared platforms: Both countries regularly interact through multilateral, trilateral, and minilateral forums, such as QUAD, G7, East Asia Summit, G20, and the Indian Ocean Rim Association.

Through these platforms, both countries focus on the goals of common interests like maritime awareness, supply chain resilience, and climate change.

Resilient supply chains: India and Australia have pledged to build secure and resilient supply chains for strategically significant sectors such as clean energy, electric vehicles, semiconductors, aerospace, and defence. In this regard, an MoU signed between India's Khanij Bidesh Ltd (KABIL) and Australia's Critical Minerals.

Space collaboration has been prioritised in the Australia-India bilateral partnership. Australia participated as a partner country in the Seventh Bengaluru Space Expo. Australia is supporting India's Gaganyaan Space Programme.

Education forms the cornerstone of the bilateral relationship, with Australia being a popular study destination for Indian students. PM Albanese's announcement of an education agreement that gives mutual recognition to the qualifications of both countries is the most comprehensive of its kind with any other country.

Trade: Last year both <u>countries struck a trade deal</u> after two decades of effort. It will lift the trade between both <u>countries</u> from the current base of \$35 billion.

New announcements: Australia has announced multiple initiatives, like the opening of a new consulate in Bengaluru and a new centre for Australia-India relations in Sydney, to deepen its ties with India.

72. Allopathy Plus – Integrative medicine is well worth researching

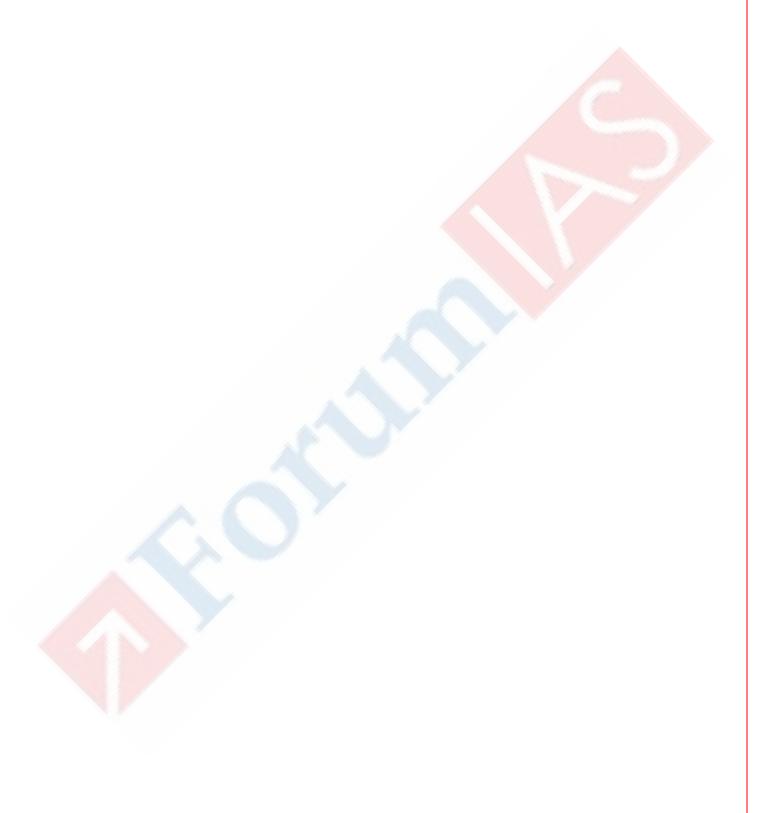
Source: The post is based on the article "Allopathy Plus – Integrative medicine is well worth researching" published in The Times of India on 20th May 2023.

Syllabus: GS - 2: Issues relating to development and management of Social

Sector/Services relating to Health.

Relevance: About attaining integrative health.

News: Recently, the Indian Council of Medical Research and GoI's AYUSH ministry signed an MoU to promote and collaborate on integrative health research.



About integrated systems of medicine, government initiatives and advantages

Must read: Integrated system of medicine: Need and significance - Explained, pointwise

What are the challenges in attaining integrative health?

Different school of thought: Integrating allopathy with alternative approaches (AYUSH) under the banner of integrative medicine has a long history. But despite that, there are significant differences in the underlying approach to treatment. This is because **a)** the practitioners of the modern medicine system rest on standardisation, **b)** The importance of randomised controlled trials in allopathy to establish the safety and efficacy of treatments. Other therapies don't easily allow themselves to these RCTs.

What needs to be done to attain integrative health?

India should carry out more research in various fields. The regulatory authorities should curb misinformation on efficacy and risk

73. G7's climate wishlist, and the realities of efforts to cap warming

Source: The post is based on the following articles

"G7's climate wishlist, and the realities of efforts to cap warming" published in the Indian Express on 22nd May 2023.

"The end of 'decoupling'?" published in the Business Standard on 22nd May 2023.

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

Relevance: About Hiroshima G7 Summit.

News: Recently, Hiroshima G7 Summit occurred. At the summit, the G7 countries listed a set of milestones that need to be achieved for a realistic chance of containing the global rise in temperatures to within 1.5 degrees Celsius.

What are the key observations taken on the economic decoupling of China?

Dealing with China's growing economic power: The grouping agreed on "cooperation" to "support a more significant role for low and middle-income countries in supply chains". So, they would "address non-market policies and practices designed to reinforce dependencies, and will counter-economic coercion".

What are the climate-related decisions taken at the Hiroshima G7 Summit?

About peak greenhouse gas emissions: The G7 stressed the need for a global peak in emissions by 2025. As the G7 countries already achieved peak emissions, the summit asked all "major economies" to ensure that their individual emissions do not continue to rise beyond 2025.

Note: The 2025 peak year is not mandated under the Paris Agreement or any other international decision. India has long made it clear that its emissions might grow in the next decade. China, the world's largest emitter, has also indicated that it would peak only towards the end of this decade.

The biggest emissions year so far has been 2019 — about 55 billion tonnes of carbon dioxide equivalent.

About reaching Net-zero by 2050: The G7 reiterated its commitment to turn net zero by 2050, and asked all 'major economies' to attain net-zero status by that year. The recent WMO's State of the Global Climate 2022 highlights that the 1.5 degree Celsius threshold was likely to be breached, at least temporarily.

Note: Scientists said that the world must become net zero by mid-century to meet the 1.5 degree Celsius target. China, Russia and Saudi Arabia have said that they would turn net-zero only in 2060, while India has set 2070 as the target.

About ending fossil fuels: The G7 countries did not mention the deadline for fossil fuels. Instead, they were committed to accelerating the phase-out of "unabated fossil fuels" in line with 1.5 degree Celsius trajectories.

Read more: About Hiroshima G7 Summit: In Hiroshima, En Route To A North-South Bridge

How Europe, Japan and others have diluted their decoupling with China?

European Union: Europe sees decoupling being used by the US for inward-looking controls, subsidies and protectionism.

Earlier, Europe was worried about dependence on China. But now, they recognise that the globalised European economy benefits more than most from trade ties. So, they are now trying to

identify the specific areas where they need to insulate their economies from possible coercion or dependence,

Japan: Japan is far more careful about its criticism of China. This is because **a)** It is a neighbour of China, **b)** Japanese companies were the first targets of Beijing's economic coercion. For instance, Chinese rare earths exports to Japan were curtailed following a standoff at the disputed Senkaku Islands.

But now, they isolated their "US" and "China" supply chains and decoupled their businesses in Chinese supply chains. Both Japan and Korea are of this similar view. This is because North-east Asian nations think that their powerful conglomerates are being disadvantaged in the implementation of decoupling.

Read more: G7 Summit Presents a Template for Indian Engagement With the West

What are the implications of this shift towards a milder version of economic containment of China?

Integration with China is a clear path to prosperity: All the fast-growing economies have benefited from building supply chains that pass through China. Vietnam, Brazil, Indonesia and India have supply chains linked with China.

For example, China is Brazil's largest market, absorbing over a quarter of its exports. Similarly, over half of the value of Vietnamese exports now comes as foreign value-added and China is the largest single contributor to that.

So, India's demand for the multi-sectoral global decoupling of China might not yield adequate results.

74. <u>Judging jallikattu – Verdict upholds cultural sentiment</u>, but animal rights, human safety matter too

Source: The post is based on the article "Judging jallikattu – Verdict upholds cultural sentiment, but animal rights, human safety matter too" published in The Hindu on 22nd May 2023.

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

Relevance: About traditional bull-taming sports.

News: The Supreme Court has recently upheld amendments made by Tamil Nadu, Karnataka and Maharashtra to the Prevention of Cruelty to Animals Act, 1960, to allow the traditional bull-taming sports of Jallikattu and Kambala, and bullock-cart racing.

About the case

A 2014 Supreme Court judgment banned the sport Jalli Kattu and upheld the activists' statement that any sport involving a physical contest between man and bull violates animal rights. But the State government amended the central Prevention of Cruelty to Animals Act, 1960, in its application to the State, and obtained the President's assent.

A Constitution Bench of the Supreme Court has now settled the issue, ruling in favour of jallikattu as a cultural event.

Must read: Jallikattu: cultural practice or cruelty?

About the SC's decision to permit traditional bull-taming sports

What led to the SC's decision to permit traditional bull-taming sports?

This is because **a)** Fresh regulations minimise the game's potential for cruelty and pain which formed the basis for the 2014 judgment, **b)** The Court accepted the legislature's view that jallikattu is a sport conducted every year to follow tradition and culture.

What should be done?

The organisers as well as the respective governments should bear the burden to prevent the infliction of pain and cruelty on animals.

These traditional bull-taming sports pose a danger to both participants and spectators. So, the organisers have to mandate protective gear for the participants and strictly enforce rules for proper barricades to keep spectators safe.

75. Solidarity for peace - The G-7 must build a global consensus on the world's challenges

Source: The post is based on the article "Solidarity for peace - The G-7 must build a global consensus on the world's challenges" published in The Hindu on 23rd May 2023.

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

Relevance: About Hiroshima G7 Summit.

News: Recently, Hiroshima G7 Summit occurred.

What are the key observations taken at the Hiroshima G7 Summit?

Japan brought all G-7 members with the EU leadership to the peace memorial for the victims of the 1945 atomic bombing. The grouping issued a special "Hiroshima Vision Statement on Nuclear Disarmament".

The G-7 members issued a separate statement on Ukraine, hitting Russia with more sanctions, but failed to highlight a path towards dialogue and ending the war.

The members also recognised G-7's role in various areas. Such as transparent financing and debt sustainability for the developing world, compensating for the developed world's contribution to global warming and greenhouse gas emissions, etc.

But the summit failed to propose concrete measures to help defray these responsibilities.

Must read: G7's climate wishlist, and the realities of efforts to cap warming

What is G7?

Read more: <u>G7 - History and members</u>

What are the concerns raised against the G7 grouping?

Holds only Euro-American worldview: After G7 expelled Russia over its annexation of areas of Georgia in 2008 and then Crimea in 2014, its worldview has been contracted.

Read more: About Hiroshima G7 Summit: In Hiroshima, En Route To A North-South Bridge

What should be done?

The G-7 must build a global consensus on the world's challenges and also include some of the world's largest economies (China and India) or the fastest-growing GDPs, or the biggest global energy providers.

76. A wishlist for new Law Minister - On Legal Reforms

Source- The post is based on the article "A wishlist for new Law Minister Arjun Ram Meghwal" published in "The Indian Express" on 23rd May 2023.

Syllabus: GS2- Polity - Criminal Justice System

News- Recently Arjun Ram Meghwal was appointed as new law minister.

What are the reforms expected from the Law Ministery?

The task of the Law Minister involves a reasonable knowledge of the working of courts, parliamentary affairs, and government counsel. It requires astute diplomacy in dealing with judges and political demands.

There is a need to **reduce litigation** by the government so that the burden on the judiciary would be reduced.

There is an **alarming proportion of cases** with the government as a party in recent years. It needs to be reduced, particularly in the arena of service law where larger questions of law do not arise.

India should consider adopting some version of the **Crown Prosecution Service of the UK**. It allows for **independent assessment** of whether a case should lead to an **indictment and trial**.

Criminal justice system does not **objectively decide** whether material exists to oppose bail or frame charges. It is now **standard format** to treat the accused or the undertrial as a mortal enemy who must be stopped at all costs. This philosophy must be checked.

Another useful measure would be to **encourage and enhance mediation and plea bargaining**. To achieve this, the **National Litigation Policy of 2010** needs to be updated and made mandatory.

He should engage with the **technological initiatives** of our Chief Justice and offer the encouragement of his ministry. He should attempt some reform in this respect.

There is a lack of a **proper regulatory body** for lawyers. The **Bar Council of India** now comprises a group of individuals who have exceeded their elected terms. They devote little time to **regulate** and **reform.**

A few lawyers charge **exorbitant fees**. They are **unchecked by law**. In addition, lawyers lack **social security.** The Covid years heavily impacted the lawyers. The Ministry of Law should **overhaul the profession** to serve the people in a more meaningful manner.

77. The new world – shaped by self-interest

Source- The post is based on the article "The new world – shaped by self-interest" published in "The Indian Express" on 23rd May 2023.

Syllabus: GS2- International relations

Relevance- Changing global order

News- A series of far-reaching events are shaping the 21st century.

What are important lessons from the recent geopolitical events?

The first lesson from global reactions to the war is **geography still matters**. Proximity and the neighbourhood are considerably more important. We are living in a **hyper-globalised world**, but we are also **more local** than ever before.

Social media, trends in technology and politics, and other factors promoted narrow spheres of interest. India was concerned about the Ukraine war and European instability. But Chinese aggression, Covid and the instability of Kabul were more important for it.

The second lesson pertains to the <u>UN vote condemning the Ukraine war.</u> 140 countries voted and condemned Russia. But, only a few sanctioned Russia.

Those sanctioning Russia today are **champions of globalisation and development**. Others are well within their rights to challenge the status quo.

It is often stated that India is **on the fence.** India is not on the fence. It is only **standing its ground**. It will choose its priorities just as every other country has done.

The recent visits by European leaders to China shows that **value-based frameworks** are untenable. Nations are **driven by self-interest** and the need to maintain lucrative economic relations. India is no different.

Even after Chinese hostilities on the Himalayan heights, **trade relations** matter for its economic needs. **Distance matters**; **interest matters** even more.

The third lesson derives from recent events. The <u>Covid-19</u> outbreak saw the hijack of medical equipment and access to vaccines, and growing gaps in treatment capabilities.

When the pandemic struck, there was **no superpower**, there was **no great power**, and there was **no big power**. There were only **selfish powers**.

Similarly, the Afghan people were abandoned because it is important for higher powers to leave the country at a particular moment.

Chinese territorial incursions have provoked a range of **self-serving responses** from different actors. Some of these countries talk about defending democracy.

In a nutshell, there is **no moral high ground**. All that remains is the **ruthless pursuit of national self-interest**.

What is the importance of the global south in the present context?

If **meaningful international dialogue** is to be conducted, nations must **right-size** some of their **perceptions** about each other and themselves. In this context, Global South can be a possible **bridge between competing positions.**

But the "Global South" is a simple term, which does not show its **heterogeneity.** Very few countries would like to be categorised as "southern" as they continue to **rise and shape global systems.**

The organisation of the South over the next decade will have a far more profound impact than the West on the global balance of power, and on the contours of the new world order.

78. The tussle over 'services' in Delhi

Source- The post is based on the article "The tussle over 'services' in Delhi" published in "The Hindu" on 23rd May 2023.

Syllabus: GS2- Issues and Challenges Pertaining to the Federal Structure

News– Recently, a Constitution Bench headed by the Chief Justice of India D.Y. Chandrachud held that the Delhi government can make laws and administer civil services in the national capital.

In response, The President promulgated the Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023 to make a fresh claim of power over the services in the capital.

What are the legal constitutional issues with the ordinance?

The Supreme Court had envisaged a "neutral civil service" for carrying out the day-to-day decisions of the Council of Ministers. The NCCSA attempts to bring civil service officers out of the administrative control of the elected Ministers.

The NCCSA negates the intrinsic link between government accountability and the principle of collective responsibility highlighted in the judgement.

The Ordinance, by creating the NCCSA, skirts the emphasis laid down in the judgement on the "triple chain of command" in the governance of Delhi.

The court had held that the civil services were **accountable to** the Ministers of the elected government, under whom they function. The Ministers were in turn **accountable to** the legislature, and the legislature ultimately to the people of Delhi.

The Ordinance also does not heed the **President's own Transaction of Business Rules** of the Government of National Capital Territory of Delhi, 1993.

As per Rules, on matters which fall within the ambit of the **executive functions** of the Government of National Capital Territory of Delhi, decision-making is by the government comprising the Council of Ministers with the Chief Minister at its head.

Does the Ordinance go against the Supreme Court judgement?

The Ordinance is based on the argument that the Supreme Court has itself acknowledged the **superior authority of Parliament** to make laws for the national capital.

A review petition filed by the Centre in the Supreme Court claimed that Delhi is not a **"full-fledged State"** but only a Union Territory. The Parliament is Delhi's **true legislature.** However, the May 11 judgement addresses this contention. It acknowledges that though Delhi is not a **full-fledged State**, its Legislative Assembly has power to **legislate upon** the subjects in the **State List and Concurrent List.**

The judgement says that the Delhi assembly has power to legislate upon subjects to give effect to the **aspirations of the people of NCTD**. It has a **democratically elected government** which is accountable to the people of the NCTD.

As per SC, Under Article 239AA(3), NCTD was given legislative power which is similar to States. The Constitution created an "asymmetric federal model" with the Union of India at the centre, and the NCTD at the regional level.

The May 11 judgement had also referred to how the majority in a 2018 Constitution Bench judgement had held that the **concept of federalism** is applicable to NCTD.

The court had held that the executive power of the Delhi government was "coextensive" with its legislative power. The executive arm of the government covers all the subjects, including services, except public order, police and land.

For further reading- Delhi Ordinance

79. The paradox of BRICS, its new pathway

Source—The post is based on the article "The paradox of BRICS, its new pathway" published in "The Hindu" on 24th May 2023.

Syllabus: GS2- Regional and global groupings

News- The article explains the journey of BRICS since its inception and current events related to the grouping.

What led to the formation of BRICS?

Jim O'Neil's gave the concept of BRIC, a grouping of **four emerging economies** (Brazil, Russia, India, and China).

Two of its components joined hands with South Africa to **form IBSA** in 2003. China was keen to join it and managed to enlist South Africa's support. But Brazil and India were not ready. They maintained that the forum was **open to democracies only.**

China played a **trump card**, and decided to bring South Africa into BRIC, thus turning it into BRICS. Soon, the new club overshadowed IBSA. IBSA has been unable to hold its summit since 2011. But BRICS has held **14 summits in the past 13 years**.

What is the progress of BRICS so far?

BRICS focused its attention on both geopolitical and economic dimensions. It has articulated a common view on key global and regional issues. It has also projected a non-western view.

It has strengthened the multipolarity and limited the dominating influence of the West.

On the economic front, it launched new initiatives.

These are the New Development Bank; the Contingent Reserve Arrangement (CRA), a financial mechanism to protect against global liquidity pressures; and a comprehensive programme to expand trade and investment cooperation.

What are the challenges before BRICS?

China and Russia did not fully back other members' bid to secure **membership of the UN Security Council.** So, they were disappointed.

In century's second decade of the century, there was a **dramatic economic rise** of China and its **military assertiveness** increased. This disturbed the **group's inner balance.**

The **post-Ukraine consolidation** of Russia-China cooperation, **economic issues** in South Africa that accelerates dependence on China, and **Brazil's rightist policies** have generated new tensions.

Beijing's push for a **common currency for intra-BRICS trade** is also symptomatic of the group's inner troubles.

Why are so many countries willing to join BRICS?

19 countries are eager to join BRICS. China is pushing the expansion as a **strategic device** to extend its **global influence**.

The demand to join BRICS stems from 'fear of missing out' on the membership of a club that has some visibility.

Many realise that the doors of other groupings are closed to them. The clamour reflects prevailing anti-western sentiments and desire to create a forum of the Global South.

What are options available before BRICS for entry of new members?

The next BRICS summit will be hosted by South Africa on August 23-24. It could take decisions on expansion and its criteria.

Three options are available: (1) A **mega expansion** that raises the membership from five to 21, thus surpassing the G-20.

- (2) **Limited admission** of 10 new members, two each supported by an existing member.
- (3) Admission of **only five new members**, one each supported by an existing member.

If the third option wins consensus, Argentina, Egypt, Indonesia, UAE and Bangladesh are the most likely states to be the new members.

80. India@75, Looking at 100: How we can resolve the tribal health challenge

Source—The post is based on the article "India@75, Looking at 100: How we can resolve the tribal health challenge" published in "The Indian Express" on 23rd May 2023.

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

Relevance- Inclusive healthcare system

News– The article explains the issues of access of healthcare system for tribal communities

What are the achievements of India in the healthcare sector?

Since Independence, India has made remarkable progress. It has emerged as the world's fifth-largest economy and a leader in the digital realm.

India, at various points, has demonstrated the ethos of **Vasudhaiva Kutumbakam** — **One World, One Family.** One example is India's contribution towards the **global vaccination drive** during the pandemic.

Under "Vaccine Maitri", India provided over **60 million vaccine doses** to neighbouring countries and other parts of the world.

What are challenges faced in the healthcare sector?

The challenge lies in building a healthcare system that caters to all communities.

For instance, tribal communities in India constitute 8.9% of the population. They remain the most **neglected and deprived** group in **access to healthcare**.

As per a report by the Ministry of Tribal Affairs, the **mortality rate** in tribal areas is 44% higher than the national average, and **infant mortality** is 63% higher. This underlines the urgent need to **empower tribal communities** and ensure they receive **equitable healthcare access**.

The challenges they face are multifaceted — lack of infrastructure, medical professionals, connectivity, affordability, equipment, insurance, funding, and much more.

How can India build an inclusive healthcare system for tribal communities?

There is a need for suitable investments, public policy and governance, for making healthcare affordable and accessible to all.

Empowering tribal communities must be done strategically, keeping in mind their traditions and other intangible heritage touchpoints.

The health of communities is influenced by various factors. These factors differ significantly for tribal communities.

They have a **communitarian social setup**, an **underdeveloped economy** dependent on forest resources and **unique geographic conditions**. As a result, their health outcomes necessitate a unique approach.

A long-term solution to the tribal healthcare challenge is investing in medical colleges and training centres across such remote areas.

These institutions can equip local healthcare providers with the **necessary skills and knowledge** to offer **quality healthcare services**. It has the potential to **bridge the gap in healthcare infrastructure** and provide **employment opportunities** for the local population.

The **capabilities of public partnerships** in redefining healthcare facilities and accessibility are important. Recently, NITI Aayog and UNDP highlighted initiatives that are **sustainable**, **innovative**, **impactful and replicable**.

One such initiative is the **Mera Baccha Abhiyan**. It aims to fight malnutrition through public participation in Datia district, Madhya Pradesh. As a result, the **malnutrition rate** in the district dropped by 17.5%.

The responsibility of providing healthcare for all our fellow citizens, lies both with private and government institutions. Through inclusive leadership and investments in healthcare infrastructure in tribal areas, India can empower tribal communities.

81. Disregarding Constitution, court, citizens

Source—The post is based on the article "Disregarding Constitution, court, citizens" published in "The Hindu" on 24th May 2023.

Syllabus: GS2- Issues and Challenges Pertaining to the Federal Structure

Relevance- Constitutional issues related to NCT of Delhi

News– Recently, a Constitution Bench headed by the Chief Justice of India D.Y. Chandrachud held that the Delhi government can make laws and administer civil services in the national capital.

In response, The President promulgated the Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023 to make a fresh claim of power over the services in the capital.

How the control over services by LG has impacted the administration in Delhi? In 2015, when the Union Ministry of Home Affairs took away the Delhi government's control over services and gave it to the Lieutenant Governor.

It impeded the Delhi government's work. There were day-to-day problems in the functioning of important departments as secretaries were changed frequently. Frequent transfers of officials impacted the consistency and efficiency in governance.

Over two years, the Centre changed Delhi's Health Secretary eight times and derailed the Delhi government's relief efforts.

As the government had **no functional control** over services, it could not punish errant officers. Delhi witnessed the **highest number of vacancies** of teachers, doctors, engineers, clerks and other staff because of **personnel mismanagement**.

Several honest and efficient officials were often penalised for their merits and subjected to **punishment postings.** They had no clarity on whose directions they were to follow.

The Services Department even refused to answer questions raised by MLAs in the Vidhan Sabha. Some senior officials even started skipping meetings called by Ministers. They **evaded** answerability for **delayed**, inefficient and inadequate action.

How did the ordinance passed by the centre disregard the spirit of the constitution?

The ordinance has disregarded the elected government in the matter of services. So, it reduces the value of the citizen's vote and of cooperative federalism.

It is an institutionalisation of the Centre's tendency to use the apparatus of Governor/LG to undermine democratically elected governments in States/NCT.

The Ordinance is an attempt to **disempower** opposition-run governments and **disenfranchise** the people.

For more reading -

Tussle over services in Delhi

Supreme Court empowered Delhi government

82. Justice that also makes space for animal welfare

Source—The post is based on the article "Justice that also makes space for animal welfare" published in "The Hindu" on 24th May 2023.

Syllabus: GS2 – Indian Polity

News– The article explains the SC judgments on jallikattu and legal and constitutional issues related to animal rights

What was SC judgement on jallikattu in A. Nagaraja case?

It declared the practice illegal. SC held that bulls could never be performing animals.

They were anatomically **ill-suited for competition**. They were being forced into participating in a practice that caused them unnecessary pain and suffering. Any conduct of jallikattu breached the **Prevention of Cruelty to Animals Act, 1960.**

What was the response of the Tamil Nadu government on SC judgement?

To overcome the judgement, the Government of Tamil Nadu, in 2017, introduced a series of amendments to the 1960 Union law. It ensured that jallikattu was altogether exempted from the protections that the statute offered.

The government said the law was made with a view to preserving the State's tradition and culture.

What was the response of petitioners who challenged the Tamil Nadu law in SC?

In **Animal Welfare Board of India vs Union of India** case, the validity of a Tamil Nadu law permitting the practice of jallikattu was challenged before SC.

First, petitioners claimed that the law had failed to **overcome the verdict in A. Nagaraja**, where *jallikattu* had been found unlawful.

They argued that the Government of Tamil Nadu lacked the **legislative competence** to amend the Prevention of Cruelty to Animals Act.

Third, they asserted that animals too must be treated as persons. So, jallikattu violates the **right** to life under Article 21 of the Constitution.

What is criticism against the SC judgement on Tamil Nadu law?

The Court's response to these arguments is **dissatisfactory and often contradictory**. This is especially true in its approach to **claims of personhood**.

The Court held that there is no precedent that provides fundamental rights on animals in India. It would be an **act of judicial adventurism** to confer rights on animals that are enjoyed by human beings.

As per SC, amending law can be tested for **reasonableness** that is contained in Article 14 of the Constitution. But that right too, cannot be invoked by any animal as a person.

It is difficult to understand the **rationale for this distinction**. The **right to equality** under Article 14 is conferred only on persons. Now, if animals are not persons, then surely the law cannot at the same time be **tested on Article 14**.

Despite these assertions, the judgement contains **no ensuing analysis** on whether the Tamil Nadu amendments are against the **requirement of equal treatment**.

On a reading of the Constitution, it can be implied that animals are not persons and therefore do not **enjoy fundamental rights**. But it does not mean that a law, which encourages **cruelty to animals**, be treated as **beyond judicial review**.

What is the way forward for preventing cruelty against the animals?

There is no need for seeing animals as persons and conferring on them a set of justiciable rights. There is a need to change our conception of rights to treat animal welfare as intrinsic to our constitutional arrangement.

The Supreme Court has routinely dealt with these types of issues. For example, it has held that a human being's right to life includes within its ambit a right to live in a healthy environment, and a right to clean air and water.

It can be argued that our own right to lead a meaningful life includes a right to live in a society that respects and treats animals with equal concern.

Deciding on issues of personhood might well be **Parliament's prerogative**. But our present juridical structure makes it impossible to treat the advancement of animal welfare.

It is our **collective obligatio**n to extend our commitment to justice not only to human beings but to animals too.

83. India should adopt a tort law to strengthen its delivery of justice

Source: The post is based on the article "India should adopt a tort law to strengthen its delivery of justice" published in Live Mint on 24th May 2023.

Syllabus: GS 2 – Governance – Important Aspects of Governance, Transparency and Accountability

Relevance: Need for tort law in India.

News: The article discusses the punitive damage and the need for tort law in India.

What is punitive damage?

Punitive damages are fundamental to legal structures worldwide because they prevent wrongdoing and ensure justice and accountability.

Punitive damages are imposed in addition to the actual damages suffered by victims and are frequently enforced in cases involving extreme negligence.

US, China, Australia, Canada and the UK utilize this legal provision, to ensure accountability.

However, India does not have the concept of punitive damages in its laws. It has been mostly inclined towards compensatory damages rather than punitive damages. This highlights the need of tort law in India.

Why is a tort law needed in India?

Multiple instances such as structures collapsing, people inflicting harm on others, etc. are happening frequently in India. It is the common who suffers the most with these problems.

Therefore, a tort law is needed – a) to enhance legal provisions, protect the most vulnerable and ensure justice, b) it would ensure parties, including government entities, are held accountable for negligent actions, c) to raise expectations of civic responsibilities and promote more faith in the legal systems that protect society.

Moreover, inconsistent rulings on punitive damages by Indian courts in major incidents like the Uphaar cinema fire accident has highlighted the need for tort law.

The compensation provided in the Uphaar cinema case was very less compared to the recent Morbi incident. Therefore, there has been disparities in the compensation.

Hence, a tort law will streamline the legal landscape, providing a consistent approach to all civil wrongs, leading to better risk management and efficient use of resources.

What has been the history of tort law?

British period: In 1882, when the British introduced comprehensive codification of criminal, commercial and procedural laws, **tort law remained uncodified**.

The fourth law commission in 1879 emphasized the importance of having a torts law in India. This led to draft a Law of Torts for India in 1886. However, this draft never progressed to legislative action.

After independence: The First Law Commission of India's first report in April 1956 outlined proposals for legislation regarding the liability of the state in tort cases.

A bill based on the report was introduced in the Lok Sabha in 1967 and referred to a joint committee. Unfortunately, due to the dissolution of the Lok Sabha in 1971, the bill was not passed and has not been revived since.

What can be the way ahead?

Although some higher courts, including the Supreme Court, have granted punitive damages in specific cases, they have also decreased damages in other instances, indicating inconsistency in the application of this principle.

Therefore, a law of tort that extends its jurisdiction to courts including subordinate courts is crucial. **This would democratize access to justice** by making punitive damages a right available to all victims of civil wrongs rather than a few.

84. Why improving on World Bank's Ease of Doing Business rankings might have hurt economies

Source: The post is based on the article "Why improving on World Bank's Ease of Doing Business rankings might have hurt economies" published in The Indian Express on 25th May 2023.

Syllabus: GS 2 - Important International Institutions

Relevance: concerns with the World Bank's Ease of Doing Business Index

News: The article explains the controversies and concerns associated with the World Bank's Ease of Doing Business Report.

About World Bank's Ease of Doing Business Index

Click here to Read

What were the controversies with the World Bank's Ease of Doing Business (EoDB) Index?

It was originally assumed that the ranking was based on many academic papers that studied these rankings and the economic performance of countries around the world.

It was also assumed that the improvements in Doing Business had a positive impact on the GDP of a country.

However, these rankings did not accurately reflect the reality in many nations and could be easily manipulated by governments.

For instance, India's rankings were based on data from just two cities — Mumbai and Delhi. However, the situation of EoDB in the nearby cities was somewhat different.

Further, India ranks shot up among the top 50 in the World Bank's EoDB rankings in 2018. The jump was despite the fact that India's GDP growth was suffering a sharp slowdown, leading to record unemployment.

These all issues raised concerns over WB's EoDB.

Read More: The end of Ease of Doing Business Rankings: Reasons and implications - Explained

What were other concerns with WB's EoDB?

A research paper found that the improvements in the EoDB rankings had a negative impact on a nation's GDP. This was contrary to the earlier assumption which thought an improvement in the rankings would boost GDP.

A negative impact on a nation's GDP was due to the fact that developing countries had more focus on the Doing Business score rather than implementing substantial reforms for their economy.

Further, most of the earlier research looked at rankings instead of the country's scores on which these rankings were based.

However, the ranks did not accurately capture the improvement in the economy because ranks are relative and a country could rise or fall sharply despite not having improved as much, or at all.

For example, New Zealand was ranked first for ease of doing business in the 2020 report with a score of 87.01. If New Zealand's score had fallen by 5, its rank would have dropped by 9 places.

In contrast, Sri Lanka was ranked 99th with a score of 61.8. If Sri Lanka's score had fallen by 5, its rank would have dropped 26 places.

Hence, there were many problems with WB's EoDB index. Due to which, it was suspended by the World Bank.

85. Why improving on World Bank's Ease of Doing Business rankings might have hurt economies

Source: The post is based on an article "Ties that bind – The Modi visit to Australia adds to the bipartisan strength of growing bonds" published in The Hindu on 25th May 2023.

Syllabus: GS 2 - International Relations

Relevance: India and Australia bilateral relations

News: The Prime Minister of India is on a three-day visit to Australia and had bilateral meetings on various issues.

What were the issues discussed in the bilateral meeting?

The meeting included – a) opening an Australian consulate in Bengaluru and an Indian consulate in Brisbane, b) an agreement on Migration and Mobility, c) the finalisation of terms of reference for an India-Australia Green Hydrogen Task Force, d) Defence and security ties, cooperation on renewable energy, and critical minerals were also part of the discussions, e) the need to sign a Comprehensive Economic Cooperation Agreement by December was also discussed.

Despite their differing stances on Russia's invasion of Ukraine and western sanctions, **they found** continuing and common cause on maintaining a free and open Indo-Pacific, and dealing with an aggressive China.

Further, the PM also addressed a large gathering of the Indian-origin community and he said that the "real reason, the real power" behind the bilateral relations came from people of Indian-origin in Australia.

Issues related to activities of other groups and conflicts associated with the people of Indian origin were also discussed

The PM reiterated his worries over vandalism and attacks on community facilities and temples with pro-Khalistani, anti-India, and anti-Modi writings.

Must Read: India-Australia relations: Challenges and Significance - Explained

What lies ahead for India and Australia's bilateral relationship?

Any attack on an Indian consulate is a valid bilateral concern. However, India must also put its attention to attacks by Australian citizens on Australian citizens and Australian property.

Any such attack definitely raise concerns and worries for India. However, **highlighting them in the** bilateral meeting would not lead to further strengthening of ties between the two nations.

It would also not serve the interest of **three D's (Democracy, Diaspora and Dosti),** which according to the PM bind the two countries.

86. The UK a tax haven?

Source- The post is based on the article **"The UK a tax haven?"** published in the **"Business Standard"** on 25th May 2023.

Syllabus: GS2- International relations. GS3- Economy

Relevance- Issues related to tax evasion, financial crimes and money laundering at global level **News**- The article explains the issues of UK providing safe tax haven for high net worth individuals and extradition issues between India and UK

How is the UK a tax haven for high net worth individuals?

There are reports that wealthy families from Russia, China, and India buy **expensive residential** and commercial properties in London. They store huge amounts of capital in the UK's overseas territories.

According to a **British Broadcasting Corporation report** on August 3, 2022, some Russians and other high net-worth foreigners have used **"English Limited Partnerships"** to hide the identity of the true owners.

The following study of the "Independent Commission for the Reform of International Corporate Taxation" is about how the UK's laws and practices result in tax evasion

A **Financial Times article** suggests that there are benefits in setting up trusts in the UK's overseas territories. The **confidentiality about the assets** motivates them to deposit large amounts in these tax havens.

The UK's overseas territories which are popular with tax evaders are the British Virgin Islands, Guernsey, Gibraltar, and the Cayman Islands.

What are extradition issues between India and the UK that are related to people accused of financial crimes in India?

Currently the UK is harbouring high-profile Indians who have allegedly committed **financial fraud** in India. This is despite an **India-UK Extradition Treaty.**

One of several hurdles in getting criminals under Indian law back to India is that the offences committed in India must also be crimes in the UK.

Further, the **European Convention on Human Rights** does not allow extradition to jurisdictions where a prisoner may be held in **degrading conditions**, or may be tortured.

Lalit Modi, Vijay Mallya, and Nirav Modi have been accused or found guilty of financial fraud in India and have evaded extradition from the UK to India.

What are the financial crimes committed by these people?

Kingfisher Airlines have defaulted on borrowings of over **8,000 crore**. It was sourced from several public-sector banks between 2004 and 2008.

Kingfisher Airlines was also reported to have **deducted 10% tax at source** from its **employees**, as required by Indian tax law, but **did not credit** these amounts to the government account

Nirav Modi obtained **fraudulent letters of undertaking** to misappropriate about 14,000 crore from Punjab National Bank.

Why is it an appropriate time to raise the issue of extradition of people accused for financial crimes in India with the UK?

In the May 2023 Northern Ireland council elections, the **Sinn Fein party** emerged with 31% of the vote, the highest. Sinn Fein and its supporters would like Northern Ireland to **reunite with the rest** of Ireland.

A **unified Ireland** may happen in another 10 years or less and all of Ireland may become part of the European Union. Scotland may leave the UK. It may join the EU.

India should focus on concluding a **broad-based trade in goods**, **services**, and **investments** agreement with the EU and delay discussions on any **India-UK trade agreement**.

87. Govt, Gendered – on gender parity in civil services

Source: This post is based on the article **"Govt, Gendered"**, published in **The Times of India** on 25th May 2022.

Syllabus Topic: GS Paper 2, Social Issues

News: Women got the top four spots in the Civil Services Exam 2022. It shows the improvement in women participation in the administration.

Moreover, women candidates recommended for appointment to various elite government services like IAS and IPS have overall risen from 24% to 34% since 2018.

The improvement in gender equality in public administration has been an important metric for a more responsive and accountable government to diverse public interests.

It shows that gender parity among civil servants is within reach.

However, India is still lagging in the equal employment across all levels, sectors and positions in government – especially its highest offices.

What are the challenges in the equal participation of women on the important positions?

First, Although, first woman foreign secretary appointed in 2001 and the first woman finance secretary in 2011. India has never had a woman cabinet secretary.

Second, a 2021UNDP global report on gender equality in public administration reports that women's share of top leadership in India is only 12% compared to 29% in Singapore, 40% in Australia and 53% in Sweden.

Third, Gender equality becomes more important due to rising deficit between the required number of officers and the vacancies. A parliamentary committee reports the deficits between authorised and actual IAS strength at 57% in J&K and 31% in Jharkhand.

Fourth, mindset of reformers needs to change. Committee on civil service reforms' 2004 report advocates enabling "women in the higher civil service to play their roles effectively as mothers and wives". Instead of encouraging women to care for families, a more equal culture of care work in the senior bureaucracy must be encouraged.

88. A 'middle kingdom' dawns on India's west

Source: This post is based on the article "A 'middle kingdom' dawns on India's west", published in The Hindu on 25th May 2022.

Syllabus Topic: GS Paper 2, International Relations

News: In the recently concluded 32nd Arab League Summit held in Jeddah, all 22 Arab states participated after 12 years, and Syria was readmitted. The summit shows the changing geo-political environment in the Arab region.

The "Jeddah Declaration" of the summit was moderate. It although adopted a pro-Palestinian agenda but refrained from mentioning Israel by name.

It did not discuss any Iran-related issues and called for stopping foreign interference in the domestic affairs of Arab countries.

It also opposed all support for the formation of armed groups and militias.

How is Saudi Arabia's rise causing the geo-political changes in the Arab world?

Saudi Arabia's economic strength is a significant advantage in its quest for Arab supremacy. Its GDP grew by 8.7% in 2022, and its oil income reached a record \$228 billion, giving it considerable influence over OPEC and OPEC+.

The rise of the Crown Prince Mohammed bin Salman as the main arbiter of the Arab world's agenda has been a key factor. He held triple summits in Riyadh with the Chinese President.

Saudi relations with Iran were normalised. It resulted in reduced in Yemen, Lebanon, Syria and Iraq

By reconciling with Iran through Chinese mediation, but without a U.S. nod-and-wink, Riyadh has asserted its diplomatic autonomy.

Direct ties with Iran have also reduced the importance of Qatar, Iraq, Oman and Pakistan as intermediaries.

Saudi's animosity with Israel has been replaced by ambiguity as it has still not joined the Abraham Accords but improved the relations with Israel.

In recent weeks, Saudi Arabia has hosted peace talks among warring factions in Sudan.

What are the challenges in front of Saudi?

It still needs for a more mature and consistent foreign policy. For example, Jamal Khashoggi episode in 2018 got it into many issues.

Potential friction in its ties with the UAE and Qatar.

Crown Prince Mohammed bin Salman's likely anointment as the next Saudi king may disturb it's internal stability.

What should be the course of action for India?

India should acknowledge this geopolitical shift, realign its strategy, and vigorously pursue its national interests.

Crown Prince Mohammed bin Salman should be re-invited for the India visit, postponed last year.

Synergise the bilateral Strategic Partnership Council at various levels.

Indian should raise participation in various projects under the Kingdom's ambitious "Vision 2030".

89. Why do judges recuse themselves?

Source: The post is based on the article "Why do judges recuse themselves?" published in The Hindu on 26th May 2023.

Syllabus: GS 2 - Structure, organization and functioning of the Executive and the Judiciary Relevance: About Recusal of Judges

News: Supreme Court judge Justice M.R. Shah has recently refused to recuse himself from hearing a plea by former IPS officer Sanjiv Bhatt.

Why do judges recuse?

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The practice of recusal originates from the basic concept of due process of law, that no one shall be a judge in his or her own case.

What is the procedure for recusal?

There are two kinds of recusals — 1) an automatic recusal where a judge himself withdraws from the case, 2) when a party raises a plea for recusal highlighting the possibility of bias of the judge in the case.

The decision to recuse rests solely on the conscience and discretion of the judge and no party can compel a judge to withdraw from a case. If a judge recuses himself, the case is listed before the Chief Justice for allotment to an alternate Bench.

Do judges have to record a reason for recusal?

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There are different views regarding the declaring the reason for recusal.

For instance, Justice Kurien Joseph in the NJAC judgment, believed that giving reasons for recusal is the constitutional duty of a judge while Justice Madan Lokur was of the opinion that citing reasons for recusal is unwarranted.

The Delhi High Court recently ruled that no litigant or third party has any right to intervene, comment or enquire regarding a judge's recusal from a case.

What rules has the Supreme Court laid down for recusal?

In **Ranjit Thakur versus Union of India (1987)**, the SC said that if a party has a reasonable belief that a judge may be biased in a case, the judge should consider recusing themselves to ensure impartiality and fairness in the judicial process.

In the **Supreme Court Advocates-on-Record Association versus the Union of India (2015),** the court observed that where a judge has a pecuniary interest, no further inquiry is needed as to whether there was a 'real danger' or 'reasonable suspicion' of bias.

Further, Justice Arun Mishra in *the Indore Development Authority versus Manoharlal and Ors* (2019) held that a judge who has recused himself from hearing a case in the smaller bench is not disqualified from being a part of the larger bench for the same case.

Do foreign countries have laws related to recusal of judges?

US: The U.S. has a well-defined law on recusals. Such rules are also codified. In the US, there are three grounds for recusal -1) financial or corporate interest, 2) a case in which the judge was a material witness or a lawyer, 3) and a relationship to a party.

UK: The 'real danger' test was adopted as the applicable standard for the recusal of judge. However, after its criticism, a new test was formulated, where the standard laid down was to look at the likelihood of bias from the perspective of a fair-minded and reasonable observer.

Note: The "real danger" test is a legal standard used to establish if a decision-maker has a high possibility of bias, requiring their recusal from a case in order to maintain the fairness and integrity of the proceedings.

90. A funding solution for developing nations' climate challenge

Source- The post is based on the article "A funding solution for developing nations' climate challenge" published in "The Indian Express" on 26th May 2023.

Syllabus: GS2- International relations. GS3- Environment

Relevance- Global cooperation for climate change

News– The G20 has set up a high-level committee to suggest reform of multilateral development banks (MDBs) so that they are fit for purpose in the contemporary global scenario

What are challenges associated with climate financing for developing countries?

Money estimates annually for greening in developing countries are in the range of \$2-3 trillion. These are relatively manageable figures. Annual global savings, coming mostly in the developed world, is around \$20 trillion. But, they are beyond the **domestic capacities** of developing countries.

For example, in India, solar and wind energy attracted investments **worth \$66 billion** in the last eight years. But, this requirement will increase manifold.

India will require **around \$1.15** trillion in the next eight years to install 450 GW of renewables by 2030, for infrastructure of **transmission and storage**, **Green Hydrogen push** and increase the share of electric vehicles.

A total investment of \$1.15 trillion is the estimated requirement, with the debt requirement being around \$850 billion and equity roughly \$300 billion.

The \$850 billion debt requirement alone is **more than a quarter of the total loans** of all commercial banks in India. Moreover, these requirements will have to compete with **other developmental and individual priorities.**

Other domestic financing routes such as bonds, pension funds and insurance funds have **limited prospects** for clean-tech segments. They are concentrated in **high-quality assets**, that is, AA+ rated assets.

The **gap of around 40-60%** of the **total debt requirement**, can only be filled by foreign sources. But developed countries are reluctant to provide funding.

What are solutions for climate financing for the developing world?

Global MDBs can be particularly instrumental. They can provide interrupted flow of private capital in the developed world for green projects in developing countries.

This can be done by the creation of an **International Foreign Exchange Agency** linked to the WB. It will provide **hedging support** for foreign exchange borrowings by **green projects** in developing countries.

Large-scale pooling of projects and currencies coupled with reinsurance is an alternative to insurance. It can considerably lower the costs of **foreign borrowed capital** for green projects in the private sector in developing countries.

Residual risks could be covered by sovereign support from developed countries.

The idea of a **foreign exchange agency** is operational in a small manner between Europe and West Africa. But the requirement is for something on a **truly large scale** covering **several currencies** and reaching the largest populations in developing countries.

How will the G20 be helpful in climate financing?

The G20 committee should accord a **high priority to climate financing**. Unlike many other areas of divergence in the present geopolitics, **climate change** has **multi-partisan consensus**.

This must be leveraged at the MDBs with an agency or any other **appropriate mechanism** taking care of the **currency risk**. This is a **relatively low-cost option for global well-being**. It could be piloted during **India's G20 presidency**.

91. An ordinance, its constitutionality, and scrutiny

Source- The post is based on the article "An ordinance, its constitutionality, and scrutiny" published in "The Hindu" on 26th May 2023.

Syllabus: GS2- Issues pertaining to federalism

Relevance– Constitutional issues related to NCT of Delhi

News- Recently, the President of India exercised legislative power to promulgate "The Government of National Capital Territory of Delhi (Amendment) Ordinance, 2023". The ordinance negates a Constitution Bench judgement of the Supreme Court of India

What are points given by SC while interpreting Article 239AA(3)(a)?

The Legislative Assembly of the NCTD has jurisdiction over entries in **List II and List III**, except for expressly **excluded entries of List II**.

The executive power of NCTD is **co-extensive with its legislative power**. It shall extend to all matters with respect to which it has power to legislate. The Union of India has executive power only over three entries in List II. .

Consequently, executive power over "services" (entry 41) can be exercised exclusively by the Government of the NCTD.

What are the issues related to constitutionality of ordinance?

Ordinance has inserted entry 41 of List II into Article 239AA(3)(a). Therefore, it has expanded the scope of excepted matter from three to four.

This needs for amending Article 239AA(3)(a) of the Constitution. The power conferred on Parliament under Article is to make fresh laws and not to amend Article 239AA(3)(a) of the Constitution.

Article 239AA(7)(a) confers power on Parliament to make laws for **giving effect to or supplementing the provisions** contained in various clauses of Article 239AA. Such a power cannot be used to amend Article 239AA(3)(a) of the Constitution.

As per Article 239AA(7)(b), Parliament's law making under **Article 239AA(7)(a)** shall not be considered an amendment of the Constitution. Therefore, altering the scope of Article 239AA(3)(a) requires **constitutional amendment** under Article 368.

Consequently, the ordinance to expand the scope of excepted matters in Article 239AA(3)(a) is void. It amounts to a colourable exercise of power. Article 123 is no substitute for Article 368.

Besides, when the Supreme Court interprets the law, the same is **binding on all courts and authorities** in India **in terms of Articles 141 and 144**, respectively. Articles 141 and 144 cannot be negated by Article 123 without a constitutional amendment.

The **aid and advice** of the Union Council of Ministers to the President could not **override Article 144.** The basis of the Court judgement is Article 239AA(3)(a). To alter this basis, a **constitutional amendment** is necessary.

92. The maritime 'Great Game': Why Delhi needs to bolster the Andaman and Nicobar Command

Source- The post is based on the article "The maritime 'Great Game': Why Delhi needs to bolster the Andaman and Nicobar Command" published in the "The Indian Express" on 26th May 2023.

Syllabus: GS2- International relations

Relevance- Maritime diplomacy

News– The article explains the importance of ANC Command for controlling aggressive behaviour of China

How is China increasing its maritime presence in the Indian ocean?

Since 2013, China has been building **artificial islands in the South China Sea**. It has created over 3,000-4,000 acres of new land atop reefs and rocks. Three such **maritime outposts** have been provided with runways and harbours as well as guided-missile batteries.

China's island strategy has two objectives. It wants to develop a capability to **monitor all traffic** that moves under or above the sea. It is termed **"maritime domain awareness"**.

With **surveillance facilities** and fortifying them, a nation can project power over a huge oceanic expanse.

Why are Andaman and Nicobar commands strategically important?

The Andaman and Nicobar (A&N) group of 572 islands are important for India in **projecting power**, **exert influence**, **or strike friendships** in its eastern neighbourhood.

In 2001, India placed all Armed Forces located in the A&N Islands, including the Coast Guard, under the unitary command.

The objective of this unitary command was to ensure **defence of the territory**, **waters**, **airspace** and the **exclusive economic zone** of the islands. It was to safeguard the eastern areas of the Indian Ocean and establish an **air defence identification zone** over the islands.

By the turn of the century, all our South East Asian neighbours were becoming **cautious of China**. They expected that India would assert **regional influence** by positioning substantial forces with trans-national capabilities in the A&N.

ANC was also the "crucible" for testing the **feasibility of "jointness"** for armed forces. Gradually, the ANC became a **well-oiled**, **efficient and functional joint command**.

During the 2004 tsunami, the ANC provided humanitarian assistance and disaster relief to the people of these islands.

How little attention has been given to ANC after its formation?

It was considered that any **overt show of force** by India in the Bay of Bengal would be considered by neighbours as "**muscle-flexing**". Hence, it was undesirable.

The ANC model and framework has not been replicated anywhere else. The latest **theatre command** model under consideration recommends the abolition of ANC and its absorption by the **Eastern Naval Command.**

93. PM Modi's Australia visit: Love in Sydney

Source: This post is created, based on the article "PM Modi's Australia visit: Love in Sydney", published in Indian Express on 26th May 2023.

Syllabus Topic: GS Paper 2 – Bilateral, regional and global groupings and agreements involving India

Context: Recently, Indian PM's Australia visit concluded.

Indian Prime Minister Narendra Modi visited Australia in November 2014 – the first Indian PM to do so in nearly 30 years. Before that, Australia hadn't been a main focus for India, especially during and after the Cold War. The disagreement over India's nuclear test made the relations worse in the 90s.

Even though a meeting of the Quad (India, Australia, Japan, and the US) got cancelled, PM Modi still went to Sydney. Australian Prime Minister Anthony Albanese has visited India and will visit again for a G20 meeting.

Read more – <u>Ties that bind – The Modi visit to Australia adds to the bipartisan strength of growing</u> bonds

What are the strengths of India Australia's present relations?

First, for the first time since India became independent, it shares common interests with Australia in Asia and its surrounding waters.

Indians make up more than 3% of the Australia's population and will soon reach one million. Indian PM Modi was heartfully welcomes by Indian diaspora there.

A new "Migration and Mobility" agreement will make it easier for people to move between the two countries.

Opening new consulates in Brisbane and Bengaluru will also strengthen the ties.

What are the issues between India and Australia?

Read here – <u>Ties that bind – The Modi visit to Australia adds to the bipartisan strength of growing</u> bonds

94. Data In The Dock – on National Judicial Data Grid (NJDG)

Source: The post is based on the article "Data In The Dock – A little-noted flaw in the judicial system is the recording of incomplete & wrong information. This skews calculation of disposal rates, especially for old cases" published in The Times of India on 27th May 2023. Syllabus: GS 2- Functioning of judiciary

Relevance: About the pendency of cases in the courts

News: The National Judicial Data Grid (**NJDG**) shows that 1,03,712 cases in the courts are more than 30 years old. This highlights the concerns over pendency of cases in the courts in India.

What is the situation of the pendency of cases in India?

Out of 1,03,712 cases, the two oldest civil cases are from 1952 and the oldest criminal case today is from 1958. This shows the grim situation of the legal system in India that plaintiffs/ defendants may even die awaiting justice.

Recently, **the India Justice Report 2022 ranked states** under four heads – police, prisons, judiciary and legal aid. **Under judiciary**, West Bengal ranks the worst among major states.

In 2017, **the junior law minister informed Parliament** the oldest civil case was in Rajasthan HC filed in 1956 and the oldest case filed in Madras HC was of 1952.

However, both the information was incorrect which also shows the need to correct data in e-court records.

The law minister further informed Parliament recently that there were no cases (civil or criminal) more than 50 years old pending before the Supreme Court. However, **HCs have cases (civil plus criminal) more than 50 years old.**

Therefore, it seems unlike SC, **HCs and district courts haven't focused on clearing old cases despite the 11th finance commission** providing additional resources for fast-track courts meant to clear old cases.

Must Read: Pendency of Cases of Constitutional Importance - Explained

What can be the way ahead?

The funds for fast-track courts cannot alone solve the problem. There is also a need to focus on resolving the pendency of cases along with providing performance-linked resource-flow.

Further, e-courts work through a case information system (CIS). Therefore, under CIS, there is a need for a monitoring system, which should monitor the clearance of old cases by the judges.

Moreover, metrics in NJDG are based on case disposal with no special emphasis on old cases. Hence, emphasis in NJDG should be put in clearance of old cases along updating the correct data /information about the cases.

95. A fountainhead of the people's hopes and aspirations

Source- The post is based on the article "A fountainhead of the people's hopes and aspirations" published in "The Indian Express" on 27th May 2023.

Syllabus: GS2- Polity

News– India is set to witness a historic moment with the inauguration of the new Parliament House on May 28. We finally have a new structure in independent India.

What is the importance of the new Parliament building?

It reflects the **vision and aspirations** of a country that has evolved significantly since 1947. The new building will be another extension of the existing Parliament complex to signify the **spirit of change and continuity.**

The old building gave direction to independent India, while the new one will witness the making of India as 'Aatmanirbhar Bharat'.

What are the changes made in the old building?

The main Parliament House, inaugurated in 1927, consists of the **circular-shaped structure**. Two more floors were added to this building in 1956 to accommodate more staff and other offices.

The need for yet more office space led to the construction of the **Parliament Annexe** in 1975. In 2002, the **Parliament Library** was added to the complex. For similar reasons, an **extension of the Parliament Annexe** was constructed in 2016.

What are the challenges faced due to the old building of Parliament?

Despite the new constructions in the Parliament, the need for **modern facilities** in the main Parliament House remained unfulfilled.

There is a **shortage of space** inside the Parliament House. It had to be **retrofitted multiple times**, which left little space for further improvements.

The inner ceilings of both the Chambers and the Central Hall were provided with **safety nettings** to prevent any tiles and plaster from falling down. There are **multiple wirings** for computers, air conditioners and security gadgets.

The Presiding Officers of the past have also emphasised the need to find a **better solution**. In 2012, the Speaker, Meira Kumar approved a **high-powered committee** to look for an alternative complex.

In 2015, the Speaker, Sumitra Mahajan, wrote to the Minister for Urban Affairs to have a new Parliament building with modern facilities.

What are major changes in the new Parliament for meeting the needs of current times?

The new building is more spacious, energy-efficient, and accessible. It has the most updated technology, which makes it well-equipped for future needs as well.

In the new building, we will be able to **accommodate various languages** with **state-of-the-art facilities** for simultaneous interpretations. There are better features for **audio-visual communication** as compared to the existing Parliament.

Better gadgets, access to an e-library, and important reports will be easily accessible for members from their seats. This will enhance the capacity of legislators and improve the efficiency of the Secretariats of Parliament.

The building has **publicly accessible museum-grade galleries and a Constitution Hall** that showcases India's age-old history of democracy.

Adequate functional space and modern facilities for the members will contribute to reducing friction and enabling serious discussions. As this complex expands, each member will have their own **dedicated space** for interacting with people from their constituencies.

How does the new Parliament inspire for a better future?

The inauguration of a new Parliament building presents an opportunity to seriously **introspect on our parliamentary conduct** to make Parliament **more efficient and productive.**

The trend of **increasing disruptions and deadlock** is antithetical to the demand for politics for **complex governance challenges** of our time.

It would work as a lighthouse to guide us in our ambitious journey to build 'Ek Bharat, Shrestha Bharat.'

96. Sedition and its roots in rudeness as an offence

Source- The post is based on the article "Sedition and its roots in rudeness as an offence" published in "The Hindu" on 27th May 2023.

Syllabus: GS2- Polity

Relevance—Issues related to offensive speech and sedition

News- On March 30, the Lahore High Court annulled the offence of 'sedition' in the Pakistan Penal code.

Around the same time in India, the police registered a series of complaints in Delhi and in Ahmedabad, and also arrested several people, for posting anti-government posts.

How does the logic of sedition under section 124 influence our legal apparatus?

Section 124A seeks to criminalise words that bring "into **hatred or contempt, or excite disaffection"** towards the government. A challenge is pending before the Supreme Court. Yet, the logic of the law of sedition still survives.

Pakistan uses the law of blasphemy. India, which is secular and does not criminalise blasphemy. But, it has punishment provisions for hurting sentiments. The state recently arrested actor Chetan Kumar for his tweet on Hindutva.

Its **defining logic** has already transplanted itself into several different provisions of law that **criminalise speech.**

How social relationships have an impact on our understanding of offensive speech?

Socially, we have always understood **badtameezi(rudeness)** not in terms of the contents of speech, but rather in terms of **who spoke and to whom**. An older person may crticise a teenager but the **badtameezi** occurs only when the teenager answers back.

This understanding of offensive speech applies in the same hierarchical way to all social relationships. It's always the security guard, the domestic worker, or the street vendor who is badtameez.

Modernity and capitalism have long been imagined breaking such hierarchies. But it is not true in substance.

How is the understanding of offensive speech reflected in power relations?

The state through its officials has appropriated a top position in **hierarchy of social positions**. Thus, the lowest state functionary addresses the citizen in the **most commanding voice**, as if it was natural.

Law-and-order issues arise only when the policeman is challenged. But, it never arises in the policeman's own **arbitrary commands** to the citizenry.

In present times, this **relationship of power** is more explicitly **extended to political power**. The use of law often shows these **social-political relations of power**. It is increasing now.

How is understanding of offensive speech reflected in the legal system?

The practice of prosecuting speech offences is influenced by an understanding that 'offensive speech' emanates from those who are either inferior in established social/political hierarchies.

Consequently, offences are framed mostly against those who challenge **political or social power** and its attendant narratives. In the event, prosecution usually follows the **logic of** *badtameezi*, or **sedition**. It focuses mostly on content.

India has **entrenched hierarchical relations**, most prominently in the form of caste. Our **understanding of violence** is influenced by this understanding.

Speech is made prosecutable depending on whom it targets. It points to the **entangled relationship of law and society.** Prosecutors attack certain speech as grave and damaging to someone's reputation while tolerating other violent speech as innocuous.

What are some facts about the Supreme Court pronounced judgement in the Media One case? which addresses the logic of sedition. It struck down the Ministry of Information and Broadcasting's decision to not renew the broadcast licence for the channel on grounds that it was a threat to national security.

The Court said that the critical views on policies of the government cannot be termed **anti-establishment**. The use of such a terminology represents an expectation that the press must **support the establishment**.

The action of the Ministry of Information and Broadcasting by denying security clearance to a media channel produces a **chilling effect on freedom of speech**, and on **press freedom**.

The restriction on the freedom of the press compels citizens to think along the same tangent. A **homogenised view** on issues that range from socio-economic policy to political ideologies would pose **grave dangers to democracy.**

The state is using **national security** as a tool to deny citizens remedies that are provided under the law. This is not compatible with the **rule of law**. **National security claims** cannot be made out of thin air.

97. US's new visa policy: What explains the US visa 'threat' to Dhaka?

Source: The post is based on the article "What explains the US visa 'threat' to Dhaka?"

published in the Indian Express on 27th May 2023

Syllabus: GS 2 – India and its neighbourhood relations.

Relevance: About US's new visa policy.

News: A new visa policy was announced by the US "to support Bangladesh's goal of holding free, fair and peaceful national elections." Under this policy, the US can impose visa restrictions on individuals and their immediate family members if they are responsible for undermining the democratic election process in Bangladesh.

Note: Earlier this month, the US announced the same policy in Nigeria.

What led to the formulation of the US's new visa policy?

This is due to **a)** Bangladesh Prime Minister's authoritarian approach, **b)** The formulation of a draconian Digital Security Act, **c)** Declaring the newspaper found by the Ramon Magsaysay awardee Matiur Rahman, as anti-national, and **d)** the government's crackdown on Bangladesh Nationalist Party (BNP) and former PM citing its links to Islamist parties and alleging corruption at the top.

What is the view of Bangladesh's government and the opposition to the US's new visa policy? The opposition in Bangladesh said that a) The policy will play a supporting role in holding the next polls in a fair and credible manner, b) The policy will change the diplomatic ties between Bangladesh and the United States,

The government on the other hand said that the US was seeking regime change in Bangladesh and demands such visa policy should not be applied arbitrarily in a non-objective manner.

What will be the implications of the US's new visa policy?

The US is the biggest destination for Bangladesh's garment exports, and Bangladesh is the third-largest exporter of garments to the US after China and Vietnam. The industry is the backbone of the country's economic growth.

A (Generalized System of Preferences) GSP-Plus status with the US and Europe for its ready-made garment exports is crucial when Bangladesh graduates out of the least developed country category in 2026. Bangladesh's government is working hard for this tag. But the new policy might hamper its recognition.

What is the Generalized System of Preferences (GSP)?

Read here: Generalized System of Preferences (GSP)

How does the US's new visa policy impact India's ties with Bangladesh?

Over the last few years, the US and India were seen as acting in tandem in Bangladesh, especially as their security objectives converged. But the US position on the Bangladesh elections could complicate India's diplomacy in Bangladesh.

This is because India prefers the present government as It **a)** acts swiftly on security concerns of India, **b)** signed land transit rights to the Northeastern states, **c)** provides security assurances and **d)** signed a favourable coal power deal to an Indian company.

Read more: Recent Developments in India-Bangladesh Relations - Explained, pointwise

98. Junta Connection – For Manipur, India must revisit its Myanmar policy

Source: The post is based on the article "Junta Connection – For Manipur, India must revisit its Myanmar policy" published in The Times of India on 27th May 2023

Syllabus: GS 2 – India and its neighbourhood relations and GS 3: Security issues – Internal Security.

Relevance: About Manipur unrest and Junta rule in Manipur.

News: The Union Minister has pitched for dialogue and promised to deal a fair hand to all stakeholders in still-tense Manipur. Last week, both the government of India and Manipur told the Supreme Court that troubles began with the crackdown on poppy cultivation in Manipur hills by illegal immigrants from Myanmar.

What are the reasons behind the unrest in Manipur?

Must read: What is behind Manipur's widespread unrest?

What will be the impact of Manipur unrest on regional security?

Must read: Manipur unrest and its impact on regional security - Explained, pointwise

What is the role of Myanmar in the Manipur unrest?

Since the Myanmar coup in 2021, India has avoided any criticism of the junta's actions. This includes airstrikes on the domestic population. This forced refugees to flood across the border into India where many share ethnic kinship ties. So, the civil war in Myanmar is having direct repercussions on India's Northeast.

What should be done to control the Manipur crisis?

India should recalibrate ties with the junta. The junta needs India's support against powerful insurgents like the Arakan Army and is also wary of getting trapped with China. Further, all democratic forces in Myanmar are ready to side with India, viewing China as the junta's main sponsor.

India should use this leverage and get the junta to halt its operations in the border regions this will control the flow of refugees into India.

99. 9 Years, 1 Big Footprint - on India's foreign policy

Source: The post is based on the article "9 Years, 1 Big Footprint" published in The Times of

India on 30th May 2023.

Syllabus: GS 2 - India's Foreign Policy

Relevance: achievements of India's foreign policy

News: The article explains India's foreign policy in the nine years of the current government.

How has India's foreign policy been in the last nine years?

Voice of the Global South: India has taken various initiatives like Neighbourhood First, SAGAR, Quad, I2U2 and International Solar Alliance.

With these initiatives, **India has been perceived as a voice of the Global South.** These initiatives have also made India recognisable as a responsible development partner globally.

De-risking Economy: The pandemic highlighted the need for de-risking the economy from the dependence of others. In this reference, India opted to promote domestic growth through Make in India, PLI schemes and Gati Shakti.

India with its foreign policy has also focused on exploring global opportunities, building deep strengths, absorbing technology and best practices, and expanding employment.

Digitization: The government has expanded its digital arena by collaborating with countries and exchanging knowledge and technical skills.

India's diaspora: India conducted various mobility agreements like Vande Bharat Mission, Operations Ganga and Kaveri to safeguard its professionals and students abroad.

First Responder: India has emerged as a First Responder in disaster situations of Türkiye, which shows its capabilities and diplomatic skills.

Expanding Diplomatic ties: While India is continuously expanding its diplomatic relations with strategically important countries, it is also taking efforts to expand its relation with other countries like the Pacific Islands, Caribbean, Nordic nations.

Relations with Neighbours: India has taken various projects with its neighboring countries like the development of road, rail and waterway connectivity, power grids, fuel pipelines and border crossing facilities.

This development in the infrastructure has also increased trade with the neighbouring nations. The help India provided Sri Lanka amid its economic crisis has also received a lot of attention globally.

In addressing the challenges from the neighbours, India has deployed robust military in the border areas to ensure that the status quo is not unilaterally altered by China.

Along with this, **various policies and actions have been taken** to delegitimize and respond to cross-border terrorism from Pakistan.

Promoting India's Cultural Heritage Globally: India has taken efforts to promote its cultural heritage globally like the celebration of yoga and propagation of ayurveda.

Other Initiatives: India has also taken various initiatives in the field of climate action, counter-terrorism, connectivity, maritime security, financial inclusion and food security among others.

India has also set examples for other countries in some of these fields and it has shared its expertise with other countries. Due to which, it has gained global appreciation.

100. The lack of teachers in higher education

Source: The post is based on the article "The lack of teachers in higher education" published in The Hindu on 30th May 2023.

Syllabus: GS 2 - Education

Relevance: Reasons behind shortage of faculties in higher educational institutions

News: Faculty shortages in India have become a permanent issue and obstacles remain in finding a solution to faculty shortages.

What are the obstacles in finding a solution to faculty shortages?

a)) lack of reliable data on current faculty shortages in colleges and universities and b) the partial understanding of faculty shortages as merely a quantitative issue.

Why is there no reliable data on faculty shortages?

In 2009, the task force set up by the Ministry of Human Resource Development said that there is no standing mechanism to collect the information on vacant faculty positions.

The report called for a standing mechanism to monitor the size and quality of faculty and suggested that data on faculty members should be made available on the website of every academic institution.

However, even after more than a decade, most academic institutions have incomplete websites containing only partial information about their faculties.

Moreover, the government collects data on the number of faculty members, for the annual All India Survey of Higher Education (**AISHE**).

However, **AISHE** is a voluntary process for various institutions and the data provided by the institutions is also not verified by any independent agency.

Most colleges also have adjunct faculty members and even ghost members. They are often counted as part of the regular faculty.

Hence, all these issues make it impossible to get a reliable estimate of faculty shortages.

Are shortages a quantitative issue?

Shortages of faculty is not only a quantitative issue. There are other factors also involved in it like: **First,** there may be a **demand supply gap** of faculties in some places because the number of faculty members varies across disciplines, institutions and locations. Therefore, the gap between the demand and supply needs to be addressed.

Second, faculty shortages for most of the public institutions occur due to the **lack of funds.** Almost all state universities, despite the need for faculties, are unable to hire them because they do not have sufficient funds.

Third, many private colleges show unwillingness to hire faculties because their **motive is to earn profit**. They hire less faculties and make them do more work. They also hire less qualified people to keep costs down.

Fourth, the reservation of caste in the public institution also creates problems in hiring faculties from the specific caste. Because the reservations reduce the pool of qualified people. It also leads to vacant positions due to the unavailability of qualified applicants.

Fifth, positions also remain vacant due to the **unwillingness among faculty members** to work at select institutions due to their unfavourable location and/or the working and living conditions.

Sixth, there may also be **qualitative issues for the vacant positions**. Despite a huge number of candidates for faculty positions, only a small proportion of them may be competent for the post. Hence, there is a need for a robust policy to address the issue of faculty shortages.

101. From Master of the Roster to Master of all Judges?

Source- The post is based on the article "From Master of the Roster to Master of all Judges?" published in "The Hindu" on 30th May 2023.

Syllabus: GS2- Functioning of judiciary

Relevance– Issues related to constitutional position of judges of SC.

News- Recently, a Division Bench of the Supreme Court, in Ritu Chhabria v. Union of India gave its decision on bail related matters.

What was the decision of the Division Bench of the Supreme Court, in Ritu Chhabria v. Union of India case?

It affirmed an undertrial's right to be released on default bail in the case of incomplete investigation and proceeding beyond the statutory time limit.

It criticised the practice of investigative agencies **charge-sheeting** an accused despite the **unfinished investigation**. It held that the **right to be released on bail** will not end despite the filing of a **preliminary charge-sheet**.

It concluded that an accused's **right to seek default bai**l would be terminated only upon completion of the investigation within the **statutory time limit.**

What was the response of the court of CJI to recall application by the Union against Ritu Chhabria judgement?

The Court of the Chief Justice of India (CJI) entertained a **recall application** moved by the Union of India against this judgement.

It passed an **interim order** directing courts to decide bail applications without relying on the decision laid down in **Ritu Chhabria** for a short period of time.

The Court of the CJI indirectly stayed the decision despite not having any connection with the verdict.

What are the issues related to the interim order passed by court of CJI in the recall application filed by the Union government?

Ordinarily, the only recourse available to the Union of India was the filing of a **review petition**. It is usually decided by the same Bench. There was no scope of the **review petition** being entertained by the Court of the CJI.

A recall application cannot be filed against a judgement before a **different Bench**. It is equivalent to bench fishing or forum shopping.

The Court of the CJI has effectively **instituted a mechanism** by entertaining an **intra-court appeal**. The mechanism has not any **legislative or constitutional backing**.

The order has the effect of **enlarging the powers** of the CJI on the **judicial side**. It can create an unprecedented **intra-court appellate mechanism** within the Supreme Court.

What is the position of the CJI in relation to other judges of SC?

Within the **constitutional scheme of things**, all judges of the Supreme Court are equal in terms of their judicial powers. However, the CJI enjoys **special administrative powers** such as constituting Benches. He **assigned matters and references** for reconsideration of a larger Bench. The CJI is known as the **Master of the Rooster**. He is regarded as 'first amongst equals' in relation to companion judges.

In any given Bench including the CJI, the **vote or power** given to the CJI is the same as that of his companion judges.

History is replete with examples of the CJI authoring a **minority opinion** of the Court.

Most Commonwealth countries such as the U.K., Australia and Canada have this system in place.

The U.S. has a system where all the judges collectively exercise power and render decisions.

What are the issues related to the master of the roster?

The **legitimacy** of the **power of Master of the Roster** has been hotly debated. There are instances of abuse that are a **cause for concern**.

Just five years ago, four senior judges of the Supreme Court alleged **serious irregularities** in the **administration and assigning of cases** for hearing to Benches of the Court.

The powers vested in the CJI by his virtue of being the Master of the Roster are unending. It is impractical to **lay any limits** on these powers, meant for the **smooth administrative functioning** of the Court.

It is imperative that the CJI himself refrains from expanding his powers as **Master of the Roster**. The practice of constituting Benches and allocating cases should be **completely computerised** and left out of the hands of the CJI.

The CJI's powers as the Master of the Roster are meant only for administrative decision-making.

102. The Rural Wage Rule GOI Must Relinquish

Source: This post is created based on the article "The Rural Wage Rule GOI Must Relinquish", published in Times of India on 30th May 2023.

Syllabus Topic: GS Paper 2, Social Issues, mechanisms, laws, institutions and Bodies constituted for the protection and betterment of these vulnerable sections

News: The rural development ministry issued an order making Aadhaar-based payments compulsory for all NREGA wages from feb 2023. This is creating huge problems.

Before this order there were 2 wage payment options: "account-based" and "Aadhaar-based".

The Aadhaar-Based Payment System (ABPS) is supposed to find the latest Aadhaar-linked accounts.

What are the issues associated with ABPS?

ABPS has no demonstrated advantage over account-based payments. It often leads to problems like wages being redirected to Airtel wallets unknowingly, and rejection problems are harder to solve with ABPS.

Only 43% of all NREGA workers were eligible for ABPS wage payments when the order was issued. It led to a situation where a majority of workers were "unpayable".

In many cases, job cards of ABPS-ineligible workers are being deleted to meet the target of 100% ABPS eligibility.

Frontline NREGA functionaries are struggling to implement the new order. They are avoiding assigning ABPS-ineligible workers work at NREGA worksites.

An impression that ABPS payments are relatively corruption-proof exists, but there is no evidence of this. Aadhaar-linked accounts are especially vulnerable to fraud. In fact, it is one of the top fraud types listed by the National Payment Corporation of India in its updated 'Fraud Liability Guidelines' for Aadhaar-enabled payments.

What should be course of action?

Making Aadhaar-based payments compulsory is counterproductive. What is needed is a retraction of the January 30 order and a review of the Aadhaar-based payment option to ensure a reliable and timely payment system for NREGA workers.

103. Our DPI approach is just what the world was seeking

Source: The post is based on the article "Our DPI approach is just what the world was seeking" published in Live Mint on 31st May 2023.

Syllabus: GS 2 – E-governance, International Relations.

Relevance: About India's digital public infrastructure (DPI) approach.

News: Recently, few global organisations have endorsed India's digital public infrastructure (DPI) approach.

What is DPI and how India is approaching it?

Must read: India's Digital Public Infrastructure (DPI) and associated challenges - Explained, pointwise

Which organisations have endorsed India's DPI?

The **Shanghai Cooperation Organisation (SCO)** agreed to assess, evaluate, and adopt DPI with an interoperable approach to digital inclusion to the extent possible.

India and the European Union have agreed to take steps to accelerate the development and deployment of DPI in other countries in an effort to build open, inclusive digital economies and societies around the world.

The Joint statement from the QUAD and G7 countries formally recognised the transformative power of DPI in supporting sustainable development and delivering economic and social benefits to the people of the Indo-Pacific.

How DPIs are developed generally?

Digital services can either be developed by private companies or by the government.

When private companies deliver digital services, their motive is profit and commercialization. They do not focus on a citizen-centric approach. Further, leaving these services completely to private companies denies governments necessary sovereign control over critical government services.

Whereas, leaving digital services completely in the hands of the government, results in a level of state surveillance that is unacceptable to most democratic nations.

Why are various international organisations taking an interest in India's DPI approach? India's DPI offers a better-balanced approach. It combines technology, markets, and governance to create large-scale digital ecosystems that are controlled by countries.

This approach allows countries to have flexibility while also benefiting from the power of markets and private enterprise. The aim is to promote inclusive and competitive services for their citizens.

Therefore, this kind of approach is usually looked at by the developing nation because they do not want to be left on the mercy of private players nor do they want to act as a surveillance government by solely taking up the responsibility.

How will DPI benefit the nations?

By adopting the DPI model, **countries can design fully interoperable solutions** that meet their specific national requirements using secure, privacy-preserving solutions that is required for large population.

The DPI approach will also enable countries to maintain control over the systems they build and have the freedom to adjust the underlying protocols according to their specific national objectives.

Finally, the spread of India's DPI approach will enable India to play an important role in leading and guiding the world and be a rule maker rather than a rule taker.

104. Universal cover - IRDAI's plans to expand risk protection levels need government backing

Source: The post is based on the article "Universal cover - IRDAI's plans to expand risk protection levels need government backing" published in The Hindu on 31st May 2023 Syllabus: GS - 2: Issues relating to the development and management of Social Sector/Services relating to Health.

Relevance: About all-in-one insurance policy.

News: Insurance Regulatory and Development Authority (IRDA) is devising a "UPI-like moment" in the insurance sector by planning an all-in-one insurance policy.

About India's insurance sector

Earlier, the Indian insurance sector was a public sector-led industry. But now with the entry of private players, India's insurance penetration (the ratio of premium payments to GDP) has risen — from 2.7% in 2001-02 to 4.2% in 2021-22. This is a slide in the metric over the past decade from 5.2% in 2009-10. Further, non-life policies are yet to surpass 1% of the total mark.

About the all-in-one insurance policy

Must read: All--in--one policy plan to spread insurance in India

What will be the expected benefits of an all-in-one insurance policy?

- -State government's involvement and the creation of state-level insurance committees would help formulate granular district-wise strategies for raising awareness and coverage levels.
- -Industry players need to look beyond the top cities and the 'Bima Vistaar' scheme could catalyse the volumes they need to get out of their comfort zones.

What more should be done to make all-in-one insurance policy work?

India is a country where one health calamity can push a household below the poverty line. So, the Centre needs to **rethink the 18% GST levy on health and life insurance premiums**.

The IRDA underwent a nine-month vacuum before the appointment of the current chairmen. To make policies work the government should ensure a continuity of leadership in the IRDA.

105. Using Buddhism as a tool of soft power

Source: The post is based on the article "Using Buddhism as a tool of soft power" published in "The Hindu" on 31st May 2023.

Syllabus: GS2- International relations

Relevance: About Buddhist diplomacy of India and China.

News: Recently, the Global Buddhist Summit took place in New Delhi in April.

What are some facts about Shakyas after Buddha's death and its importance for Indian diplomacy? The **Shakyas who ruled Kapilavastu** after Buddha's Parinirvana did not have an army. Many were massacred. The remaining Shakyas fled to different parts of the country.

Many also went to the Kathmandu Valley. They were granted a status comparable to that of the **Vajracharya priests**, but were not permitted to practise **priesthood outside of their families.**

Therefore, in **Golden Temple** Shakyas alternate as temple caretakers and conduct all the rituals. This is one of the few temples in the Kathmandu valley where a **1,000-year-old tradition** continues.

Nepal accepted a grant from the Government of India to renovate portions of the **Golden Temple complex.** But, it has created a controversy.

Many locals believe that India was only interested in this project because it is the temple complex most **frequently visited by Chinese tourists.**

What are some facts about the Buddhist diplomacy of China?

China is home to around 245 million Buddhists, 28,000 Buddhist monasteries, 16,000 temples, and 2,40,000 Buddhist monks and nuns. This makes Buddhism an important soft power for China. China has added **religious overtones** to China's existing portfolio of cultural and linguistic diplomacy. The **state religious system** is supporting the growing **political and economic power** of China abroad.

Beijing pursues a **multifaceted and flexible approach** to promote Chinese Buddhism abroad. Its approach varies depending on whether the **target country** is Buddhist-majority, Western, or one of China's Asian competitors.

As a source of Buddhism, the Chinese look to Nepal rather than India. The popular temples in Beijing have a connection with Nepal.

China utilised Buddhist narratives alongside infrastructure investments in Sri Lanka. China would prefer to use its own version of Buddhism as a tool of soft power.

In Nepal, a popular rumour is that China will send **five million Buddhist pilgrims** and establish hotels and other businesses through its investment arms as a big soft power push.

What are some facts about Buddhist diplomacy in India?

For India, Buddhism provided an identity of **peace and tranquillity** after independence when there was **intense violence and division** between Hinduism and Islam.

There has been usage of **Buddhist symbolism** as a means of escaping difficult times. Due to such usage and evidence, India likes to claim Buddhism as its own.

It convened the **Global Buddhist Summit** in April to promote Tibetan Buddhism and the Dalai Lama. There were no Nepal and Bhutan representatives present.

The India International Centre for Buddhist Culture and Heritage is coming up in Lumbini, Nepal. Prime Minister laid the foundation stone in May 2022. This could be seen as an attempt to counter the opening of the Gautam Buddha International Airport in Bhairahawa, Nepal.

India's overtures of Buddhism in Nepal began only after 'Buddha is Born in Nepal' became a populist slogan of sovereignty in Nepal.

106. <u>India – Switzerland relationship: Fighting together for a peaceful world</u>

Source: The post is based on the article "Fighting together for a peaceful world" published in the "The Indian Express" on 31st May 2023.

Syllabus: GS2 – International relations.

Relevance: About India – Switzerland relationship.

News: The article explains the foreign policy priorities of Switzerland and its convergence with Indian foreign policy.

What are the foreign policies and priorities of Switzerland at UNSC?

The President of Swiss convened a UNSC open debate on the **protection of civilians** in **zones of armed conflicts**.

There are twin strands in Switzerland's foreign policy – peace promotion and the protection of civilians in zones of armed conflict. Switzerland has been active in pushing forward these principles.

The Swiss Foreign Minister chaired a high-level open debate focusing on **building mutual trust to promote sustainable peace**. It declared that it is time for the Security Council to reflect on its potential for action in the face of the increasing number of crises.

What are the historical reasons behind Switzerland's peace promotion policy?

Switzerland itself has not always been a peaceful country. It was ravaged by **several civil wars** between Catholics and Protestants for a period of up to 300 years.

The last civil war of 1847 led to **deep reflection** for the Swiss people and their political leadership. As a result of this, the Swiss people decided to set up **inclusive federal institutions** to build domestic peace.

Switzerland's history helps to explain the choice of the Swiss government's priorities for its two-year term in the UNSC.

What are the similarities in foreign policy-related priorities of India and Switzerland?

The priorities of Switzerland are also the same ones ingrained in ahimsa. It is the Indian religious and ethical principle of not causing harm to other living things.

India, in whose teachings the non-violence values are rooted, is a natural partner when it comes to Swiss foreign policy priorities.

There are evident convergences between Swiss and Indian foreign policy priorities. Both of which aim at peace promotion. Peace and harmony are also integral to India's G20 presidency vision of Vasudhaiva Kutumbakam.

At this historic moment, Switzerland and India together can contribute greatly to **world peace** – Switzerland as a **non-permanent member of the Security Council** in New York, and India by **presiding over the G20.**

107. Is India missing the graphene bus?

Source—The post is based on the article "Is India missing the graphene bus?" published in "The Hindu" on 1st June 2023.

Syllabus: GS2- Science and Technology. GS3- Economy

Relevance- Issues related to soft power

News– Artificial Intelligence, quantum computing and graphene will disrupt the existing human-machine interface in the next couple of decades.

Why is graphene an important material?

Graphene is the world's **thinnest**, **strongest**, **and most conductive material** of both electricity and heat. It conducts electricity better than copper. It is **200 times stronger** than steel but six times lighter.

It is almost perfectly transparent as it absorbs only 2% of light. It is impermeable to gases. It has the potential to revolutionise electricity, conductivity, energy generation, batteries, sensors and more.

Graphene composites are used in aerospace, automotive, sports equipment and construction. It is used for high-performance batteries and supercapacitors, touchscreens, and conductive inks. Graphene-based sensors are used for environmental monitoring, healthcare and wearable devices.

Graphene oxide membranes are used for **water purification and desalination**. Graphene-based masks were made during COVID.

Graphene is important for **defence and aerospace**. Its exceptional strength makes it promising material for **armour and ballistic protection**.

Graphene has the potential to absorb and dissipate electromagnetic waves. So, it is valuable for developing stealth coatings and materials that reduce radar signatures and electromagnetic interference.

Graphene is highly **sensitive to environmental changes**. It can be used in sensing chemical and biological agents, explosives, radiation, and other hazardous substances.

What is the status of the graphene industry?

The global graphene market size was valued at \$175.9 million in 2022. It is expected to grow at a CAGR of 46.6% between 2023 and 2030. Over 300 companies are now producing graphene or its derivatives.

Among the leading countries in **graphene research** are China, the U.S., the U.K., Japan, South Korea, Russia, and Singapore.

Till 2012, **graphene-related patent filing** was dominated by the U.S. After 2017, China surged ahead. In 2018, China filed 218 patents while the other leading countries together filed 79. India had eight filings.

China and Brazil are global leaders in the commercial production of graphene. India produces about one-twentieth compared to China and one-third compared to Brazil.

What is the progress of India in the case of graphene?

The **Centre for Nano Science and Engineering at IISc Bangalore** along with KAS Tech produced a **graphene-based system** several years ago.

Some start-ups and foreign subsidiaries have started **graphene or graphene derivatives** in India. Tata Steel has succeeded in **growing graphene.** It has also mixed graphene with used plastic products to recycle them as new.

The IIT Roorkee-incubated Log 9 has patented a technology for graphene-based ultracapacitors, and the IIT Kanpur-incubated RF Nanocomposites has developed EMI shielding and stealth technology using graphene-based nanotubes.

The India Innovation Centre for Graphene has been set up in Kerala. It is being implemented by the Digital University Kerala in partnership with Tata Steel and C-MET, Thrissur.

What is the way forward to improve the performance of the graphene industry in India?

Governments will have to play a crucial role. China declared graphene a priority in its 13th Plan. India needs a **national graphene mission**. A **nodal Ministry** needs to be entrusted with this responsibility.

India needs to be a **leader in graphene** because we may experience the **'winner takes the most'** situation here. its production may get **concentrated in a few locations** in the world, as in the case of semiconductors.

108. A parliamentary democracy or an executive democracy

Source- The post is based on the article "A parliamentary democracy or an executive democracy" published in "The Hindu" on 1st June 2023.

Syllabus: GS2- Parliament and state legislatures

Relevance- Issues related to functioning of Parliament in India

News- The article explains the issue of executive dominance over legislature in case of Parliamentary democracy in India.

What are various safeguards in parliamentary democracies against executive dominance or abuse?

To enact its agenda, the executive must command a **majority in Parliament**. This opens the space for **intra-party dissent**. It provides an opportunity for ruling party parliamentarians other than cabinet members to exercise a **check over the executive**.

The Opposition itself is granted **certain rights** in Parliament, and certain **limited control** over parliamentary proceedings.

The interests of Parliament against the executive are meant to be **represented by the Speaker.** She is a **neutral and independent authority.**

Certain parliamentary democracies adopt bicameralism. A second "Upper House" acts as a revising chamber. The interests of minorities are represented.

How various safeguards in parliamentary democracies against executive dominance or abuse have been diluted in India?

The possibility of **intra-party dissent** within Parliament has been curtailed by the **"anti-defection law"**. The **Tenth Schedule** penalises disobedience of the party whip with **disqualification from the House**.

The Tenth Schedule has failed to curb **horse-trading and unprincipled floor-crossing**. It has strengthened the hand of the party leadership. **Intra-party dissent** is far more difficult when the price is disqualification from Parliament.

The Indian Constitution did not carve out any specific space for the **political Opposition** in the House. There is no equivalent of the **Prime Minister's questions**, where the Prime Minister must face direct questioning.

The manner of proceedings in Parliament are under the complete control of the executive. There are no real constitutional checks upon how that control is exercised.

Speaker, in our system, is **not independent**. The Speaker is not required to give up membership of their political party, and not **constitutionally obligated** to **act impartially**.

Speakers at central and State levels are acting in a **partisan manner** to advance the interests of the executive over the interests of the House.

This has affected the **quality of the deliberation**s in the lower house as the Speaker has control over the **conduct of the House**.

When the ruling party wishes to avoid **effective scrutiny** in the Rajya Sabha over Bills, the Speaker simply classifies the Bill as a **"money bill"**. This was seen in the case of the Aadhaar Act.

The role of the Upper House is undercut by the **ordinance making power.** An ordinance is used as a parallel process of law-making, especially when the executive wants to bypass the Upper House.

How has the constitutional design impacted the working of Parliament?

The only effective check upon the executive is **fractured mandate and coalition government**. In such a scenario, coalition partners can exercise **checks upon the executive** in Parliament.

When there is a single, majority ruling party, Parliament has limited powers.

The quality of parliamentary deliberations has declined. The situation resembles presidential systems with strong executives, but without the checks and balances.

Bills are passed with **minimal or no deliberation**. Parliament sits for fewer days in a year, and parliamentary sessions are **often adjourned**.

109. Getting multipolarity wrong

Source—The post is based on the article "Getting multipolarity wrong" published in the "The Indian Express" on 1st June 2023.

Syllabus: GS2- International relations

Relevance- Shape and structure of world order

News- In his article C. Raja Mohan 'India's multipolar myths' C. Raja Mohan has dismissed the long held view that the emerging structure of power among nation-states as "multipolar". It is a myth.

What is criticism against the Raja Mohan viewpoints about multipolarity?

Raja Mohan is wrong to imply that the concept of multipolarity suggests an **"even distribution of power between major powers"**. The **literature on multipolarity** does not talk about even distribution of power.

Multipolarity suggests that no single nation-state or two nation-states have the capacity to **exert their power globally**. Hence, they must work along with other powers.

Raja Mohan is also wrong to presume that nations that **advocate multipolarity** have **political resentment** against US power or collective West. This has certainly not been the case with Indian articulation, even during the Cold War era.

India's refusal to join any military alliance was not based on anti-westernism or anti-communism. It was based on an Indian view that was against such a division of the world.

Even American scholars have not always viewed the concept of **multipolarity as "anti-Ame**rican". Samuel Huntington has characterised the **post-Cold War distribution of power** in the 1990s as "uni-multipolar", rather than "unipolar".

Huntington proposed that global politics has now moved from a unipolar moment at the end of the Cold War into more uni-multipolar decades. It will culminate into a multipolar twenty-first century.

As per Raja Mohan, the world is once again "bipolar" — US and EU vs China and Russia. It underplays the space available for the articulation of national interests of "middle powers". Many nations in Europe, Latin America and Asia assert their own national interests.

How has India taken an independent stance in foreign policy choices?

Attempts to push India into a lonely corner, forcing it to make choices and enter into alliances have failed in the past. Then, it was a weaker and less developed nation.

A **stronger and more self-confident** India cannot be expected to **fall in line**. India's relations with the US, China, Russia or any other nation, would be defined by **her interests and values**.

110. The new Parliament House: More than a building

Source: The post is based on the article "The new Parliament House: More than a building" published in The Indian Express on 1st June 2023.

Syllabus: GS 2 - Parliament and State Legislatures—Structure, Functioning, Conduct of Business, Powers & Privileges and Issues Arising out of these.

Relevance: Deteriorating role of the Parliament

News: The article explains the deteriorating role of Parliament and its increasing irrelevance.

How has the function of the Parliament deteriorated?

Reduction in the Number of Sittings: As per the PRS data, there has been a reduction in the average of annual sitting days of the Parliament.

For instance, the 16th Lok Sabha (2014-2019) had a scheduled sitting of just 337 days over a five-year period and lost 16 percent of that time due to adjournments.

Lack of Debates and Discussion: Mostly the proceedings in the Parliament have been stalled due to the ruckus created by the opposition. There is hardly any discussions or debate done on any important bill or a current issue of national importance.

Therefore, it is the duty of the Speaker to permit the Opposition to raise and discuss matters of national importance, even if they are not liked by the ruling majority.

Increasing Role of Executives: Instead of drafting and debating bills in the Parliament by the legislatures, the nation is now governed more by rules, notifications, circulars and guidelines, drafted by the executives.

Misuse of the Majority: The ruling party has misused its majority and downgraded the role of Parliament.

Article 110 requires that money bills must contain only provisions that relate to fiscal and tax issues. A money bill needs approval only in the Lok Sabha and the Rajya Sabha has a limited, recommendatory role.

However, since the ruling party has the majority in the Lok Sabha, they label any bill as a money bill and get it approved in the Lok Sabha.

For instance, in the Aadhaar Act, amendments to several tribunals through the Finance Act, 2017 were certified as money bills and enacted without the approval of the Rajya Sabha.

Degrading Role of Parliamentary Committees: The practice of referring bills to parliamentary committees has dropped sharply in the recent past — from a high of 60 percent to just 23 percent in the current Lok Sabha.

Finance Bills: Finance Bills these days are introduced on the Budget Day itself, which is an unhealthy practice. These bills are then passed without any debate or discussions.

For instance, in 2023, an entire chapter relating to GST tribunals was added and approved on the last date without any debate or discussion. Many of these provisions are violative of decisions of the Supreme Court.

Other Issues: The mandatory requirement under Article 93 of having a Deputy Speaker has not been fulfilled in the present Lok Sabha while the entry of journalists into Parliament has also been curtailed.

Must Read: Performance review: How Parliament has functioned till now

What can be the course of action?

Every member of the Parliament takes an oath under the Third Schedule of the Constitution, which requires them to bear true faith and allegiance to the Constitution of India.

Therefore, the greatness of Parliament is determined by the manner in which their occupants discharge their constitutional obligations.

Further, the constitutional role of our Parliament is to deliberate and enact laws that shape India. Therefore, the new Parliament will not serve the purpose unless the functioning of the Parliament is improved.

111. Why India and China are stronger as partners

Source—The post is based on the article "Why India and China are stronger as partners" published in "The Indian Express" on 2nd June 2023.

Syllabus: GS2- Bilateral groupings and agreements

News- The article explains the potential of bilateral relationship between India and China.

What are the growth prospects of the Indian and Chinese economy?

India has become the **fifth-largest economy** in the world. The **UNCTAD 'World Investment Report 2022'** shows that in 2021, India ranked seventh among the top 20 recipients of foreign direct investment.

India's digital economy is growing rapidly with more than 82,000 start-ups and 107 unicorn companies.

The Chinese economy is rebounding with the first-quarter GDP growing by 4.5% year-on-year.

Employment and prices remained stable. Many international organisations and investment institutions have revised their forecasts upwards for China's economic growth this year.

What is the potential of a bilateral relationship between India and China?

China and India are the most populous developing countries and the top two developing economies in the world. The two countries account for more than 35% of the world's total population and more than 20% of the world's total economic output.

China and India have a **decisive impact on human development**. The **strong economic growth** of the two countries has a vital role to play in the **global economic recovery**.

China and India have also made important contributions to **world poverty alleviation**. Over the past more than 40 years, the Chinese government has lifted more than **800 million people** out of poverty.

From fiscal year 2006 to 2021, a total of **410 million people** in India have been lifted out of poverty. According to the **forecast of the International Monetary Fund**, the contribution of China and India to world economic growth this year will be over 50.3 per cent.

What is the way forward for India and China bilateral partnership?

Emerging economies like China and India have become **important engines for the recovery** of global economic growth.

There is a need to develop a **strategic and long-term perspective** for bilateral relations. Both countries should pursue a new path of living in harmony, peaceful development.

112. On Bihar's prohibition policy: A costly ban

Source—The post is based on the article "on Bihar's prohibition policy: A costly ban" published in "Indian Express" on 2nd June 2023.

Syllabus: GS Paper 2 - Social Issues

News: Bihar government amended the stern Bihar Prohibition and Excise (Amendment) Act, which banned liquor in Bihar.

The amendment is moved to relax the rules for release of vehicles impounded for transporting liquor. Vehicle owners were abandoning their vehicles, captured for transporting liquor, rather than paying hefty fines to retrieve them. It resulted in over 50,000 four-wheelers being parked in 800 police stations across Bihar.

The recent amendment allows the release of impounded vehicles upon payment of 10% of their insurance cover, as opposed to the earlier requirement of 50%.

What are the other changes introduced to the Bihar Liquor Law?

Now first-time drinkers will not be imprisoned. They can pay fine of Rs 2,000 to Rs 5,000 and walk free.

The government has removed community fines, reduced the term of imprisonment for drinking from 10 years to five.

Ex gratia payment in hooch deaths was restored to Rs 4 lakh compensation to the next of kin of victims.

What are the reasons behind relaxation?

It shows that Bihar's liquor policy has not been successful.

Bihar's liquor ban has led to a spike in illicit trade, hooch deaths, and arrests.

The majority of those arrested and imprisoned are from marginalized groups, including Other Backward Castes, Extremely Backward Castes, and Dalits.

113. How To Be A Pal – on India Nepal Relations

Source—The post is based on the article "How To Be A Pal" published in "The Times of India" on 2nd June 2023.

Syllabus: GS Paper 2 – India and its neighbourhood

News: Nepal PM Prachanda visited India for the first time, during his present tenure.

During Prachanda's visit, several agreements were signed, including a transit treaty, bilateral digital payments, and a long-term understanding on power trade, which are positive steps.

However, India needs to consider the changing dynamics of their relations and transform its approach towards Nepal.

What are the changing dynamics that need to be considered in India Nepal Relations?

Changing equation: Over time, the dynamics of the India-China-Nepal equation have undergone significant changes, with strained India-China ties and Chinese incursions.

Strategic battleground: Nepal is becoming a battleground for the US and China. US has entered in the Nepal's political discourse by around the \$500 million US grant. On the other hand, China is pushing for faster implementation of Belt and Road Initiative (BRI).

Awareness of power rivalry: The ongoing Ukraine conflict has made Nepal cautious about not becoming a bone of contention between major powers.

Therefore, Nepal will naturally try to maintain close relations with both India and China.

What should be India's approach towards Nepal?

Soft approach: The unresolved bilateral border issue should be addressed through diplomatic discussions rather than exacerbating tensions. For example, 2015 blockade reversed the goodwill generated by India, before that.

Economic cooperation: India should expedite pending projects in Nepal and follow a needs-based development model.

114. Here's How To Make India's Health Sector Fighting Fit

Source- The post is based on the article "Here's How To Make India's Health Sector Fighting Fit" published in the "The Times of India" on 3rd June 2023.

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

Relevance- Governance structure of healthcare system in India

News- On almost all health indicators, India ranks last among G20 countries.

Why is colonial legacy responsible for poor health indicators in India?

The Government of India Acts of 1919 and 1935 established health as a state subject.

The India Act of 1919 granted provinces autonomy over health. The Act of 1935 demarcated subjects into federal, provincial, and concurrent lists. It designates health as a provincial subject. The Indian Constitution retained health as a **state subject**.

During the Constituent Assembly's debate, Hari Vishnu Kamath and Brajeshwar Prasad had opposed the inclusion of **health on the state list.**

Kamath argued **"national health"** had declined under British rule and the government's goal should be to elevate it to **A-1 standards**. Health should be a Union subject to protect the nation from diseases and epidemics. But the Assembly rejected the proposals.

What are the consequences of health being a state subject under the constitution?

The constitutional structure hampers nationwide public health strategies. It restricts Centre's ability to enforce uniform standards and guidelines.

Unequal sector development makes for a stark contrast between states. UP and Bihar have some of the world's worst health indicators. Health in states such as Tamil Nadu and Kerala is comparable to upper-middle-income countries.

The **central health budget** remained negligible since Independence, stagnating at around 2% over several Five-Year Plans. As the Constitution did not mandate an **equal role for the Centre**, the **health infrastructure gap** between states widened.

Regulations were uneven. GoI enacted the **Clinical Establishments Act in 2010** to improve quality and protect patients' rights. It has largely been ineffective as many states and UTs have not implemented it.

State-level drug and device regulations have obstructed uniform drug regulation. The Drugs and Cosmetics Act has a fragmented regulatory approach.

The Centre makes rules for manufacture of drugs but states grant the licences. States have uneven regulatory oversight, variable drug quality, inconsistent standards enforcement, and insufficient protection from unsafe drugs.

What is the way forward to reduce disparities in healthcare across the various regions in India?

The Supreme Court mandated the government implement the **right to emergency and critical care** regardless of people's ability to pay.

Rajasthan has passed a **Right to Health Act**, that provides citizens **free emergency care** at public or private hospitals. Yet Rajasthan cannot achieve the objective of this legislation on its own. The state doesn't control hospitals outside its boundaries.

Such a basic right should be **available to all**. But individual states making such laws may not be the most efficient. A **piecemeal approach** by various states will lead to **fragmentation and confusion**.

The **right-to** health approach may increase costs and lead to **potential relocation** of private hospitals to states where their obligations with respect to emergency care are weaker.

A uniform definition of emergency care and role of hospitals countrywide is essential. It should be decided by the Centre.

Over 75 years, there have been advances in technology and innovative approaches. There is a dominant role of the private sector, and increased reliance on **third-party healthcare payment systems**. It is unfeasible for states to manage and regulate health services.

The **15th Finance Commission** also recommended health be transferred to the **concurrent list** allowing for **uniform policy formulation and implementation**.

General

Studies

Paper – 3

General Studies - 3

1. Spot The Problems – Deaths of two cheetahs call for thorough expert investigation, not speculation. And space is the key

Source: The post is based on the article "Spot The Problems – Deaths of two cheetahs call for thorough expert investigation, not speculation. And space is the key" published in The Times of India on 1st May 2023.

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

Relevance: About issues in India's cheetah reintroduction project.

News: Uday is the second cheetah – among the 20 cheetahs that were translocated to Madhya Pradesh's Kuno National Park (KNP)– has died within a month. This is the second such cheetah death within a month.

About Sasha, Cheetah Reintroduction Project and Kuno National Park

Read here: Cheetah Sasha dies due to kidney ailment in Madhya Pradesh's Kuno National Park

What are the challenges in Cheetah conservation?

Space issue: Unlike tigers that stalk prey, cheetahs race to hunt. Thus demanding wide ranges, typically grasslands. India has lost about 90-95% of its grasslands over the last two decades. For instance, a cheetah was tranquilised when seen roaming beyond human-defined borders.

Note: Kuno is the only national park for cheetahs.

What should be done?

To save the cheetahs, India should **a)** Focus on conserving and expanding grasslands responsibly. India should also avoid haphazardly planting grasses, which make up a fraction of grasslands' ecosystem, **b)** Focus on conserving prey species, and **c)** Focus on mechanisms to protect livestock, including compensation for villages that fall in the roaming ranges.

2. India must prepare its workforce to assume global leadership of AI

Source: The post is based on the following articles

"Why we can't 'pause' AI" published in the Indian Express on 1st May 2023.

"India must prepare its workforce to assume global leadership of AI" published in the Livemint on 1st May 2023.

Syllabus: GS 3 – Science and Technology- developments and their applications and effects in everyday life.

Relevance: About Artificial General Intelligence.

News: A letter coordinated by the Future of Life Institute and signed by apparently thousands of scientists, technocrats, businessmen, academics and others called for a six-month pause in the further development of Artificial General Intelligence. The signatories include Elon Musk, Steve Wozniak, the co-founder of Apple and others.

On the other end, <u>ChatGPT</u> has improved its ability to answer social sciences and humanities subjects much better than answering mathematics problems.

About the letter for pausing the development of Artificial General Intelligence

The central message of the letter is that further unconstrained development of such language models could create "human competitive intelligence" that if not circumscribed by governance protocols could pose a "profound risk" to humanity. Further, AI's impact on society may be more exponential and will play out in a shorter time span. Therefore, the work should be halted until such protocols are in place.

Read more: [Kurukshetra October Summary] Artificial Intelligence in Agripreneurship (AI in Agriculture) - Explained, pointwise

What are the counter-arguments against pausing the development of Artificial General Intelligence?

According to some experts,

- -Every technological transformation has triggered opposition by vested interests. For Instance, **a)** The industrial adversaries of the early 19th century protested the mechanisation of the knitting loom out of concern for the livelihood of skilled weavers, **b)** Many have cautioned against the adverse impact on jobs, data privacy and individual rights of the digital revolution.
- -Technological progress will make the efforts towards sustainable development easier. So, pausing technological development will exacerbate the problem. For instance, technological progress might enable the sequestration of carbon from the atmosphere. Thereby making a transformational step in the journey towards decarbonisation.
- -The basic job did not disappear with technology: For example, earlier 'runners' were used to deliver mail. Later postman came. Now e-mails are delivered through telecommunication experts. Despite the evolution, the basic job (mail) did not disappear. Instead, it evolved into an avatar which required more skills but less physical work.

Read more: Significance and Challenges of Artificial Intelligence(AI)

What is Artificial Intelligence and Generative AI?

Must Read: Generative AI (Artificial Intelligence): Benefits and Challenges – Explained, pointwise and [Yojana June Summary] Artificial Intelligence and Machine Learning – Explained, pointwise

What should be done?

Pausing will not solve the problem: The international community must look beyond narrow interests towards a collaborative effort to address the problems of the global commons, instead of pausing the problem. Such as increasing the availability of cybersecurity experts.

Understanding job evolution and preparing society for Artificial General Intelligence: This is the key to guarding against structural unemployment created by technologies such as ChatGPT.

What India should do to assume global leadership in Artificial General Intelligence?

Amend CSR norms to facilitate upskilling: Companies need to spend massively in upskilling their existing resources to leverage AI. Considering training and upskilling expenses as Corporate Social Responsibility (CSR) spending will increase private investment in that area.

Develop intellectual property (IP): India should frame policies to attract AI researchers from global pools.

Academic infrastructure: All school boards and Universities in India need to focus on Science-technology-engineering-mathematics (STEM). This will require a capability-building exercise of retraining relevant teachers for newer ways of teaching.

Apart from this, India should move away from rote learning also. Instead, India needs empathetic creators with a superior grasp of technology.

3. Stray dogs and poor waste management

Source—The post is based on the article "Stray dogs and poor waste management" published in "The Hindu" on 1st May 2023.

Syllabus: GS1- Urbanisation, GS 3 – Human – Wildlife Conflict

Relevance– issue of Stray dogs in urban areas

News– In April, a 65-year-old woman in Srinagar was attacked by street dogs outside her home. A garbage collection point was situated in front of her house.

How does poor solid waste management contribute to dog bites?

The ability of a city to support a species is determined by the availability of food and shelter. Free-ranging dogs, in the absence of these facilities, **are scavengers**. They search around for food, and eventually look for **garbage dumping sites**.

A population boom in Indian cities has contributed to a staggering rise in solid waste. Indian cities generate more than 1,50,000 metric tonnes of urban solid waste every day.

According to a **United Nations Environment Program 2021 report**, an **estimated 931 million tonnes of food** was wasted in 2019. Indian homes on average generated 50 kg of food waste per person.

This waste often serves as a **source of food** for hungry and free-roaming dogs. They move towards **densely-populated areas** in cities, such as urban slums which are usually located next to garbage dumping sites and landfills.

Urban dogs are believed to have a distinct set of traits as compared to rural dogs. They have learnt to develop **survival techniques** in hostile urban environments.

What are some statistics about stray dog population and dog bites in India?

Cities have witnessed a sharp increase in the **stray dog population**. As per the **official 2019** livestock census, it stood at **1.5 crore**. However, independent estimates peg the number to be around **6.2 crore**.

The **number of dog bites** has simultaneously doubled between 2012 and 2020. India has the highest rabies burden in the world. It accounts for a third of global deaths caused due to the disease.

How unplanned urbanisation is linked to the stray dogs problem?

In 2015, a study conducted in 10 Indian metro cities found a **strong link** between human population, the amount of municipal and food waste generated, and the number of stray dogs in the cities.

It argued that the **present mode of urbanisation and paradigm of development** promotes urban sprawls, slums, and disparity. With the development of cities, **managing solid waste** has become a daunting challenge. It is aiding the **proliferation of stray dogs**.

There may be a correlation between urbanisation and solid waste production. Weak animal birth control programmes, insufficient rescue centres, and poor waste management, result in a proliferation of street animals in India.

Most **landfills and dumping sites** are located on the peripheries of cities, next to slums and settlement colonies. Thus, the disproportionate burden of dog bites may also fall on people in urban slums.

A study published in 2016 found that the prevalence of dog bites was **higher in urban slums than** rural slums.

4. Economic pact between India and EFTA states will further boost trade, investment

Source: The post is based on the article "Economic pact between India and EFTA states will further boost trade, investment" published in The Indian Express on 1st May 2023.

Syllabus: GS 3 - Growth & Development

Relevance: benefits of Trade and Economic Partnership Agreement (TEPA) with European Free Trade Association (EFTA) for India.

News: High-level delegations from the European Free Trade Association (**EFTA**) states and India met in New Delhi to consider the possibility of beginning discussions on a Trade and Economic Partnership Agreement (**TEPA**).

About European Free Trade Association (EFTA)

European Free Trade Association (EFTA) include four countries – **Iceland, Liechtenstein, Norway** and **Switzerland.** It is a regional trade organization.

These are small countries. However, their economy is strong enough that makes them the 10th largest merchandise traders and eighth largest services traders worldwide.

Today, the four nations rank among the highest in the world in innovation, competitiveness, wealth creation per inhabitant, life expectancy, and quality of life.

EFTA companies are also world leaders in pharmaceuticals, biotechnology, machinery manufacturing, R&D-driven technology products, geothermal-related technologies and many more.

EFTA has a track record of negotiating mutually beneficial trade agreements, with a total of 29 free trade agreements (FTAs) with 40 partner nations. Nearly 22 percent of EFTA states' imports come from these FTA partners.

Therefore, a TEPA between EFTA states and India will benefit both the parties.

How will the Trade and Economic Partnership Agreement (TEPA) with EFTA states benefit both the parties?

First, The EFTA nations can complement and support India's economic development and leadership in the development of green technology by fostering trade and investment ties.

A trade agreement would benefit both sides by promoting technology and knowledge transfer, facilitating R&D and innovation, and encouraging business collaboration across different areas.

Furthermore, improved market access for goods will boost India's export potential to EFTA markets.

Second, EFTA states have contributed investments of over \$35 billion in India. These investments are done across sectors such as machinery, electrical engineering and metals, etc. **Hence, a trade pact is estimated to increase investments in India.**

Third, EFTA and India have a mutually beneficial relationship in skilled labour. **For instance,** the EFTA states gain from the highly skilled Indian workforce in the services sector, while India benefits from over 400 companies established by EFTA states, generating more than 150,000 jobs.

India also consistently ranks first in terms of work permits issued to non-EU citizens in Switzerland.

Therefore, a trade agreement between EFTA and India would increase predictability in the services sector, creating more business opportunities for skilled Indian service providers.

Fourth, EFTA states and India can collaborate on green growth. India aims to meet 50 percent of its energy needs with renewables by 2030. Therefore, EFTA states can contribute to India's green growth aspirations by scaling up projects and cooperation in solar, wind, hydro and geothermal power.

5. Ration shops as nourishing centres

Source: The post is based on the article "Ration shops as nourishing centres" published in The Indian Express on 1st May 2023.

Syllabus: GS 3 - Agriculture - Public Distribution System (PDS)

Relevance: measures needed to improve PDS system.

News: The Food Corporation of India (FCI) wheat procurement has crossed 20 million tonnes (MT), a notch higher than last year. However, there are concerns over procurement and production of wheat.

What are the concerns with the procurement and production of wheat?

Procurement: In the beginning of the season, it was estimated that FCI would procure 34 MT of wheat. However, the FCI hopes to procure 25 MT of wheat due to loss caused by unseasonal rains. FCI also relaxed its quality parameters to accommodate lustre loss or shrivelled grain, etc. for procurement.

This amount would be sufficient for FCI's Public Distribution System (PDS) needs and there are also enough rice stocks available with the FCI to substitute wheat, if needs arise.

Production: There has been uncertainty over the wheat production this year due to unseasonal rains. Earlier, the Ministry of Agriculture and Farmers' Welfare (MoA&FW) had estimated 112 MT of wheat production. But after unseasonal rains, the revised estimate is yet to come.

However, despite unseasonal rains, it is estimated that production of wheat this year is higher than last year, especially in Punjab.

In Punjab, farmers who had done zero tillage and had mulched paddy straw at the time of sowing wheat through smart happy seeders have not suffered much due to unseasonal rains while others are expecting much lower yields.

Moreover, it is also important to promote nutritious crops in the PDS along with their cultivation, acting as alternative to wheat or rice.

How can PDS be used to offer more nutritious food and support climate-resilient agriculture? Nutritious Food Hubs (NFHs): At least 10 percent of five lakh odd fair price shops should be declared as Nutritious Food Hubs (NFHs). These NFHs will have fortified as well as bio-fortified rice and wheat, millets, pulses, oilseeds, fortified milk and edible oils, eggs, etc.

Further, the consumers of PDS list may be given electronic vouchers (like an e-food coupon) that can be charged by the government three or four times a year.

This amount can be loaded on e-vouchers of targeted beneficiaries. It would create a demand for more diversified and nutritious food from the masses.

Climate-resilient agriculture: Rice procurement may be limited by promoting other climate resilient crops in the PDS, starting with those areas where the water table has been drastically decreasing.

Farmers in these areas may be provided incentives to cultivate millets, pulses, oilseeds, and other crops that require less water and fertiliser. Thus, reducing their reliance on electricity and fertiliser subsidies.

The Centre and the states need to join hands to give a special package for carbon credits for growing such crops.

6. Roadmap to energy justice

Source: The post is based on the article "Roadmap to energy justice" published in The Indian

Express on 2nd May 2023.

Syllabus: GS 3 - Infrastructure - Energy

Relevance: measures taken by India to cater its rising energy demand.

News: India's energy demand is growing. **As per the BP energy outlook and IEA estimates**, India will account for approximately 25 percent of global energy demand growth between 2020-2040. The article discusses India's position on various energy requirements and measures taken by India

to check rising crude prices.

How has India been able to manage the rising prices of crude oil?

Prices of diesel in India have gone down in the last one year at a time when petrol and diesel prices went up by 35-40 per cent in the US, Canada, Spain and the UK.

India, despite being a major importer of crude oil and natural gas, has been able to control the prices of petrol and diesel.

This was made possible by – a) massive cuts in excise duty and VAT rates by several states, b) Oil PSUs absorbing huge losses to ensure that the rising prices of crude oil and natural gas in the international market were not passed on to Indian consumers, c) increasing subsidised APM gas for city gas distribution sector, d) imposing an export cess on petrol, diesel and ATF and windfall tax on domestically produced petroleum products, d) expanding its network of crude oil suppliers to Russia and the US to prevent supply disruptions, e) expanding refining capacity, f) purchasing petroleum products from certain nations has helped in keeping oil prices in check in the global value chain.

Note: India's refining capacity is the fourth largest in the world after the US, China, and Russia.

What are other efforts being taken by India for its energy requirements?

Gas based economy: India is accelerating its efforts to move towards a **gas-based economy** by **increasing the share of gas from the current 6.3 percent to 15 percent by 2030.** The number of CNG stations in India has gone up from 938 in 2014 to 4,900 in 2023.

Since 2014, India has also increased the length of its gas pipeline network from 14,700 kms to 22,000 kms in 2023.

<u>Biofuel</u>: India has launched **E20** (20 percent ethanol blended gasoline) which will be rolled out in 15 cities and expanded across the country in the next two years. India's ethanol blending gasoline has grown from 1.53 percent in 2013-14 to 10.17 percent in 2023.

India is also setting up five second generation ethanol plants, which can convert agricultural waste into biofuel.

Green Hydrogen: The <u>National Green Hydrogen Mission</u> has been launched to develop the entire green hydrogen ecosystem in the country and accelerate **India's efforts towards 4 MT of annual green hydrogen production**. India is poised to realise its full potential to create a green hydrogen ecosystem by 2030.

Electric vehicles: India is supporting electric vehicles through a production linked incentive scheme to make advanced chemistry cells of 50 GW hours and has announced viability gap funding and customs duty exemptions for the sector.

7. Labour laws' fairness challenge

Source: The post is based on the article "Labour laws' fairness challenge" published in Business

Standard on 2nd May 2023.

Syllabus: GS 3 – Employment

Relevance: concerns associated with amendments made in labour laws by some states.

News: Some states have amended their labour laws and have brought changes.

What are the changes brought by the states in their labour laws?

Karnataka has allowed 12-hour work shifts instead of eight or nine. It has increased overtime from

75 hours to 145 hours in three months, and allowed women to work in the night shift.

These work hours are, however, capped at 48 hours per week or 4 days a week.

Similar changes in working hours have been brought by Tamil Nadu and Uttar Pradesh.

These changes have been brought up on the request of several global contract manufacturing firms.

What are the concerns with these amendments?

The concerns with these amendments are whether these changes **improve labour productivity** and are efficient in creating new jobs **or it leads to worse working conditions and labour exploitation.**

It is argued that the flexibility to institute a 12-hour workday will improve productivity and will make India competitive with its counterparts in countries like China or Taiwan or Korea.

Some studies have also found that longer hours improve productivity because workers need to settle down in a shift before his/her productivity hits its peak.

However, a large number of studies have found that a longer number of working hours decreases productivity due to fatigue.

Newer studies have also suggested that rather than the number of working hours, other factors such as conditions at work, attribute of labour and work schedule play a much bigger role in increasing productivity.

Climate change and geographical locations may also affect the productivity of workers.

In terms of labour exploitation, it is hard to argue whether a 12-hour work shift coupled with four days will lead to labour exploitation. However, if the total number of hours per week changes, then it might lead to labour exploitation.

What can be the way ahead?

Factors such as **protections for workers** (wages, hiring and firing practices, insurance, etc.) and **workplace conditions** (safety norms, proper facilities and training etc.) are **more important for workers rather than long working hours.**

These factors should be taken into account **because today factories tend to hire more contract workers**, and often the terms and conditions for these workers are lower than those who are in the company's roles.

Hence, these are the issues that the government should be most worried about, and they should be closely regulated and monitored.

8. The death of another Nehruvian idea – on closure of Vigyan Prasar

Source—The post is based on the article "The death of another Nehruvian idea" published in "The Hindu" on 2nd May 2023.

Syllabus: GS3- Science and Technology

Relevance: Government policies to promote science and technology

News- An official press release of the Department of Science and Technology (DST) cryptically announced discontinuance of Vigyan Prasar, an autonomous body under its purview.

What are some facts about Vigyan Prashar?

Vigyan Prasar started functioning in 1989. It was a Nehruvian idea of science communication and scientific awareness.

It has been a part of an unbroken chain of **government institutions and policies** for promoting **scientific temper** since 1947.

Vigyan Prasar prepared content on scientific temper and disseminated it widely via radio and TV in the 1990s.

It also commissioned filmmakers to produce documentaries about leading scientists, the history of science and similar subjects.

One notable outreach project was **ECLIPSE-95**. It was a year-long programme to generate awareness and create safe viewing opportunities of the total solar eclipse of 1995.

What were the steps taken by the government to improve science communication and scientific awareness?

For Jawaharlal Nehru, science and technology were essential for **nation-building projects**. This was reflected in the creation of national laboratories, higher education institutions, large dams, and so on.

To fight irrationality, Nehru supported a scheme to open 'Vigyan Mandirs'. These science centres popularised scientific ideas in rural populations.

In the 1960s, science communication through All India Radio and 'Krishi Vigyan Kendras' played an important role in the adoption of new, high-yielding crop varieties. It powered the Green Revolution.

The DST formed an agency to **promote public debate** on science and technology to tackle superstitious beliefs. It was the **National Council for Science and Technology Communication** (**NCSTC**) established in 1982.

It supported several **voluntary groups and grassroots science movements.** One of its major contributions was the **'Bharat Jan Vigyan Jatha' (BJVJ) movement**. It gave birth to a network of voluntary organisations. This took the shape of the **All India People's Science Network**.

All these events culminated in the idea of a national institute of science and technology communication. This was Vigyan Prasar.

What were the issues faced by Vigyan Prashar in recent times?

Vigyan Prasar deviated from its **original mandate.** New projects were launched without **adequate preparation and coordination.**

The agency started 'DD Science' in collaboration with Doordarshan as a one-hour daily programme for science, but it started rehashing documentaries telecast earlier.

This was followed by an **OTT** channel called 'IndiaScience.in. But The OTT science channel converted into a political message platform. It covered routine events such as the Prime Minister's Republic Day speech and 'Pariksha Pe Charcha'.

9. The de-dollarisation debate

Source: The post is based on the article "The de-dollarisation debate" published in the Business Standard on 2nd May 2023.

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

Relevance: About the de-dollarisation debate.

News: There are evidences that countries are trying to break away from the USD through dedollarisation.

How dominant is US Dollar in global trade?

While the US accounts for about 25% of the global gross domestic product (GDP), its true economic power is driven by global dependence on the USD. For example,

a) The USD accounts for approximately 90% of all Forex transactions. That means that the dollar was on one side or the other in nine out of 10 global foreign exchange transactions, **b)** The dollar also accounts for 85 per cent of all currency forward and swap markets, **c)** Almost half of all cross-border loans and international debt securities are also denominated in USD. This is despite the fact that non-US entities are the borrower/issuer in 88% of all international debt issuance, **d)** The dollar is also used for about 50% of all trade invoicing despite the US only accounting for about 12% of global trade and **e)** The USD comprise 60% of global Forex reserves.

Note: Most central banks do not have more than 10% of gold in their Forex mix (except Russia and Turkey). This is because it provides no yield, and if all major central banks tried to boost their gold holdings, it would have a serious price impact.

What is de-dollarisation, what are the global efforts towards the De-dollarisation of trade, and How is India pursuing the de-dollarisation of trade?

Must read: De-dollarisation of trade: Opportunities and challenges - Explained, pointwise

What are the negative impacts of de-dollarisation?

Not easy to de-dollarise: The top 20 countries ranked by quantum of Forex reserves, except for China/Hong Kong, the rest are political allies of the US or have some form of cooperation. Hence, the only countries that may try to move away from the USD would be China, HK and Saudi Arabia. Of these, HK and Saudi Arabia run a USD peg of their own currencies, and thus cannot move away from dollar easily.

Read here: The possible implications of de-dollarisation of global trade

Hence, the USD is unlikely to lose the reserve currency status.

10. How should humans respond to advancing artificial intelligence?

Source: The post is based on the article "How should humans respond to advancing artificial intelligence?" published in the Livemint on 2nd May 2023.

Syllabus: GS 3 – Science and Technology- developments and their applications and effects in everyday life.

Relevance: About the concerns of AI.

News: Within months of **ChatGPT**'s launch, besides its mass adoption, there are intense documentation of its superhuman uses.

What is Artificial Intelligence and Generative AI?

Must Read: Generative AI (Artificial Intelligence): Benefits and Challenges – Explained, pointwise and [Yojana June Summary] Artificial Intelligence and Machine Learning – Explained, pointwise

How ChatGPT has evolved so far?

-The AI has breached the ability of humans to skim through thousands of written words to produce an original formulation. Now it is performing market analysis, decryption of 'Fedspeak' and sentiment analysis to book summaries, financial planning, website building, economics research, etc.

-Words, music and art are all made by humans and learnt by AI. Now, the AI also have a winning entry in the Sony world photography contest.

Thereby promoting it as a quick-fix panacea to various problems.

Read more: India must prepare its workforce to assume global leadership of AI

What will be the potential concerns of AI's rapid development?

The use of machines freed humans to pursue more 'thoughtful' ideas. But that is associated with some potential consequences such as,

a) AI can decide for itself and self-propagate, which can lead to catastrophic consequences in the absence of judgment, **b)** Rapid development of AI might lead to the absence of a human creativity-facilitative ecosystem. Thereby, AI will be learning from AI to decide what is good for humans, **c)** Humans and accountability have an interesting relationship. But AI does not have such connection. For instance, to "improve firm profitability" instruction, the AI sub-tasks the termination of 50 employees, **d)** Apart from that, the AI is also opaque and data-corruptible, and **e)** The AI itself answered that "lack of creativity and intuition", and "ethical concerns" are the key disadvantages of AI.

Overall, AI is a great tool so long as humans with a conscience are its master. Further, Universal basic income will have to become a reality as some jobs turn obsolete due to the intervention of AI.

11. <u>Nuh Place, Old Tricks – A Haryana district is the latest cybercrime hotspot. This threat is set to grow as digital transition accelerates</u>

Source: The post is based on the article "Nuh Place, Old Tricks - A Haryana district is the latest cybercrime hotspot. This threat is set to grow as digital transition accelerates" published in The Times of India on 2nd May 2023.

Syllabus: GS 3 – basics of cyber security.

Relevance: About cybercrime attacks in India.

News: Recently, over 5,000 policemen raided 300 locations in 14 villages in search of hackers in Nuh district, Haryana. Though the police made multiple arrests, many of them were school dropouts, they are still searching for the mastermind.

Note: Nuh's geographical location helped it to become a base of operations because "black spots" make it difficult to trace calls.

Must read: Cyber attacks and Cyber Security in India - Explained Pointwise

About cybercrime attacks in recent times

Cybercrime attacks in the world: In 2022, Interpol surveyed police forces among its member states to publish the first-ever global report on crime trends.

- -Police forces across countries identified financial and cybercrime as among the world's leading crime threats.
- -In particular, phishing and online scams were rated as high or very high threats.

Cybercrime attacks in India: The government's cybercrime portal receives over 3,500 complaints a day. This is a gross underestimate as not all victims know how to file a complaint or even want to file one.

In India, phishing and dubious online platforms offering financial products are the most potent threats.

Read more: Cybercrime went up by 500% during pandemic: Chief of Defence Staff

What are the challenges in restricting Cybercrime attacks?

a) Digital business models offer convenience for cyber attacks, **b)** India's huge mobile phone user base made it easier to perpetrate crimes on a large scale from geographically distant locations, **c)** Regulators are often playing catch-up. For instance, the centre and RBI have cracked down on dubious online loan apps only after they mushroomed, **d)** India's chronic underemployment problem creates conditions for young people to try and make money by digital fraud.

Must read: Cyber Attacks in India and Institutional arrangements for Cybersecurity

What should be done?

Regulators and states need to invest far more in enhancing financial awareness to help people be vigilant. Jobs and smart policing are the answer.

12. Why are Blinkit workers protesting?

Source: The post is based on the article "Why are Blinkit workers protesting?" published in The Hindu on 3rd May 2023.

Syllabus: GS 3 - Growth, Development and employment

Relevance: concern associated with gig workers

News: The strike by Blinkit delivery agents has highlighted the situation of gig workers India. The article discusses the issues concerning gig workers.

Who is a gig worker?

Click Here to Read

What is the problem with the recognition of gig workers?

In India, **employees are entitled to benefits under the** Minimum Wages Act, 1948, Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPFA), and the Payment of Bonus Act, 1965.

Similarly, **contract laborers are governed under the** Contract Labour (Regulation and Abolition) Act, 1970, and are also entitled to benefits such as provident funds.

However, gig workers exhibit characteristics of both employees and independent contractors, and thus do not clearly fit into any rigid categorization.

To resolve the issue of categorization, the Ministry of Labour and Employment introduced the **Code on Social Security**, **2020**, which brings gig workers within the ambit of labor laws for the first time.

What is the proposed law of Code on Social Security, 2020?

Under section 2(35) of the Code on Social Security, 2020, a 'gig worker' is defined as 'a person who performs work in a work arrangement and earns from such activities outside of a traditional employer-employee relationship'.

The Code guides the central and state governments to frame suitable social security schemes for gig workers on matters relating to health and maternity benefits, provident funds and accident benefits among others.

The Code also mandates the compulsory registration of all gig workers and platform workers to avail themselves of the benefits under these schemes.

What are some of the concerns with the proposed law?

Gig work finds reference only in the Code on Social Security out of the four new labour codes proposed. This keeps gig workers excluded from benefits and protections offered by other Codes such as minimum wage, occupational safety etc.

They also cannot create legally recognised unions and remain excluded from accessing the redressal mechanism under the Industrial Disputes Act, 1947.

Gig workers do not have the right to collective bargaining which is a fundamental principle of modern labour law.

Moreover, despite receiving the assent of the President, the Labour Codes are still awaiting implementation due to the delay in framing of rules by the States.

What has been the stand of the court on the issue of gig workers?

A PIL was filed in the Supreme Court that demanded gig workers be declared as 'unorganised workers'.

Thus, allowing them to come under the purview of the **Unorganised Workers' Social Security Act**, **2008 (UWSS Act)** and be provided with statutory protection in the form of social security benefits. The petitioner argued that the exclusion of 'wage workers' under Sections 2(m) and 2(n) of the UWSS Act is violating their fundamental rights under Articles 14 and 21 of the Constitution and denying social benefits amounts to exploitation through forced labour, within the meaning of Article 23.

The Supreme Court sought response from the Centre regarding the issue in December 2021. However, the Centre has not yet responded.

13. India's gas policy has protected the consumer from global price volatility

Source- The post is based on the article "India's gas policy has protected the consumer from global price volatility" published in "The Indian Express" on 3rd May 2023.

Syllabus: GS 3 – Energy

News– The article explains the recently introduced APM pricing reforms.

What are the major goals of these reforms?

First, to protect Indians from extreme price volatility and to provide clarity for planned capex investments in gas-based sectors.

Second, to promote more innovation and investments in exploration and production (E&P).

What were the issues with the Domestic Gas Pricing Guidelines, 2014?

It determined APM prices based on the **volume-weighted average price** of gas at **four international hubs.** The transmission of these prices came with a **significant time lag** of 6 to 9 months. It contained **high volatility.**

For instance, the APM price between October 2020 and September 2021 remained at \$1.79/MMBTU. It was below the marginal cost of production of \$3.5/MMBTU for nomination fields. However, the same APM prices jumped to \$8.57/MMBTU in October 2022 due to a 400% price surge in international hub prices after the Russia-Ukraine crisis. It brought **tremendous distress** to the fertiliser, power and city gas distribution (CGD) sectors.

What are some facts about the APM pricing reforms and its associated benefits?

After the APM reforms, the **average cost of cooking fue**l for households has been reduced by about 10%. CNG vehicle owners have seen a 6-7% reduction in prices. There will be the **reduction in fertiliser subsidies**, expected to be more than Rs 2,000 crore each year.

These reforms will also help **incentivise investment in the E&P sector** by providing a floor price for mature fields of nomination. It will also incentivise new wells of nomination fields which will receive 20% higher prices.

The **ceiling on production from ONGC and OI**L will remain the same for the first two years. It will then increase by \$0.25/MMBTU every year, to adjust for any cost inflation.

The reforms will not impact private operators of New Exploration Licensing Policy fields or High Pressure, High Temperature (HP-HT) fields. They will continue to have marketing and pricing freedom.

What are arguments against the criticism of APM price reforms?

Domestic consumers would have benefitted from the recent decrease in the US-based Henry Hub prices and Russian gas prices without these reforms.

But, current prices would have **impacted APM prices** only in the next pricing cycle of October 2023-March 2024. The recent change in formula ensures that the benefit to the consumers is passed on **without a time lag** as the price will now be determined on a **monthly rather than half-yearly basis.**

Some critics say that current high wellhead prices for domestic gas ensure a continued high price for LNG exports to India except for Qatar LNG. But, domestic gas prices have nothing to do with long-term LNG contracts or even spot purchases of LNG.

What are steps taken by the government for development of the gas sector?

India is aggressively expanding infrastructure for oil and gas operations. It is executing policy reforms to balance the interests of both consumers and producers.

Since 2014, India has increased the length of its **gas pipeline network** from 14,700 km to 22,000 km in 2023.

The **number of domestic connections** has increased from 22.28 lakh in 2014 to over 1.03 crore in 2023.

The number of **CGD-covered districts** in India has increased from 66 in 2014 to 630 in 2023 while CNG stations have gone up from 938 in 2014 to 5,283 in 2023.

India's **LNG terminal regasification capacity** has increased from 21.7 MMTPA in 2014 to 42.7 MMTPA in 2023, with another 20 MTPA capacity under construction.

14. Outlawing India's tech tariffs

Source—The post is based on the article "Outlawing India's tech tariffs" published in "The Hindu" on 3rd May 2023.

Syllabus: GS 3 – Indian Economy – International Trade

News- World Trade Organization dispute settlement panels have found India's tariffs on certain information and communication technology products such as mobile phones inconsistent with India's WTO obligations.

What are WTO provisions regarding the imposing of tariffs by countries?

WTO member countries are under a **legal obligation** not to impose tariff rates more than their maximum tariff rates committed in their **Goods Schedule**. The **Goods Schedules** are based on the **World Customs Organization's classification system**.

World Customs Organization's classification system catalogues traded products with specific names and numbers. This is also known as the Harmonized System of Nomenclature (HSN).

Due to the continuous emergence of new products owing to technological innovations, the HSN system is **regularly updated** to reflect new products. It is known as **'transposition'**.

What is the reasoning by the panel on arguments represented by India in its favour?

First, India argued that its binding tariff commitments on ICT products are contained in the WTO Ministerial Declaration on Trade in Information Technology Products (ITA Agreement).

The ITA Agreement is an arrangement through which select WTO member countries agree to eliminate duties on IT products.

However, as per the panel, Commitments under the ITA **become binding** on a country under **Articles II of GATT** only if they are incorporated in the **Goods Schedule**. India's Goods Schedule, not the ITA, is the source of India's **legal obligations on tariffs**, including on products covered by the ITA.

Second, India argued that an error was committed during the **transposition of its Goods** Schedule from the **HSN 2002 edition to the HSN 2007 edition.** Therefore, an error in a treaty would **invalidate a state's consent, as per Article 48 of the Vienna Convention on Law of Treaties.** However, WTO has also denied accepting this argument based on few technicalities.

What are the options for India?

It is unlikely that India **will comply**. Compliance would remove the **high protective tariff** imposed by India to boost domestic manufacturing of ICT products.

India is likely to appeal against the panel ruling. However, the **Appellate Body** that hears appeals has ceased to exist since 2019 because the United States has been **blocking the appointment** of the body's members.

Thus, India's appeal will **go into the void**. Legally, India will not be required to comply with the panel rulings till the time its appeal is heard.

What are options before the EU?

Under the WTO law, the EU cannot **cannot impose sanctions**. The WTO law does not allow countries to impose trade sanctions when an **appeal is pending**. **Retaliatory action** in the form of trade sanctions can be imposed only after the **authorisation of the Dispute Settlement Body**. The EU and a few other WTO member countries have created an **alternative appellate mechanism**—the **Multi-Party Interim Appeal Arbitration Arrangement (MPIA)**. However, India is not a party to this and will not use it to resolve this dispute.

15. De-dollarisation: the race to attain the status of global reserve currency

Source: The post is based on the article "De-dollarisation: the race to attain the status of global reserve currency" published in The Hindu on 3rd May 2023

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

Relevance: About the de-dollarisation debate.

News: There are evidences that countries are trying to break away from the USD through dedollarisation.

How dominant is US Dollar in global trade?

The majority of international transactions are carried out in the U.S. dollar. These transactions are cleared by American banks, which gives the U.S. government significant power to oversee and control these transactions.

Since USD is a fiat currency of the US which enjoys reserve currency status, it gives the US the power to purchase goods and other assets from the rest of the world by simply creating fresh currency.

Read more: The de-dollarisation debate

What is de-dollarisation, what are the global efforts towards the De-dollarisation of trade, and How is India pursuing the de-dollarisation of trade?

Must read: De-dollarisation of trade: Opportunities and challenges - Explained, pointwise

What are the negative impacts of de-dollarisation?

Not easy to de-dollarise: Other currencies that tried to compete against the U.S. dollar are not popular and face challenges in carrying out international transactions.

For example, the recent attempt by India and Russia to carry out trade between the two countries in Indian rupees rather than in U.S. dollars has hit a roadblock. This is because the value of India's imports from Russia far outweighs its exports to the country.

This left Russia with excess rupees in hand. But with that rupee, Russia was unwilling to spend on Indian goods or assets. So, now Russian demands for the settlement of bilateral trade in U.S. dollars. Instead of rupee.

Read here: The possible implications of de-dollarisation of global trade

Can the Chinese Yuan replace the US Dollar?

The U.S. has been running a persistent trade deficit for decades now. The excess dollars that other countries accumulate due to the U.S.'s trade deficit has been invested back in U.S. assets such as in debt securities issued by the US government.

The major reason for such investment is due to **a)** The high level of trust among global investors in the U.S. financial markets, and **b)** the 'rule of law' in the U.S.

Note: The last time the U.S. ran a trade surplus was way back in 1975.

Currently, the Chinese yuan is seen as the primary alternative to the USD owing to China's rising economic power. However, restrictions placed by the Chinese government on foreign access to China's financial markets and doubts over the 'rule of law' in China have adversely affected global demand for the yuan.

16. The financial inclusion of women is set for a tech leap

Source: The post is based on the article "The financial inclusion of women is set for a tech leap" published in the Livemint on 3rd May 2023

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

Relevance: About the financial inclusion of women.

News: 56% of all these new bank accounts opened under **Pradhan Mantri Jan Dhan Yojana** (**PMJDY**) are owned by women. This highlights the remarkable financial inclusion of women.

What are the findings of analysis of women's bank accounts under PMJDY?

According to a report by Women's World Banking, **a)** most women only access their PMJDY accounts to withdraw the benefit transfers that they receive in them from the various government initiatives that they are eligible for, **b)** most of them do not use these accounts for savings, to build a credit history, or avail of any financial products such as insurance and loans.

This highlights the need for women to actively engage in the formal financial industry.

Read more: About improving financial inclusion: Breaking barriers, building inclusion

What are the challenges faced by women while entering the formal financial industry?

- -Most women tend to work and shop within a four-kilometre radius of their homes. This means the majority of the industries are beyond the reach of most women, particularly in the rural hinterland.
- -Women tend to have concerns around privacy and confidentiality and as a result, they hesitate to discuss personal financial matters with strangers.
- -Even though women tend to live longer, they have higher medical expenses. This renders traditional retirement planning poorly suited to the needs of the average woman.

Read more: Financial inclusion is integral to holistic development

What can be done to facilitate women's participation in the formal financial industry?

Promote the use of digital payments among women: This will reduce physical and financial risks for women associated with travelling to the bank branch. Thereby, reducing the time and effort required to manage their finances. Further, they offer a level of privacy, confidentiality and a sense of control over women's financial information.

Design dedicated services to address the needs of women: A private research has found that the women-specific financial services industry is worth roughly \$700 billion. This represents roughly 5-20% of the total revenue of the industry. This amount far exceeds the annual revenue of most of the world's leading financial institutions.

So, fintech firms and financial institutions need to make a concerted effort to address the challenges faced by women while using formal finances. They need to bring a gendered approach in each stage of the product delivery cycle to make sure that they are serving the genuine concerns around limited mobility and access to information.

Nurture the ecosystem of business correspondents in rural areas: To ensure women have digital and financial capabilities, India should nurture the ecosystem of business correspondents in rural

areas. The correspondents should offer a broader range of services than just plain banking. Such as overdrafts for emergencies, micro-insurance, micro-pension and other similar products.

17. India's CAG writes: Blueprint for a blue economy

Source—The post is based on the article "India's CAG writes: Blueprint for a blue economy" published in "The Indian Express" on 4th May 2023.

Syllabus: GS3- Economy. GS1- Geography

Relevance: Blue economy

News- The Comptroller & Auditor General of India will chair SAI20, the Engagement Group for Supreme Audit Institutions (SAIs) of G20 countries in Goa in June. Two priority areas have been selected for SAI20 deliberations — blue economy and responsible Artificial Intelligence.

What is the recent contribution of the UN for the blue economy?

In 2018, the United Nations Environment Programme (UNEP) had for the first time laid out the Sustainable Blue Economy Finance Principles. It is a framework that investors can use to fund ocean-based industries.

Financiers can use it as a reference point to see how marine investment can impact **livelihood and poverty eradication.**

What are issues with measurement of the blue economy?

The blue economy encompasses an **array of coastal activities**, including fishing and tourism. The measurement of the blue economy is challenging due to **conflicting definitions** and issues related to **classifying different sectors and sub-sectors**.

Existing international economic classifications are unable to **properly differentiate** between land-based and ocean-based activities. Even the **System of National Accounts (NAS)** does not provide a clear understanding of the blue economy.

A new accounting framework is needed that can objectively identify production, trade, and services related to the various segments of the blue economy.

What are the contributions of CAG towards the blue economy?

Last year, the CAG released the first-ever country-wide Compendium of Asset Accounts of Natural Resources. It is prepared in line with the UN system of Environmental and Economic Accounts.

Setting compliance standards and a **national accounting framework for the blue economy** is a long-term priority for the CAG.

In August last year, the CAG tabled its **Conservation of Coastal Ecosystem report** in Parliament. It contained its observations on how the **Coastal Regulation Zone notification** for 2011 and 2019 have been implemented between 2015 and 2019.

It looked at the **underlining efficiency** of development drivers such as project clearances, construction activity, institutional capacity to curb land and forest violations, community livelihood support mechanisms, and mitigation management plans to conserve biodiversity such as mangroves.

What are challenges for the coastal ecosystem in India?

Sea-level rise, water temperature, storm surges and wave conditions are some of the signs of climate change. Unbridled land use changes, sand mining and deforestation has impacted the coastal ecosystem.

Studies indicate that **hazards of cyclones and sea-level rise** are likely to be higher in the coastal regions.

GIS maps from the European Space Agency indicate that 15% of India's coastal areas have witnessed changes between 1992 and 2018 due to agriculture, depleting forest cover and urbanisation.

Besides that, the population living along the country's coastal areas is expected to **rise from 64** million in 2000 to 216 million by 2060.

What is the importance of the blue economy for India?

Blue economy has been marked by the government as **one of the 10 core sectors** for national growth. The **National Blue Economy Policy** aims to harness maritime resources while preserving the country's rich marine biodiversity.

What is the way forward for proper management of coastal areas for disasters?

Disaster-resilient infrastructure along coasts that can withstand the impacts of hurricanes, typhoons, and tsunamis is the need of the hour. This is particularly important for coastal communities.

There is a need for adequate infrastructure, especially ICT hubs for early warning systems.

18. Maoist challenge needs political understanding, not over reliance on security

Source—The post is based on the article "Maoist challenge needs political understanding, not over reliance on security" published in "The Indian Express" on 3rd May 2023.

Syllabus: GS3- Security

Relevance- Maoism

News- The article is a critical review of the editorial 'Maoist reminder' in Indian Express. The article talks about the use of more security forces and development in areas impacted by Maoism to tackle Maoism.

Is the use of more force enough to tackle the challenge of Maoism?

State forces claim that Maoist presence is declining and the **use of more force** will finish its influence. This includes specially-trained forces such as the **Greyhounds and extra-judicial experiments** involving civilians such as the Salwa Judum,

The use of more force only helped the Maoists recruit from the local tribal population. The Maoist movement moved from the leadership of outsiders to that of local tribals. It often led to **local support** among the tribals in Chhattisgarh and Jharkhand.

The efficacy of the movement needs to be gauged in terms of its **declining social base**, not based on how many violent incidents occur. The **wrong assessment** could also lead to lapses on the part of the security forces.

Is the narrative of development to tackle Maoism a right strategy?

Some people advocate the role of **state reach**, **governance**, **welfare and development** to make the Maoists irrelevant. It borrows from the **dominant narrative of development**.

The **D** Bandyopadhyay Committee, set up by the Planning Commission in 2006, stated in its report that land alienation and poverty among Scheduled Tribes and Dalits, and lack of access to basic forest resources contributed to the growth of Naxalism.

The **state's model of development** has resulted in the displacement of tribals. The **adverse impact of "development"** also led to peaceful protests such as the **Pathalgarhi movement** in Jharkhand, where the tribals proclaimed sovereignty over resources.

Most governments, irrespective of the political party in power, have a similar approach of imposing a **certain idea of development** that may not be liked by tribals.

The problem gets further complicated because the Maoists do not have solutions to the **new** aspirations and generational shifts. Sections of tribals desire **modern development**, including access to modern infrastructure, roads, transport, schools and hospitals.

Development being seen as a **zero-sum game** by either side leads to a stalemate.

What should be the strategy for managing the threat of Maoism?

The **social question of exclusion** cannot be understood either through the **securitisation paradigm** or through a singular focus on violence and overthrow of state power.

There is a need to address multiple and sometimes contradictory demands of subaltern groups that cannot be brought together under a single idea of development or even welfare.

19. Go First files for voluntary insolvency: What led to the crisis?

Source—The post is based on the article "Go First files for voluntary insolvency: What led to the crisis?" published in "The Indian Express" on 4th May 2023.

Syllabus: GS3- Economy

News- Go Airlines (India) Ltd (Go First), is filing for voluntary insolvency proceedings with the National Company Law Tribunal.

What has Go First said?

The airline said it was forced to apply to the NCLT after the increasing number of **failing engines** supplied by Pratt & Whitney's International Aero Engines. It led to the grounding of 25 aircraft, and major financial stress.

Go First said P&W had failed to meet contractual obligations and refused to comply with an arbitration award from the Singapore International Arbitration Centre (SIAC).

According to the airline, SIAC had directed P&W to dispatch spare leased engines per month. But it did not comply.

How has Pratt & Whitney responded?

P&W denied Go First's allegations. It said that the airline has a lengthy history of missing its **financial obligations** to P&W. It denied Go First's allegation that it was not complying with **SIAC's directions.**

Which creditors have exposure to Go First, and how much?

Go First has told NCLT that it owes Rs 6,521 crore to **financial creditors.** It has informed the NCLT that given its current financial position, defaults are imminent.

It has already defaulted on payments to **operational creditors**, including Rs 1,202 crore to vendors and Rs 2,660 crore to aircraft lessors.

According to the Reuters report, the NCLT filing lists public sector lenders Central Bank of India, Bank of Baroda, and IDBI Bank, and private sector players Axis Bank and Deutsche Bank among Go First's financial creditors.

Go First had also borrowed Rs 1,292 crore under the **government's Emergency Credit Scheme**. Its **total liabilities** to all creditors are Rs 11,463 crore.

How will this episode impact the creditors and lessors?

Operational creditors will likely be affected more by Go First's bankruptcy than **financial creditors**. Financial creditors are accorded a **higher priority** than operational creditors under the IBC.

It would have **extreme ramifications for lessors and financiers** whose aircraft are currently in the **possession** of the Go First.

Upon admission of an application for the corporate insolvency resolution process, a **complete moratorium** comes into play. It prohibits **recovery of any property** by an owner or lessor where such property is in the possession of the corporate debtor.

Any **lease agreements** on the date of admission of the application may also be impacted by the moratorium.

What does this mean for Go First's competitors?

Go First absence from the skies could **create an opportunity** for other domestic carriers.

In March, Go First's domestic market share by passengers carried for the Jan-Mar quarter was 7.8%. For Jan-Mar, Go First was the **third largest domestic airline** by market share. It carried almost 9 lakh fliers in March.

If Go First does not return to the skies soon, its passenger load and market share will be available for other players in the **civil aviation market**.

How will passengers be impacted?

Fares are already high due to **resurgent air travel**. Go First's insolvency will likely raise them further, at least in the immediate-to-near term. Other carriers are unlikely to be able to immediately deploy additional capacity to completely fill the demand.

Some additional capacity deployment and network adjustments by other carriers is expected almost immediately. But, these are unlikely to fully offset the impact of Go First's absence.

20. India Has Lithium. But Who'll End Up Benefiting From It?

Source: The post is based on the article "India Has Lithium. But Who'll End Up Benefiting From It?" published in The Times of India on 4th May 2023.

Syllabus: GS 3 - Issues Related to Mobilization of Resources

Relevance: concerns associated with inferred lithium.

News: The Geological Survey of India has inferred <u>lithium resources</u> of 5.9 million tonnes in Reasi, Jammu and Kashmir.

This might help in establishing domestic manufacturing industry of lithium batteries in India. However, there are also concerns associated with it.

What are the concerns with the finding of inferred lithium?

Overall global demand for minerals which help in green transition has increased. This includes minerals like lithium, nickel, cobalt including Rare Earth Elements.

Today, developed countries are looking for various routes including certain provisions in their trade agreements in order to secure the supplies of these scarce minerals.

Therefore, India should also expect to face such demands in the FTA negotiation with the EU and the US-led Indo-Pacific Economic Partnership Framework for Prosperity (IPEF).

Why are developed countries looking to secure the supplies of scarce minerals?

First, developed countries want to ensure that resource-rich developing countries remain exporters of primary commodities and they do not get involved themselves into downstream processing activities. **This would eliminate competition from developing countries.**

Second, trade agreements also make natural resources available to the developed countries at relatively lower prices.

These two objectives are achieved through FTA commitments by prohibiting FTA partner countries from imposing export restrictions.

Why do developed nations forbid FTA partners from putting export restrictions, and what are the concerns with certain FTA provisions?

Export restrictions: Export restrictions allow developing nations to increase domestic availability of natural resources for downstream processing rather than exporting them to the developed countries.

Therefore, if trade agreements forbid developing nations from imposing export restrictions, such as export taxes, then they would be forced to stay at the end of the value chain and only export raw materials.

Foreign Trade Agreements (FTA): One set of provisions commits FTA partners to open up their mining sector and treat foreign companies from other FTA partners on par with their domestic companies.

Further, **environment-related provisions in EU's FTAs require FTA partners** to establish high standards of environmental protection for mining operations, promote the values of responsible sourcing and mining, etc.

Hence, such kinds of provision in FTAs would benefit developed countries to get access to minerals of the developing countries.

This is because mining firms based in developed countries have access to the latest technology and would be able to comply with high standards of environmental protection than mining firms of the developing countries.

Thus, environmental conditionalities contained in FTAs could give advantages for firms from developed countries to explore and exploit the natural resources in developing countries.

What can be the way ahead?

Resources led the way for colonization in the past. This means that the rich countries today, instead of fighting, might adopt other means of controlling the developed countries.

It also presents concerns over acquiring data and digital sequencing information (DSI) of genetic material in the arena of biotechnology.

Hence, India as the voice of the Global South, should take up this issue forcefully and prevent a tragic repeat of history.

21. India's growth rate: Aiming for the high road

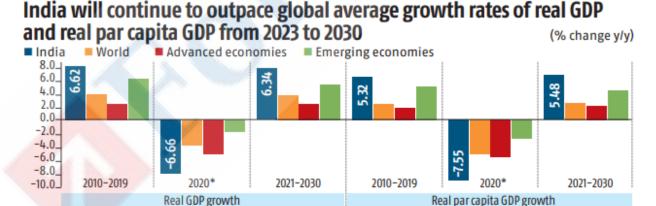
Source: The post is based on the article "Aiming for the high road" published in the Business Standard on 4th May 2023.

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

Relevance: About India's growth rate.

News: The investors who put substantial capital into China in its early growth phase are finding similar patterns mirrored in India that encourage their investment. These investors are looking to limit or reduce new investments in China and invest such funds in emerging markets such as India.

What are the challenges affecting India's growth rate?



Note: Years are fiscal for India, where FY 2020 = April 2020 to March 2021, * 2020 denotes COVID-19 related contraction Source: S&I

Source: S&P Global Market intelligence

Source: Business Standard

The issue with government spending: India has lost opportunities and made misplaced choices with growth coming from government spending. Instead of focusing on structural changes to provide lower-cost infrastructure and efficient governance, the government chose corporate tax cuts.

This has led to **a**) a constrained, uncompetitive private sector hindered by disabling regulations, **b**) inadequate and unreliable infrastructure, **c**) limited capital access, **d**) tariff barriers, **e**) an inappropriate and ineffective educational approach for employability and improving skills, and **f**) impoverishment among much of the population.

Project delays and rapid deterioration of roads: Infrastructure project delays as of March 2023 were reportedly the highest since 2004. These include nearly 57% of projects over ~150 crores. Thus resulting in a cost escalation of over 20%, amounting to half this year's capital expenditure budget. Heavy rains aggravate the problem of the deterioration of roads. Countries with equally severe weather variations build and maintain better roads.

What should be done to improve India's growth rate?

India's policy towards logistics and digital transformation has started yielding results. Despite the drawbacks, India is still in a sweet spot because of its economic resilience, momentum, favourable demographics and improving productivity. India should utilise these better. Such as,

- -India should begin with policies that **a)** provide a reliable infrastructure that is affordable, **b)** improve capital access, and **c)** eliminate "tax terrorism".
- -India should enable more people, including more women and young people, to participate and contribute to the economy.
- -The government should also assure a sense of security with law and order for private firms, enhance access to meaningful education and skill building, make deep changes to make "extensive" agriculture into an intensive, informed approach.
- **-Facilitate productivity revolution**: If people got access to fast, reliable 4G-level connectivity countrywide, then, there would likely be a productivity revolution. Widespread fibre-to-the-home is unrealistic because of the cost. So, India needs enabling policies for these. India should also build shared neutral host networks (NHNs), which are the most efficient, and reduces active sharing by operators costs 70% less per user.

22. Real risk of AI – Goes beyond adapting to evolving technologies

Source: The post is based on the article "Real risk of AI - Goes beyond adapting to evolving technologies" published in the Business Standard on 4th May 2023.

Syllabus: GS 3 – Science and Technology- developments and their applications and effects in everyday life.

Relevance: About the concerns of AI.

News: Within months of **ChatGPT**'s launch, besides its mass adoption, there is intense documentation of its superhuman uses. On the other hand, Geoffrey Hinton, nicknamed "the Godfather of AI", recently ended his decadelong stint at Google, citing concern over the future of generative AIs. He said that he was worried that generative AI services would lead to the dissemination of fake information, photos, and videos across the internet.

What is Artificial Intelligence and Generative AI?

Must Read: Generative AI (Artificial Intelligence): Benefits and Challenges - Explained, pointwise and [Yojana June Summary] Artificial Intelligence and Machine Learning - Explained, pointwise

What will be the potential concerns of AI's rapid development?

Language is the very foundation of human culture and history. Most jobs are rooted in the use of language. In the case of TV and film writers, they try to translate an entire time-space (recreate the speaking patterns, language usage, and mannerisms of personalities from the era they want) on to the screen.

Generative AIs work with human language — verbal, visual, and auditory. Generative AIs have shown a remarkable capability to replicate not just the form but these textual layers as well.

As the code for these AIs becomes more accurate and proficient in learning the very core of human culture, they would absorb biases, phobias, and layers of cultural history. They first categorise and then deploy these with mathematical precision. So, the world needs to beware of the non-human writer of human histories.

Read here: How should humans respond to advancing artificial intelligence?

23. Does nuclear power have a role in our climate change strategy

Source: The post is based on the article "Does nuclear power have a role in our climate change strategy?" published in the Livemint on 4th May 2023.

Syllabus: GS - 3: Energy.

Relevance: About developing nuclear energy.

News: The threat of climate change has prompted much-needed action to expand capacity in renewable energy (RE) generation. This includes not only wind and solar but also from nuclear.

What is Nuclear Energy, and What is the scenario of Nuclear Energy in India?

Must Read: Nuclear Energy: Status, Advantages and Concerns - Explained, pointwise

What are the advantages of nuclear power?

a) It neither emits CO2 nor creates air pollution, b) Unlike other RE which is intermittent, presenting challenges for grid management, nuclear power provides a steady supply.

What are the challenges in developing nuclear energy?

Firstly, safety and high costs are one of the big concerns. For instance,

-The Central Electricity Authority recently estimated the capital cost of nuclear power plants at 2.5 times that of coal-based plants.

Note: Coal-based power appears relatively cheaper if one disregards its high social costs on account of CO2 emissions and also air pollution. The International Monetary Fund recommends a minimum of \$25 per tonne CO2 tax. This would raise the costs of coal-based power in India by at least 50%.

-Introducing storage batteries at grid scale would at least double the cost of RE in the foreseeable future. The storage costs will decline as grid-scale batteries get cheaper.

Secondly, nuclear power stations in India can only be run by public sector undertakings (PSUs). This gives Nuclear Power Corp of India Ltd (NPCIL) a monopoly and its record on meeting targets is poor.

Read more: Should India consider phasing out nuclear power?

What should be done to develop nuclear energy?

Increase the target: The UK, South Korea and even Japan—the site of the 2011 Fukushima accident—are planning to increase the share of nuclear power in their electricity mix. China is targeting a 10% share of nuclear power in its energy mix by 2035. So, India should scale up nuclear power beyond its current 3% share (6.8GW today) of total electricity in India. India's current target is only to have 22.5GW capacity by 2031, this should be expanded to at least 10%.

Allow competition: India should end the monopoly of NPCIL and allow new entrants, with new capabilities and management cultures. This could help reduce implementation times and thereby also lower costs.

Recently, the government announced that National Thermal Power Corp (NTPC) and NPCIL will set up 4.2GW of combined nuclear power capacity at two sites in India by 2035. This is a welcome move. This should be expanded to private players also along with strong institutional arrangements and the establishment of independent regulatory authority.

Private participation depends largely on policy stability and regulatory transparency. Initially, the government might allow both NPCIL and NTPC to form Joint Ventures with private companies including foreign companies. This will allow us to explore the possible involvement of French and Japanese firms like South Korea partnered with US firms and commercialized small-modular modular modular modular modular small-modular modular small-modular modular modular

Increase access to credit and loans: Increasing nuclear capacity will require substantial additional financing from a combination of bilateral official credit and loans from sovereign wealth funds. This can be done through classifying nuclear power as "green", or at least zero-carbon.

Amend the Civil Liability for Nuclear Damage Act, 2010: The Act is not in line with the current international practice where the liability is strictly limited to the operator and can be covered by insurance (or a public backstop). A review of this legislation is highly desirable before permitting the private players in the nuclear energy sector.

India needs a comprehensive rethink of domestic policy constraints that prevent India from participating fully in nuclear energy sector.

24. A boost for science, a wider window to the universe

Source—The post is based on the article "A boost for science, a wider window to the universe" published in "The Hindu" on 5th May 2023.

Syllabus: GS3- Awareness in the field of space

News- Indian government recently announced \$320 million investment in LIGO-India.

What are some facts about LIGO?

LIGO is the world's largest gravitational wave observatory, a scientific collaboration. It consists of two facilities in the United States, one in the Pacific Northwest at Hanford, Washington, and another near the Gulf of Mexico in Livingston, Louisiana.

LIGO uses lasers to detect **ripples in space-time** through a method called **interferometry**. As gravitational waves pass by, they cause space itself to **stretch and squeeze**. Scientists can measure through changes in the beams of the LIGO lasers.

In 2015, physicists observed the gravitational waves emanating from two **merging black holes,** 1.3 million light years from earth. It was accomplished by the Laser Interferometer Gravitational-Wave Observatory, known as LIGO

The data LIGO collects have **far-reaching implications** in many areas of physics. LIGO has provided new clues about **merging black holes**, the existence of **neutron stars** and the **origin of the universe**. It has opened an entirely new way of observing the universe.

What are some facts about LIGO-India?

LIGO-India is a **collaboration** between the LIGO Laboratory operated by Caltech and MIT. It is funded by the National Science Foundation and India's RRCAT, the Institute for Plasma Research (IPR), the Inter-University Centre for Astronomy and Astrophysics, and the Department of Atomic Energy.

LIGO-India will create **new opportunities** in Maharashtra's Hingoli district. Projects such as LIGO-India can **create jobs across the technical workforce.**

They open **new avenues for scientific talent** and inspire the next generation of science, technology, engineering, and mathematics (STEM) leaders.

The construction of LIGO-India is a major milestone for gravitational wave science and for the universal progress of science. The observatory will help to answer some of the most fundamental questions about the cosmos.

25. Greenwashing, ESG backlash and transitions

Source—The post is based on the article "Greenwashing, ESG backlash and transitions" published in the "Business Standard" on 5th May 2023.

Syllabus: GS3- Environment

Relevance- Climate change related issues

News– The article explains the increasing focus on green transition and phasing out of fossil fuels across the world and India.

How is there increasing focus on phasing out of fossil fuels across the world?

In New York, Governor Kathy Hochul announced the first state-wide ban on the use of natural gas in new buildings for heating or cooking this week.

The financial industry is also gradually moving away from fossil fuel financing. Analysis by BloombergNEF shows that the ratio of financing between low carbon energy and fossil fuels should be at least 4:1 by 2030 to meet the 1.5°C climate goal.

Bank financing for energy supply totalled \$1.9 trillion in 2021. Of that, \$842 billion went to low-carbon energy projects and companies, and \$1.038 trillion went to fossil fuels.

The ratio is likely to improve. A host of banks publicly announcing their **climate transition plans**. Banks that have unveiled plans in 2023 include Citigroup, Spain's Banco Bilbao Vizcaya Argentaria and NatWest Group in the UK. HSBC intends to do so later this year.

How are the measures to phase fossil fuels facing backlash in the US?

There is backlash against as many as 11 large financial institutions that **boycott the oil and gas industry** in some states of the USA. As per a recent bill, Florida's public or state-controlled funds can no longer invest their money based on **environmental**, **social and governance factors**.

The law broadly directs all Florida pension funds to prioritise returns without **considering factors** in investment decisions.

Over a dozen states in the US have enacted **anti-ESG-related bills or policies**, while many have similar proposals in discussion.

What is the way forward for green energy transition in India?

India's CO2 emission level may rise from 2.7 gigatonnes to 3.9 gigatonnes by 2030.

India's **green transition** would require a **multi-pronged action plan**, the Reserve Bank of India said in its report on currency and finance released earlier this week.

A number of policy actions are required. It comprises a carbon tax of rupee equivalent to \$25 per tonne, increasing the share of non-fossil fuel in the energy mix.

There is a need for more production and use of EVs, electric vehicles and green hydrogen, and regulatory measures to incentivise resource allocation for green projects.

What are some regulatory actions taken in India for green transition?

Securities and Exchange Board of India mandates **ESG disclosures** for the top 1,000 companies.

It has raised concerns about making false, misleading, unsubstantiated, or incomplete claims about the sustainability of a product, service, or business operation.

It asked issuers of green debt to ensure that funds mobilised are used for the stated purpose, and the negative externalities associated with usage of the funds are quantified.

A consultation paper on ESG disclosures, ratings and investing has subsequently been issued.

26. We shouldn't let Indian poverty turn into a great eternal mystery

Source: The post is based on the article "We shouldn't let Indian poverty turn into a great eternal mystery" published in Live Mint on 5th May 2023.

Syllabus: GS 3 - Poverty

Relevance: concerns associated with estimation of poverty.

News: There have been many private estimates on poverty in India but there has been no official estimate since 2011-12. Due to which, there is a wide variation in the estimates of poverty by private entities.

What are some of the differences or variations in the private estimates on poverty?

For measuring poverty, except the World Bank, all others use some estimate of consumption expenditure from the National Statistical Office (**NSO**).

Out of those using consumption expenditure from the NSO, only the poverty estimates by S. Subramanian of 2017-18 is comparable to the 2011-12 official poverty estimates.

As per the estimates, it suggests a rise in poverty level between 2011-12 and 2017-18.

On the other hand, Bhalla uses a modified version of consumption expenditure adjusted to national accounts, which leads them to conclude that poverty has declined.

Like these there are variations in measuring poverty because private estimators are using different data for measuring.

Must Read: There is no debate: There has been a persistent decline in poverty in India

What are other concerns with measuring poverty?

India has been a pioneer in poverty measurement and has a model for several other developing countries. However, this perception has changed because **there are no official poverty estimates available after 2011-12.**

Moreover, the government conducted consumption expenditure in 2017-18. This was the only comparable data set by which poverty could have been estimated **but the survey was discarded without giving any particular reason**.

However, the probable reason for discarding might be that it showed a rise in the poverty level. A similar problem is with the poverty line estimation. Even this has not yet been decided by the government.

However, there is a consumption expenditure survey being undertaken for updating the national accounts and inflation indices.

What is the concern with the consumption expenditure survey?

The methodology that has been adopted in the survey for measuring poverty is new and has not been used elsewhere.

The survey may provide fresh estimates of consumption expenditure. However, the absence of a comparable survey means it won't help answer what happened to poverty after 2011-12.

Moreover, in such a scenario where comparable data is not available, carrying out a new survey is always preceded by pilot surveys and their results are released for public discussion.

However, there is no information on whether a pilot survey was conducted in this case.

What is the way ahead?

Official poverty estimates and poverty lines from the government have been crucial in highlighting the living conditions of the poor and the effectiveness of government policy.

Poverty estimates were key to designing interventions, allocating resources across states and analysing their effectiveness.

Therefore, the government not conducting a survey is a setback to the scholarly work on the measurement and determinants of poverty and also for policymaking.

27. Findings of PLFS on FLPR: Bitter-Half Of Working Story

Source: The post is based on the article "Bitter-Half Of Working Story" published in The Times of India on 5th May 2023.

Syllabus: GS 3 - Inclusive growth and issues arising from it..

Relevance: About the findings of PLFS on FLPR.

News: According to the recent Periodic Labour Force Survey (PLFS) report, female labour force participation rate (FLPR) (current weekly status) has increased from 16% in 2017-18 to 21% in 2021-22, while the unemployment rate has declined from 4% to 2%.

It means around 22. 5 million more women have joined the workforce or are actively seeking work, despite the impact of Covid-19 on women and young girls.

What are some key findings of the recent PLFS on FLPR?

Self-Employed & Unpaid: Women in casual labour and in regular/wage employment have declined by 6% and 4% respectively. On the other hand, the share of self-employed women drastically increased by 10% to stand at 62%.

The majority of self-employed women work as part-time or full-time helpers in their household enterprises and are without pay (60%), while a lower percentage are employers and own-account workers (40%).

Rural vs urban FLPR: Rural women's workforce participation emerged as the key driver of women's employment. When compared to pre-pandemic levels, this increased by almost 22% vis-à-vis the 2% for urban women.

Decrease in salary workers: There is a simultaneous decrease in salaried, wage and casual labour work

Gender-wage inequality has also increased: For the self-employed, men have gone from earning 2. 2 times more than women in 2017-18 to 2. 6 times in 2020-21.

Read more: The financial inclusion of women is set for a tech leap

What are the key observations from the PLFS findings on FLPR?

a) Agriculture remains the most ubiquitous employment, **b)** Increasing feminisation in agriculture. For instance, women's participation increased from 57% in 2017-18 to 63% in 2021-22, **c)** There is a high increase in informalisation of women's work, **d)** The distribution of women's labour force has changed since the pandemic, and **e)** These shifts in FLPR are deeply gendered, underpinned by existing and new Covid-19induced gendered expectations and norms.

Note: Evidence suggests women were hit worse by Covid-19 in terms of loss of jobs, economic distress, and an increased burden of household work, up by as much as 30%, when compared to men.

Read more: In politics and bureaucracy, women are severely under-represented

What should be done to improve quality in FLPR?

Transition must be made out of low-paying low-productivity roles into work that offers sustainable livelihood.

Structural reforms are required. Such as, **a)** providing greater access to opportunities in lucrative sectors such as manufacturing, and job roles, and **b)** supporting women to move up in the agricultural value chain, such as providing market access.

Greater access to gender-responsive opportunities so that women can balance domestic roles with paid work. These include facilitating flexible work, part-time roles, and hyper-local opportunities.

Empower women with skill-sets such as quality and demand-driven technical, vocational skills and soft skills and **resources** such as safe and affordable transport, mentorship etc so that they can take on more remunerative jobs.

Read more: Nari shakti' offers G20 nations a women's empowerment model

28. What critics of the govt miss: Not much is lost if the PLI scheme fails

Source: The post is based on the article "What critics of the govt miss: Not much is lost if the PLI scheme fails" published in Business Standard on 6th May 2023.

Syllabus: GS 3 - Growth and Development

Relevance: issues with Production-linked Incentive (PLI) scheme and regional free trade arrangements.

News: The government is often criticized for staying away from regional free trade arrangements and for the introduction of a **Production Linked Incentive Scheme (PLI)** for the manufacturing sector.

What are the reasons behind these criticisms?

It is argued that staying away from regional free trade agreements will make India stay away from regional production and supply chain and PLI would make an uncompetitive manufacturing sector.

The manufacturing sector that thrives only with the help of subsidies is not good for long term industrial growth.

Furthermore, no economy has sustained rapid economic growth without a strong and growing export sector.

Therefore, India should get into those regional trade arrangements, and bring required changes to gain profit from becoming a part of international supply chains.

Moreover, India's export sector has evolved with the time and critics usually miss this point.

How has India's export sector evolved?

Merchandise exports, which is Asia's regional trade agreements have been mostly about, are no longer the primary driver of India's export growth.

The role has been taken over by services exports, which have grown more rapidly.

The critics want India to follow the **East Asian model of export-led growth** that focused on low-value, low-margin, labour-intensive exports of products like garments.

However, the operative conditions in India are different from those in East Asia and hard to change. Labour-intensive exports can succeed in India only in those sectors where $-\mathbf{a}$) the labour cost is a small part of the product price such as the assembly of products and \mathbf{b}) the domestic market provides an incentive for localising such as mobile phones and other electronic goods.

However, the rest of manufactured goods exports is mostly capital-or knowledge-intensive such as refined petroleum products, engineering goods, etc.

How are service exports beneficial for India?

The more the services sector produces a trade surplus, the stronger the rupee will be. Hence, India's biggest comparative advantage lies in its educated, low-cost, white-collar workforce.

Service exports accounted last year for 42 percent of total export earnings. If the similar trend continues, the figure could climb to 50 percent in a few years, and then overtake merchandise exports.

Why is the criticism over PLI not a big concern?

There is not much concern over PLI because if PLI fails, there is a little to lose. **The incentives** under PLI are very small in a macro-economic context.

For instance, the total PLI payout is to be under 2 trillion, over five years. This is one-tenth of 1 percent of expected GDP over that period, which is affordable.

However, if PLI succeeds, it will result in investments of 3 trillion in the five-year period, which is just 1 percent of the current year's GDP.

The success of PLI is supposed to trigger a hike in the share of manufacturing in overall capex, achieve substantial import substitution, boost exports, and create six million jobs.

Therefore, in the case of PLI, there is much to gain and very little to lose.

29. Symptomatic stall - The aviation industry needs policy changes and regulatory overhaul

Source: The post is based on the article "Symptomatic stall – The aviation industry needs policy changes and regulatory overhaul" published in The Hindu on 6th May 2023.

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

Relevance: About the challenges faced by Indian commercial aircraft operations.

News: The Go Airlines, a low-cost carrier, became India's first domestic airline since the outbreak of the COVID-19 pandemic to go into a mid-air stall and seek bankruptcy protection.

What are the reasons behind Go Air's insolvency?

Must read: Indian aviation industry: Potential and challenges - Explained, pointwise

What are the challenges faced by Indian commercial aircraft operations?

India's pandemic lockdown, the increase in crude oil prices due to the Russia-Ukraine war and the rupee's depreciation against the dollar increased aviation turbine fuel (ATF) costs for domestic carriers.

India's commercial air transport industry has **high capital and operational costs**. So, they operate with wafer-thin profit margins.

For more than a decade, India's budget airline sector's rivals adopted **highly aggressive pricing strategies** to gain market share. That **stretched balance sheets** and made companies more vulnerable to shocks.

India's tax structure keeps ATF costs prohibitive and a regulatory apparatus is outdated.

What are the government initiatives to boost India's aviation industry?

Must read: Aviation Sector in India: Status, Opportunities and Challenges - Explained, pointwise

The government should find long-term policy solutions if it wants India's struggling airlines to be recovered.

30. Improve technology to detect IEDs - on Left Wing Extremism

Source—The post is based on the article "Improve technology to detect IEDs" published in "The Indian Express" on 8th May 2023.

Syllabus: GS3- Security

Relevance- Issues related to Maoism

News– Ten jawans and a civilian driver, who were returning in a van following an anti-Maoist operation, were killed in a blast caused by an Improvised Explosive Device (IED) in Chhattisgarh's Dantewada on April 26.

What IED use by Maoists is a challenge for security forces?

IEDs are among the **most potent tools** deployed by the Maoists. Even a small formation of the Maoists can cause huge damage to the security forces by using an IED.

The **technical equipment** used by the security forces to detect IEDs has its limitations. If the **quantity of metal** in the IED is low or the IED is planted deep under the road, mine detectors may fail to find it.

Hundreds of IEDs are **detected and diffused** every year. But, the search party could always miss a few due to technical reasons.

Ground Penetrating radar, which can detect recent disturbances in the soil subsurface, has also not proved successful.

What are issues with the use of IED by Maoists?

The Maoists deliberately and grossly violate international humanitarian laws. The use of landmines is banned internationally as they are non-discriminatory, lack precision and cause unnecessary or excessive suffering.

It is well known that in addition to the security forces, many civilians, including children, and animals have also been victims of IED attacks.

What are the changed tactics used by Maoists regarding use of IED?

The latest reports indicate that the current focus of the Maoists is to intensify the **use of booby traps, and remote IEDs**. The technical department of the Maoists seems to have gradually developed technology to remotely blast the IEDs.

There is disrespect of the Maoists even for slain jawans. In January 2013, during the autopsy of a jawan, an IED was found implanted as a **booby trap inside the abdomen**.

India is a signatory to the **Geneva and Hague Conventions** which regulate the means employed during warfare, so that casualties are checked.

What is the way forward to manage the threats of use of IEDs by Maoists?

The use of technology such as unmanned aerial vehicles and drones may be useful to **check suspicious movement**. But, the security forces need to **improve their tactics** too.

The use of vehicles should be permitted only after **securing the road** from ambushes and IEDs.

A **visual search** must be carried out cautiously or up to about 100--150 metres on both sides of the road, to check the presence of **suspicious elements or wire ends**. Every effort needs to be made to **detect, diffuse or avoid** these brutal devices.

India must raise the issue of the use of IEDs by the Maoists at **appropriate international platforms** so that the Maoists are forced to **respect international humanitarian laws** and stop using these devices.

Central government and industry must join hands to **improve technology to detect IEDs.** The details printed on boxes containing detonators are **not sufficient** to trace the source of the detonators and punish the guilty.

The Central government must **amend rules** and make the manufacturers **accountable for unique identifi-cation** of detonators.

31. Open banking is helping revolutionize access to credit

Source: The post is based on the article "Open banking is helping revolutionize access to credit" published in Live Mint on 8th May 2023.

Syllabus: GS 3 - Industrial Policy, Money & Banking

Relevance: measures adopted by the government to address the credit issues of MSMEs

News: The article discusses issues with MSMEs in accessing credit from banks and measures adopted by the government to address those.

What are concerns with MSMEs in getting access to credit?

Read Here: What is MSMEs & issue of MSMEs? and MSMEs: Significance, Challenges and Solutions

How has the government tried to solve the credit problems for MSMEs? India has expanded the credit guarantee scheme for MSMEs.

Unified Payments Interface (UPI) along with smartphone-driven participation in the digital economy has revolutionized digital payments in India.

Moreover, the Reserve Bank of India's (RBI) has recently announced to offer pre-sanctioned credit on UPI. This could help underserved segments to access credit.

Further, the government has **also democratized access to data** by taking efforts to boost the adoption of the **Account Aggregator network** to make financial transactions including lending faster and cheaper.

The government has also added the **goods and services tax network (GSTN)** as a financial information provider to the Account Aggregator network. It helps banks and other regulated lenders extend credit to small businesses.

These developments have helped all credit seekers and enhanced competitiveness among regulated lenders.

How the development to democratize the data is helping credit seekers and regulators?

Simpler customer consent mechanism: The process of obtaining customer consent to access both banking and GST data on the Account Aggregator network is now simpler and secure. Consent is required just once and lenders can also seek consent for data-sharing in the future.

Moreover, **MSMEs no longer need to rely on multiple data aggregators** to share their GSTN data with financial institutions through API services for a fee.

Boost for risk-based pricing and cash flow-based lending: Lenders now can get insight into the actual cash flows of a business through their bank statements along with regular GST data feeds on an MSME's month-over-month sales, gross profits, regional revenue distribution, and sales turnover.

These insights can enable risk-based pricing and cash flow-based lending, benefiting both the lender and MSME.

Creating a level-playing field: The Account Aggregator framework will offer a level playing field for NBFCs because banks have had an edge over NBFCs in terms of access to key customer data because of current accounts.

Further, GST data may provide NBFCs and other lenders with insightful information that they can utilize to create more competitive and contextualised solutions for MSMEs.

Value-added services: Financial institutions, by actively monitoring GSTN data feeds and cash flow dashboards, **would be able to provide value-added services** like GST compliance, tax planning, and consultancy to help MSMEs optimize their GST-related spending.

The data can also be used for fraud detection and prevention, and help lenders cross-sell better to MSMEs.

What can be the way ahead?

Banks and NBFCs need to reorient and enhance their data capabilities by linking existing data sources such as bank statements and income tax returns with new sources such as GST and e-invoice data.

This will improve the efficiency and efficacy of their credit evaluation mechanisms.

32. Maoism should be seen as a social and economic problem

Source: The post is based on the article "Maoism should be seen as a social and economic problem" published in the Indian Express on 8th May 2023

Syllabus: GS 3 – Linkages between development and spread of extremism..

Relevance: About India's anti-Naxal strategy.

News: Recently, the Maoist attack in Chhattisgarh's Dantewada district claimed the lives of ten police personnel and a civilian driver.

What is Left Wing Extremism?

Read here: Left Wing Extremism in India - Explained, Pointwise

About the Maoist evolution in independent India

The government had twice concluded that the Naxal problem had been sorted out.

The first time was after the arrest of Charu Majumdar in 1972 followed by his death and division in the party. But, the movement revived in 1980 with the formation of the People's War Group.

The Maoism again disintegrated in the mid-nineties when Kondapalli Seetharamaiah was arrested and operations by the police and central paramilitary led to the arrests and surrender of almost 10,000 party activists.

But, the movement had another resurrection in 2001 when the Naxals formed the People's Liberation Guerrilla Army (PLGA). It aims to "seize political power". In 2009, the then-Prime Minister described it as "the gravest internal security threat to our country" and took steps to control it. Since then the movement has been on a decline with considerable attrition.

According to the Home Ministry's data, fatalities inflicted on civilians and security forces by left-wing extremists fell below 100 in 2022, the lowest in four decades.

What are the anti-Naxal strategies followed by governments?

Read here: <u>Left-wing Extremism (LWE) in India and its challenges - Explained,</u> pointwise

What are the flaws in India's anti-Naxal strategy?

There are few fundamental flaws in India's anti-Naxal strategy.

Firstly, in most states, there is a tendency to **outsource the operations against Naxals** to the central armed police forces. The states must use the local police, who know the language and terrain, in anti-Naxal operations to address the issues altogether.

For example, in Punjab, the battle against terrorism has been won because, apart from other factors, the Punjab Police was always at the forefront of operations.

Secondly, according to an expert group of the Planning Commission recommendation in 2008, "the **development paradigm pursued since independence has always been 'imposed'** on the tribal communities and has been insensitive to their needs and concerns".

For example, when the tribals want schools and hospitals, the government focuses on capital-intensive plants or factories, which are inevitably accompanied by deforestation and displacement. As a result, government plans have "ended up in destroying their social organisation, cultural identity, and resource base and generated multiple conflicts."

Thirdly, there is **no overall strategic plan against the Naxals**. States have been carrying out anti-Naxal drives according to their individual understanding.

How India should revamp its anti-Naxal strategy?

The Maoist problem is multi-dimensional; it has social and economic aspects. The security forces can take care of the law and order aspect of the problem. Unless the problem is tackled in its entirety, it is unlikely to go away.

- -Security forces' territorial domination should be followed by the **administrative apparatus establishing its network** in the affected areas.
- -The government should make conscious efforts to win the hearts and minds of the people.
- **-Pursue dialogue**: If the government can have peace talks with the Nagas and several other insurgent outfits in the Northeast, then the government should follow similar approach with Maoist leadership.

33. De-dollarisation: Will the greenback still be green?

Source: The post is based on the article "Will the greenback still be green?" published in The

Hindu on 8th May 2023

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

Relevance: About the de-dollarisation debate.

News: As China, India, and Russia trying to trade using partner currencies for payment instead of the U.S. dollar, various media are also speculating that the demise of the dollar as world reserve currency.

What is de-dollarisation, what are the global efforts towards the De-dollarisation of trade, and How is India pursuing the de-dollarisation of trade?

Must read: De-dollarisation of trade: Opportunities and challenges - Explained, pointwise

How dominant is US Dollar in global trade?

China itself has substantial U.S. dollar reserves earned from its trade with the U.S. over the past three decades. China has used these dollar reserves to fund its strategic investments abroad.

The benefit of dollar premium: Being a supplier of international reserve currency confers a distinct advantage to the U.S. Such as, the US has the ability to borrow at a low interest rate.

This **a)** relaxes the fiscal constraint substantially, **b)** boosts the debt -issuing government's capacity to borrow more without having to deal with the negative effects of such borrowing on the domestic economy.

This phenomenon is often referred to as the dollar premium

Read here: The de-dollarisation debate

About the present share of Forex reserves in the world

According to reports from the International Monetary Fund, the dollar's share of foreign exchange reserves has fallen over time from 80% in the 1970s to about 60% in 2022. The euro has made up for about 20% of the remaining 40%.

Other currencies such as the Chinese Yuan, Australian and Canadian dollars, Swedish krona, and South Korean won have claimed their share in the portfolios of various countries' foreign exchange reserves making up most of the remaining gap of 20%.

Note: China runs a closed capital account. So, it still does not feature as a prominent choice as reserves. Most of the Renminbi reserves that are held outside China are by Russia.

What are the negative impacts of de-dollarisation?

Read here: The possible implications of de-dollarisation of global trade

Can the Chinese Yuan replace the US Dollar?

Read more: De-dollarisation: the race to attain the status of global reserve currency

Why does India hold US Dollar as Forex reserves and not the Russian Ruble?

This is because **a)** Even though, India's biggest supplier of oil is Russia, India's biggest trading partner is still the U.S., **b)** Russia's importance as an oil supplier is a result of the deep discounts offered by its oil suppliers to Indian refiners. Such discounts will not be sustainable in the long run. This creates doubt on the long-term viability of a common currency or a reciprocal trading arrangement between India and Russia.

34. A stitch in time for the ongoing green transition is what we need

Source: The post is based on the article "A stitch in time for the ongoing green transition is what we need" published in Live Mint on 9th May 2023.

Syllabus: GS 3 - Growth & Development, Environment

Relevance: problems with the energy transition

News: Countries are now looking to give up fossil fuel and adopt green energy. This transition carries consequences such as disruptions in labor markets and communities.

What are the concerns with energy transition for labour markets?

It is argued that job losses in the fossil fuel sector due to an energy transition would be compensated by job creation in green energy, through reallocation of capital and labour. However, there are many concerns present with the transition.

The concerns such as $-\mathbf{a}$) the amount of time needed for labour markets to return to the employment rate before the transition, and \mathbf{b}) heterogeneity of the labour force employed in old and new energy sectors, are often ignored.

Following are some of the studies that prove the challenges of transitions

Tariff liberalization in the 1980s in Brazil led to the supply of products from other countries.

It affected the domestic industries producing the same products at higher cost. The long-term impacts were prolonged wage depression, a decline in formal employment, and a rise in informal jobs.

Workers in Brazil also experienced the costs of switching sectors because the specific experience of previous sector was not fully transferable. These costs were found higher for female, less educated and older workers.

A similar thing happened in the US, when it conferred permanent normal trade relations (PNTR) status on China in 2000. PNTR status reduced tariff-related uncertainties for Chinese exports to the US.

This trade relations with China affected manufacturing employment in the US. Many displaced workers could neither find new jobs in other sectors nor migrate elsewhere.

This disruption in the labour market in the US also had social outcomes such as there were rise in deaths caused due to drug overdose, suicide and liver diseases.

The US also encountered two shocks in the coal sector: one in 1980, when oil prices collapsed, causing a large fall in coal consumption, and another in the 2010s, when natural gas and renewable energy progressively displaced coal in generating power.

Studies show that a contraction in coal mining led to a decline in regional employment and wage rates

The above examples **demonstrate** the consequence of green transition policies on the labour market. A full-fledged green transition would induce even bigger shocks, springing from rapidly evolving technology, geopolitics, markets and societies

Must Read: Energy Transition: Challenges and Solutions - Explained

What can be the way ahead for India?

India's long-term goal of net zero by 2070 is being met through a pragmatically paced shift to renewables. Therefore, India needs to prioritize economic growth and sustain the adoption of environment-conscious lifestyles.

This will help build capabilities to deal with the structural changes associated with a green transition, along with ensuring the availability of finance, technology, raw material, human capital, etc.

Moreover, building a strong social security system and focusing on human capital development, such as labour skilling that eases inter-sector migration, would also help address the labour-market consequences of a green transition in India.

35. The ocean is under unprecedented stress – on ocean conservation

Source: This post is created based on the article "With every breath we take, we are connected to the ocean. Yet, the ocean is under unprecedented stress", published in The Times of India on 9th May 2023.

Syllabus Topic - GS Paper 3 - Environment Conservation

Context: The article discusses the challenges of protecting oceans and the role India can play in the marine conservation.

Blue economy refers to our ability to exploit the assets in the ocean sustainably and in a way that will enable us to live in a healthier world.

After reckless exploitation of the land resources, there is a need to make sure that ocean resources do not face similar damage.

What are the current threats to the blue economy of nations?

- Overfishing and illegal fishing practices,
- climate change,
- ocean acidification,
- plastic pollution,
- oil spills,
- habitat destruction,
- loss of biodiversity
- unsustainable coastal development

How India's G20 presidency can be instrumental in ocean conservation?

It can be made possible by reaching to few useful agreements among nations, like:

- 1. Providing financial support for the developing nations to adopt sustainable ocean policies and
- 2. Investing in capacity building to strengthen ocean governance and management.
- 3. Proper implementation of 30×30 campaign. It aims at protecting 30% of the world's oceans by 2030.
- 4. India can join the Commonwealth's Blue Charter Action Group. The countries of this group work towards solving ocean-related challenges and meet commitments for sustainable ocean action

What is the importance of oceans for the survival of human beings and why are they neglected?

First, Oceans produce oxygen, provides food and livelihoods, and stabilises our climate.

Second, the oceans have functioned as coolant, by absorbing most of the trapped heat. However, due to its neglect, the ocean is warming up, which is resulting in more intense hurricanes and cyclones.

Third, if marine exploitation goes on at a similar pace, more than half of the world's marine species may stand on the brink of extinction by 2100.

UN's Sustainable Development Goal (SDG) 14 is for ocean conservation. However, ocean conservation has received the least funded of all SDGs. The ocean accounts for only 2% of the Green Climate Fund.

All this neglect is because of a lack of understanding of the importance of the ocean for our survival. Therefore, it is facing neglect.

What efforts have been made by the commonwealth for the conservation of oceans?

It created the Blue Charter in 2018 to overcome the issue of lack of funding for ocean conservation. Commonwealth formed the climate finance access hub. It is at present concentrating on small states which are most vulnerable.

It is also expanding the climate finance access adviser facility by designating ocean advisers.

36. <u>Unravelling the complexities of India's 2011-12 GDP series is key</u>

Source- The post is based on the article "Unravelling the complexities of India's 2011-12 GDP series is key" published in "mint" on 9th May 2023.

Syllabus: GS3- Indian economy and growth

News – The article explains the changes incorporated in 2011-12 series to calculate the GDP.

What are numerous conceptual and statistical changes, incorporated in the 2011-12 series? It was aimed at aligning the series with recommendations of the System of National Accounts (SNA) 2008.

Traditionally, in India, GDP referred to **GDP** at factor cost. Gross Value Added at Basic Prices was introduced as a new aggregate in new series. The new reference for GDP became **GDP** at Market Prices.

The differences between these aggregates are due to a segregation of production and product taxes. Production taxes does not change with the level of output, such as stamp duty or registration fees. Product taxes include ad-valorem or indirect taxes.

There was the inclusion of a new class of assets, namely Intellectual Property and Cultivated Biological resources, under Gross Capital Formation. This addition recognized the growing importance of intangible assets in modern economies.

Another significant change was the **capitalization of Research and Development (R&D)** expenditure by government, public and private corporations. In the previous series, R&D was treated as **intermediate consumption.**

In new series, R&D output was capitalized as **intellectual property products**. It acknowledges its role in **fostering innovation and driving long-term economic growth.**

The 2011-12 series also introduced changes in the treatment of **Private Final Consumption Expenditure (PFCE) of households**. Expenditures on gold and silver were previously considered **consumption expenditures.**

In the new series, they were reclassified as 'valuables' under capital formation. This change highlighted the role of such spending as a store of wealth and a form of investment, rather than simple consumption.

The 2011-12 series saw major revisions in the **methodology and estimates in several subsectors**, such as organized manufacturing and the services sector.

The incorporation of the **MCA21 database** improved **coverage of registered companies** in manufacturing and services.

A new Effective Labour Input method was introduced for estimating value added in the unincorporated manufacturing and services sector. It considered the differing marginal productivity of various types of workers.

Unincorporated enterprises that maintained books of accounts were reclassified as 'quasi corporations'. These were included in the Private Corporate Sector instead of the Household sector.

The coverage was extended to major municipal bodies and autonomous institutions. It is ensuring a broader representation of economic activities.

The services sector expanded to include NBFCs, regulatory bodies and services of stockbrokers, mutual funds and pension funds.

The **output of the Reserve Bank of India** underwent a methodological change. Previously, it was calculated as a **mix of market and non-market output**. The new series considers the entire output of RBI as a **non-market activity** and measures it using the **cost approach.**

What are numerous issues related to 2011-12 series?

It ranges from methodological concerns to data inconsistencies.

There are issues related to implementation of base year changes, the use of outdated data sources and the impact of a rapidly evolving economy on GDP estimation.

37. The Maoists are still a threat

Source: The post is based on the article "The Maoists are still a threat" published in The

Hindu on 9th May 2023

Syllabus: GS 3 – Linkages between development and spread of extremism.

Relevance: About India's anti-Naxal strategy.

News: Recently, the Maoist attack in Chhattisgarh's Dantewada district claimed the lives of ten

police personnel and a civilian driver.

How security forces

The attack was carried out during the tactical counter-offensive campaign (the period between February and June every year when the Maoists carry out maximum attacks against security forces). Out of a total of 17 major strikes in Chhattisgarh (2010-2023), 15 were carried out in this period. This should give the government enough leads to plan its strategy.

The security forces have to remain extra cautious during these months by strictly adhering to standard operating procedures and protocols.

What is Left Wing Extremism?

Read here: Left Wing Extremism in India - Explained, Pointwise

What are the anti-Naxal strategies followed by governments?

Read here: <u>Left-wing Extremism (LWE) in India and its challenges – Explained, pointwise</u>

About the Maoist evolution in independent India and flaws in India's anti-naxal strategy

Read here: Maoism should be seen as a social and economic problem

Lack of adequate police personnel: Effective policing in insurgency-affected regions is the task of state police forces. The Central police forces ought to supplement and not supplant the State police. But the data of the Bureau of Police Research and Development say that there are many vacancies in the State police forces. For instance, as of January 1, 2021, the share of vacancies in State police cadres in left-wing extremism States was 24.41%. This adversely affects the police-population ratio.

What should be done to address Naxalism?

Employ local tribal youth for the District Reserve Guard (DRG) with caution: Security should not be simply outsourced to local youth. DRG needs to be employed in a controlled manner by the State police.

Reconsider government development projects: The government needs to pay adequate attention to perception management. For instance, the government should reconsider the extensive road construction projects in Bastar.

Utilise the weakness in strategy: The utility of the Maoist ideology in current times is not adequately exposed, to weaken the insurgency. The focus needs to be beyond security and development.

38. Extending liability - New PMLA rules will help curb black money

Source: The post is based on the article "Extending liability - New PMLA rules will help curb black money" published in the Indian Express on 9th May 2023

Syllabus: GS 3 – money-laundering and its prevention.

Relevance: About the changes to PMLA Act.

News: The recent government notification has brought in the practising chartered accountants (CAs), company secretaries (CSes), and cost and works accountants (CWAs) within the purview of the Prevention of Money Laundering Act (PMLA), 2002. This is done for select activities done on behalf of clients.

What are the changes brought by the government in the PMLA Act?

Must Read: CA, CS handling client money in PMLA ambit; FinMin notifies rules

What is the rationale behind the changes to PMLA Act?

-To fulfil the Financial Action Task Force (FATF) assessment, which is due in November.

Note: India last came under the FATF's assessment in 2010 and the next one was postponed owing to the pandemic.

-To make CAs, CSes, and CWAs equally responsibile for specified transactions made under the PMLA.

What are some previous amendments to the PMLA Act which aim for FATF compliance?

As part of this compliance exercise, the government in had **a)** amended the money-laundering rules, making it mandatory for banks and other financial institutions to record transactions of non-profit organisations and non-governmental organisations (NGOs) as well as "Politically Exposed Persons" (PEPs).

Note: PEPs are defined as those "entrusted with prominent public functions by a foreign country, including the heads of State or Government, senior politicians, senior government or judicial or military officers, senior executives of state-owned corporations and important political party officials."

What are the concerns raised by CAs, CSes, and CWAs against the changes under the PMLA Act?

a) CAs, CSes, and CWAs are already regulated by professional bodies set up under various Acts of Parliament, **b)** The burdensome reporting requirements that have been imposed on them might hurt their functioning, **c)** Lawyers and legal professionals have been kept outside the new provision.

What should be done?

According to the government's explanation, lawyers do conduct such financial transactions for their clients. But, they are prohibited from accepting money for these services because the Advocates Act debars them from acting as agents. On the other hand, practising accountants render these services because there is no explicit bar on them in the relevant laws.

But, receiving a fee for a transaction or not should not determine the nature of the transaction. So the rules should not be diluted by excluding other entities that can perform the same functions.

39. <u>Land Of Quotas Manipur is another example of agitation stemming from shrinking land holdings</u> & few regular jobs

Source: The post is based on the article "Land Of Quotas – Manipur is another example of agitation stemming from shrinking land holdings & few regular jobs" published in The Times of India on 9th May 2023

Syllabus: GS 3 – Security challenges and their management in border areas.

Relevance: About the unrest in Manipur.

News: Manipur's violence between Meiteis and Kukis has been brought under control.

What are the reasons behind the unrest in Manipur?

Friction between different ethnic groups has roots in Manipur's geography and culture. But this time, an emerging structural economic problem appears to be in the forefront. Such as,

The powers of Autonomous Hill Councils: The state has a separate judicial and governance system for the tribal hill areas, which are controlled by Autonomous Hill Councils. These councils are authorised to manage and transfer property.

Lack of employment opportunities: In Imphal Valley, rising population pressure and inadequate economic opportunities created the conditions for Meitei groups to ask for reclassification as Scheduled Tribes.

Note: Forests cover a little over 75% of Manipur. Across that area, hill tribes practise shifting cultivation.

In Manipur, 42% of the total households are in agriculture. According to the employment annual report of 2021-22 data, 60% of Manipur's households are categorised as self-employed. This proportion is higher than the national average of 54%.

Both the population pressure on the limited cultivated areas and the lack of employment alternatives have been the reason behind the present demand for the recent tussle.

Must read: What is behind Manipur's widespread unrest?

What will be the impact of Manipur unrest on regional security?

Read more: Manipur unrest and its impact on regional security - Explained, pointwise

40. Minimising the threat from IEDs

Source– The post is based on the article "Minimising the threat from IEDs" published in the "The Hindu" on 10th May 2023.

Syllabus: GS3- Security

Relevance- Issues related to Maoism

News— On April 26, an IED killed 10 security personnel of the District Reserve Guard in Chhattisgarh's Dantewada area. The jawans were out on an anti-Maoist mission when they were ambushed.

What is the way forward to overcome the threats of use of IEDs by Maoists?

Avoid travel by vehicle— The safest mode of **travel is on foot** in a region where **left-wing extremism** is active. Studies show that over 60% of casualties in Maoist territories are because of vehicles ambushed in landmines/IEDs.

Routine operations like area domination, cordon-and-search, long range patrolling, ambush-cum-patrolling should only be undertaken on foot. Vehicle travel should be undertaken rarely. It should be only for urgent operational reasons.

If vehicle travel is absolutely essential, the onward and return journeys should never be by the **same** route.

To avoid the risk of civilian casualties, Maoists do not **trigger IEDs during night time**. Hence, night travel by vehicles is relatively safe for security forces.

Use of armoured vehicles and protective gear—In certain war zones, vehicular deployment is inevitable. Security forces working in such areas should be equipped with appropriate protective gear, such as blast-resistant clothing, helmets, and eye protection.

Their vehicles should also be equipped with **V-shaped and armour-plated hull, blast-resistant technology and proper sandbagging** to minimise damage in the event of an explosion.

Machine guns and other weapons should be mounted on top of the vehicles with **outward facing rotatory seats,** from where the men can have a 360-degree observation outside.

Security forces should always travel in a **convoy of minimum two to three vehicles**. They should maintain a distance of at least 40 to 50 metres between them.

Safe travelling—There is a need for rigorous and regular implementation of various detection methods. It includes metal detectors, ground-penetrating radar, and trained sniffer dogs, to locate and clear IEDs.

Areas known or suspected to contain landmines or IEDs can be **mapped** and **contingency plans** prepared for them. This includes **establishing safe routes**, **setting up checkpoints**, **and creating evacuation plans** as part of both **preventive and mitigation measures**.

Intelligence– It is important to gather **actionable intelligence**. But, due to risks of reprisals by terrorists, locals usually do not provide information for money alone.

Relationships have to be cultivated and **goodwill generated** among the local population on a long-term basis. It should be beyond **transactional levels**. This requires **patience**, **commitment**, **empathy and integrity** on the part of security forces.

Investigation– There is simply no substitute for **good routine investigation of IED ambushes**. An IED ambush is not an **insular, standalone event**. There is a **whole ecosystem** behind it. It includes financiers, suppliers, transporters, builders and triggermen.

Diligent and scientific investigation, establishment of linkages through collection of evidence, framing of chargesheets, followed by speedy trials and conviction, serve as a strong deterrent to terrorism.

Other measures— These include collaboration with international organisations, NGOs, and other countries to share information, resources, and best practices for landmine and IED prevention, detection, and clearance.

There is a need for implementation and enforcement of **national and international laws, policies,** and regulations aimed at preventing the use, production, and trade of landmines and IEDs.

Legislative measures are required for mandatory addition of chemicals and biosensors to explosives used in industry and mining for their easy detection during transport.

Legislative measures are required for **stricter controls** on **manufacture**, **supply and sale** of explosives and detonators. Other countries have taken several counter-IED measures. The U.S has set up the Joint Improvised-Threat Defeat Organisation to prevent, identify and defeat IEDs.

There is a need to create an **overarching agency** under the Ministry of Home Affairs to **coordinate the efforts** of both the Government of India and the State governments. It can provide **legislative**, **technological and procedural support** to law enforcement agencies.

41. What a total ban on diesel vehicles could mean in India

Source: The post is based on an article "What a total ban on diesel vehicles could mean in India" published in The Indian Express on 10th May 2023.

Syllabus: GS 3 - Environment

Relevance: concerns over banning diesel-powered four-wheel vehicles

News: The **Energy Transition Advisory Committee** formed by the Ministry of Petroleum and Natural Gas has recommended a ban on the use of diesel-powered four-wheel vehicles by 2027 in cities with a population of more than 1 million.

It recommended shifting towards electric and gas-fuelled vehicles along with city transport consisting a mix of Metro trains and electric buses by 2030.

Why has the panel come up with such a proposal?

The panel's recommendation is along the lines of the government's aim to reduce greenhouse gas emissions, and to produce 40% of its electricity from renewables as part of 2070 net zero goal.

Diesel currently accounts for about 40% of India's petroleum products consumption. Therefore, the proposed ban will be significant in achieving the desired government's aim.

What are the issues with the proposal?

Around 87% of diesel fuel sales are in the transport segment, with trucks and buses accounting for about 68%.

Therefore, difficulties in implementing a total ban are – (a) Carmakers and oil firms have invested greatly in shifting to BS-VI, and all of those investments might be lost if a complete ban is enacted and (b) a total ban would cause serious disruptions in the commercial vehicles segment, where diesel penetration is very high and alternative fuels options such as EV, CNG, and LNG are still being explored.

Note: Uttar Pradesh, Maharashtra, and Haryana account for almost 40% of the diesel sold in India.

What actions have diesel vehicle manufacturers taken?

Maruti Suzuki, the nation's largest producer of passenger cars, discontinued producing diesel cars from April 1, 2020.

Since 2020, **most carmakers have discontinued diesel car manufacturing**. As a result, the contribution of passenger vehicles to overall diesel vehicle demand has fallen to 16.5%, compared to 28.5% in 2013.

Why do people prefer diesel vehicles?

People prefer diesel vehicles because - a) diesel vehicles use less fuel per km, b) there are lesser chances of diesel vehicles to stall, and c) lower cost of the diesel compared to petrol.

However, the price of the diesel increased after 2014. Due to which, sales of diesel vehicles have fallen. Diesel cars accounted for less than 20% of overall passenger vehicle sales in 2021-22.

Why are carmakers moving away from diesel engines and what are the drawbacks of diesel engines?

The major drawback of diesel engines over petrol is that diesel engines have a **higher compression** ratio. This causes increase in emissions of oxides of nitrogen (NOx), leading to pollution.

Moreover, carmakers have turned away from diesel engine cars because the new BS-VI emission norms involve a high cost of upgrading diesel engines to meet the new standard, unlike petrol engines cars.

What lies ahead?

Steps have been taken to reduce emission from the diesel such as – **a)** standards under BS-VI have necessitated oil refineries to reduce the level of sulphur in diesel and **b)** the Bureau of Indian Standards (BIS) has developed a standard for diesel containing 7% biodiesel.

Therefore, looking at the current demand of diesel in the market, the government should concentrate on phasing-out diesel rather than completely banning diesel vehicles.

42. Controversial calls on predatory pricing

Source: The post is based on an article "Controversial calls on predatory pricing" published in Business Standard on 10th May 2023.

Syllabus: GS 3 - Industrial Policy, Infrastructure

Relevance: problems with predatory pricing

News: The article discusses concerns over predatory pricing by telecom operators.

What is the issue?

In the last month, **Bharti Airtel alleged that Reliance Jio was indulging in predatory pricing.** The allegation was that Jio was offering live TV channels as part of its bundled broadband plan. However, Jio in a complaint to the Telecom Regulatory Authority of India (Trai) called Airtel's allegation baseless.

Further, Vodafone Idea accused both Reliance Jio and Bharti Airtel of predatory pricing in their 5G data offering. However, both Jio and Airtel have denied such allegations.

Like these, there are multiple instances where one telecom operator has put charges against the other for involving in predatory pricing.

How has TRAI responded?

TRAI is keeping a closer look over telcos offering unlimited 5G data and it may lay down some rules on unlimited data.

However, the regulator would not take actions that disrupt India's 5G growth due to various political reasons and due to India's G20 presidency this year.

What are the concerns over predatory pricing?

Predatory pricing was a major issue a few years back when Reliance Jio entered the market with its disruptive tariff plans. Its plan resulted in decreased subscriber base of other telcos, leading to losses.

Airtel put allegation against Reliance Jio over predatory pricing back in 2017. However, its allegation was rejected by the Competition Commission of India (CCI).

CCI said that Reliance Jio is not a dominant player in the market and therefore, its plans do not involve the question of predatory pricing.

Moreover, today both Jio and Airtel are dominant players and both of them provide services like unlimited 5G data, live TV, etc., which may be a case of predatory pricing.

However, as per experts, offering extras such as live TV, more data or unlimited data cannot be categorised under predatory pricing.

Moreover, other than predatory pricing issue, concern remain over its regulation.

What are the regulatory issues over predatory pricing?

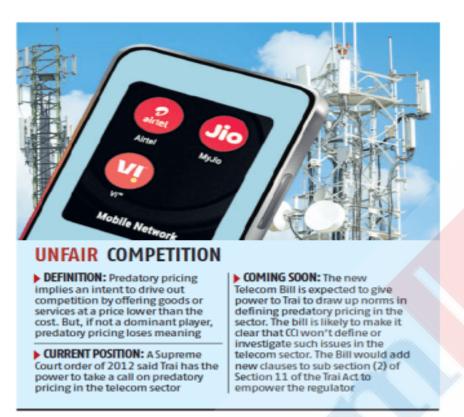
The Supreme Court in the Bharti Airtel vs CCI in 2018 authorized TRAI as the regulator to settle any case on predatory pricing in telecom. However, the Telecom Bill, which is expected soon, will bring greater clarity on the matter.

Moreover, any issue concerning predatory pricing should be first taken up by the TRAI and then any party can go to CCI for a follow-up.

However, an expert panel in 2012, has recommended mandatory consultation between CCI and the regulator concerned to arrive at a harmonious solution over the issues concerning predatory prices.

Therefore, a Telecom Bill that clarifies the regulating authority over predatory pricing is urgently needed.

Must Read: Draft Telecommunication Bill, 2022 - Explained



Source: Business Standard

43. <u>India's stumble on rupee trading holds a lesson on globalization</u>

Source: The post is based on the article "India's stumble on rupee trading holds a lesson on globalization" published in the Livemint on 10th May 2023.

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

Relevance: About the trade settlements in Rupee.

News: As China, India, and Russia trying to trade using partner currencies for payment instead of the U.S. dollar. Many Russian banks have opened Special Rupee Vostro Accounts (SRVA) with partner banks in India. Russia has said that it had "accumulated billions of rupees in accounts in Indian banks" and to use this money "the rupees need to be transferred to another currency."

What is de-dollarisation, what are the global efforts towards the De-dollarisation of trade, and How is India pursuing the de-dollarisation of trade?

Must read: De-dollarisation of trade: Opportunities and challenges – Explained, pointwise

How dominant is US Dollar in global trade?

Read here: The de-dollarisation debate

About Special Rupee Vostro Accounts

Read here: Explained | Vostro Accounts and how they facilitate trade

Why are millions of rupees lying unused with Russia?

In 2022-23, Russia was India's fourth largest import partner, with a total of \$46.5 billion worth of goods imports. Among that, Petroleum and petroleum products alone comprise almost 2/3rd of the imports. Coal and fertilizers were the other major imports.

That same year, Russia was India's 36th largest export destination with total exports of \$3.2 billion. So, Russia ran a \$43.3 billion trade surplus, meaning that India had much more to buy from Russia than vice versa.

Further, other countries are unlikely to accept Indian rupees from Russia for payment of purchase, simply because they have limited purchase options with India.

So, Russia is not comfortable holding rupees and wants to be paid in Dollars, Chinese yuan or other currencies.

Note: In 2021, total global exports (goods and services) stood at \$27.9 trillion, whereas India's exports stood only at 2.4% of global exports.

Why Russia wants to hold further trade with India in dollars?

If the trade was held in dollars, then Russia has the options like **a)** Use the surplus dollars in other countries, **b)** The dollars could be converted quickly into another currency like the euro and be used to pay for Russian purchases, **c)** The dollars could be invested in dollar assets like US Treasury bonds to earn a rate of return.

Read More: Trade Settlement in Rupee - Explained, pointwise

What India needs to do to ensure successful trade settlements in Rupee?

The structure of the global economy makes it very difficult to carry out any significant amount of international trade without invoicing in dollars. Further, the rupee accounts for just 1.6% of global foreign exchange transactions.

The Russian example shows that India needs to export more so that other countries can use rupees to buy stuff from India.

44. Stressing stability – Indian policymakers must remain vigilant

Source: The post is based on the article "Stressing stability – Indian policymakers must remain vigilant" published in The Hindu on 10th May 2023.

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

Relevance: About Carbon Border Adjustment Mechanism of EU.

News: The Financial Stability and Development Council, headed by Union Finance Minister deliberated the need for having more early stress indicators to enable regulators to identify potential problems and deal with them in time.

What are the various macroeconomic risks that necessitated the need for early stress indicators?

- a) There are several interrelated risks emanating from the global economy. The increased global economic and financial interdependence has increased risks. Though this interconnectedness has merits, emerging market countries like India should build safety margins to limit the downside risks.
- b) Ongoing trouble in the US banking system: Three out of the four biggest bank failures in the US have happened over the past two months. A sharp increase in interest rates by the US Federal Reserve has led to large losses in the investment portfolio of banks. As a result, handling the pressure of deposit withdrawal is becoming difficult for some banks.

Though they may not pose an immediate threat to financial stability, policymakers would do well if they remain prepared.

c) Impact of the US banking system on Indian IT firms: The banking and financial services sector is a major source of revenue for Indian technology firms. So, their impact can directly affect the functioning of Indian IT firms.

- **d) High budget deficit in several advanced economies**: The fiscal deficit is expected to average over 6% of gross domestic product (GDP) over the next decade. This will be significantly higher than the average of about 3.5% of GDP witnessed in recent decades and will have implications for the global financial markets.
- **e) US Fed and other central bank's policies**: A structurally higher deficit in the US would mean the Fed might maintain higher interest rates for a longer period. The higher demand for savings by the US and other governments in the developed world would limit the amount of funds flowing to emerging market countries.
- f) Volatility in currency markets: Sustained higher budget deficits and higher interest rates could also increase volatility in currency markets.

Since India has no control over the things that unfold in advanced economies, it is required to identify early stress indicators.

Overall, from the Indian government's side, the government should bring down the fiscal deficit at the earliest. This will help reduce dependence on foreign capital and improve macroeconomic stability.

45. Balancing regulatory approaches

Source: The post is based on the article "Balancing regulatory approaches" published in

Business Standard on 11th May 2023.

Syllabus: GS 3 - Economy - Capital Market

Relevance: concerns with SEBI

News: There have been debates over whether regulators should follow a principle-based or rule-based approach (PBA or RBA) in framing regulations for the financial markets.

What is PBA and RBA?

Principle-based approach (PBA): It involves providing broad guiding factors in regulations while giving flexibility to regulated entities to work out on operational requirements.

Rule-based approach (RBA): It involves listing out possible scenarios and detailing specific penal consequences for violations.

Which is a better form of regulatory practice?

PBA is effective in developed countries with mature markets, wherein the reputational risks are taken seriously and the law enforcement mechanisms are robust.

Whereas, **RBA may be effective in developing countries** which lack market maturity and do not have a robust law enforcement mechanism.

While PBA appears to be more in line with free market philosophy, RBA appears intrusive with a control and command approach.

How does the Securities and Exchange Board of India (Sebi) regulate the financial markets in India?

Sebi follows a **well-established procedure in drafting various regulations**. It has subject-specific committees and various stakeholders as members to make recommendations.

These recommendations and changes are generally influenced by tribunals'/ courts' rulings, and changes in the parliamentary laws.

What are the challenges with SEBI?

The most challenging part of the SEBI is the effective implementation of the law.

A law framed for the financial market needs to be strong enough to cater the demand of stakeholders as well as prevent miscreants to misuse the loopholes in the law.

Further, at times even a straightforward regulation may also create trouble for the regulator.

SEBI is often criticized for over-regulation. For instance, the primary function of the SEBI is to protect the investors interest. At times, the concerns over the investors in case of scam gets highlighted.

In such a case, SEBI comes up with more rule-based regulation, which also might have unintended consequences, giving a negative image of SEBI in the market.

Therefore, while SEBI is trying its best to function as an effective regulator, still it has to face the criticism and often finds itself isolated when a market mishap or scam happens.

What can be the way ahead?

Looking at the present scenario, the financial sector regulators in India are likely to continue favouring the RBA. However, this may be problematic for technology-driven regulated activities due to the rapid changing technology.

Moreover, **if the industry favours principle-based laws**, it must go beyond just wanting "ease of doing business" and show maturity, responsible behaviour, and self-discipline.

There is also a need to strengthen the tribunals/courts dealing with the financial sector in terms of trained manpower and infrastructure.

Hence, for a responsive and effective regulatory system, the entire ecosystem needs to support and encourage the regulatory practices.

46. A ground view of the Indian Space Policy 2023

Source- The post is based on the article "A ground view of the Indian Space Policy 2023" published in "The Hindu" on 10th May 2023.

Syllabus: GS3- Awareness in the field of space

News– Recently, the Indian Space Research Organisation (ISRO) released the Indian Space Policy 2023.

What are some facts about the space industry in India?

Until the early 1990s, India's space industry and space economy were defined by ISRO. Private sector involvement was limited to building ISRO designs and specifications.

The **Second Space Age** began with the licensing of private TV channels, the explosive growth of the Internet, mobile telephony, and the emergence of the smartphone.

Today, ISRO's budget is **approximately \$1.6 billion**. India's space economy is over **\$9.6 billion**. Broadband, OTT and 5G promise a **double-digit annual growth** in satellite-based services.

The Indian space industry could grow to **\$60 billion by 2030**. It will directly create more than two lakh jobs.

What have been various policy instruments adopted by the Indian government for the space sector and their impacts?

The **first satellite communication policy** was introduced in 1997, with guidelines for foreign direct investment in the satellite industry. But it never generated much enthusiasm.

Today, more than half the transponders beaming TV signals into Indian homes are **hosted on foreign satellites**, resulting in an annual outflow of over half a billion dollars.

A **remote sensing data policy** was introduced in 2001, which was amended in 2011. In 2016, it was **replaced** by a **National Geospatial Policy**. Yet, Indian users spend nearly a billion dollars annually to procure earth observation data and imagery from foreign sources.

A **draft Space Activities Bill** was brought out in 2017. It went through a long consultative process. It lapsed in 2019 with the outgoing Lok Sabha.

The government was expected to introduce a **new Bill by 2021**. Buit, it appears to have contented itself with the new policy statement.

What are the main key points related to the new space policy?

Security related aspects—There is little reference to 'security' in the document. The focus is on civilian and peaceful applications.

India is focussing on space-based intelligence, reconnaissance, surveillance, communication, positioning and navigation capabilities. it is reasonable to infer that a defence-oriented space security policy document will be a separate document.

Overall framework— The policy lays out a strategy. It spells out the roles of the Department of Space, ISRO, the Indian National Space Promotion and Authorisation Centre (IN-SPACe), and the NewSpace India Limited (NSIL).

ISRO role – it states that ISRO will move out of the manufacturing of operational space systems.

Mature systems shall be transferred to industries for commercial exploitation.

ISRO shall focus on **R&D** in advanced technology, providing newer systems and realisation of space objects for meeting national prerogatives.

ISRO will **share technologies**, **products**, **processes and best practices** with non-government entities and Government companies.

This implies that ISRO will now use its talented manpower, to concentrate on **cutting edge R&D** and long-term projects such as Chandrayaan and Gaganyaan.

As ISRO's commercial arm, NSIL will become the interface for interacting with the industry.

Role of non-government entities—Fourth, the non-government entities are allowed to undertake end-to-end activities in the space sector through establishment and operation of space objects, ground-based assets and related services, such as communication. Satellites could be self-owned, procured or leased. Communication services could be over India or outside; and remote sensing data could be disseminated in India or abroad.

The entire gamut of space activities is now open to the private sector.

IN-SPACe is expected to act as the **single window agency** for authorising space activities by government entities and NGEs.

What are issues with the new policy?

The policy sets out an ambitious role for IN-SPACe but provides **no time frame** for the necessary steps ahead.

The policy framework will need **clear rules and regulations** regarding FDI and licensing, government procurement, liability in case of violations. It will need an **appellate framework** for **dispute settlement.**

A regulatory body needs **legislative authority**. IN-SPACe is expected to **authorise space activities** for all, both government and non-government entities.

Currently, its position is **ambiguous** as it functions under the purview of the Department of Space. The Secretary (Space) is also Chairman of ISRO, the government entity to be **regulated by IN-SPACe.**

47. Economic weather warning

Source- The post is based on the article "Economic weather warning" published in the "The Indian Express" on 11th May 2023.

Syllabus: GS3- Indian economy

Inflation— The MPC (Monetary Policy Committee) meeting gives the impression that inflation is well under control. This is good from a **policy stance** but is worrying for households. They are facing a **relentless increase** in the prices of goods and services.

They have experienced a cumulative inflation of over 18% in the last three years.

Growth– The growth picture is also **ambivalent**. India is among the **fastest-growing economies** at 6-6.5%. But this picture too is different when looked at from a **medium-term perspective**.

There is not **too much optimism** about being on track for the **8% plus growth rate**. The **new normal** appears to be 6-7%.

Exports– Policymakers are satisfied with new heights achieved in the **exports of goods and services.** Services have gone against the trend of the **global slowdown** in 2022. But **exports of merchandise** are not too satisfactory.

For example, if **refinery products** are excluded from the **export's basket**, there has been a fall in FY23.

Production-Linked Incentive (PLI) scheme aspires to make India the centre of all global chains. It seems to be **only an aspiration** as of today.

Indian exports are linked with **global growth** and a slowdown is not good for them. In 2022, **higher crude prices** got reflected in both imports and exports.

Investment– The investment picture has two sides as well. The official position is that investment is picking up in the private sector. It should get reflected on the **funding side**.

In the investment conclaves, major companies show a lot of interest. But, **signing MoUs** means little when not converted to action.

Data on all funding sources show that there is a slowdown. **Bank credit** is buoyant more on the retail end than manufacturing. **Debt issuances** are dominated by the financial sector. **Manufacturing** is still lagging.

External Commercial Borrowings have slowed down mainly due to the higher cost of loans.

Consumption– The consumption picture is also fuzzy. There are reports of rural demand being good in FY23. But, it is not reflected in the production of consumer goods.

The 16% growth in nominal consumption in FY23 would tantamount to just 7% in real terms, as inflation has pushed up costs. And this was also brought about by pent-up demand for both goods and services post the full removal of the lockdown in 2022.

Employment– A growing economy needs to create more jobs if **consumption and investment** have to be sustained. As per **CMIE data**, the **average unemployment rate** is around 7.5%. It can now be considered the **natural rate of unemployment** in India.

There are concerns related to the **labour participation rate**. It has come down from 46.2% in FY17 to 39.5% in FY23. It indicates a growing population in the working age group that is not **interested in working**.

There has been a **series of layoffs** in several IT and fintech companies. The promise shown by start-ups has not yet been realised and hence.

Banking– The bright spot in this picture is the banking sector. The **cleaning up operations** and **slowdown in the economy** has helped the banks, especially in the public sector, to emerge stronger.

NPA levels have come down and banks are well-capitalised. Also, profitability has improved. Quality of assets means lower provisioning for NPAs.

When the economy gets into the take-off mode, banks will be well equipped to provide the funds. This was not the case 4-5 years ago.

48. Labour rules of states encourage inspector raj

Source- The post is based on the article "Labour rules of states encourage inspector raj" published in "The Indian Express" on 11th May 2023.

Syllabus: GS3- Indian economy and employment

Relevance- Labour reforms

News– The article explains the recent labour reforms introduced by central government and their impacts. It also explains the employment needs and structure of India economy.

What are estimates related to employment need of Indian population?

As per **Planning Commission estimates**, India needs to create 10 million or 12 million jobs every year. But these are dated figures. It does not take into consideration the impacts of **slowing rate of population growth**

The answer depends on the timeline, assumptions about future fertility and views on work participation rates. A rough range might be 5-8 million.

If the economy grows at 6.5%, there must be employment growth unless **labour productivity** increases at 6.5%.

There are legitimate concerns about not **enough jobs**, the quality of jobs being created, voluntary opting out of the labour force by both males and females.

What are some facts about employment elasticity of the economy?

Employment is inadequately measured in an **informal economy**. So, **employment elasticity** of growth ought to be higher. But, despite India's **demographic dividend**, employment elasticity is not higher.

The composition of growth matters and employment elasticity varies across sectors. It will be considerably higher in construction than in manufacturing. Modern manufacturing can be technology and capital-intensive.

There are several reasons behind the **high capital intensity of production**. There is an extent to which capital and labour are **substitutes**. The choice depends on **relative prices**.

In a relatively **labour-surplus economy**, labour costs should be lower and **labour costs** do not mean wage costs alone. There are also **skill and productivity issues**.

What are some facts about recent labour reforms by Indian government?

The Central Government has codified **29 laws into four Codes**. These Codes are on wages, social security, occupational safety, health and working conditions and industrial relations.

They certainly don't cover every **statute on labour and employment**. They cover only those **administered by the ministry,** unlike labour law reforms in a country like Bangladesh.

This **standardisation and simplification** break down the **unorganised versus organised divide**. It strengthens protection for the unorganised and make organised labour markets **more flexible**. Such reforms are desirable.

Do these labour codes stimulate employment?

Even before these Codes, some states **introduced labour reforms**. The effects of such changes are **conditional and qualified.**

Taken in isolation, these changes have **minimal effect**. But they matter at the margin. Combined with **other reforms**, they lead to job growth.

Labour conditions vary across states. So, labour is in the Concurrent List of constitution, not in the Union List or State List. Hence, after those codes are framed, states need to publish rules. All states haven't done that. It has nullified the intent behind the Codes.

Most states have published rules under wages, a few under industrial relations and social security, and least under occupational safety.

Non-transparent rules on occupational safety, health and working conditions facilitate corruption and the inspector raj, in the functioning stage of an enterprise.

49. Snap judgment - Every birth or death should not be seen as success or failure of Project Cheetah

Source: The post is based on the article "Snap judgment - Every birth or death should not be seen as success or failure of Project Cheetah" published in The Hindu on 11th May 2023.

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

Relevance: About issues in India's cheetah reintroduction project.

News: It is almost three months since South Africa sent a batch of 12 cheetahs to India and three have already died. About 15% of the animals have not made it past the first phase of India's ambitious Project Cheetah. This raises some doubts about Project Cheetah.

About Sasha, Cheetah Reintroduction Project and Kuno National Park

Read here: Cheetah Sasha dies due to kidney ailment in Madhya Pradesh's Kuno National Park

About the progress of the Cheetah Reintroduction Project so far

Read here: Cheetah Reintroduction Project: progress so far - Explained, pointwise

Note: The aim is to establish a sustainable population of about 35 cheetahs in the next decade by bringing in a few every year from Africa.

What are the concerns highlighted by environmentalists on project Cheetah?

- a) Kuno National Park is inadequate to host 20 cheetahs and some ought to be in other sanctuaries,
- **b)** The existing batch of animals lived far too long in captivity for the translocation and thus were excessively stressed and more vulnerable.

Can one measure the success of the project Cheetah now?

The success of wildlife breeding programmes must be measured over longer intervals. The increase in the lion population in Gir, Gujarat, as well as tiger numbers, have been the result of sustained efforts over decades. So, it is premature to measure the success of the cheetah translocation programme.

So, every death and every birth should not be seen as markers of failure or success. To silence the critics, the government has to clearly define criteria with timelines that project managers must adhere to. This in future might aid in course correction of the project as well.

50. The troubles of India's aviation industry

Source: The post is based on the article "The troubles of India's aviation industry" published in The Hindu on 11th May 2023.

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

Relevance: About the challenges faced by Indian commercial aircraft operations.

News: After low-cost carrier GoFirst's insolvency, the aviation safety regulator Directorate General of Civil Aviation (DGCA) has directed the airline to stop selling air tickets immediately.

What are the reasons behind Go Air's insolvency?

Must read: Indian aviation industry: Potential and challenges - Explained, pointwise

How big is the Indian aviation sector?

As per the Civil Aviation Ministry, India will have more than 140 million passengers in FY2024 alone. There are currently 148 airports in the country and it is the third-largest domestic market in the world in terms of seat capacity. As of March 2023, IndiGo remained the domestic market leader with 56.8% of the market share, followed by Vistara (8.9%) and Air India (8.8%).

Does the Indian aviation sector financially viable?

Financial trouble has led to the folding of major airlines in the past few decades. Around seventeen airlines, domestic and regional, have exited the market. In 2019-20, IndiGo was the only airline to make a profit, while all other players posted losses. This is because,

- The consolidation of four carriers including Air India and Vistara under one umbrella is going to make it tougher for smaller airlines to capture the market.
- -Air India consolidation will make around 75-80% of the market be captured by Indigo and Air India combined, leaving just about 20% for players like SpiceJet, GoFirst (if it revives), and the newest entrant Akasa.
- -About 80% of India's total commercial fleet is leased, according to PwC. However, leasing ends up adding high costs to operations as these leases of about six months each are denominated in U.S dollars. Leasing costs alone make up nearly 15% of the revenues of Indian Airlines, except Air India which owns a large part of its fleet.

The costs of these leases go up further if the Indian rupee depreciates during short and long term global financial developments.

- There are high costs associated with the training of airline crew. Besides, the crunch in pilots is also reflective of the inadequate number of Flight Training Organisations.

Read more: Challenges faced by Indian commercial aircraft operations

What are the government initiatives to boost India's aviation industry?

Aviation policy is dealt with by the Ministry of Civil Aviation under the legal framework of the Aircraft Act 1934, and Aircraft Rules 1937.

The DGCA is the statutory regulatory authority which comes in for issues related to safety, licensing, airworthiness, and so on.

Must read: Aviation Sector in India: Status, Opportunities and Challenges - Explained, pointwise

What are the issues with government policy in the Indian aviation sector?

India has not kept pace with modern technology in aerospace and increasing costs to the industry which ultimately affects passenger growth.

High taxes on Aviation Turbine Fuel (ATF): According to estimates, while India's airfares are 15% below the break-even point. Heavily-taxed ATF alone contributes to the single biggest expenses of carriers, amounting to anywhere between 40-50% of operational expenses.

Some Indian States impose provincial taxes of as much as 30% on jet fuel. This also makes shorter flight routes unsustainable for smaller airlines.

Barriers to entry and growth: Indian aviation policy has posed barriers to entry and growth and also has not affected players uniformly.

For instance, from 2004 to 2016, new airlines in the country had to be in operation for at least five years and have a fleet of at least 20 aircraft to be able to fly internationally. The National Civil Aviation Policy (NCAP) in 2016 removed the five years of domestic experience. Many new players want this condition to be removed. But the older airlines oppose such a reversal.

Airport fees: Airlines have to bear costs in terms of airport fees for the use of airport facilities including aircraft landing, freight and other charges related to the use of airport infrastructure such as runways and passenger terminals.

What should be done?

The government have to plan and make leasing companies to set up shop in India. Not only that the policies should make a proper functioning of leasing hubs. Till then the expensive lease rents and repayment feuds will stay.

51. Fortifying food security – WTO norms should be made more realistic

Source: The post is based on the article "Fortifying food security – WTO norms should be made more realistic" published in the Business Standard on 11th May 2023.

Syllabus: GS – 3: food security. **Relevance**: About issues with AoA.

News: Recently, the agriculture committee of the World Trade Organization (WTO) held a special session in Geneva. In that, India urged the WTO to find a permanent solution to the issue of farm subsidies and public stockholding for food security.

About the history of the tussle between India and WTO

Food security matter has been hotly debated since the inception of the <u>WTO's Agreement on Agriculture (AoA)</u>. The AoA had prescribed an irrational outer limit for farm subsidies of 10% of the value of crop production, based on the prices prevailing between 1986 and 1988.

Any outgo on agricultural support in excess of this cap is deemed trade-distorting. However, an ad hoc relief measure was stipulated for the developing countries during the WTO's ministerial summit at Bali in 2013 in the form of the "Peace Clause".

India has often taken refuge under Peace Clause because of **a)** large stock accumulation due to its market, **b)** farm-income support policies entailing open-ended crop procurement at minimum support prices.

Read more: WTO terminologies: Agreement on Agriculture (AoA), Blue | Green | Amber Box, Peace clause

What are the issues with AoA?

a) The agreement limits the developing countries' space for extending price support for farm commodities and restricts their policy space for taking up food-security programmes for the teeming poor, **b)** Relentless food inflation has rendered the existing food-stocking and farm-subsidy norms totally unrealistic, **c)** Exacerbated uncertainties about food production and global supplies due to climate change and geo-political factors, such as the Russia-Ukraine conflict have also made the ceiling ineffective.

About the demand for a permanent solution

Many countries including China, South Africa, Egypt, Sri Lanka, and many other African and Asian nations are in support of India to find a permanent solution. Any alternative plan has to be better, and more practical, than the present Peace Clause-based interim arrangement.

Read more: Public stockholding of grains to stay

What should be considered while formulating a permanent solution?

-Ideally, the benchmark prices should be revised periodically, taking the average prices of the previous five years into account. This should be included.

-The food security-oriented programmes launched by various countries after the introduction of the Peace Clause in 2013 should also be factored in while assessing the aggregate measure of support to agriculture.

India, China, and several other countries demanded text-based negotiations for fixing the agenda for the next WTO ministerial meeting scheduled in Abu Dhabi. The WTO members should adhere to this.

52. The SVB crash could cue how to fortify banks in India

Source: The post is based on the article "The SVB crash could cue how to fortify banks in India" published in the Livemint on 11th May 2023.

Syllabus: GS – 3: Effects of liberalization on the economy.

Relevance: About SVB failure and its lesson for India.

News: The collapse in the US of Silicon Valley Bank (SVB) might offer some lessons to strengthen Indian banking system.

About the collapse of SVB

Must read: Silicon Valley Bank crisis: Reasons and Impacts - Explained, pointwise

What will be US Fed decisions and How it will impact India?

Read here: Central banks step in as Credit Suisse collapses. India must monitor channels through which crisis can permeate into domestic economy

How India can act as a role model to prevent a bank crisis?

Read here: SVB, Signature Bank collapse: What are 'Too-Big-To-Fail' banks, and what makes Indian banks safe and Why local banks are insulated from SVB ripples

What are the tweaks that can be made to make Indian banks more robust and agile?

Categorization serves no purpose: In India, banks categorize retail and bulk deposits (each with their own definition) and disclose the profile of such deposits. The lesson from SVB is that this categorization serves no purpose.

Follow graded insurance premium: Only bank deposits of ₹5 lakh and below are insured in India, Indian banks must be mandated to disclose the percentage of their deposits below ₹5 lakh per customer in the deposit rate card published on their websites. So that the RBI can ensure that the banks with higher-than-average uninsured deposits pay a higher deposit insurance premium compared to banks with an appropriate level.

Blended SLR maintenance: If a deposit is insured and cash reserve ratio (CRR) is maintained on it, then there is no need to maintain high statutory reserves (statutory liquidity ratio or SLR) on insured deposits. Instead, India can have differential reserve prescriptions between insured and uninsured deposits. For example, RBI can mandate an SLR of 10% on insured deposits and 23% on uninsured deposits. This would incentivize banks to focus on granular deposits to lower their grossed-up cost of deposits.

Study the data: Data on the correlation of deposit behaviour among departments and entities of a single state government or multiple entities within a corporate group or bulk deposits from entities in a single industry can be studied and concentration metrics introduced to track the proportion of such deposits.

Remove regulatory arbitrage between NBFC and Banks: RBI has to regulate and supervise deposit-taking non-banking financial companies (NBFCs) which function like banks. This is because the deposit-taking NBFCs also maintain reserves on public deposits.

53. Global investors need Indian tax carrots and not uncertainty sticks

Source: The post is based on the article "Global investors need Indian tax carrots and not uncertainty sticks" published in Mint on 12th May 2023.

Syllabus: GS 3 - Economy

Relevance: About global minimum tax rate

News: Multinational companies often try to minimize their tax burden by incorporating themselves in tax havens. The article explains the steps taken globally to address the issue of tax evasion by MNCs.

What steps have been taken by countries to address the tax evasion by MNCs? Click Here to Read

How has global minimum tax rate evolved?

Read Here: Global Minimum Corporate Tax and India - Explained and India needs to be cautious before joining Global Minimum Tax rate

Moreover, public scrutiny, enabled by increased tax transparency obligations, is putting pressure on companies to act with more social responsibility as part of their ESG obligations.

How is India taking steps towards imposing a global minimum tax rate and how will it benefit India?

India has set an international tax agenda in its current G20 presidency.

Although many countries have implemented the 15% global minimum tax, the negotiations on a fairer distribution of taxing rights (Pillar 1) are expected to conclude under the Indian G20 presidency.

Pillar 1 will allocate more taxing rights to market jurisdictions such as India. It will also provide for more tax certainty to businesses.

Tax certainty is about being guaranteed a fair and predictable tax treatment based on the rule of law. It is also about companies being guaranteed a proper resolution of tax disputes, including through compulsory mechanisms.

What is the way ahead for India?

India despite having brightest tax experts in the world, suffers from a negative reputation for the practices of its tax administration.

There has been progress to improve international dispute resolution. However, a lot remains to be done to foster growth and investments.

Moreover, implementing Pillar 2 of the global tax framework will remove the tool of tax incentives and help in attracting investments in India.

However, **India does not need tax incentives to attract investments because** it is the largest fast-growing market in the world, rather **it needs tax certainty**. India should make tax certainty its top priority.

54. SC directions to benefit electricity consumers

Source: The post is based on the article "SC directions to benefit electricity consumers" published in Business Standard on 12th May 2023.

Syllabus: GS 3 - Infrastructure
Relevance: concerns with discoms

News: Discoms suffer loss and are mostly involved in litigations. Despite various compliance requirements, discoms continue to be a drag on the economy. SC has recently given judgment through its own observations in one of the litigations.

What has been the judgment of the Supreme Court regarding discoms?

Following observation have been made by SC in GMR Warora Energy Ltd versus Central Electricity Regulatory Commission and Others:

First, the court has said that the power purchase agreement itself provides a mechanism for payment of compensation on the grounds of change in law. In such a case, unwarranted litigation should be avoided.

The Court further emphasised that "change in law" events must begin to take place on the day on which regulations, orders, and notices are issued by state agencies.

Second, according to the SC, appeals under Section 125 of the Electricity Act of 2003 are only permitted on any of the grounds listed in Section 100 of the Code of Civil Procedure, 1908. This means that appeal to the SC can only be made on substantial questions of law.

As per SC, **discoms shouldn't appeal in matters when the** Electricity Regulatory Commissions and the Appellate Tribunal for Electricity (APTEL) had issued appropriate rulings. This, however, undermines the purpose of The Electricity Act of 2003.

Third, the SC directed **the Ministry of Power to evolve a mechanism** such that once the first order is received from a state or Central Regulatory Commission, discoms should first make the payment to generating companies. This will prevent the burden of carrying cost on the end consumers.

The court said that discoms can exercise their right to appeal against the order after making payments to generating companies.

However, discoms usually get involved into litigation which delays the payments and they also end up paying a late payment surcharge (LPS).

SC said that in such a scenario, concerned discoms shall not be allowed to pass on LPS /carrying cost to the end consumers.

Fourth, the court ruled that discoms are the root cause of massive financial stress across the power chain, thereby impacting the orderly growth of the economy.

There are clear directions from the Central Electricity Regulatory Commission, Ministry of Power and even various Parliamentary Committees to make timely payments to generating companies.

Despite this, discoms get involved into multiple litigations which results in LPS. This burden is ultimately passed on to the end consumers.

Fifth, the **court raised concerns about claims made by the discoms' counsel** that the cost of buying electricity from independent power producers is significantly less than buying it from state-owned power plants.

Must Read: DISCOM sector in India: Challenges & solutions - Explained

What can be summarized from the above rulings?

The judgments may be summarized that the SC insisted the Union of India, through the Ministry of Power, to evolve a mechanism to avoid unnecessary and unwarranted litigation, the cost of which is also passed on to the end consumer.

55. Anatomy of a bank failure

Source—The post is based on the article "Anatomy of a bank failure" published in the "Business Standard" on 12th May 2023.

Syllabus: GS3- Economy

Relevance- Issues related to banking sector

News- Silicon Valley Bank (SVB) and its holding company, Silicon Valley Bank Financial Group (SVBFG), failed last March. This resulted in the failure of Signature Bank and, First Republic Bank.

How management and board failures were responsible for this crisis?

SVBFG's assets tripled in size between 2019 and 2021. The technology sector was booming, so lending expanded rapidly.

Any abnormal growth in loans can cause trouble for bank. Management does not have the bandwidth to **assess risk** properly.

Reliance on **volatile wholesale deposits** tends to increase. **Managerial incentives** are often linked to profits without adjusting for risk. For CEOs, the temptation to quickly grow the loan book is irresistible.

The onus is on the board of directors to take actions. But Boards supports CEOs who show **good performance** for a few years.

At SVBFG, the board was not even responsive to **supervisory warnings**. As per FRB report, the board put short-run profits above **effective risk management**. It treated resolution of supervisory issues as a **compliance exercise** rather than a **critical risk-management issue**.

Since July 2022, SVBFG has failed its **liquidity stress test**s repeatedly. Management Did not necessary actions were not executed until March 2023.

Interest rate risk too was poorly managed. The bank had crossed its interest rate risk limits since 2017.

What are the supervisory failures responsible for this crisis?

There were supervisory failures also. For governance, SVBFG got a "Satisfactory" rating, despite repeated supervisory observations about inadequate oversight.

The bank had large, uninsured deposits, yet managed a "Strong" rating on liquidity. Despite breaching interest rate risk limits repeatedly, it got a "Satisfactory" rating on the item.

How weak regulatory oversight is responsible for this crisis?

The report says **joint oversight** by the FRB and the 12 Federal Reserve Banks is a factor. The Board delegates authority to the Reserve Banks. But, Bank supervisors look to the FRB for approval before making a rating change. Getting a consensus is **time-consuming.**

The philosophy of "light touch" regulation and supervision is an issue. Multiple regulators and supervisors are another problem.

There is also the **"revolving door" syndrome**. The regulators join private banks, then jump back to the regulator in a senior capacity. The relationship between regulators and banks is cause of concern.

How can RBI improve the regulatory and supervisory oversight over banks?

The RBI is better in **regulatory and supervisory capacity** than its counterparts in the West. Its **intrusive approach** is a better safeguard for banking stability than the **light touch regulations**. However, supervision can only be a **third layer of defence** against bank instability. Regulations are the primary layer, followed by the board.

The RBI must find ways to get bank boards to do a far better job. A **radical change** would be to alter the way **independent directors** are appointed at banks.

At present, the promoter or CEO has the dominant say in the appointment of independent directors. One independent director may be chosen by **institutional investors** and another by **retail shareholders** from a list of names proposed by the Financial Services Institutions Bureau.

Until there are independent directors who are distanced from the promoter and management, it's unrealistic to expect **board oversight** to improve.

56. Home to 70% of the world's tigers, India has a huge part of the species' total genetic variation

Source: The post is based on the article "Home to 70% of the world's tigers, India has a huge part of the species' total genetic variation" published in The Times of India on 13th May 2023.

Syllabus: GS 3 - Environment, Science & Technology

Relevance: benefits of molecular genome research in conserving endangered species

News: Every organism on earth has genetic material which is passed on from generation to generation. The article explains how molecular genome research can help in conserving endangered species.

How does molecular genome research help with conserving species?

Endangered species live in specific habitats. These habitats are often taken up by the people and infrastructure.

This fragmentation of habitat causes endangered species to undergo population crash, thereby decreasing in the population and leading them into isolation.

Hence, genome research can provide information about the loss in genetic variation and the impacts of loss of habitat on genetic variation.

Further, genetic variation is extremely important to study the small populations of endangered species. This is because small populations can undergo chance events where certain genetic variants increase or decrease.

For instance, a study conducted on the population of tigers in Odisha found how by chance, in a very small population, the frequency of a black mutation and the corresponding phenotype has grown more common.

Another problem with the small population of endangered species is that inbreeding amongst them causes disadvantageous mutations or inbreeding depression which further lower survival rates.

Studying these can help conservation strategies of endangered species.

What are some of the findings on tiger genomes in India?

India is home to 70% of the world's tigers. Hence, a large proportion of the total genetic variation of the species is found in India.

Studies have found isolated populations of tigers in Ranthambore Tiger Reserve have chances of inbreeding twice compared to other regions.

This is because tiger habitat around highways and densely populated areas are harmful to the species connectivity.

Moreover, **there are efforts going on to** figure out tigers' predatory nature which often leads to animal-human conflicts and historical samples are being used to study the lost genetic variation. **These studies would help in tiger conservation.**

57. Information warfare and its limitations

Source: The post is based on the article "Information warfare and its limitations" published in Business Standard on 15th May 2023.

Syllabus: GS 3 - Role of Media and Social Networking Sites in Internal SecurityChallenges

Relevance: concerns associated with social media

News: The article discusses the concerns associated with the advancement of social media and technology.

What are the concerns with the advancement of technology?

Technological advancement has created a whole new world of possibilities for information warfare.

Authoritarian countries are employing technology to intervene in other countries without directly interfering with them.

This information warfare has made people believe false information while it is also being misused for one's national interest.

For example, a Russian firm named "Internet Research Agency" (IRA) and other Russian agents have run campaigns to push the Brexit referendum in favour of Russia and to push US presidential elections in favour of Donald Trump, etc.

In both the above cases, Russia used information warfare for its own benefit without involving both countries. These information warfare methods have scaled up and industrialized.

Even in India information warfare is used to run internet-based campaigns. These campaigns influence the people over certain political parties and gain trust in them.

What does the future of information warfare look like, and how can people protect themselves against it?

The media has split into two – an elite media supported by subscriptions versus a mass market based on clickbait. The elite media is more immune to information warfare.

Therefore, it lies in the hands of people to opt for the type of media they want.

If they are looking for trusted information, they should buy subscriptions of elite media and stop using mass and social media to gather information. Otherwise, there are chances that people will get trapped into the conspiracy theories of social media.

Moreover, with the improvements in machine learning and large language models (LLM),

information warfare is becoming worse.

Further, hiring someone who could produce convincing fake news used to be expensive in India and a lot of the fake information was identifiable through the embedded cultural markers. However, these protections have declined in India.

What lies ahead?

Information warfare might become less disruptive in the coming time because there hasbeen a rise in trustable sources along with a rise in awareness amongst the people.

Further, with the rise of LLM-free knowledge and people becoming skeptical about the news on social media, information warfare might have less influence on the people in the future.

58. The nutritional value of millets

Source: The post is based on the article **"The nutritional value of millets"** published in **TheHindu** on **15**th **May 2023**.

Syllabus: GS 3 - AgricultureRelevance:

News: The UN Food and Agriculture Organization (FAO) has declared 2023 to be the 'International Year of Millets'.

What are millets?

Read Here: India's Wealth: Millet For Health - Explained

In 2021-2022, India accounted for 40.51% of the world's pearl millet production and 8.09% of sorghum.

Why are millets preferred?

Read Here: Millet Production in India – Explained What are the types of nutrition present in the millets? Click here to Read

Foxtail millet is rich in the amino acid lysine; **finger millet** has more crude fibre than wheat and rice; **proso millet** has a significant amount of the amino acids' leucine, isoleucine, and methionine.

Where are these nutrients stored?

Each millet kernel consists of three major parts, called pericarp, endosperm, and germ.

The pericarp has an outer covering called the husk. The husk and pericarp together protect the kernel from bad weather, disease, and physical injury.

The endosperm is the largest part of the kernel and its storage centre. It has a proteincovering called aleurone.

The endosperm is relatively poor in mineral matter, ash and oil content but a majorcontributor to the kernel's protein (80%), starch (94%) and B-complex vitamins (50-75%).

Similarly, pearl millet has a relatively larger germ, which is rich in oil (32%), protein (19%) and ash (10.4%), with over 72% of the total mineral matter.

How does processing affect the nutrients?

Processing and preparing millets for consumption can affect nutrients in three ways — enhance them, suppress/remove them, and ignore them.

Removing the Husk: The husk is removed from the grains because it is composed of cellulosic matter that the human body cannot digest. However, according to one study when husk was removed from pearl millets, their phytic acid and polyphenol contents dropped.

Decorticating the grain: Decorticating refers to removal of any other outer covering which exposes the seed. Studies have found mechanical and hand-worked decortication removed crude and dietary fibre from the grain.

However, decortication makes the grain more edible and visually attractive.

Milling and Sieving: While milling grind the grains into flour, sieving removes large impurities, including bran. Studies have found the longer the grains were milled, the more protein, fat, and fibre contents were removed.

Sieving made the flour more digestible and its nutrients more accessible to the body. However, it also reduced nutrient content due to the loss of bran.

Germination and fermentation: These refer to soaking grains in water for an extended duration. It showed a positive improvement in the overall nutritional characteristics of millets.



Polishing: Polishing is the process of transforming brown rice into white rice by rubbing off the bran and germ. Studies have found that polishing removed 8-10% of grain weight and also removed 60-80% of iron, magnesium, phosphorus, potassium, and manganese.

However, rice polishing is considered desirable because most consumers favour the resulting taste and texture and prefer the shorter cooking time while it benefits retailers with longer shelf- life.

59. How to weather-proof food security

Source- The post is based on the article "How to weather-proof food security" published in "The Hindu" on 15th May 2023.

Syllabus: GS 3- Indian economy - Pricing and inflation

News – There is a degree of comfort in the corridors of the Reserve Bank of India (RBI) as the **consumer** price index (CPI) inflation figure for April 2023 slid to 4.7 percent, and food price inflation has fallen to even lower, 3.84 percent.

What is the inflation scenario of the country?

The food and beverages component in the Indian CPI has a weightage of 45.86%. Managing this component to around 4% is critical to control overall inflation.

This component of inflation cannot be managed only through **monetary policy**, nor even by **fiscal policy**. It is often triggered by **external shocks**, such as droughts and breakdown of supply chains.

There is a **possibility of El Nino**, and it could cause below-normal rainfall, even a drought. All droughts since 1947 have been El Nino years, but all El Nino years are not necessarily drought years. IMD's revised forecast about the monsoon will clear the picture.

The unseasonal rains are also not good for agriculture.

The biggest crop of the kharif season is rice. **Rice inflation** for April was 11.4% Wheat inflation is still very high at 15.5%. The overall **cereal and products inflation** is still at an uncomfortable level of 13.7%.

There is a concern about **milk and milk products.** Inflation in this category in is also high. It has the highest contributions amongst all commodities.

Experts give two reasons for this inflation. **Lumpy skin disease** had its impact. The milk production growth rate collapsed to almost zero in FY23.

The **fodder price inflation** has been very high, between 20 and 30%, in recent months. Both these factors have been straining milk prices. These are not likely to come down this fiscal in the business-as-usual scenario.

How high inflation in rice and wheat can be easily managed by the government?

More than 800 million people are getting free rice and wheat under the **PM-Garib Kalyan Yojana**. So, they are well protected from cereal inflation.

The rice stocks with the FCI are more than three times the buffer stock norms for rice.

If the government wants to control rice price inflation, it can unload 5 million tonnes of rice from the **Central Pool in open market operations**, and easily bring down the rice inflation to around 4%.

What is the way forward to control the food and beverages inflation?

There is a need to focus on **cereal and milk inflation**. Both have **high weights in CPI**. The **policy instruments** to keep their inflation around 4% are the **buffer stocking policy and import policy**.

There is a need to **lower import duties** on fat and skimmed milk. These are currently at 40% for fat and 60% for skimmed milk powder. Indian prices of SMP and fat are much higher than the global prices. That could help in reining milk and milk product prices.

These policy actions must be **pre-emptive** in **nature** and **not** reactive to the event. There is a lag of two to three months for these policy actions to show their results.

60. India's Quantum dreams: The impact of tech on economy could be significant

Source- The post is based on the article "India's Quantum dreams: The impact of tech on economy could be significant" published in the "Business Standard" on 15th May 2023. **Syllabus:** GS3- Awareness in the field of IT and computers

News- National Quantum Mission was approved by the Union Cabinet in April, with a total outlay of \sim 6,003 crore over the next six years. The investments will be directed towards research and development and creating an innovative ecosystem in quantum technology.

What is the progress of the country in the field of quantum technology?

As per **Nasscom**, numerous players are actively engaged in this field. It includes 10-15government agencies, 20-30 service providers, 15-20 start-ups, and 40-50 academic institutions. About 92% of 100 projects initiated in India as of February 2022 are government-sponsored. The projects are operated by remote access to quantum computers through cloud platforms provided by companies like IBM, Microsoft, Google, and Amazon.

IBM was the first company to make an actual **quantum computer** available on the cloud in 2016. IBM has been playing a pivotal role in India's **quantum computing journey**.

Since 2021, IBM has prioritised access to quantum computing to boost quantum programmingskills in India. By installing Qiskit and some Application Programming Interfaces, anyone can start programming.

BosonQ Psi became the first start-up from India to join the IBM Quantum Network. What is the potential of quantum technology for India?

India may achieve **quantum advantage** where quantum computers outperform classical supercomputers within the next year or two.

This can solve many problems at the scale of India's population. It can identify **fraudulent transactions** from billions of digital transactions.

The impact of quantum technologies on India's economy could be significant. Nasscom's study suggests that widespread adoption of quantum technology across industries could contribute \$280-310 billion to the Indian economy by 2030.

The technology may reach critical maturity by 2026–2027. It can lead to an increase in enterprise adoption.

What can be various potential uses of quantum technology?

Quantum technology can solve crucial problems in **finance**, **chemistry**, **life sciences**, **andlogistics**. It is already helping enterprises.

Quantum computing can provide better solutions to **complex optimization problems**. It can explore problems in chemistry and pharma related to **protein folding and drug design**.

The next-generation computing methods can unlock **new scientific possibilities** in areas like **computational chemistry** for **new materials and energy solutions** to address **climate change**. Quantum computing can have application in **currency arbitrage**, **credit scoring and portfoliooptimisation** for a client in the financial services domain.

What is the way forward for India in the field of quantum technology?

Quantum computing is still in its early stages globally, but India cannot afford to ignore its role in it.

Countries across the world are going to have **quantum encryption**. India cannot afford to be without it. India will have to develop them indigenously.

A quantum industry is going to develop all over the world. It is important to have a partnershipwith that industry.

61. Digital India's two realities: A yawning gap between tech use & tech skills

Source- The post is based on the article "Digital India's two realities: A yawning gap between tech use & tech skills" published in the "Business Standard" on 15th May 2023. **Syllabus:** GS3- Economy.

News— The article explains the issues of digital divide and skilling in digital technology in India What are major insights from Multiple Indicator Surveys for 2020-21, published by the NSSO about the digital divide in India?

More than 70% of Indian youth aged between 15 and 29 cannot send emails with files

attached. Nearly 60 per cent cannot **copy and move a file or folder**. Over 80% cannot **transferfiles** between a computer and other devices.

Only 8.6% can create **electronic presentations** with presentation software. The data shows that the Indian youth fares poorly in most of the **basic ICT skills**.

How has digital technology impacted the job market in India?

As per a recently published report by the WEF, in the next five years, the churn in Indianlabour markets will be led by technology-driven sectors.

Jobs in fields such as artificial intelligence and machine learning, data analysts andscientists, and data entry clerks will lead to this labour churn.

"Labour-market churn" refers to the expected job movement being created, and existing roles destroyed as a proportion of current employment.

Generative artificial intelligence is emerging as the **next frontier** in tech and IT skills. Firmshave already begun hiring for new roles such as **prompt engineers**, **AI trainer**, **ethics coach**. Job roles involving generative AIs will not require candidates to be trained in **hardcore computerengineering skills**. Instead, candidates from the **humanities stream**, with English or history astheir majors, will be better able to use these **natural language tools**.

Technology has influenced our daily lives and we have become used to technology. The use of personal tech has become second nature to those born between the late 2000s and early 2010s. What are the challenges related to skilling in digital technology?

There remains a massive demand-and-supply gap for computer skills. There exists a wide gap in tech-skilling in tier 2 and tier 3 cities.

Only about 40 to 45% of Indian graduates are **readily employable**. Many technology companies have created **large training infrastructures** and have also worked with engineering schools to develop the curriculum and pedagogy.

On the **government front**, challenges persist. One of the biggest challenges of the **Skill India Mission** is that the government is **organized in verticals**. The issues around employment and skills are **horizontal and involve different ministries**.

What are some positive things about India's future in IT skill development?

Mobile and internet penetration in the hinterland has been a harbinger of change by democratising access to information.

It is easier to make available educational content for consumers from every background. Country is moving forward to close the demand-supply gap.

62. Why India went nuclear 25 years ago

Source: The post is based on the article "Why India went nuclear 25 years ago" published in the Indian Express on 15th May 2023.

Syllabus: GS – 3: indigenization of technology and developing new technology.

Relevance: About India's nuclear test.

News: This year marks the 25th year of Pokhran nuclear test.

About the Pokhran nuclear test

India carried out a series of three nuclear detonations. These included a 45 KT (kiloton) thermonuclear device, a 15 KT fission device and a 0.2 sub KT device. **India declared itself a nuclear weapon state** on May 11, 1998. A second test followed two days later and having attained the requisite degree of techno-strategic capability. Following that, India **announced a self-imposed moratorium** on further testing.

The US denounced India for refusing to be bounded as a non-nuclear weapon state under the strictures of the NPT (Nuclear Non-Proliferation Treaty). The US and most of its allies imposed sanctions on India. South Asia was described as the "most dangerous" place in the world and humiliation was poured on India.

Read more: India nuclear regime after Pokhran-II Nuclear test

Why India became a nuclear power?

China as nuclear power: China acquired its nuclear weapon in October 1964 to address its insecurity in relation to the US and the former USSR.

China – Pakistan coalition: Soon, in the mid-1960s, China and Pakistan entered into an opaque strategic partnership focused on nuclear weapons to advance their shared security interests that were hostile to India. Pakistani scientists who had access to Western nuclear technology shared their designs and blueprints with their Chinese counterparts.

Experts maintain that Pakistan acquired the nuclear weapon in the late 1980s, courtesy to China. This enabled a secret test to validate the warhead design in Lop Nor in May 1990.

Read more: Aligning the triad: On India's nuclear deterrence

How does India view a nuclear-powered state?

The US and USSR in the Cold War envisaged nuclear power as a counterforce strategy. But, India, on the other hand, sees the nuclear weapon has a single purpose — the core mission —to deter the use of a similar capability. This is visible in India's No First Use policy.

At a time when the nuclear policies of other countries rattling and becoming more pronounced, India's commitment to pristine deterrence and nuclear restraint should remain persistent.

India's nuclear policy aids the extended southern Asian region and brings China and Pakistan to the negotiation table. This will be a test of Indian acumen.

Read more: 'No First Use' nuclear policy depends on circumstances: Rajnath Singh

What should be done?

The introduction of the CDS (chief of defence staff) is a work in progress. So, the civil-military command and control needs to be regularly reviewed and simulation exercises conducted.

The role of the Defence Minister in the Indian nuclear ladder needs to be reviewed as part of the rewiring of the higher defence management pyramid.

Read more: India's nuclear doctrine after 25 years of Pokhran - Explained, pointwise

63. Women-dependency of Indian agriculture: Gender discrimination in farms

Source: The post is based on the article "Gender discrimination in farms" published in the

Business Standard on 15th May 2023.

Syllabus: GS – 3: Inclusive growth and issues arising from it.

News: Indian agriculture is becoming increasingly women-dependent.

About the women-dependency of Indian agriculture

Various research studies and data compiled through agriculture censuses and various surveys found that,

-About 80% of the country's economically active female population is employed in the farm sector. Women comprise about one-third of the agricultural labour force, and nearly 48% of self- employed farmers.

-Nearly 95% of animal husbandry-related work is performed by women. Their involvement in the production of field crops is 75%, and that of horticultural crops 79%. More than 50% of post-harvest activities are carried out by women.

On the whole, the work participation rate for women is 41.8% in rural areas against 35.31% in urban areas.

Must read: FEMINIZATION OF INDIAN AGRICULTURE

What are the various reasons for increasing women-dependency in Indian agriculture? Migration of men: More men are migrating from villages in search of paid employment because of the fragmentation and shrinking of land holdings. So, the management of small and marginal farms is becoming the responsibility of women. For example, the Economic Survey 2017-18 maintained that growing rural-to-urban migration by men was leading to "feminisation" of theagriculture sector.

Low payment: Typically, female labour is employed in farms for low-skilled but labour-intensive jobs. Besides being hard-working, women are generally preferred over men because they are willing to accept low-paid irregular employment.

Nature of jobs: Women are deemed ideally suited for work like grass cutting, weeding, collecting cotton sticks, detaching fibre from cotton seeds, and de-husking grains. They also look after domestic animals and make value-added products like curd, butter, and ghee, and dealing with gobar (cowdung).

Significantly, there are a few intricate farm operations which require some training, for which women are deemed more suitable than men. For instance, producing hybrid cotton seeds, transplanting paddy, etc.

What are the challenges associated with women-dependency in Indian agriculture?

a) The ownership of farms in official land records is mostly in the names of males, b) The bulk of the benefits of government welfare schemes tend to accrue to men — as land pattas (titles) are in their names, c) Women are often denied access to credit because of lack of ownership of land, property, or other assets to serve as collateral, d) Women face difficulties in getting membership of cooperative societies or farmers producer organisations (FPOs), e) Women labourers are paid lower wages than men for doing the same kind of work, f) Women are not considered for decision-making in agri activities.

Read more: The multidimensional factors behind informalisation of female workforce

What should be done to utilise women-dependency in Indian agriculture?

Women's empowerment through enhanced access to resources like land, property, credit, technology, and training is essential to ameliorate the plight of rural women and improve their calibre to serve as engines of agricultural growth lies.

According to the United Nations Food and Agriculture Organization (FAO), farm output in developing countries can be raised by 2.5 to 4% by ensuring men and women equal access to resources, skill development, and opportunities in agriculture. So, the role played by women in the agricultural value chain farm development **policies needs to be gender-sensitive**.

Specialised farm implements and equipment, designed with female ergometry in view, are needed to reduce the physical strain of strenuous work on farm women.

Incentivising ownership of land and property in the name of women by offering concessions in registration fees and other charges can help in empowering women. The government should facilitate access to benefits in government welfare programmes.

64. Is there room for a dairy behemoth?

Source: The post is based on the article "Is there room for a dairy behemoth?" published in the Livemint on 15th May 2023.

Syllabus: GS – 3: Marketing of agricultural produce and issues and related constraints.

Relevance: About the challenges faced by the dairy cooperatives.

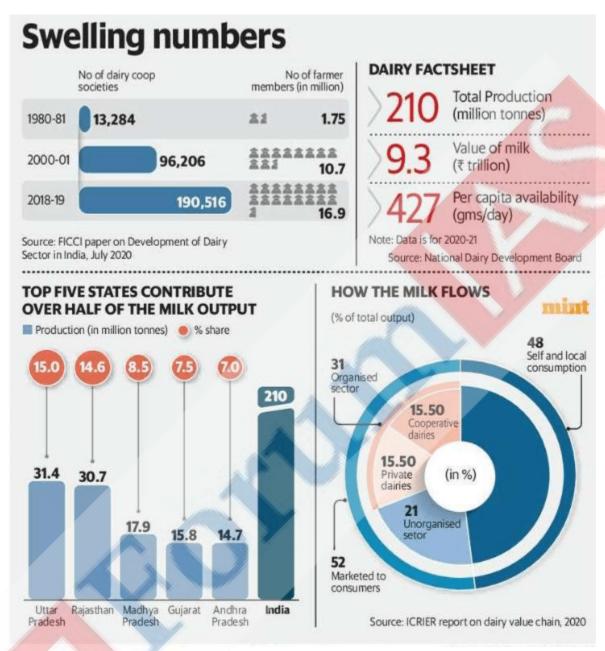
News: Many cooperatives are struggling financially. In this situation, creating a pan-India megabrand will be hard.

About India's milk revolution

Operation Flood was launched in 1970. Various successful dairy cooperatives emerged in different states. Amul is the largest fast-moving consumer goods (FMCG) brand, surpassing the turnover of giants like Hindustan Unilever. Besides Amul, there's Nandini in Karnataka (the second-largest dairy cooperative), Aavin in Tamil Nadu, Milma in Kerala, Gokul in Maharashtra, Verka in Punjab, Saras in Rajasthan, and Sudha in Bihar (the largest cooperative in eastern India).

Read more: Amul vs Nandini threatens to limit choices for consumers

What is the success of India's milk revolution?



Source: Live Mint

The other success of the operation are,

- -India is the largest producer of milk in the world—accounting for a fifth of global output—even though productivity per animal is low.
- -Milk is the largest farm product valued at close to ₹10 trillion annually and produced by over 80 million rural families.
- -Per capita milk availability grew over four-fold, from 107 gm per day in the 1970s to 427 gm in 2021, despite a growing population.
- -Farmer members of cooperatives receive between 75-85% of what the consumer pays for dairy products. This compares with 25-50% share in other farm products.

-Multinational dairy giants were unable to crack India's dairy market due to the strength of successful cooperatives.

Due to its success, the cooperation ministry (set up in July 2021) will help usher in the White Revolution 2.0 by setting up cooperative societies in 200,000 of the 500,000 uncovered villages.

Must read: Challenges Facing Dairy Sector in India - Explained, Pointwise

What are the challenges faced by the dairy cooperatives in India today?

Financial struggles: A 2020 research paper on farm value chains found that 95 of the 175 milk unions it studied were in loss. The bulk of loss-making cooperatives—55 out of 95 unions—were from Uttar Pradesh, the largest milk-producing state.

Issues with the expansion of Amul: Since farmers from other states cannot be members of the Gujarat Cooperative Milk Marketing Federation (GCMMF), Amul behaved like a private sector entity outside Gujarat. In short, Amul entered other states, but it did not follow the Anand model (Anand dairy was owned by farmers and elected farmer representatives managed it).

Issues with the expansion of other dairy cooperatives: The expansion might create benefits like regional balancing (of supply and demand) and logistical benefits. But, the expansion of dairy cooperatives might increase unfair competition that will ultimately hurt farmers. Further, theywill destroy local cooperatives by predatory pricing.

State funds are used to support local dairies (for fodder, artificial insemination, and veterinary services). So, the expansion of cooperatives directly waste the investment of state funds.

Issues with One India one model: One India-one Brand is a thought process aligned with present-day political realities. Dairy cooperatives entering another state may increase competition, transparency and efficiency in the dairy value chain. But the larger the cooperative, the lesser its accountability to members. Further, they become more vulnerable to a technocratic capture with a select few taking all decisions.

Must read: The significance of Amul model of cooperatives

65. Measuring India's manufacturing sector remains a data challenge

Source: The post is based on the article "Measuring India's manufacturing sector remains adata challenge" published in Live Mint on 16th May 2023.

Syllabus: GS 3 - Growth & Development, Infrastructure Relevance:

News: The article discusses the advantages and limitations of the Ministry of Corporate Affairs (MCA) 21 data-set.

About MCA21 data-set

The MCA21 data-set was introduced in place of the Annual Survey of Industries (ASI) to expand coverage of the organized sector.

This data set along with manufacturing also includes service-sector companies in its calculations unlike the ASI.

How is MCA21 data set different from ASI?

The MCA21 represents an administrative dataset, fundamentally distinct in structure from the ASI.

The implementation of such datasets for national accounting purposes is a difficult venture because it requires substantial collaboration among ministries to understand data gathering procedures, definitions, aims, etc.

These data sets are not collected or generated via any statistical design, schedule or questionnaire intended for statistical purposes.



As a result, the statistical agency struggles with data structures derived from regulatory practices, accounting standards, and the administrative processes of the ministry in charge of data creation, over which it has no authority.

Thus, the shift from ASI to MCA included replacing survey data with administrative data, which introduced many new challenges.

What are the advantages of the MCA21 data set?

The MCA21 data offers a broad aggregate picture of our corporate sector. It offers wider coverage data, offers broader scope to estimate value addition, and offers a faster way to prepare annual estimates.

What are the limitations of the MCA21 dataset?

Improper Classification: The MCA21 dataset has both manufacturing and service-sector companies unlike the ASI. However, **MCA21 lacks clear identifiers of economic activity** within the registered entities for correctly classifying companies into respective sectors.

MCA21 provides information on the product-level revenue of enterprises. However, **the problem comes in the case of diversified enterprises** that have multiple products and **services** and operate at several locations.

Therefore, in such scenarios, **sector-wise estimates are distorted by misclassification**, and data available are inconsistent with other metrics of industrial activity.

Lack of Geographical Indicators: The MCA21 data also lacks geographical indicators, makingit problematic for computing state-level aggregates.

Lacks Quality Data: The MCA adds companies on a monthly basis and de-registers companies as per the norm of de-registration.

GDP data from 2012-17 showed that on average, about 60% of active companies file their financial statements and are thus available for estimation. These companies are considerably different from the universe captured by ASI.

Therefore, a year-on-year mapping of ASI and MCA is required to get the clear data from the shift.

Lack of Data for Unorganized Manufacturing Sector: There are limitations to find data for the unorganized manufacturing sector because there has been transformation in the enterprise landscape, particularly after GST implementation and due to the effect Covid.

Measurement errors: GVA values are extended by using MCA growth rates for the organised sector, which might result in considerable measurement errors.

Therefore, in such situations, it is difficult to examine India's manufacturing industry because, despite changes in data and methodology, it has introduced new complexity.

66. Basis for penalty in competition law

Source- The post is based on the article "Basis for penalty in competition law" published in the "Business Standard" on 16th May 2023.

Syllabus: GS3- Indian economy

Relevance - Regulation issues related to the economy

News- The Competition (Amendment) Act, 2023 was introduced recently

What are some facts about the Competition Act, 2002?

The Competition Act, 2002, aims to defend the economy from anti-competitive practices.

It empowers the Competition Commission of India to **impose penalties** for anti-competitive practices and abuse of dominant position.



The CCI has the authority to impose a penalty of up to 10% of the average turnover for the three preceding financial years. The Act defines "turnover" to include the value of goods or services sold.

What was the ruling of the apex court in In Re: Excel Crop Care Limited case related to calculation of turnover?

The CCI imposed a penalty at **9% of the total turnover**. CCI statute was not clear whether the turnover was related to the product or the person.

An appeal in this matter was filed in apex court in 2017. It adopted "relevant" turnover for imposing a penalty. It clarified that "relevant" turnover was the person's turnover pertaining to products and services affected by the violation of law.

For this purpose, it relied on two principles: (i) **strict interpretation** — if two interpretations are possible — one that leans in favour of the infringer should be adopted.

(ii) Punishment should be **proportionate to the harm** caused by the infringer.

What are some provisions of the Competition (Amendment) Act, 2023?

The Competition (Amendment) Act, 2023 defines turnover for purposes of penalty as "global" turnover. It is the turnover derived from all the products and services by the person concerned.

It mandates the CCI to **publish guidelines** to determine an **appropriate amount of penalty** for violating the provisions of the Act.

It further mandates the CCI to consider these guidelines for imposing penalties and provide reasons in the case of any divergence from them.

The amended law does not enable more than one interpretation. So, there is no need to use the principle of strict interpretation.

It provides three levers to **ensure proportionality**— (1) The penalty can vary from zero to 10% of the global turnover, depending on the gravity **of the Violations**.

- (2) The guidelines shall guide determining the appropriate amount of penalty.
- (3) The order shall give reasons for awarding a penalty different from the one specified in the guidelines.

What are the advantages of Global turnover as compared to relevant turnover?

There are situations where it is difficult to use **relevant turnover** for imposing a penalty. An example is the hub-and-spoke agreement.

A hub is typically not engaged in the **same line of business** as the spoke. Since its relevant turnover is nil, the penalty based on such turnover would be nil. IT encourages the hub to **contravene the law** with impunity.

Determining relevant turnover is often **complex and imprecise**. An example is the abuse of dominance in health insurance.

The infringer would argue for a narrower definition of the product. The competition authority would take the opposite view. This will only add to litigation.

Why does global turnover make eminent sense for determining penalties?

Enforcement is an important **aspect** of any law. The **effectiveness of enforcement** depends on the **probability of conviction** of the violator of the law and the **level of sanction or punishment.**

A higher probability of conviction can assure compliance even at a **lower level of sanction** and vice versa. However, the probability of conviction is less in economic legislation like competition law because it relies on the **rule of reason.**

Therefore, the **level of sanction** must be higher. So, **use of global turnover** is justified for imposing penalties.

Competition law addresses market failure arising from market power. If a person abuses market power to, it triggers a **process of resource reallocation**. This trigger settles down after moving resources across products and sectors.

It kills several enterprises, and possibly creates new ones. This yields a **new equilibrium**, which is different from the **initial equilibrium**.

The difference is the misallocation of resources. So, the **entire economy suffers**. Thus, the impact of the abuse is not limited to the products or services underlying the contravention.

67. As president, India can guide G20's disaster management initiatives

Source: This post has been created based on the article "**As president, India can guide G20's disaster management initiatives**", published in Indian Express on 16th May 2023.

News: The G20 has endorsed a new working group on disaster risk reduction under India's Presidency. This article discusses the significance of disaster risk management and mitigation. What are the socio-economic impacts of disasters?

There is an increase in catastrophes across the globe. These disasters have been increasing poverty, thwarting development, and generating social polarisation.

The annual disaster losses have a significant impact on GDP in many low-income economies. **What** are the challenges faced by countries in dealing with disaster related challenges? Partnership with private insurance companies transfer sovereign risk to the capital markets.

There is also a scarcity of investment in a development-oriented approach to manage disasters. Difficulty in collecting and analysing data on hazards and exposures.

The necessity of strengthening technical and institutional capacity for risk assessment and modelling.

The challenge of achieving comprehensive coverage of disaster risks.

What role can Disaster Risk Reduction Working Group (DRRWG) play in disaster riskmanagement?

It will prioritize disaster risk financing.

It will provide a comprehensive overview of disaster risk assessment and financing practices across various economies.

The G20 DRRWG can play a significant role in directing capital flow towards investments that make societies and economies more disaster resilient.

The DRRWG aims to establish critical links between public and private actors' investment and financial decision-making.

How India can be instrumental in strengthening disaster risk management mechanisms? India has extensive experience in dealing with natural disasters, so it can lead the way inpromoting awareness of the financial impacts of disasters. India can help in establishing aregulatory framework to enhance insurance companies' financial capacity to cover disasterlosses.

68. Planely Evident – India needs a cross-border insolvency framework soon as supply chains are global

Source: The post is based on the article "Planely Evident – India needs a cross-border insolvency framework soon as supply chains are global" published in The Times of India on 16th May 2023.

Syllabus: GS – 3: changes in industrial policy and their effects on industrial growth. **Relevance**: About cross-border insolvency framework.

News: India's aviation industry is dependent on a global supply chain for its operations. The voluntary insolvency sought by Go First has once again highlighted the cross-border spillover of a domestic problem.

Must read: Indian aviation industry: Potential and challenges - Explained, pointwise

What are the reasons behind Go Air's insolvency?

What is the core issue with India's cross-border insolvency framework?

Barring foreign firms: The <u>Insolvency and Bankruptcy Code</u> represents a transition from a regime of 'debtor-in-possession' to 'creditor-in-control'. For example, in aviation, foreign aircraft lessors are barred from taking possession of their assets when the insolvency process is on. This can have negative fallout for other domestic airlines in cross-border insolvencies.

Non-adhere to time limits: The biggest challenge IBC faces is overshooting the legally mandated time to complete the process. For example, against the mandated timeline of a maximum of 330 days to finish the resolution process, the average time taken for closure at the end of March was 614 days. Of the ongoing resolution cases, 64% have already exceeded 270 days.

This creates the following issues **a)** erodes the value of firms facing resolution, **b)** limits financial creditors' claims. For instance, on average creditors are able to realise just 32% of their claims, and **c)** undermines the credibility of IBC.

Read more: Insolvency and bankruptcy code - present challenges: Explained, pointwise

What are the other issues with the cross-border insolvency framework?

There's a template available in the form of a UN model law on cross-border insolvency. Despite that, the cross-border insolvency laws across countries are not uniform. For instance, during the Jet Airways insolvency, a parallel proceeding was underway in the Netherlands. Both Indian and Dutch resolution efforts managed to agree on a cross-border insolvency protocol that received NCLAT's approval.

What should be done?

NCLTs need to find ways to reduce the time taken to decide on the admission of a firm into insolvency proceedings. During the process, stakeholders also need to follow deadlines to end procedural uncertainty.

India also needs a cross-border insolvency framework as the supply chains are becoming more global.

Read more: Finetuning the Insolvency and Bankruptcy Code

69. What are the gaps in the AePS transaction model?

Source: The post is based on the article "What are the gaps in the AePS transactionmodel?" published in The Hindu on 16th May 2023.

Syllabus: **GS** – 3: basics of cyber security.

Relevance: About issues with the Aadhaar-enabled Payment System (AePS).

News: Cybercriminals are now using silicone thumbs to operate biometric POS devices and biometric ATMs to drain users' bank accounts.

What is an Aadhaar-enabled Payment System (AePS)?

The AePS is a bank-led model which allows online financial transactions at Point-of-Sale (PoS) devices and micro ATMs of any bank using Aadhaar authentication. The model removes the need

for OTPs, bank accounts and other financial details.

Under section 7 of the Aadhaar Act, users who wish to receive any benefit or subsidy under schemes have to mandatorily submit their Aadhaar number to the banking service provider.



According to a website managed and run by MeitY, the AePS service does not require any activation. The only requirement is that the user's bank account should be linked with their Aadhaar number. According to the National Payments Corporation of India (NPCI), this allows fund transfers using only the bank name, Aadhaar number, and fingerprint captured during Aadhaar enrolment.

Read more: <u>How loopholes in Aadhaar-enabled payments are putting poor people at risk of being swindled</u>

How have cybercriminals exploited the AePS ecosystem?

The UIDAI said that the Aadhaar data, including biometric information, is fully safe and secure. UIDAI's database is not the only source from where data can be leaked.

Aadhaar's numbers are readily available in the form of photocopies, and soft copies, and criminals are using Aadhaar-enabled payment systems to breach user information.

How UIDAI is planning to improve AePS ecosystem?

The UIDAI is proposing an amendment to the Aadhaar (Sharing of Information) Regulations, 2016. The amendment will require entities in possession of an Aadhaar number to not share details unless the Aadhaar numbers have been redacted or blacked out through appropriate means, both in print and electronic form.

UIDAI will require entities in possession of an Aadhaar number to not share details unless the Aadhaar numbers have been redacted or blacked out through appropriate means, both in print and electronic form.

The UIDAI has implemented a **new two-factor authentication mechanism.** This uses a machine-learning-based security system, combining finger minutiae and finger image capture to check the 'liveness' of a fingerprint.

UIDAI also advised users to lock their Aadhaar information by visiting the UIDAI website or using the mobile app. . It can be unlocked when the need for biometric authentication arises, such as for property registration, passport renewals, etc.

Timely reporting will ensure any money transferred using fraudulent means is returned to the victim.

Read more: Failure Of Aadhar Based Payment System

70. The next step in climate efforts

Source: The post is based on the article "The next step in climate efforts" published in

Business Standard on 17th May 2023.

Syllabus: GS 3 - Climate Change

News: A consensus has been adopted on the UN General Assembly resolution recently. The resolution seeks advisory opinion from the International Court of Justice (ICJ) on "the obligation of States in respect of Climate Change".

What are some of the facts about the resolution?

The resolution was led by the Pacific Island state of Vanuatu. Later, the Core Group of 18, known as ICJA04, which includes other island states, African states, Germany and Portugal also supported it.

India was not part of this group nor was it a co-sponsor. The US has also not voted for the resolution. However, China has joined the consensus.

The resolution seeks ICJ's legal opinion on legal consequences for states that are responsible for climate change, particularly affecting small island developing states and present and future generations.

Note: Advisory opinion from the ICJ is not legally binding on states but it carries a certain moral authority.

What is the resolution about and what are the concerns present?

The resolution focuses on the missing historical responsibility of states, which are primarily responsible for the stock of greenhouse gases already accumulated in the earth's atmosphere. Australia, Germany, and the rest of the European Union have spoken in support of the resolution because the idea of historical responsibility, which is a key element in the UN Framework Convention on Climate Change (UNFCCC) of 1992, has been ignored.

ICJ opinion may also be used for laying the blame on countries like India whose emissions will inevitably rise in the course of their economic development, despite their ambitious efforts to limit such emissions.

However, there is no reference in the resolution to the issue of compensation for "loss and damage" from climate change.

This issue should have been highlighted at ICJ because developed countries have been staying away from their legal responsibility to compensate developing countries for their past emissions. Therefore, India should not hesitate to make such submission to the ICJ, which represents its own views and concerns.

What can be the key elements in India's submission?

First, India should emphasise that there is already a climate change treaty in the shape of the UNFCCC or the Rio Convention of 1992, which clearly establishes nations' legal responsibility to take climate change action.

For ICJ, it should reaffirm the validity of the principles and provisions of the UNFCCC rather than seek to establish another legal framework.

Second, the idea of equality and equitable burden sharing must be reiterated in establishing legal commitments of states for climate change action.

Third, the principle of common but differentiated responsibility and respective capabilities should be reiterated. This will make the states that are responsible for the accumulation of greenhouse gases and which are responsible for global climate change to support adaptation by developing countries. India should also highlight the ambitious measures it has adopted in addressing the challenge of climate change.

Fourth, India should point out those industralized countries which violated their legal obligations under the Kyoto Protocol and walked away from it without submitting to the penal provisions under its compliance procedure. The ICJ should hold them accountable.

71. Government's Open Network for Digital Commerce: An audacious idea

Source: This post is created based on the article "government's Open Network for Digital Commerce: An audacious idea", published in Indian Express on 17th May 2023.

Syllabus Topic: GS Paper 3, Changes to Industrial policies

E-commerce is not simply selling goods and services online; it also includes the physical process of shipping and delivering the ordered items to the customers.

The platforms such as Amazon and Flipkart also function as "operators" as opposed to mere online "platforms". These platforms are not just bridging the gap between sellers and buyers, but also ensuring the physical completion of transactions.



Therefore, the success of Open Network for Digital Commerce (ONDC) as well, depends on its ability to provide end-to-end solutions from logistics and warehousing to delivery and payments. What are the aims of ONDC, as an alternative to existing online platforms?

ONDC aspires to displace the prevalent 'platform-centric' model with an 'open network' model that relies on non-proprietary protocols.

This model allows sellers and buyers to engage in transactions independently and switch among platforms that are compatible with each other.

It will integrate approximately 13 million small local stores and 42.5 million Micro, Small, and Medium Enterprises (MSMEs), which are presently digitally marginalized.

The potential of the ONDC's success lies in widespread adoption of internet and smartphones in the last decade. Also, the effective implementation of large-scale initiatives like Aadhaar, the Unified Payment Interface (UPI), Goods and Services Tax Network, and CoWin vaccination apps.

What are the challenges in front of ONDC?

First, in UPI, the transactions are limited to transfer of funds between bank accounts that are linked to mobile phone numbers.

Second, ONDC faces a challenge in its ability to physically fulfill orders.

Third, as Union Commerce and Industry Minister Piyush Goyal said that ONDC will have to do better than present platforms or even what UPI did in payments.

72. Tripping trade – India must not excessively rely on a few large markets

Source: The post is based on the article "Tripping trade – India must not excessively relyon a few large markets" published in the Indian Express on 17th May 2023.

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

Relevance: About the reduction in India's imports and exports.

News: This March exports had hit a nine-month high of nearly \$42 billion while imports were \$60 billion. But, goods exports declined to \$34.6 billion in April, the lowest since last October. Imports in April shrank by a sharper 14% which is a 15-month low of under \$50 billion.

Note: The new Foreign Trade Policy enunciated a two trillion-dollar export goal to be achieved in seven years.

What are the various reasons for the reduction in India's imports and exports?

a) Slowing global economy, b) Falling imports indicate a reduction in domestic demand, c) If imports of petroleum (down 14%), and gems and jewellery are down, then the associated value- added end products export will also come down, d) Other job creators such as textiles is also facing hardships.

What is the status of global economies at present?

WTO forecasted a global trade growth hike (from 1% to 1.7%) for 2023. This might be because of China's opening up of the economy. However, the recent Chinese data have been disappointing regarding recovery momentum.

European and North American markets are expected to speed up goods orders. But the services exports may not speed up.

What India should do?

India must use this slack period to review its overall trade stance. India should a) assess its excessive reliance on a few large markets, and b) pursue greater integration with global value chains and multilateral trading arrangements.

73. Climate trade barriers: Go for realistic idealism

Source: The post is based on the article "Climate trade barriers: Go for realistic idealism" published in the Livemint on 17th May 2023.

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

News: Recently, the EU gave approval to its <u>Carbon Border Adjustment Mechanism (CBAM)</u>. This will impact Indian iron, steel and aluminium shipments worth more than 2021's \$8 billion. <u>About Carbon Border Adjustment Mechanism (CBAM)</u>

According to EU, the CBAM will ensure its climate objectives are not undermined by carbon-intensive imports and spur cleaner production in the rest of the world. Apart from that, EU policy is trying to level the internal field for EU and non-EU players.

Must read: EU's carbon border tax - Explained, pointwise

How it will create unfair climate trade barriers?

Restriction on importers: Annually, EU importers will have to declare direct and indirect emissions caused by their previous year's imports. From 2026, they must submit equivalent CBAM certificates priced on the basis of weekly average auction prices in the EU's market for carbon permits.

Success not guaranteed: The CBAM idea and its impact are unproven. The EU needs a world market to emerge to meet its CBAM ambitions.

Double pricing: Carbon has already been priced high in India. If India adopts carbon pricing expansively in India, the price will need to be low, just a fraction of Europe's.

Read here: <u>Green crosshairs – A multi-pronged counter is warranted to tackle the EU'scarbon</u> tax plans

What are India's options against the CBAM?

What should India do?

It will take years of data to properly assess the impacts of the EU's carbon tax. So, India should adopt a stance that combines realism on securing India's export interests with idealism on saving the planet. A global market for carbon is an idea that deserves a fair chance.

74. Curbing defence imports

Source: This post is created based on the article "Curbing defence imports", published in Indian Express on 17th May 2023.

Syllabus Topic: GS Paper 3, Changes to Industrial policies, Liberalisation

News: Government has been progressively restricting imports of specified weapons and defence kits in India.

In December 2020 Initial restrictions were imposed on importing line replacement units (LRUs) and some other defence equipment.

In 2022, curbs on import were further expanded. The list contains 2,500 items that have already been indigenised and another 1,238 that will be indigenised within stipulated timelines.

The list which includes indigenised items is called "positive indigenisation lists" or PIL.

What are the questions raised by indigenous defence industry on PILs?

First, what is the need for import restrictions if it is indeed cheaper to design, develop, and manufacture defence products in India. Although MoD has said that it is an assurance to Indian

defence manufacturers that they will compete on a level playing field within India. In the past, MoD has imported the same product from global market, which was developed by private defence industry in India, leading to losses.



Second, whether PILs compromise defence preparedness due to issues of quality and timing. Many of the Indian projects like Arjun tank, the Tejas fighter aircraft were protected from the global competition. It resulted into time and cost overruns. In the face of global competition, it would not have happened.

Third, whether PILs are a suitable method of increasing indigenisation? sophistication level of defence equipment is increasing, therefore indigenization should not be at the cost of military preparedness.

75. Safe farming – on Indiscriminate use of pesticides

Source: This post is created based on the article "Safe farming", published in BusinessStandard on 17th May 2023.

Syllabus Topic: GS Paper 3, Agriculture Inputs

News: Pesticides are a vital input for modern farming to protect crops against pests, disease-causing pathogens, and other threats. The scientific committee has given its suggestions on the issue of ban on pesticides.

Scientific committee, led by T P Rajendran has presented its report. Government has submitted its report in the Supreme Court (SC).

What are the findings of the committee on pesticide ban?

The committee considered the safety, toxicity, and effectiveness of these agro chemicals. It also took into account the views of farmers who have used them for years to protect their crops from pests, diseases, and weeds.

The committee approved 24 out of these 27 agro chemicals, suggesting only three should be banned. A lack of affordable and equally effective alternatives to these chemicals is one of the reasons given for shortening this list.

What are the effects of pesticide use?

Pesticides are inherently hazardous due to their toxic chemicals which can have acute and chronic health effects, especially if misused.

Adverse health effects of agro chemicals usually result from over-exposure or misuse by farmers. Farmers in India often neglect basic precautions such as wearing gloves and face masks when spraying pesticides.

Additionally, farmers frequently ignore the safe use instructions provided on pesticide packaging.

What should be done?

The "International code of conduct on pesticide management" has been developed by WHO and FAO. It is a guide for governments, regulators, and other stakeholders, including farmers for pesticide management. This code should be strictly followed right from the stage of approval of pesticides for manufacture to their application to crops by farmers.

A large-scale awareness campaign is needed to promote the appropriate use of pesticides to mitigate agro-chemical-related hazards.

The ideal approach would be to incentivise the production and use of harmless and environmentally friendly bio-pesticides.

76. Towards a National Innovation System

Source: The post is based on the article "Towards a National Innovation System" published in Business Standard on 18th May 2023.

News: Economists, focusing on the National Innovation System, believe that innovation largely happens at firms. Firm capacity is affected by both what they do themselves and the institutions around them.

What is the present situation of India in innovating its firm?

The top 2,500 firms investing in R&D worldwide account for around 90 percent of all industrial R&D. However, India has no firms in the top 2,500.

Even when Indian software companies are profitable, they invest just 1 percent of theiraverage annual revenue in R&D, compared to a global average of 12 percent.

Therefore, India should increase its in-house R&D from 0.3 percent of GDP to match theworld's level of 1.5 percent. India also needs big R&D investors.

Where could big R&D investors in India come from?

India's 10 most profitable non-financial firms are in software, oil refining, metals, and other industries.

They invested under \$1 billion, or about 2 percent of profit, in R&D. However, companies in China invested around 29 percent of profit while companies in the US, Japan and Germany invested 37, 43 and 55 percent of profit in R&D.

Therefore, Indian industry should be present more in technology-intensive sectors to invest more in R&D. Within the industries that are already present in India, it is required that they invest closer to the world average.

These measures will then bring giant investors in R&D among the most profitable firms.

What can India learn from the world in firm innovation?

Japan, South Korea, Taiwan, Singapore, and China followed a particular sequence in building innovation capacity.

Firms in these countries **first entered export markets as original equipment manufacturers (OEMs) supplying to foreign brands**. This ensured world-scale capacity and brought competitiveness amongst the companies.

Later firms in these countries moved up the value chain to more technology-intensive sectors such as consumer durables, electronic assembly, etc. They also started to invest in in- house R&D in these sectors to sustain competitiveness.

These firms further moved to higher-technology sectors like semiconductors, pharmaceuticals, computers and went with increasing investments in in-house R&D.

All five East Asian governments funded R&D and followed the West in investing in public research in the higher education system to create researchers.

These researchers became the core of the in-house R&D departments of local firms.

In contrast, Indian Industry was forced to compete only after 1991 liberalisation, which was the first step of innovation in India.

The other steps in innovation have not yet happened in India as the Indian industry has been content with low R&D spending of 0.3 percent of GDP.

What can be the way ahead for India?

Pharmaceuticals and automobiles are the two technology-intensive sectors in which India has some presence in the global industrial R&D.

Pharmaceuticals dominate the R&D investments in India. It accounts for 34 percent of all Indian industrial R&D.

With this investment in R&D its sales account for 10 percent, which is lower than the world's 16 percent. However, this ratio is decent relative to every other sector.

Therefore, India has an advantage in pharmaceuticals to build a world-class innovative industry.

77. 12-Hour Workday Won't Work

Source: The post is based on an article "12-Hour Workday Won't Work" published in TheTimes of India on 18th May 2023.

Colleborar CC 2 - Indian Francisco Chambra to Indiantiful Balta

News: The governments of Tamil Nadu and Karnataka have recently allowed 12-hour workdays. The rationale behind this Arguments is that it will ensure higher domestic growth and foreign investment, thereby creating jobs.

However, developed economies have taken other measures to achieve these.

What steps have been taken by developed economies?

Developed economies have increased their GDP and attracted investments by growing the size of their manufacturing sector.

Manufacturing plays a key role in an economy's growth and development because compared to other sectors it displays greater economies of scale and has a larger number of forward and backward linkages.

Further, unlike construction and the majority of services, manufacturing output is tradable. This means that firms cannot survive if they cannot compete in the global economy. This forces them to be more productive.

What is the current situation of India in manufacturing?

The share of India's workforce in manufacturing has been around 12% since the early 1980s. As of December 2022, total manufacturing employment in India stood at just 12.7% of the workforce.

The vast majority of workers, with low levels of education, who left agriculture have ended up either in construction or small-scale services, leading to low-productivity work.

Whereas the transition from farm to factory in Europe and East Asia increased the share of employment in manufacturing to 25-30%, reaching a peak.

What are the concerns present for India in the manufacturing sector?

India's industrial policy has not been as effective as other countries like China. However, India has taken measures to improve its industrial policy for the manufacturing sector by introducing the PLI scheme.

Further, India is unable to attract foreign investments in the manufacturing industries as wellas to promote domestic firms because of complex regulatory structure and inadequate infrastructure.

Since India suffers from these issues, it prefers focusing on labour law amendments.

Will amending labour law help India?

Without changing regulatory structure and infrastructure issues, labour law changes would not be of great help.

Moreover, Indian factories prefer employing contract laborers. This makes a vast majority ofworkers stay away from the labor laws benefits.

Therefore, a more transparent and uniformly enforced regulatory environment is needed to help employers and enable job creation to help workers.



Moreover, the biggest reason employers in India are much more powerful than workers is that workers far outnumber jobs. Therefore, the government must ensure the safeguarding of basic workers' rights.

Further, regulatory changes must be accompanied by substantial investments in local and grassroots infrastructure. Else, labour law changes will not be beneficial and effective.

What can be the way ahead?

Balancing the wellbeing and safety of workers while allowing employers the flexibility to deal with fluctuations in market conditions is imperative for a well-functioning capitalist economy.

Hence, if India wants both economic growth and decent jobs then this balance must be maintained.

78. Why are financial regulators transitioning from LIBOR?

Source: This post is created based on the article **"Why are financial regulators transitioningfrom LIBOR?"** published in The Hindu on 18th May 2023.

6 H L T 1 CCD 2 L L E E 1 L L L

News: The Reserve Bank of India (RBI) said on May 12 that some banks haven't completely stopped using the London Interbank Offered Rate (LIBOR).

In 2020, RBI had asked banks to analyse their LIBOR exposures and prepare for the adoption of alternative references rates like Secured Overnight Financing Rate (SOFR) and Modified Mumbai Interbank Forward Outright Rate (MMIFOR).

RBI has announced that Contracts entered after (or before, if possible) December 31, 2021, were not to use the LIBOR as reference rate.

What is LIBOR?

LIBOR is a global benchmark interest rate. It combines individual rates collected from banks at which they may borrow from each other (for a particular period of time) at the London interbank market.

LIBOR is used as a benchmark to settle trades in futures, options, swaps and other derivative financial instruments in over-the-counter markets.

How is LIBOR decided?

Banks on the LIBOR panel submit their suggested interest rate at 11 AM on every business day to news and financial data company, Thomson Reuters.

The company then averages the middle quartiles to derive the LIBOR. It excludes the Extreme quartiles, on the top and bottom.

What is the controversy in the methodology of LIBOR?

This mechanism is heavily dependent upon the banks in the panel to be honest in the interest rate suggestions.

The phenomenon of dishonest submissions was on display during the 2008 financial crisis when submissions were artificially lowered.

In 2012, Barclays admitted to the misconduct and agreed to pay \$160 million in penalties to the U.S. Dept of Justice.

Another observation was the banks were changing the submission to acquire more profits.

What alternatives are available to LIBOR?

Therefore, an alternative was announced in 2017 by the U.S. Federal Reserve, which was Secured Overnight Financing Rate (SOFR).

India also announced the use of SOFR and the Modified Mumbai Interbank Forward Outright

MIFOR

Indian banks use the Mumbai Interbank Forward Offer Rate as a standard for pricing forward-rate contracts and securities. MIFOR rate is tied to Dollar LIBOR

SOFR comprises the weighted averages of the rates charged in these repo transactions. It is collateralised by U.S. Treasury securities. Therefore, it is a transaction-based rate and does not require any expert calculation. It also makes it less prone to manipulation.

79. Regulating AI – on EU's draft Artificial Intelligence law

Source: This post is created based on the article "Regulating AI – on Artificial Intelligence" published in Indian Express on 18th May 2023.

News: The European Parliament's committee has approved a draft artificial intelligence (AI) law.

What are the provisions of EU's draft Artificial Intelligence law?

Scope of the act: The proposed Act aims to establish standards for AI deployment within the European Union (EU). This act applies to any entity serving EU residents, much like the EU's General Data Protection Regulation (GDPR).

The Act prohibits several types of AI tools that infringe on privacy or enable discrimination.

Risk based Categorisation: AI will be categorized based on risk levels, from minimal to limited, high, and unacceptable. High-risk tools will be allowed under strict oversight, auditing, and transparency requirements.

Banned Systems: It will ban systems such as real-time remote biometric identification systems used in public spaces and post-real-time use of such systems. Certain exceptions are provided for law enforcement in serious crimes following judicial authorization.

Other prohibited systems include biometric categorization based on sensitive attributes, such as race, gender, or political orientation, and predictive policing systems.

The Act also prohibits the widespread scraping of biometric data from social media or CCTV footage to create databases. Also, "emotion recognition" systems used in several contexts to detect discomfort through facial expressions or body language.

High-risk AI will include systems that ae potentially harmful to health, safety, fundamental rights, or the environment. It will include AI used in political campaigns to influence voters and recommendation systems used by large social media platforms.

Generative models, like GPT, would need to comply with robust transparency requirements.

Exemptions: There are provisions for exemptions for research activities under open-source licenses, and the Act supports the establishment of regulatory sandboxes to test AI before deployment.

The Act further introduces legislation to facilitate citizens in filing complaints and requesting explanations for AI-based decisions affecting them.

80. Express View on the Insolvency and Bankruptcy Code: Changes are needed to ensure its smooth functioning

Source: The post is based on the article "Express View on the Insolvency and BankruptcyCode: Changes are needed to ensure its smooth functioning" published in the Indian Express on 18th May 2023.

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

News: The Insolvency and Bankruptcy Code failed to provide a time-bound resolution process as envisaged in the code.

What is the performance of the Insolvency and Bankruptcy Code so far?

At the end of March, 6,571 cases had been so far admitted under <u>Insolvency and Bankruptcy Code</u>. Of these admitted cases, 4,515 cases have been closed, while proceedings are ongoing in the remaining. A staggering 45% of the closed cases have ended up in liquidation, while the rest have been either resolved, withdrawn or appealed.

Of the total admitted claims of creditors estimated at Rs 8.98 lakh crore in various cases, thetotal realisable value was only Rs 2.86 lakh crore. Almost two-thirds of the current resolution proceedings have crossed the 270-day deadline.

In the cases currently undergoing liquidation, 55% have been going on for more than two years. Such delays will lead to further destruction in the value of assets.

Read more: Insolvency and bankruptcy code - present challenges: Explained, pointwise

What is the performance of pre-packaged insolvency resolution process for MSMEs?

In 2021, the government brought in amendments to introduce a pre-packaged insolvency resolution process for MSMEs. This framework provides the space for a direct agreement between the firm's owners and its financial creditors, with the debtor remaining in control during the process. But, the framework has not gained traction. For example, only four applications have been admitted under this framework as on March 2023. Of that, one has been withdrawn.

Must read: Planely Evident – India needs a cross-border insolvency framework soon assupply chains are global

What should be done to revamp the IBC?

The government is likely to introduce further amendments. This should be focused on cutting down the delays in the process, ensuring smooth functioning, and increasing the efficiency and effectiveness of the Code.

Read more: Finetuning the Insolvency and Bankruptcy Code

81. More innovation, a skilled workforce: The promise in India's National Quantum Mission

Source: The post is based on the article "More innovation, a skilled workforce: The promisein India's National Quantum Mission" published in the Indian Express on 19th May 2023. Syllabus: GS — 3: Indigenization of technology and developing new technology.

News: The Union Cabinet has recently approved the ₹6,003 crore National Quantum Mission (NQM).

Must read: Quantum computing technology and associated applications - Explained, pointwise

What is Quantum computing technology?

What is India's National Quantum Mission(NQM)?

Must read: <u>Cabinet approves National Quantum Mission to scale-up scientific & industrial R&D</u> for quantum technologies

What is the significance of India's National Quantum Mission?

Investments in quantum materials and devices promise far more dividends. Such as,

Generate a cadre of the highly skilled workforce: As India gears to become the world's third-largest economy by 2027, a strongly networked material infrastructure in the country will be

The concept of "quantum devices": New paradigms of ultrafast transistors and optoelectronic components, as well as non-volatile memory and sensing devices, are becoming enabling vehicles for quantum applications.

Research on new architectures to incorporate quantum materials into functional units has led to the concept of quantum devices.

Develop new or upgrading current methods: Increasing investments in innovation, quantum materials, and manpower generation will lead to precise synthesis, scalable yield, and stable performance of quantum technologies.

Streamline the material and device requirements for the core quantum technology: By a) building infrastructure for new materials and devices with in-house R&D, b) synergising the diverse and geographically distributed material workforce in India to achieve mission deliverables, and c) ensuring efficient resource utilisation as well as minimising redundancy and duplication will streamline the material and device requirements.

What are the challenges faced by the NQM?

Fewer firms in tech manufacturing: Currently nearly 12% of start-ups are deep tech-related

— this represents a nearly 35 times increase between 2016 and 2019. However, less than 3% of these involve manufacturing and/or materials.

India does not have enough infrastructure: India does not have enough infrastructure thatcan support the entire chain of operation from working out the proof-of-principle to developing working prototypes.

Fewer and more scattered R&D community: In 2018, India had 253 full-time equivalent researchers per million of its population. This is about 11% of the researcher density of Italy. Further, this workforce is also distributed across the country.

Material/device challenge: The material/device challenge in quantum technologies is unique because it often demands manipulation of the quantum state of an electron or atom with much more control, like three-dimensional systems, that contain billions of atoms.

Read more: Quantum Computing: Uses, Challenges and India's Initiatives – Explained, pointwise

What should be done to enhance India's National Quantum Mission?

The research will be required to **develop low-loss materials for superconducting quantum electronics** this will preserve quantum information over a long period and much more.

Leverage the evolving scientific infrastructure: Capacity building in the past two decades under national initiatives, such as the Nano Mission and <u>National Supercomputing Mission</u>, has enabled a five-fold increase in research publications in this area between 2011 and 2019.

Strategic recruitment: India needs to devolve strategies to integrate the initiatives of the demographically scattered human resources. Further, the NQM's goal-oriented multi-institutional consortia will demand strategic recruitment of new talent, synergistic multi-institutional collaboration and political will to ease bureaucratic norms and prevent delays in infrastructure building.

India needs to **create a well-balanced R&D ecosystem** where material research for near-term goals and applications needs to coexist and collaborate with more fundamental and futuristic objectives. Through timely investment and efficient management, India can emerge a global leader in the Quantum technology.

82. Measuring success: Increasing PLI allocation will not be enough

Source: The post is based on the article "Measuring success: Increasing PLI allocation willnot be enough" published in the Indian Express on 19th May 2023.

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

Relevance: About PLI Scheme 2.0 for IT Hardware.

News: The Union Cabinet has recently approved an updated Production Linked Incentive (PLI) scheme for IT hardware manufacturing with more fund allocation.

About the updated Production Linked Incentive (PLI) scheme for IT hardware manufacturing

Must read: Centre more than doubles outlay on PLI for IT hardware to ₹17,000 crore

What are the key changes in the PLI Scheme 2.0 for IT Hardware?

- -The updated scheme now has a budgetary outlay of Rs. 17,000 crore, compared to the previous allocation of Rs. 7,325 crore.
- -The tenure of the scheme has also been increased to six years from four years.
- -The average incentive has been enhanced to 5% compared to 2% offered in the previous version.
- -Companies using local components will now get additional incentives.

What are the expected benefits of PLI Scheme 2.0 for IT Hardware?

With the modified scheme, the government expects an investment of Rs. 2,430 crore in the sector during the given period.

India needs to create a large number of manufacturing jobs for its ever-rising workforce. Hence, with the updated scheme, the Centre expects to create 75,000 direct jobs and boost production by Rs. 3.35 trillion.

About the potential of Electronics manufacturing in India

Electronics manufacturing has been witnessing consistent expansion with a 17% compound annual growth rate (CAGR) over the past eight years. The annual production value is estimated to have crossed \$105 billion, or about Rs. 9 trillion.

India has emerged as a trusted supply-chain partner for global players and large companies are willing to invest in India.

Why increasing allocation for PLI Scheme 2.0 for IT Hardware is not enough?

The earlier version did not yield results despite investment: Various reports have shown that the target for electronics manufacturing would be missed by a significant margin by 2025-

26. Exports would be around only 53-55% of the stated target.

In the case of IT hardware, in particular, against the target of \$25 billion, production is estimated to touch only about \$6 billion.

The extension of financial support is not the correct way to attract investment: The financial support might cause a) the subdued performance of firms in different sectors, b) In the long run, they might develop heavy dependence on PLI, c) deviate focus from create enabling conditions for a large and diverse manufacturing base in the country and d) fiscal incentive can be only one of the many variables determining actual investment decisions.

What should be done?

The government should re-evaluate the scheme to help drive long-term investment and balance India's aversion to large trade agreements.

83. Logistics makes the world go around

Source: The post is based on the article "Logistics makes the world go around" published in

Business Standard on 19th May 2023.

Syllabus: GS 3 - Infrastructure

Relevance: measures needed by India to improve its rank in World Bank's Logistics

News: India has jumped six ranks to 38th position among 139 countries on the World Bank's Logistics Performance Index for 2023.

About WB's Logistics Performance Index,

2023 Click Here to Read

The Logistics Index is built on six components – 1) the efficiency of customs, 2) the quality of trade and transport infrastructure, 3) the ease of arranging competitively priced shipments, 4) the quality and competence of logistics services, 5) the ability to track consignments, and 6) timeliness.

India has beaten key ASEAN (Association of Southeast Asian Nations) competitors like Indonesia, Vietnam, and the Philippines, in the index.

What are the benefits for India in the improvement of its the ranks in the Logistics Performance Index, 2023?

3. a) it helps lower the cost of doing business in India, and b) it will help India's exports and make the country a more attractive destination for investment, especially in the manufacturing sector.

How is the World Bank Logistics Performance Index better than World Bank's Ease of Doing Business Index?

The World Bank's Ease of Doing Business Index was flawed because the index was based on judgements of experts and not on surveys of real businesses.

The Index was based on the idea that less regulation is always better, which was a wrong narrative. **For instance**, the recent failure of Silicon Valley Bank has been due to the weakening regulation of mid-size banks since 2019.

The flaws that existed with the World Bank's Ease of Doing Business are not present in the WorldBank's Logistics Performance Index. Hence, the rank in this index holds a significant importance. **Read More:**Lessons from the death of the ease of doing business index

What measures can be taken by India to improve its ranking further in the Logistics Performance Index?

India should focus on improving its score further because its competitors are trying to improve. **For instance,** Thailand is slightly ahead of India because of better scores on two components — customs and trade and transport infrastructure.

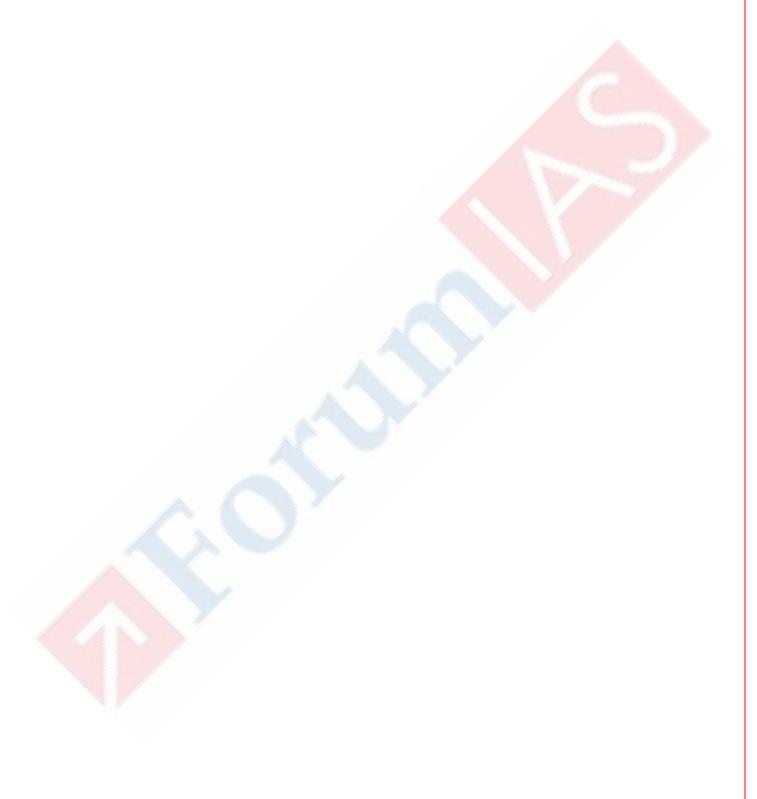
Therefore, India must also focus on the efficiency of its customs system because India's custom score has fallen since 2016.

India can take some technical assistance from **Singapore**, which has the best customs efficiency in the world. An improvement in the score for customs efficiency will have huge benefits for India.

What are other areas that India also needs to focus on?

In addition to the custom, India should also focus on -

Cost of fuel: Before the depreciation of the rupee, diesel prices in India were much higher than in many East Asian countries. However, even after the depreciation of the rupee, diesel prices remain 10 percent higher than in China.



Electricity: Electricity prices are cheaper for consumers than for producers. Due to which, discoms are often at loss.

Freight: India's rail freight rates for goods needs to be reviewed. This is because even with the recent rupee depreciation of 10 percent, Indian rail freight rates are among the highest in the world.

84. Warming warning – on WMO's report on increasing heat

Source: This post is created based on the article "Warming warning" published in The Hindu on 19th May 2023.

Syllabus Topic: GS Paper 3 – Disaster Management

News: The article discusses the recent findings by the World Meteorological Organization (WMO) about projected temperature trends for the next decade

According to the WMO, the annual mean global near-surface temperature for each year between 2023 and 2027 is likely to be 1.1°-1.8°C higher than the average from 1850-1900.

There is a 66% chance that the global near-surface temperature will exceed 1.5°C above preindustrial levels in at least one year before 2027.

The Intergovernmental Panel on Climate Change (IPCC) has repeatedly said that the 1.5°C threshold should not be breached. However, with current climate policies, the globe is likely toheat beyond 2°C by the end of the century.

The heat due to El Niño-Southern Oscillation (ENSO) combined with human-induced climate change will push global temperatures into uncharted territory.

How can it impact India?

The rise in ocean temperatures is also likely to lead to stronger cyclones. For example, Cyclone Mocha, which crossed through Myanmar, claimed at least 60 lives and caused severe damage. It ended up being stronger than what was initially estimated.

The India Meteorological Department has already indicated that monsoon rainfall will be on the lower side of 'normal' due to the El Niño.

Therefore, Increased investments in disaster-related infrastructure are crucial to handle the changing climate conditions.

85. Globalization will work better for Planet Earth than its alternative

Source: This post is created based on the article "Globalization will work better for PlanetEarth than its alternative" published in Live Mint on 19th May 2023.

Syllabus Topic: GS Paper 3 – Environment and Climate Change

News: McKinsey Global Institute has discarded the view that the path to sustainability will involve moving away from globalization.

The McKinsey research suggests that the resources, innovations, and capital required to reach net-zero emissions are unevenly distributed globally, necessitating international cooperation and exchange.

WTO also supports that trade is crucial for countries to reduce emissions and build climate resilience.

What are some of the examples that prove that globalization is necessary for decarbonization?

First, all major world regions rely on imports for at least one input necessary for the net-zero transition. For instance, over 75% of the global supply of lithium, essential for electric vehicle batteries, comes from Australia and Chile.

Second, Decarbonizing sectors that produce most GHGs will require the development of low-emission technologies and infrastructure. Building and operating these assets requires: new mineral resources, new fuels, and complex manufacturing at scale. Therefore, International supply chains are integral to produce these assets.

Third, Minerals like copper, lithium, and rare earth metals, vital for electric vehicles and renewable power are not available in every country.

Fourth, the distribution of manufactured goods like solar panels and electric vehicles relies on global supply chains.

Fifth, developing countries will need more investment for the net-zero transition. Hence, access to cross-border financial flows will be necessary for these economies.

Sixth, if economies attempt to localize or diversify supply chains, the need for capital and intangibles will increase.

86. Express View on new climate change report: It should lead to a review of Paris Climate Pact targets

Source: The post is based on the article "Express View on new climate change report: It should lead to a review of Paris Climate Pact targets" published in the Indian Express on 20th May 2023.

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

Relevance: About Global Climate 2022 report

News: Recently, the World Meteorological Organisation (WMO) released a report titled 'State of the Global Climate 2022'. The report has warned that at least one of the next four years could be 1.5 degrees hotter than the pre-industrial average.

About the State of the Global Climate 2022 report

The WMO report pointed out that the global mean temperature last year was 1.15 degrees above pre-industrial levels.

Must read: State of the Global Climate 2022: The threat of rising sea levels

What is the status of the temperature increase in India?

The India Meteorological Organisation recorded 2022 as the fifth-warmest year on record since 2021, and the last decade as the hottest 10 years in the country's history.

How are global countries impacted by climate change?

- a) Floods in Pakistan claimed more than 1,500 lives and affected more than 30 million people,
- b) Heatwaves led to record temperatures in several parts of Europe last year, leading to droughts and reduced river flows, and c) North America had its warmest August and forest fires raged in several parts of the US and Australia.

What should be done to mitigate the impact of climate change?

Need for greater investments: This is essential especially to build people's resilience. Such as investments in a) risk-proof agriculture, b) building food security, c) developing flood and cyclone warning systems, and d) strengthening the defences of coasts and other vulnerable areas.

Increase adaptation funds to developing countries: A UN report last year noted that the international "adaptation finance flows to developing countries are 5-10 times below estimated needs and the gap is widening". The upcoming COP-28 summit in Dubai must address this gap.

Must read: Impact of Climate Change on Monsoon

87. About India's economic growth: A sustainable growth rate

Source: The post is based on the article "A sustainable growth rate" published in the Indian Express on 20th May 2023.

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

Relevance: About India's economic growth.

News: In the past four decades and more, the structure of India's economy has changed drastically.

What are the structural changes India witnessed in the past four decades?

Compared to 1980-81, using current prices, **a)** The share of "agriculture and allied activities" has dropped from 38% of GDP to 21%, **b)** The share of services has grown from 37% to 53%, **c)** Industry

(including construction and utilities) has remained more or less unchanged at 26%.

What does the structural change mean for overall economic growth?

Increase in life expectancy and associated benefits: Life expectancy was 54 years in 1980. But it is currently estimated at 70 years. This means the average Indian no longer dies in his/herworking age.

This has improved productivity and increased the rapid spread of education, including post-school education, where enrolment levels have grown sharply.

Rate of investment: There is an increased rate of investment in fixed capital (up from 19.7% of GDP in 1980-81 to 28.6% before the pandemic).

Further, there is a high spread of digitisation.

Healthy economic growth: Indian economy's potential for annual growth should have become at least 7%. In the two decades prior to the pandemic, India through many ups and downs averaged annual growth not far short of 7%.

Read more: India's growth rate: Aiming for the high road

How did the pandemic impact India's economic growth?

With the global economic slowdown post-pandemic, the International Monetary Fund (IMF) thinks India's potential for growth has suffered and reduced the growth forecast. This is because with Covid India has a) more people falling back on low-productivity agriculture, b) a lower ratio of worker population to total population, c) damage to small and medium enterprises, d) a shortage of consumption and (consequently) investment demand, e) higher level of public debt, and f) government policy errors (like staying out of regional trade agreements).

What India needs to do to boost India's economic growth?

India should make heavy investments in transport infrastructure. India should also raise the country's capacity for generating growth and employment. This will revive the Indian economy.

88. Understanding a human pangenome map

Source: The post is based on the article "Understanding a human pangenome map" published in The Hindu on 22nd May 2023.

Syllabus: GS 3 – Science and Technology

News: A pangenome reference map has been built using genomes from 47 anonymous individuals from Africa, the Caribbean, Americas, East Asia, and Europe. The article explains its relevance.

What is genome and genome sequencing?

Read Here: Explained: The complete human genome, and what it tells us and Genome sequencing

The genome is an identity card like Aadhaar, which is unique for every individual.

What is a reference genome?

When genomes are newly sequenced, they are compared to a reference map called a reference genome. This helps to understand the regions of differences between the newly sequenced genome and the reference genome.

Reference genome was first built in 2001. It helped scientists discover thousands of genes linked to various diseases and better understand diseases like cancer at the genetic level and design novel diagnostic tests.

However, the reference genome had many gaps and errors. It was also not representative of all human beings as it was built using mostly the genome of a single individual of mixed African and European ancestry.

Therefore, to address these gaps and errors, scientists have developed the pangenome map.

What is a pangenome map?

The pangenome is a graph unlike the earlier reference genome which was a linear sequence.

The graph of each chromosome resembles a bamboo stem, with nodes where sequences from all 47 individuals come together, indicating similarity.

The internodes, which have different lengths, represent genetic variations among individuals from different ancestries.

The researchers used long-read DNA sequencing technologies to create complete and contiguous chromosome maps in the pangenome project.

Longer reads technology helps to assemble the sequences with minimum errors and read through the repetitive regions of the chromosomes which are hard to sequence with short-read technologies used earlier.

However, even though pangenome map is error free, it does not represent all of human diversity.

Why is a pangenome map important?

Even though two humans are more than 99% similar in their DNA, there is still about a 0.4% difference between them.

Hence, a complete and error-free human pangenome map will help understand these differences and explain human diversity better.

It will also help **understand genetic variants in some populations**, which result in underlying health conditions.

The present map does not contain Indian genome sequences. However, it will help in mapping Indian genomes against the error-free and full reference genomes known till date.

Future pangenome maps incorporating high-quality genomes from diverse Indian populations, including endogamous and isolated groups, will provide insights into disease prevalence, facilitate the identification of new genes associated with rare diseases, and aid in the discovery of novel drugs to combat these diseases.

89. These 'forests' are disturbing balance

Source: The post is based on the article "These 'forests' are disturbing balance" published in The Times of India on 22nd May 2023.

Syllabus: GS 3 – Environment

News: The article explains concerns associated with forest development corporations (FDCs) and measures needed to address them.

What are Forest Development Corporations (FDCs)?

FDCs were established by states with the aim to raise industrial plantations of teak, eucalyptus, bamboo etc., to enhance the production of forest produce, to restore the productivity of degraded forest areas, etc.

However, FDCs are using these monoculture plantations for financial exploitation.

Monoculture plantations are not only harmful to tiger conservation, but also play no role in climate change.

What are the concerns with FDCs in different states?

Maharashtra: Maharashtra has leased out 6% of the total forest area to the Forest Development Corporation of Maharashtra (**FDCM**). FDCM commercially extracts about 50,000 cubic metres of timber annually, **causing substantial environmental damage.**

Moreover, FDCM takes high-quality miscellaneous forests, which act as food security and habitat for tigers, and removes these for teak plantations.

However, the monoculture practice of FDCM has become outdated because dense mixed forests are more important to maintain biodiversity and ecological balance.

Monoculture practice harms biodiversity in the long run while miscellaneous forests provide maximum food availability for wildlife in fruits, leaves and grass, and shrubby canopy throughout the year.

Miscellaneous/mixed forests have the highest capacity to hold herbivore populations and carnivores.

Kerala: Kerala Forest Development Corporation (**KFDC**) used to focus on community-based ecotourism and earned revenue through pulpwood and teak. However, it had to discontinue pulpwood plantations after the Forest Conservation Act, 1980.

Therefore, for KFDC, it would be better to focus on carefully planned ecotourism and impart proper training to the dependent community.

Along with these initiatives, riverine vegetation must be promoted near the water bodies, and trees must be replaced with timber.

Telangana: In Telangana, **eucalyptus dominates most of the plantations**. Out of 33,000 hectares of forests leased out to Telangana State Forest Development Corporation (**TSFDC**), eucalyptus is spread over 22,000 hectares.

This monoculture practice has depleted the soil health. Therefore, to overcome the issue, KFDC has opted for other plantations like red sanders and sandalwood.

TSFDC is also focusing on ecotourism including botanical gardens in Hyderabad, resorts in backwaters and national parks.

What can be the way ahead?

Various state Forest Development Corporation (FDCs) are focusing on monoculture practices which are harmful for both the ecosystem and the environment.

According to the experts, deadly monoculture plantations act as 'green deserts' that have the least capability of mitigating climate change.

Therefore, FDCs should focus on growing trees on wastelands to increase forests area along with opting diversification of plantations. It should also plant those trees which can be economically as well as environmentally useful for the state.

90. India as a Quad-led biomanufacturing hub

Source: This post is created based on the article "India as a Quad-led biomanufacturing hub", published in The Hindu on 22nd May 2023.

Syllabus Topic: GS paper 3- Science and technology -

News: The Quad (Australia, India, Japan, and the United States) created a Critical and Emerging Technology Working Group in March 2021. However, the potential for Quad cooperation in biotechnology is not yet fully utilized.

The creation of a Quad-led biomanufacturing hub in India could bolster this cooperation.

What is Bio-manufacturing?

Biomanufacturing involves the use of living systems, especially microorganisms and cell cultures, to generate molecules and materials on a commercial scale.

This technology can revolutionize the global industrial system. An estimated 60% of the physical inputs to the global economy are potentially producible by this method.

Challenges in creation of Quad-led biomanufacturing hub in India?

Dominance of China in small-molecule active pharmaceutical ingredients (APIs) is a concern.

Scaling up the biomanufacturing sector in India necessitates improving the quality of its workforce.

While India has many life science professionals, they often lack access to cutting-edge technology and training.

What is the potential of creation of Quad-led biomanufacturing hub in India?

India aims to become a leading biomanufacturing hub and has plans to increase its fermentation capacity tenfold to 10 million litres in the next three to five years.

India's National Biotechnology Development Strategy envisions the country as a "Global Biomanufacturing Hub" by 2025.

The U.S. has significant funding capability, while all three (Japan, Australia, and the U.S.) have advanced biotechnology innovation ecosystems and intellectual property. India, on the other hand, has skilled manpower and the potential to provide affordable scale.

India is also an ideal choice to host the biomanufacturing hub due to its existing infrastructure, low-cost pharmaceutical manufacturing expertise, and available workforce.

The proposed hub can facilitate technology transfer, connect investors, and establish a biomanufacturing fund administered through the Quad.

The hub can also harmonize language, regulations, and data-sharing regarding biomanufacturing to secure supply chains for Quad nations and facilitate international collaboration.

91. Adopt a single-window e-portal to ease land acquisition in India

Source: This post is created based on the article "Adopt a single-window e-portal to ease land acquisition in India", published in Live Mint on 22nd May 2023.

Syllabus Topic: GS paper 3 – Land reform in India

Context: The global shift towards a China-plus-one strategy and the Indian government's push for industry diversification align well with the current economic landscape.

Progressive schemes like the Production-Linked Incentive (PLI) and the construction of state-of-the-art infrastructure are accelerating industrial growth.

With India being one of the fastest growing major economies, the domestic demand is booming, and the economy appears to be on solid ground.

What is the Role of Manufacturing in Economic Transformation?

Manufacturing is key to India's prosperity. Experience from every advanced economy in the world clearly shows that manufacturing delivers high quality, well-paying jobs for large numbers of people.

Currently, about 40% of India's workforce is engaged in agriculture, which contributes only around 16% of the total GDP. It's essential to transition this excess labour into the expanding manufacturing sector.

The potential for India to become a global manufacturing hub is high, however, challenges like land acquisition are hurdles.

What are the steps taken for land reforms in India?

- The Indian government has made significant strides in digitizing land records and related documentation, which provides a strong foundation for further improvements.
- A unified online portal for land transactions, minimizing the role of intermediaries, can simplify the process significantly.
- Speeding up the land acquisition process is also crucial for operationalizing auctioned mines, thereby ensuring a domestic supply of raw materials for the manufacturing sector.
- The implementation of a digital land sale system, appreciating the importance of speed and scale, would be a significant step forward for the nation.

92. Undo The Un-Liberalised Remittance Policy

Source: The post is based on the article "Undo The Un-Liberalised Remittance Policy" published in The Times of India on 22nd May 2023.

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

Relevance: About the tax on international credit card transactions.

News: The Centre has amended rules under the Foreign Exchange Management Act (FEMA) to bring international credit card spending outside India under the Liberalised Remittance Scheme (LRS).

What is Liberalised Remittance Scheme (LRS)?

Read here: Liberalised Remittance Scheme (LRS)

About Tax on international credit card transactions and its advantages

Must read: Tax on international credit card transactions: rationale and challenges - Explained, pointwise

A 20% (presumptive) tax deducted at source will only be levied on credit and debit credit card purchases of non-medical and non-educational purchases of over ₹7 lakh per person per year.

Note: The LRS allows for each individual to send (spend) abroad ₹205 lahks (\$250,000) per year.

What are the expert's opinions about imposing Tax on international credit card transactions?

Read here: <u>International credit card spends outside India will attract 20% TCS: How</u> cardholders may be impacted

What are the concerns associated with the tax on international credit card transactions? Revenue to government and loss to citizens: If one spends ₹1,000 on travel, then this expenditure is deemed income. The government collects ₹200 immediately as the presumptive tax on the person's presumed income.

As per the fixed deposit rate of 7%, the government gained ($\sqrt{200} \times 0.07 = \sqrt{14}$) certain amount prior to the tax return. Indians spent close to $\sqrt{1}$. 1 lakh crore on foreign travel in 2022-23. For the extra 0. 7% tax, that is a revenue gain of $\sqrt{770}$ crore.

Not the only way to track individuals: Not help in The government said that the taxation of foreign travel expenses would help track individuals with "expenditures disproportionate to income". But among the global leaders in fintech, the government already has the expenditure information on foreign card travel, from which they can compute and assess whether expenditures are disproportionate to income.

No need to save forex: India's reserves to imports ratio is at around nine months of imports. This is among the top 5% of non-oil economies in the world. In other words, there is a zero case for a TDS policy on LRS for "saving" foreign exchange.

What should be done?

The LRS policy was first introduced in 2004 with the short-term goal of decreasing the pressure of exchange rate over-valuation by creating a demand for dollars, and the longer-term goal of capital account convertibility.

But the proposed amendment to LRS is an ultra-regressive policy change and is against India's goals and ambitions as a society and the economy. So, the government should revert the modified LRS policy.

93. Why2k Question – Will withdrawing ₹2,000 notes smoke out the crooked? Unlikely. The crooked economy's much more inventive

Source: The post is based on the article "Why2k Question - Will withdrawing ₹2,000 notes smoke out the crooked? Unlikely. The crooked economy's much more inventive" published in The Hindu on 22nd May 2023.

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

Relevance: About RBI's decision to withdraw Rs 2,000 notes.

News: The Reserve Bank of India (RBI) has decided to withdraw the Rs 2000 denomination banknotes from circulation.

Why has the RBI withdrawn Rs 2,000 notes?

Must read: Why has the RBI withdrawn Rs 2,000 notes?

What are the concerns highlighted by experts on RBI's decision?

Creates confusion: The circular said the notes "will continue to be legal tender" while also telling the public to "utilise the time up to September 30 to deposit and/or exchange".

Does not reduce the black market: People who play with very large sums of money does not depend only on bundles of currency notes. Gold is enjoying a superior premium ever since the pandemic. Further, black marketers also prefer dollars.

Does not address unaccounted cash: The recent SBI circular has said that none of its branches will ask for documents and there are reports that deposits/ exchanges by one person can happen several times a day, and any number of times till the deadline. This is not addressing the unaccounted cash holding.

94. It's time to ensure safer skies

Source: The post is based on the article "It's time to ensure safer skies" published in The

Hindu on 23rd May 2023.

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

Relevance: About Mangalore air accident and aviation sector.

News: It has been 13 years since an aircraft crashed in Mangalore resulting in the deaths of 158 people. But investigation agencies have still not identified the reasons for such accidents and provided corrective steps.

About the PIL on the Mangalore runway

In 1997, a Bangalore-based NGO filed a public interest litigation (PIL) in the Karnataka High Court regarding the second runway in Mangalore airport. The NGO warned, "The inevitable consequence could be that the plane will come crashing down the hillsides from a height of 80-100 metres..."

But the High Court dismissed the PIL and the Supreme Court has said that the "Government shall comply with all applicable laws and also with environmental norms." The government agencies also did not comply with laws or norms.

About the Mangalore air accident

All these led to the loss of 158 lives in 2010 when AIE 812 crashed on landing in Mangalore. The aircraft overshot the runway, plunged down the hillside as the petitioners had warned, and burst into flames. The reports found that the aircraft crashed into the illegal concrete structure on which the Instrument Landing System Localiser antenna was mounted.

The International Civil Aviation Organization asked India to ensure that all localiser structures were frangible. But, in Mangalore airport, the structure was replaced with steel girders.

About the reform committee and its recommendations

The Ministry of Civil Aviation constituted the Civil Aviation Safety Advisory Council (CASAC) after the Mangalore crash. The focus was on critical runways, such as in Mangalore and Calicut.

The CASAC pointed out

a) There is a failure of the court of inquiry report in identifying serious errors and taking corrective steps, **b)** The failure to provide the mandatory Runway End Safety Areas (RESA) at Calicut could result in fatal accidents on the runway if any aircraft touched down late at high speed. So, the committee recommended having RESA at both ends, **c)** The narrow service road would prevent quick rescue by rescue and firefighting vehicles.

But the Ministry and the DGCA ignored the CASAC observations.

Read more: Indian aviation industry: Potential and challenges - Explained, pointwise

What are the other issues diminishing India's aviation sector?

India is inducting a large number of aircraft into our skies without the minimum number of qualified professionals to man critical stations such as cockpit, ATC and engineering. Further, the low availability of pilots leads to the available pilots being fatigued in their work. This is bound to lower the safety standards in India.

So, now it is time for the court to pick up these issues and suggest reforms.

95. The economics of climate change in India

Source: The post is based on the article "The economics of climate change in India" published in The Indian Express on 23rd May 2023.

Syllabus: GS 3 - Climate Change

Relevance: Impact of climate change on the Indian economy

News: Reserve Bank of India (RBI) has released a report titled "Report on Currency and Finance: Towards a Greener Cleaner India". The report highlights the impact of climate change on India's economy and measures needed to address them.

How has climate change affected India?

There has been change in temperature and precipitation pattern in India.

As per the RBI report, the annual average temperature in India has been increasing gradually.

The south west monsoon has also become unpredictable. The annual average rainfall in India has gradually declined while intense wet spells as well as dry spells have increased in India.

India is relatively more exposed to floods and storms than droughts and heatwaves. Such incidences pose significant risks to agricultural production and food price volatility.

How vulnerable is India to climate change?

India's diverse topography exposes it to varying temperature and precipitation patterns, which in turn makes the country susceptible to extreme weather events. These events have implications for the Indian economy. (Chart 1)

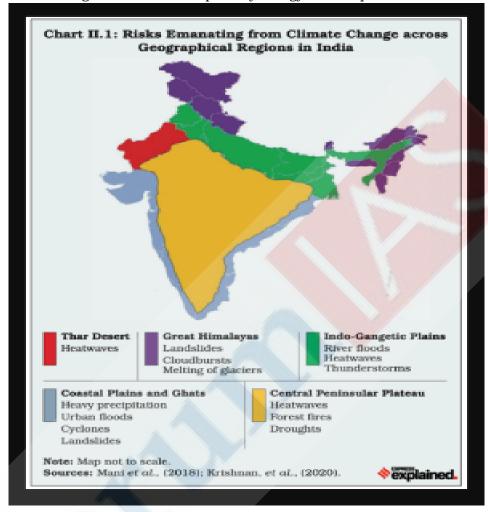
At present, **major economic activity happens in the services sector** as against the agriculture and allied sectors in India.

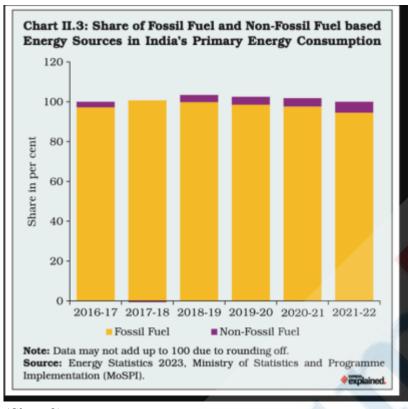
This has significant implications for carbon emissions because services are globally considered to be emission-light with relatively lower energy intensity of output.

Whereas, metal industries, electricity and transports are the highest emission-intensive sectors, together accounted for around 9 percent of India's total GVA in 2018-19. (Chart 2)

Therefore, fossil fuels have a large share in India's primary energy consumption and this needs to

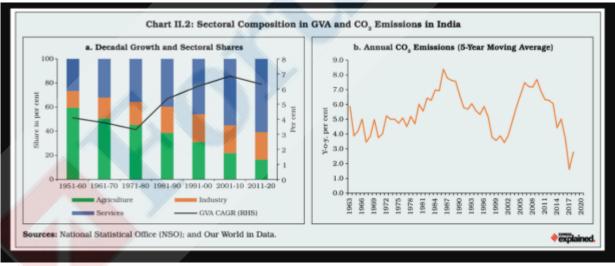
change. (Chart 3)





(Chart1)

(Chart 3)



(Chart 2)

Source: All Images from The Indian Express

What is the macroeconomic impact of climate change on India? Climate change can adversely impact both the supply side as well as the demand side. It can stroke inflation, reduce economic output, trigger uncertainty and change consumer behaviour.

Some of the findings of impact of climate change on India are:

- **According to Niti Aayog in 2019**, around 600 million of India's population are facing severe water stress, with 8 million children below 14 years in urban India at risk due to poor water supply.
- **The World Bank in 2020** said that India could account for 34 million of the projected 80 million global job losses from heat stress associated with productivity decline by 2030.
- **The IPCC Working Group in 2022** stated that India is one of the most vulnerable countries globally in terms of the population that would be affected by the sea level rise.

Further, if the shift towards becoming a low-carbon economy is too rapid, it could also damage a country's financial stability.

Are policies effective in providing some solutions?

Impact on GDP: Policy actions will have a negative impact on India's GDP. Global scenarios of "current policies" and "nationally determined contributions (NDCs)" have the highest negative impact on output, whereas rapidly moving towards Net Zero by 2050 will hit GDP.

Impact on Inflation: Moving towards net zero by 2050 will spike inflation far more in the immediate future than continuing on current policies.

Therefore, these trade-offs will become sharper as India tries to achieve the twin goals of achieving net zero emissions by 2070 and becoming an advanced economy by 2047.

96. The challenge of AI

Source: The post is based on the article "The challenge of AI" published in Business Standard on 23rd May 2023.

Syllabus: GS 3 - Artificial Intelligence

Relevance: concerns with Artificial Intelligence (AI)

News: The rapid emergence of Artificial Intelligence (AI) software has led to a widespread debate across the world on its potential impact on the economy and security.

What are the potential impacts of AI on economy and security?

Economy: Generative AI with a substantial creative capacity will impact the current employment levels in software and business-processing services because the services they sell can easily be done by AI-based programmes.

AI also provides a tool for less proficient workers to narrow the gap with more able ones. **For example,** a worker with poor English-language skills could use AI to become as useful as an English language-educated worker.

Security: There are many security challenges like – a) AI-powered surveillance systems could infringe on privacy rights, b) AI-automated cyberattacks and c) AI-powered weapons to target and attack humans. AI can also deepen the impact of fake news, fake voices and hacking.

Moreover, AI based drones can be made to attack a particular type of target, where the drones would be free to choose a specific target that meets the programmed criteria.

However, any such effect of AI can only happen with human interventions because AI software lacks human type of judging skills to evaluate situations and make decisions accordingly.

Must Read: Generative AI (Artificial Intelligence): Benefits and Challenges - Explained

What can be done to control the misuse of AI?

There has been growing consensus on establishing a regulatory regime for creating and using AI. **For instance,** the **G7** proposes to set up a <u>Working Group</u> for this purpose and the **EU** is on the way to formulate <u>regulations</u>.

Countries are also looking to regulate the basic design of AI apps to control the risks of misuse. However, if this is done, then AI can be misused for political gains.

For instance, China has introduced controls on AI development which involve prior official approval of AI apps before they are released and also require them to ensure consistency with the "core values of socialism".

Therefore, this type of politicization should be avoided because the internet remains the strongest base of our freedom and democracy.

What should be the stand of India on AI?

India must work to build local competence to develop AI because it is the technology of the future.

However, the foundation of the main part of AI is a language model. This poses a major challenge for India in developing AI because it is a multilingual country.

Moreover, AI services require very large server systems and it is emerging technology. Therefore, India should get involved in industry because this will improve the chances of India in holding a significant presence in the AI market.

What lies ahead?

AI will have the same impact like the computer age that liberated us to focus on a higher level of intelligence activity but also exposed us to anonymous frauds.

Hence, the main task is to prepare our children for the huge opportunities AI provides and ensure that the risks are kept manageable.

97. Burden of proof – on Proposed regulation for unlawful trades

Source: This article is based on the article "Burden of proof", published in Business Standard on 23rd May 2023.

Syllabus Topic: GS Paper 3, Industries and Industrial policy

News: Securities and Exchange Board of India (Sebi) has released a consultation paper "Prohibition of unexplained suspicious trading activities".

This paper outlines the proposed regulations to tackle issues like insider trading, front-running, and pump and dump scams.

What are the challenges faced by regulators in the financial market associated with trading? Some of the offences like the following are difficult to prove, like:

- Front-running trades based on "material non-public information" (MNPI). For example, an employee of mutual fund company can know about a deal in advance and place trade in their personal account.
- Insider trading on the basis of unpublished price-sensitive information (UPSI). Like company results, change of management.
- **Pump and dump schemes** involve buying a stock and spreading rumours about good news in that company to "pump up the price", and then "dump" shares by selling them at a profit.

Regulators face difficulty in proving guilt of the perpetrators, due to evasive tactics used by such as mule accounts, layering funds, and sharing transfers through a complex web of entities.

Mule accounts are used to earn profits. There is no apparent connection between the owner of the account and the perpetrators. Coordination is carried out through encrypted services such as WhatsApp.

In 2022, around 5,000 suspicious trading alerts were generated, involving 3,588 unique entities, but SEBI could not find conclusive proof of communication of UPSI or MNPI in most instances.

How the proposal tackles this issue?

If SEBI highlights a suspicious trading activity and believes MNPI or UPSI was involved, it can start a presumptive proceeding against the parties concerned. The burden of proving the allegations wrong will on the parties.

However, the challenge is that the burden of proof cannot be placed upon the accused. It can lead to many problems. Instead of such regulations, the regulator should strengthen its surveillance and evidence-collection methods.

98. Strangers & Secrets - spy scandal in DRDO

Source: This article is based on the article "Burden of proof", published in Times of India on 23rd May 2023.

Syllabus Topic: GS Paper 3, Internal Security

News: Recently, a DRDO scientist, allegedly fell for a Pakistani "honey-trap". He is accused on spying for enemy country.

The accused had access to over 50 DRDO establishments, including laboratories, and headed an R&D division overseeing India's missile launcher programmes.

What are the cyber threats faced by military infrastructure of India?

First concern is the integrity of hardware, which is largely **not manufactured in India**.

Second concern is **human error**. Over the last six years, more than 20 serving and retired army staff were reportedly arrested for allegedly spying for Pakistan's ISI. "Honey-traps" is one of the methods used to lure.

What are the guidelines issues by DRDO?

The army has issued a circular warning personnel against posting or forwarding official communication on WhatsApp and storing data on devices at home.

Similarly, DRDO has also suggested not to entertain unknown numbers, avoid chats with unknown people, and not to share information.

What more can be done?

Train all military and defence research staff on how to check the IP address of any stranger chatting in a friendly manner. Also, make it mandatory for them to immediately report such encounters.

99. The unsung hero – After five years, it seems GST has begun to show sustained growth even as it has many weaknesses and policy challenges

Source: The post is based on an article "The unsung hero – After five years, it seems GST has begun to show sustained growth even as it has many weaknesses and policy challenges" published in Business Standard on 24th May 2023.

Syllabus: GS 3 - Indian Economy - Fiscal Policy, Growth and Development

Relevance: problems with the different tax collection.

News: The article highlights the different trend in the tax collection rate in India.

What has been the trend in the tax collection post-Covid?

Direct Tax: Direct Tax bounced back with a growth rate of 49 percent in 2021-22 and again with 18 per cent in 2022-23 after suffering a decline of almost 10 percent in 2020-21.

GST: Growth in GST collection in 2019-20 was 4 percent but collection fell by 7 percent in the first Covid year of 2020-21. However, the growth rate increased to 31 percent in 2021-22 and 22 percent in 2022-23.

How has the GST collection been compared to the Direct Taxes? The recovery in GST collection has been better than the increase seen in direct taxes.

In 2018-19, direct taxes accounted for 6.01 percent of GDP. In 2021-22, this share was still below the pre-Covid level at about 6 percent and moved up marginally to 6.11 per cent in 2022-23.

Why hasn't direct tax collection done well?

Corporation tax collection has fared. Its growth was at 41 percent in 2022-23. However, personal income tax, which did well in 2021-22 (43 percent up), saw a decline of about 6 percent in the next year.

This was the major cause for direct tax collection to perform poorly compared to the GST.

Why has there been an increase in the collection of corporation tax compared to the personal income tax?

Since 2015, **corporation tax rates have been steadily reduced almost every year**, and these reductions are **related to the phase-out of exemptions.** In 2019, the reduction was significant for new companies as well.

Companies have also bounced back with higher profits immediately after the end of Covid. These all have led to the healthy rate of corporation tax collection.

What does the recent trend in personal income-tax collection imply? Personal income-tax collection has been a cause for concern for the finance ministry.

In 2020-21, the ministry tried to introduce an alternative exemption-free taxation regime to widen the tax base and improve collection. However, due to various problems, the scheme hasn't been effective.

Further, the recent attempts of the finance ministry to levy a 20 percent TCS could be seen as a mechanism to boost its personal income-tax collection. However, such an attempt is a sign of short-sighted taxation policy.

What has caused the improvement in the collection of GST?

• a) e-invoicing and procedural simplification, b) better compliance procedures, c) the rising inflation rate and d) the rise in import duties, have all made GST collection higher.

GST collection also saw the tax's share in **GDP going up**. The share of GST in GDP was 6.22 percent in 2018-19. After this share fell in the Covid period, it once again rose to 6.65 percent in 2022-23.

What are the challenges with GST collection?

• a) too many rate slabs persist with no moderation in the rates of several items, b) the exclusion of petrol and diesel from the GST ambit, c) the phase-out of the compensation cess is also unresolved.

Hence, the current phase of healthy GST growth could be an opportunity for the government to address the long-pending problems with the GST.

100. On copyright infringement and AI

Source- The post is based on the article **"On copyright infringement and AI"** published in **"The Hindu"** on 25th May 2023.

Syllabus: GS3- Issues related to intellectual property rights

Relevance– Copyright related issues

News- The recent decision of the U.S. Supreme Court in the Andy Warhol Foundation for the Visual Arts Inc. versus Goldsmith et al. has added more unpredictability to the process of being exempted from copyright infringement liabilities.

To what extent does copyright law protect artists?

Copyright law protects the work of diverse artists. It provides a **set of exclusive rights** for artists over their **creative output**. This includes controlling the manner in which others **reproduce or modify** their work.

However, these exclusive rights are **balanced with the rights of the users** of such work. It includes other artists who might want to build on or comment on them. There are **diverse exceptions** under the copyright law.

What is exempt from infringement liability?

Different jurisdictions follow **different approaches to exceptions**. Some countries, particularly those in continental Europe, adopt the **'enumerated exceptions approach'**.

The **use of copyrights** needs to be specifically covered under the statute for considering it as an exception to **copyright infringement**.

Some others, including the U.S., follow an **open-ended approach.** It does not specify exemptions beforehand. Instead, they have guidelines about the types of uses that can be exempted.

The U.S. courts primarily consider **four factors** when determining whether a particular use can be considered to be an instance of fair use.

These factors are the purpose and character of the use; the nature of the copyrighted work; the amount and substantiality of the portion taken by the defendant, and the effect of the use on the potential market of the plaintiff's work.

The U.S. courts have been giving the highest importance to the first factor.

This **open-ended approach** to exceptions provides U.S. copyright law **considerable flexibility and strength** to deal with challenges posed by emerging technologies.

However, it has a **major limitation**. There is no way to know whether an activity will be exempted from liabilities until after litigation.

What is the AWF case?

Lynn Goldsmith photographed the famous musician Prince in 1981. One of those photos was licensed in 1984 to *Vanity Fair* magazine for use as an "artist reference".

The licence specifically said the illustration could appear once as a full-page element and once as a one-quarter page element, in the magazine's 1984 November issue. *Vanity Fair* paid Ms. Goldsmith \$400 for the licence.

It hired Andy Warhol to work on the illustration. Mr. Warhol made a silkscreen portrait of Prince using Goldsmith's photo. But while the licence had authorised only one illustration, Mr. Warhol additionally created 13 screen prints and two pencil sketches.

In 2016, Condé Nast, which publishes *Vanity Fair*, approached the Andy Warhol Foundation (AWF) to reuse the 1984 illustration as part of a story on Prince.

But when they realised that there were more portraits available, they opted to publish one of them instead. As part of the licence to use it, they paid \$10,000 to AWF. But they paid nothing to Ms. Goldsmith.

When the AWF realised that Ms. Goldsmith may file a copyright infringement suit, it filed a suit to declare that it had not committed infringement. Ms. Goldsmith then counter-sued AWF for copyright infringement.

What are the findings of the US Supreme Court?

The majority of judges of the US Supreme Court concluded that there may be a situation where an original work and secondary work have **more or less similar purposes** and the secondary use is of a **commercial nature**.

Then, the first factor related to purpose and character of the use may not favour a fair-use interpretation unless there are other justifications for copying.

Both Ms. Goldsmith's photos and Mr. Warhol had more or less the same purpose to portray Prince. The majority said that copying may have helped convey a **new meaning or message.** That in itself did not suffice under the first factor.

How does this affect generative AI?

The implications of the court's finding are bound to ripple across the visual arts at large.

The majority position could challenge the manner in which many **generative artificial intelligence** tools, such as ChatGPT4, MidJourney, and Stable Diffusion, **have been conceived.**

The majority's reliance on the **commercial nature of the use** may also result in **substantial deviation from the established view** that the commercial nature of the use cannot negate a finding of fair use.

What may be its implications on Indian copyright law?

There may not be any **direct implications** for Indian copyright law. The **framework of exceptions** in India is different.

India follows a hybrid model of exception in which fair dealing with copyrighted work is exempted for some specific purposes under Section 52(1)(a) of the Copyright Act 1957. India also has a long list of enumerated exceptions.

101. India's G20 presidency can show the way on disaster management

Source- The post is based on the article "India's G20 presidency can show the way on disaster management" published in "The Indian Express" on 25th May 2023.

Syllabus: GS3- Disaster management

News- A second meeting of the Disaster Risk Reduction Working Group will be held in Mumbai between May 23-25. This is an opportune time to focus and deliver on the goals of disaster risk reduction.

How are G20 nations vulnerable to disasters?

The G20 nations have **large exposure**, and risk from **asset concentration**. They are vulnerable to natural disasters. In the current **World Risk Index**, four out of the top 10 vulnerable countries are G20 nations.

The combined **estimated annual average loss** in the G20 countries alone is **\$218 billion**. It is equivalent to **9% of the average annual investment in infrastructure** made by them.

What is the importance of disaster risk reduction? [Text Wrapping Break] Disaster risk reduction measures can play an important role in preventing such losses. Reducing risk can be achieved mainly by reducing vulnerability and exposure to risk through some measures. These are better economic and urban development choices and practices, protection of the environment, reduction of poverty and inequality.

Disasters can set back **development gains**. Hence, risk reduction is an important strategy if a country's economic ambitions are to be realised.

Setting up early warning systems, undertaking periodic risk assessments, constructing disaster-resilient infrastructure are important strategies.

What were the five priorities outlined in the first meeting of the Disaster Risk Reduction working group?

Coverage of **early warning systems** to all.

Focus on disaster and climate-resilient infrastructure.

Improving financing frameworks for national disaster risk reduction.

Improving systems and capabilities for response to disasters and application.

Ecosystem-based approaches to disaster risk.

How is India contributing to disaster risk reduction?

PM Modi's **10-point agenda** outlined after the adoption of the **Sendai Framework**, guides the country in the implementation of the framework.

India has transformed the way the government finances **disaster risk reduction** and made targeted efforts to reduce losses from disasters.

The **Coalition for Disaster Resilient Infrastructure** is presently chaired by India and the United States.

The creation of the new workstream under the G20 is reflective of the prime minister's commitment towards disaster preparedness.

What is the importance of G20 for disaster risk reduction?

The recently concluded high-level meeting of the General Assembly on the **midterm review** of the implementation of the **Sendai Framework for Disaster Risk Reduction 2015-2030** mentions the importance of **G20's efforts** in the implementation of the **Sendai Framework**.

The G20 provides a broader platform to drive **global goals on disaster risk reduction**. The perspectives that G20 as a group will bring to the table would be unique.

For example, any talk about **risk financing** will not be merely about additional financial resources. It will also include more **efficient**, **effective and predictable** financing mechanisms.

The **Working Group on Disaster Risk Reduction** is an opportunity for the G20 to take a lead in the implementation of the Sendai framework over the next seven years.

102. Eyes In The Sky: How IAF Secured India's Air Dominance

Source- The post is based on the article "Eyes In The Sky: How IAF Secured India's Air Dominance" published in "The Times of India" on 25th May 2023.

Syllabus: GS3 – INternal Security

Relevance- Capabilities of defence forces

News- The article explains the history of evolution of use of early warning systems by the Indian Air Force.

What is the historical background of deployment of early warning systems by the Indian Air Force?

The British Royal Air Force deemed radars too advanced and "unnecessary" for IAF. It left behind damaged and sabotaged equipment.

After Independence, IAF decided to rebuild its **radar capability**. A mobile radar set recovered from sabotaged equipment was **christened No 1 Radar Unit** and moved to Palam. It became the first-ever Signal Unit in IAF. By 1949, six more sets were **operational**. These served predominantly as **early warning radars**.

In 1949, IAF ordered five static Sector Operations Centres (SOC) from Marconi UK. These were intended to replicate the British hub and spoke air defence setup.

The first SOC was established in Delhi in 1954. By 1962, IAF had set up **five SOCs** at Delhi, Ambala, Jodhpur, Barrackpore and Bombay.

IAF's Air **Defence Ground Environment System philosophy** was to protect Delhi, Bombay and Calcutta and have protection along the western boundary via SOCs at Ambala and Jodhpur.

However, the **insufficient number of radars** did not provide any defence in depth. Vital areas, except Delhi, were covered with a maximum of 80-170 km of early warning. It gave fighter aircraft less time to react.

The 1962 war led to more significant changes. Immediately after the war, **modern equipment** was acquired from the US and USSR.

Western nations also conducted **"Exercise - Shiksha"** in India in November 1963, which included training as well as two mobile radar units. This led to IAF contracting **six US-made Star Sapphire radars.**

The USSR also agreed to provide SA-2 surface-to-air missiles and the P-30 radar. SA-2 units were deployed in Chandigarh, Ambala, Calcutta, Delhi and Baroda, while twelve P-30 radars were stationed nationwide.

However, IAF had only operationalised **two P-30s and one Star Sapphire** when the 1965 war broke out. 230 SU at Amritsar was one of the two P-30s operational. It played an important role in both wars with Pakistan.

How has the landscape of the early warning system drastically changed after 2010? On September 14, 2010, IAF launched the Air Force Network (AFNET). It replaced its old communication network which used the tropo-scatter technology of the 1950s with a dedicated fibre-optic wide area network. It offers encrypted, and secure bandwidth.

Building on the AFNET backbone, IAF rolled out the **Integrated Air Command and Control System or IACCS**. It has provided for **automated control and monitoring** of air operations by linking **real-time feeds** from defence and civil sensors throughout the country.

To ensure all-weather surveillance, IAF has ordered **indigenously built radars** to augment the IACCS feed. These are now in **advanced stages of deployment** along critical regions.

The **integration of IACCS with AWACS**, **UAVs and surface-to-air missiles** has improved the ability to launch fighter aircraft against hostile targets promptly.

103. Green bonds and guarantees: Key tools to contain global warming

Source: This post is based on the article "Green bonds and guarantees: Key tools to contain global warming", published in Live Mint on 25th May 2022.

Syllabus Topic: GS Paper 3, Environment and Climate Change

Context: The article discusses the need for adequate financing to facilitate a fundamental transition from fossil fuel-based to non-fossil fuel-based production in order to mitigate global warming.

The transition from fossil fuel-based to non-fossil fuel-based production requires scientific knowledge and technologies like green hydrogen and renewable energy.

Technologies such as green hydrogen, are commercially viable, as of now, but not implemented at the required scale to prevent catastrophic global warming.

The main hurdle in their adoption is Finance, not technology.

What are the challenges to financing of green technologies?

The issue of legacy and responsibility: For more than 30 years since the Rio de Janeiro Earth Summit of 1992, emerging market and developing economies (EMDEs) have been demanding that the 'polluter pays' principle should apply globally. It is because developed countries have played a major role in the present pollution, so they must pay the fine for that now. However, this demand has not received any attention yet.

Huge deficit: The required investment in clean energy projects for effective mitigation is estimated at \$5 trillion per year, against the available \$ 1.4 trillion. Multilateral development banks (MDBs) alone cannot fill the massive financing gap, as their collective mobilization capacity is limited.

Financing through bonds: Thematic bonds, including green bonds, have grown annually at a phenomenal rate, and the volume could reach \$5 trillion by 2025. However, only a small percentage of thematic bonds have flowed to EMDEs.

What can be the course of action?

- MDBs can provide insurance and risk guarantees to attract foreign investors and mitigate perceived risks.
- EMDE governments should develop green bond frameworks, strengthen ESG mandates, and create demand for thematic bonds.
- India has taken positive steps in issuing a green bond framework and successfully issuing local currency bonds.

104. A decade of reformist action has catalysed the emergence of India

Source: The post is based on the article "A decade of reformist action has catalysed the

emergence of India" published in Mint on 26th May 2023.

Syllabus: GS 3 - Indian Economy - Growth & Development

Relevance: measures taken to boost Indian Economy

News: The current PM is set to complete nine years. The article explains various measures taken by the current government to boost the economy of India.

What measures have been taken by the government?

First, the National Infrastructure Pipeline, the 33% capex hike in the current Budget and the Gati Shakti scheme are the important initiatives taken to strengthen infrastructure, boost market competitiveness and fortify growth. The **asset monetization programme and NaBFID** would greatly help to unlock capital for infrastructure financing.

Second, the government is promoting a manufacturing transformation through its **Atmanirbhar Bharat** plan of self-reliance and **PLI scheme.** Further, efforts in improving the ease of doing business and facilitating corporate exits, introduction of GST and reduction in corporate tax, with skill development, FDI reforms, etc. will make **India a hub of manufacturing and exports**.

Third, India has allowed FDI in many sectors such as retail, civil aviation, defence equipment, space, insurance, nuclear energy and others. This has made **India a preferred FDI destination**.

India has also signed economic cooperation and trade agreements with countries such as the UAE and Australia, and negotiations are underway with the UK, EU and Canada, among others, to expand global ties.

Fourth, the government's **Start-Up India initiative** has catalysed a startup culture and built a strong and inclusive ecosystem for entrepreneurship in the country. Today, **India has the world's third-largest startup ecosystem.**

Fifth, the PM has aimed at digitizing India and fostering the emergence of a digitally empowered society and knowledge-based economy. This has been achieved through the **Digital India initiative**.

Sixth, sustainability and green growth has now become an important component of the government's overall development plan. India is among the few countries that has set an ambitious goal of net-zero carbon emissions by 2070.

India is also the third largest producer of renewable energy, with the potential to emerge as the global hub for green hydrogen.

Seventh, schemes such as Jan Dhan Yojana, Ujjwala Yojana, Kisan Samman Nidhi, Ayushman Bharat Yojana, etc. are important initiatives taken to uplift the needy and promote **social empowerment in the nation**. The govt. was also appreciated for efforts in making Covid vaccines available even to the most vulnerable.

In addition to the above, the government has also brought in multi-dimensional reforms and taken many initiatives, in partnership with major stakeholders, in diverse areas to promote competitiveness, promote inclusion and enhance growth.

What more measures are required to improve India's economy?

There are more actions required by India such as $-\mathbf{a}$) prioritizing the infrastructure development along with the effort to improve ease of doing business, \mathbf{b}) reduce the cost of doing business through factor market reforms, lower the costs of energy and capital and \mathbf{c}) focus on improving health, education and skills, among others.

The current G20 presidency enables India to showcase its leadership in tackling various challenges and setting agenda globally.

105. Why banning new coal-run power plants is a good idea

Source- The post is based on the article "Why banning new coal-run power plants is a good idea" published in "The Times of India" on 26th May 2023.

Syllabus: GS3- Energy

Relevance- Thermal energy

News- The government is contemplating a ban on setting up new coal-based power stations. The plants which are already under construction will be allowed to continue.

Why is the move surprising?

The government has also said that in order to meet the **power demand in 2029-30**, an **additional** capacity of about **16,000 MW of coal-based capacity** would be required. It is over and above the capacity of about **27,000 MW already under construction**.

The need for additional capacity of 16,900 MW has been cited in the report of the Central Electricity Authority (CEA) called **Optimal Generation Capacity Mix**. It was released recently.

In fact, there are two versions of this report. The first was published in January 2020 and the second in April 2023.

Why does the government feel that the additional capacity of about 16,000 MW of coal-based capacity may not be required?

There are primarily two reasons.

The first reason is the demand for power in 2029-30 in the second report is based on the **20th Electric Power Survey (EPS)** whereas the first report looked at the estimates of the **19th EPS**. The demand for power in 2029-30 in the **20th EPS** is somewhat **more conservative**.

The **19th EPS** had projected a peak demand of **340 GW in 2029-30** whereas the figure indicated in the **20th EPS is 334 GW**. Similarly, the energy demand for the **19th and 20th EPS** are 2,400 BUs and 2,313 BUs, respectively.

Historically, **CEA's power demand projections** are known to be exaggerated. The government feels the **actual demand in 2029-30** could be even lower than the **projections in the 20th EPS.**

The **changing shape of the load curve** is the second reason. Traditionally, in India, there have been **two peaks in a day**. The **evening peak** is usually higher than the morning though there are **seasonal variations**.

The evening peak occurs at around 7 pm. We had to rely on coal-based capacity for meeting it as economically viable storage options were limited.

However, the **evening peak** is actually occurring at about 4 pm in the last two to three years. This peak can be met through solar power. Hence, it can lower the need for coal-based capacity.

Why in the second version of the CEA report, the required capacity for coal-based stations in 2029-30 has come down?

This decrease is because of a **major change in policy** relating to the retirement of units after they complete 25 years.

This version mentions that about **2,121 MW of coal-based capacity** would be retired by 2030 whereas the earlier version of this report stated that about **25,000 MW of coal-based capacity** would be retired by 2030.

The government probably feels it would be a good idea to carry on with old plants even after they have **completed 25 years of operation.**

The station heat rate of well-maintained plants does not get adversely affected with age. The transmission links are already there and the coal linkages are maintained.

106. PM Modi's Australia visit: Love in Sydney

Source: This post is created, based on the article "PM Modi's Australia visit: Love in Sydney", published in Indian Express on 26th May 2023.

Syllabus Topic: GS Paper 3 – Mobilisation of resources

Context: India's medium-term growth outlook looks weak due to declining real investment into India.

Recently Reserve Bank of India (RBI) governor said the growth rate for 2022-23 might be more than the expected 7%.

However, the medium-term outlook of India's growth is not very encouraging due to the level of investment coming into India. The RBI in its latest monthly bulletin has reported that gross FDI in 2022-23 declined by 16.3 per cent year-on-year to \$71 billion.

FDI at net level declined by over 27 per cent to \$28 billion, driven by lower gross inflows and a rise in repatriation.

Manufacturing, computer services, and communication services witnessed the steepest decline.

In terms of investment sources, the decline was led by the US, Switzerland, and Mauritius.

However, one positive trend in investment is that India was the second-largest recipient of FDI in semiconductors, after the US.

What are the reasons behind declining investment?

Big companies won't be willing to expand due to Slow or below-trend global growth.

The hardening of global financial conditions.

The start-ups are finding it difficult to raise funds.

The inflation rate in advanced economies, particularly the US, is still higher than the target.

Large corporations leaving China, are not making India their destination.

What are the challenges of declining FDI?

Foreign multinationals bring technology, which increases overall efficiency in the economy. It will have effects on economic growth and jobs.

FDI is by definition for the long run, it provides stability to external accounts.

What steps can India take?

India has ample foreign exchange reserves; therefore, it won't be a high risk for India.

Policymakers should focus on increasing the ease of doing business in India.

Government should review the trade policy, to see if it is obstructing the FDI into India.

107. Why Tesla makes in China, not in India

Source: This post is created, based on the articles:

"Why Tesla makes in China, not in India", published in Business Standard on 26th May 2023.

"Don't Just Musk Up", published in The Times of India on 26th May 2023.

Syllabus Topic: GS Paper 3 – Industrial Policies in India

Context: While China's local Electric Vehicles manufacturers are doing well, India's indigenous companies are still struggling to scale up EV development in India.

Chinese carmaker BYD is giving tough competition to tesla in the field of Electric Vehicles manufacturing.

An article from South China Morning Post highlighted how BYD sold 1.86 million electric and hybrid cars in 2022, which is 42% more than Tesla.

A report by JD Power puts Tesla as only the 10th most desirable electric vehicle brand in China, behind natives such as BYD, Xpeng, Nio, and Li Auto.

What is status of EV manufacturing in India?

India has two main homegrown car manufacturers: Tata Motors and Mahindra and Mahindra.

Tata Motors is the leader in electric cars, but their numbers are small compared to BYD. Mahindra had an early start in electric cars but hasn't made much headway. Other companies like Maruti Suzuki have shown interest in hybrid vehicles and are planning to launch electric vehicles in the future.

Why is Tesla no manufacturing in India?

Due to the slow progress of local manufacturers, it seems not to be threatened due to loss of EV market in India.

The earlier plans of tesla to bring Model 3 to India could not be completed due to some issues:

First, it wanted India to reduce their import duties on the EVs. Which was not accepted by the government.

Secondly, the government wanted Tesla to manufacture in India, instead of China.

Although Tesla has shown interest to set up in India, but it is not going to be very soon.

What are the challenges faced by India in EV production?

Recent changes to FAME-II are expected to increase a customer's acquisition cost.

Batteries, which account for about 40% of an EV's total value, are predominantly produced in China.

Chinese, Korean, and Japanese companies control the processing of materials in the battery supply chain.

What can be the course of action for India?

India needs to look beyond Production-Linked Incentives (PLIs). For instance, the US recently introduced substantial subsidies to stimulate the EV supply chain.

India's potential lithium reserves can give it advantage in becoming a battery manufacturer, but it requires policy changes.

108. Economics that looks at the lower half of the pyramid

Source: The post is based on the article "Economics that looks at the lower half of the

pyramid" published in The Hindu on 26th May 2023

Syllabus: GS3- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.

Relevance: About economic inequalities and economic policies.

News: Recently, the Global Solutions Summit was conducted in Berlin.

What are the key takeaways of the Global Solutions Summit?

The Global Solutions Summit is an international conference aimed at addressing key policy challenges facing the G20 and G7 and other global governance fora. The theme of this year's summit was "Realigning Societies: Towards a sustainable, inclusive, and common future".

The think tanks of the G-20 and other countries at the summit called attention to global problems of climate change, increasing economic inequalities within and among countries, and the effects of the financial and trade sanctions imposed by the most powerful nation, which affects the other 85% most of all.

What are the implications of economic inequalities?

Divisions among the economic "haves" and "have nots" are changing the political dynamics around the world. For instance, the economic disparity forces both the left and right of the political spectrum and has gained strength in all countries.

The G7 countries represent only 15% of the world's citizens. But they autocratically and undemocratically force other governments representing 85% of the people to turn into a democracy.

How does free market capitalism change socialist economies over time?

After the global depression, economies were reformed towards "socialism" in the last century. They aim to rebalance incomes and wealth. For example, Many European countries adopted a socialist model while maintaining their cultural traditions. Similarly, the U.S. introduced social security, increased taxes to raise resources for the government, and introduced laws enabling labour unions within enterprises.

The economic ideology of free markets in the 1980s struck at the base of socialist economies. Free market capitalism is founded on the principle of liberty in the economy, with rights for everyone to use their properties as they will. Free market economy models do not have much place for "socialist" values of equality and fraternity.

Further, the objectives of reforms imposed by the International Monetary Fund and the World Bank on countries whenever they needed economic assistance required the undoing of socialist reforms made earlier.

How does private sector involvement limit government spending?

Ronald Reagan once said the "government is not the solution..., it is the problem." He followed a policy which required governments to reduce their budgets and taxes to make more room for capital markets. "Subsidies" for the poor became bad, while "incentives" for investors were good.

The private sector is not expected to subsidise the cost of its services. Therefore, economic reforms favouring the private sector have increased economic precarity even in rich countries.

With the spread of financial capitalisation, an elite class of global citizens and multinationals emerged. They are residents in many countries but they avoided paying taxes in any. Thereby reducing government spending.

What should be done?

The model of economic growth that has guided national and international policies since the 1990s will not create healthy democracies.

- -Economics needs urgent reform to progress towards universal social, and ecological well-being.
- -Instead of focusing on the ease of doing business and the reduction of risks of financial investors, the **Ease of living of the poorest citizens and the reduction of economic disparity** must be the principal measures of good governance.
- -Indian economists must rethink the economic policies and concentrate on the requirements of the lower 50% of the people in the pyramid, and not trust wealth to trickle down on its own.

109. Who's afraid of Amul?

Source: The post is based on the article "Who's afraid of Amul?" published in The Indian Express on 27th May 2023.

Syllabus: GS 3 – Changes in industrial policy and their effects on industrial growth Relevance: About Milk cooperatives

News: Tamil Nadu CM has requested Union Home and Cooperation Minister to direct Amul to cease encroaching upon the milk-shed region of the Tamil Nadu Cooperative Milk Producers' Federation (Aavin). However, his demand is unreasonable.

Why is the demand of Tamil Nadu CM unreasonable?

First, Amul and Aavin are farmer-owned and professionally-managed dairy cooperatives. Hence, it isn't desirable for any minister or bureaucrat to intervene in the business operations of such organisations.

The urge to control and reduce cooperatives to the govt. departmental undertakings also goes against the spirit of liberalization. Ease of doing business shouldn't be only limited to large corporations.

Second, the entry of **Amul in Tamil Nadu will benefit both farmers as well as consumers.** It will benefit the state's dairy farmers by buying their milk and benefit consumers by offering choice other than Aavin.

However, **the only loser might be Aavin**, because it had a situation of both monopsony (single buyer) and monopoly (single seller).

Hence, the entry of Amul will force Aavin to become more efficient, pay farmers better and work towards retaining consumers.

Must Read: Amul vs Nandini threatens to limit choices for consumers

What is the way ahead?

Amul has been present in Telangana and north Karnataka for about ten years, but it hasn't really made an impact against locally produced cooperative and private dairy brands.

Therefore, state governments should permit the entry of new brands since doing so will promote healthy market competition and will offer greater choice to consumers.

110. Unchecked Kashmir box

Source- The post is based on the article "Unchecked Kashmir box" published in the "Business Standard" on 27th May 2023.

Syllabus: GS3 – Internal Security

News- Recently, the meeting of third Working Group of G20 on Tourism was held in Srinagar.

What are the major developments during the event?

The outcome was significantly positive in **political and strategic terms.** 17 of the 20 G20 countries attended, including four of the P-5, all of Europe. indeed, the largest Muslim nation, Indonesia.

But we also should look for **complexities and unfinished projects.** The absence of the three important Arab nations was a significant setback. Only one of these, Saudi Arabia, is a G20 member. The other two are invitees. This needs to be noted.

Saudi Arabia and India have improved relations in the past 15 years. Oman has had the oldest friendly ties with India. Egypt was also absent. President el-Sisi was the Republic Day chief guest this year.

Pakistan made a lot of efforts. Pakistan achieved **partial success**. But, it served a purpose for Pakistan. It was a reminder to India. The issue is far from settled for a section of the world matters for India.

It's also an instrument in the hands of China to **triangulate India through Pakistan**. It was also a reminder that India should not declare victory too soon.

What are the developments after constitutional changes in J&K on August 5, 2019? Much has been achieved on the ground, especially in the Valley, from law and order to infrastructure building. The most politically, strategically and internationally significant of these is the continued Union Territory status.

Four years after the shift, the "state" continues to be ruled directly by the Centre and the **political process** would still be held in abeyance.

India has not held **fresh elections after constitutional changes**. If this doesn't happen in the near future, it is a letdown. A letdown not just for the people of Kashmir but the **larger Indian cause** as well.

Why are conducting elections in J & K important?

In late 1980s, separatist insurgency actively backed by Pakistan began. By 1991, when P V Narasimha Rao took charge and began cleaning up the mess.

Pakistan had been able to fully internationalise the issue. Pakistan's campaign was three-pronged: Violation of human rights, the state being under military occupation, and denial of democracy and the right to self-determination.

Rao countered it with greater confidence and moral strength. As per him, there was no justification for any plebiscite when the Kashmiris were voting in increasing numbers to elect their own governments.

His greater confidence came from the fact that India had begun **holding fair elections** in Kashmir unlike the fixed ones in the past.

Rao also countered pressures on human rights by setting up the **National Human Rights Commission** and lifting the ban on foreign journalists visiting the state.

What should be the best course of action for India on J&K?

Today, India is **much stronger** than under Rao. First it is the **economic power. Geo-strategic changes**, the **rise of China, a warring Russia**, and the Indian **embrace of the US** have all placed India in the sweetest spot in history yet.

This is the time and opportunity to push the **planned and promised moves**. Not when this cycle might turn. In global affairs, the **balance of power**, alliances, all shift constantly.

India has worked hard at earning this **sweet spo**t. None of the world powers and significant nations is raising any questions about the changes to Kashmir's constitutional status. But it is **risky and unnecessary** to get complacent.

The idea that Jammu & Kashmir can be governed from New Delhi for eternity is tempting. The five countries who abstained reminded us that they still see **Kashmir as a "dispute"**.

Even the US passes resolutions asserting that all of Arunachal Pradesh is part of India, rejecting Chinese claims. But it is **silent in Ladakh.**

The next step for India should be, to **restore statehood** to Jammu & Kashmir and allow the **resumption of robust political activity.**

111. India as 'developed country' by 2047: Attainable goal, or chimera?

Source- The post is based on the article "India as 'developed country' by 2047: Attainable goal, or chimera?" published in the "Business Standard" on 27th May 2023.

Syllabus: GS3- Growth and development

Relevance- Development prospects of India

News– The Narendra Modi government has set before the country the goal of attaining "developed country" status by 2047.

What are prospects for India to achieve the status of developed country by 2047? Various development indicators exist. These are income level, health and education standards, quality of life, availability of work, levels of poverty and inequality, technological attainments.

India is well short of the required levels on such indicators. So the goal set for the next quartercentury is ambitious.

The **per capita income** of the country should grow more than five-fold in 24 years. It calls for annual growth of 7%. Indeed, very few countries have sustained such rapid growth for a long stretch. On a **realistic assessment**, India will not be **"high-income" in 2047**.

Getting to the "very high" human development category could be easier. The pace at which the country has improved its score on the human development index over the last quarter-century is impressive.

Sustaining that rate should help India improve its index score from the current 0.633 to the "very high" category threshold of 0.800 by 2047.

Another indicator is the share of **hi-tech items** in a country's **exports of manufactured goods.** India has a 10% share, about the same level as Brazil and Russia. The global average is 20% and China's figure is 30%.

In terms of **research output**, India's total has been growing rapidly. It now ranks fourth in quantity. But it is only ninth in terms of the **number of citations** of such research.

China's citation level is five times higher. Much efforts are needed to achieve the level of developed-country average on such indicators.

For tracking poverty numbers in an aspirational India, the "extreme poverty" benchmark of \$2.15 per day was applied when India was a **low-income country**. It is not appropriate for the **lower-middle income country** that India has become.

The benchmark for such countries is **\$3.65 per head per day**. By that measure, hundreds of millions are poor today. The benchmark for **upper-middle income countries**, when India gets there, would be even higher, at **\$6.85 per day**.

Would it be a unique thing if India achieves the status of developed country by 2047? India would be far from unique if it did achieve "developed country" status by 2047. More than 80 countries are already classified by the World Bank as being high-income, whereas India is still lower-middle income.

More than 65 countries are ranked by the **UN Development Programme** as having attained "very high" levels of human development. India is still in the "medium" category.

The country also remains some distance away from **eliminating multidimensional poverty.** If it got there in 2047, India would be very much a late-comer.

112. <u>Is ONDC really the UPI of e-commerce?</u>

Source: The post is based on the article "Is ONDC really the UPI of e-commerce?" published in Mint on 29th May 2023.

Syllabus: GS 3 - Indian Economy - Digital Economy

Relevance: concerns associated with Open Network for Digital Commerce (ONDC) platform.

News: The article explains the concerns associated with Open Network for Digital Commerce (ONDC).

What is ONDC?

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After the success of UPI, a hype is being created for ONDC that it will revolutionize e-commerce like UPI did with the payment system. However, the situation is different for both.

Why is it inappropriate to compare ONDC to UPI?

Before the launch of the UPI, all debit-based transactions were through a combination of cash exchange, online bank transfers, debit cards, etc. Even before UPI, people hardly used credit cards for payments.

Therefore, the launch of UPI made debit-based transactions easier by leveraging technology. UPI did not compete with any such big players in the market. It only made the existing payment system technology driven.

So, comparing ONDC with the UPI that it will democratize e-commerce by providing technology to the small players, which then will be able to compete with the big e-commerce companies is inappropriate.

What are the challenges with ONDC?

Making Profit: It is argued that ONDC will ensure competitiveness in the market by ending the monopoly of the big e-commerce companies. However, in reality even these big companies suffer in being a profitable.

For instance, it is viewed that platforms like Swiggy and Zomato are exploiting their duopoly power to create super-profits for themselves. However, for the fiscal year 2022, both reported losses. Hence, even for the ONDC, it cannot be said that it will make huge profits by eliminating monopoly from the market.

Relying on Marketplace Model: One of the aims of ONDC is to create several new vertical marketplaces. However, large e-commerce companies like Amazon have shifted from the marketplace model to a 'full-stack model' or into a platform.

This is because the **marketplace lacks standardization** of pricing, payment terms, logistics, packaging, service levels, returns, resolution of customer complaints, etc.

Therefore, for ONDC, reversal to a marketplace model will bring back all the problems that were inherent in that model.

Ensuring a level playing field: It is argued that ONDC will ensure a level playing field by allowing small sellers to sell their products online.

However, concerns remain over the efficiency of the ONDC that how it will make the economic chain efficient while also offering a small player the opportunity to deliver their products to customers in their locality.

Moreover, some people still prefer shopping offline and most small players do not even target customers who care for the convenience of home delivery.

So, any solution that focuses on home delivery is unlikely to benefit smaller players because they can never beat the e-commerce companies on this.

Therefore, imitating the models of the bigger players is probably not the answer because what has worked for them may not work for others.

What can be the way ahead?

Any such new idea that aims to revolutionize requires fundamental change rather than following the same pattern. Else, similar problems will exist like other e-commerce companies.

113. India needs to fill the vacuum of its mid-sized enterprises space

Source: The post is based on the article "India needs to fill the vacuum of its mid-sized enterprises space" published in Live Mint on 29th May 2023.

Syllabus: GS 3 - Changes in Industrial Policy and their effects on Industrial Growth Relevance: concerns with MSMEs

News: India has recently focused more on encouraging entrepreneurship through a variety of programmes and initiatives.

What are some of the initiatives that encourage entrepreneurship?

The government of India launched **a Startup India** in 2016. This increased the recognised startups from 442 in 2016 to 92,683 in 2023. The **Startup India Seed Fund Scheme** has also funded many businesses.

However, along with these initiatives, there is also a need to scale-up the firms.

Why is there a need to scale-up firms?

As per the MSME Annual Report of Government of India (2022-23), the micro sector makes up for over 99% of the total estimated number of MSMEs. The small sector has 0.33 million enterprises and the medium sector has only 5,000 firms.

Therefore, India needs policies that transform firms from a micro to mid-size stage because it is the mid-sized firms which hold greater potential to grow into a large firm.

According to a Mckinsey report, India is home to over 600 large firms that are 11 times more productive than average and contribute around 40% to total exports.

Therefore, to utilize this potential, India needs to promote micro firms and overcome its challenges.

What are the challenges faced by micro firms?

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Hence, scaling up is required for micro firms. **This is because scaling-up enables** firms to adopt newer technology, get access to different markets, and streamline production processes, along with boosting productivity.

What measures have been taken to scale up micro firms?

There are two major areas to focus for improving the ease of doing business and transitioning to larger firms $-\mathbf{a}$) to simplify as well as streamline the regulatory framework, and \mathbf{b}) promote access to capital.

In the context of streamlining the regulatory framework, finance minister Nirmala Sitharaman stated that there has been reduction in compliances along with decriminalizing various legal provisions.

This is important because a high regulatory burden disincentivizes firms to grow and firms prefer to stay small in size and outside the ambit of the formal system.

Additionally, various schemes have attempted to ease access to credit, especially for firms that have remained outside the formal credit system.

For instance, the **Udyam Assist Platform**, functions with the goal of bringing informal micro enterprises under the formal ambit to help them avail benefits under India's priority sector lending rules.

Another notable scheme is **PM SVANidhi** (**Prime Minister Street Vendor's Atmanirbhar Nidhi**) that provides credit to small entrepreneurs such as hawkers and street vendors.

Must Read: MSMEs: Significance, Challenges and Solutions - Explained

What can be the way ahead?

MSMEs form the backbone of the economy. Therefore, it is a huge responsibility to ensure that the schemes initiated for aiding growth among micro and small firms are implemented effectively.

114. Save The Summit – on ecological threats of mountaineering

Source: The post is based on the article "Save The Summit" published in Live Mint on 29th May 2023.

Syllabus Topic: GS Paper 3 -Environmental Degradation

Context: Commercialization of Himalayan expedition has become an ecological threat for the mountain.

The first official ascent of Mt Everest was made by Tenzing Norgay and Edmund Hillary 70 years ago. Over the decades, many others, including Junko Tabei (1975, Japan) and Bachendri Pal (1984, India) achieved this feat. However, with the rise of commercial expeditions in the 1990s, these expeditions became a threat to the mountains.

What are threats associated with commercialization of the Himalayan Expedition?

It has resulted in issues like 'traffic jams' and 'garbage mountains' on the mountains.

Mountaineering has become an ecological threat.

Over-commercialization and overcrowding are resulting in events like Joshimath flood.

What should be done?

Countries need to recalibrate their approach to mountain tourism and climbing to ensure the long-term preservation of the Everest region.

115. Why is the 1.5 degree Celsius target critical?

Source: The post is based on the article

"Why is the 1.5 degree Celsius target critical?" Published in The Hindu on 29th May 2023.

"Fighting climate change" in Business Standard on 29th Mat 2023.

Syllabus Topic: GS Paper 3 -Environmental Degradation and Climate Change

Context: The article discusses the importance of the 1.5-degree Celsius target.

World Meteorological Organization's (WMO) recently released reports indicate that by 2027, the average global temperature will exceed 1.5 degrees, a critical point beyond which there may be no return.

The report has also predicted that 1.5 degree Celsius temperature rise will happen over the next five years rather than the originally predicted timeline of 2033-37, due to el-nino factors.

Initially, for decades 2 degrees was an acceptable level of warming. However, Small Island countries opposed it as it threatened their survival. The 1.5°C target was officially recognized by the Intergovernmental Panel on Climate Change (IPCC) in 2018.

1.5°C target implies average planetary warming to 1.5 degree.

What is the significance of a 1.5-degree target?

The IPCC's 2018 report outlined the consequences of crossing 1.5-degree threshold. The report outlined potential outcomes, including more frequent and intense heat waves, droughts, heavy rainfall, a rise in sea levels, and destruction of ecosystems.

What are the causes behind crossing the threshold?

Developed G7 nations, responsible for a significant share of greenhouse gas emissions, have largely failed to fulfill their climate action pledges.

Countries such as Australia, the U.S., Japan, Russia, and Canada have made little progress, while China, Iran, and Saudi Arabia also rank low in climate performance.

The recent cyclone "Mocha", which hit Myanmar and Bangladesh earlier this month, exemplified these heightened risks.

Now, Covid Pandemic and Ukraine crisis have added to the rising threat.

How recent G7 summit is trying to tackle the climate change?

At leaders' summit in Hiroshima, the G7 claimed that its own emissions have peaked. It means the bulk of the responsibility now lies with major emerging powers such as China and India.

The final communique asked all major economies to ensure that their individual emissions do not continue to rise after 2025 and reiterated claims to hit net zero by 2050.

However, G7 country's claim is not rightful, because:

- 1. First, the cut-off year of 2025 has not been mandated by any international agreement.
- 2. Second, it is difficult to understand the G7 claims of reaching peak emissions when major powers such as Germany, struggling with lower gas supplies from Russia.
- 3. Third, developed countries have committed to spending just \$100 billion per year in support of climate action in developing countries.

What are the impacts of rising temperatures on the Weather Events?

There is a mass loss of glaciers in High-mountain Asia, Western North America, and South America. The WMO's reports suggest an increase in precipitation anomalies and marine heat waves relative to marine cold spells.

Climate change exacerbates food insecurity, displacement, and mortality while negatively affecting crop yields and increasing the risks posed by agricultural pests and diseases.

How does it impact India?

India has been experiencing increased impacts of climate change, including extreme weather events, hotter temperatures, and unpredictable monsoons.

As per India Meteorological Department, India saw 573 climate disasters, causing 138,377 deaths, between 1970 and 2021.

However, India has performed better on Climate Change Performance Index 2023 than many developed nations. India's performance has been a result of Green Hydrogen Mission and the introduction of green bonds.

116. Better numbers in private projects

Source- The post is based on the article "Better numbers in private projects" published in the "Business Standard" on 29th May 2023.

Syllabus: GS3- Indian economy and growth

Relevance- Investment in the Indian economy

News- The article explains the recent trend of investment growth in the Indian economy and its implications for the economy.

What is the role of the state and financial entity in the economy?

State is a small part of the economy. Almost **all output and jobs** are made in the private sector. State actions **create incentives** for private people to invest.

In this fundamental sense, **public policy** is not a game of muscular action in the economy. It is the game of **establishing conditions** in which the private sector will engage in **investment in the economy**.

Similarly, the financial system should best be seen as **creating conditions** for **non-financial firms** to build the economy. **Policy and finance** are the means to achieve vibrant growth.

What are indicators for measuring investment in the economy?

One measure of investment activity is the year-on-year growth of **net fixed assets (NFAs**) of large non-financial firms. This is data about the **annual flow of investment** by large firms. NFA growth has declined steadily from about 25% real in 2007-08 to about 0% real in 2021-22.

A good leading indicator of investment is found using the **CMIE capex database**. It tracks all large investment projects. The methods for the database have been consistently in place from 1995 onwards.

All clear projects with a distinct name are measured in the database. It shows up in **various** disclosures by the firm and by the state.

What is shown by investment indicators related to the stock of value of private projects under implementation?

It has declined from 2011-12 onwards. Things have now changed.

It was at its **bottom in 2020** at a value of about 47 trillion. There was a **slow recovery from 2020** and a **sharp gain in early 2023**. The latest value is at around 55 trillion. It is 17% real above the bottom. The **long decline** has reversed.

This is an important positive change in Indian economic conditions. The present value of the **stock of private investment** is far low as compared to the **peak value of 2011**. But, it is back to the levels last seen in 2018.

What do macroeconomics say about multiplier impacts of demand generation?

A demand impulse generates a multiplier effect. Increased private investment impacts the entire economy. Increased purchases and employment generate greater demand.

This triggers many good responses. These are greater borrowing, greater purchases of durable goods, greater investments in business plans, and non-workers transitioning into unemployment.

Could the present optimism related to high investment can lead to significant recovery?

Under the **macroeconomics aggregate** lies a lot of things. Some firms are faring well and some firms are collapsing.

The **limitations of firm resolution** in India have led to the **excessive survival of impaired organisations.** The rising investment of recent quarters may lift all the firms.

The upsurge in private projects under implementation should reflect an **upsurge in investment in the NFA data.**

The upsurge in the flow of investment expenses should trigger a significant scale of the **"multiplier effect" gains** in demand and employment?

The modest macroeconomic recovery should lead to broad-based investment and high growth rate.

117. Manipur violence: SOS from Imphal

Source: The post is based on the article "Manipur violence: SOS from Imphal" published in the Indian Express on 30th May 2023

Syllabus: GS 3: Security issues – Internal Security.

Relevance: About Manipur violence.

News: The Union Home Minister has pitched for dialogue and promised to deal a fair hand to all stakeholders in resolving the Manipur violenceManipur violence. Ahead of Union Home Minister's visit to Manipur violence has once again erupted.

What are the reasons behind the unrest in Manipur?

Must read: What is behind Manipur's widespread unrest?

What is the present state of Manipur violence?

The breakdown of trust between the Meiteis and Kukis only seems to have widened over the days. There have been reports of mobs attacking the houses of legislators, police stations and looting armouries.

The case in courts over the granting of tribal status to the Meiteis is yet to be settled through the Supreme Court. All evidence points to a crisis of governance, with mobs controlling the street and the administration missing from the scene.

Even legislative units seem divided along communal lines, with community/tribe affiliations proceeding over party loyalties. Overall, the crisis made peace in the entire region at stake.

What will be the impact of Manipur violence on regional security?

Must read: Manipur unrest and its impact on regional security - Explained, pointwise

What is the role of Myanmar in the Manipur unrest?

Read here: Junta Connection - For Manipur, India must revisit its Myanmar Policy

What the Center and States should do to address Manipur violence?

a) The first task before the government is to step in, to restore law and order and gain public trust. For that the central forces should be deployed adequately, **b)** A strong political leadership is necessary to get the warring parties, who have a long history of distrust, to sit across the table and start talking, **c)** The political leadership needs to address the legal conundrum. This should address questions about development, employment and educational opportunities, land ownership and usage and so on.

To counter multiple factors in play in Manipur, the government needs a multi-layered approach which involves judicial, political, and social levels.

118. Why reduction in manpower is bad for the Indian Army

Source- The post is based on the article "Why reduction in manpower is bad for the Indian Army" published in "The Indian express" on 30th May 2023.

Syllabus: GS3- Security

Relevance- Issues related to armed forces

News– Two big ideas are being pushed by politicians and bureaucrats masked as initiatives of the Armed Forces — right-sizing and Atmanirbharta.

Why the ideas of right-sizing and Atmanirbharta pushed by the Armed Forces are consequences of the OROP?

OROP was not a well thought-out decision. It was adopted for short-term electoral gains.

Its long-term cost is staggering. OROP's annual bill exceeds funds allotted for **modernisation**. Last year, the five-year equaliser in OROP led to an **increase of Rs 25,000 crore**.

The **revenue account** is much larger as compared to capital account. So, the government had to **reduce manpower**. Ironically, Covid19 became a government ally in the mission.

What are some facts related to deficiency of manpower in armed forces?

For a full two-and-a-half years till June 2022, **no recruitment** was done. The government was working on the much-maligned **Agniveer scheme**. The aim was to **reduce manpower and pension bills.**

No recruitment in the last three years has created the **deficiency of 1,80,000 personnel**. The savings on salary bills as well as pensions are significant.

Agniveer recruitment commenced in June 2022 with the intake of 40,000 soldiers. 70,000 soldiers continued to retire.

2023 is the year of transformation in the Army. An **additional 1,00,000 personne**l will be reduced on top of the 1,80,000 existing shortfall. Last month, the Headquarters Integrated Defence Staff ordered a **10% cut in manpower** across the force.

One reason for the dilution of manpower in the Army is the considerably improved **insurgency situation** in Jammu and Kashmir, particularly south of Banihal. At least two Rashtriya Rifles sectors were redeployed from Jammu to Ladakh.

In the Northeast, two mountain divisions fighting insurgency have been relieved and the **counter-insurgency mission** is now with the Assam Rifles. The **Manipur ethnic conflict** is a warning.

What are the impacts of low recruitment in recent years?

The adverse impact of **zero recruitment** for nearly three years on combat units was very serious. Many of the soldiers were deployed against the Chinese PLA in Ladakh. But no one **raised a voice**. Manpower deficiency has hurt **Gorkha regiments** the most. No recruitment has taken place this year. The government in Nepal is unable to decide on the **Agniveer scheme**. It prefers the **old system of 15 years recruitment plus pension**.

A suspension or termination of Gorkha recruitment from Nepal will have **profound strategic** consequences.

119. Unstable policy regimes discourage foreign portfolio investors

Source- The post is based on the article "Unstable policy regimes discourage foreign portfolio investors" published in the "The Indian Express" on 30th May 2023.

Syllabus: GS3- Economy

Relevance- Issues related to financial markets

News- The article explains the regularly issues related to financial markets and

What are characteristics of today's global financial ecosystem?

It is characterised by cross-border capital flows, and a global investor base.

Countries offer **multiple incentives** to attract the best companies to list their shares, and foreign investors to invest and create vibrant capital markets.

Issuers prefer jurisdictions having simpler compliance requirements. Foreign investors prefer countries allowing free flow of capital.

Take the recent example of Softbank-owned ARM Ltd. The London-based company chose a primary New York listing despite intense efforts by the UK prime minister. As per the Financial Times, this decision was due to the complex regulatory landscape in the UK.

What are issues related to regulation of financial markets? [Text Wrapping Break] Conflicts or disagreements between regulatory bodies and legislative intent or government policy can occur in any regulatory environment.

Governments set policies and legislative frameworks. Regulatory bodies often operate independently to enforce and interpret the laws.

Differences in interpretation, evolving market conditions or emerging challenges can lead to conflicts between regulations and the original intent or policy direction.

What are the suggestions of the report submitted by the Supreme Court-appointed Committee to probe certain allegations against the Adani Group?

It suggests changes in the **legal framework**. It provides insight into the **dichotomy between the legislative intent and the actions of the SEBI.**

The Committee has stated that the SEBI regulations have contradicted the **stated position**. The **legislative intent** was altogether different.

Take the case of the norms governing the **minimum public shareholding**. Once a disclosure of ultimate beneficial ownership is made, there is **sufficient compliance**. Despite this, the SEBI has taken a different stance.

The Committee notes that 13 foreign portfolio investors, investing in the Adani Group entities made beneficial ownership declarations by identifying natural persons controlling their decisions. It is in line with the requirements under the PMLA, 2002.

This declaration is as per the **compliance stipulated under the SEBI's FPI regulations**. Information on the 42 investors in these FPIs, who have invested their monies in these funds under the control of the beneficial owner identified and declared under the PMLA rules, is also available. The requirement to disclose the **last natural person** above every person owning any economic interest in the FPI was discontinued in 2018.

Similarly, the **"opaque structure" provisions** in the regulations were deleted in 2019 as declarations made under the PMLA constitute **sufficient compliance**.

As per the Committee, if every FPI was required to provide information about **beneficial owners** in respect of owners holding more than 10%, there was no need to know the **ultimate beneficial owner** of every owner of the FPI.

Yet in 2020, the SEBI moved the **investigation and enforcement** in the opposite direction. It stated that the **ultimate owner of every piece of economic interest** in an FPI must be capable of being ascertained.

The Committee has suggested the need for a **coherent enforcement policy**. There have also been other instances where SEBI's regulations or enforcement have clashed with legislative intent.

What impacts the FPI decision related to investment?

FPIs assess risks such as changes in taxation policies, capital controls, repatriation restrictions or shifts in regulatory frameworks to make their investment decisions. They rely on stable and transparent regulatory frameworks for investment decisions.

In case of uncertainty, they may become **cautious and hesitant** to commit their funds. FPIs prefer India over countries with unstable governments or **opaque capital market regimes** for this exact reason.

Businesses and investors prefer stable policy regimes. Frequent changes in law and policy raises the perceived risk. It deterres FPIs with lower risk tolerance to either postpone or cancel investment plans.

What is the way forward for regulation of FPIS?

Even if the legislative intent or spirit of the law is subjective, we cannot have an **uncertain regime**. There is a need to recognise the **contribution of FPIs** to the Indian markets. This can be addressed by **reducing the dichotomy between the legislative intent and SEBI regulations** to a bare minimum.

120. We need innovative ways to fill the climate funding gap

Source: This post is created based on the article "We need innovative ways to fill the climate funding gap", published in Live mint on 30th May 2023.

Syllabus Topic: GS Paper 3, Climate Change

Context: Rising carbon emissions and biodiversity losses is posing a grave threat to mankind, especially vulnerable sections. Handling it requires an innovative financing solution.

Financing of climate solutions is must for achieving SDG targets. SDG 13 (which covers climate action) calls upon states to take urgent action to combat climate change. SDG 15.5 calls for taking urgent action to reduce the degradation of natural habitats.

What are the initiatives launched for financing solutions for climate change?

At the 27th Conference of Parties (CoP17), a **Loss and Damage (L&D) Fund** was proposed to assist developing countries particularly vulnerable to the adverse effects of climate change.

It was especially established to assist developing countries that have been harmed and are 'particularly vulnerable' to the adverse effects of climate change.

15th Conference of Parties to Convention on Biodiversity resulted in a global commitment to raise international financial flows from developed to developing countries to at least \$30 billion per year by 2030.

Some countries also committed to mobilise at least **\$200 billion every year** from public and private sources for biodiversity related funding by 2030.

The **G20 Bali Leaders' declaration** called for unlocking innovative sources of financing to support Sustainable Development Goals (SDGs).

A number of funds have been created over the last 30 years: like **the Green Climate Fund**, **Adaptation Fund**, **and Special Climate Change Fund**. However, there is a significant gap between requirements and commitments.

Many proposals have been moved to create Global Carbon Tax, Digital Services Tax, Property Tax, Airplane Tax, cesses on carbon emissions, biodiversity, climate resilience and climate adaptation, Financial Transactions Tax etc.

However, as usual, there is very little hope, due to past failures of rich countries in meeting commitments.

Role of private investment in climate financing

Private capital financing can play a significant role in plugging the gaps for global sustainable financing, particularly in emerging markets and developing economies.

Therefore, creation of an ecosystem that incentivises the creation of financial assets for emission reduction and biodiversity conservation, is necessary.

Private capital financing has increased over the last decade but needs to be scaled up significantly to meet agreed targets.

121. Faster, stronger – on supercomputers in India

Source: This post is created based on the article **"Faster, stronger"**, published in **The Hindu** on 30th May 2023.

Syllabus Topic: GS paper 3 – indigenization of technology and developing new technology

Context: India is set to receive a new high-performance computing (HPC) system, often referred to as a 'supercomputer', from the French corporation, Atos. This system is expected to be the fastest in India.

The HPC will be part of deal with France, signed in December 2018 to procure high-performance computers worth ₹4,500 crore by 2025.

The HPC systems will be hosted by two institutions: the Indian Institute of Tropical Meteorology, Pune, and the National Centre for Medium Range Weather Forecasting, Noida. These institutions currently house two of India's most powerful machines, Mihir and Pratyush.

How HPCs are being used and what are their potential uses?

While the possession of powerful supercomputers provides Indian scientists the tools to tackle complex problems, it's unclear whether these machines have led to significant breakthroughs in fundamental science or engineered commercial products.

The use of such machines has improved short-term weather forecasts and cyclone predictions in India. But there should be greater evaluation of their value in other fields, beyond their speed and power.

122. Recycling permanent magnets for rare earths

Source: The post is based on the article "Recycling permanent magnets for rare earths" published in the Business Standard on 31st May 2023.

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

Relevance: About rare earth permanent magnets.

News: Recently, the PM has inaugurated India's first facility to produce rare earth permanent magnets in Visakhapatnam. The plant is based on **indigenous reduction-diffusion technology** and produces samarium-cobalt (SaCo) rare earth permanent magnets and neodymium-iron-boron (NdFeB) permanent magnets.

What is the significance of the Vishakapatnam rare earth permanent magnets plant for India? The supply chain of rare earths is one of the biggest concerns because China has the highest concentration of rare earth metals which gives it a huge strategic leverage. Therefore, setting up a production facility for permanent magnets in India is a significant step as it will safeguard India from any supply chain disruption.

Moreover, India's Make in India initiative has given a boost in the electronics, defence, and aerospace sectors, which has led to an increase in the demand for rare earth permanent magnets. Since India is an importer of these metals, setting up such kinds of plants will cater India's domestic demand while reducing its reliance on China.

Why is the production of rare earth permanent magnets important?

Rare earth permanent magnets have a wide-range applications in electronics, automobiles, the military, etc. These are also used in new technologies like hypersonic weapons and directed energy systems.

Compared to ordinary ferrous magnets, rare earth permanent magnets generate a very high magnetic field strength and large amounts of torque. This makes them ideal for applications requiring high-performance, compact and light-weight motors.

Moreover, a rare earth permanent magnet also has nearly 30 percent of rare earth metals by weight. Recycling them can further benefit India in catering rare earth metal demand.

How will recycling rare earth permanent magnets benefit India?

According to a report of the United Nations, India was the third-largest country in e-waste generation in 2019. The e-waste generation is expected to increase further in the coming years. As these permanent magnets contain rare earth metals, recycling them would help in catering to domestic rare earth metal demand in India.

Given the large amount of e-waste generated in India, recycling them would provide rare earth metals much more than the quantities imported currently.

Must Read: Rare Earth Elements: Strategic Importance and Reducing Import
Dependence - Explained

What are the concerns present with e-waste collection and recycling?

E-waste collection and recycling in India suffer from several institutional and management weaknesses.

Only about 22% of the e-waste generated is collected while the recycling technology employed is primitive and it is mostly about scavenging precious metals like gold and silver. Therefore, improving e-waste collection requires a behavioural change in society.

Must read: India's e-waste challenge - Explained, pointwise

What can be the way ahead?

India does not have a recycling plant for permanent magnets. To address this issue, companies from friendly nations can be incentivised to set up recycling facilities in India while efforts can be taken to develop indigenous technology simultaneously. Moreover, recycling plants should adhere to environmental norms as well.

Note: Neodymium and Dysprosium are two elements required to make permanent magnets, which also contain rare earth metals in it.

123. Withdrawal of Rs 2000 notes: The short history of a large note

Source: The post is based on the article "The short history of a large note" published in The Hindu on 31st May 2023

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

Relevance: About RBI's decision to withdraw Rs 2,000 notes.

News: The Reserve Bank of India (RBI) has decided to withdraw the Rs 2000 denomination banknotes from circulation.

Why has the RBI withdrawn Rs 2,000 notes?

Must read: Why has the RBI withdrawn Rs 2,000 notes?

What are the issues faced in the economy with Rs 2,000 notes?

The credibility of the monetary system: India's monetary system has taken a serious credibility hit due to frequent changes and U-turns in currency management.

Automated Teller Machine (ATM) Recalibration: During demonetisation, the 2000 notes had to be printed in larger numbers. The RBI printed the new $\[2,000 \]$ notes in a new size. Normally, an ATM contained four cassettes; two cassettes held $\[500 \]$ notes and the other two cassettes held $\[1,000 \]$ and $\[100 \]$ notes. The new $\[2,000 \]$ note would not fit into any of these cassettes. Consequently, every one of the 2.2 lakh ATMs in India had to be "re-calibrated".

Re-calibration was a massive and complex exercise that required coordination across banks, ATM manufacturers, the National Payments Corporation of India, and switch operators. Engineers had to personally visit each ATM and spend between two to four hours with an ATM to complete the recalibration.

Limited funds during demonetisation: Most of the banks packed all four ATM cassettes with available notes of ₹100. This limited the ATM's access to citizens. (One ATM could, at the maximum, meet the needs of only 105 people per day as ATM could store currency worth ₹2.1 lakh in ₹100 notes).

When the stock of ₹100 notes was quickly exhausted, banks demanded more from the RBI. The RBI had no option but to supply old and soiled notes that banks had returned to the RBI earlier. Soiled notes often jammed the ATMs and further complicated the issue.

The quality of Rs 2000 notes: According to Ramakumar, many notes were poorly printed; some notes had a shadow of Mahatma Gandhi's face in addition to the photograph of his face; some others had uneven borders; while others were of varying colour shades and sizes.

The issue of change: There locals in villages do not offer change or a balance payment over transactions in Rs 2000 even today. In effect, the problem of a short supply of notes was exacerbated by the release of the ₹2,000 note.

Must read: Withdrawal of currencies: need and challenges

Can a growing economy have the ₹500 note as the highest denomination?

The highest denomination note in an economy serves as a store of value and is scarcely used in day-to-day transactions. As per capita incomes and inflation rise, the highest denomination note sheds value and becomes a note for day-to-day transactions. The economy would need a new higher denomination note to act as a store of value. This is the reason the RBI had requested the government to let it issue ₹5,000 and ₹10,000 notes in 2014.

The cash-to-GDP ratio in India was 12% in 2015-16 but it rose to 14.5% in 2020-21 and 13.3% in 2021-22. This highlights the value of notes is eroding with inflation, and real interest rates are falling. So, the demand for higher denominations will increase.

Read more: RBI's Demonetization data report

Would an e-rupee be a perfect substitute for a larger denomination note?

For that, the digital currency must meet the properties such as anonymity, general purpose use, exchangeability and etc. The RBI has stated that anonymity can be assured only "to a certain degree." The other properties are still evolving. So, it is hard for a digital currency will emerge as a new store of value in shorter time.

124. Economics of biofuels – Food and feed must be given priority

Source: The post is based on the article "Economics of biofuels – Food and feed must be given priority" published in the Business Standard on 31st May 2023

Syllabus: GS – 3: Energy. **Relevance**: About E20 target.

News: The government said to achieve the level of ethanol blending in petrol to 20% (E20) by 2025, instead of 2030. But a recent report rules out the availability of enough raw material to reach E20.

About the recent Amendments to the National Policy on Biofuels

Read more: Cabinet approves Amendments to the National Policy on Biofuels -2018

Why does India need to revisit its E20 target?

Non-availability of land and low production capability: Brazil, the world's leading sugar and ethanol producer, are able to grow crops exclusively for biofuel production because they have abundant land. Further, the productivity of these crops in India is lower than the global averages and their use for food and feed has to be given priority.

Not easy to divert food grains: Last year, the Food Corporation of India gave about one million tonnes of subsidised rice to distilleries for ethanol production. But diverting food grains like rice and corn for ethanol production often is not feasible as malnutrition is rampant, and India's ranking on the global hunger index is low.

Vehicles need modifications: Most of the existing vehicles are, typically, not made to run on high ethanol doped fuels. They would require modifications, even if minor ones.

The level of emission reduction is low: The level of emission reduction achieved by replacing a small part of petrol with ethanol is too meagre to justify additional investment in engine modifications and creating fresh capacities to manufacture E20-compliant autos. According to a NITI Aayog report, the extra cost would be Rs 3,000-5,000 for every four-wheeler and Rs 1,000-2,000 for a two-wheeler.

Must read: Amendments to the National Policy on Biofuels - Explained, pointwise

What should be done to achieve the E20 target?

At present, the bulk of the ethanol is produced by the sugar industry, which has been permitted to utilise all products of sugarcane, including cane juice and finished sugar, for this purpose. To achieve E20 target, India should explore ways to produce ethanol by deploying second-generation (2G) technology. At least four such 2G ethanol plants are already coming up. India needs to set up more such plants.

125. Indian toy industry: Unboxing the 'export turnaround' in India's toy story

Source: The post is based on the article "Unboxing the 'export turnaround' in India's toy story" published in "The Hindu" on 31st May 2023.

Syllabus: GS3- Indian economy

Relevance: About Indian toy industry.

News: India has recently turned a net exporter of toys, during 2020-21 and 2021-22. Between 2018-19 and 2021-22, toy exports increased from ₹812 crore to 1,237 crore. Imports declined from \$371 2,593 crore to ₹819 crore.

How has been the performance of the Indian toy industry?

India's toy industry is minuscule. In 2015-16, the industry had about **15,000 enterprises.** They produced toys valued at ₹**1,688 crores and employed 35,000 workers.**

Registered factories accounted for **1% of the number of factories and enterprises.** They employed 20% of workers and produced 77% of the value of output.

Between 2000 and 2016, industry output was **halved in real terms** with job losses. Imports accounted for up to **80% of domestic sales** until recently. Between 2000 and 2018-19, imports rose by nearly three times as much as exports.

India hardly figures in the **global toy trade**. Its exports are merely a half-percentage point of total global export.

What explains the sharp turnaround in the toy trade in just three years?

Imports contracted as the **basic customs duty** on toys tripled from 20% to 60% in February 2020. Numerous **non-tariff barriers** were imposed as well such as **production registration orders and safety regulation codes**. It contributed to import contraction.

How is the scenario of the Indian toy industry different from other countries in Asia?

Historically, Asia's successful industrialising nations promoted **toy exports for job creation**. For example, Japan started about a century ago, China since the 1980s, and currently Vietnam is following in their footsteps.

India followed an **inward-oriented industrial policy** in the planning era. It provided a **"double protection"** by import tariffs and reservation of the product for the small-scale sector. As a result, toy manufacturing remained stagnant, archaic and fragmented.

In 1997, the **reservation policy** was abolished. New firms entered the organised sector, but only **for a while. Productivity growth** improved. But the unorganised sector languished with job losses.

How do more recent policy initiatives, such as 'Make in India', have a bearing on the Indian toy industry?

There is no evidence of 'Make in India' positively affecting the toy industry on a sustained basis. The output of the informal or unorganised sector shrank. But, it continues to account for the majority of establishments and employment.

Industry de-reservation failed to sustain output, investment, and productivity growth after 2007-08.

What is the way forward for the growth of the toy industry?

Neither the **reservation policy nor its abolition after the liberal reforms** boosted the industry's performance.

One should perhaps look beyond **simplistic binaries of planning versus reforms**. There is a need to examine the **ground reality of industrial locations and clusters** to make policies and institutions to nurture such industries.

126. Biodiversity is us and we are biodiversity

Source—The post is based on the article "Biodiversity is us and we are biodiversity" Published in the "The Hindu" on 1st June 2023.

Syllabus: GS3 – Environment

Relevance- Issues related to biodiversity

News- The International Biodiversity Day was observed on May 22.

What is the importance of biodiversity?

Biodiversity is everywhere. It is inside our bodies, in villages, towns, and cities, and in well-organised ecological communities and ecosystems.

Biodiversity conservation can help to **sequester carbon dioxide** from the atmosphere. Biodiversity helps in **mitigation of climate change**.

It also fulfils our **basic needs** for food, shelter, medicines, mental health, recreation, and spiritual enrichment.

There will be a need to rely more on solutions that draw upon biodiversity or nature to face the continuing decline in the quality of our environment. These are called **nature-based solutions**.

Biodiversity will restore our **degraded lands and polluted rivers and oceans**. It will **sustain our agriculture** in the face of climate change. Biodiversity forms the basis of a **new sustainable green economy.**

What is the way forward to preserve biodiversity?

Civil society must play a critical role in sustaining our biodiversity.

There is a need to change the way we **manage our biodiversity**. Currently, the main custodian of the natural world is the Indian Forest Service. But the term "Forest" to describe natural heritage is flawed.

India's biodiversity is not only on land but also in water bodies, rivers, deltas, and oceans. Our ecosystems exist in the form of grasslands, savannas, alpine pastures, deserts, and other types of ecological communities.

In the 21st century, the **basic terms "forests" and "wildlife"** have limited meaning or usefulness. There is a need for **multifunctional landscapes**, where **aspirations**, **beliefs**, **traditional knowledge**, and **direct participation of local communities** are central to the conserving and sustaining life on earth.

In 2006, India enacted the **Forest Rights Act.** It called for an increase in the s**take of indigenous** groups in ownership as well as management of biodiversity. However, the Act largely remains on paper.

It is time to **move beyond the Acts** to fundamentally alter the management of biodiversity.

Biodiversity must be mainstreamed into our daily actions, in every development programme, in every government department, in every public and private institution.

It is time to **decentralise the management of biodiversity** by bringing together **multiple stakeholders**, especially local communities, through gram sabhas and biodiversity management committees.

What are some facts about the proposed National Mission on Biodiversity and Human Wellbeing?

The **mainstreaming of biodiversity** is the goal of the proposed Mission. India's Biodiversity Collaborative based in Bengaluru, conceptualised the idea.

The Mission will enable our country to meet critical challenges in **climate change**, **natural and regenerative agriculture**, **and ecosystem and public health** using biodiversity and ecosystem services.

The ultimate goal is to enhance and conserve biodiversity to foster human well-being, and to meet the Sustainable Development Goals. It will support an era of a new green economy.

People will be at the **centre of the Mission**. The goal of the Mission is to **engage all citizens** in the **conservation and sustainable use** of biodiversity. The Mission will integrate biodiversity in every **development-oriented programme** of the public and private sectors

127. India sourcing: From hurdle to ambition

Source: This post is created based on the article "**India sourcing: From hurdle to ambition**", Business Standard on 1st June 2023.

Syllabus Topic: GS Paper 3 – Changes to industrial policies

Context: global brands are now finding it lucrative to produce in India. The article focusses on the factors that are contributing to this success.

Over the last decade, brands like Walmart, Amazon, Apple, and Ikea have increased sourcing of goods from India and have even set ambitious export targets.

What are the contributing factors?

In the past, industries were finding it challenging to comply with strict sourcing rules that mandated 30% sourcing of Indian products for any company with more than 51% FDI, from 1st day. The rules have been updated, now companies need to comply with this norm within five years of setting up a single-brand retail business, instead of from day one of the earlier rules.

The 'Make in India' campaign, along with the production-linked incentive scheme, has strengthened the sourcing movement.

The conditions for FDI in single-brand retail were changed to include manufacturing as part of the 30 per cent mandatory sourcing.

What are the examples of success of government effort?

Walmart CEO Doug McMillon expressed the company's goal to meet \$10 billion worth of exports annually from India by 2027, up from about \$3 billion currently.

Amazon is also increasing its sourcing from India through a scheme called Amazon Global Selling in India.

What are the remaining challenges in attracting companies to India?

India must address the challenges associated with supply chain logistics and wide infrastructure gaps.

128. Making India's National Security 21st Century Compatible

Source: This post is created based on the article "Making India's National Security 21st

Century Compatible", Business Standard on 1st June 2023.

Syllabus Topic: GS Paper 3 – Internal Security

Context: The article discusses the need for reform in India's national security structures

National security structures worldwide, including India, are typically hierarchical, resistant to change, and only moderately accountable to the public. However, national security structures are needed to evolve with the changing global dynamics and rising multi-dimensional threats.

What are the factors that are necessitating the changes in security structure in India?

- 1) Multi-dimensional threats across land and maritime fronts from China, with Pakistan as a collusive proxy.
- 2) The need for full-spectrum security capability across multiple fronts and domains.
- 3) The urgent need to balance speedy indigenization of defense capability with the utilization of existing platforms and selective imports to ensure that capability gaps do not widen too much.
- 4) The blurring of lines between different instruments of statecraft necessitating a 'whole of government approach'.
- 5) There is existing hesitancy in India to work with consultants from various disciplines due to 'secrecy and security issues'.
- 6) Future conflicts will involve traditional warfare as well as new-age warfare waged in knowledge domains, social media, space, and cyberspace.

What should be done?

Traditional forms of planning, and execution should be used along with newer forms of cognitive thinking enabled by technologies like cloud computing, Internet of Military Things (IOMT), and AI. A collaboration with outside experts from academia, industry, and the corporate sector, can be considered.

129. BIN: Build, Inaugurate, Neglect

Source: This post is created based on the article "BIN: Build, Inaugurate, Neglect", published in The Times of India on 1st June 2023.

Syllabus Topic: GS Paper 3 – Infrastructure

Context: The article critically analyze the politics behind creating 'edifice complexes'.

The term edifice complex was coined initially to describe the tendency of politicians to build physical structures for electoral gains. However, it is not always bad.

It can bring huge benefits to people as well.

What are the criticisms associated with building edifice complexes?

The edifice complex diverts attention away from priorities that contribute to a nation's long-term growth and prosperity.

Investments in education and health are avoided due to long gestation projects, which is not feasible for one electoral cycle.

Politicians often prioritize new structures as they offer higher political payoffs than maintaining existing ones. It results in wastage of resources.

Why edifice complexes are not always bad?

The structures such as Nagarjuna Sagar dam are beneficial for the people in the long run. It provided livelihood to millions of farmers.

New 'Ambedkar Bhavan' in Hyderabad ss an example that invokes a collective sense of pride and unity.

130. Mapping the climate transition by identifying policy interventions

Source: The post is based on the article "Mapping the climate transition by identifying policy interventions" published in Mint on 1st June 2023.

Syllabus: GS 3 - Environment, Growth & Development

Relevance: measures needed by India to align its growth rate with its net zero emission goals

News: In the **Report on Currency and Finance**, the RBI has highlighted various concerns associated with achieving desired growth rate while controlling the emission targets.

As per the report, **if India wants to become a developed country by 2047-48**, its GDP growth rate should be 9.6% per annum up to 2047-48.

Click Here to Read More About the Report

What are the commitments made by the countries towards achieving net zero target?

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How can India align its growth with its net zero emission target?

As per the RBI report, India can - a) increase the level of energy efficiency i.e., reduce the energy used per unit of GDP and b) increase the greenness of energy i.e., reduce emissions per unit of energy.

At present, **India's energy efficiency** has been improving at 2.3% per annum over the last 10 years. However, it needs to be accelerated to 5%.

Similarly, **the share of green energy** in primary energy has to be increased to 70% – 82% of the total by 2070.

How can India achieve these targets?

Prioritizing Areas: As per the RBI report, India needs to intervene in some major areas which needs to be implemented over the next 10 years.

Shifting power generation away from coal-based thermal power towards solar, wind and other green sources is the one of the priority areas because this will lead to almost half of the reduction in emissions.

Phasing down coal-based power plants: As per the RBI report, the govt. should ensure that no new coal-based thermal power plants will be set up after a certain period.

Phasing down coal-based power plants may also lead to phasing out coal mines, which can have implications on employment and state finances. India needs to prepare itself for such challenges.

Investments: Raising the share of green energy to 70% or 82% of total energy by 2070 will involve massive investments in building electricity generation, storage and transmission capacity and also in developing infrastructure for green hydrogen.

Since a large part of investments will be taken by the private sector, there is a need for a policy environment that will encourage such investment.

Carbon tax or cap-and-trade system: The RBI report highlights the issue of imposing such a system. The **Electricity Amendment Act makes provision for introducing a cap-and-trade system.** However, whether an explicit carbon tax would be better needs to be carefully examined.

Moreover, either option would raise the cost of coal to users and this would be reflected in the price of coal-based electricity.

Such mechanisms might enhance the competitiveness of green electricity without implementing mandatory renewable purchase obligations on discoms.

However, despite such concerns, a big advantage of carbon taxation is that it raises revenue. Since both the central and state governments do not have enough fiscal space for the transitions, carbon taxation will provide required resources.

What can be the way ahead?

Improvements in energy efficiency are critical to reduce emissions. Therefore, there is a need to switch to more energy-efficient systems and implement more energy-efficient building designs.

131. Coordinating in the battlefield

Source– The post is based on the article "Coordinating in the battlefield" published in the "Business Standard" on 2nd June 2023.

Syllabus: GS3 – Internal Security

News- Speaking at an annual gathering of the Confederation of Indian Industry (CII) in New Delhi last week, Defence Minister Rajnath Singh asked defence forces to innovate in futuristic technologies "to transform India from a follower to a leader".

How has the nature of warfare changed in recent times?

Azerbaijan's rout of Armenia in 2020 and Russia's failure to subdue Ukraine signal a major change in interstate warfare.

In the battlefield of today, survival faces a **different set of challenges**. Systems like the Switchblade, Kamikaze drone, are used by Ukrainians against the Russians.

Switchblade flies to its target and crashes into it. It detonates itself in a suicidal manner.

Kamikaze drone attacks force adversaries to change their **patterns of operations**. It reduces the effectiveness of the field force.

What are the challenges faced by India from the defence capabilities of China?

China is a key player in **autonomous weapons**. The PLA has been developing **unmanned systems** since 2013. It has incorporated them into their **theatre planning**.

China has a sophisticated understanding of **India's cyber vulnerabilities.** The PLA is believed to have mapped the **strategic vulnerabilities in our critical infrastructure.**

These systems include hardware that is full of **Chinese components**. They maintain **complete control** over it even after it has been installed in Indian servers.

What is the way forward for Indian defence forces to tackle the Chinese challenge?

There is a need to rethink the hardware realm. Swift decisions are needed.

Banning Chinese hardware such as 5G networks would serve little purpose. There is a need to replace the major systems and networks.

India **needs creativity**. Our **acquisitions processes** are focused on buying military hardware, rather than **creating new capabilities**.

The **synergistic integration** of the shortened BrahMos cruise missile into the Sukhoi-30MKI fighter has been successful. This has given the BrahMos a **deep strike capability** cheaply and with available Indian technology.

The Indian Air Force's requirement of 42 combat aircraft squadrons includes many MiG-21 squadrons, especially for air defense. But the induction of force multipliers and platforms that perform the same job is overlooked.

For example, **S-400 surface-to-air missiles and airborne warning and control systems (AWACS)** have enormously boosted our air-defence capability. Yet, the IAF's stated requirement remains 42 fighter squadrons.

The Indian Navy has not revised its requirement of 200 warships, stated in its Maritime Capability Perspective Plan. But, its capability as a fighting force is more potent today than ever before.

It has a heavily armed fleet. The navy is planning for six more conventional submarines and six nuclear-propelled submarines (SSNs) for the deep waters of the Bay of Bengal. There is ample scope to reduce the surface fleet.

There is inadequate discussion of the **Indian Army's manpower policies**. These include beefing up our defences against China by **three new mountain divisions** into Eastern Ladakh and **two new mountain divisions** in Arunachal Pradesh in 2007-09.

Indian army is planning for the conversion of India's plains strike corps into a **mountain strike corps.** This involves shifting **two infantry and one armoured division** from the Pakistan frontier and **re-tasking, re-training, and re-equipping** them for offensive operations on the China border. Some key projects of three services have not achieved much progress. Since 2009, work has not progressed much on the **Future Infantry Combat Vehicle.**

The Advanced Towed Artillery Gun System is high in priority. The Tactical Communications System is also being neglected.

For all these weapons, the military must obtain **strike platforms and fighting tools** to serve an **operational plan.**

India's military can no longer afford to create a **patchwork of small and relatively inconsequential systems**, purchased from here and there.

132. At the root of India's manufacturing challenge

Source—The post is based on the article "At the root of India's manufacturing challenge" published in "The Hindu" on 2nd June 2023.

Syllabus: GS3- Economy

Relevance- Issues related to manufacturing sector

News– The article explains the steps taken by successive governments for manufacturing sector and the reason behind weak performance of manufacturing sector despite government initiatives

What are various steps taken by governments in India for the manufacturing sector and their impacts?

The economic reforms of 1991 had almost exclusively focused on manufacturing. But the reforms did not lead to an increase in the share of manufacturing in the economy.

There has been a **qualitative change** after 1991. The **range and quality of products** manufactured in India have undergone an impressive increase.

In 2014, the manufacturing sector was given a push through the 'Make in India initiative'. There was emphasis on foreign direct investment. The **Production-Linked Incentive scheme** was launched recently.

The tax rate had been lowered substantially in 2019. Government is **pushing public investment**. In the last Union Budget, **capital expenditure** was raised by 18.5%.

But, the record of these schemes has not been impressive. In 2022-23, manufacturing growth is 1.3%. The persistence of **low rates of growth** despite policy initiatives in manufacturing points to **structural issues** with the sector in India.

Why is demand side weakness a major factor behind lack of growth in the manufacturing sector?

There is a need to look at the **demand side**. This is largely independent of the **supply side**.

Household demand for manufactures follows the satisfaction of its **demand for the necessities of life** like food, housing, health and education. For a substantial section of India's households, food occupies a large share. This impacts the growth of **demand for manufactures.**

The relationship between per capita income and the share of food in household expenditure is strongly negative globally. Countries such as the United States and Singapore, have a low share of food.

The **share of food** is the largest in India, among major economies and its GDP per capita the lowest. Industry leaders have no control over the **demand side of the equation.**

What can India learn from East Asian countries?

Exports can sidestep a narrow domestic market. **East Asian countries** were able to grow their manufacturing base despite the low **scale of domestic markets**. It requires that manufacturers are **globally competitive**.

Infrastructure and skill level of the workforce are important contributors to manufacturing growth of East Asian economies. These determine the **cost of production and the type of products** that a country can produce.

Indian exporters face a **competitive disadvantage** related to **higher turnaround time** for ships in India's ports. **Inexpensive power, space and industrial waste disposal** services all matter.

Why neglect of education in India is impacting the manufacturing sector in India?

India has fallen most behind the countries that are the manufacturing successes of the world in the **education field.**

The ranking of countries by the **Programme for International Student Assessment** reveals this directly. In a group of about 75 countries, India barely manages not to be the last.

Pratham findings point to the very **low reading ability and numeracy** of Indian children in their early years.

There are issues related to **employability of Indian graduates**. The skilled workers, ranging from carpenters to plumbers and mechanics have been neglected in **economic policy-making** in India. There is **no formal assessment** available of the state of the vocational training institutes in India.

The **Planning Commission data** shows that only about **5% of Indian youth** have had any kind of technical training. The figure for **South Korea** was **over 85%**.

133. India stands to gain from the trading of carbon credits

Source: The post is based on the article "India stands to gain from the trading of carbon credits" published in Mint on 2nd June 2023.

Syllabus: GS 3 - Environment

Relevance: benefit and challenges associated with carbon credit market

News: The article explains measures taken by India to combat climate change and benefit and challenges associated with carbon credit market.

What are the measures taken by India to tackle climate change?

Click Here to Read

India, despite having 17% of the global population, has the lowest per capita emissions among major economies, accounting only 5% of the global total emissions.

However, projections indicate that India's emissions would increase. Therefore, India has called on the developed nationals to fulfill their promise of climate financing.

Further, the government is also taking measures to establish a <u>carbon credit market</u> to achieve the Nationally Determined Contributions (NDC) goals.

Read More: Carbon Markets: Benefits and Challenges - Explained

How can the carbon credit market benefit India?

Extra carbon credits may be sold globally, allowing other countries to receive significant amounts of carbon credits from India.

This can generate revenue to finance climate change mitigation projects and help in transitioning to a low-carbon economy.

What are the challenges with the carbon credit market?

Competition: In 2021, the global carbon credits market experienced a significant growth of 164%. It is projected to surpass \$100 billion by 2030. This growth has implications for India's domestic carbon market, as increased competition for carbon credits may result in higher prices within the country.

However, due to the international cooperation promoted by the Paris Agreement, this is unlikely to happen.

Instead, the establishment of a global carbon market could potentially create a more balanced playing field, which could be advantageous for developing countries like India.

Edge for Developed Nation: Developed nations hold an advantage due to their technical and financial capabilities, allowing them to generate and sell carbon credits at a lower cost.

Hence, a standardized system within a global carbon market is needed to address this imbalance.

Lack of Centralized Regulatory Body: Currently, trading carbon credits between countries involves complex bilateral agreements, additional reporting requirements, and country authorizations.

Therefore, a centralized registry and regulatory body is needed that would facilitate smoother international trading for India, reducing administrative burdens.

What more steps can be taken by India to achieve transition to a low-carbon economy?

a)) achieve the target of building 175GW of installed renewable energy capacity by 2022 and 450GW by 2030, b) India would need to increase its total installed solar power capacity to over 5,600GW to attain net-zero by 2070, c) the use of coal, particularly in power generation, would have to decrease by 99% by 2060, d) consumption of crude oil across different sectors would need to reach its peak by 2050 and then significantly decrease by 90% between 2050 and 2070, e) the industrial sector could potentially meet 19% of its total energy requirements through the use of green hydrogen.

What can be the way ahead?

India can position itself as a key player in the global carbon market and achieve its climate goals while promoting sustainable development by following the 5 Es formula.

5 Es formula—Enhancing carbon reduction efforts, Establishing robust monitoring and reporting systems, Encouraging international cooperation, Exploring technology and Innovation, and Empowering local stakeholders.

134. Concentration concerns - Sebi's proposal will make FPIs more transparent

Source: The post is based on the article "Concentration concerns - Sebi's proposal will make

FPIs more transparent" published in Business Standard on 2nd June 2023.

Syllabus: GS 3 - Indian Economy - Capital Markets

Relevance: About new additional disclosure requirements for FPIs.

News: The Securities and Exchange Board of India (**Sebi**) has published a consultation paper that proposes new additional disclosure requirements for foreign portfolio investors (**FPIs**).

What is the current requirement for additional disclosures for FPIs?

Currently, Sebi proposes that high-risk FPIs holding more than 50 percent of assets under management (AUM) in a single corporate group would be required to comply with requirements for additional disclosures, if such concentration exceeds a temporary window of 10 days.

Such FPIs would have to provide the granular data of all entities with any ownership, economic interest, or control rights.

However, this requirement is qualified by exempting newly registered FPIs for the first six months and FPIs that are currently undergoing the winding-up process.

What are the new additional disclosure requirements for FPIs proposed by Sebi?

The new additional disclosure requirements primarily focus on identifying the true beneficial owners of shares held by concentrated FPIs.

The aim is to prevent potential evasion of minimum public shareholding (**MPS**) regulations and misuse of the FPI route to bypass Press Note 3 (**PN3**) guidelines.

The paper is likely a response to the Hindenburg Research incident, where a US-based short seller accused the Adani Group of using FPIs as proxies to hold shares in listed companies, exceeding the maximum promoter shareholding limit of 75%.

What is PN3 guidelines and why has Sebi come up with new additional disclosure requirements?

The PN3 mandates that entities of nations sharing land borders with India, or where the beneficial owner of an investment in India is situated, or is a citizen of any such country, can invest only via the government route.

Sebi is concerned that entities of these nations may use FPIs as a means to hide their ownership of Indian shares.

The consultation paper also highlights that some FPIs concentrate a significant portion of their equity portfolio in a single company or a group of companies.

Such concentrated investments raise suspicions that promoters or other investors acting together may exploit the FPI route to evade regulations. This could increase the risk of price manipulation.

What can be done to prevent evasion?

In order to investigate if concentrated holdings exist, it will be necessary to compile a list of FPIs with such patterns along with obtaining detailed information about the ownership, economic interest, and control of these FPIs.

Existing legislation, such as the Prevention of Money Laundering Act, 2002, and the Prevention of Money Laundering (Maintenance of Records Rules), 2005, provides a framework for identifying beneficial owners.

However, in practice, it is challenging to apply these regulations due to the complex ownership structures often employed by such entities.

135. A critical juncture in Manipur

Source: The post is based on the articles

"A critical juncture in Manipur" published in The Hindu and

"Express View on Amit Shah in Manipur: Rebuilding peace" published in The Indian Express on 3rd June 2023.

Syllabus: GS 3 - Internal Security

Relevance: About the demand of Kuki-Zo group of Manipur and its implications

News: A group of Kuki-Zo legislators have called for a "separate administration" in Manipur. In response, a Meitei committee organized a rally to demand the protection of Manipur's territorial integrity.

What is the ongoing conflict in Manipur?

Read Here: Manipur unrest and its impact on regional security - Explained

What can be the implication of the demand on Manipur?

The demand for the separate administration by Kuki-Zo groups may alter the state's border.

This is because unlike the previous demands, the current demands enjoy unprecedented popular support among the Kuki-Zo groups and their position is unlikely to change in the future.

Moreover, with the widespread loss of lives and property along with growth mistrust, returning to the status quo seems impossible. Hence, the demand for separate administration seems inevitable.

Note: The power to change a state's borders lies with the central government under Article 3 of the Constitution.

What can be the probable solution if the demand for separate administration is met?

First, a separate administration in the hill areas of Manipur can be established for the Kuki-Zos as well as for Nagas. However, resistance may come from some Naga groups who are unwilling to

compromise on their vision of an expansive territory known as "Nagalim", and also from the Meitei groups and the state governments.

Second, a separate administration can be granted for the Kuki-Zo in districts where they are dominant. **Administrative convenience and economic viability** may be given as reasons in granting separate administrations. However, these reasons may not be effective.

This is because the current sub-State constitutional arrangements under the Manipur (Hill Areas) District Councils Act of 1971 have already established institutional and administrative frameworks where the territorial boundaries of District Councils broadly overlap with ethnic boundaries. Thus, creating tensions amongst various ethnic groups.

Moreover, some of the Kuki-Zo-dominated districts are located on a valuable natural gas reserve known as the Assam-Arakan basin while others serve as strategic gateways to Southeast Asia.

These reasons may act against the favouring the demand on administrative and economic reasons.

Third, efforts can be taken to maintain the status quo and secure the integrity of Manipur.

However, given the rigid position of state government and frontal Meitei groups, this would likely involve dissolving the existing sub-State constitutional arrangements under Article 371C, which include the district councils and tribal land rights.

Further, the Kuki-Zo groups have made it clear that they no longer accept the powerless sub-State constitutional arrangements or any political solution.

This suggests that the current deadlock is likely to persist, resulting in a deeply divided society.

What measures can likely be taken in resolving the conflict?

After the visit of the Union Home Minister Amit Shah to Manipur, several measures have been announced to restore peace.

This includes the establishment of a judicial panel to investigate the riots, the formation of a peace committee to facilitate dialogue between conflicting communities, and the creation of an interagency unified command to coordinate security operations.

The following measures can also be adopted - **a)** local political leaders must promote fraternity and advocate for the interests of the entire state, and **b)** instead of solely focusing on creating new administrative structures, reconciliation and trust-building efforts should be prioritized to achieve sustainable peace.

136. The world that awaits us – on technological developments

Source: This post is created based on the article "**The world that awaits us**", published in Business Standard on 3rd June 2023.

Syllabus Topic: GS Paper 3 - Awareness about the technologies

Context: Nuclear fusion, hydrogen fuel cells, quantum computing, and Artificial Intelligence (AI) are considered transformative technologies. However, only AI has become usable as of now.

While AI is making extraordinary progress, the other three technologies may be years away from commercial viability.

Big technical problems need to be solved before nuclear fusion, fuels cells, and quantum computing can be used at a large scale.

What are the Challenges of Hydrogen Fuel Cells?

Hydrogen is difficult to store in large quantities due to its lightness.

Liquefaction of hydrogen requires extremely low temperatures, making it expensive and energy intensive.

Designing storage tanks that can safely contain hydrogen is challenging and costly.

What are the Challenges of Nuclear Fusion?

Nuclear fusion requires heating the fuel, usually plasma, to extremely high temperatures (e.g., 20 million degrees Celsius). Generating and controlling a fusion reaction requires more energy than the fusion reaction generates.

What are the Challenges of Quantum Computing?

Quantum computers require ultra-cool and stable conditions, often operating near absolute zero.

Connecting quantum machines to "normal machines" for meaningful work is difficult because conventional equipment doesn't function at such low temperatures.

Software for quantum computing differs significantly from conventional programming.

What are the future prospects of these technologies?

The next five years may witness the development of quantum machines operating in less exotic conditions.

Once achieved, the financial aspects of implementing quantum computing and AI may help make fusion reactors financially viable or find affordable storage solutions for hydrogen.

137. Good and bad – on generative AI

Source: This post is created based on the article "**Good and bad**", published in **The Hindu** on 3rd June 2023.

Syllabus Topic: GS Paper 3 – Awareness about the technologies

Context: The widespread adoption of generative AI has led to both awe and worry, as it can falsify data and raise ethical concerns.

What are the concerns associated with generative AI?

AI pioneers have expressed alarm about the risks associated with AI, comparing them to global-scale risks like pandemics and nuclear war.

It can create data that appears real, making it challenging to distinguish between authentic and falsified information.

AI models may use copyrighted data without proper authorization.

Human dignity, privacy, and protection from falsified information need to be considered in the development and use of AI models.

What should be done by government?

The Indian government should proactively address AI risks by:

- Launching and maintaining an open-source AI risk profile.
- Creating sandboxed research and development environments to test potentially high-risk AI models.
- Maintaining vigilance and monitoring the use of AI technologies.
- Defining scenarios for intervention and establishing policies that allow democratic institutions to respond to dangerous AI enterprises.

138. Post-pandemic, climate change will drive investments

Source- The post is based on the article "Post-pandemic, climate change will drive investments" published in "The Indian Express" on 3rd June 2023.

Syllabus: GS3- Economy

Relevance- Investment related issues

News-Three years after the pandemic and despite 8% average growth over the last two years, the level of India's GDP is still running 5% below its pre-pandemic trajectory.

Many would argue that, as in the aftermath of the 2008 global financial crisis (GFC), the post-pandemic trend growth is likely to be lower, and thus, this is an artificially high benchmark.

What are the facts and figures related to growth and investment of the Indian economy prior to the global financial crisis and its aftermath?

In the five years prior to the GFC, India's average growth rate was 8%. **Rapid globalisation** boosted **exports and private investment** increased to set up the **needed supply chains**. Since the GFC, **global trade and investment** are languishing.

Corporate investment was 14.5% in 2007-08. But after the GFC, corporate investment has stabilised around 10.5% of GDP.

Household investment rose to 15.7% of GDP by 2011-12. It declined to 9.4% of GDP by 2015-16 and has recovered to just over 11.5% of the GDP today. A large part is due to falling **SME investment**, which is subsumed in this category.

Overall **public sector investment** has remained broadly unchanged at 7% of GDP since the GFC. It is 1% lower than its peak before the crisis.

The rise in central government capital spending has been offset by **lower PSU investments. State government investment** has remained roughly unchanged.

The 4-5% of GDP decline in overall investment since 2011-12 is reflected in **growth outcomes.** GDP growth has **averaged 6%** since the GFC. It is slightly better at 6.7% if the post-pandemic years are excluded. These outcomes are similar across other economies.

The last two years' average growth of 8% does not indicate the **medium term trajectory** of growth. It's just a recovery from the around **6% contraction in 2020.**

What are the various reasons to believe that investment will be boosted in the near future despite pandemic related disruptions?

The first relates to the **relocation of global supply chains**. One type of relocation is the **"China + One" shift**. Firms are locating part of their **new supply chains** outside China as an **insurance against pandemic-type disruptions**.

In this type of relocation, economies such as India, Mexico, and Vietnam will benefit from more FDI and expansion of manufacturing exports. But, these economies do not have the **capacity to absorb** more than a limited scale of **relocation investments**.

For example, despite all concerns China, get inward FDI flows of **\$524 billion over 2021-22**. It is about \$100 billion more than in the two years prior to the pandemic. Over the same period, total FDI into India was **\$95 billion**.

Thus, "China + One" relocation will be beneficial to some. But, it is unlikely to be "game changing".

The second type of relocation is related to **re-shoring**, **near-shoring**, **or friend-shoring**. This is based **on security** concerns of the West in locating supply chains related to emergent technologies. It will be in countries in their "circle of trust".

Even if EM economies have the ecosystem to establish the **advanced supply chains**, only a few such as Korea, Mexico, and Poland Would belong in the **circle-of-trust**. **Security-driven relocation** will be firmly set within the developed world.

The other reason for more investment in the post-pandemic world is climate change. The world is moving towards a lower carbon way of life.

The investments required to achieve this will be massive. The private sector will necessarily have to play a big role. [Text Wrapping Break]

139. International trade has a carbon problem

Source- The post is based on the article "International trade has a carbon problem" published in "The Hindu" on 3rd June 2023.

Syllabus: GS3- Economy. GS3- Environment

Relevance– Issue related to green economy

News- The European Union has introduced the Carbon Border Adjustment Mechanism (CBAM).

Why has the EU introduced CBAM?

In 2005, the EU adopted the **Emissions Trading System (ETS)**. ETS is a **market-based mechanism**. It aims at **reducing greenhouse gas emissions** by allowing bodies emitting GHG to buy and sell these emissions.

The EU is concerned that **emissions embedded in products** imported from other countries may not be priced in a similar way due to **less stringent policies** in those countries. This would put its industries at a disadvantage.

To tackle this, the impacted industries in the EU had so far been receiving **free allowances or permits** under the ETS.

The EU has issues regarding 'carbon leakage'. Due to the application of ETS, European firms operating in carbon-intensive sectors might possibly shift to countries having less stringent GHG emission norms.

CBAM is aimed at addressing these issues, and ensuring a **level playing field** for the EU industries.

What is CBAM?

Under the CBAM, imports of certain **carbon-intensive products** like cement, iron and steel, electricity will have to bear the same **economic costs** borne by EU producers under the ETS. The price will be linked to the weekly average of the emissions priced under the ETS. However, where a **carbon price** has been paid for the imported products in their country of origin, a reduction can be claimed.

What are legal issues related to CBAM?

A cornerstone principle of WTO law is **non-discrimination**. Countries have to give **equal treatment** to products irrespective of their **country of origin** and to treat foreign-made products as they treat domestic ones.

CBAM's may discriminate between goods from different countries on account of an **inadequate** carbon pricing policy, or due to reporting requirements for importers.

However, even if the EU's CBAM is discriminatory, it can be justified under the **General Exceptions** clause given in **Article XX of the GATT.**

Under Article XX, measures can be taken by countries that **violate GATT obligations**. They Should fall under one of the **listed policy grounds**.

One of the **listed policy grounds** in Article XX is **'conservation of exhaustible natural resources'**. CBAM would fall under this category.

140. Criticism of government's attempt to combat fake news is premature and misguided

Source- The post is based on the article "Criticism of government's attempt to combat fake news is premature and misguided" published in "The Indian Express" on 3rd June 2023.

Syllabus: GS3- Role of Media and Social Networking Sites in Internal Security Challenges **Relevance**- Issues related to fake news

News– On April 6, MeitY announced the IT (Intermediary Guidelines and Digital Media Ethics Code) Amendment Rules, 2023.

What are provisions contained in these rules?

The rules introduce **"fact-checking units"** to tackle the menace of fake news. These fact-check units have been tasked with the duty of identifying false, fake or misleading information pertaining to the central government's business.

What are dangers associated with false news?

In the last half-decade, governments across the have begun to recognise the threat posed by **fake** or **false information.**

The hazards of fake information were released during the Covid-19 crisis. The pace at which false information began to spread was **unprecedented**.

Fake or misleading news can spread like wildfire on social media. Scholars at the **Massachusetts**Institute of **Technolog**y even found that falsified content spreads six times faster than factual content on online platforms.

People are **more likely to spread** fake and misleading news than **verified truthful information**. A study conducted by the **International Federation of Library Associations and Institutions** found that India was a **hot-bed for Covid-related fake news**. Such misleading information ranged from the vaccine drive to the symptoms and aftermath of the virus itself.

What are issues related to deep fakes?

It is important for governments to prepare themselves for the dangerous interplay of fake news and AI-related technologies such as deepfakes in the digital world.

In February, **deep fakes of news anchors** praising China's role in geopolitical relations were spread across Twitter and <u>Facebook</u> by pro-China accounts. **Deepfakes of the Ukrainian President** announcing a surrender were also circulated across platforms last year.

This **convincing ability** of deep fakes, and the inability of people to separate them from **truthful content**, makes them prone to being used to spread false information.

Why does the government need to act against false news?

Falsified information can have **detrimental impact** on the government's ability to **manage emergencies.**

For instance, carrying out **essential vaccination initiatives**. Any roadblock in the **easy and quick implementation** of such initiatives could be life-threatening.

Further, such falsified information purpose is to create a **state of alarm amongst the public.** This can have dangerous **law and order consequences.**

Why criticism against the rules having a "chilling effect" on the public is wholly unsubstantiated?

The **fact-checking units** are still to be notified by the government. Even the Bombay High Court, orally remarked that at this stage they are presently **"inoperable" due to non-notification** of the fact-checking units.

It is only upon the notification of the units that **further nuances** will be known. Thus, any arguments against the rules right now would be **premature**.

General

Studies

Paper – 4

General Studies - 4

1. In good faith: Why remission of sentences of Anand Mohan Singh and Bilkis Bano convicts is ethically wrong

Source: The post is based on the article "In good faith: Why remission of sentences of Anand Mohan Singh and Bilkis Bano convicts is ethically wrong" published in the Indian Express on 11th May 2023.

Syllabus: GS – 4: Determinants and consequences of Ethics in-human actions.

Relevance: About the ethical dimensions of remission.

News: The recent remissions of Anand Mohan Singh and the convicts in the Bilkis Bano case seem to be politically motivated.

About provisions for remission

The constitutional provisions on remission were framed after lengthy discussions on crime, punishment, guilt and redemption.

Articles 72 and 161 of the Constitution do mandate humanitarian remission. Sections 432, 433, 433A, 434 and 435 of the CrPC also empower the government to suspend or remit sentences.

Remission should not be seen as the fundamental right of convicts. This is clarified by the Supreme Court in Mahender Singh v State of Haryana (2007) case. In that, the SC said that the state must give due consideration to every case of clemency, but it also said that no convict has a right to remission.

Read more: Explained: Why the 11 convicts in Bilkis Bano gangrape case walked out of jail

What are the ethical dimensions of remission?

Remission of punishment is meant to uphold a sense of community justice. The mercy for convicts continues to remain a contentious matter.

Recognising the links between the severity of crime and punishment is one of the fundamental mandates of the criminal justice system. The remission should be based on the principle that the act of compassion towards a convict should not be insensitive to the victim of the crime. Convicts who have inflicted unequivocal damage on society should not be remitted prematurely.

Read more: Remission Impossible - In Bihar, Gujarat, Haryana, govt decisions on early release, paroles are huge blows against justice

Why the remission of sentences in Bilkis Bano convicts is ethically wrong?

- -The remission of the Bilkis Bano convict's sentence seems to have been actuated by mistaken notions of mercy. Laws and principles of justice hinge on public respect. The recent remission will severely hamper public respect.
- -The misuse of the Constitution's humanitarian provision in recent times subverts the intentions of our founding fathers.

2. Why the erosion of the traditional Indian family is worrying

News: Recently, the world celebrated International Day of Families on May 15. But the constant weakening of the traditional family system is a cause for worry.

What is the importance of family?

The family has been a foundational institution of society in most parts of the world, particularly in India. India swear by Vasudhaiva Kutumbakam. Kutumb or family has traditionally acquired primacy in human interpersonal-social relationship dynamics. Transparency in relationships is the bedrock of mutual trust. It is this trust that provides a strong foundation for families.

It is an institution where consolidation of interpersonal relations naturally evolved while living under one roof, sharing thought processes, participating in collective actions and developing emotional bonding. It also helped its members to withstand innumerable onslaughts from a globalised world. This is the reason, so far, no social scientist has been able to advocate any alternate unit better than family.

What are the challenges in implementing reforms in the family system?

Family is not a creation of any government. So, one cannot go to governments to introduce reforms. They **need to be society driven**. A new set of challenges are emanating from the changing social conditions in our society.

Almost all the reforms in the family start with the state of dialogue within homes. So, **lack of quality conversations** in most families might create several new crises. This made families united outwardly, but fragmented from within.

Excessive emphasis on individualism: In most relationships, dialogues between family members are rare. For example, candid and heart-to-heart dialogues between husband-wife and parent-children are becoming rare. They have become too formal and superficial. This is due to the excessive emphasis on individualism. This also prevents occasions to gather insights about each other.

Excessive Formalisation: From birthdays to weddings and house-warmings to condolence meetings, everything is being made into a formal event. This disregards the beauty of informality. This creates the "crisis of authenticity" of our interpersonal feelings.

External factors like peer pressure and exhibitionism have further complicated the family structure.

What should be done to revive India's traditional family system?

Focus on collectivity: Indian society will pay a huge price if we continue to ape Western societies and emulate mindless individualism. A traditional Indian family is like what Krishna Yajurveda Taittiriya Upanishad says.

Note: It said, "May we work together with great energy and finally may there be no hate among us".

Ideas like privacy and private space are too important to be ignored. But that should not be at the cost of collectivism, partnership and the value of sharing. The joy of sharing leads to a commonality of ethos, likes and dislikes.

Recognise the contributions of women: India needs to have women-led families as a starting point for the implementation of the PM's call for women-led development. To make this happen, men will have to rise above the traditional male mindset and ensure equality of security, opportunities and respect.

Woman-led, child-focused and elderly-sensitive families are the need of the hour

