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GS 2 : Polity, Governance, International Relations

1. Vigilante problem between two democracies

The article talks about the vigilante problem in India and the U.S. Vigilantism is the act of enforcement, investigation or punishment of perceived offenses without legal authority.

Vigilantes and Citizen Arrester:

- Vigilantes are anti-democratic. They lack the values of a constitutional democracy.
- A consensus has emerged in India to demand that the law-and-order machinery comes down heavily on such vigilante behaviour.
- One form of the vigilante, in the United States, is the citizen arrester.
 - A citizen's arrest is an arrest made by a private citizen – that is, a person who is not acting as a sworn law-enforcement official.
 - A citizen arrester enjoys legal status.
 - His/her actions are protected by a law that permits him or her to pursue and arrest a person accused of breaking the law.

There are procedures to be followed, and risks involved for wrongful arrest, but assuming that these are adhered to, the citizen arrester is regarded as aiding the consolidation of a political system based on the rule of law.

The 'Heartbeat Bill':

- The 'Heartbeat Bill' seeks to ban abortions after six weeks when the foetus registers a heartbeat. The passage of this law has produced an active debate in the U.S.
- It deprives women of the right over their own bodies by making abortion illegal after six weeks when many women do not even know that they are pregnant. This in effect means that abortions, when needed, are unavailable.
- The law applies to even women who are victims of rape and incest.
- Anyone associated with an abortion after six weeks could be penalised and this could include the Uber driver who takes the pregnant woman to the clinic, the receptionist, the nurse and the doctor.
- The Supreme Court of the USA has declined to hear the injunction challenging the Texas Anti-Abortion Law.

Rather than diminish the place of the citizen arrester, the recent decisions of the Texas legislature are encouraging the practice.

Conclusion:

In an overview article, Professor Ira P. Robbins discusses the historical origins, pitfalls, good application and reform of the citizen arresters. He argues for the scope of citizen arresters to be restricted to only a small category of people, such as shopkeepers, out-of-jurisdiction police, and private police forces, and being abolished in all other cases. The oldest and the largest democracies both seem to be facing a vigilante problem at present.

2. AUKUS seeks to reshape Indo-Pacific ties

In News :

- A new **trilateral security partnership for the Indo-Pacific** between Australia, the U.K. and the U.S. (**AUKUS**) has been announced recently.

Details:

- The AUKUS alliance will have a **profound impact on the various stakeholders in the region** and will also **result in the reshaping of relations in the Indo-Pacific region and beyond.**

United States of America:

- This development seems an extension of the **U.S. policy of pivot to Asia** which emphasizes on the need to focus more attention on the Indo-Pacific region while pivoting away from conflicts in West Asia.
- This is also an extension of the **U.S.'s Asia Reassurance Initiative Act (ARIA)** announced in 2018 that authorises US\$1.5 billion in spending for a range of US programmes in East Asia and Southeast Asia to “develop a long-term strategic vision and a comprehensive, multifaceted, and principled US policy for the Indo-Pacific region.”
- The **Indo-Pacific region has assumed great significance in the United States' foreign policy calculus** as its tensions with China have only grown.

United Kingdom:

- Leaving the EU under **Brexit** has left Britain seeking to reassert its global position. As part of this effort it has **increased focus towards the Indo-Pacific.**

Australia:

- Australia is under increasing pressure from an assertive China. In order to balance this threat, Australia has been trying to strengthen its partnerships with India, the U.S. and the U.K to **strategically balance out China.**
 - Balancing encompasses the actions that a particular state takes in order to equalise the odds against more powerful states; that is to make it

more difficult and hence less likely for powerful states to exert their military advantage over the weaker ones.

- Unlike hard balancing which encompasses traditional balancing of power using military capabilities and formal military alliances like NATO, **limited hard balancing** relies on informal alliances or strategic partnerships, where there is some military coordination.

Under the arrangement, Australia will build at least eight nuclear-powered submarines using U.S. expertise. The nuclear submarines will **increase Australia's maritime security capacity** and also give the alliance a stronger military presence in the region.

China:

- Though none of the countries mentioned China while announcing the deal and also clarified that the alliance was not targeted against any one country, **the Counter China policy is very evident in the new trilateral security partnership** with emphasis on aspects such as upholding the international rules-based order, and promoting peace and stability in the Indo-Pacific in the light of China's assertiveness in the region.
- China has cautioned that the **new pact would undermine regional peace and stability and "intensify" an arms race and undermine international non-proliferation efforts.**

India and Japan:

- Notably, the Australian Prime Minister said he had called the leaders of Japan and India to explain the new alliance. This is crucial given that **Japan, India, Australia and the U.S. already have a strategic dialogue known as 'the Quad'** which too seeks increased cooperation among the member nations in the Indo-Pacific region.
- Notably, **India and Japan share an uneasy relationship with the increasingly assertive neighbour China.**
- The trilateral grouping would be complementary to arrangements such as the Quad.

France:

- Notably, **Australia had a contract with France for diesel-electric submarines.** With the formal announcement of the AUKUS, Australia has ended its contract with France's state majority-owned DCNS.
- France has criticized this move.

New Zealand:

- New Zealand wasn't asked to be part of the alliance despite **sharing strategic relations with the U.S.**

- New Zealand has a long-standing nuclear-free policy that includes a ban on nuclear-powered ships entering its ports. This stance has sometimes been a sticking point in otherwise close relations with the U.S.
- The omission of New Zealand would prevent it from sharing a range of information, including artificial intelligence, cyber and underwater defence capabilities.

3. E-Shram needs some hard work to get going

The E-Shram portal has come into existence more than a decade after the passage of the Unorganized Workers' Social Security Act in 2008.

E-Shram

- On August 26, 2021, the Ministry of Labour and Employment (MOLE) launched the E-Shram, the web portal for creating a National Database of Unorganized Workers (NDUW), which will be seeded with Aadhaar.
- It seeks to register an estimated 398-400 million unorganized workers and to issue an E-Shram card.

Better late than never move

- It has come about even after repeated nudging by the Supreme Court of India.
- It is the result of state apathy.
- Had the Central and the State governments begun these legally mandated processes on time, much of the distress of lakhs of vulnerable workers would have been avoided.
- In fact, the political class owe an 'apology' to informal workers.

Issues with E-Shram

(A) Time constraints

- **Long process:** Given the gigantic nature of registering each worker, it will be a long-drawn process.
- **No gestation period:** The Government has not mentioned a gestation period to assess its strategy and efficiency.
- **No hasty process:** Employers are or required their workers to register even. While the Government can appeal to them, any penal measure will hurt the ease of doing business.

(B) Pandemic hides

- Considering the estimated 380 million workers as the universe of registration – debatable as the novel coronavirus pandemic has pushed lakhs of workers into informality.

(C) Data security

- **Privacy:** One of the vital concerns of e-portals is data security, including its potential abuse especially when it is a mega-sized database.
- **No national framework yet:** There are also media reports pointing out the absence of a national architecture relating to data security.
- **Local server issues:** It has been reported that in some States such as Maharashtra, the server was down for a few days.

(D) Structural issue

- **Aadhaar seeding:** Many workers will not have an Aadhaar-seeded mobile or even a smartphone. Aadhaar-seeding is a controversial issue with political overtones, especially in the North-eastern regions.
- **Eligibility:** There are several issues concerning the eligibility of persons to register as well as the definitional issues.
- **Exclusion:** By excluding workers covered by EPF and ESI, lakhs of contract and fixed-term contract workers will be excluded from the universe of UW. Hazardous establishments employing even a single worker will have to be covered under the ESI, which means these workers also will be excluded.
- **No benefits for the aged:** The NDUW excludes millions of workers aged over 59 from its ambit, which constitutes age discrimination.

(D) Complex identities of workers

- **Migration:** Many are circular migrant workers and they quickly, even unpredictably, move from one trade to another.
- **Mixed work:** Many others perform formal and informal work as some during non-office hours may belong to the gig economy, for example as an Uber taxi or a Swiggy employee. They straddle formal and informal sectors.
- **Gig workers:** Even though MOLE has included gig workers in this process, it is legally unclear whether the gig/platform worker can be classified first as a worker at all.

(E) Other impediments

- **Dependence on States:** The central government will have to depend on the State governments for this project to be successful.

- **Lack of coordination:** In many States, the social dialogue with the stakeholders especially is rather weak or non-existent. The success of the project depends on the involvement of a variety of stakeholders apart from trade unions.
- **Corruption:** There is also the concern of corruption as middle-service agencies such as Internet providers might charge exorbitant charges to register and print the E-Shram cards.

Benefits: No immediate carrot

- Workers stand to gain by registration in the medium to long run.
- But the instant benefit of accident insurance upto ₹0.2 million to registered workers is surely not an attractive carrot.
- The main point of attraction is the benefits they stand to gain during normal and crisis-ridden periods such as the novel coronavirus pandemic now which the Government needs to disseminate properly.

Way forward

- E-Shram is a vital system to provide hitherto invisible workers much-needed visibility.
- It will provide the Labour Market Citizenship Document to them.
- The govt should go one step further for triple linkage for efficient and leakage-less delivery of all kinds of benefits and voices to workers/citizens: One-Nation-One-Ration Card (ONOR), E-Shram Card (especially bank account seeded) and the Election Commission Card.
- Last but not least, registrations cannot be a source of exclusion of a person from receiving social assistance and benefits.

4. A new trilateral security partnership

In News:

The U.S. has joined the U.K. and Australia and announced a new trilateral security partnership, the AUKUS.

Details:

- The partnership aims to ensure that there will be enduring freedom and openness in the Indo-Pacific region, particularly to address the current strategic environment in the region.
- It complements several pre-existing similar arrangements for the region such as the Five Eyes intelligence cooperation initiative, ASEAN and the Quad.
 - The Five Eyes (FVEY) is an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom, and the United States.

- ASEAN is an economic union comprising 10 member states in Southeast Asia.
- **QUAD** is an informal strategic dialogue comprising India, Japan, Australia and the US.

Nuclear Powered Submarines:

- AUKUS proposes to transfer technology to build a fleet of nuclear-powered submarines for Australia within 18 months.
 - Australia has ratified the nuclear NPT and has vowed to abide by its tenets, despite the highly sensitive technology transfer implied in the latest proposal.
 - However, the US President has assured that AUKUS was not talking about nuclear-armed submarines, but conventionally armed submarines that are powered by nuclear reactors.

Australia will become only the second nation, after the U.K., that the U.S. has ever shared its nuclear submarine technology with.

Concerns:

- The announcement of the partnership led to a minor stir with New Zealand.
 - New Zealand Prime Minister said that under her country's 1984 nuclear-free zone policy, Australia's nuclear-powered submarines would not be allowed into its territorial waters.

It also appeared to upset the political leadership in France, with whom Australia had struck a deal for \$90 billion worth of conventional submarines, which has now been cancelled.

Containing China's influence in the Indo-Pacific:

- The broader strategic question that the creation of AUKUS raises is the unstated challenge that the group poses to the regional ambitions of China.
 - It particularly highlights how far the U.S., the U.K. and Australia, along with other regional powers, will go, to preserve a free and open Indo-Pacific, including the South China Sea.

It is to be seen whether the operationalisation of this security partnership will lead to closer coordination among the nations concerned in terms of joint military presence, war games and more in the region.

Undersea capabilities including the ability to patrol may be vital to deterring Chinese military coercion in the region.

Although no explicit mention of China is made in any of the AUKUS announcements, it is clear that the transfer of nuclear propulsion technology to an ally was intended to send a message of reassurance to countries in Asia.

Conclusion:

While it remains to be seen whether or not the purpose of AUKUS is to contain China's aggressive territorial ambitions, the imperatives of the Indo-Pacific would be better served by broadening strategic cooperation initiatives of this sort by including other powers that are deeply invested in the region, including India, Japan, and South Korea.

GS 3 : Economy, Science and Technology, Environment

5. 'Bad bank' to clear the NPA mess: Govt

Context:

- The Cabinet has cleared a Rs. 30,600 crore **guarantee programme for securities to be issued by the National Asset Reconstruction Company Limited (NARCL)**.

Background:

NPA stress in the Indian financial system:

- The Indian banking system has been reeling under the pressure of non-performing assets (NPAs) since 2015. The **twin balance sheet problem** which caused a lot of stress amounted to a huge challenge for the Indian economy.
 - Twin balance sheet problem is a scenario where the balance sheets of both public sector banks (PSBs) and some corporate houses are in bad shape. It is known as the twin balance sheet problem as the challenges faced by the banks are linked to that of the corporate sector. The corporates are unable to repay their loans to banks which in turn affect the capacity of the banks to lend.

The enhanced stresses experienced by both lenders and borrowers had the potential to lead to **financial instability** and also **undermine the growth potential of the Indian economy**.

Attempts at resolution of NPAs:

- Various resolution measures like **Insolvency and Bankruptcy Code (IBC)**, strengthening of **Securitization and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI Act)** and **Debt Recovery Tribunals**, as well as setting up of dedicated Stressed Asset Management Verticals (SAMVs) in banks for large-value NPA accounts were undertaken to bring down NPAs.
- In spite of these efforts, a substantial amount of NPAs continues on the balance sheets of banks primarily because the stock of bad loans as revealed

by the Asset Quality Review is not only large but fragmented across various lenders.

Concept of bad bank:

- **A bad bank is a bank set up to buy the bad loans and other illiquid holdings of another financial institution.** The entity holding significant nonperforming assets will sell these holdings to the bad bank at market price.
- It will then manage and dispose of the assets to potential investors for eventual value realization. In other words, it will hold problem loans for public sector banks which can then be sold on to investors at a reduced price. This will ultimately **help clean up the balance sheets of banks.**
- The Union Finance Minister in the budget speech had announced the setting up of an **Asset Reconstruction Company Limited and Asset Management Company.**

Bad Banks

Details:

National Asset Reconstruction Company Limited (NARCL):

- NARCL has been incorporated under the Companies Act and has applied to the Reserve Bank of India for a license as an Asset Reconstruction Company (ARC). The Reserve Bank of India is in the process of granting a licence.
- **NARCL has been set up by banks to aggregate and consolidate stressed assets for their subsequent resolution.** PSBs will maintain 51% ownership in NARCL.
- NARCL proposes to **acquire stressed assets of about Rs. 2 Lakh crore in phases.** It intends to acquire these **through 15% Cash and 85% in Security Receipts (SRs).**
 - A 15% cash payment would be made to the banks based on some valuation and the rest will be given as security receipts. Once the asset has been resolved the balance 85% held as security receipts would be given to the banks.

India Debt Resolution Company (IDRC):

- Public and private lenders would combine forces to set up an India Debt Resolution Company (IDRC) that **would manage these assets and try to raise their value for final resolution.**
 - Public Sector Banks (PSBs) and Public FIs will hold a maximum of 49% stake and the rest will be with private sector lenders.

IDRCL would engage market professionals and turnaround experts. Thus IDRCL would function as an **Asset Management Company (AMC)** as envisaged in the budget speech.

Co-ordination between NARCL and IDRC:

- The NARCL will acquire assets by making an offer to the lead bank. Once NARCL's offer is accepted, then, IDRCL will be engaged for management and value addition.

Guarantee programme for securities issued by NARCL:

- The government's guarantee of up to Rs 30,600 crore will back Security Receipts (SRs) issued by NARCL. The guarantee will be **valid for 5 years**.
- The **condition precedent for invocation of guarantee would be resolution or liquidation**.
- The government backstop will come in only as much as to **pay the gap between the realised value and the face value of the security receipts**.

Significance:

Backstop measure:

- Resolution mechanisms which deal with a backlog of NPAs typically require a backstop from Government. The guarantee programme for securities issued by NARCL is a step in this direction.
- This will **impart credibility to the whole process of resolution of NPAs and will also provide for contingency buffers**.
- Government's guarantee will also **enhance liquidity of SRs** as such SRs are tradable. This will provide an impetus to the whole process as envisaged under the NARCL and IDRC framework.

Incentivize faster resolutions:

- **The five-year limit on the guarantee**, with an increase in the fees charged for the guarantee every year, is an incentive for the resolution process to be completed at the earliest.
- The quicker action on resolving stressed assets will **help in better value realization**.

Complement existing ARCs' work:

- There are **28 ARCs in the private sector**. Existing ARCs have been helpful in the resolution of stressed assets, especially for smaller value loans. However, considering the large stock of legacy NPAs, additional options/alternatives are needed and the NARCL-IRDCL structure is a step in that direction.
- A government-backed ARC in the form of NARCL would be **essential for big-ticket resolutions**.

- Notably, private sector asset reconstruction firms (ARCs) may also be allowed to outbid the NARCL. This will **induce much needed competition in the resolution domain.**

Improve the state of banks:

- The **upfront cash payment** by the NARCL will immediately be accretive for the profitability and capital of the banks
- In the long term, the envisaged framework would pave the way for a complete clean-up of bad loans in the banking system. This will **help unlock the value of the locked assets** for the banks which can then use it as growth capital for credit provisioning.
- Further, it will bring about **improvement in bank's valuation and enhance their ability to raise market capital.**

Conclusion:

- The bad bank framework as envisaged by the NARCL and IDRC system with a government guarantee for the Security receipts issued by NARCL is a step in the right direction to address the long-pending issue of NPA stress in the Indian financial system.
- The success of this framework would depend on the implementation and management of the transferred NPAs and the resolution of these assets in a time-bound manner.

6. Delaying the inevitable

In News :

The Union Cabinet has approved a relief-cum-reforms package for the financially stressed telecom sector. The Government has also decided to offer telecom service providers the option of a four-year moratorium on the payment of outstanding adjusted gross revenue (AGR) and spectrum purchase dues.

Background:

Stress in the Indian telecom sector:

- The telecom sector in India has been struggling for many years.
 - The regime of penalty and interest on penalty on payment of licence fees, spectrum user charges had **adversely impacted the financial viability of the telecom companies.**
 - The **Supreme Court judgment on the adjusted gross revenue (AGR) issue** had made telcos liable to pay Rs.1.6 lakh crore to the government.
 - There is a growing concern over the **telecom industry being reduced to a duopoly.** This would bring with it the attendant consequences for customers, like reduced choices and likely higher costs.

Details:

- The new reforms include nine **structural reforms** and five **procedural reforms** for the sector. Some of the major provisions include the following.
 - The much-litigated concept of **adjusted gross revenue (AGR) has been redefined to exclude non-telecom revenue** and all remaining penalties have been scrapped.
 - The government has also offered a **four-year moratorium on players' dues to the government**.
 - The regime of penalty and interest on penalty has been rationalised. Interest on dues has been maintained at a 'reasonable' rate.
 - **Foreign direct investment (FDI) in the sector has also been allowed up to 100% under the automatic route**, from the existing limit of 49%.
 - There would be a **fixed calendar for spectrum auctions** with an extended tenure of 30 years for future spectrum allocations, and a mechanism to surrender and share spectrum.
 - **No Spectrum Usage Charge (SUC) for spectrum acquired in future spectrum auctions.**

Significance:

- The new reforms will go a long way in addressing the telecom industry's long-standing issues like spectrum auctioning and the AGR issue.
- The new reforms will help **extend a much-needed lifeline to the cash-strapped telecom sector**.
 - The new measures will **provide cash flow relief** and help **improve the cash liquidity scenario** of the telecom companies.
 - The moratorium of four years would ease out the stress on the cash flows of the telcos to a great extent and give enough time for the industry to carry out fundamental improvements.

The easing of liquidity issues in telecom companies will **also help various banks having substantial exposure to the telecom sector**.

The new measures will also **help attract large scale investments, including for 5G technology deployment**.

The measures announced will also help **generate more jobs in the Indian economy**.

Telecom reforms will **boost competition and consumer interests**.

The telecom sector remains one of the prime movers of the economy and the measures announced by the government would **enable the industry to achieve the goals of Digital India**.

Lacunae:

- Some experts have expressed doubts on whether the package would be enough to revive the telecom sector as the moratorium on AGR dues, spectrum dues and interest payments would **only provide temporary relief** with these deferred dues to be payable eventually with interest.
- Other **significant areas like the tariff regime have not been addressed** in the new reform measures announced.

7. Packed agenda for GST Council today

Inverted duty structure issue:

- In Pre-GST Regime Inverted Duty Structure is applicable under cases where **import duty on raw materials used in the production of finished goods is higher than the import duty of finished goods**. This incentivizes imports and dis-incentivizes domestic production.
- But Under GST Regime the Inverted Duty Structure refers to the cases where the **rate of tax on inputs/purchases received are higher than the rate of tax on paid on outward supplies/sales**.
- Taxpayers who face an inverted duty structure will always have **Input Tax Credit (ITC)** in their GST electronic credit ledger even after paying off the output tax liability. This creates working capital issues for the taxpayers, as crucial resources remain blocked in the form of ITC. The inverted duty structure has caused refund-related issues under the GST regime.

Context:

- The issue of the inverted duty structure has re-acquired prominence over time and the **Goods and Services Tax (GST) Council is expected to take up the issue at its upcoming meeting**.

GS 2 : Polity, Governance, International Relations

1. Gupta Era Temple uncovered in UP

Last week, the Archaeological Survey of India (ASI) discovered remains of an ancient temple dating back to the Gupta period (5th century) in a village in Uttar Pradesh's Etah district.

Findings of the excavation

- The Bilsarh site was declared 'protected' in 1928.
- Every year, the ASI undertakes scrubbing work at the protected sites.
- This year, the team discovered two decorative pillars close to one another, with human figurines resembling an ancient temple.
- The stairs of the temple had 'shankhalipi' inscriptions, which were deciphered by the archaeologists as saying, 'Sri Mahendraditya', the title of Kumaragupta I of the Gupta dynasty.

Who was Kumaragupta I?

- Kumaragupta I was an emperor of the Gupta Empire of Ancient India.
- A son of the Gupta emperor Chandragupta II and queen Dhruvadevi, he seems to have maintained control of his inherited territory, which extended from Gujarat in the west to Bengal region in the east.
- In the 5th century, Kumaragupta I ruled for 40 years over north-central India.
- Skandagupta, son and successor of Kumaragupta I is generally considered to be the last of the great Gupta rulers.
- He assumed the titles of Vikramaditya and Kramaditya.

What is the Shankhalipi script?

- Shankhalipi or "shell-script" is a term used by scholars to describe ornate spiral characters assumed to be Brahmi derivatives that look like conch shells or shankhas.
- They are found in inscriptions across north-central India and date to between the 4th and 8th centuries.
- Both Shankhalipi and Brahmi are stylised scripts used primarily for names and signatures.
- The inscriptions consist of a small number of characters, suggesting that the shell inscriptions are names or auspicious symbols or a combination of the two.

Chronology and meaning

- The script was discovered in 1836 on a brass trident in Uttarakhand's Barahat by English scholar James Prinsep, who was the founding editor of the Journal of the Asiatic Society of Bengal.
- A year later, he came across two more similar scripts at Nagarjuna group of caves in the Barabar Hills near Gaya.
- Prominent sites with shell inscriptions include the Mundeshwari Temple in Bihar, the Udayagiri Caves in Madhya Pradesh, Mansar in Maharashtra and some of the cave sites of Gujarat and Maharashtra.
- In fact, shell inscriptions are also reported in Indonesia's Java and Borneo.
- Scholars have tried to decipher shell script but have not been successful.

2. AUKUS agreement

The **United States, United Kingdom, and Australia** announced a new defence deal, under which the US and UK will help Australia deploy **nuclear-powered submarines** in the Pacific region.

About the AUKUS Agreement:

- AUKUS is the new **enhanced trilateral security** partnership between Australia, the United Kingdom, and the United States.
- It would be a **collaboration** of the technology, scientists, industries, defence forces of the three countries to deliver a safer and more secure region.
- The first major initiative of AUKUS would be to deliver a **nuclear-powered submarine fleet** for Australia.
- The deal is seen as a step towards **curtailing China's** aggressive manoeuvres in the Pacific region, especially in and around the South China Sea.

AUKUS and France:

- The deal has complicated the relations between **France and Australia**, and **France and the US**.
- France is outraged that it was not **even informed or consulted about the decision** and the new agreement.
- In 2016 – **France and Australia had signed a contract** to buy 12 Attack-class submarines from the French shipbuilder Naval Group worth nearly \$90 billion.
 - There is a case of legal battle over the contract between the two countries.

Significance of nuclear-powered submarine:

- Nuclear-powered submarine gives Navy the capability to reach far out into the ocean and **launch ballistic missiles**.
- The submarine can go to long distances, at a higher speed, **without being detected** which gives a nation the ability to protect its interests far from its shores.
- The **nuclear-powered propulsion** gives the submarine a near infinite capacity to stay dived.
 - Since it is propelled by a nuclear-powered engine rather than by batteries, it does not have to **emerge** on the surface at all, except to **replenish supplies** for the crew.
 - **Conventional** diesel-engine submarines have batteries which have life from a few hours to a few days.
- They are able to **move faster underwater** than the conventional submarines.

Does India have nuclear-powered submarines?

- India is among the **six nations** that have **nuclear-powered submarines (SSN)**.
 - **Other five** are: the US, the UK, Russia, France and China.

Nuclear submarines of India:

1. INS Chakra:

- India got the Soviet-built K-43 Charlie-class SSN in **1987**, rechristened **INS Chakra**. The submarine was decommissioned in **1991**.

2. INS Chakra 2:

- **2012:** India got another Russian SSN on a 10-year lease, called INS Chakra 2.

3. INS Arihant:

- India built its own nuclear submarine, INS Arihant, commissioned in 2016.
- INS Arihant completes **India's nuclear triad**, i.e., the country has the capacity to launch nuclear missiles from land, aircraft, and submarine.

4. INS Arighat:

- A second Arihant-class submarine, **INS Arighat**, was secretly launched in 2017, and is likely to be commissioned soon.

3. Reforms in Urban Planning Capacity in India : NITI Aayog

NITI Aayog has launched a report titled 'Reforms in Urban Planning Capacity in India' on measures to ramp up urban planning capacity in India.

Reforms in Urban Planning

- The report has been developed by NITI Aayog, in consultation with concerned ministries and eminent experts in the domain of urban and regional planning.
- It underscores urban challenges, including town planning and emphasizes need greater policy attention in our country.

Why such report?

- India is home to 11% of the total global urban population.
- By 2027, India will surpass China as the most populous country in the world.
- Unplanned urbanization, however, exerts great strain on our cities. In fact, the Covid-19 pandemic has revealed the dire need for the planning and management of our cities.
- The existing urban planning and governance framework is complex, which often leads to ambiguity and lack of accountability.

Highlights of the report

The report makes several recommendations that can unblock bottlenecks in the value chain of urban planning capacity in India. Some of them are:

Programmatic Intervention for Planning of Healthy Cities:

- Every city must aspire to become a 'Healthy City for All' by 2030.
- The report recommends a Central Sector Scheme '500 Healthy Cities Programme', for a period of 5 years, wherein priority cities and towns would be selected jointly by the states and local bodies.

Programmatic Intervention for Optimum Utilization of Urban Land:

- All the cities and towns under the proposed 'Healthy Cities Programme' should strengthen development control regulations based on scientific evidence to maximize the efficiency of urban land (or planning area).
- The report recommends a sub-scheme 'Preparation/Revision of Development Control Regulations' for this purpose.

Ramping Up of Human Resources:

- To combat the shortage of urban planners in the public sector, the report recommends that the states/UTs may need to a) expedite the filling up of vacant positions of town planners.
- It asks to additionally sanction 8268 town planners' posts as lateral entry positions.

Ensuring Qualified Professionals for Undertaking Urban Planning:

- State town and country planning departments face an acute shortage of town planners.
- This is compounded by the fact that in several states, ironically, a qualification in town planning is not even an essential criterion for such jobs.
- States may need to undertake requisite amendments in their recruitment rules to ensure the entry of qualified candidates into town-planning positions.

Re-engineering of Urban Governance:

- The report recommends the constitution of a high-powered committee to re-engineer the present urban-planning governance structure.
- The key aspects that would need to be addressed in this effort are:
 1. clear division of the roles and responsibilities of various authorities, appropriate revision of rules and regulations, etc.,
 2. creation of a more dynamic organizational structure, standardisation of the job descriptions of town planners and other experts, and
 3. extensive adoption of technology for enabling public participation and inter-agency coordination.

Revision of Town and Country Planning Acts:

- Most States have enacted the Town and Country Planning Acts, that enable them to prepare and notify master plans for implementation.
- However, many need to be reviewed and upgraded.
- Therefore, the formation of an apex committee at the state level is recommended to undertake a regular review of planning legislations (including town and country planning or urban and regional development acts or other relevant acts).

Demystifying Planning and Involving Citizens:

- While it is important to maintain the master plans' technical rigour, it is equally important to demystify them for enabling citizens' participation at relevant stages.
- Therefore, the committee strongly recommends a 'Citizen Outreach Campaign' for demystifying urban planning.

Steps for Enhancing the Role of Private Sector:

- The report recommends that concerted measures must be taken at multiple levels to strengthen the role of the private sector to improve the overall planning capacity in the country.
- These include the adoption of fair processes for procuring technical consultancy services, strengthening project structuring and management skills in the public sector, and empanelment of private sector consultancies.

Steps for Strengthening Urban Planning Education System:

- The Central universities and technical institutions in all the other States/UTs are encouraged to offer PG degree programmes (MTech Planning) to cater to the requirement of planners in the country.
- The committee also recommends that all such institutions may synergize with Ministry of Rural Development, Ministry of Panchayati Raj and respective state rural development departments.

Measures for Strengthening Human Resource and Match Demand-Supply:

- The report recommends the constitution of a 'National Council of Town and Country Planners' as a statutory body.
- Also, a 'National Digital Platform of Town and Country Planners' is suggested to be created within the National Urban Innovation Stack of MoHUA.
- This portal will enable self-registration of all planners and evolve as a marketplace for potential employers and urban planners.

4. Indian women's healthy life expectancy SE Asia's lowest

A WHO report is recently released on the region's progress in achieving universal health coverage and the health-related sustainable development goals.

Highlights of the report:

- Females in India can on average **expect to live just over 60 years of a healthy life** unhampered by disabling illness or injuries.
- It is the **lowest healthy life expectancy among 11 countries** in the World Health Organisation's South East Asia region.
- For men, there are just **two countries in this region**, Timor-Leste and Myanmar, that are worse off in terms of healthy life expectancy.
- The **mortality rate of children under five years** is the **highest in Timor-Leste and Myanmar** being again even worse off than India.
- In the countries with the **best performance in the region**, Sri Lanka, Thailand and Maldives.
 - Health expenditure as a share of total government expenditure is among the highest in the region.

- Estimated share of **spending on health in total government spending is the lowest in India** (3.4%), Bangladesh (3%) and Myanmar (3.5).
- Consequently, in these three countries, **out-of-pocket expenditure**, that is people spending from their own savings **constitutes between 63% in India** and 76% in Myanmar compared to just 11% in Thailand.
- Bangladesh and India also have the **highest proportion of their population**, 7% and 4.2% respectively, **being pushed into poverty** because of having to spend on healthcare.
- They also have the highest proportions of people who spent more than 10% of their household's total expenditure on healthcare, a situation that is described as catastrophic health expenditure.
 - Almost a quarter of the population in Bangladesh and over 17% in India are estimated to face catastrophic expenditure due to healthcare.
- Some people were able to "live healthier lives and have better access to health services than others - entirely due to the conditions in which they are born, grow, live, work and age.

What is Universal Health Coverage?

- Universal health coverage (UHC) ensures all people, everywhere, can **access the quality health services** they need **without suffering financial hardship**.
- It is a **fundamentally political goal** rooted in the human right to health.
- **On 12 December 2017**, the United Nations proclaimed 12 December as International **Universal Health Coverage Day (UHC Day)** by resolution 72/138.
- UHC strategies enable everyone **to access the services that address the most significant causes of disease and death** and ensures that the quality of those services is good enough to improve the health of the people who receive them.

SDGs:

- Achieving UHC will **accelerate efforts to end extreme poverty**, reduce burdens of infectious and non communicable diseases, promote economic growth and job creation, achieve gender equality and realize all Sustainable Development Goals.

GS 3 : Economy, Science and Technology, Environment

5. Mura-Drava-Danube (MDD) Biosphere Reserve

UNESCO has designated Mura-Drava-Danube (MDD) as the world's first 'five-country biosphere reserve'.

About Mura-Drava-Danube BR

- The biosphere reserve covers 700 kilometres of the Mura, Drava and Danube rivers and stretches across **Austria, Slovenia, Croatia, Hungary and Serbia**.
- The total area of the reserve – a million hectares – in the so-called 'Amazon of Europe', makes it the largest riverine protected area on the continent.
- The reserve is home to floodplain forests, gravel and sand banks, river islands, oxbows and meadows.
- It is home to continental Europe's highest density of breeding white-tailed eagle (more than 150 pairs), as well as endangered species such as the little tern, black stork, otters, beavers and sturgeons.
- It is also an important annual resting and feeding place for more than 250,000 migratory birds, according to WWF.
- Almost 900,000 people live in the biosphere reserve. (UPSC may ask if it is uninhabited.)

Significance of this BR

- The new reserve represented an important contribution to the European Green Deal and contributes to the implementation of the EU Biodiversity Strategy in the Mura-Drava-Danube region.
- The strategy's aim is to revitalize 25,000 km of rivers and protect 30 per cent of the European Union's land area by 2030.
- The declaration as BR puts river revitalization, sustainable business practices enhancing cross-border cooperation into focus.

UNESCO Biosphere Reserves

- Biosphere reserves are 'learning places for sustainable development'.
- They are nominated by national governments and remain under the sovereign jurisdiction of the states where they are located.
- They are designated under the intergovernmental MAB Programme by the Director-General of UNESCO following the decisions of the MAB International Coordinating Council (MAB ICC).
- Their status is internationally recognized. Member States can submit sites through the designation process.

- Biosphere reserves include terrestrial, marine and coastal ecosystems.

They integrate three main “functions”:

1. Conservation of biodiversity and cultural diversity
2. Economic development that is socio-culturally and environmentally sustainable
3. Logistic support, underpinning development through research, monitoring, education and training

(a) Core Areas

It comprises a strictly protected zone that contributes to the conservation of landscapes, ecosystems, species and genetic variation

(b) Buffer Zones

It surrounds or adjoins the core area(s), and is used for activities compatible with sound ecological practices that can reinforce scientific research, monitoring, training and education.

(c) Transition Area

The transition area is where communities foster socio-culturally and ecologically sustainable economic and human activities.

6. How not to deal with recession

In News

The Centre is facing a serious financial crisis because of the exigencies created by the pandemic and its own policies. However, monetising assets and cutting down funds to states could aggravate the crisis.

3 Policies aggravating the crisis

1) NMP will aggravate the crisis

- Union Finance Minister, while announcing the **National Monetisation Pipeline (NMP)**, said that asset monetisation is based on the philosophy of creation through monetisation and is aimed at “tapping private sector investment for new infrastructure creation”.
- **Loss of dividend:** Disinvestment of profitable Navratna companies will result in a loss of dividend, a major source of income for the Centre.
- **Loss due to tax exemptions:** Tax exemptions to the so-called investors will take away another major share of income.

- Central funds will be squeezed and this, in turn, will have a bearing on state finances.
- NMP will seriously hurt the interests of the country.

2) Cutting down funds to States

- **Kerala's case:** The state was getting about 3.92 per cent from **the divisible pool** in the 1970s and 1980s.
- It came down to 2.66 per cent and 2.34 per cent in the awards of the 12th and 13th Finance Commissions.
- The 14th Finance Commission award increased it to 2.45 (2.50) per cent.
- Now, the 15th Finance Commission has reduced it to 1.92 per cent.
- This arbitrary cut is a result of the **adoption of certain new yardsticks by the commission** without considering the state government's views
- The 15th Finance Commission's special grant (RD grant) of Rs 19,800 crore for this year will no longer be available in the coming years.
- **Karnataka** and many other states have also suffered because of the policy to reduce the divisible pool share.

3) Tax exemptions and surcharge

- Exemptions amounting to **Rs 99,842.06 crore** were extended to corporate houses in 2019-20.
- Many taxes on goods were reduced because of electoral compulsions. This **reduced central revenues**.
- Along with such tax exemptions, the increased use of cesses and surcharges is responsible for the **shrinking of the shareable pool**.
- The shareable resources with the Centre was around **Rs 6.8 lakh crore in 2019-20** which has come down to Rs 5.5 lakh crore in 2020-21.
- All the **cesses and surcharges** that are not shared with states come to about **20 per cent of the total revenues of the Centre**.
- States have been demanding that this money should be shared with them, particularly while fighting a pandemic.
- States complaining for resources does not augur well for **cooperative federalism**.

Way forward

- **Developing basic infrastructure and the production sector** is the only way to face an economic crisis.
- That should not be done by selling or handing over public assets to private individuals and corporations.
- We need massive public investment that will help people to form cooperatives and collectives in agriculture and industrial production.

- Parliament, the **National Development Council** and the GST Council should discuss this unprecedented situation.

Conclusion

We need to find a way out collectively. Handing over the rights on public properties to private individuals will take the country back to the colonial era. This must not be allowed.

7. PLI Scheme for White Goods

A total of 52 companies have filed their application with a committed investment of Rs 5,866 crore under the PLI scheme to incentivize the domestic manufacturing of components of White Goods.

What are White Goods?

- White goods refer to heavy consumer durables or large home appliances, which were traditionally available only in white.
- They include appliances such as washing machines, air conditioners, stoves, refrigerators, etc. The white goods industry in India is highly concentrated.

Why PLI scheme for white goods?

- Indian appliance and consumer electronics (ACE) market reached INR 76,400 crore (~\$10.93 bn) in 2019.
- Appliances and consumer electronics industry is expected to double to reach INR 1.48 lakh crore (~\$21.18 bn) by 2025.
- The PLI Scheme on White Goods is designed to create complete component ecosystem for Air Conditioners and LED Lights Industry in India and make India an integral part of the global supply chains.
- Only manufacturing of components of ACs and LED Lights will be incentivized under the Scheme.

What is PLI Scheme?

- As the name suggests, the scheme provides incentives to companies for enhancing their domestic manufacturing apart from focusing on reducing import bills and improving the cost competitiveness of local goods.
- PLI scheme offers incentives on incremental sales for products manufactured in India.
- The scheme for respective sectors has to be implemented by the concerned ministries and departments.

Criteria laid for the scheme

- Eligibility criteria for businesses under the PLI scheme vary based on the sector approved under the scheme.
- For instance, the eligibility for telecom units is subject to the achievement of a minimum threshold of cumulative incremental investment and incremental sales of manufactured goods.
- The minimum investment threshold for MSME is Rs 10 crore and Rs 100 crores for others.
- Under food processing, SMEs and others must hold over 50 per cent of the stock of their subsidiaries, if any.
- On the other hand, for businesses under pharmaceuticals, the project has to be a greenfield project while the net worth of the company should not be less than 30 per cent of the total committed investment.

What are the incentives offered?

- An incentive of 4-6 per cent was offered last year on mobile and electronic components manufacturers such as resistors, transistors, diodes, etc.
- Similarly, 10 percent incentives were offered for six years (FY22-27) of the scheme for the food processing industry.
- For white goods too, the incentive of 4-6 per cent on incremental sales of goods manufactured in India for a period of five years was offered to companies engaged in the manufacturing of air conditioners and LED lights.

Prelims Practice Questions

1. Consider the following statements regarding the 'Similipal Tiger Reserve':

1. It has been part of the UNESCO World Network of Biosphere Reserve.
2. It is a part of the Mayurbhanj Elephant Reserve.

Which of the statements given above is/are correct?

- A 1 only
- B 2 only
- C Both 1 and 2
- D Neither 1 nor 2

Answer :C

Explanation

- Similipal Tiger Reserve was formally designated a tiger reserve in 1956 and brought under Project Tiger in the year 1973. It was declared a biosphere reserve by the Government of India in June, 1994.
 - It has been part of the **UNESCO World Network of Biosphere Reserve** since 2009. **Hence, statement 1 is correct.**
- It is part of the Similipal-Kuldiha-Hadgarh Elephant Reserve popularly known as **Mayurbhanj Elephant Reserve. Hence, statement 2 is correct.**
 - It includes 3 protected areas i.e. **Similipal Tiger Reserve**, Hadagarh Wildlife sanctuary and Kuldiha wildlife sanctuary.
- It is situated in the northern part of Odisha's Mayurbhanj district. Geographically, it lies in the eastern end of the eastern ghat.

2. Consider the following statements about Geological Survey of India (GSI):

1. It is headquartered in Mumbai.
2. It is an attached office to the Ministry of Mines.
3. Geological Survey of India has been the sole custodian for all meteorite "falls" or "finds" within Indian Territory.

Which of the above statements is/are correct?

- a. 1 and 2 only
- b. 2 and 3 only
- c. 1 and 3 only
- d. 1, 2 and 3

Answer: b

Explanation:

- The Geological Survey of India was founded in 1851 by the East India Company. Currently, it functions as an attached office to the Ministry of Mines.
- It is headquartered in Kolkata, West Bengal.
- Geological Survey of India has been the sole custodian for all meteorite “falls” or “finds” within Indian Territory.

3. With reference to the Shoonya Campaign, consider the following statements:

1. The initiative aims to accelerate adoption of Electric Vehicles (EVs) in the urban deliveries segment.
2. The initiative is launched by the Ministry of Heavy Industries.

Which of the statements given above is/are correct?

- A 1 only
B 2 only
C Both 1 and 2
D Neither 1 nor 2

Answer : A

Explanation

- Recently, **NITI Aayog and Rocky Mountain Institute (RMI) and RMI India’s** have launched the **Shoonya Campaign**. Hence, **statement 2 is not correct**.
- The campaign aims to **accelerate adoption of Electric Vehicles (EVs) in the urban deliveries segment** and create **consumer awareness** about the benefits of zero-pollution delivery. Hence, **statement 1 is correct**.
- A **corporate branding and certification programme** is being launched to recognise and promote industry’s efforts towards transitioning to EVs for final-mile deliveries.

- It will help e-commerce companies to distinguish their offerings from those of their competitors.
- An online tracking platform will share the campaign's impact through data such as vehicle kilometers electrified, carbon savings, criteria pollutant savings and other benefits from clean delivery vehicles.

4. With reference to Gold Monetization Scheme, which of the following statements is/are correct?

1. All Scheduled Commercial Banks excluding RRBs will be eligible to implement the Scheme.
2. Earnings under the Gold Monetisation Scheme are exempt from capital gains tax and income tax.

Options:

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: c

Explanation:

- Investors can make term deposits of their idle gold under Gold Monetization Scheme (GMS), which provides them safety and interest earnings. With gold deposited in GMS, investors save the storage cost for keeping their precious metal safe, while still benefiting from its capital appreciation. Gold can be deposited in any form – gold bars, coins or jewellery, and the depositor also has the option to either take cash or gold on redemption. Another lucrative benefit comes with interest earned on the gold deposited by investors being exempt from capital gains tax and income tax.
- In the case of medium and long-term deposits, investors can earn up to 2.25 per cent per annum.
- All Scheduled Commercial Banks excluding RRBs will be eligible to implement the Scheme.
- The objective of the Scheme is to mobilise gold held by households and institutions of the country and facilitate its use for productive purposes, and in the long run, to reduce the country's reliance on the import of gold.

5. Exercise PEACEFUL MISSION is a joint military exercise conducted by

- a. BIMSTEC
- b. Commonwealth Countries
- c. NATO
- d. SCO

Answer: d

Explanation:

- Peaceful Mission Exercise is being held between the member-states of the Shanghai Cooperation Organisation (SCO) in Russia in the Orenburg region.
- This is the sixth edition of the military exercise.
- The joint counter-terrorism exercise 'Peaceful Mission' is a multilateral exercise, which is conducted biennially as part of military diplomacy between Shanghai Cooperation Organisation (SCO) member states.

6. Consider the following statements regarding 'Arsenic':

1. It is an odourless and tasteless metalloid.
2. Early childhood exposure to Arsenic can lead to negative impacts on cognitive development.
3. Skin lesions are caused by long-term exposure to arsenic.

Which of the statements given above is/are correct?

- A 1 and 2 only
B 2 only
C 2 and 3 only
D 1, 2 and 3

Answer : D

Explanation

- **Arsenic** is an **odourless and tasteless metalloid** widely distributed in the earth's crust. **Hence, statement 1 is correct.**
 - It is naturally present at high levels in the earth crust and groundwater of a number of countries. It is highly toxic in its inorganic form.
- Impacts of Arsenic:

- It leads to adverse health effects through inhibition of essential enzymes, which ultimately leads to death from multi-system organ failure.
- **Long-term exposure to arsenic** from drinking-water and food can cause cancer and **skin lesions**. It has also been associated with cardiovascular disease and diabetes. **Hence, statement 3 is correct.**
- In utero and **early childhood exposure** has been linked to **negative impacts on cognitive development** and increased deaths in young adults. **Hence. Statement 2 is correct.**

Mains Practice Questions

Q1. Over the past few decades, the Dairy sector has emerged as a lifeline of the rural economy in India. However, it has become one of the most vulnerable sectors of the rural economy too. Discuss.

Approach

- Start the answer by briefly mentioning the importance of dairy sector
- Discuss the major challenges faced by the dairy sector.
- Conclude Suitably.

Q2. Courts are sitting on a pendency bomb and it has never been more urgent to strengthen the Indian judiciary. Discuss.

Approach

- Start the answer by briefly mentioning the magnitude of pendency of cases in India.
- Discuss the major reasons for pendency of cases and steps to rectify them.
- Conclude Suitably.