

**GOVERNANCE****Palk Bay Scheme and Marine Fisheries Bill**

The Union Government is considering increasing the unit cost of deep-sea fishing vessels from Rs 80 L to Rs 1.3 Cr under the Palk Bay scheme to make it more attractive to fisherfolk. Earlier, the Marine Fisheries Bill 2021 was tabled in the Parliament during the Monsoon session.

**Key Points****About Palk Bay Scheme:**

- The Scheme, “Diversification Of Trawl Fishing Boats From Palk Straits Into Deep Sea Fishing Boats”, was launched in 2017 as a Centrally Sponsored Scheme.
- It was launched as part of the umbrella Blue Revolution Scheme. The Blue Revolution is part of the Government's efforts to promote fishing as an allied activity for farmers in order to double their incomes.
- It is a Tamil Nadu-specific scheme aimed at providing 2,000 vessels in three years to fishermen of the State and motivating them to abandon bottom trawling. Bottom trawling, an ecologically destructive practice, involves trawlers dragging weighted nets along the sea-floor, causing great depletion of aquatic resources.
- Another objective of the scheme is to “reduce fishing pressure” around the proximity of the International Maritime Boundary Line (IMBL) so that Tamil Nadu fishermen do not cross the IMBL and fish in Sri Lankan waters.
- The Funding pattern of the scheme is Centre 50%, State 20%, Institutional funding 10% and Beneficiary 20%.
- The Scheme is limited to vessels costing upto Rs. 80 Lakh.
- The scheme is not part of Pradhan Mantri Matsya Sampada Yojana.

**Marine Fisheries Bill:**

- The Bill proposes to only grant licenses to vessels registered under the Merchant Shipping Act, 1958, to fish in the Exclusive Economic Zone (EEZ).
- It also proposes punishments for fishermen breaching the EEZ without a licence, not complying with Indian Coast Guard (ICG) orders, and obstructing ICG officials.
- The Bill prohibits fishing by foreign fishing vessels, thus nationalising our EEZ.
- It proposes social security for fish workers and calls for protection of life at sea during severe weather events.

**Maritime Zones**

- Under UNCLOS (United Nations Convention on the Law of the Sea - 1982), which India ratified in 1995, the sea and resources in the water and the seabed are classified into three zones - the Internal Waters (IW), the Territorial Sea (TS) and the Exclusive Economic Zone (EEZ).
- The IW is on the landward side of the baseline - it includes gulfs and small bays.
- The TS extends outwards to 12 nautical miles from the baseline - coastal nations enjoy sovereignty over airspace, sea, seabed and subsoil and all living and non-living resources therein.
- The EEZ extends outwards to 200 nautical miles from the baseline. Coastal nations have sovereign rights for exploration, exploiting, conserving and managing all the natural resources therein.
- Since fisheries is a state subject, fishing in the IW and TS come within the purview of the states concerned.
- Other activities in the TS and activities, including fishing beyond the TS up to the limit of the EEZ, are in the Union list.

**ECONOMY****Monetary Policy Report: RBI**

The Reserve Bank of India (RBI) has released the Monetary Policy Report (MPR) for the month of October 2021. It kept the policy rate unchanged for the Eighth time in a row maintaining an accommodative stance till the recovery is durable.

**Key Points****Unchanged Policy Rates:**

1. Repo Rate - 4%.
2. Reverse Repo Rate - 3.35%.
3. Marginal Standing Facility (MSF) - 4.25%.
4. Bank Rate - 4.25%.

**GDP Projection:**

- Real Gross Domestic Product (GDP) growth for 2021-22 has been retained at 9.5%.

**Inflation:**

- RBI has revised the projection for Consumer Price Index (CPI) inflation to 5.3% from 5.7% in August 2021.

**Government Bond Acquisition Programme (GSAP):**

- It has shut down the GSAP citing the liquidity overhang (Excess liquidity), increasing liquidity due to government spending and absence of higher borrowing for Goods and Services Tax compensation.
- 1. It is part of RBIs Open Market Operations, where it commits to a specific amount of Open Market Purchases of government securities.
- 2. The first purchase for an aggregate amount of Rs. 25,000 crore under G-SAP 1.0 was conducted in April, 2021.
- But has assured that it would continue to flexibly conduct other liquidity management operations, including Operation Twist (OT) and regular Open Market Operations (OMOs). OT is when the central bank uses the proceeds from the sale of short-term securities to buy long-term government debt papers, leading to easing of interest rates on the long term papers.

**Accommodative Stance:**

- It decided to continue with an accommodative stance as long as necessary to revive and sustain growth on a durable basis and continue to mitigate the impact of Covid-19 on the economy, while ensuring that inflation remains within the target going forward. An accommodative stance means a central bank will cut rates to inject money into the financial system whenever needed.

**Variable Reverse Rate Repo (VRRR):**

- VRRR auction size has been enhanced to Rs 6 trillion by early December 2021 and opened itself up to increasing the VRRR duration to 28 days if need be. In order to absorb additional liquidity in the system, the RBI announced conducting a VRRR program in August 2021 because it has higher yield prospects as compared to the fixed rate overnight reverse repo.

**2. World Bank GDP Projection for India**

According to the World Bank, India's economy, South Asia's largest, is expected to grow by 8.3% in the fiscal year 2021-22. The South Asia economic focus report projects the region to grow by 7.1% in 2021 and 2022. It is a biannual economic update presenting recent economic developments and a near-term economic outlook for South Asia.

Other Major reports of the World bank include Human Capital Index, World Development Report. Recently, it has decided to discontinue the practice of issuing 'Doing Business reports'.

**Key Points**

**GDP Growth:**

- The projected growth (8.3%) is supported by an increase in public investment to bolster domestic demand and schemes like the Production Linked Incentive (PLI) to boost manufacturing.
- India's Gross Domestic Product (GDP) increased by 20.1% in the first quarter (April-June quarter) of financial year 2021-22 in the backdrop of "a significant base effect, limited damage to domestic demand and strong export growth".
- In the first quarter of financial year 2020-21, GDP of India contracted by 24.4% because of nationwide coronavirus lockdown. The World Bank also observed that the disruption in India's economy during the second wave of the pandemic was limited, compared to the first.

**On Economic Recovery:**

- Economic recovery across various sectors in India has been unequal.
- Manufacturing & construction sectors recovered steadily in 2021 but low-skilled individuals, self-employed people, women and small firms were left behind.
- The extent of recovery in the financial year 2021-'22 will depend on how fast household incomes recover and activity across informal sector & smaller firms normalises.
- India's economic prospects will be determined by its pace of vaccination against Covid-19 and successful implementation of agriculture & labour reforms.

**Base Effect:**

- Economic data such as 'GDP growth rate' are calculated on a year-on-year basis.
- Thus, a low growth rate in the previous year leads to a low base for the number in the current year.

**Associated Risks:**

- Risks associated with the extent of recovery include- worsening of financial sector stress, slowdown in vaccination, higher inflation constraining monetary-policy support etc.

**Suggestions:**

• **Medium Term Growth:**

1. It is time to start rethinking policies about medium term growth by learning lessons from Covid-19 like crisis.
2. It's time to build social protection and adopt greener policies, because the next shock might be from the environment.

3. To reduce inequality, it is very important to integrate the informal sector and women into the economy. So that should be also an important element of the medium term growth strategy.
- **Need for Regulatory Experimentation:**
1. The Bank called on South Asian countries to lower entry barriers in the services sector, creating more national and international competition while curbing the “emergence of new monopoly powers”; aiding labour market mobility and upgrading of skills; and enabling the absorption of these new services by households and firms.

## ECONOMY

### EWS Quota

Recently, the Supreme Court (SC) has questioned the methodology adopted by the government in fixing Rs. 8 lakh as the annual income limit to identify the Economically Weaker Section (EWS) for providing 10% quota in public jobs and educational institutions.

#### **Key Points**

##### **About:**

- The 10% EWS quota was introduced under the 103rd Constitution (Amendment) Act, 2019 by amending Articles 15 and 16. It inserted Article 15 (6) and Article 16 (6).
- It is for economic reservation in jobs and admissions in education institutes for Economically Weaker Sections (EWS).
- It was enacted to promote the welfare of the poor not covered by the 50% reservation policy for Scheduled Castes (SCs), Scheduled Tribes (STs) and Socially and Educationally Backward Classes (SEBC).
- It enables both Centre and the states to provide reservation to the EWS of society.

##### **Significance:**

- **Addresses Inequality:** The 10% quota is progressive and could address the issues of educational and income inequality in India since the economically weaker sections of citizens have remained excluded from attending higher educational institutions and public employment due to their financial incapacity.
- **Recognition of the Economic Backwards:**
- 2. There are many people or classes other than backward classes who are living under hunger and poverty-stricken conditions.
- 3. The proposed reservation through a constitutional amendment would give constitutional recognition to the poor from the upper castes.
- **Reduction of Caste Based Discrimination:** Moreover, it will gradually remove the stigma associated with reservation because reservation has historically been related with caste and most often the upper caste look down upon those who come through the reservation.

##### **Concerns:**

##### • **Unavailability of Data:**

1. The Statement of Object and Reason in the EWS bill clearly mentioned that the economically weaker sections of citizens have largely remained excluded from attending the higher educational institutions and public employment on account of their financial incapacity to compete with the persons who are economically more privileged.”
2. This is at best a wild guess or a supposition because the government has not produced any data to back this point.

##### • **Breaches Reservation Cap:**

1. In the Indira Sawhney case 1992, the nine-judge Constitution bench put a cap of 50%.
2. The EWS quota breaches this limit, without even putting this issue into consideration.

##### • **Arbitrary Criteria:**

- The criteria used by the government to decide the eligibility for this reservation is vague and is not based on any data or study.
- Even the SC questioned the government whether they have checked the GDP per capita for every State while deciding the monetary limit for giving the EWS reservation. Statistics show that the per capita income in states differs widely - Goa is the state having the highest per capita income of almost Rs. 4 lakh whereas Bihar is at the bottom with Rs.40,000.

#### **Way Forward**

- Reservation adversely affects all the categories except the EWS by shrinking the competitive pool accessible to them. Empirically, it does not seem justifiable as candidates from EWS are already well represented in higher educational institutions.
- It is high time now that the Indian political class overcame its tendency of continually expanding the scope of reservation in pursuit of electoral gains, and realised that it is not the panacea for problems.

- Instead of giving reservation based on different criterias government should focus on quality of education and other effective social upliftment measures. It should create a spirit of entrepreneurship and make them job-givers instead of a job seeker.

**IMPORTANT FACTS FOR PRELIM**

**Nobel Peace Prize 2021**

Recently, the 2021 Nobel Peace Prize was awarded to journalists Maria Ressa of the Philippines and Dmitry Muratov of Russia for their efforts to safeguard freedom of expression, which is a precondition for democracy and lasting peace.

In 2020, the award was given to the World Food Programme (WFP), a United Nations (UN) agency. Other 2021 Nobel Prizes for Literature, Chemistry, Physics and Medicine have already been announced.

**Key Points**

**Maria Ressa:**

- She is an investigative journalist, in 2012 she co-founded Rappler, a digital media platform for investigative journalism, which she continues to head.
- Rappler has focused critical attention on President Rodrigo Duterte's regime's controversial, murderous anti-drug campaign. In the 2021 World Press Freedom Index, the Philippines ranked 138 of 180 nations (India was ranked lower, at 142).
- **She has also authored Seeds of Terror:** An Eyewitness Account of Al-Qaeda's Newest Center, and From Bin Laden to Facebook: 10 Days of Abduction, 10 Years of Terrorism.

**Dmitry Muratov:**

- Muratov has for decades defended freedom of speech in Russia under increasingly challenging conditions". Russia has ranked 150 in the 2021 World Freedom Index.
- He along with around 50 colleagues started Novaya Gazeta (Newspaper) in 1993, as one of its founders. He has served as the newspaper's editor-in-chief since 1995. Committee to Protect Journalists, a US-based non-profit, had felicitated Muratov as one of its International Press Freedom awardees in 2007.
- Six of Muratov's colleagues have been killed since the newspaper started, which has often faced harassment, threats, violence and murder from its opponents. Despite the killings and threats, editor-in-chief Muratov has refused to abandon the newspaper's independent policy.

**Significance:**

- Free, independent and fact-based journalism serves to protect against abuse of power, lies and war propaganda.
- Without freedom of expression and freedom of the press, it will be difficult to successfully promote fraternity between nations, disarmament and a better world order to succeed in our time.

**2. Henley Passport Index 2021**

India has been ranked 90th in the most powerful passport report 'Henley Passport Index 2021'.

**Key Points**

**About the Index:**

- The Henley Passport Index is the original ranking of all the world's passports according to the number of destinations their holders can access without a prior visa.
- Originally created by Dr. Christian H. Kaelin (chairman of Henley & Partners), the ranking is based on exclusive data from the International Air Transport Association (IATA), which maintains the world's largest and most accurate database of travel information.
- It was launched in 2006 and includes 199 different passports.

**Global Rankings:**

- Japan and Singapore stood at the top of this year's list, with their passport holders allowed to travel visa-free to 192 countries, while South Korea and Germany share the second position. For the third consecutive year, Japan has secured the top position.
- Meanwhile, Afghanistan, Iraq, Syria, Pakistan, and Yemen are among the least powerful.

**India's Performance:**

- India fell down to the 90th position, with its passport holders allowed to travel visa-free to 58 countries. India shares the rank with Tajikistan and Burkina Faso.

India was ranked 85th in the January 2021's index', (84th) in 2020 and (82nd) in 2019.

**DAILY ANSWER WRITING PRACTICE**

**Qns. Overstretched drainage, unplanned construction, no regard to the natural buffers and rejuvenating ecosystems, all together make urban floods a man-made disaster. Comment. (250 words)**

**Ans:**

**Introduction**

As the incidence of climate variability and extreme weather events increases, urban flooding becomes more and more common. While the untimely heavy rains can be attributed to climate variability, the urban flooding is largely due to an unplanned urbanisation.

Recently, torrential rains that took place in Hyderabad have caused massive urban floods. In many Indian cities, the urban floods have become a frequent phenomenon in recent years. Overburdened drainage, unregulated construction, no regard to the natural topography and hydro-geomorphology all make urban floods a man-made disaster.

**Body:**

**Causes for the rise in urban floods**

- **Inadequate Drainage Infrastructure:** Cities like Hyderabad, Mumbai rely on a century-old drainage system, covering only a small part of the core city. In the last 20 years, the Indian cities have grown manifold with its original built-up area. As the city grew beyond its original limits, not much was done to address the absence of adequate drainage systems.
- **Terrain Alteration:** Lasting irreversible damage has been done to the city by property builders, property owners, and public agencies by flattening terrain and altering natural drainage routes.
- **Reducing Seepage:** Indian cities are becoming increasingly impervious to water, not just because of increasing built up but also because of the nature of materials used (hard, non-porous construction material that makes the soil impervious).
- **Lax Implementation:** Even with provisions of rainwater harvesting, sustainable urban drainage systems, etc, in regulatory mechanisms like the Environmental Impact Assessment (EIA), adoption at user end as well as enforcement agencies remains weak.
- **Encroaching Natural Spaces:** The number of wetlands has reduced to 123 in 2018 from 644 in 1956. Green cover is only 9 per cent, which ideally should have been at least 33 per cent.

**Way forward**

- **Need for Holistic Engagement:** Urban floods of this scale cannot be contained by the municipal authorities alone. Floods cannot be managed without concerted and focused investments of energy and resources.
  1. The Metropolitan Development Authorities, National Disaster Management Authority, State revenue and irrigation departments along with municipal corporations should be involved in such work together.
  2. Such investments can only be done in a mission mode organisation with active participation of civil society organisations at the metropolitan scale.
- **Developing Sponge Cities:** The idea of a sponge city is to make cities more permeable so as to hold and use the water which falls upon it.
  1. Sponge cities absorb the rain water, which is then naturally filtered by the soil and allowed to reach urban aquifers.
  2. This allows for the extraction of water from the ground through urban or peri-urban wells.
  3. This water can be treated easily and used for city water supply.
- **Wetland Policy:** There is a need to start paying attention to the management of wetlands by involving local communities.
  1. Without doubt, terrain alteration needs to be strictly regulated and a ban on any further alteration of terrain needs to be introduced.
  2. To improve the city's capacity to absorb water, new porous materials and technologies must be encouraged or mandated across scales.
  3. Examples of these technologies are bioswales and retention systems, permeable material for roads and pavement, drainage systems which allow storm water to trickle into the ground, green roofs and harvesting systems in buildings.
- **Drainage Planning:** Watershed management and emergency drainage plan should be clearly enunciated in policy and law.
  1. Urban watersheds are micro ecological drainage systems, shaped by contours of terrain.
  2. Detailed documentation of these must be held by agencies which are not bound by municipal jurisdictions; instead, there is a need to consider natural boundaries such as watersheds instead of governance boundaries like electoral wards for shaping a drainage plan.
- **Water Sensitive Urban Design:** These methods take into consideration the topography, types of surfaces (permeable or impervious), natural drainage and leave very less impact on the environment.
  1. Vulnerability analyses and risk assessments should form part and parcel of city master plans.
  2. In a changing climate, the drainage infrastructure (especially storm water drainage) has to be built considering the new 'normal'.

3. Tools such as predictive precipitation modelling can help do that and are also able to link it with the adaptive capacity of urban land use.

**Conclusion:**

**These can** all be delivered effectively through an urban mission along the lines of the Atal Mission for Rejuvenation and Urban Transformation (AMRUT), National Heritage City Development and Augmentation Yojana (HRIDAY) and Smart Cities Mission. Urban Flood management will not just help control recurring floods but also respond to other fault lines, provide for water security, more green spaces, and will make the city resilient and sustainable

**DAILY QUIZ**

Q1. Consider the following statements about PM CARES for Children:

1. It is an initiative of Prime Minister's Office (PMO).
2. It aims to ensure comprehensive care and protection of all Children in a sustained manner.

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**

Q2. With reference to Sabarmati river, consider the following statements:

1. It is one of the major west-flowing rivers in India.
2. Its source is in the Sasa hills in Gir forest.
3. It is one of the cleanest and purest rivers in India.

Which of the statements given above is/are correct?

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

Q3. Consider the following statements:

1. The Forest (Conservation) Act, 1980, came into force to address afforestation.
2. It prohibits the felling of forests for any "non-forestry" use without prior clearance by the central government.
3. Under the act, only lands specifically notified as forests were protected by the enforcement of the FCA.

Which of the statements given above is/are correct?

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

Q4. The 'Zero Carbon Act' was in news recently, is passed by which of the following?

- a. United States of America
- b. United Kingdom
- c. European Union
- d. **New Zealand**

Q5. Recently, which one of the following country has approved a plan to reduce greenhouse gas emissions (GHG) in agriculture and forestry sectors by 55 and 65 per cent respectively by 2030?

- a. Israel
- b. France
- c. Germany
- d. **Denmark**