



9 PM

Compilation

24th to 29th July, 2023

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General Studies Paper – 1

General Studies - 1

1. [How to Draft A Uniform Civil Code](#)

Syllabus Topic: GS Paper 1 – Society and diversity of India,

Source: This post is based on the article “**How to Draft A Uniform Civil Code**”, published in **The Times of India** on 24th July, 2023.

News: The article emphasizes the importance of creating a UCC that is not biased towards any religion and ensures equality, liberty, and dignity for all citizens.

The UCC should be drafted in a way that it does not discriminate against women and should be inclusive of all gender identities.

Historical Background

The idea of a UCC was first discussed on March 30, 1947, by the Sub-Committee on Fundamental Rights set up by the Constituent Assembly.

The members were divided on the issue, with some advocating for a UCC as a fundamental right, while others were concerned about the potential backlash from the Muslim League.

The result was a compromise where the state would “endeavour” to secure a UCC, but no actual code was drafted.

What are the gender related issues in present personal laws?

The current religious laws in India, including the Hindu Succession Act and the Muslim law of marriage, are discriminatory towards women.

Hindu Succession Act follows a patriarchal notion that a woman severs all ties with her birth family upon marriage. Similarly, the Muslim law of marriage, which allows a man to have up to four wives, while women is allowed to have only one husband.

Restitution of conjugal rights is an outdated concept. Under this law, a court orders a wife to return to her husband, in case a wife separates without divorce and without giving a reason.

What should be the key Features of the Proposed UCC?

The UCC should be comprehensive, inclusive, and gender-just. It should enhance the constitutional principles of equality, liberty and dignity of each member of the family. The Law Commission of India has an opportunity to frame a code with such features. **For example;**

The proposed UCC should distinguish between the legal and the sacred aspects of marriage.

The law should only tackle the question, whether the marriage is between two freely consenting adults who are not in an existing marriage. A simple registration process can prevent men from marrying multiple times.

The concept of “**illegitimate**” children should be discontinued, and children in atypical families, like those born to homosexual couples or outside wedlock should be treated the same as children in typical ones.

The law should also ensure equal shares for persons of all gender identities across religions in matters of inheritance.

2. [The anatomy of the Yamuna floodplains](#)

Source: The post is based on the article “**The anatomy of the Yamuna floodplains**” published in “The Hindu” on 28th July 2023.

Syllabus: GS1- changes in critical geographical features (including waterbodies and icecaps)

News: The author discusses the historical and ecological significance of the Yamuna River’s floodplains in Delhi. He highlights how urbanization, construction, and lax regulations have encroached upon and degraded these areas, leading to severe flooding and challenges for the residents. He also emphasizes the need for better planning and respect for the river’s natural flow and importance.

What are the significances of the Yamuna River’s floodplains in Delhi?

Significances of the Yamuna River’s floodplains in Delhi:

Historical Importance:

The environmentalist Anupam Mishra labeled Yamuna as Delhi’s “real town planner.”

Delhi was traditionally planned along the river’s course.

It ensured Delhi never faced water scarcity or extreme floods.

Ecological Role:

The floodplains recharge groundwater and store excess water.

They act as a buffer during floods, slowing water runoff.

Sediments of floodplains create aquifers that rejuvenate groundwater.

Livelihoods:

A 2022 report identified 56 bastis housing 46,750 people on these floodplains.

Half of these households depend on farming; others rely on daily wage work, fishing, and animal herding.

Agricultural Value:

Rich silt deposited by the river aids in farming.

Traditional crops include rice, wheat, and flowers.

Housing Crisis Solution:

Many displaced or migrating people have historically found shelter here due to affordability.

Urbanization Challenges:

Construction on floodplains has restricted the river’s natural flow.

Encroachments like the Akshardham Temple and Commonwealth Village are built on designated floodplain zones.

Climate Resilience:

Floodplains help manage intense rainfall and prevent devastating floods.

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What are the challenges faced by the Yamuna River's floodplains?

Urban Encroachment: Rapid urbanization and haphazard construction activities affect floodplains. Examples include Akshardham Temple, Commonwealth Games Village, and luxury apartments.

Loss of Floodplain: Restricts river's natural flow, increasing flood risks. Like, Delhi experienced major floods in 1978, 1988, and 1995.

Lack of Proper Policies: Floodplain zoning not adequately included in the Master Plan.

Climate Change: Intensified rains lead to rapid swelling of the river.

River Constriction: Constructions constrict the river, reducing its ability to expand and breathe.

Pollution: Population growth has outpaced sewage infrastructure, increasing river pollution.

What should be done?

Preserve Floodplains: Stop encroachments to maintain the river's natural flow. Examples: Stop projects like the Commonwealth Games Village on floodplains.

Policy Improvements: Include floodplain zoning in the Master Plan.

Only four states have a National Floodplains Zoning Policy.

Climate-Resilient Infrastructure: Create infrastructure that can withstand heavy rains.

River Health: Focus on de-silting drains and rejuvenating the river.

Enhance Drainage Systems: Improve city drainage to prevent flooding.

Green Areas: Develop more green spaces for natural water absorption.

3. [Express View on 'award wapsi': Writer's choice](#)

Source: The post is based on the article "[Express View on 'award wapsi': Writer's choice](#)" published in "The Indian express" on 28th July 2023.

Syllabus: GS1- Salient aspects of Art Forms, Literature and Architecture from ancient to modern times.

News: A parliamentary panel, constituted after the 2015 award return controversy, wants Sahitya Akademi awardees to promise not to return awards in political protest.

About Major findings of The Parliamentary Standing Committee report on "award wapsi": Writers chosen for the Sahitya Akademi award should commit not to return their awards in political protest.

Such acts of returning awards negatively impact the award's prestige and reputation.

It undermines the achievements of other awardees.

The committee wants to get agreement from shortlisted candidates before finalizing the award.

What are the arguments against the Parliamentary Committee Reports?

Arguments Against the Parliamentary Committee Reports:

Independence of Sahitya Akademi:

The Sahitya Akademi is an autonomous body from the 1950s.

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Initially, the government agreed not to control it after its setup.

An award from the Akademi is an appreciation by peers, not a state honor like the Padma awards.

Role of a Writer:

Writers aren't representatives of the state.

The claim that returning an award is "disgraceful to the country" is considered misplaced.

The state should view its association with a writer as a privilege, not patronage.

Purpose of the Award:

An award shouldn't be an incentive to conform.

It should honor individual excellence.

Context of "award wapsi":

39 writers returned their awards in 2015 as a protest against rising intolerance.

The murder of Sahitya Akademi winner M M Kalburgi by alleged right-wing activists was a significant trigger.

These writers emphasized the right to dissent and the state's responsibility to safeguard it.

Overarching Message:

The government should understand the protest's essence instead of criticizing its political implications.

4. Mussoorie Misery

Source– The post is based on the article "Mussoorie Misery" published in "The Times of India" on 29th July 2023.

Syllabus: GS1- Geography

Relevance: Issues related to Himalayan ecosystem

News- NGT has ordered the Dhami government to follow 19 recommendations for saving Mussoorie from destruction by construction and tourism.

What are some of the recommendations of NGT?

Regulate the number of tourists and charge them.

Use these funds for **waste management** and for monitoring various **construction activities**.

What are the issues faced by tourist places in the Himalayas?

In 2001, a study revealed that Mussoorie had reached its **carrying capacity**. Despite this finding, tourist arrivals **surged by 255%** between 2000 and 2019.

To accommodate the rising number of tourists, mountains are continuously being blasted without **adequate consideration** of the **impact on hydrology**.

This approach does not benefit tourists. It makes their journeys **unappealing and unsafe**. Tourists are exposed to **polluted air, traffic jams**, and the risk of life-threatening **landslides**.

The warnings issued by the **Mishra committee in 1976** regarding the vulnerabilities in the local areas have not been heeded.

For more readings on Mishra committee–

<https://timesofindia.indiatimes.com/city/dehradun/joshimath-sinking-panel-had-warned-50-years-ago/articleshow/96608800.cms>

General Studies Paper –2

General Studies - 2

1. [Why India-Pakistan needs a nuclear dialogue](#)

Source: The post is based on the article “**Arun Prakash writes: Why India-Pakistan needs a nuclear dialogue — whatever the political situation**” published in “**The Indian express**” on 24th July 2023.

Syllabus: GS2- India and its neighborhood-relations.

News: The article discusses the implications of Pakistan’s nuclear policies and comments made by Lt. General Khalid Kidwai. Kidwai speaks about Pakistan’s Full Spectrum Deterrence and its nuclear capabilities, which are aimed at India. The article highlights the potential dangers of this stance and compares it to Cold War-era strategies. It also touches on India’s response and its nuclear policy. The author emphasizes the importance of a nuclear dialogue between India and Pakistan to reduce tensions.

About India-Pakistan nuclear status

India’s Nuclear Status

Conducted “Shakti” nuclear tests in 1998.

Has a “no first use” policy.

India’s 2003 Nuclear Doctrine espoused a “credible minimum deterrent” and promised “massive retaliation” in response to a nuclear first strike.

Pakistan’s Nuclear Status

Celebrated 1998 tests as “Yom-e-Taqbir”.

Developed Full Spectrum Deterrence against India’s Cold Start Doctrine.

It has weapons ranging from “zero meters” to 2,750 km.

Has capability to directly target India’s nuclear arsenal.

Why India-Pakistan needs a nuclear dialogue?

Past Actions: Both nations conducted significant nuclear tests in 1998, increasing tensions. These tests moved the Doomsday Clock closer to midnight, indicating global concern.

New Policies: Pakistan introduced the Full Spectrum Deterrence, specifically against India’s Cold Start Doctrine.

Changing Weaponry: Pakistan’s mention of weapons ranging from “zero meters” hints at development of tactical nuclear weapons, increasing the risk of a nuclear confrontation.

Cold War Resemblance: Pakistan’s nuclear approach mirrors the risky Cold War tactics of “flexible response”, which had potential for rapid escalation.

Counter Claims: Kidwai suggests that Pakistan can respond equally, if not more severely, to India’s “massive retaliation” strategy.

Direct Threats: Kidwai’s assertion that Pakistan can target India’s nuclear arsenal directly adds a dangerous dimension to their rivalry.

India’s Unchanged Stance: Despite regional nuclear advancements, India has maintained its nuclear doctrine, potentially requiring reevaluation.

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Preventing Escalation: Given the ever-changing nuclear dynamics, dialogue can prevent misunderstandings, reduce tensions, and deter potential confrontations.

Transparency and Trust: Engaging in talks can foster mutual trust, leading to transparency about intentions, reducing chances of unwarranted aggression.

Why is there a need to “revise and update” India’s nuclear doctrine?

Pakistan’s Shift: Pakistan’s Full Spectrum Deterrence contrasts with India’s existing doctrine.

Tactical Weapons: Pakistan hints at developing tactical nuclear weapons, challenging India’s stance.

Counter Claims: Pakistan can match India’s “massive retaliation”.

Regional Advancements: Both China and Pakistan have modernized their nuclear arsenals.

Doctrine Stagnation: India’s doctrine has remained unchanged since 2003, potentially outdated.

Updating India’s doctrine ensures alignment with current regional threats and nuclear dynamics.

2. [In The Wrong Court – Judges cannot decide sports selections. Sports bodies must develop grievance forums](#)

Source: The post is based on an article “**In The Wrong Court – Judges cannot decide sports selections. Sports bodies must develop grievance forums**” published in **The Times of India** on 24th July 2023.

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

Relevance: concerns associated with sports bodies in India

News: Recently, the Delhi High Court has rejected a petition by two professional wrestlers.

They challenged the exemption granted to Vinesh Phogat and Bajrang Punia from Asian Games by Indian Olympic Association’s (IOA) ad hoc committee.

What did the court observe while rejecting the petition?

First, the court found that the IOA’s ad hoc committee’s decision to grant the exemption was not arbitrary or illegal but reasonable.

It was based on genuine concerns about potential injuries to the medal contenders and due to that insufficient time was provided for recovery before the tournament.

Second, the court noted that dismissing the request did not reflect on the talents and achievements of the petitioner-grapplers, who had also succeeded in wrestling.

Must Read: [Sports sector in India: Issues and challenges – Explained](#)

What are the problems with sports bodies in India?

Sports bodies in India lacks committees to handle conflicts and address complaints by the sportspeople.

The wrestlers’ protest against the Wrestling Federation of India (WFI) chief Brij Bhushan Sharan Singh highlighted the inadequacy of Prevention of Sexual Harassment Committee (**POSH**) committees within sports bodies in India.

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POSH committees are not present in even half of India's 30-odd sports bodies.

Due to the absence and ineffectiveness of these committees, **sportspersons often choose to move towards courts**. However, they hardly know the procedure to file the cases and are unaware of the litigation mechanism.

Therefore, **there is a need for sports bodies to develop grievance forums and address the complaint of the sportspeople** as court is not a right forum to address their concerns.

3. [ASEAN, a persistence with dialogue, on a trodden path](#)

Source– The post is based on the article “**ASEAN, a persistence with dialogue, on a trodden path**” published in “**The Hindu**” on **25th July 2023**.

Syllabus : GS 2- Regional groupings and agreements

Relevance: ASEAN

News- The 56th Foreign Ministers Meeting of the Association of Southeast Asian Nations, the post-ministerial conferences and other related regional meetings, held in Jakarta, Indonesia in mid-July, 2023.

What is the vision of ASEAN?

Political community that ensures **regional peace and a just, democratic and harmonious environment**.

Economic community focused on achieving a **well-integrated and connected regional economy** within the **global economic system**.

Socio-cultural community to enhance the quality of life of ASEAN's citizens as well as **sustainable development** of the region.

What are the challenges faced by ASEAN?

China has close **political and economic ties** with ASEAN member states. Laos, Cambodia, and Myanmar are considered as virtual dependencies.

But, the Philippines has recently become **more assertive** in its claims in the **South China Sea**.

Indonesia, Malaysia, Singapore, and Thailand hold **favourable attitudes** towards Beijing. None of these countries raises objections to China's **delaying tactics** in negotiating an **enforceable code of conduct for the South China Sea**.

The **strained relationship between the U.S. and China** is a cause of worry for ASEAN.

As per China, the U.S. is solely responsible for poor relations. It is not willing to accept and accommodate itself to **China's 'peaceful rise'**. The U.S is against the **Chinese aggressiveness and coercion in the Indo-Pacific and beyond**.

ASEAN prefers the **ASEAN Outlook on the Indo-Pacific (AOIP)**. Its four identified areas are **maritime cooperation, connectivity, UN Sustainable Development Goals 2030 and economic cooperation**. But, its **actual implementation** remains a worry.

ASEAN does not have a **united position on the Myanmar situation**. ASEAN has barred Myanmar from all its **political-level discussions**. But, Thailand has its own **political dialogue** with the military government.

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What shows the importance of ASEAN for India?

The significance of the ASEAN meetings for India becomes evident in the decision of External Affairs Minister S. Jaishankar to represent India at the **post-ministerial conference** and other regional dialogues.

He emphasised the importance of a **“strong and unified” ASEAN** in the **emerging Indo-Pacific dynamics** and highlighted the **alignment between the AOIP and India’s Indo-Pacific Oceans Initiative**.

He has proposed exploring “newer areas such as **cyber, financial, and maritime security domains** to enhance the **comprehensive strategic partnership** between India and ASEAN.

4. [Achieve road efficiency at minimal privacy risk](#)

Source– The post is based on the article **“Achieve road efficiency at minimal privacy risk”** published in the **“mint”** on **25th July 2023**.

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

Relevance: Issues related to road transport

News – The ministry of road transport and highways is planning to implement a toll collection system that uses satellite GPS tracking.

Why does the government want to introduce a toll collection system that uses satellite GPS tracking?

India adopted **FASTag system**. It eased **traffic bottlenecks** at toll plazas across the Country. But, **toll snarls** still persist on busy routes. It took away the **pricing flexibility** at the booth level.

The users have to pay the same charges for **partial road use**. There is a need for **adjustable road pricing** to meet the market demand.

With a network of **multiple road options**, toll prices that adjust according to varying traffic density can effectively **attract or discourage users**. It can lead to **smoother overall traffic flow**. Ultimately, it will save both time and fuel.

What are issues related to the toll collection system that uses satellite GPS tracking?

There are concerns regarding **cybersecurity vulnerabilities** in the current system. It relies on **special wallets** that require online money refills.

If the new system allows cars to directly access funds from our bank accounts, it would create a **new weakness in our cyber defences** due to a policy decision.

Under the proposed system, our personal location data would be transformed into a **real-time GPS feed** to facilitate toll charges. However, the misuse or **unauthorised disclosure** of this aerial data poses a **significant risk to privacy** of individuals.

Way forward

To ensure the tracking of road users, their **explicit consent** should be obtained upfront as part of the agreement.

Additional safeguards must be implemented. **Strict time limits** should be set on how long individually identifiable data can be retained once its stated purpose has been fulfilled.

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The main objective of the ministry should be to align highway pricing with the **fundamental principles of data protection**. To avoid potential legal challenges in the future, **clarity on privacy measures** is essential.

5. [Is there a rural bias in national surveys](#)

Source: The post is based on the article **“Is there a rural bias in national surveys?”** published in **The Hindu** on **25th July 2023**.

Syllabus: **GS 2 – Government Policies and Interventions**

Relevance: **concerns associated with national surveys**

News: A panel headed by **Pronab Sen**, a former chief statistician of India, was recently formed by the Indian government to review the National Statistical Organization’s (NSO) methodology.

Why did the government form the panel?

The government has formed a panel after the shortcomings highlighted by Shamika Ravi and Bibek Debroy in their articles.

They argue that outdated survey methodology used by the National Sample Survey (NSS), National Family Health Survey (NFHS), and Periodic Labour Force Survey (PLFS) have consistently underestimated India’s progress.

They believe the Indian economy has been dynamic in the last 30 years, and the current methodology fails to capture this reality.

Must Read: [It is unfair to blame survey methodology when results disagree with a view point](#) and [Numbers Game – on data collection methods for surveys](#)

Why is it important to review the methodology used by the National Statistical Organization (NSO)?

National level data are essential for research, policies, and development. Therefore, it is crucial to thoroughly review and assess the assertions made by various specialists regarding the accuracy of this data.

Moreover, in order to analyze the claims, the article tries to focus on NFHS data.

Does the NFHS have a rural bias?

Ms. Ravi and Mr. Debroy have argued that NFHS which depend heavily on the last Census data, **systematically overestimates the rural population**.

However, **an examination of five rounds of NFHS data contradicts this claim**, showing no systematic bias towards the rural population.

When the NFHS estimates of urban population are compared to World Bank estimates and urban percentage projections from Census statistics from 1991, 2001, and 2011, **no indication of systemic rural bias can be found**.

On the other hand, it has been found that NFHS-3 underestimated the rural population, while NFHS-2 and NFHS-5 may have overestimated it. However, **these errors appear to be random rather than systematic**.

How can these errors be minimized?

Urban areas tend to have higher percentages of no-response compared to rural areas. However, this is not related to either rural or urban bias in estimation.

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An analysis of the percentages of the urban sample in the unweighted sample suggests that giving proper weights may assist in significantly addressing the errors.

Hence, **by appropriately assigning sample weights after considering all potential sources of error**, the underrepresentation of rural or urban areas can be significantly rectified.

What can be the way ahead?

The Pronab Sen Committee should prioritize addressing concerns regarding sample representation rather than completely overhauling the survey methodology. Otherwise, there is a risk of introducing a systematic urban bias in policymaking, planning, and financing.

6. [On Manipur video, where Women's Commission went wrong](#)

Source: The post is based on the article **“On Manipur video, where Women's Commission went wrong”** published in “The Indian express” on 25th July 2023.

Syllabus: GS 2- Statutory, regulatory and various quasi-judicial bodies

News: The author discusses the ineffectiveness of women's commissions in India, especially in addressing women's issues in Manipur. The commissions focus more on paperwork than on fieldwork. Political appointments impact their neutrality. The author suggests reforms like transparent appointments and regular audits. They urge commissions to actively address ground issues.

About women's commissions in India

Women's commissions were set up in India to address women's issues.

The National Commission for Women was established in 1992, as per the National Commission for Women Act 1990.

Each state, like Manipur, has its own commission.

Manipur State Commission for Women was formed in 2006.

They are meant to investigate women's rights violations.

Why is the women's commission of India ineffective in addressing women's issues in Manipur?

Lack of Proactive Action

The national commission received numerous complaints from Manipur.

Instead of addressing them, they merely forwarded complaints to the state. This led to neglect and no action.

Over-Reliance on Paperwork

The commissions focus heavily on paperwork, neglecting fieldwork.

Actual on-ground issues remain unattended, as members prioritize files over field visits.

Political Appointments

Members are nominated by the ruling political party.

This makes them hesitant to criticize the government, affecting their objectivity.

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They might favor states ruled by the opposition, creating bias in their work.

Absence of Real-World Engagement

Commission members often stay in their offices instead of visiting problem areas.

For example, despite numerous complaints from Manipur, there were no extensive field visits to understand the situation.

Recommendations Ignored

Even when they take action, their recommendations might be ignored by state agencies, as seen in Manipur.

What steps should be taken to enhance its effectiveness?

Prioritize Fieldwork

Shift focus from excessive paperwork to direct involvement in problem areas.

As seen in Manipur, numerous complaints demand in-person assessment and not just forwarding issues.

Reform Appointment Process

Move away from political appointments to ensure objectivity.

Advertise roles for chairpersons and members, selecting candidates based on capability, not political affiliations.

Engage External Audits

Conduct regular social audits by competent agencies.

Taxpayers deserve to know if their money is used effectively, and external reviews can provide this insight.

Encourage Real-World Engagement

Commission members should frequently visit areas of concern.

Long-duration stays can help understand the gravity of situations, as in Manipur.

Strengthen Collaboration

Work closely with law enforcement agencies.

Instead of an adversarial approach, support these agencies to address women's issues effectively.

Transparent Reporting

Regularly share the commission's activities and achievements with the public.

Transparency will build trust and keep members accountable to their mandate.

7. [Welcome happening: Robust institutional mechanisms must be in place for human challenge studies](#)

Source: The post is based on the article “**Welcome happening: Robust institutional mechanisms must be in place for human challenge studies**” published in “The Hindu” on 26th July 2023.

Syllabus: GS2- Issues relating to development and management of Social Sector/Services relating to Health, Education & GS4- compassion towards the weaker-sections.

News: The author discusses the need for strong institutional mechanisms and ethical considerations before conducting human challenge studies (CHIS) in India.

What are Human Challenge Studies (CHIS)?

Definition of CHIS: Human Challenge Studies (CHIS) involve intentionally exposing healthy volunteers to disease-causing microbes in a controlled environment for research purposes.

Purpose of CHIS: CHIS aims to study various facets of infections and diseases, test medical interventions, and accelerate vaccine development.

What are the benefits of CHIS?

Faster Vaccine Development: CHIS can accelerate vaccine development by providing critical data on immune responses and safety, reducing the need for large phase-3 trials.

Understanding Infections: CHIS helps researchers gain valuable insights into the various facets of infections and diseases, aiding in the development of effective treatments.

Controlled Environment: CHIS allows for the study of diseases in a controlled and monitored setting, minimizing risks to the wider population.

Cost-Effectiveness: CHIS can potentially reduce the cost and time required for vaccine development.

What are the challenges of CHIS?

Ethical Concerns: CHIS raises ethical issues related to the intentional exposure of healthy volunteers to disease-causing microbes.

Potential for Exploitation: Monetary incentives involved in CHIS may lead to the exploitation of volunteers.

Robust Institutional Mechanisms: Conducting CHIS requires well-trained personnel and strong institutional structures.

Previous Ethical Violations: Instances like the HPV vaccine trial in Andhra Pradesh (2010) highlight the importance of stringent oversight.

Limited Medical Intervention: CHIS may be unsuitable for studying novel diseases with limited medical interventions.

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8. [Child, law, and consensual sex](#)

Source: The post is based on the article “**Child, law, and consensual sex**” published in “The Hindu” on 26th July 2023.

Syllabus: GS 2- Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections

News: The author discusses the recent High Court judgements related to the POCSO Act of 2012. It highlights issues with interpreting the age of consent in cases involving minors and suggests the need for clearer guidelines and potential amendments to the act.

About POCSO Act, 2012

Read here: [What is the POCSO Act?](#)

What is the issue with the recent High Court judgement related to the POCSO Act of 2012?

Ignoring Age of Consent: The High Courts, in certain cases, overlooked the set age of consent. For instance, the Delhi High Court released an accused citing the 15-year-old girl’s willful involvement.

Consent Complexity: Judgments have given weight to the “consent” argument, even when involved parties were minors, like the Bombay High Court quashing a conviction involving a 17-year-old.

Not Prioritizing Vulnerability: The courts didn’t emphasize the vulnerability of minors or the potential power imbalances in relationships with significant age gaps.

Overlooking Consequences: In some judgments, the repercussions faced by the minors, such as early pregnancies, weren’t adequately examined.

Potential Precedent Issues: These varied judgments might set diverse precedents, leading to inconsistency in future case rulings.

Contrary to POCSO’s Objective: Some rulings might soften the act’s primary objective, which is to protect children from sexual offenses.

What should be done?

Clarity from Supreme Court: There’s a need for a clear directive or guideline from the Supreme Court to ensure uniformity in judgments.

Re-evaluate Age of Consent: Consider recommendations on reducing the age of consent from 18 to 16 but ensure this doesn’t expose adolescents to potential harm.

Data-driven Approach: The Bureau of Police Research and Development should analyze cases of consensual sex across states to help the Central government make informed decisions.

Best Interest of Child: Prioritize the ‘best interest of the child’ in all judgments.

Balanced Punishments: Re-examine the severe punishments under POCSO, ensuring they are deterrents but not excessively harsh.

Educate Judiciary: Conduct regular training sessions for the judiciary on the nuances of the POCSO Act.

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9. Moving away from the 'take-make-dispose' model

Source: The post is based on the article “**Moving away from the 'take-make-dispose' model**” published in “The Hindu” on 26th July 2023.

Syllabus: GS2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests & GS3- Economy and Environment conservation

News: India prioritizes the circular economy and resource efficiency during its G-20 presidency. They've introduced themes like circularity in the steel sector; Extended Producer Responsibility (EPR); circular bioeconomy and establishing an industry-led resource efficiency and circular economy industry coalition.

What are the needs of circular economy?

1. Circularity in the Steel Sector:

Reduction in Emissions: Steel production accounts for about 7% of global energy sector emissions. Adopting a circular model can drastically reduce this.

Resource Optimization: As the demand for steel rises, especially in growing economies like India, it's essential to use steel efficiently to avoid wastage.

2. Extended Producer Responsibility (EPR):

Waste Management: Over 20,000 Producers, Importers, and Brand Owners are registered under India's EPR framework, managing over 3.07 million tons of waste.

Promotion of Recycling: EPR promotes the growth of recycling infrastructure and a streamlined waste collection system.

3. Circular Bioeconomy:

Addressing Biowaste: G-20 countries have seen 2.5 times increase in biowaste since 1970.

Alternative Resources: India uses biowaste as raw materials, turning agricultural residue into bioethanol. This reduces the extraction of virgin resources.

4. Industry-led Resource Efficiency and Circular Economy Coalition:

Collaborative Effort: Industries play a pivotal role in advancing the circular economy.

Technological Advancement: This coalition focuses on technological collaboration and finance mobilization.

Engaging Private Sector: By involving the private sector, the transition to a circular economy can be accelerated.

What are the government initiatives towards circular economy?

Extended Producer Responsibility (EPR):

India boasts a large Extended Producer Responsibility system.

Over 20,000 entities registered, managing 3.07 million tons of waste.

Bioeconomy and Biofuels:

Launched the **Pradhan Mantri JI-VAN Yojana** to support bio-ethanol projects using waste like crop residues.

Mandated power plants to blend 5% biomass pellets with coal.

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GOBAR Dhan Scheme:

Converts cattle dung and organic waste into compost, biogas, and biofuels.

Over 500 functional biogas plants were established.

Alternative Fuels:

SATAT Scheme launched in 2018 promotes Compressed BioGas (CBG) as green transportation fuel.

Helps in infrastructure development for CBG production and distribution.

10. C Raja Mohan writes: Why India may not be averse to UAE rescuing Pakistan's economy

Source– The post is based on the article “C Raja Mohan writes: Why India may not be averse to UAE rescuing Pakistan's economy” published in “The Indian Express” on 26th July 2023.

Syllabus: GS2- International relations

Relevance: triangular dynamics between Middle east, India and Pakistan

News- According to media reports, the United Arab Emirates has offered to bring significant new investments that could help pull Pakistan out of its unending cycle of economic crises and bailout packages.

How has the relationship between Pakistan and the Gulf evolved over time?

The Arab Gulf enjoyed **closer partnership** with Pakistan. It was based on **religious solidarity, regular economic assistance, concessional oil facilities**, as well as cooperation on **regional security**.

Due to being a **major Islamic nation**, Pakistan enjoyed **much goodwill** in the Gulf. The Gulf rulers enjoyed **exclusive privileges** in sovereign Pakistan.

The **balance between Pakistan and the Gulf** has altered in the 21st century. The Gulf has become richer and Pakistan is becoming poorer by the day.

Pakistan's per capita GDP today is less than that of Bangladesh.

Pakistan's continuing **relative economic decline** has expanded the **Gulf's leverage** over Islamabad and Rawalpindi.

Why is there scepticism that the current round of reforms advocated by the IMF will not be implemented by Pakistan?

Pakistan has a lack of **political will for structural transformation** of its economy. The Pakistani elite is not interested in **economic reform**. This is because of their confidence in extracting **geopolitical rent from the US, China, and the Gulf**.

The rental value of Pakistan is coming down. Pakistan is less important for Washington after the US withdrawal from Afghanistan.

China remains **deeply invested** in Pakistan. But, Islamabad is no longer in a **strong position** to keep a check on India. It has never been as generous as Washington.

The Gulf is not interested in giving freebies to Pakistan. It wants substantive return.

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Why is it not possible for Pakistan to continue with its business as usual approach?

The US, in the past, persuaded international financial institutions to have a **soft approach** towards Pakistan. But, this time it wants the IMF to **apply maximum pressure**.

The Gulf states and China want Pakistan to get support from the IMF before they can provide **financial assistance**. Pakistan had no option but to submit to the **IMF conditions**.

The IMF wanted to ensure it had solid reform commitments from Islamabad.

How is the Gulf capital becoming important?

UAE, Qatar, and Saudi Arabia have emerged as **powerful financial actors** in the region due to oil wealth.

It has increased the **political and strategic influence** of the gulf across the **Greater Middle East, Africa, the Indian Ocean and beyond**.

South Asia is no exception. Emirati and Saudi capital is flowing into India. UAE and Saudi Arabia at the top of India's **most valued strategic partners**.

What is the current status of the triangular relationship between India, Pakistan and the Gulf?

There has been significant change in the **triangular dynamic** involving India, Pakistan, and the Gulf countries.

In the past, Pakistan held stronger ties with the Gulf nations compared to India. However, the current scenario shows a **shift in favour of India**. India's engagement with the UAE and Saudi Arabia has gained prominence. It has **overshadowed Pakistan's influence**.

Despite Pakistan's objections, the UAE invited India's Foreign Minister Sushma Swaraj to address a **meeting of the Organization of Islamic Cooperation (OIC)** in March 2019.

Moreover, the UAE has refrained from **criticising India's decision** to change the **constitutional status of Kashmir** in August 2019.

The UAE seems to have played a role in facilitating **back-channel dialogues** between India and Pakistan. It led to a **ceasefire agreement** in February 2021.

11. What is a no confidence motion?

Source– The post is based on the article

“What is a no confidence motion?” published in **“The Indian Express”** on **27th July 2023**.

“A Parliament floor test would serve democracy” published in **“Livemint”** on **27th July 2023**.

Syllabus: GS2- Parliament- Conduct of Business

Relevance: Parliamentary procedures

News- Recently, Lok Sabha Speaker Om Birla accepted the Opposition's no confidence motion against the Government earlier.

What are some facts about no confidence motion?

In a parliamentary democracy, a government should have a **majority in Lok Sabha** to continue in power. As per **Article 75(3)** of our Constitution, the Council of Ministers are **collectively responsible to the Lok Sabha**.

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For testing this collective responsibility, the rules of Lok Sabha provide for **motion of no-confidence**.

Any Lok Sabha MP having **support of 50 MPs** can introduce a motion of no-confidence against the Council of Ministers.

Thereafter, a **discussion on the motion** takes place. MPs who support the motion highlight the government's shortcomings, and the Treasury Benches respond to the issues.

Finally, a **vote on motion** takes place. If the motion is passed, the government will have to resign.

A no confidence motion can **only be moved in the Lok Sabha**.

How has this motion been used by opposition?

Historically, the **no confidence motion** has been employed as an instrument to compel a **discussion on a particular topic or matter**.

The Opposition does not have numbers. But, still it has moved the motion to force the government to have a discussion on the situation in Manipur.

During the third Lok Sabha in 1963, the **first motion of no confidence** was moved by Acharya J B Kripalani against the Nehru led government. The debate on the motion lasted for 21 hours over four days. 40 MPs participated in the debate.

Nehru remarked that the **purpose of the no-confidence motion** is to remove the party in government. It is not expected in this instance. I have welcomed this motion and this debate.

Periodical tests of the government is a good thing.

12. BYDing Time – on India's decision to reject Chinese companys' investment

Source– The post is based on the article “BYDing Time” published in “The Times of India” on **27th July 2023**.

Syllabus: GS2- Bilateral groupings and agreements

Relevance: India and China bilateral relationship

News- Indian government has decided to reject Chinese EV giant BYD's \$1 billion investment plan for a car and battery manufacturing plant.

What compelled India to take this step?

The approach of using **market access and economic cooperation** to encourage positive behaviour from China has proven ineffective.

Under the leadership of Xi Jinping, China's actions are different from previous expectations. The Chinese Communist Party has even targeted successful Chinese businesses that do not align with its **political goals**.

The situation along the LAC since 2020 has led to a trust deficit with China.

What is the current Chinese approach towards India?

The Chinese government continues to separate the border dispute from the **overall relationship**. It insists that both sides should consider the **broader context**.

However, Beijing should acknowledge that the border issue is indicative of a **larger problem affecting India-China relations**.

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China has adopted an **extremely authoritarian approach**. It is determined to **challenge democracies** and reshape the **rules-based international order**.

In China's perspective, India is viewed merely as a country that needs periodic reminders of its **subordinate position in Asia**.

As a result, China shows little interest in addressing Indian interests. It is evident in its ongoing support for a belligerent but **financially troubled Pakistan**.

13. The SCO is a success story that can get better

Source: The post is based on the article "**The SCO is a success story that can get better**" published in "The Hindu" on 27th July 2023.

Syllabus: GS2- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

News: In this article author talks about recent important changes in the Shanghai Cooperation Organization (SCO). The author calls for unity, security, and cooperation to face global issues. They stress the need for multilateralism and fair global governance. They also mention China's commitment to these principles.

About recent SCO Meeting

India hosted the 23rd SCO Meeting.

Leaders signed the New Delhi Declaration.

Iran became a full SCO member.

Belarus is on track to join SCO.

SCO's economic plan for 2030 was adopted.

What are the achievements of SCO over the years?

Shared Future Vision: SCO promotes a vision of a shared future for mankind.

Mutual Support: Member-states have consistently backed each other in upholding their core interests.

Synergized Development: They've integrated their national development strategies and regional cooperation initiatives.

Promotion of Friendship: SCO countries have embraced the spirit of good neighbourliness and friendship.

Partnerships: They've formed partnerships based on dialogue, opting for cooperation over alliance.

Guardians of Peace: The organization has actively contributed to regional peace, stability, and prosperity. For instance, the New Delhi Declaration was a significant step towards collective security and development.

Role Model: SCO's efforts reflect the broader aspiration for global peace, development, and win-win cooperation.

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What should be done?

Strengthen Unity: SCO member-states should enhance strategic communication and support each other's growth.

Security Cooperation: Upgrade collaboration to counter threats like terrorism, separatism, and extremism. For example, vigilantly address developments pushing for a new Cold War.

Digital & Space Security: Pursue cooperation in digital, biological, and outer space domains.

Economic Collaboration: Push against protectionism and promote trade, investment, and technology ties.

Currency Initiatives: Encourage local currency settlement among SCO members and consider forming an SCO development bank.

Promote Multilateralism: Engage more with entities like the UN to uphold international order.

Act against Unilateralism: Stand united against hegemony, unilateralism, and Cold War mentality, rejecting unfair sanctions.

14. [On carbon burden, Europe's glaring hypocrisy](#)

Source: The post is based on the article "[On carbon burden, Europe's glaring hypocrisy](#)" published in "The Indian express" on 27th July 2023.

Syllabus: GS2- Effect of policies and politics of developed and developing countries on India's interests. & GS3- Environment conservation

News: The European Union (EU) is starting a carbon tax on imports to fight climate change. This may hurt trade with countries like India. Big companies can adapt, but it may raise prices for consumers. India should create its own system to price carbon and protect its interests. The EU's approach seems unfair, and India needs to respond strategically.

How will India be impacted by the European Union's carbon tax?

Trade Concerns:

EU is a big trading partner for India.

26.4% of India's exports could be affected by the carbon tax.

Products like steel, which India exports to the EU, will face this tax.

Business Implications:

Large Indian companies, like Tata Steel, may have to adapt quickly.

Tata Steel is already transitioning to green steel for the EU market.

Cost Implications:

The carbon tax might raise product costs.

Tata Steel suggests these costs could lead to higher steel prices or require subsidies.

Competitive Pressures:

Bigger companies might manage, but smaller ones could struggle.

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This might change the structure of India's manufacturing sector.

What actions should be taken in response?

Actions in Response to the EU's Carbon Tax:

Challenge at WTO: India can contest the carbon tax at the World Trade Organization as being discriminatory.

Internal Carbon Pricing: India could develop its own system to price carbon. This would align with its developmental needs and global responsibilities.

Support for Businesses:

Help companies like Tata Steel that are already transitioning, using their experience as a model.

Consider incentives to encourage green transitions within the business sector.

Consumer Protection: Implement mechanisms to prevent high costs from being passed onto Indian consumers.

Negotiate with the EU:

Engage with the EU to find an agreeable middle ground on carbon pricing.

Emphasize "common but differentiated responsibility", meaning India can price carbon based on its developmental stage.

15. [Pratap Bhanu Mehta writes: In Israel's floundering, their future, and ours](#)

Source- The post is based on the article "**Pratap Bhanu Mehta writes: In Israel's floundering, their future, and ours**" published in "**The Indian Express**" on **27th July 2023**.

Syllabus: GS2- International politics

Relevance: The state of Israel and nationalism

News- The Israeli Knesset has voted 64-0 on a bill to limit judicial power. One of the objectives of the Bill is to limit the use of "reasonableness" as a standard to be used in judicial review.

What is criticism against the Israeli state?

The State of Israel came into being in the aftermath of the **Holocaust**. There are contradictions between **being a Jewish State and being a liberal democracy**.

Israel had some of the features of **European nationalism** that was responsible for Jewish flight from Europe.

It denied Palestinians all **legitimate rights** and **occupied its territory**. Its goal is subjugation of the Palestinians and annexation of all Palestinian territory.

Why is the Israeli government curbing the power of the judiciary?

Some view this crisis as simply a consequence of Benjamin Netanyahu's **will to power**.

Israel's judiciary has withstood **wars and security challenges**. Israel lacks **federalism or a bicameral legislature** to **counterbalance executive authority**. So, the judiciary is a **critical pillar** of the system.

Despite its significance, the judiciary has been unable to prevent the **continuation of the Occupation**.

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Nonetheless, there are concerns that the judiciary's emphasis on upholding a **regime of rights** might impede the government's **comprehensive right-wing agenda**.

How has Netanyahu strengthened his position through right-wing agenda?

The collapse of the peace accords had **detrimental effects on the political Left** in Israel. It diminished its **ideological influence**.

Israel's social fabric is **intricate**. Netanyahu capitalised on this by rallying support against the established elites. He painted them as **soft, culturally disconnected, and disdainful of orthodoxy**.

Netanyahu also harnessed the **resentment of the orthodox community** against **secular and Jewish immigrants** from other Arab countries. This approach justified the **dismantling of institutions** under the guise of **anti-elitism**.

How does this instance provide some valuable lessons about nationalism?

At first glance, **ultra-nationalism** may seem like a minor faction. It is believed that we can keep it in check. However, its impact is **far-reaching**.

It gradually **infects the political system**. **Economic growth and security measures** do not curb its growth. Instead, it exploits these factors to strengthen its grip until it becomes too powerful to contain.

When **culture intertwined with politics**, it often leads to **reactionary consequences**. In current times, the **flaws and inadequacies of liberal nationalism** have been exposed. It is accused of **not being liberal or nationalist enough**.

The lesson is clear: **Nationalism will perpetually demand more from liberalism than liberalism can extract from nationalism**.

16. Manipur internet shutdowns: Forgetting the lessons from Kashmir

Source: The post is based on the article "**Manipur internet shutdowns: Forgetting the lessons from Kashmir**" published in "The Indian express" on 29th July 2023.

Syllabus: GS2- fundamental rights & Important aspects of governance, transparency and accountability,

News: In this article author discusses how the Manipur government's internet shutdown harms citizens by limiting their fundamental rights to expression and information, deepening the digital divide, and causing economic losses, and criticizes India's frequent use of internet shutdowns, comparing it to past incidents like in Jammu and Kashmir.

What are the impacts of internet shutdown in Manipur?

Limited Access: Over 90% of users, especially in rural areas, rely on mobile internet which remains suspended.

Digital Divide: The majority can't access the internet, while a small urban section can, deepening inequalities.

Economic Losses: Past shutdowns in India caused significant economic losses, e.g., Kashmir's 2019 blockade resulted in over five lakh unemployed people.

Decreased Information Flow: People can't share or verify information due to the social media ban.

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Surveillance Concerns: Internet access is tied to MAC Address binding, static IPs, and a ban on VPNs, enabling greater monitoring.

Violation of Rights: The restrictions infringe on rights to free expression, freedom of assembly, and privacy.

Economic Costs: Internet shutdowns lead to financial damage. In 2023, estimated losses reached Rs 2,091 crore in India.

Informal Sector Impact: The unorganized sector, often unreported, is hit hard, affecting sections like women more.

What is the judicial view on internet shutdown?

Fundamental Rights: The Supreme Court recognized the right to free expression and privacy through the internet as fundamental.

Limitations: Rights can only be limited in a reasonable and proportionate manner.

Anuradha Bhasin Judgment: Shutdowns violate fundamental rights. They must be proportional, reasonable, necessary, and the least restrictive.

No Indefinite Ban: Internet shutdowns can never be indefinite.

Court Intervention: The gradual lifting of suspensions in Jammu and Kashmir came after a court intervention.

State Accountability: Shutdowns often imposed by state authorities must be accountable.

17. [A new national foundation and the ease of doing research](#)

Source: The post is based on the article “**A new national foundation and the ease of doing research**” published in “The Indian express” on 29th July 2023.

Syllabus: GS2- Issues relating to development and management of Social Sector/Services relating to Education.

News: Recently, the Union Cabinet approved a bill that paves the way for the establishment of the National Research Foundation (NRF). The foundation will have a corpus of Rs 50,000 crore and will be presented in Parliament during the Monsoon Session.

About National Research Foundation (NRF):

The NRF is a proposed initiative by the Indian government to enhance research and development in the country.

What are the areas of concern?

Ease of Research: India should simplify research processes. There is a need to reduce bureaucratic restrictions and unfavorable financial policies.

Functioning and Structure: It's unclear how the board and the executive council will handle the vast responsibilities of the NRF.

Financial Autonomy: The NRF needs flexibility in managing its finances.

Coordination: Ensuring synergy among existing research funding institutions is crucial.

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Implementation: The challenge of translating the broad objectives of the NRF into actionable results.

18. Prolific In Pacific: Small islands, big powers & an Indo-French option

Source: The post is based on the article “**Prolific In Pacific: Small islands, big powers & an Indo-French option**” published in “Times of India” on 29th July 2023.

Syllabus: GS2- Bilateral, regional and global groupings and agreements involving India and/or affecting India’s interests

News: The author discusses how France’s strong presence in the Indo-Pacific can partner with India’s interests and ties in the region to offer an alternative to China’s influence, benefiting development, security, and regional balance.

About French territories within the Indo-Pacific

France has the **second-largest maritime domain in the world.**

Seven of its 13 overseas territories are in the Indo-Pacific.

An example is Clipperton Island in the north Pacific.

This island gives France an Exclusive Economic Zone as big as Sweden.

1.6 million French citizens live in these Indo-Pacific territories.

France’s presence in the region offers a different perspective on the China threat.

How will India benefit from France’s presence in the Indo-Pacific?

France’s presence in the Indo-Pacific can help balance China’s growing influence.

France and India’s similar approach towards the region synchronizes well for collaborations.

India can enhance its engagement with Pacific islands without forcing them to choose sides.

France’s historical links with the Pacific islands and Indian diaspora in nations like Fiji can be leveraged.

Together, they can offer an alternative to China’s development practices, especially in infrastructure, healthcare, and IT.

Strong India-France defence relations could bolster regional security.

The two countries could jointly respond to security threats if needed.

19. Needless move – On ED Director Tenure Extension

Source– The post is based on the article “**Needless move**” published in “**The Hindu**” on **29th July 2023.**

Syllabus: GS2- Statutory, Regulatory bodies

Relevance: Issues related to external trade

News- The SC in his order allowed Sanjay Kumar Mishra, head of the Enforcement Directorate, to continue till September 15 at the Centre’s request.

Court has invoked “larger national interest” to allow him to go on up to September 15.

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What are the arguments presented by the central government to extend the tenure of ED director?

As per the government, his leadership is necessary for the country to demonstrate that **its framework** is effective to combat **money laundering and terrorist financing** during a **review by the FATF**.

FATF uses a **mutual evaluation system**. It is currently conducting a **comprehensive assessment** of India's measures. This review is expected to continue until June 2024.

The extension is required to ensure that the country's agencies and institutions are adequately prepared for an **on-site visit by an FATF delegation**.

Why is government reasoning flawed?

The Enforcement Directorate may play a crucial role in preparing the **country's presentation for countering money laundering**. But, it is hard to believe that the **entire process** relies solely on one individual.

Additionally, **multiple agencies and authorities** are involved in formulating the country's policies on money laundering and terrorism financing.

The claim that not extending Mr. Mishra's tenure might lead to a **"negative image"** is difficult to comprehend. India's reputation will be evaluated based on its **laws, systems, and adherence to global standards**, not solely on who prepared the report.

20. Turning the tide on brain drain

Source: The post is based on an article **"Turning the tide on brain drain"** published in **Business Standard** on **29th July 2023**.

Syllabus: **GS 2 – Indian Diaspora**

Relevance: **reasons behind Indian citizens migrating abroad**

News: The article discusses the causes behind Indians going overseas and the actions required to retain them in India.

What are the key highlights of the data regarding people moving abroad?

Around 32 million Indians prefer to live in other countries. Around 18 million have gained citizenship abroad, while 14 million are non-resident Indians (NRIs).

Over half of every batch of Indian Institute of Technology (IIT) graduates end up overseas. Even large corporations are establishing themselves abroad.

What are the concerns with this migration?

The 32 million people, which is roughly 2.2 per cent of India's population, represent a significant opportunity cost for the country.

Their remittances have contributed to a growth in the GDP of India. However, **if they lived and worked here, they might have added several multiples of that to GDP**.

There are also young people looking to move abroad every year, whose skills and earning capacity will be lost if the brain drain continues.

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What are the reasons for migration?

Lack of Opportunity: There is a lack of opportunity in India for highly educated people, businesses, research and for professionals.

Weakness of Indian passport: Obtaining visas for First World countries is a challenging process for Indian citizens. Hence, there has been a rush for golden visas and for 10-year US visas as alternative options.

Moreover, Indian passports also leads to difficulties for Indian passport holders in accessing various countries.

Tax and License Regime: A lot of requirements need to be fulfilled before setting up a business in India. Similarly, managing tax filing and accounting are also challenging in India.

Further, contractual issues in India are known for their slow resolution, and cross-border transactions add to the complexities.

Must Read: [What are the implications of Emigration of India's brightest youth?](#)

What measures can be adopted to control migration?

First, India currently has a low ratio of domestic investment in research, both from government budgets and private institutions

Therefore, there is a need to promote research institutions and high-tech businesses in the country to create opportunities for highly educated individuals in India. There is also a need for relaxing investment rules and providing tax breaks for R&D initiatives.

Second, simplifying tax processes and paperwork in India would benefit not only new entrepreneurs but also existing businesses already operating within India.

General Studies Paper – 3

General Studies - 3

1. [Ethanol + petrol: How to blend more and blend better](#)

Source: The post is based on the article “**Ethanol + petrol: How to blend more and blend better**” published in **Indian express** on **24th July 2023**.

Syllabus: GS 3 – Infrastructure – Energy

News: The article discusses India’s growth in ethanol production in recent years. Ethanol, a fuel, can be made from sugarcane and grains like rice and maize. India now blends 20% ethanol with petrol. The government promotes diverse raw materials for ethanol by setting different prices. New technologies in distilleries reduce pollution and create useful by-products like fertilizers and animal feed.

How will India achieve its 20% ethanol blending target by 2025?

Diversified Feedstocks: India no longer relies only on sugarcane for ethanol. Mills/distilleries now use various feedstocks including B-heavy molasses, direct sugarcane juice, rice, maize, and other grains. For example, Triveni Engineering’s distillery uses both molasses and grains, allowing year-round operation.

Increased Production: The country’s ethanol supply to oil marketing companies (OMCs) rose significantly from 38 crore liters in 2013-14 to 559 crore liters in 2022-23. This growth indicates a robust production system in place.

Higher Yields from Grains: Grains give higher ethanol yields compared to molasses. For instance, rice produces 450-480 liters from one ton, while maize gives 380-400 liters. These higher yields can boost overall ethanol production.

Innovative Technologies: Some leading sugar companies — including Triveni Engineering & Industries Ltd, DCM Shriram and Dhampur Sugar Mills — have installed distilleries with the flexibility to operate on multiple feedstocks and, hence, round the year. They use molasses from November to April and grains from May to October.

Environmental Benefits: Modern distilleries use technology to minimize pollution. By-products from these processes, such as fertilizers and animal feed, provide added value.

What is the government initiative in this direction?

Differential Pricing

The government introduced a policy of setting different prices based on the raw material used. **Before 2018**, a single price was set for ethanol regardless of the feedstock. However, from 2018-19, the Modi government began pricing ethanol from B-heavy molasses and sugarcane juice higher to compensate mills for lost sugar revenues.

For 2022-23, the prices set by the government ranged from Rs 49.41/liter for C-heavy molasses to Rs 65.61/liter for sugarcane juice/syrup. This differential pricing encourages diverse feedstock use.

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2. [How not to tame inflation](#)

Source: The post is based on the article “**Ashok Gulati, Manish Kumar Prasad write: How not to tame inflation**” published in “The Indian express” on 24th July 2023.

Syllabus: GS3- Indian economy (inflation)

News: In this article author discusses India’s rising inflation, particularly in food items like wheat, rice, tomatoes, and milk. The government’s actions, like export bans, aren’t effective. The author suggests adjusting import duties and updating the CPI basket weights as better solutions to control inflation.

What are the reasons for the rising food inflation in India?

1. **Seasonal Factors:** Erratic monsoon patterns (caused by El Niño), can influence crop yields. Like, tomato prices rose due to seasonal factors.
2. **Disease and Feed Costs:** Milk production faced challenges from rising feed costs and lumpy skin disease.

3.Reduced Production: Tur inflation soared because of lower acreage and production. Weather conditions might further reduce pulse outputs in regions that depend on rainfall.

Why is an export ban to curb inflation not an effective approach?

Export Bans and Stocking Limits

India banned wheat exports in May 2022 and imposed stocking limits on traders. An export ban was also placed on white rice.

Policymakers are using older strategies from the 1960s, which might not be suitable for current market dynamics. For example, despite the wheat export ban and stocking limits, wheat inflation is at 12.37%. Rice inflation is at 11.78%. These bans might not be favored by G20 countries.

What measures should be taken to address this issue effectively?

3. Adjust Import Duties:

Reduce the import duty on wheat from 40% to 10%.

Decrease import duties on skimmed milk powder from 60% to 10% and butter from 40% to 10%.

By lowering duties, cheaper imports can help control domestic prices.

4. Release Excess Stocks:

The government holds more than 40 million tonnes of rice, much above the buffer stock norms of 13.5 MT.

Unload excess stocks in the open market at lower prices than the current rates.

5. **Update the CPI Basket Weights:** The current weight for food in the CPI basket is based on a 2011 consumption survey and is outdated. The current weight is 45.9%, it should be around 38% in 2023.

6. **Enhance Processing Capacity:** Process 10-15% of items like tomatoes and onions to stabilize prices.

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3. [Tax can be an incentive-Voluntary tax transparency framework can attract capital, generate employment](#)

Source: The post is based on the article “**Tax can be an incentive-Voluntary tax transparency framework can attract capital, generate employment**” published in **The Indian express** on 24th July 2023.

Syllabus: GS3- Indian economy – mobilization of resources

News: In this article author discusses the need for India to adopt a voluntary tax transparency framework to support its economic growth. This transparency can attract global investors, create jobs, and align with environmental, social, and governance (ESG) goals. The younger generation values ESG, making transparency crucial for businesses.

How can tax transparency benefit India’s economy?

Tax transparency can offer multiple benefits to India’s economy:

Investor Attraction: Transparent tax strategies can draw in global investors who value responsible tax behavior, amplifying capital inflow.

Economic Growth: By attracting more investment, especially in sectors like infrastructure and green energy, there can be a significant economic expansion.

Job Opportunities: Increased capital from transparency can lead to job creation, benefiting the wider population.

Improved ESG Scores: Companies disclosing their tax approaches can enhance their Environmental, Social, and Governance (ESG) scores. High ESG scores can attract even more global investors.

Healthy Corporate Competition: A voluntary transparency framework can spur companies to willingly disclose their tax practices, promoting responsible behavior.

Alignment with Global Practices: Following global transparency norms, like the tax transparency report (TTR), strengthens India’s position in the international business community.

What are the global practices around tax transparency?

Tax Transparency Report (TTR): Many companies globally use TTR to share their tax strategies annually.

OECD’s BEPS Project: The Organization for Economic Co-operation and Development (OECD) started the Base Erosion and Profit Shifting (BEPS) project. This aims to fix gaps in international tax rules.

ESG Values: Globally, investors take a company’s Environmental, Social, and Governance (ESG) scores seriously, which includes tax transparency.

What should be done?

Adopt Tax Transparency: Introduce a voluntary framework for companies to disclose their tax strategies, promoting responsible behavior.

Link to ESG: Connect tax transparency to Environmental, Social, and Governance (ESG) scores. Higher scores can attract more investors.

Introduce Reporting Systems: Emulate the global Tax Transparency Report (TTR) model for consistent reporting.

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Support Ease of Business: Ensure the transparency framework does not hinder business operations.

Promote Green Practices: Encourage businesses to report environmental taxes, pushing for eco-friendly measures.

4. [Many Indian firms need more leverage](#)

Source: The post is based on an article “**Many Indian firms need more leverage**” published in **Business Standard** on **24th July 2023**.

Syllabus: GS 3 – Indian Economy – Growth & Development

Relevance: concerns associated with low debt scenario in India.

News: There has been a decrease in borrowing by India firms. This presents concerns for the Indian economy.

Why is less borrowing by firms not healthy for the Indian economy?

- Debt drives management to work hard, which eventually benefits shareholders and society.
- Borrowing improves return on equity, which is good for shareholders.
- Debt-ridden businesses fail, as part of Schumpeterian creative destruction, fostering a dynamic economy.

What has been the trend in borrowing by the Indian non-financial corporate sector?

Since the early stages of economic reform, **the Indian non-financial corporate sector has reduced its borrowing**. The debt-equity ratio, which was at its highest of 1.85 in 1991-92, has steadily declined, reaching 0.89 in 2021-22.

Why do Indian corporations follow this trend of low borrowing?

This has been low demand of loans due to – **1)** the prevailing macroeconomic environment with low investment, **2)** fears of bankruptcy, and **3)** low supply of loans due to fear amongst bank employees because of a Supreme Court decision in 2016 over the application of the Prevention of Corruption Act.

Moreover, some see India’s low or nearly zero debt level as a sound basis for long-term growth. However, there are various concerns associated with very low corporate debt.

What are the concerns associated with low levels of debt?

Debt as a disciplining device: There are usually conflicts between the interests of shareholders and the interests of managers. While managers want more money and less effort, shareholders want the firm to do well.

Therefore, in such a scenario, debt acts as a disciplining device for managers to work hard, regardless of whether they have shares in the company or not.

However, when there will be low debt or zero debt, managers will be less motivated to put in the required effort.

Creative destruction: Debt also plays an important role in the failure of the firms, which is essential for a healthy economy.

However, when debt is removed, many low-quality firms can survive indefinitely, leading to governance problems. This lack of a steady pace of firm failure is harmful for economic dynamism.

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Return on equity: A successful business achieves a high return on equity by utilizing debt. However, many businesses in India have low debts, leading to poor returns for shareholders.

Therefore, a low rate of firm failures affects the economic dynamism, which ultimately impacts society at large.

Hence, while excessive debt is very harmful, so is zero debt. Therefore, **a balance needs to be maintained.**

What can be the way ahead?

Implementing a strategy of moderate debt may encounter constraints due to the ineffective bankruptcy process and its associated costs.

Therefore, **in order to reach moderate debt levels**, enterprises and group-holding companies' finance departments will need to have specialized skills in strategizing and implementing borrowing programs.

5. Managing the rivers

Source– The post is based on the article “**Managing the rivers**” published in “**The Hindu**” on **24th July 2023**.

Syllabus: GS3- Disaster management

Relevance: Issues related to flooding in cities

News- Recently, there was flooding in Delhi. The decision to release 350,000 cusecs of water after heavy rain further north seems to have caused the flooding.

What are factors responsible for recent flooding in Delhi?

There is the existence of **multiple authorities** with responsibilities for Delhi. It has impacted the **preparedness for floods** and **proper accountability** for errors.

The water took some time to travel downstream as far as Delhi. But, no alarm was raised. There were no **emergency preparations**.

Many flooded areas are situated on the **floodplains of the Yamuna** and are **prone to flooding and to subsidence**.

The **extensive use of concrete** in urbanised areas without considering the earth's **capacity to absorb excess water** could further exacerbate the problem.

There are issues with the **quality of urbanism and its administration**.

What is the way forward to mitigate flooding?

The feasibility of **consolidating barrages** along the Yamuna and other major rivers under a unified authority should be explored.

State governments must maintain their **jurisdiction over the flow of water** within their territories. But they require **assistance in managing riverine infrastructure**.

The Union government should initiate a **comprehensive examination** of the Yamuna flood plan. It needs to ensure that **infrastructure development** is carried out in a manner that facilitates the **harvesting, absorption, or downstream flow of excess water**.

There is a need to plan for **additional infrastructure**, such as **new channels, de-sedimentation facilities, and stronger embankments**.

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6. [Dilemmas of India's great power ambitions](#)

Source– The post is based on the article “**Dilemmas of India's great power ambitions**” published in “**The Indian Express**” on **24th July 2023**.

Syllabus: GS32- International relations

Relevance: Issues related to Indian foreign policy

News- The article explains the dilemma for India in projecting itself a global power.

What are the strengths of India on the economic and strategic front?

India's **foreign exchange reserves** are around \$600 billion. India is not worried about war with Pakistan.

There is **higher GDP growth** and **significant poverty reduction** has been achieved.

India is now ranked as the **world's fifth largest economy**. It has **one of the largest militaries in the world** with over a hundred nuclear weapons.

Relationship with the US is strong. India has strong relationships with several powerful states around the world.

India is also one of the **pivotal swing powers** of the contemporary international system. It is strategically located.

There is talk of **India's role in world politics** in the context of **great power politics around the Ukraine**. Both Russia and the West want India to be on their side.

There is **demand for mediation** by India in issue to bring an end to the war.

India employs the **rhetoric of mediation** during global crises. It positions itself as a **connecting link between the north and south, as well as the east and west**. This implies its significant role as a **major player in world politics**.

The nation's national power has witnessed a remarkable rise. It is now a **formidable force** with the ability and aspirations to **shape the international system**.

What are the weaknesses of India on the economic and strategic front?

India **GDP per capita** was \$1,947 in 2021. It was \$2,227 for Bangladesh. It is more than that of India even though Bangladesh is only the 40th largest military in the world.

India faces **major infrastructural and governance issues**. Ease of doing business may have improved, but starting a business without a bribe is still not easy.

There exists **regional, caste, ethnic and religious divisions**. India's domestic challenges will continue to distract the attention of its political leaders from **global problems**.

India's political class will have to **reduce poverty and improve the well-being** of Indians living under the poverty line. It will divert its attention from **external engagements**.

When the political class has little concern about the **country's foreign and security policy**, career bureaucrats manage them. They follow a **traditionalist approach** and don't take risky decisions. The foreign policy tends to be on autopilot without **political will**.

A **weak domestic economy** prevents politicians from allocating adequate resources for **foreign policy objectives**.

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As per the **Parliamentary Committee on External Affairs**, “despite an increase in the overall budget allocation, the allocation made to MEA in percentage terms is showing a downward turn during the last four years.

Such allocation does not take into consideration the country’s **rising aspirations and growing global stature**.

What is the way forward for Indian foreign policy?

India’s **domestic inabilities** will limit its ability to **influence the world order**.

If a country is not a rule shaper, it will be a rule taker. India will have to **influence and shape the global order** to meet its **foreign policy objectives**. It will impact its **economic growth, security environment and geopolitical and geo economic interests**.

India’s influence on the world order is undeniable. In today’s **interconnected world**, a nation’s global impact and its domestic growth are linked to each other.

India’s role in **shaping international politics** should be influenced by its **domestic context**. Its **global involvement** must prioritise the **welfare of its citizens**. **Strategic isolation** is not a viable choice.

7. [India should combat loan sharks online with effective regulation](#)

Source– The post is based on the article “**India should combat loan sharks online with effective regulation**” published in the “**mint**” on **24th July 2023**.

Syllabus: GS3- Economy

Relevance: Issues related to financial system

News – The article explains the rise of lending by loan sharks.

What are some facts about shark lending?

It is described by excessively **high interest rates and intimidating strategies**. It focuses on **vulnerable individuals**.

It takes advantage of low-income individuals and those with **restricted access to conventional banking services**.

They operate through a network of **physical establishments, online platforms, and mobile apps**.

What has been the approach of the Indian government towards shark lending?

In August 2017, the RBI mandated that **only NBFCs** should operate **peer-to-peer lending platforms**. Despite this directive, only 22 companies had registered as NBFC-P2P lenders with the RBI. Around 1,100 online lending apps are **unregistered and unregulated**.

To address this issue, RBI established a **working group in January 2021** to study **digital lending activities by unregulated players**. The group’s report, released in November 2021, recommended **regulating digital lending**.

The report proposes a **three-pronged approach**. These are **legal and regulatory measures, technological advancements, and consumer protection initiatives**.

It advocates for the creation of a **nodal agency** to verify digital lending apps, the recognition of **Self-Regulatory Organizations (SROs)** to foster a **healthier lending ecosystem**.

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The collection of borrower data with **explicit consent and verifiable audit trails**, the maintenance of a **'negative list' of problematic lenders** by SROs, and the formulation of a **recovery code of conduct** in consultation with RBI are other suggestions.

What are the measures adopted by countries to combat loan sharking and protect borrowers?

Kenya– It has established a **self-regulatory body** composed of **responsible digital lenders**. It is called the **Digital Lenders Association of Kenya (DLAK)**. It ensures **fair lending practices, transparent interest rates and ethical debt recovery procedures**.

Philippines– It has taken steps to differentiate legitimate fintech companies from loan sharks. Its Securities and Exchange Commission introduced regulations that require online lenders to obtain a **licence and comply with fair lending practices**.

What is the way forward for combating loan sharking?

India needs a **comprehensive regulatory framework**. It should be guided by a **'LENDERS' approach**:

Licensing and registration: Implement a system to ensure **legitimacy and ethical compliance** of all lending entities.

Ethical interest rates: Enforce regulations to cap interest rates, preventing **predatory practices** and offering **reasonable repayment terms**.

Non-coercive practices: Prohibit coercive tactics and encourage **respectful communication** during debt collection.

Disclosure and transparency: Mandate **clear and comprehensive information** on rates, fees and terms to empower borrowers.

Education and awareness: Use **financial literacy programmes** to educate people on fair lending.

Redressal mechanisms: Establish accessible avenues for borrowers to **report complaints and seek resolution**.

Strong legal framework: Strengthen existing laws, introducing **severe penalties and deterrents**.

[8. A case for a new pronoun for AI](#)

Source– The post is based on the article **"A case for a new pronoun for AI"** published in **"The Hindu"** on **22nd July 2023**.

Syllabus: GS3- Science and Technology

Relevance: Issues related AI

News- The article explains the issue of use of pronoun for AI tools

What are some facts about chatbots?

Large Language Models are empowering chatbots to engage in conversations like human experts. In some cases, they outperform even the most skilled individuals.

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To utilise LLMs effectively, we need to become proficient in **using prompts**. These prompts can be user-generated **questions or instructions** provided by software programmers to elicit **specific responses** from the algorithm.

Why is there a need for a pronoun for AI tools?

There is a shared agreement that **misrepresentation of AI's identity** seems **manipulative**.

Experts propose that restricting AI from using **first person pronouns and other human pronouns** could decrease cases of **AI mistaken identity**. It will make it easier to distinguish machine-generated text.

This is crucial because pronouns play a significant role in **defining identity** in today's context.

Even ChatGPT acknowledges that granting AI a distinct identity can help **clarify its role and prevent confusion** with human beings.

AI requires pronouns to establish an identity that is distinct from that of humans. For **ethical and security reasons**, human beings should know that **conversing with a bot**.

What are the prevalent practices by big companies having AI based products?

Apple has stereotyped Siri with a **feminine-sounding voice**, although it offers **masculine and gender-neutral alternatives**. The aim is to establish an **emotional connection** with users.

The original default version of Siri unintentionally reflected **society's gender assumptions**. It is portraying a preference for a **submissive feminine assistant**.

Technology companies approach the use of pronouns with caution. **Google's Smart Compose technology**, which automatically completes sentences on Gmail, **avoids predicting pronouns** to prevent **unconscious gender biases** in the AI model.

What is the way forward?

Regulators should seize the chance to address this issue **proactively** before **conventional AI pronouns** become widely established.

To achieve a **systematic solution**, regulators should **collaborate with lexicographers and linguists** to establish a **standard for major languages** from the outset. **Pronoun guidelines** can then be included in style guides for **prompt engineering AI models**.

9. [An avoidable controversy over sample surveys](#)

Source– The post is based on the article **“An avoidable controversy over sample surveys”** published in **“The Hindu”** on **25th July 2023**.

Syllabus: GS3- Government policies and interventions

Relevance: Issues related to government statistical exercise

News- An article recently raised doubts on the soundness of data collection procedures of some of the surveys such as the National Sample Survey, National Family Health Survey and Periodic Labour Force Survey (PLFS).

As per the writer, most of the surveys from 2011-12 till 2019-21 **underestimates the proportion of the urban population or overestimates the rural population** significantly.

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What are counter arguments against the writer's viewpoints about India's statistical system?

Bias in population estimate– The **sampling designs of the NSS or the PLFS** do not specifically aim to estimate the total number of households or population. Instead, their primary purpose is to estimate the **major socio-economic indicators**.

The estimates of households or population size are considered **auxiliary information**. Data users appropriately adjust the **survey-based estimates** for rural and urban areas separately by using **projected population figures** derived from the Census.

The estimates of the number of households derived from the NSS align closely with the **Census-based figures for households**. The writer's accusation about **non-representative samples** due to **outdated sampling frames** becomes less relevant for two main reasons.

Firstly, these surveys primarily rely on the **population census lists** of villages and urban blocks for sampling. It ensures comprehensive coverage.

Secondly, for sampling urban blocks, the NSS and PLFS utilise the latest **Urban Frame Survey (UFS) blocks**, covering all towns in the country. This helps address any urbanisation that occurred after the census through State government notifications.

Regarding the **classification of geographical areas** as rural or urban, all these surveys **include census towns** as part of the **urban sampling frame**.

Systematic bias in response rate- Some households don't not share information in the survey. As household income increases, the **response rate** tends to decline. This challenge is encountered in similar surveys worldwide.

To address this issue, the **survey methodology** recommends replacing **non-responsive households** with other households that are as similar as possible.

However, it is important to acknowledge that the **substituted households** may have relatively lower income levels. It could introduce some **downward bias in the overall estimates**.

A majority of the **welfare programmes** of the government are targeted towards households in the **lower income brackets**. So, a very **low non-response rate** in these surveys is not likely to have a serious impact on the **overall household level indicators**.

What is the way forward to remove the concerns regarding the soundness of data collection procedures of some of the surveys?

Sample design and data quality are two distinct components of a survey. Sample design typically involves careful selection using scientific methods.

To remove the concerns about the representation of **affluent households**, there is a need to create a list of such households through **alternative sources**.

Incorporate a **representative sample** of them alongside the **conventional survey** of the rest of the population should be done.

Evaluating the coverage of the UFS frame is important to overcome the issue of underestimation of the urban population. Establishing a **methodological study unit** for further improvements in survey design is also a positive step.

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To enhance data quality, strengthening the training of field personnel, conducting field inspections, concurrent data validation, and implementing effective publicity measures are other essential steps.

10. [Chasing Cheetah – on cheetah reintroduction](#)

Source: The post is based on the article “Chasing Cheetah” published in **Business Standard** on 25th July 2023.

Syllabus: GS 3 – Environment

Relevance: concerns associated with cheetah’s introduction in Kuno National Park

News: The deaths of five adult cheetahs and three cubs in Kuno National Park, have raised concerns about the PM’s project to introduce cheetahs from South Africa and Namibia.

About the recent death of cheetah

Read Here: [Radio collars are killing the cheetahs in Kuno. Here is how — and why](#)

Why does the cheetah’s death not raise significant worries?

The experience of cheetah relocations within Africa suggests a 50% death rate and this was taken into consideration while introducing cheetah into the Kuno.

The survival rate of cheetah cubs, even in protected ecosystems like the Serengeti plains, is typically 5-10%. Therefore, the deaths of three cubs, the first to be born in India in over 70 years, are not unexpected.

What are the challenges with the Cheetah’s relocation project?

Effectiveness of Project Management: Concerns have been raised about the efficacy of project management, particularly regarding the deaths of four of the five adult cheetahs in captivity.

For instance, one male cheetah was found disoriented, without any explanation provided. Another cheetah was underweight and had pre-existing health conditions, raising concerns about its care in captivity.

Prolonged Captivity: Some wildlife biologists have expressed concerns about the prolonged captivity of cheetahs. **International standards recommend** one month of quarantine and four to eight weeks in an acclimatization enclosure before releasing them into the wild.

However, the cheetahs from Namibia, who arrived in September 2022, were released into the wild in mid-March instead of mid-December.

Degree of Intervention: Concerns have been raised about the extent of interference with cheetahs in the wild. Injured females or males fighting for territory are rescued, deviating from the established practice of allowing nature to take its course.

What can be the way ahead?

Project Cheetah needs to be evaluated, especially when lions in Gir are facing habitat issues.

11. [Advancing technologies are not giving all children a better future](#)

Source– The post is based on the article “Advancing technologies are not giving all children a better future” published in the “Live Mint” on 25th July 2023.

Syllabus: GS 3 – Inclusive growth. GS2- Vulnerable sections of the population

Relevance: Issues related to digital divide

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News- The article explains the issue of lack of digital access, connectivity and literacy among children from vulnerable sections.

What are some digital divides among vulnerable sections of the population?

Women, the elderly, individuals with disabilities, ethnic or linguistic minorities, indigenous communities and residents of impoverished or remote areas are **mostly impacted** by this digital divide.

Children from **underprivileged backgrounds** are most vulnerable. They **lack access** to the resources needed to utilise advancing technologies.

As per a report jointly released by **Unicef** and the **International Telecommunication Union**, 2.2 billion children and young people aged 25 years or younger lack **internet connectivity** in their homes. 768 million children without **internet access** reside in South Asia.

Closer home, report by the **Unified District Information System for Education plus**, about 66% of schools in India lack **access to the internet**. Less than 50% of the schools surveyed had functional computers.

What are the impacts of digital divide on children and young population?

It impacts the **academic, professional** and **personal endeavours** of children in an increasingly digitised world.

In today's interconnected **world**, access to the internet has become a **fundamental necessity**. It serves as a gateway to **knowledge, information** and **opportunities**.

Children from rural households face unequal levels of **connectivity and access** to online resources compared to their urban counterparts.

Without appropriate interventions, these disparities will only widen. It will limit **educational opportunities** and hinder their ability to engage in **e-learning**, access **online educational material**, and participate in **virtual classrooms**.

The lack of internet access in rural areas also impacts their **social development**. They are unable to connect with peers, explore **diverse perspectives**, and access a wealth of online content that could enrich their knowledge and experiences.

This dearth of connectivity also hinders their exposure to **digital literacy** and **essential technological skills**. These have become increasingly crucial in today's workforce.

As a result, the digital divide exacerbates existing **socio-economic inequalities** and perpetuates a cycle of disadvantage for rural communities.

Way forward

To bridge the digital divide and ensure **equal opportunities** for children from rural households, **concerted efforts** are required.

This entails expanding internet infrastructure, enhancing connectivity in remote areas, and making internet services more affordable and accessible.

Universal Service Obligation Fund can be utilised. It was intended to financially support telecom services in rural and remote regions with limited commercial viability.

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Public-private partnerships can play a crucial role in implementing initiatives to address these challenges, such as establishing **community centers** with internet access or leveraging innovative technologies like satellite-based internet connectivity.

Collaborative efforts among government agencies, educational institutions, companies with **corporate social responsibility** budgets, and non-profit organizations is required.

It can help develop comprehensive strategies aimed at **empowering** rural communities and providing them with the tools needed to succeed in the digital era.

Investing in closing the **digital divide** for education is particularly crucial for **marginalized children** in India. The private sector can play a pivotal role by investing in **infrastructure**, **expanding connectivity**, and offering **affordable** internet services.

Telecom companies can collaborate with governments to extend network coverage, while tech companies can support **digital literacy** and **skills training**.

Capacity-enhancement programs that combine **digital literacy** with entrepreneurship initiatives from marginalized communities, to leverage technology for personal and **economic development**.

12. [Wi-fi hotspot pouches: Internet from a sachet](#)

Source: The post is based on the article “**Wi-fi hotspot pouches: Internet from a sachet**” published in “The Indian express” on 25th July 2023.

Syllabus: GS 3- Infrastructure (Digital) & Awareness in the fields of IT

News: In this article author is talking about PM-WANI, a system in India that allows people to access the internet using local Wi-Fi hotspots. The system is cheaper and helps those who can't afford normal internet rates. This can improve internet access in rural and poor areas of India.

About digital infrastructure transformation in India

Connectivity Boom: India has over a billion mobile connections and 4G coverage. Data cost has dropped from Rs 300 per GB to Rs 7 per GB.

Digital Transactions Rise: Due to policies like Net Neutrality and UPI, digital transactions are increasing.

Data Demand Surges: India's monthly data consumption is 19.5 GB per person. There's a gap between demand and supply, especially in rural areas.

Low home broadband penetration: Currently, India's home broadband penetration stands at one of the lowest in the world, hovering at around 10 per cent.

What is PM WANI?

WANI (Wi-Fi Access Network Interface) is a concept introduced by TRAI in 2017 to create interoperable public Wi-Fi hotspots. The vision was to offer connectivity via local providers known as Public Data Offices (PDOs). Building on the success of the WANI pilot, the Indian government introduced PM-WANI, which was approved by the Union Cabinet in December 2020 to implement the WANI vision on a broader scale.

Benefits of PM-WANI:

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Affordable Connectivity: With PM-WANI, over a million people are accessing unlimited Internet daily by paying just Rs 5 to 10. For comparison, students are now opting for this “sachet internet” over chips or soft drinks.

Boosting Local Economy: Local shops and households can become PDOs, setting up Wi-Fi hotspots. This not only promotes affordable internet usage but also augments their earnings.

Infrastructure Utilization: Existing infrastructure by companies like RailTel and GAIL, which is currently underused, can be effectively tapped into for PM-WANI.

Benefits for ISPs and Telcos: These major providers can sell more bandwidth by transforming their customers into retailers.

Bridging the Digital Divide: With a low home broadband penetration of around 10% in India, PM-WANI offers an opportunity to improve internet access, especially in underserved areas.

What should be done?

Promote PM-WANI: Given the successful pilot of WANI and the subsequent approval of PM-WANI in December 2020, there’s a need to actively promote this initiative. Over 1.5 lakh hotspots have been set up, benefiting millions.

Engage Stakeholders: Governments, startups, and civil society should collaborate to enhance the reach of this Digital Public Infrastructure (DPI).

Capitalize on Underutilized Infrastructure: Infrastructure from companies like RailTel and GAIL should be tapped into more effectively, boosting PM-WANI’s potential in underserved areas.

13. [What’s UP With The Ban?: Single-use plastic is still choking drains in cities](#)

Source: The post is based on the article “**What’s UP With The Ban?: Single-use plastic is still choking drains in cities. Banning it won’t work until there are cheap alternatives**” published in Times of India on 25th July 2023.

Syllabus: GS3- Environment (Conservation, environmental pollution and degradation)

News: In this article author says the ban on single-use plastics (SUPs) in India is not effective enough. Many small businesses still use them as alternatives are expensive. The author suggests the government should support cheaper, eco-friendly alternatives. The author also highlights that plastic waste causes floods and environmental problems.

What is single-use plastics (SUPs)?

Read here: [What is Single-Use Plastic \(SUP\) and magnitude of its usage?](#)

Why ban on single-use plastics (SUPs) in India is not effective enough?

- **Lack of Enforcement:** State pollution boards haven’t strongly enforced the ban. For instance, despite the 2016 ban in Karnataka, SUPs still dominate in Bengaluru.
- **Limited Awareness:** Many people know about the ban, but compliance is low.
- **Small Business Reliance:** SUPs are essential for many small businesses due to their low cost.
- **Costly Alternatives:** Eco-friendly alternatives are more expensive, making them less appealing. Like, in Hyderabad, 70% of desilted waste from water bodies is plastic.

What are the impacts of single use plastic?

- **Environmental Hazards:** SUPs increase flood risks during monsoons.

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- **Water Body Contamination:** In Hyderabad, 70% of desilted material from water bodies is plastic.
- **Drain Blockages:** Delhi and Mumbai face choked drains due to plastic garbage, affecting drainage.
- **Ocean Pollution:** Mumbai's drainage system disposes plastics into the sea, harming marine life.

What should be done?

- **Strengthen Enforcement:** Ensure state pollution boards actively enforce the ban.
- **Boost Awareness:** Increase efforts like in Bengaluru with awareness drives and penalties.
- **Support Small Businesses:** Help them transition to affordable alternatives.
- **Promote Alternatives:** Government should prioritize and fund recyclable/compostable innovations.

14. [A big step in reducing the risk of disasters](#)

Source: The post is based on the article “**A big step in reducing the risk of disasters**” published in “The Hindu” on 25th July 2023.

Syllabus: GS 3 – Disaster and disaster management.

News: The author discusses how recent disasters show the need for more action on climate change. India has started a G20 group for reducing disaster risks. The group will focus on early warnings, resilient infrastructure, and funding for risk reduction. Brazil will continue this work when it leads the G20.

About Sendai Framework for Disaster Risk Reduction

Duration: 2015-2030.

Goal: Reduce disaster risks and losses.

Progress: At its midpoint, efforts are underway, but more is needed.

Global Importance: Recognized as the roadmap for reducing global disaster risks.

Key Calls to Action: Enhance early warning systems, develop resilient infrastructure, and secure funding for risk reduction.

Relation to G20: Directly supported by G20 Disaster Risk Reduction Working Group's priorities.

What are the initiatives taken by India for disaster risk reduction?

G20 Leadership: India has given high priority to disaster risk reduction during its G20 presidency.

Working Group: Established the first G20 Disaster Risk Reduction Working Group, aiming to influence global economic decisions linked to disaster risks.

Early Warning Systems: Emphasized the role of inclusive and multi-hazard early warning systems. For instances, during Cyclone Biparjoy, India's effective warning and action systems resulted in zero deaths.

Resilient Infrastructure:

Launched the Coalition for Disaster Resilient Infrastructure with the UN in 2019.

Focuses on enhancing the resilience of critical infrastructure globally.

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Aims to support policy development and capacity building, especially in developing countries.

Resource Allocation: India uses risk metrics to distribute resources at local levels for disaster risk reduction. This method aids in targeted and efficient resource utilization.

What additional measures should be considered?

Proactive Approach: Instead of just responding, there should be more upfront investment to prevent or reduce the impact of disasters.

G20's Role: The G20, representing 85% of global GDP, needs to incorporate disaster risk considerations into economic decisions.

Expand Early Warning Systems:

Use disruptive technologies to enhance forecasting and cater to local needs.

Support the UN Secretary General's goal of universal early warning coverage by 2027.

Infrastructure Resilience:

Evaluate and enhance the resilience of critical infrastructure globally.

Ensure infrastructure supports sustainable development outcomes.

Financing Strategies:

Develop new methods of funding disaster risk reduction.

Collaborate with private sectors, as many risks are generated by them.

Ecosystem-based Approaches: Scale up methods that prioritize the health of ecosystems to mitigate disaster risks.

[15. Oppenheimer's project should inspire climate action urgency](#)

Source: The post is based on the article "Oppenheimer's project should inspire climate action urgency" published in **Live Mint** on **26th July 2023**.

Syllabus: GS 3 – Environment

Relevance: measures needed to tackle climate change

News: The article explains different models that can be adopted to tackle climate change.

What are the different models present that can be replicated for climate change?

Oppenheimer/Manhattan model: Robert J. Oppenheimer led the Manhattan Project during World War II to build an atomic bomb. The project was completed under the given deadline.

This highlights that **when the social return on an investment is higher than the private return**, the government can run focused projects better than the private companies.

Hence, given the urgency of climate change, there are questions about whether the success of the Manhattan Project could be replicated in tackling this global emergency.

Apollo Programme: It was a successful US government initiative to send astronauts into space during the 1960s before the Soviet Union. NASA received funds an equivalent of 0.7% of GDP in the 1960s and employed 400,000 people to achieve the mission before the Soviet Union could.

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As per the findings of research, the investment made by the government and technological assistance, increased productivity in US counties that already had relevant technology capabilities.

However, the impact on overall productivity across the entire US economy was limited.

Hence, a key takeaway from the study is that **directing focused spending towards particular sectors to achieve specific geopolitical or climate objectives can** potentially lead to enhanced productivity in those specific sectors.

However, its effect on the entire economy remains uncertain.

Can these two models be adopted for green transition?

A common objective in both the models was the need to accomplish a massive task under time pressure, requiring a substantial push, which is also required for green transition.

However, the government was the sole user of the new technology in both the models. Whereas **the green transition requires a much broader adoption of new technologies across society, involving firms, cities, and citizens.**

This presents challenges on both the demand and supply sides.

Must Read: [Financing the Green transition: initiative and challenges – Explained](#)

What can be the way ahead for green transition?

The practical approach to the green transition will involve targeted investments in new areas, a combination of subsidies and a carbon tax to encourage technology adoption, requiring efforts from both the state and the market.

However, there may also be a need to replace capital more quickly than normal, which carries risks. **One such risk is governments' ability to select technology more effectively** through industrial policy than through market forces.

Hence, urgent action is needed to tackle climate change while taking all the factors into consideration.

[16. What has flipped the forex reserve Decline of India?](#)

Source: The post is based on the article **“What has flipped the forex reserve Decline of India?”** published in **Live Mint** on **26th July 2023**.

Syllabus: GS 3 – Indian Economy – Growth & Development

Relevance: About India's forex reserves

News: As of March 2023, India's forex reserves stood at \$578.4 billion, showing a decrease of over \$28 billion since March 2022.

What has caused a decline in the forex reserves?

The decline in reserves was driven by the **appreciation of the US dollar** following the US Federal Reserve's rate hikes, as well as India's balance of payment (**BoP**), which experienced a reduction in net capital inflows.

However, **this trend reversed after the dollar index peaked in October**, and there has been an overall increase in the forex reserves this year compared to the last year.

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What has caused an increase in the forex reserves this year?

The increase in forex reserves this year was primarily driven by **revaluation gains due to a weaker dollar and higher capital inflows**.

Additionally, **the settlement of oil imports from Russia are not made in dollars**, has also helped the reserves to increase.

Can India maintain these levels of foreign exchange reserves?

The US Federal Reserve's rate hikes have resulted in foreign investments flowing into the US treasury and a simultaneous outflow of capital from India.

However, the US Fed has already raised rates by 75 basis points and it is expected to raise interest rates further by 25 basis points. **This could potentially lead to increased capital inflows into emerging markets like India.**

Moreover, **India's BoP has significantly improved, and the projected current account deficit is less than 2% of GDP.** Equity capital flows have also revived, with India drawing the most of these flows among its fellow emerging market nations.

Hence, it is expected that India can maintain these levels of foreign exchange reserves.

What is the global status of India's foreign exchange reserves?

India holds the fourth-highest forex reserves globally, with China, Japan, and Switzerland occupying the top three positions, respectively.

Unlike many countries that achieve a large current account surplus through competitive exports, **India, Brazil, and the US have built their forex reserves mainly through capital flows**, not relying heavily on current account surpluses.

How are forex reserves measured?

Read Here: [India's forex reserves rise \\$6.30 bn to \\$584.75 bn and Explained: Forex reserves at all-time high](#)

The value of these reserves can change each week based on exchange rates and gold prices.

When the US dollar goes down or gold prices rise, the reserves increase in value. However, if the US dollar becomes strong or gold prices drop, the value of the reserves goes down.

What is the RBI's strategy for diversifying its forex reserves?

The RBI aims to reduce reliance on foreign currencies by **[internationalizing the Indian rupee](#)**.

It is exploring the use of currencies from **Asian Clearing Union member states**, including the rupee, for payment and settlement between these countries.

Additionally, **the RBI and the Central Bank of Sri Lanka have agreed to designate the rupee as a foreign currency**, facilitating trade and enabling Indian tourists in Sri Lanka to use the rupee for transactions.

17. [More capex for states](#)

Source: The post is based on the article “**More capex for states: Higher Central funds for states’ capital outlay are welcome, but these should lead to additionality**” published in **Business standard** on 26th July 2023.

Syllabus: GS3- Indian economy – resource mobilization

News: In this article author discusses how India’s finance minister, Nirmala Sitharaman, has increased government’s capital expenditure over the years. However, some Indian states are not increasing their spending as much as expected, despite receiving more money from the central government. The author suggests this might be because states are using the extra money for other expenses, not for new projects.

About Government’s Capital Expenditure **Central Government’s Capital Expenditure**

Steady rise over years: 1.67% of GDP in 2019-20 to 3.3% in the current year.

Last time it was over 3% of GDP was in 2004-05.

Aim: Upgrade infrastructure and boost private sector investment.

State Governments’ Capital Expenditure

Received ₹10,000 crore in 2021-22, by way of 50-year interest-free loan for capex, subject to the fulfilment of certain economic policy reforms by the state governments.

2022-23: States got ₹1 trillion of the total ₹7.5 trillion Central capex.

2023-24: States allocated ₹1.3 trillion out of ₹10 trillion.

Despite more funds, capital expenditure by states rose only 12% in 2022-23.

States with Increased Capital Expenditure:

Bihar: 29%, Chhattisgarh: 27%, Gujarat: 27%, Haryana: 17%, Jharkhand: 49%, Kerala: 13%, Maharashtra: 32%, Odisha: 45%, Tripura: 48%, Uttar Pradesh: 31%, West Bengal: 26%

States with Decreased Capital Expenditure:

Andhra Pradesh: 55%, Punjab: 17%, Rajasthan: 17%, Telangana: 38%, Assam: 20%, Nagaland: 18%

Singal digit growth in capital outlay – Tamil Nadu and Uttarakhand

Why did some states not spend more?

Covid pandemic reduced: States didn’t see the need for more capital projects to create jobs.

Shortage: Some states might have lacked executable projects or couldn’t handle more funds.

Misuse: Central support of ₹1 trillion might have been diverted. Instead of capital projects, states might have used it for other revenue schemes.

Financial strategy: States could use Central funds for capex targets and save their own resources for other plans. Example: Andhra Pradesh reduced capex by 55%.

What’s the concern for the future?

Slow Growth: Despite Central support, states’ capex growth was slow in 2021-22.

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Unrealistic Projections: States project 37% growth in 2023-24, but past performance raises doubts.

Absorptive Capacity: States might lack the ability to effectively implement capital projects quickly.

Financial Jugglery: States might misuse Central funds, diverting them from capital projects to other schemes.

18. [Express View: India's road to 2047](#)

Source- The post is based on the article "**Express View: India's road to 2047**" published in "**The Indian Express**" on **26th July 2023**.

Syllabus: GS3- Indian economy and growth

Relevance: Development model for high growth

News- In his Independence Day speech last year, Prime Minister Narendra Modi laid out his vision for India to achieve developed country status by the 100th year of its independence.

A recent study by economists at the Reserve Bank of India provides some clues on the growth trajectory needed to hit the target.

What are the prospects of India achieving the status of high income country?

India has a **per capita income of \$2,388 in 2022**. It is currently classified by the World Bank as a **lower middle income country**.

As per IMF, the country's per capita income is expected to **rise to \$3,720 by 2028**. So, it is unlikely to achieve **upper middle income status** by the end of this decade.

Recent Reserve Bank of India study- Presently, the World Bank classifies countries with **per capita incomes surpassing \$13,025** as **high income countries**.

If **inflationary effects** are taken into account over the next few decades, a country's per capita income would need to exceed **\$21,664 by 2047** to maintain **high-income classification**.

To reach this objective, the **nominal per capita GDP** in USD needs to increase at a yearly rate of 9.1 percent during this timeframe, which translates to 7.6 percent in **real GDP terms**.

However, achieving these growth rates poses a challenge. The study highlights that even during India's most **favourable 25-year period** between 1993-94 and 2017-18, such growth rates were not achieved.

Way forward-

Countries that have achieved high income status have taken a conscious decision to **industrialise and focus on external trade**.

This is a challenge for the Indian economy. The **level of merchandise exports** has not reached the levels envisaged.

Manufacturing's share should increase to 25% of value added. A **business as usual approach** is not sufficient.

The RBI study advocates for the urgent need to **increase investments in the economy, reduce logistics costs, focus on skilling the labour force, investing more in health and**

education, and scaling up R&D.

19. [Himachal floods: a man-made disaster?](#)

Source– The post is based on the article “**Himachal floods: a man-made disaster?**” published in “**The Hindu**” on **26th July 2023**.

Syllabus: GS3- Disaster management. GS1- Geography

Relevance: Floods in mountains

News- Flash floods during this year’s monsoon season have caused unprecedented damage to both lives and assets in Himachal Pradesh.

How climate change is contributing to disaster?

As per **IPCC VI report**, the impact of climate change on Himalayas and coastal regions of India will be high. In the Himalayas, there is a **noticeable pattern of increased precipitation** occurring in shorter periods of time.

How anthropogenic factors have also significantly contributed to the disaster?

The State implemented its **own development model** after 1971. The focus of the model was land reforms, robust **state-led investment in social welfare**, and a strong emphasis on **human resources**.

However, things changed after liberalisation. Central government advocated for stringent **fiscal reforms**. It forced the mountain States to generate their own resources for **fiscal management**.

This led to the **rapid construction** of hydropower projects, widening of roads without **proper geological and engineering assessments**, expansion of cement plants, and a shift in **agricultural practices** to cash crop economies.

What are the impacts of hydropower generation?

Prior to 2000, multilateral agencies were opposed to financing **large hydropower projects**. But, they started providing funding for such ventures, making finance readily available for these projects.

These hydropower projects are one of the main reasons for the **devastating impact of floods** in the region.

The dams are based on “**run of the river**” **technology**. Water is diverted through tunnels burrowed into the mountains. The **excavated material** is disposed of along the riverbed

During periods of **higher precipitation or cloudbursts**, the water returns to the river. The dumped material is carried along with it.

Moreover, **long tunnels** have been commissioned on the Sutlej river. These are responsible for **significant harm** to the entire ecosystem.

Currently, there are 168 hydropower projects in operation. As per projections; by 2030, 1,088 hydropower projects will be commissioned to harness 22,640 MW of energy.

What are the impacts of tourism?

The **development-driven road expansion** is aimed at **promoting tourism**.

This development model follows a **PPP approach**. There is focus on completing these projects rapidly. **Essential geological studies and mountain engineering skills** are bypassed.

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Traditionally, mountainous regions are not cut with **vertical slits**. They are **terraced**. It minimises the damage to the environment.

Unfortunately, **vertical cutting of mountains** has been done in case of four-lane projects in Manali and Shimla. It is leading to **massive landslides** and damage to existing roads.

How change in crop patterns is contributing to disasters?

Many farmers are now opting for **cash crops** instead of traditional **cereal farming**. It poses **challenges in transporting** these perishable crops to markets.

In response to this demand, roads are being hastily constructed without considering **necessary factors** like **land cutting and gradient requirements**.

Modern excavators are used in the construction process, but **proper drainage systems and designated areas** for muck disposal are not created.

It is important to note that while the **total designated road length** in the state is approximately 1,753 km, the total length of all roads, including link and village roads, exceeds 40,000 km.

Way forward-

An **Inquiry Commission** should be established to **engage the main stakeholders** for addressing both **policy framework shortcomings and specific aspects** of the undertaken projects.

A **new approach** is necessary to **empower local communities** and grant them control over their assets.

Losses incurred in culverts, village drains, small bridges, schools, and other social infrastructure must be compensated. It can be achieved through **insuring the assets** and entrusting their care to local communities.

It is essential for humans to take **responsible actions in infrastructure planning** to prevent the disasters witnessed by the State since June.

20. Arvind Datar writes: With high GST on online games, death by taxes

Source- The post is based on the article "**Arvind Datar writes: With high GST on online games, death by taxes**" published in the "**mint**" on **25th July 2023**.

Syllabus: GS3- Mobilisation of resources

Relevance: Issues related to taxation

News- The 50th GST Council has decided to levy 28% tax on the gross amount involved in online games.

What are the legal aspects related to games of skill and games of chance?

The law clearly distinguishes between **games of skill and games of chance**.

Games of chance, like roulette or lotteries, rely solely on **luck or pure chance** to determine the winner. These games are considered forms of **gambling or wagering**.

According to **section 30 of the Contract Act, 1872**, legal proceedings cannot be used to recover amounts due from such games.

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Section 12 of the Public Gambling Act, 1867 states that **games of skill** do not fall under the **category of gambling**. In these games, the **player's skill** plays a significant role, and **luck or chance** has little to no influence on the outcome.

What are issues related to the government's move to levy 28% tax on gross amount involved in online games?

In the world of online games, taxes are not imposed on the **entire pooled money**. Instead, it is levied on the **amount charged for the service** provided.

The **estimated annual GST collection** from online games is around **Rs 2,000 crore**, which is only a **fraction of the total annual GST collection** of Rs 15 lakh crore.

The Revenue Secretary claims that the new rates will result in an **increased collection of Rs 17,000 crore to Rs 20,000 crore**. This would require **online games worth over Rs 60,000 crore** to be played. It seems highly unlikely.

Increasing tax rates does not guarantee a **proportional increase in tax** collected. The current taxation system focuses excessively on **revenue maximisation**.

While the GST collection from the gaming industry might seem modest, it **employs a significant number of people** directly and indirectly. These employees will pay **GST on the goods and services** they consume, which should not be ignored.

Implementing such a high GST rate is likely to benefit **offshore gaming platforms with illegal activities**. It could lead to the **downfall of the gaming industry** and **substantial loss of employment** without a significant increase in revenue

21. Technology will boost the role of MSMEs in India's export success

Source: The post is based on the article "**Technology will boost the role of MSMEs in India's export success**" published in **Mint** on **27th July 2023**.

Syllabus: **GS 3 – Indian Economy – Industrial Policy**

Relevance: **measures needed to boost MSMEs**

News: Several discussions about technology took place during Prime Minister's recent visit to the United States.

What were the discussions made?

The discussions focused on promoting mutually beneficial collaboration, resulting in new investment projects and strengthening current partnerships in digital trade and e-commerce.

One of the outcomes of the discussion was that **Amazon announced a goal of \$20 billion in total e-commerce exports from India by 2025 and \$125 billion by 2030**.

This is in line with India's G20 aim of connecting MSMEs to global value chains through e-commerce platforms.

What is the significance of MSMEs in the economy?

The MSME sector plays a crucial role in India's economy, contributing around 33% to the GDP and 50% to exports. It is expected to generate at least 60% of India's overall goods and services export goal of \$2 trillion by 2030.

Therefore, to support the participation of MSMEs in international trade, various initiatives have been implemented through the **Union Budget 2023-24** and **Foreign Trade Policy (FTP) 2023**.

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However, India needs more MSMEs to be part of the global value chains (GVCs) of large companies like Amazon and Walmart-Flipkart to gain a larger share of the \$5 trillion global B2C e-commerce.

Must Read: [MSMEs: Significance, Challenges and Solutions – Explained](#)

What measures have been taken by the government to boost cross-border trade?

India has introduced various initiatives to enhance cross-border trade, including integrating e-commerce into the FTP, discussing e-commerce in trade agreements, creating a dedicated portal for MSME exporters, and identifying export hubs.

India is also focusing on including provisions for collaboration in its digital trade agreements to overcome obstacles faced by MSME exporters. Domestic market processes are being streamlined through technology to speed up customs and agency approvals.

However, two critical measures that need immediate attention: **1)** removing value limits on exports to facilitate high-value product shipments, like handicrafts, and **2)** establishing a strong process for handling return consignments to avoid import duties.

How has India's exports performed?

Despite global uncertainties like the Russia-Ukraine war, **India's exports experienced double-digit growth last year**. Hence, MSMEs using e-commerce for international sales will play a crucial role in achieving the FTP's target of \$2 trillion in exports by 2030.

Atmanirbhar Bharat Abhiyan also aims to increase the share of MSMEs in exports from 50% to 60% within five years.

According to a study on express delivery services (**EDS**) in India, the sector has experienced strong growth. However, **India's share in the global EDS market and merchandise trade is currently only 2%**.

Hence, to improve competitiveness, the study recommends adopting global best practices like removing value limits on exports, easing restrictions on perishable imports like pharmaceutical products, etc.

What can be the way ahead?

Studies show that **around 80% of global trade and participation in global value chains are through SMEs**.

Therefore, MSMEs in India can significantly contribute to the country's economic growth by utilizing e-commerce platforms and digital inclusion initiatives to expand their customer base and increase revenues.

Attracting investment in e-commerce will also create jobs and establish digital and logistical infrastructure.

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22. [Elusive quest for semiconductor self-sufficiency](#)

Source: The post is based on an article “**Elusive quest for semiconductor self-sufficiency**” published in **Mint** on **27th July 2023**.

Syllabus: **GS 3 – Indian Economy – Industrial Policy**

Relevance: **concerns associated with semiconductor industry in India**

News: The demand for semiconductors is increasing exponentially. Countries are now focusing on self-reliance for accessing semiconductors due to pandemic-related supply disruptions and geopolitical tensions.

What is the status of semiconductors in India?

India, as a major electronics consumer, **imports nearly all of its semiconductor requirements**. India has also identified electronics manufacturing as a crucial sector to enhance growth and exports.

However, since its dependence on imports, any disruption in the supply chain will impact India's growth. Hence, India has been taking efforts to establish semiconductor fabrication unit in India.

What efforts were made by India to establish semiconductor fab units?

In 2006, the Andhra Pradesh government partnered with SemIndia for a \$3 billion project, however, the project failed. **In 2007**, the Indian government tried to attract Intel Corporation, but the company invested in China and Vietnam.

In 2014, two projects, one by JP Associates and the other by Hindustan Semiconductor Manufacturing Corporation, were approved by the Union Cabinet. However, both projects faced obstacles and were eventually dropped.

What are challenges faced by India in the semiconductor industry?

Read Here: [Need of Indigenous Semiconductor Manufacturing Facilities in India](#)

What was the outcome of the last efforts taken by India to set up fab units?

The Centre under the PLI scheme, announced up to \$10 billion in subsidies or 50% of the project cost, to attract semiconductor fab units in India.

For this, **three projects were approved:** **1)** Vedanta-Foxconn, **2)** ISMC consortium with Tower Semiconductors from Israel, and **3)** IGSS Ventures from Singapore. However, these projects have experienced limited progress.

For instance, the Vedanta-Foxconn project collapsed. The ISMC project is on hold due to the merger of Tower Semiconductors and Intel, and IGSS is still in search of an Indian partner.

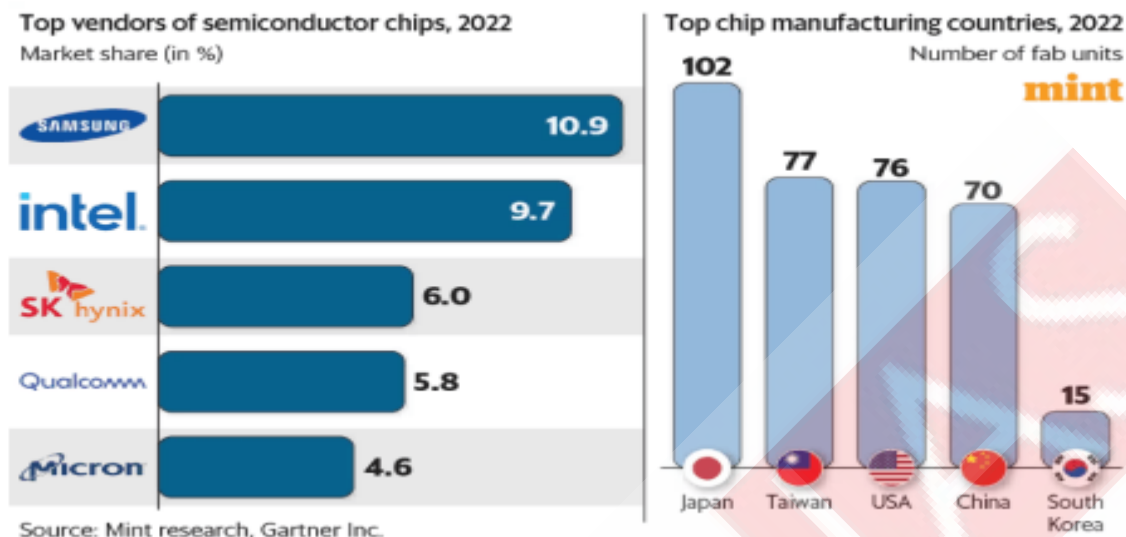
Must Read: [Semiconductor manufacturing in India: significance and challenges](#)

What are the efforts being taken by other countries?

The US has enacted the CHIPS Act, providing \$280 billion in subsidies for chip research and production. **Germany has announced** subsidies worth \$22 billion to encourage the establishment of fab units.

The European Union has implemented the European Chips Act to enhance semiconductor production, and **the UK has unveiled** its own semiconductor strategy.

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Source: Mint

23. [The changing contours of Delhi](#)

Source: The post is based on the article “**The changing contours of Delhi**” published in “The Hindu” on 27th July 2023.

Syllabus: GS3- Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

News: In this article author discusses India’s economic development challenges, especially in the Delhi-NCR region, which has become highly populous and urbanized. They emphasize the need for equitable and sustainable planning, addressing issues like income inequality, pollution, and lack of infrastructure. The article suggests using economic geography to guide effective policies and investments for inclusive growth.

What are the economic development challenges faced by India (Delhi-NCR)?

- 5. Population and Urbanization:** India’s recent status as the world’s most populous country with 1.4 billion citizens has put immense pressure on its urban centers, particularly Delhi-NCR. The region is witnessing rapid urbanization and becoming the most populous urban agglomeration, surpassing Tokyo by 2028.
- 6. Infrastructure and Coordination:** Delhi-NCR’s economic growth heavily relies on its mega city-regions, but the expansion of the agglomeration has created challenges due to multiple state and city jurisdictions. The lack of coordination among these entities hinders comprehensive planning and development efforts.
- 7. Income Inequality and Employment Patterns:** The region’s economic growth has not led to an equal distribution of wealth, leading to increasing income inequality. Informal work persists, and unemployment rates have risen, with women’s workforce participation remaining low.
- 8. Environmental Concerns:** Delhi-NCR faces severe environmental issues like air and water pollution, exacerbated by industrialization and population growth. The region struggles to balance economic development with sustainable practices, leading to detrimental effects on the environment and public health.

What should be done?

9. **Regional Economic Development Corporation:** Create a region-specific economic development corporation for Delhi-NCR to leverage existing interstate frameworks and devise place-specific development strategies. This would facilitate better coordination and planning among participating cities and States.
10. **Multi-Stakeholder Platform:** Establish a multi-stakeholder platform involving the government, private sector, academia, industrial bodies, and civil society representatives to address development needs collaboratively.
11. **Targeted Infrastructure and Investment:** Use spatio-economic assessments to target infrastructure investments and foreign direct investments in economically dynamic locations, ensuring better returns and job growth.
12. **Empowering Women and Marginalized Groups:** Implement strategies like safe and accessible work environments, along with child and elder care facilities, to enable greater participation of women in the economy. Spatio-economic assessments can also improve access to education, healthcare, basic services, and jobs for marginalized groups.
13. **Environmentally Conscious Planning:** Incorporate environmental impact assessments into planning processes, promoting sustainable practices and valuing planetary resources while pursuing economic growth.

24. [Shedding more light on the debt dilemma](#)

Source: The post is based on the article “**Shedding more light on the debt dilemma**” published in “The Hindu” on 27th July 2023.

Syllabus: GS3- Indian Economy and issues relating to planning, mobilisation of resources.

News: In this article author discusses India’s high fiscal deficit and public debt, emphasizing the challenges it poses to the economy and future generations. The article points to the need for fiscal consolidation, improved tax compliance, and suggests policy reforms such as reducing government involvement in certain sectors and better management of subsidies.

About current fiscal deficit and public debt data of India.

Fiscal Deficit 2020-21: It increased to 13.3% of GDP.

Public Debt 2020-21: Elevated to 89.6% of GDP.

Post-Pandemic Recovery: Deficit and debt ratios receded to 8.9% and 85.7%, respectively.

State-Level Debt: Punjab’s Debt to GSDP is 48.9%, West Bengal’s is 37.6%, Rajasthan’s is 35.4%, and Kerala’s is close to 33%.

Primary Deficit 2022-23: Stands high at 3.7% of GDP and is budgeted over 3% for 2023-24.

What challenges are posed by India’s elevated fiscal deficit and public debt?

Interest Payments: They consume over 5% of GDP and 25% of revenue receipts, surpassing government spending on education and healthcare combined.

Crowding Out Essential Spending: Large interest payments reduce funds available for infrastructure, human development, and environmental priorities.

State Debt Issues: Specific states, like Punjab (48.9% Debt to GSDP ratio) and West Bengal (37.6%), have high debt ratios.

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Limited Counter-Cyclical Fiscal Policy: High debt restricts the government's ability to respond to economic downturns or shocks.

Distorted Debt Market: Commercial banks and insurance companies mainly buy government bonds due to regulations, affecting lending to sectors like manufacturing.

Rating Concerns: High deficits lead to lower sovereign ratings, increasing the cost of borrowing internationally.

Future Generations: The next generation will bear the burden of today's borrowing.

Election Cycles: Upcoming elections may push the debt ratio higher due to electoral budgeting.

What measures should be implemented to address these issues?

Follow Finance Commission Recommendations: The Union government should reduce its deficit relative to GDP from 43.6% in 2015-16 to 36.3%, and States should aim for about 22%.

Enhance Tax Collection: Goods and Services Tax (GST) has stabilized, showing high growth potential. This can improve revenue.

Tax Administration: Technology has made tax administration efficient. Cross-matching GST with income-tax returns can further improve compliance.

Increase Tax-GDP Ratio: Expected to rise by 1.5 to 2 percentage points in the medium term, boosting revenue.

Disinvestment: Speed up the process of selling government stakes in sectors where the private market can operate, like in Bharat Sanchar Nigam Limited.

Limit Subsidies: Favor direct cash transfers to people rather than subsidizing goods and services, preventing resource distortions.

Enforce Fiscal Discipline: Adhere to Fiscal Responsibility and Budget Management rules, especially when permitting states to borrow.

Reassess State Roles: Governments should avoid redundant or unnecessary expenses and avoid competitive market involvement.

25. [FTAs: Learning from peers](#)

Source- The post is based on the article "**FTAs: Learning from peers**" published in the "**Business Standard**" on **27th July 2023**.

Syllabus: GS3- Economy

Relevance: Issues related to external trade

News- The article compares the India approach to FTAs with other emerging economies.

What are the impacts of tariff liberalisation?

In the early stages of Free Trade Agreements, **tariff liberalisation** was the central agenda for **shallow economic integration**. An example of this is the **US-Canada auto pact** in 1965. It stimulated growth in the Canadian auto industry.

Similarly, the Thai auto industry experienced development through its participation in the **Asean Brand to Brand complementation scheme** in the late 1980s. This initiative offered **preferential tariff margins** to select regional economies.

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How have FTAs evolved over time?

Developing economies have become aware about the advantages of **integrating with global value chains**. Now, FTAs have converted to **deep trade agreements**.

FTAs include **trade in services and investment**, and additional policy areas like **intellectual property rights, dispute settlement and competition policy**. In these deep trade agreements, the **rules of origin** are central to **GVC-led trade**.

How is India 's approach to FTAs different from other major emerging economies?

Tariff liberalisation– Asean's FTAs with its regional neighbours like Japan, Korea, have tariff liberalisation commitments that are in the range of **87 percent to 99 percent of all tariff lines**.

The Asean-India FTA has less than **80 per cent tariff liberalisation**.

In its trade deal with Australia concluded in 2022, India adopted for liberalisation of only around **70 per cent of tariff lines** as against **100 per cent by Australia**.

Rule of origin– Stricter rules of origin does not favour **GVC-type of production**. It restricts the **preferential market access** offered by an FTA.

This is particularly relevant in the context of trade involving parts and components, which are essential in **Global Value Chains**. At each border crossing, the **value addition** may not always be significant.

India has negotiated a **complex set of Rules of Origin in its Free Trade Agreements**. It insists on both a change in **tariff classification and substantial value addition**.

In 2020, changes in the **Customs Act** have made the utilisation of FTAs even more burdensome.

Importers now have the additional responsibility of satisfying the government of India about the **origin of the imported product**, in addition to obtaining the **Certificate of Origin**.

In contrast, Asean has simplified its **RoO criteria** since the early 2000s. The RoOs of Asean's FTAs, as well as those of its member states with East Asian economies, are **simple with flexible cumulation rules**.

Investment liberalisation– India's **model bilateral investment treaty** incorporates an **investor-state dispute settlement mechanism**.

It is complex and requires the **prior exhaustion of local remedies**. These provisions have the potential to create obstacles for **foreign investment**.

On the other hand, China has evolved its BIT with a focus on **economic development**. The first-generation BITs, concluded between 1982 and 1989, only addressed **dispute resolution** related to determining compensation in cases of expropriation.

However, the **next generation BITs** expanded the scope to include the option for investors to approach the **International Centre for Settlement of Investment Disputes**.

The **third generation BITs** offer **stronger international law protection** to foreign investors. China's BITs also apply uniformly in special economic zones.

Sustainability provisions in FTAs– These provisions have transitioned from being **supplementary agreements** in FTAs to becoming **essential chapters** in almost all modern FTAs.

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India's approach of categorising sustainability provisions as “**non-trade**” issues is also outdated. The increasing number of FTAs that now include commitments on internationally recognized **labour rights and climate cooperation**, aligning with the **pursuit of sustainable development goals**.

For instance, the **Comprehensive and Progressive Trans-Pacific Partnership** has detailed chapters dedicated to both **environmental protection and labour standards**.

[26. Weighing in on the National Research Foundation Bill](#)

Source: The post is based on the article “**Weighing in on the National Research Foundation Bill**” published in **The Hindu** on **28th July 2023**.

Syllabus: **GS 3 – Science and Technology**

Relevance: **concerns with National Research Foundation**

News: The Union Cabinet has recently approved the National Research Foundation (NRF) Bill 2023.

What is NRF?

Read Here: [What is the National Research Foundation?](#)

The Kasturirangan Committee in 2019 gave the proposal of creating the NRF as an independent foundation and the National Education Policy (NEP 2020) adopted it.

What are the concerns with NRF?

Low Funding: The Kasturirangan Committee proposed that the NRF should receive an annual grant of Rs. 20,000 Crores (0.1% of GDP).

However, as per the available information, the NRF is expected to receive ₹10,000 crore for five years, totaling ₹50,000 crore.

Out of which, a maximum of ₹14,000 crore is to be provided as a government grant or budgetary support, with the remaining ₹36,000 crore expected to come from industry and private philanthropic sources.

This means that NRF would receive a maximum annual funding of 2,800 crore for the following five years, which is only 14% of the amount the Kasturirangan Committee had suggested.

Subsuming Science and Engineering Research Board (SERB): The SERB was set up as a statutory body within the DST. Its objective was strategically planning, promoting, and financially supporting internationally competitive research in emerging fields of science and engineering.

It has played a crucial role in developing a sustainable research ecosystem and its budgetary allocation has substantially increased over the years.

However, since it is being subsumed with NRF, there are concerns over whether NRF would get the additional SERB's financial allocation, or it will be removed.

Read More: [Proposed National Research Foundation looks to tap CSR to address funding concerns](#) and [India's National Research Foundation \(NRF\): Needs, significance and challenges](#)

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What can be the way ahead?

The New Education Policy places a strong emphasis on the necessity of a vibrant research environment in tackling global issues and utilizing technological advancements.

Therefore, a significant financial support is needed for India to become a leader in this sector, ideally in line with the recommendations of the Kasturirangan Committee.

27. Adopt a comprehensive plan for nature conservation

Source– The post is based on the article “**Adopt a comprehensive plan for nature conservation**” published in the “**mint**” on **28th July 2023**.

Syllabus: GS3- Environment

Relevance: Wildlife conservation

News- The article explains the importance of conserving nature. It explains the challenges for India in environment protection and potential solutions to address these challenges.

How does India give importance to environmental conservation?

India culture and traditions deeply embrace the idea of living in **harmony with the environment** and understanding the significance of **ecological balance**.

Ancient scriptures promote the **principle of ‘ahimsa’ or non-violence** towards all living beings. They emphasise the vital role of **conserving biodiversity** for a sustainable **world**.

India’s Constitution recognizes the **fundamental duty** of all citizens to protect forests and biodiversity.

What is the importance of one health approach?

There is **interconnectedness** between human and animal health. Areas with **better animal-care facilities** experienced **improved overall health outcomes** and reduced instances of **vector-borne diseases**.

Development must encompass both human and animal life conservation. This forms the foundation of the **‘One Health’ approach**.

The ‘One Health’ approach is a crucial pillar for nations to achieve their **sustainability goals**.

Various studies indicate that through **education, awareness programs, and regular monitoring**, the transmission of zoonotic diseases can significantly decrease.

In rural areas, where people rely more on animals for **food, transportation, and livelihood**. It becomes imperative to develop **robust models** that integrate the **concept of One Health**.

What are steps taken by the Indian government for wildlife conservation?

India has successfully increased **tiger population** from 2,967 in 2018 to at least 3,167 in 2022.

Over the years, the government has introduced a plethora of **policies and initiatives** aimed at **protecting species** on the verge of extinction.

Remarkable projects such as **Project Tiger, Project Elephant, and the Wildlife Protection Act of 1972** aims to preserve wildlife.

How can India address the challenges in the animal welfare ecosystem?

There is a need to establish a **well-rounded model** that encompasses **legal frameworks, community involvement, and sustainable practices**.

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Strengthening **law enforcement** to **deter crimes** against animals and imposing **stricter penalties** for offenders should be a priority. Involving **local communities, indigenous groups, and other stakeholders** in **conservation efforts** is equally crucial.

There is a need to adopt a **multi-faceted approach** that includes wildlife conservation, caring for free-roaming and pet animals, and improving veterinary services.

Corporations must also **integrate animal welfare** into their **give-back initiatives** and embrace **environmentally responsible practices**. Business should go beyond **seeking profit** and should prioritise the **preservation of our planet**.

Many global business groups have already embraced such an approach. For instance, Vedanta has committed to planting 7 million trees by 2030 as part of the **World Economic Forum's trillion tree pledge** and has already planted over a million trees.

[28. India's rice export curbs could prove too myopic for its good](#)

Source– The post is based on the article “India’s rice export curbs could prove too myopic for its good” published in the “**mint**” on **28th July 2023**.

Syllabus: GS3- Indian economy

Relevance: Issues related to external trade

News- Russia’s decision to pull out of the Black Sea grain deal, but also India’s announcement that it would ban the export of many varieties of rice.

Why is the export ban not a good policy decision?

It significantly undermines the claims that India is the **natural and responsible leader of the developing world**. Notably, India’s share of worldwide rice shipments stands over 40% in 2022-23.

It could lead to **growing resentment** over time. If global rice prices surge to a 10-year high and the developing world attributes shortages mainly to the **Indian export ban**, anger may escalate quickly.

The central argument for **India’s leadership to the Global South** has always been its perception that it considers other developing countries as equals. This **distinguishes it from the West or China**.

However, Indian policymakers should refrain from **arbitrary decisions** like export bans that make other nations **feel dependent and subservient**. **True global leadership** is taking responsibility for the **world as a whole**.

What are India’s justifications for its decision?

There is **rising food prices** at home. **Domestic prices for rice** have risen over 10% in the past year.

Export bans may seem like the **best solution for domestic consumers**. The government holds **significant stocks of rice** that could be distributed to poorer Indians or released into the open market to stabilise prices.

For the bureaucracy, export bans appear to be the **immediate response** to soaring domestic prices. Last year, following the upheaval in wheat markets due to the **Russian invasion of Ukraine**, India also imposed a **shutdown on wheat exports**.

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These restrictive trade policies are aimed at **protecting millions of subsistence farmers**. But **farmers' welfare** seems to be the least priority for policy makers.

29. [Once Again, A Knowledge Hub](#)

Source– The post is based on the article “**Once Again, A Knowledge Hub**” published in “**The Times of India**” on **28th July 2023**.

Syllabus: GS3- Issues related to development and management of education

News- The article explains the steps taken by the government for successful implementation of NEP2020.

How does India have a rich legacy of being a knowledge hub?

India's **profound knowledge reservoir** is apparent in the **Vedas and Upanishads**. These have served as vast reservoirs of wisdom for countless centuries.

India had universities like **Nalanda and Takshashila**.

What are significant achievements made in recent times to fulfil the objectives of National Education Policy 2020?

Curriculum– **Early Childhood Care and Education** has been integrated into India's formal schooling system for the first time. The new **National Curriculum Framework for Foundational Stage (NCF-FS)** focuses on a **play-based pedagogy**.

This framework incorporates a diverse range of activities such as **conversations, storytelling, music, arts, crafts, games, nature field trips, and interactive play with materials and toys**. **Textbooks based on NCF-FS** have been introduced for classes 1 and 2. It supports the **national NIPUN Bharat Mission's goal** of achieving **foundational literacy and numeracy** by 2026.

The establishment of **PM SHRI Schools for Rising India** across the nation is the right step in the spirit of NEP.

Blending vocational and mainstream– NEP 2020 places special emphasis on **integrating and mainstreaming** vocational education with general education. **Samagra Shiksha and the Skill India Mission** have been aligned to introduce skilling programs at the school level.

In addition, the introduction of the **National Credit Framework (NCrF)** is a welcome step.

The NCrF allows for **multiple entry and exit points**. It enables students to re-enter the higher education system at any stage of their life. The credits earned are stored in a student's **Academic Bank of Credit (ABC) for recognition**.

The process of earning credits has been expanded to include **online courses** available on the **SWAYAM portal**. There is a plan to establish a **Digital University** in India.

The digital ecosystem for skilling has been strengthened through a **unified Skill India Digital platform**. It facilitates **demand-based skilling**, connects with employers, including MSMEs, and grants access to **entrepreneurship schemes**.

To address language barriers in learning, many higher education institutions now offer **technical programs** in various Indian languages. **AI translation tools** are also employed to translate textbooks into different Indian languages. It ensures **broader accessibility and inclusivity**.

Global presence– India's institutions are setting up **campuses overseas**.

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IIT Madras is planning a campus in Zanzibar-Tanzania. An MoU to set up IIT Delhi in the UAE was also signed in the presence of the PM earlier this month. Notable foreign universities are setting up campuses in **GIFT City in Gujarat**.

30. [Growth Is Everything](#)

Source– The post is based on the article “**Growth Is Everything**” published in “**The Times of India**” on **28th July 2023**.

Syllabus: GS3- Indian economy and growth

News- As per PM Modi, India will almost certainly become the third largest economy in the next few years.

What is the important contribution of the Modi government in the Indian economy?

The Modi government has ensured that economic growth takes place with **macroeconomic stability**, by avoiding **imprudent fiscal policies**. It has made India’s **economic growth durable**.

What are the issues with the Indian economy?

Since the emergence of Covid, the job market in India has undergone a structural setback.

Notably, the **least productive sector** of the economy, agriculture, has experienced a relative increase in its **share of employment**.

According to the GOI’s jobs report for 2021-22, **45.5% of the workforce** was engaged in agriculture, which is three percentage points higher than the pre-Covid period

Way forward-

The government should not remain satisfied with a **growth rate of around 6%**. As per economic survey, India’s **potential GDP growth** can rise to **7-8% a year** in the medium-term with reforms.

Economic growth rate below 8% annually will not effectively tackle India’s **serious employment issue**.

To tackle this problem, **innovative policies** are needed to swiftly improve skill development. The **level of human capital** significantly affects investments.

31. [Express View on Centre’s grain policy: Rice and fall](#)

Source: The post is based on the article “**Express View on Centre’s grain policy: Rice and fall**” published in “The Indian express” on 29th July 2023.

Syllabus: GS3- Issues of buffer stocks and food security;

News: The Indian government is concerned about potential grain shortages due to possible El Niño effects on crops. It is leading them to reduce grain distribution to ensure enough for public welfare, stop exports, and halt sales to distilleries, especially with upcoming 2024 elections.

What are the government initiatives to counter potential grain shortages in India?

Restored PDS Quota: The government has returned the Public Distribution System (PDS) grain quota to its original 5 kg/person/month.

Banned Exports: Between May 2022 and the present month, exports of wheat and all non-parboiled non-basmati rice have been prohibited.

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Stopped Rice Sales to Distilleries: The Food Corporation of India (FCI) has ceased selling rice to distilleries for ethanol production.

Discontinued OMSS Supply: Over a month ago, the government stopped supplying FCI grain to states under the Open Market Sale Scheme (OMSS).

Stocks in Public Warehouses: The government is concerned about the grain stocks in public warehouses.

Priority to PDS: The government is focusing on ensuring enough stocks for the PDS to support poor and vulnerable families.

Elections in 2024: With upcoming national elections, the government is being cautious about grain availability.

[32. Semicon India 2023: How government's support and will built the semiconductor industry](#)

Source: The post is based on the article “**Semicon India 2023: How government's support and will built the semiconductor industry**” published in “The Indian express” on 29th July 2023.

Syllabus: GS3- Effects of liberalisation on the economy, changes in industrial policy and their effects on industrial growth.

News: In this article author discusses India's past missed opportunities in the semiconductor industry and highlights the current government's efforts, through the India Semiconductor Mission (ISM), to develop a domestic semiconductor ecosystem, attract global investments, and position India as a leading player in the global semiconductor market.

What are the government's initiatives to support the domestic semiconductor ecosystem? India Semiconductor Mission (ISM): Launched in December 2021 to boost the domestic industry.

Fiscal Support: Committed unprecedented fiscal incentives to attract global interest.

Regulatory Assistance: Offering regulatory support to facilitate industry growth.

Design Linked Incentive (DLI): Supporting startups through incentives tied to semiconductor design.

Semiconductor Complex Limited (SCL) Revival: Approved modernization of SCL in Chandigarh, turning it into a chip manufacturing unit.

International Collaborations: Signed agreements with the US and Japan for cooperation on semiconductor development, manufacturing, and research.

Micron's Proposal Approval: Sanctioned Micron's proposal to set up semiconductor packaging and testing in India.

Fiscal Incentives: Providing competitive fiscal benefits to rival major global economies.

Strengthening the Value Chain: Impetus given across the value chain, from design to final assembly and testing.

Strategic Vision: Demonstrating clear understanding and commitment to the semiconductor industry's importance.

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Why does India need a robust domestic semiconductor ecosystem?

Economic Boost: Enhances economic growth and job creation.

Reduced Dependence: Decreases reliance on semiconductor imports.

Resilience: Protects domestic industries from global supply chain disruptions.

National Security: Safeguards “digital sovereignty” in today’s digital age.

Global Attraction: Draws investments from leading semiconductor companies worldwide.

Strategic Positioning: Places India as a leader in the global semiconductor value chain.

Policy Leverage: Allows India to set its terms in global trade and tech agreements.

Innovation Drive: Encourages research, design, and talent development in tech fields.

Sustainability: Opportunities to pioneer green technologies in manufacturing.

Competitive Edge: India can compete with major economies by offering favorable incentives.

Catalyst for Other Sectors: Powers growth in electronics, computing, and other industries.

Why did India miss the previous opportunities in the field of semiconductors?

The Fairchild Semiconductor fab opportunity was missed in the 60s.

Bureaucratic hurdles deterred global semiconductor companies in the mid-2000s.

India didn’t secure Intel’s expansion in the late 2000s, which went to Vietnam.

Bharat Electronics Ltd (BEL) couldn’t achieve the needed volume or state-of-the-art technology.

India’s VLSI plant in Chandigarh, which began before Taiwan’s industry, shut down after a 1989 fire and wasn’t promptly reopened.

Lack of strategic vision and consistent policy hindered progress.

What should be done?

Consistent Policy Interventions: Address past policy failures and create a clear, strategic vision.

Enhance Infrastructure: Modernize facilities like the Semiconductor Complex Limited in Chandigarh.

Secure Global Collaborations: Deepen ties with countries like the US and Japan for tech cooperation.

Drive Investment: Approve proposals like Micron’s to attract more global semiconductor businesses.

Promote Green Manufacturing: sustainable semiconductor manufacturing achieved through innovations and investments in green technologies, efficient water and resource usage, reduced factory emissions, and contributing to communities and society.

Support Startups: Extend support through initiatives like the Design Linked Incentive (DLI) scheme.

Strengthen the Entire Value Chain: From semiconductor design to final assembly and testing.

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Utilize Fiscal Incentives: Provide competitive incentives to attract global and domestic investors.

Engage Global Giants: Show India's commitment and clarity to entice industry-leading semiconductor companies.

33. [Mercury rising](#)

Source- The post is based on the article "**Mercury rising**" published in "**The Hindu**" on **29th July 2023**.

Syllabus: GS3- Environment

Relevance: Issues related to climate change

News- The United Nations Secretary-General, António Guterres, this week reiterated the consequences of the climate catastrophe that has spread globally. The earth had passed from a warming phase into an "era of global boiling".

How climate change is leading to extreme weather patterns?

July is set to be the hottest month in the last 12,000 years. As per Scientists from the **WMO and the European Commission's Copernicus Climate Change Service**, conditions in July were "**rather remarkable and unprecedented**".

Average July temperature has been 16.95° Celsius. It is 0.2° C warmer than in July 2019.

Ocean temperatures are increasing and the **Central Equatorial Pacific Ocean** is transitioning from **La Niña to El Niño conditions**. So, it was widely anticipated that temperatures would be warmer than in the last three years.

But, the **distribution and impact** of the recorded 16.95°C temperature was unexpected. It resulted in **extreme weather events** such as **northwest China experiencing temperatures** as high as 52°C, **wildfires breaking out in Greece**.

The unusually heavy rains in north and western India were influenced by the warm air increasing the atmosphere's capacity to hold moisture. This led to intense, **short torrential bursts of rain, floods and significant devastation**.

How can climate change be tackled effectively?

As per UN secretary General, there is a need for **dramatic, immediate climate action**.

The world's largest economies should adopt more **ambitious emission cuts**.

How will these events impact India?

There will be greater pressure on India for **greenhouse gas mitigation responsibilities**. This could mean advancing its **net zero commitments** from 2070 to 2050, and generating fossil-free electricity by 2040.

34. [How World Bank group can scale climate finance](#)

Source: The post is based on the article “**How World Bank group can scale climate finance**” published in **Business Standard** on **29th July 2023**.

Syllabus: **GS 3 – Environment**

Relevance: **measures needed by World Bank in** scaling climate finance.

News: The World Bank has faced criticism for its insufficient efforts in addressing climate change. However, transforming the Bank into the world’s leading institution for climate-related initiatives presents challenges.

What are the challenges present?

The Bank’s governance is heavily influenced by the US and Europe, and the main shareholders are reluctant to offer significant new contributions to increase the Bank’s capital.

What measures can be taken by the Bank to tackle global carbon emission?

There is a need to focus on the largest emitters because the top 35 global emitters account for around 90% of yearly greenhouse gas emissions.

Hence, **the World Bank needs to raise more capital from** its current borrowers who are among the top global polluters, to address mitigation challenges.

However, this shift in focus could be seen as diverting from the Bank’s primary mission of poverty eradication.

How can the World Bank mobilize more capital for climate related activities as well as for poverty eradication?

The Bank needs increased contributions from Global North to the International Development Association (IDA) for providing adaptation finance to the poorest nations.

The Bank should simultaneously focus on supporting 20 of its current borrowing countries (excluding China and Russia), which are among the world’s top 35 emitters.

These countries require additional funding to facilitate their respective energy transitions.

However, **one of the barriers to achieving the climate agenda with the bank is the** International Bank for Reconstruction and Development’s (IBRD) rating-agency regulations on leverage levels.

Therefore, implementing a shift from loans to guarantees could have served the purpose; however, it has also been hindered by staff resistance.

Hence, IBRD may not be the best organization to scale up the Bank’s climate ambition. Two other agencies of the Bank are better suited for the task.

Which agencies are suited for the Bank’s climate agenda?

Multilateral Investment Guarantee Agency (MIGA): It makes much more economical use of shareholders’ capital compared to IBRD. **For instance,** it makes good use of shareholders’ money by underwriting \$17 in guarantees for every \$1 in equity.

It could stretch its capital even further by employing credit enhancement and partial guarantee products and being more open to risk.

Hence, the Bank should focus on increasing MIGA’s risk and expanding its capitalization instead of prioritizing IBRD to mobilize climate finance.

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International Finance Corporation (IFC): It could raise third-party equity financing at scale without straining its own balance sheet by expanding its asset management business.

IFC Asset Management Company manages 13 funds with modest assets of only \$10 billion. **It has the potential to scale up this business to** handle hundreds of billions of dollars.

IFC has the capability to raise third-party equity capital from global insurance companies, pension funds, and sovereign funds. It can efficiently manage a large pool of assets with modest contributions from its own balance sheet.

Thus, IFC should strive to become a leading equity fund manager and fund-of-funds manager, specifically for climate mitigation investments in emerging markets.

35. Charting the path for the Sixteenth Finance Commission

Source- The post is based on the article **“Charting the path for the Sixteenth Finance Commission”** published in the **“The Hindu”** on **29th July 2023**.

Syllabus: GS2- Constitutional bodies. GS3- Government budgeting

Relevance: Finance Commission

News- The Sixteenth Finance Commission is due to be set up shortly.

What are the issues that should be taken into consideration by the 16th Finance Commission?

Share of states-

The **Fourteenth Finance Commission** increased the share of States in the **divisible pool of central taxes** from **32% to 42%**. When the number of States in India was reduced to 28, this share was revised to 41%.

The Center was able to handle this situation due to the withdrawal of **Planning Commission grants** following the abolition of the Planning Commission.

Centre is facing **fiscal imbalances**. So, there is no strong case for proposing any additional increase in the States' share of central taxes.

Role of non-shareable cesses and surcharges-

Between the fiscal years 2020-21 and 2023-24, the **effective share** of States in the *Center's gross tax revenues* averaged approximately 31%. It was notably lower than the previous share of nearly 35% observed during 2015-16 to 2019-20.

This decline was primarily attributed to a significant increase in the **share of cesses and surcharges**.

It increased to 18.5% of the **Center's Gross Tax Revenues** during 2020-21 to 2023-24 from 12.8% during 2015-16 to 2019-20. During the period of the Thirteenth Finance Commission, this share was merely 9.6%.

One possible recommendation could be imposing an upper limit of 10% for the **share of cesses and surcharges** as a percentage of the Center's GTR.

If this proportion exceeds 10%, the share of States should be increased accordingly. The Sixteenth Finance Commission, using the most recent data, could refine this formula to make it more effective.

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Per capita income criteria– The share of individual States in the **Centre’s divisible pool of taxes** is determined by a set of indicators. **Per capita income** is one of the criteria.

Per capita income is the **distance of a State’s per capita income from a benchmark**. It is usually determined by **average per capita income of the top three States**.

This criterion ensures relatively larger shares for relatively lower income States. At present, it has the **highest weight of 45%**. Many of the richer States want a **lower weight for this criterion**.

It is essential to give proper consideration to the requirements of the **lower-income States**. These States will have a greater contribution to India’s **‘demographic dividend’** in the future.

One approach could involve maintaining the weight of the **distance criterion** at its current level or even reducing it to 40%.

However, to address the needs of the economically disadvantaged States, it might be beneficial to make some **upward adjustments** in the resources allocated to them through grants.

Equalisation provision– It is essential to give priority to **equalising the provision of education and health services** in the overall framework of resource transfers.

Resource allocation to individual States could be guided by the **equalisation principle**, by utilising a **limited number of criteria such as population, area, and distance**. This approach could be complemented by an **appropriate system of grants**.

The **equalisation principle** aligns with both **equity and efficiency** and has been successfully implemented in federations like Canada and Australia.

Debt burden of centre and states–

Combined debt-GDP ratio of central and State governments had peaked at 89.8% in 2020-21. Centre’s debt-GDP ratio is 58.7%, and it is 31%.for states.

These numbers are showing improvements. But, still above the corresponding **FRBM norms of 40% and 20%**. The 2018 amendment to the Centre’s FRBM needs to be re-examined.

A few State governments have relatively **larger debt and fiscal deficit** numbers relative to their GSDPs.

There is **proliferation of subsidies** and the re-introduction of the **old pension scheme** in States. However, the **financing sources** for these subsidies and the resulting **fiscal burdens** are not clearly identified.

What reforms can be suggested by the 16th Finance Commission?

A **loan council** can be set up. It was recommended by the **Twelfth Finance Commission**. It should keep a watch on the **loan magnitudes and profiles** of the central and State governments.

It needs to thoroughly investigate the issue of **non-merit subsidies**. The Finance Commission should take a firm stance on States adhering to **fiscal deficit limits**.

It can offer **incentives** to States that maintain **fiscal discipline** and **penalties** for those exceeding the **fiscal deficit limits**.