

PRAYAS4IAS

AN INITIATIVE BY THE PRAYAS INDIA

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WORLD
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FORUM



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Prelims

NATIONAL

Passage of Bills/ laws in Parliament

(Source: [The Indian Express](#))

Context: *In the ongoing stalemate between protesting farmers and the Centre, the government has repeated its offer of keeping the three contentious farm laws on hold for one to one-and-a-half years, while the farmers have rejected the offer and insisted that the laws be repealed. Over the years, Parliament has repealed several laws — and there have also been precedents of the government not bringing a law into force for several years after it has been passed.*

Bringing/removing a law

- Parliament has the power to make a law and to remove it from the statute books (a law can be struck down by the judiciary if it is unconstitutional). But the passing of a Bill does not mean that it will start working from the next day.
- There are three more steps for it to become a functioning law.
 - The first step is the President giving his or her assent to the Bill.
 - Then the law comes into effect from a particular date.
 - And finally, the government frames the rules and regulations to make the law operational on the ground. The completion of these steps determines when the law becomes functional.
- The first step is the simplest. Article 111 of the Constitution specifies that the President can either sign off on the Bill or withhold his consent. The President rarely withholds their assent to a Bill. The last time it happened was in 2006 when President A P J Abdul Kalam refused to sign a Bill protecting MPs from disqualification for holding an office of profit. A Bill is sent to Parliament for reconsideration if the President withholds his or her assent on it. And if Parliament sends it back to the President, he or she has no choice but to approve it.
- Most Bills receive the President's approval in a few days. President Ram Nath Kovind signed the three farm Bills into law within a week of their passing in September 2020. In 1986, President Zail Singh made use of a loophole in the Constitution. A Bill criticised for violating the privacy of personal correspondence was sent to him for approval seven months before the end of his term. The Constitution does not specify a time limit for the President to approve a Bill. So President Singh decided not to take any action on the Bill until the end of his term.
- The next step is deciding the date on which the law comes into effect. In many cases, Parliament delegates to the government the power to determine this date.
- The Bill states that the law "shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act". For example, Parliament passed the Recycling of Ships Act in December 2019. In October 2020, the government brought Section 3 of the law into force. This section empowers the government to designate an officer to supervise all ship recycling activities in India.

Giving effect to a law

- There are also instances when the government does not bring a law into force for many years. Two examples are the National Environment Tribunal Act and the Delhi Rent Control Act, which Parliament passed during Prime Minister P V Narasimha Rao's tenure.



- The government never brought these laws into force, which were passed in 1995 and cleared by the President. The National Green Tribunal Act finally repealed the environmental tribunal law in 2010. And a Bill to repeal the Delhi Rent Control Act introduced in 2013 is still pending in Rajya Sabha.
- There are also multiple instances where a law specifies when it will come into effect. The 2013 land acquisition law put an outer limit of three months for the Centre to bring it into force after the President approved it.
- A Bill can also specify the exact date on which it will come into effect. Bills replacing ordinances sometimes do that. In such cases, the Bill sets the date on which the President signed the ordinance (since Parliament was not in session) as the day the law will come into force. For example, the law banning e-cigarettes came into effect from September 18, 2019 (Ordinance date) after Parliament passed the Bill to replace the Ordinance on December 2, 2019. Similarly, the three farm Bills replacing their ordinances came into force on June 5, 2020.

Rules & regulations

- A Bill passed by Parliament is the outline of a law. For the law to start working on the ground, individuals need to be recruited or given the power, to administer it. The implementing ministry also needs to finalise forms to gather information and provide benefits or services.
- These day-to-day operational details are called rules and regulations. And Parliament gives the government the responsibility of making them. These regulations are critical for the functioning of law.
- If the government does not make rules and regulations, a law or parts of it will not get implemented. The Benami Transactions Act of 1988 is an example of a complete law remaining unimplemented in the absence of regulations. The law gave the government power to confiscate benami properties. For 25 years, such properties were immune from seizure in the absence of framing relevant government rules. The law was finally repealed in 2016 and replaced with a new one.
- Parliament has recommended that the government make rules within six months of passing a law. But parliamentary committees have observed that this recommendation is “being followed in breach by various ministries”.
- The government not only has the power to make rules but can also suppress rules made by it earlier. In the case of farm laws, the government has made some rules in October 2020.

POCSO Act

(Source: [The Hindu](#))

Context: *The Nagpur Bench of the Bombay High Court acquitted a man of charges under the Protection of Children from Sexual Offences (POCSO) Act and convicted him under a “minor offence” of the Indian Penal Code (IPC).*

Salient features of the POCSO Act

- “Children” according to the Act are individuals aged below 18 years. The Act is gender-neutral.
- Different forms of sexual abuse including but not limited to sexual harassment, pornography, penetrative & non-penetrative assault are defined in the Act.
- Sexual assault is deemed to be “aggravated” under certain circumstances such as when the child is mentally ill. Also when the abuse is committed by the person in a position of trust such as a doctor, teacher, policeman, family member.
- Adequate provisions are made to avoid re-victimization of the Child at the hands of the judicial system. The Act assigns a policeman in the role of child protector during the investigation process.
- The Act stipulates that such steps must be taken which makes the investigation process as child-friendly as possible and the case is disposed of within one year from the date of reporting of the offence.



- The Act provides for the establishment of Special Courts for the trial of such offences and matters related to it.
- Under section 45 of the Act, the power to make rules lies with the central government.
- To monitor the implementation of the Act, the National Commission for the Protection of Child Rights (NCPCR) and State Commissions for the Protection of Child Rights (SCPCR) have been made the designated authority. Both being statutory bodies.
- Section 42 A of the Act provides that in case of inconsistency with provisions of any other law, the POCSO Act shall override such provisions.
- The Act calls for mandatory reporting of sexual offences. A false complaint with intent to defame a person is punishable under the Act.
- An online complaint management system, POCSO e-box was launched in New Delhi by the Union Ministry of Women and Child development in order to facilitate easy and direct reporting of sexual offences against children and timely disposal of the cases under POCSO Act 2012.

Sunderbans

(Source: [The Hindu](#))

Context: *The Indian Sunderbans, which is part of the largest mangrove forest in the world, is home to 428 species of birds, a recent publication of the Zoological Survey of India (ZSI) states.*

Sundarbans Wetlands

- This January 30th, the Indian Sundarban was accorded the status of ‘Wetland of International Importance’ under the Ramsar Convention.
- It comprises hundreds of islands and a network of rivers, tributaries and creeks in the delta of the Ganga and the Brahmaputra at the mouth of the Bay of Bengal in India and Bangladesh.
- Located on the southwestern part of the delta, the Indian Sundarban constitutes over 60% of the country’s total mangrove forest area.
- It is the 27th Ramsar Site in India, and with an area of 4,23,000 hectares is now the largest protected wetland in the country.

Richness of Sundarbans

- The Indian Sundarban met four of the nine criteria required for the status of ‘Wetland of International Importance’ — presence of rare species and threatened ecological communities, biological diversity, significant and representative fish and fish spawning ground and migration path.
- The Indian Sundarban, also a UNESCO world heritage site, is home to the Royal Bengal Tiger.
- The Ramsar website points out that the Indian Sundarban is also home to a large number of “rare and globally threatened species, such as the critically endangered northern river terrapin (*Batagur baska*), the endangered Irrawaddy dolphin (*Orcaella brevirostris*), and the vulnerable fishing cat (*Prionailurus viverrinus*).
- Two of the world’s four horseshoe crab species, and eight of India’s 12 species of kingfisher are also found here.
- Recent studies claim that the Indian Sundarban is home to 2,626 faunal species and 90% of the country’s mangrove varieties.

Importance of Ramsar recognition

- The Ramsar status will help to highlight conservation issues of the Sundarbans at the international level.
- The part of the Sundarban delta, which lies in Bangladesh, was accorded the status of a Ramsar site in 1992, and with Indian Sundarban getting it too, international cooperation between the two countries for the protection of this unique ecosystem will increase.

- This could lead to a better conservation strategy for flagship species such as the tiger and the northern river terrapin.

Extra Dose: Ramsar Convention

- The Convention on Wetlands of International Importance (better known as the Ramsar Convention) is an international agreement promoting the conservation and wise use of wetlands.
- It is the only global treaty to focus on a single ecosystem.
- The convention was adopted in the Iranian city of Ramsar in 1971 and came into force in 1975.
- Traditionally viewed as a wasteland or breeding ground of disease, wetlands actually provide freshwater and food, and serve as nature's shock absorber.
- Wetlands, critical for biodiversity, are disappearing rapidly, with recent estimates showing that 64% or more of the world's wetlands have vanished since 1900.
- Major changes in land use for agriculture and grazing, water diversion for dams and canals and infrastructure development are considered to be some of the main causes of loss and degradation of wetlands.

Maharashtra's jail tourism initiative

(Source: [Indian Express](#))

Context: *On Republic Day, the Prison Department of Maharashtra launched its jail tourism initiative starting with more than 150-year-old Yerawada Central Prison in Pune.*

Historical significance of Yerawada Prison

- Constructed in 1866, Yerawada Central Prison is the largest jail in Maharashtra and one of the largest maximum security prisons in the country.
- Many leaders of the Indian independence movement were incarcerated in this prison, which now has an inmate population of close to 5,000. Spread over 500 acres, the prison complex also has a minimum security open jail and a women's jail on its premises. In Maharashtra, there are 16 functioning prisons that were built in the 19th century, the oldest being Byculla District Prison in Mumbai which started in 1840.
- The number of prisons built in the pre-independence era is 26, which includes Swatantrapur Open Jail Colony set up in 1939, where some scenes of V Shantaram classic Do Aankhen Bara Haath (1957) were filmed.
- Many of these prisons in Maharashtra housed leaders of the independence struggle and countless freedom fighters. Notable among those — along with the Yerawada Prison — are the Thane, Nashik, Dhule and Ratnagiri jails — which will be added to jail tourism initiative in subsequent phases, according to officials.
- Mahatma Gandhi was imprisoned at Yerawada jail three times — from March 1922 to February 1924, from January 1932 to May 1933, and for three days in August 1933, according to prison records. Lokmanya Bal Gangadhar Tilak was jailed here between January 1898 and February 1899, Pandit Motilal Nehru between August 1930 and December 1930, Pandit Jawaharlal Nehru between August 1930 and October 1930, Sardar Vallabhbhai Patel twice, between August 1930 and November 1930, and January 1932 and August 1933, Sarojini Naidu for 12 days in December 1940 and Subhas Chandra Bose between April and May 1936.
- The barracks where these leaders were housed during their terms have now been preserved. The cell where Mahatma Gandhi was lodged is called the Gandhi Yard, which is also the place where the historic Poona Pact between Gandhi and Dr Babasaheb Ambedkar was signed. The mango tree under which the two leaders held talks, stands in the Gandhi Yard even today.

What will the jail tourism entail?

- Yerawada Jail has two historic yards, which are groups of cells, named after Gandhi and Tilak, which will be part of the tour for the visitors. These yards do not house inmates.
- The visitors will also get to see the faasi yard, the area where the death sentence is executed. This is the place where Chapekar brothers were executed in 1899 for assassination of British Plague Commissioner of Pune WC Rand. The last execution that the faasi yard witnessed was in November 2012 of Ajmal Kasab, a convict of 26/11 attacks, who was buried inside the prison premises.
- Considering the security and COVID-related safety concerns, initially only 50 persons will be allowed to visit the prison everyday. Currently, only groups from school, colleges or registered organisations will be allowed following an application made to Yerawada Prison superintendent, one week in advance. The prison administration has prohibited researchers working on prison or related issues to visit the premises under the scheme.
- People will be allowed to visit these areas following all the stringent formalities of identity verification. They will not be allowed to carry any electronic equipment or eatables. A standard operating procedure (SOP) has been put in place for these visits, which has been published on the official website of Maharashtra prison department along with the required contact details. The visits will be held between 12 noon and 3 pm, following all COVID norms. Currently, there is no entry fee but a nominal fee will be charged subsequently, an official said.
- The visitors will not be allowed in any other part of the jail or interact with any inmate. An official will guide the tour which will be accompanied by three to four jail guards. Photography and videography of the tour will be done by the prison staff and images from select spots will be provided to the visitors.

The ‘Top 25’ drive

(Source: [Indian Express](#))

Context: *The Mumbai police have started a drive titled ‘Top 25’ aimed at keeping under check history-sheeters and those they believe could foment trouble. A look at what the drive is and how far it has been implemented.*

What is the ‘Top 25’ drive of the Mumbai police?

- The Mumbai police commissioner has asked all 95 police stations in the city to make a list of the “top 25” criminal elements in their jurisdictions, and ask them to sign a bond of good behaviour failing which they would have to pay a fine.
- The aim is to rein in criminal elements and those the police believe could create a law and order problem in the city,
- While this practise that is termed “chapter proceedings” has been followed in the past, the amount a person would usually forfeit was around Rs 10,000 – Rs 15,000.
- Now, the amount has been raised up to Rs 50 lakh. Recently, a person under the jurisdiction of Mahim police station forfeited a bail bond of Rs 15 lakh.

Ram Setu

(Source: [Indian Express](#))

Context: *In possibly a first, Indian scientists will undertake a scientific expedition to date the chain of corals and sediments forming the Ram Setu. Also known as Adam’s bridge, this 48-km long bridge-like*

structure between India and Sri Lanka finds mention in the Ramayana but little about its formation is known or proven, scientifically.

What is the underwater archaeological project at Ram Setu?

- CSIR-NIO will undertake a three-year scientific project.
- The idea is to see whether Ram Setu is a man-made structure or not. The most important aspect of the project is to establish its age, scientifically.
- Once it is known, the information can be verified and co-related with its mention in the Ramayana and similar scriptures.
- Carbon dating techniques, which are now available in India, will be primarily used to determine the age of the sediments.
- Broadly, the explorers will apply a number of scientific techniques while attempting to date the Ram Setu, study its material composition, outline the sub-surface structure along with attempting to excavate remnants or artifacts, if any, from the site.

Adam's Bridge/Ram Setu and Sethusamudram Project

- Adam's Bridge also known as Rama's Bridge or Rama Setu is a chain of limestone shoals, between Pamban Island, also known as Rameswaram Island, off the southeastern coast of Tamil Nadu, India, and Mannar Island, off the northwestern coast of Sri Lanka. Geological evidence suggests that this bridge is a former land connection between India and Sri Lanka.
- The bridge is 18 miles (30 km) long and separates the Gulf of Mannar (southwest) from the Palk Strait (northeast). Some of the sandbanks are dry and the sea in the area is very shallow, being only 3 ft to 30 ft (1 m to 10 m) deep in places, which hinders navigation.
- Hindu believers hold it as the structure that Lord Rama and his army of apes and monkeys built to reach demon king Ravana's Lanka.
- Today, ships bound for India's eastern coast have to circle around the entire island of Sri Lanka to reach Tuticorin, Chennai, Vizag, Paradip and other ports.
- Therefore, a project titled Sethusamudram Shipping Canal Project was mooted by the Government of India and a feasibility study ordered in the 1990s.
- Successful completion of the project would cut travelling by about 350 nautical miles and will save 10 to 30 hours' sailing time. Plans were also drawn up to develop 13 minor ports in India, and fishing harbours and other infrastructure in both India and Sri Lanka.
- The project involves creating a 83-km-long deepwater channel that will link Mannar with Palk Strait by extensive dredging and removal of the limestone shoals that constitute the Ram Sethu. It will bring down shipping costs and add to India's exchequer in the form of transit fees.
- The project has been condemned and opposed by a wide spectrum of the Indian people. Hindu outfits have come down on the plans to destroy something built by Lord Rama.
- Some environmentalists opposed it as they hold it would destroy and destabilise the aquatic flora and fauna of the area.
- With China's influence in Sri Lanka increasing, India needs to explore alternative shipping routes and the project becomes more attractive for that reason.

Corporate Social Responsibility

(Source: [Indian Express](http://www.indianexpress.com))

Context: *The Corporate Affairs Ministry has amended the rules for Corporate Social Responsibility (CSR) expenditure by India Inc to allow companies to undertake multi-year projects, and also require that all CSR implementing agencies be registered with the government. We look at some of the key changes.*

Corporate Social Responsibility

- The term "Corporate Social Responsibility" in general can be referred to as a corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare.
- In India, the concept of CSR is governed by clause 135 of the Companies Act, 2013.
- India is the first country in the world to mandate CSR spending along with a framework to identify potential CSR activities.
- The CSR provisions within the Act is applicable to companies with an annual turnover of 1,000 crore and more, or a net worth of Rs. 500 crore and more, or a net profit of Rs. 5 crore and more.
- The Act requires companies to set up a CSR committee which shall recommend a Corporate Social Responsibility Policy to the Board of Directors and also monitor the same from time to time.
- The Act encourages companies to spend 2% of their average net profit in the previous three years on CSR activities.
- The indicative activities, which can be undertaken by a company under CSR, have been specified under **Schedule VII of the Act**. The activities include:
 - Eradicating extreme hunger and poverty,
 - Promotion of education, gender equality and empowering women,
 - Combating Human Immunodeficiency Virus, Acquired Immune Deficiency Syndrome and other diseases,
 - Ensuring environmental sustainability;
 - Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women etc.

How do the new rules enable corporations to undertake multi-year CSR projects?

- All companies with a net worth of Rs 500 crore or more, a turnover of Rs 1,000 crore or more, or net profit of Rs 5 crore or more, are required to spend 2 per cent of their average profits of the previous three years on CSR activities every year.
- The amended CSR rules allow companies to set off CSR expenditure above the required 2 per cent expenditure in any fiscal year against required expenditure for up to three financial years.
- Experts do, however, note that there was ambiguity whether the rule would apply for expenditure undertaken prior to the amendment.
- The government may consider allowing corporates which have in good faith incurred excess CSR expenditure in the past to set it off against future CSR expenditure requirements.

What are the changes required for implementing agencies?

- A large number of companies conduct CSR expenditure through implementing agencies, but the new amendment restricts companies from authorising either a Section 8 company or a registered public charitable trust to conduct CSR projects on their behalf.
- A Section 8 company is a company registered with the purpose of promoting charitable causes, applies profits to promoting its objectives and is prohibited from distributing dividends to shareholders. Further, all such entities will have to be registered with the government by April 1.
- Experts note that the change would impact CSR programmes of a number of large Indian companies that conduct projects through private trusts.
- The change would mean such private trusts would either have to be converted to registered public trusts, or stop acting as CSR implementing agencies "given that a sizeable amount of CSR is being contributed through their private trusts by many companies, including blue-chip companies."
- Private trusts such as the Reliance Foundation, Bharti Foundation and DLF Foundation, which handle a majority of CSR expenditure for affiliated companies, would be impacted by this change.

What are other key changes?



- The amended rules require that any corporation with a CSR obligation of Rs 10 crore or more for the three preceding financial years would be required to hire an independent agency to conduct impact assessment of all of their project with outlays of Rs 1 crore or more.
- Companies will be allowed to count 5 per cent of the CSR expenditure for the year up to Rs 50 lakh on impact assessment towards CSR expenditure.

Off-budget Borrowings

(Source: [Indian Express](#))

Context: *One of the ways to restrict their fiscal deficit to a respectable number is resorting to “off-budget borrowings”. Such borrowings are a way for the Centre to finance its expenditures while keeping the debt off the books — so that it is not counted in the calculation of fiscal deficit.*

What are off-budget borrowings?

- According to the last Budget documents, in the current financial year the Centre was set to borrow Rs 5.36 lakh crore. However, this figure did not include the loans that public sector undertakings were supposed to take on their behalf or the deferred payments of bills and loans by the Centre. These items constitute the “off-budget borrowings” because these loans and deferred payments are not part of the fiscal deficit calculation.
- This year was no exception. Every year, the Finance Minister announces the quantum of funds that will be raised by the government by borrowing from the market. This amount and the interest due on it is reflected in the government debt.
- Off-budget borrowings are loans that are taken not by the Centre directly, but by another public institution which borrows on the directions of the central government. Such borrowings are used to fulfil the government’s expenditure needs.
- But since the liability of the loan is not formally on the Centre, the loan is not included in the national fiscal deficit. This helps keep the country’s fiscal deficit within acceptable limits.
- As a result, as a Comptroller and Auditor General report of 2019 points out, this route of financing puts major sources of funds outside the control of Parliament..

How are off-budget borrowings raised?

- The government can ask an implementing agency to raise the required funds from the market through loans or by issuing bonds. For example, food subsidy is one of the major expenditures of the Centre.
- In the Budget presentation for 2020-21, the government paid only half the amount budgeted for the food subsidy bill to the Food Corporation of India. The shortfall was met through a loan from the National Small Savings Fund. This allowed the Centre to halve its food subsidy bill from Rs 1,51,000 crore to Rs 77,892 crore in 2020-21.
- Other public sector undertakings have also borrowed for the government. For instance, public sector oil marketing companies were asked to pay for subsidised gas cylinders for Pradhan Mantri Ujjwala Yojana beneficiaries in the past.
- Public sector banks are also used to fund off-budget expenses. For example, loans from PSU banks were used to make up for the shortfall in the release of fertiliser subsidy.



Disinvestment

(Source: [Indian Express](#))

Context: *Presenting the Union Budget last year, Finance Minister Nirmala Sitharaman had surprised everyone when she announced a disinvestment target of Rs 2.1 lakh crore.*

What is disinvestment?

- The Union government invests in several public sector undertakings (PSUs) such as Air India, Bharat Petroleum, Delhi Metro Rail Corporation etc. Since it is the majority shareholder (meaning that it owns more than 51% of the shares), the Centre can raise money through the liquidation of its shareholding in these PSUs.
- Such asset sales can either reduce the government's share — like when it attempted to do with the public listing of Life Insurance Corporation in 2020 — or it can also transfer the ownership of the firm altogether to the highest bidder — as it did with Bharat Aluminium Company, which was sold to the Vedanta group in 2001.

Why are PSUs up for sale?

- Broadly speaking there are two main motivations behind disinvesting in PSUs.
 - One is to improve the overall efficiency of their functioning. As PSUs, they are managed by the government on a daily basis. But in doing so, there are chances of political considerations overshadowing economic and corporate interests. This is especially true when the PSU transacts with the government — for example when it sells its products and services to the government, the pricing may be influenced by factors other than market factors. By disinvesting (or reducing the government stake), an attempt is made to make such a PSU more efficient as it would not be accountable to people and entities other than the government. The underlying hope is that private or corporate ownership will result in more efficient management.
 - The second factor is the government's need to plug its deficit. Indian governments perennially run budget deficits. In other words, the government is unable to meet its expenditures just from its tax revenues. In times of extreme monetary stress, governments have thought of selling off their stake in PSUs to raise funds and meet the gap between its expenses and revenues. Before economic liberalisation, such efforts to monetise government's assets were criticised as selling the family silver. But post-liberalisation, reducing government stake, especially in sectors — such as the strategic sectors like defence — where government presence is not necessary, disinvestment is welcomed. With the proceeds of these sales, the government can reduce its debt liabilities and raise money for investments in other parts of the economy — such as building infrastructure in the form of new roads and bridges or increased spending on providing welfare to the poor and needy in the country.

How are these revenues generated?

- All PSUs work under different departments and ministries within the government. However, the Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance is tasked with managing the Centre's investments in the PSUs. Sale of the Centre's assets falls within the mandate of DIPAM.
- Each year, the Finance Minister sets a "disinvestment target". Accordingly, bids are invited, or as in the case of LIC, public offerings are made and the PSU is privatised partially or fully.

DISINVESTMENT TARGETS, RARELY ACHIEVED

YEAR	DISINVESTMENT TARGET (BE, Rs CRORE)	ACTUAL DISINVESTMENT RECEIPTS (Rs CRORE)	ACTUALS AS A PROPORTION OF BE (%)
2006-2007	3840	0	0.00
2007-2008	41651	3392	8.14
2008-2009	1165	2	0.17
2009-2010	1120	4306	384.46
2010-2011	40000	22275	55.69
2011-2012	40000	1145	2.86
2012-2013	30000	2193	7.31
2013-2014	40000	1589	3.97
2014-2015	43425	222	0.51
2015-2016	41000	12853	31.35
2016-2017	36000	21433	59.54
2017-2018	100000	100195	100.20
2018-2019	80000	85045	106.31
2019-2020	105000	50304	47.91
2020-2021*	210000	17957.7	

Data for all years except 2020-21 from the website of the Controller General of Accounts (CGA).
 Data for the current year from the Ministry of Finance

Patharughat uprising

(Source: [Indian Express](#))

Context: *Twenty five years before the Jallianwallah Bagh massacre, more than a hundred peasants fell to the bullets of the British on January 28, 1894 in Assam. The unarmed peasants were protesting against the increase in land revenue levied by the colonial administration, when the military opened fire. Today a “martyrs column” stands where the incident took place — Patharughat, a small village in Assam’s Darrang district, 60km northeast of Guwahati.*

What led to the Patharughat uprising?

- After the British annexation of Assam in 1826, surveys of the vast lands of the state began. On the basis of such surveys, the British began to impose land taxes, much to the resentment of the farmers.
- In 1893, the British government decided to increase agricultural land tax reportedly by 70- 80 per cent. Up until then the peasants would pay taxes in kind or provide a service in lieu of cash. Across Assam, peasants began protesting the move by organising Raji Mels, or peaceful peoples’ conventions.
- Despite these gatherings being democratic, the British perceived them as “breeding grounds for sedition. So whenever there was a Raji Mel, the British used to come down on it with a heavy hand to disperse them.
- That is what happened on January 28, 1894. When the British officers were refusing to listen to the farmers’ grievances, things heated up. There was a lathi charge, followed by an open firing which killed many of the peasants present.
- Official records, as mentioned in the Darrang District Gazette, 1905, edited by BC Allen, placed the casualties in the Patharughat incident as 15 killed and 37 wounded.
- However, unofficial sources claim it was a much higher number.

Pro Active Governance and Timely Implementation (PRAGATI)

(Source: [PIB](#))

Context: *PM chairs 35th PRAGATI interaction.*

About PRAGATI

- PRAGATI is an information and communications technology-based platform for, as the name reveals, pro-active governance and timely implementation.
 - It was launched in 2015.
 - It is an interactive and integrated platform chiefly for addressing the grievances of the common man, while at the same time, monitoring government projects and programmes/schemes.
 - The platform was designed by the PMO in coordination with the National Informatics Centre.
 - The **chief aims of PRAGATI** platform:
 - Project implementation
 - Project monitoring
 - Grievance redressal
 - The platform combines three technologies namely,
 - Digital data management
 - Video conferencing
 - Geo-spatial technology
 - The platform also brings together the different secretaries of the GOI and the States’ Chief Secretaries, along with the Prime Minister.

- The PM discusses the issues related to the projects and is also presented with the ground-level situation.

Features

- The system is a 3-tier system comprising of PM, Secretaries of the GOI and State Chief Secretaries
- The PM will hold monthly interactions with the secretaries and Chief Secretaries via this platform. The interactions will take place on the fourth Wednesday of every month. The day will be called 'PRAGATI Day'.
- The issues that will be discussed are picked out from the databases related to ongoing programmes of the government, pending projects and public grievances.
- The issues will take into account the various letters written to the PM by the common man and other people.
- The PM is able to see on screen the issues and the latest updates on them.

Lala Lajpat Rai

(Source: [PIB](#))

Context: PM pays tributes to Lala Lajpat Rai on his Jayanti.

About Lala Lajpat Rai

- Born in 1865 in Moga district, Punjab to a middle-class family.
- Was a lawyer by profession.
- Also called 'Punjab Kesari'.
- He joined the Indian National Congress (INC) and participated in many political agitations in Punjab.
- For his political agitation, he was deported to Burma without trial in 1907 but returned after a few months because of lack of evidence.
- He was opposed to the partition of Bengal.
- He founded the Home Rule League of America in 1917 in New York. In the USA, he worked to get moral support for the Indian independence movement from the international community.
- He was also elected President of the All India Trade Union Congress.
- He supported the non-cooperation movement of Gandhi at the Nagpur session of the Congress in 1920.
- He protested against the Rowlatt Act and the Jallianwala Bagh massacre that followed.
- He was the editor of the Arya Gazette, which he had founded.
- He founded the Servants of People Society in 1921.
- He co-founded the Punjab National Bank in 1894.
- He was elected deputy leader of the Central Legislative Assembly in 1926.
- In 1928, he moved a resolution in the assembly refusing cooperation with the Simon Commission since the Commission had no Indian members.
- He was leading a silent protest against the Simon Commission in Lahore when he was brutally lathi-charged by Superintendent of Police, James Scott. Rai died of injuries sustained a few weeks later. Bhagat Singh and a few other revolutionaries vowed to take revenge for Rai's death and plotted to kill Scott. But he shot and killed John Saunders, an Assistant Superintendent of Police in a case of mistaken identity.

Kala Utsav

(Source: [PIB](#))

Context: *Kala Utsav 2020 concluded.*

About Kala Utsav:

- Kala Utsav is an initiative of the Ministry of Human Resource Development (now called Ministry of Education) under Rashtriya Madhyamik Shiksha Abhiyan, to promote arts in education by nurturing and showcasing the artistic talent of school students at the secondary stage in the country.
- In the context of education of arts (music, theatre, dance, visual arts and crafts), the initiative is guided by the recommendations of the National Curriculum Framework 2005 (NCF-2005).
- Kala Utsav 2020 was launched online in January 2021 through a digital platform.
- Many teams from various states/UTs participated in the competitions which included dancing, singing, instrumental music, visual arts, etc.
- In the competitions of Kala Utsav 2020 organised from 11 to 22 January 2021, a total of nine art forms, namely— 1. Classical singing 2. Traditional folk song 3. Classical instruments 4. Traditional/folk instruments 5. Classical dance 6. Folk dance 7. Visual Arts (Two-dimensional) 8. Visual Arts (Three-dimensional) 9. Local games-toys are included. Earlier there were only four art forms in Kala Utsav, now another five art forms have been added in it.

INTERNATIONAL

Office of the High Commissioner for Human Rights (OHCHR)

(Source: [The Hindu](#))

Context: *The top human rights body of the United Nation, the OHCHR has urged the Indian government to release the activists who are in prison for the 2018 Bhima Koregaon case, “at the very least on bail”. Several prominent activists like Varavara Rao and Fr. Stan Swamy remain in custody even as the case is being investigated.*

About OHCHR

- The Office of the High Commissioner for Human Rights (UN Human Rights) is the leading UN entity on human rights. I
- t represent the world's commitment to the promotion and protection of the full range of human rights and freedoms set out in the Universal Declaration of Human Rights.
- Both the High Commissioner and the Office have a unique role to:
 - **Promote and protect all human rights:** It speak out objectively in the face of human rights violations and help elaborate the standards that are used to evaluate human rights progress worldwide.
 - **Help empower people:** It's research, education, and advocacy activities, contributes to the increased awareness and engagement by the international community and the public on human rights issues. This means thousands of people in all regions of the world are empowered to claim their rights.
 - **Assist Governments:** Through its field presences, it helps prevent abuses and contribute to defusing situations that could lead to conflict. its monitoring and analysis feeds sensitive decision-making and development programming. It also provide capacity-building and legal advice to thousands, supporting the development and judicious enactment of laws and policies the world around.
 - **Inject a human rights perspective into all UN programmes:** It mainstream human rights into all UN programmes to ensure that peace and security, development, and human rights - the three pillars of the UN - are interlinked and mutually reinforced.

History of the mandate

- The UN General Assembly established The Office of the High Commissioner for Human Rights in December 1993 through its resolution 48/141 which also details its mandate. This was just a few months after the World Conference on Human Rights adopted the Vienna Declaration and Plan of Action.
- Adopted by 171 States, the Vienna Declaration renewed the world's commitment to human rights. It also called for strengthening and harmonizing the monitoring capacity of the United Nations system with regards to human rights.

World Economic Forum

(Source: [AIR](#))

Context: *Prime Minister Narendra Modi addressed the World Economic Forum's Davos Dialogue through video conferencing.*

About the World Economic Forum (WEF):



- The WEF is an international NGO founded in 1971 and based in Cologny, Switzerland.
- Earlier known as the European Management Forum, it changed its name to its current one in 1987.
- The WEF states its mission as “committed to improving the state of the world by engaging business, political, academic, and other leaders of society to shape global, regional, and industry agendas”.
- The WEF hosts an annual meeting at the end of January in Davos, Switzerland. The meeting brings together some 3,000 business leaders, international political leaders, economists, celebrities and journalists for up to five days to discuss global issues, across 500 sessions.

International Energy Agency (IEA)

(Source: [PIB](#))

Context: *The Framework for Strategic Partnership between the International Energy Agency (IEA) members and the Government of India was signed in January 2021 to strengthen mutual trust and cooperation & enhance global energy security, stability and sustainability.*

About IEA

- International Energy Agency (IEA) was established during the oil crisis of 1973-1974. It is an intergovernmental autonomous organisation based in Paris.
- IEA has a major role to play in providing information related to the international oil market and taking action against any physical disruptions in the supply of oil.
- IEA also acts as a policy adviser for its 30 member countries as well as for the non-member countries, especially China, India, and Russia.

Objectives of IEA

- The International Energy Agency was established with an objective to coordinate the response of the participating states to the world energy crisis along with developing a mechanism for oil-sharing for use during supply difficulties.
- IEA mainly focuses on its energy policies which include economic development, energy security and environmental protection. These policies are also known as the 3 E'S of IEA.

Structure of Indian Energy Agency (IEA)

- The IEA consists of three main controlling bodies:
 - Governing Board
 - Management Committee
 - The Secretariat
- The Governing Board is composed of ministers of all the member-governments who are responsible for decision making.
- The Board is assisted by three standing groups dealing with emergency questions, long-term cooperation and the oil market.
- The Management Committee deals with energy, research and development and the non-member countries.
- The Secretariat is headed by the Executive Director. Apart from these, the IEA also maintains an import-monitoring system and a quick response mechanism.



Axiom Mission

(Source: [Indian Express](#))

Context: *A former Israeli fighter pilot, an American technology entrepreneur and a Canadian investor will be part of the crew of the first entirely-private orbital space mission. The three men are paying a whopping \$55 million each to fly aboard a SpaceX rocket for an eight-day visit to the International Space Station, organised by Houston-based spaceflight firm Axiom.*

The mission

- The Axiom Mission 1 (AX 1) flight is being arranged under a commercial agreement with NASA.
- While private citizens have travelled to space before, the AX 1 mission will be the first to use a commercially built spacecraft, the SpaceX Dragon 2, best known for flying its first two crews to the ISS late last year.
- Elon Musks' SpaceX is scheduled to launch the all-private crew no earlier than in January next year. After lifting off from Cape Canaveral in Florida, the crew will take about a day or two to arrive at the ISS and will then proceed to spend eight days there, AP reported.
- But Axiom insists that the mission is by no means a vacation.
- The three men will participate in research and philanthropic projects alongside the astronauts from all over the world who are already stationed at the ISS.

The Oversight Board

(Source: [Indian Express](#))

Context: *Facebook has referred the decision to restore former US President Donald Trump's account to the Oversight Board. Trump's Facebook account was suspended indefinitely a day after the Capitol Hill siege took place on January 6.*

What is the Oversight Board?

- The Oversight Board was proposed in 2018 primarily to decide “what to take down, what to leave up – and why”.
- It is a separate entity from Facebook whose first members were announced in May 2020 and includes academicians and experts from different fields such as law, digital rights and technology.
- The purpose of the body is to “promote free expression by making principled, independent decisions regarding content on Facebook and Instagram”.
- The board was established last year and gives users the ability to appeal to the board, giving them a chance to challenge content decisions on Facebook and Instagram. For instance, if a user on any of the two platforms has requested that either of them review one of their content decisions and the user is not happy with the final decision, he or she can write an appeal to the board.
- However, this does not mean that the board will oversee all appeals, but will select cases based on how significant and difficult they are and if they are globally relevant and have the potential to inform future policy.
- In December, the board announced some of the first cases that it will be deliberating over. Out of 20,000 cases that were referred to the board, it has selected only six because they have the potential to affect most users around the world and are important since they raise questions about Facebook's policies.
- One of the cases pertains to a user in the US who reshared a memory post that mentioned an alleged quote from Joseph Goebbels, the Reich Minister of Propaganda in Nazi Germany, on the need to



appeal to emotions and instincts, instead of intellect, and on the unimportance of truth. Facebook removed this post since it violated its policy on “dangerous individuals and organisations”. In their appeal to the board, the user said that the quote is important since the user considered Trump’s presidency to be following a fascist model

- The New York Times has referred to the board as a “corporate superboard”, which is expected to decide over the course of the next 87 days if Trump should be given back his access to his Facebook account.

Climate Risk Index 2021

(Source: [Down to Earth](#))

Context: *Five African countries were among the global top 10 to suffer extreme weather in 2019, the Climate Risk Index 2021, released by environmental think tank Germanwatch said January 25, 2021.*

Details:

- The index also ranked India as the country that suffered the second-highest monetary loss due to climate change in 2019 after Japan. The index was released ahead of the climate adaption summit that began virtually January 25 and is hosted by the Netherlands.
- It also showed that eight out of the ten countries most affected by extreme weather events in 2019 belong to the category of low to lower-middle income. Five of them fall into the category of Least Developed Countries.

Africa, India on top

- Mozambique, Zimbabwe, Malawi, South Sudan and Niger were the five African countries among the ten most-affected due to extreme weather in 2019 according to the index. Mozambique and Zimbabwe were ranked first and second. Malawi was ranked fifth, South Sudan eighth and Niger ninth.
- Mozambique, Zimbabwe and Malawi made it to the list primarily due to Cyclone Idai. The deadliest and costliest tropical cyclone in the south-west Indian Ocean, Idai was labelled as “one of the worst weather-related catastrophes in the history of Africa” by United Nations Secretary-General António Guterres.
- It affected three million people and claimed over 1,000 lives, caused economic losses amounting to Rs 16,500 crore.
- In 2019, most lives lost due to climate change were in India, which also suffered the second-highest monetary loss. India was the seventh-most affected country on the index.
- In 2019, the southwest monsoon continued for a month longer than usual. The surplus of rain caused major hardship, the report said. Some 2,267 Indians died due to the extreme weather and the country lost \$68,812.
- With eight tropical cyclones, the year 2019 was one of the most active Northern Indian Ocean cyclone seasons on record. Six of the eight cyclones intensified to become “very severe”, the report said.

Poverty’s curse

- The long-term risk index mapped in the report for the last two decades also showed that low to lower-middle income countries had been the most affected.
- In two decades (2000-2019), over 475,000 people lost their lives as a direct result of more than 11,000 extreme weather events globally and losses amounted to around \$2.56 trillion (in purchasing power parities).
- Puerto Rico, Myanmar and Haiti were the most-affected countries during these two decades. They are followed by the Philippines, Mozambique and the Bahamas.
- The countries most impacted by extreme weather events should consider the index as a warning sign that they are at risk of either frequent events or rare but extraordinary catastrophes, the report said.

The UAE's new residency laws for foreign university students

(Source: [Indian Express](#))

Context: *The United Arab Emirates (UAE) has approved an amendment to its residency laws allowing foreign university students to bring their families with them to the UAE, as long as they can afford suitable accommodation and have the financial means to support them.*

What is the latest amendment to the UAE's residency laws?

- Over the last few years, the UAE has approved a number of new residency options — including a long-term Golden visa and five-year renewable retirement visa — to draw in more foreign residents to the country.
- As per the recent amendment, foreign students studying at one of UAE's many universities now have the option of bringing their families to the country to live with them. However, the students must have sufficient income to support the move and afford suitable housing.
- The Cabinet also approved a resolution to allow foreign university students to invite their family members to come to the UAE, as long as they can afford suitable housing.
- Expatriate students over the age of 18, who are sponsored either by a parent or accredited university in the UAE, are usually granted a one-year student visa. Generally, students are required to renew their visa every one year. But on November 24, 2018, the UAE government introduced a new long-term residency scheme, also called the 'gold' visa, for "outstanding" students.
- Students who graduate with a GPA of at least 3.75 from universities both within and outside the country are permitted to apply for the special 5-year visa. According to the UAE Government website, the visa benefits also include the families of the students.

The Great Reset

(Source: [The Indian Express](#))

Context: *The Great Reset is an initiative by the World Economic Forum. It has been conceptualised by the founder and executive chairman of the WEF, Klaus Schwab, and has evolved over the last few years. It is based on the assessment that the world economy is in deep trouble. Schwab has argued that the situation has been made a lot worse by many factors, including the pandemic's devastating effects on global society, the un-folding technological revolution, and the consequences of climate change.*

Agenda:

- The agenda of The Great Reset touches on many key issues facing the world. Three of them stand out.
 - First is the question of reforming capitalism. Davos has been at the forefront of calling for "stakeholder capitalism" that looks beyond the traditional corporate focus on maximising profit for shareholders.
 - Second, Davos is certainly right to focus on the deepening climate crisis. Climate sceptics have been ousted from Washington and President Biden has rejoined the 2015 Paris accord on mitigating climate change.
 - Third is the growing difficulty of global cooperation that Davos wants to promote. The era of great power harmony that accompanied the liberalisation of the global economy at the turn of the

1990s has yielded place to intense contestation. The contestation is not just political but increasingly economic and technological.

- But whether it is a clever gimmick or a serious attempt to produce structural changes in the organisation of global capitalism, the initiative has set off furious conspiracy theories on the right and contemptuous dismissal from the left.
- The right sees the WEF arguments about restructuring the global economy as a dangerous attempt to impose 'socialism' and dismantle the traditional society, or what remains of it.
- The left scoffs at the Davos Man's talk on the crisis of capitalism. It points to the complicity of the Davos forum in promoting policies that have brought the world to the current impasse and question its capacity to produce solutions.

The US-Taliban deal

(Source: [Indian Express](#))

Context: *The Biden administration has said that it will review the US-Taliban deal to see if the Taliban are able to keep their end of the bargain. The deal was signed last year in February and is meant for "Bringing Peace to Afghanistan" enabling the US and NATO to withdraw their troops, which has been a longstanding demand of the Taliban.*

What is this agreement?

- The four-page pact was signed between Zalmay Khalilzad, US Special Representative for Afghanistan Reconciliation, and Mullah Abdul Ghani Baradar, political head of the Taliban on February 29, 2020.
- The agreement said "[a] permanent and comprehensive ceasefire will be an item on the agenda of the intra-Afghan dialogue and negotiations. The participants of intra-Afghan negotiations will discuss the date and modalities of a permanent and comprehensive ceasefire, including joint implementation mechanisms, which will be announced along with the completion and agreement over the future political roadmap of Afghanistan".
- Separately, a three-page joint declaration between the Afghan government (Islamic Republic of Afghanistan) and the US was issued in Kabul at the time.

Significance of this deal

- Some of the important elements of the deal include the withdrawal of US troops along with bringing down NATO or coalition troop numbers within 14 months from when the deal was signed.
- The main counter-terrorism commitment by the Taliban is that "Taliban will not allow any of its members, other individuals or groups, including al-Qaeda, to use the soil of Afghanistan to threaten the security of the United States and its allies".
- Other elements include removal of sanctions on Taliban leaders, releasing prisoners held by both sides and ceasefire.
- The joint declaration is a symbolic commitment to the Afghanistan government that the US is not abandoning it. The Taliban were able to negotiate some of the elements they wanted such as troops withdrawal, removal of sanctions and release of prisoners. This has also strengthened Pakistan, the Taliban's benefactor, and the Pakistan Army and the ISI's influence appears to be on the rise.
- However, the Afghan government was completely sidelined during the talks between the US and the Taliban. Therefore, the future for the people of Afghanistan is uncertain and will depend on how the Taliban honours its commitments. What the Taliban want out of a political settlement is unclear.
- In the past, they have denounced democracy as a western imposition on their vision of Afghanistan. They have dropped several hints of a return to the Taliban-run Islamic Emirate of Afghanistan of 1996-



2001. But they have signaled they may accept some of the democratic gains Afghanistan has made in the last two decades.

- Much will depend on whether the US and the Taliban are able to keep their ends of the bargain, and every step forward will be negotiated, and how the Afghan government and the political spectrum are involved.

Doomsday Clock

(Source: [Indian Express](#))

Context: *The hands of the ‘Doomsday Clock’, a visual depiction of how vulnerable the world is to a climate or nuclear catastrophe, remained at ‘100 seconds to midnight’ for the second consecutive year — the closest it has been to the symbolic annihilation of humanity.*

What is the ‘Doomsday Clock’?

- The Bulletin of the Atomic Scientists, founded by Albert Einstein and students from the University of Chicago in 1945, created the ‘Doomsday Clock’ as a symbol to represent how close the world is to a possible apocalypse.
- It is set annually by a panel of scientists, including 13 Nobel laureates, based on the threats — old and new — that the world faced in that year.
- When it was first created in 1947, the hands of the clock were placed based on the threat posed by nuclear weapons, which the scientists then perceived to be the greatest threat to humanity. Over the years, they have included other existential threats, such as climate change and disruptive technologies like artificial intelligence.
- The reason the scientists selected a clock to convey the metaphor is twofold — they wanted to use the imagery of an apocalypse (midnight) as well as the “contemporary idiom of a nuclear explosion” (countdown to zero) to illustrate the threats to humanity.
- The clock was originally set to seven minutes to midnight and has since moved closer or further away from the dreaded 12 o’clock position. The furthest it has been is 17 minutes after the end of the Cold War in 1991.

Amendments in Thailand’s abortion law

(Source: [Indian Express](#))

Context: *Thailand’s Parliament voted to make abortion during the first 12 weeks of pregnancy legal. Before this, abortion was illegal in the country, regardless of the duration of the pregnancy and was allowed only in limited circumstances governed by the country’s medical council.*

What changes for women in Thailand now?

- In February last year, Thailand’s constitutional court called the provision dealing with abortion, which is under the country’s criminal code, unconstitutional. As per this provision, women who got an abortion could be imprisoned for up to three years and those who performed them could be imprisoned for up to five years. Following this, the court gave the Thai government 360 days to change the laws dealing with abortion.
- As per the new amendments, women can get an abortion if the age of the foetus is up to 12 weeks. But if a woman gets an abortion after 12 weeks, she can face being imprisoned for up to 6 months and will be liable to pay a fine of 10,000 baht or face both.

- Significantly, abortions can be carried out after the completion of the first trimester, but only if they are in line with the criteria established by the Medical Council of Thailand (MCT). As per these criteria, a pregnancy can be terminated beyond the permitted period of time if it poses a threat to the mother's physical or emotional health, if the foetus is known to have abnormalities or if the pregnancy is the result of a sexual assault.

Opposition to abortion in Thailand

- The opposition to abortion comes mainly from Thailand's majority of conservative Theravada Buddhists who believe that abortion goes against the teachings of Buddhism.
- Even so, illegal abortions are not uncommon in Thailand before this. For instance, in 2010 dozens of white plastic bags were found on the grounds of a Buddhist temple. Each of these bags contained the remains of a foetus. At the time, Thai authorities found over 2000 remains in the temple's mortuary, where the remains had been hidden for over a year. The country's prime minister at the time, Abhisit Vejjajiva was opposed to legalising abortions and maintained that more should be done to stop illegal abortions.
- In the book titled, "Abortion, Sin and the State in Thailand", author Andrea Wittaker says that over 300,000 illegal abortions are performed in the country each year.
- In the same year, the arrest of a 17-year-old girl after she attempted to perform an abortion on herself with drugs obtained over the internet reignited the debate on abortion in the country.

COVID-19 performance ranking

(Source: [The Hindu](#))

Context: *New Zealand and Vietnam were ranked the best performing countries in their response to the pandemic, according to a COVID-19 "performance index" put together by the Lowy Institute, an Australian think tank, which sought to assess the impact of geography, political systems and economic development in assessing outcomes.*

Details:

- The index, which was based on six different indicators, including confirmed cases and deaths per million people and the scale of testing, sought "to gauge the relative performance of countries", assessing 98 countries in the 36 weeks that followed their hundredth case.
- India ranked 86 out of 98 countries, while the U.S. stood at 94 and Brazil at the bottom of the index. Taiwan, Thailand and Cyprus were in the top five. Sri Lanka was the best faring nation in South Asia, ranking 10, while the Maldives was at 25, Pakistan at 69, Nepal at 70, and Bangladesh at 84.
- The think tank said China was not included "due to a lack of publicly available data on testing".
- Assessing regional responses, the institute found that although the outbreak began in China, the Asia-Pacific region fared the best, while Europe and the U.S. were initially overwhelmed.
- Europe, however, "registered the greatest improvement over time of any region" before succumbing to a second wave, which it attributed to more open borders.
- Population size was one factor. Smaller countries with fewer than 10 million people "consistently outperformed their larger counterparts throughout 2020".
- The level of economic development and regime-type were less significant than expected, which it attributed to "the relatively 'low-tech' nature of the health measures used to mitigate the spread of the virus" which "may have created a more level playing field between developed and developing countries".
- "In general, countries with smaller populations, cohesive societies, and capable institutions have a comparative advantage in dealing with a global crisis such as a pandemic," the think tank concluded.

Mains

GS I

Oxfam report on Inequality

(Source: [The Hindu](#))

Context: Oxfam International's annual report on inequality for 2021, aptly titled 'The Inequality Virus', puts the uncomfortable but imperative spotlight on the obscene inequality between the few in "super yachts" and the overwhelming majority "clinging to the drifting debris". The report was published on the opening day of the World Economic Forum's 'Davos Dialogues'.

Highlights of the reports

- The Oxfam report highlights deeply uncomfortable truths of how the virus has exposed, fed off, and increased existing inequalities of wealth, gender and race.
- Over two million people have died, and hundreds of millions of people are being forced into poverty while many of the richest, both individuals and corporations, are thriving. Worldwide, billionaires saw their wealth increase by a staggering \$3.9 trillion between March 18 and December 31, 2020.
- Within nine months, the top 1,000 billionaires, mainly white men, had recovered all the wealth they had lost, while recovery for the world's poorest people according to most estimates could take over a decade.
- The pandemic, which is the greatest economic shock since the Great Depression, saw hundreds of millions of people lose their jobs and face destitution and hunger. This shock is set to reverse the decline in global poverty we have witnessed over the past two decades. It is estimated that the total number of people living in poverty could have increased by between 200 million and 500 million in 2020.
- Globally, women are over-represented in the sectors of the economy that are hardest hit by the pandemic. If women were represented at the same rate as men in those sectors, 112 million women would no longer be at high risk of losing their incomes or jobs.
- The unequal impact of the pandemic, in addition to this gender dimension, also has a race dimension. In Brazil, for example, people of Afro-descent have been 40% more likely to die of COVID-19 than white people. The virus has also led to an explosion in the amount of underpaid and unpaid care work, done predominantly by women, and in particular women from groups facing racial and ethnic marginalisation.

The rich and poor in India

- Sadly, India is a case in point. The country introduced one of the earliest and most stringent lockdowns in the face of the pandemic, whose enforcement brought its economy to a standstill triggering unemployment, hunger, distress migration and untold hardship.
- The rich have been able to escape the pandemic's worst impact. White-collar workers have easily isolated themselves and have been working from home. The wealth of Indian billionaires increased by 35% during the lockdown and by 90% since 2009.
- This is despite the fact that most of India has faced a loss of livelihood and the economy has dipped into recession. The increase in the wealth of the top 11 billionaires during the pandemic can easily sustain the Mahatma Gandhi National Rural Employment Guarantee Scheme or the Health Ministry for the next 10 years.
- We have read astonishing stories of how Mukesh Ambani was making ₹90 crore per hour during the lockdown when 24% of the population was earning under ₹3,000 per month. According to the International Labour Organization, with almost 90% working in the informal economy in India, about 40 crore workers in the informal economy are at risk of falling deeper into poverty.
- The Oxfam report undertook a survey of 295 economists from 79 countries. They included leading global economists such as Jayati Ghosh, Jeffrey Sachs and Gabriel Zucman. Of the respondents, 87%

expected that income inequality in their country was going to significantly increase as a result of the pandemic.

- These levels of inequality are not viable and will have a deeply harmful impact. This concern is shared by the International Monetary Fund (IMF), the World Bank, and the Organisation for Economic Co-operation and Development. The IMF Managing Director, Kristalina Georgieva, said, “The impact will be profound [...] with increased inequality leading to economic and social upheaval.”

Fighting inequality

- India just celebrated its 72nd Republic Day. We must recognise that a radical and sustained reduction in inequality is the indispensable foundation for a just India, as envisioned in the Constitution. The government must set concrete, time-bound targets to reduce inequality.
- We must move beyond the focus on GDP and start to value what really matters. Fighting inequality must be at the heart of economic rescue and recovery efforts. This must include gender and caste equality. Countries like South Korea, Sierra Leone and New Zealand have committed to reducing inequality as a national priority, showing what can be done.
- Four things could be done on priority.
 - One, invest in free universal healthcare, education, and other public services. Universal public services are the foundation of free and fair societies and have unparalleled power to reduce inequality, including gender and caste inequality. An immediate step could be delivering a free ‘people’s vaccine’ to all citizens to tackle the pandemic.
 - Two, the virus has shown us that guaranteed income security is essential. For this to happen we need not just living wages but also far greater job security, with labour rights, sick pay, paid parental leave and unemployment benefits if people lose their jobs.
 - Three, reintroduce wealth taxes and ensure financial transaction taxes while putting an end to tax dodging. Progressive taxation is the cornerstone of any equitable recovery, as it will enable investment in a green, equitable future. Argentina showed the way by adopting a temporary solidarity wealth tax on the extremely wealthy that could generate over \$3 billion.
 - Four, we need to invest in a green economy that prevents further degradation of our planet and preserves it for our children. The fight against inequality and the fight for climate justice are the same fight.



GS II

Education sector needs Budget stimulus

(Source: [The Hindu Businessline](#))

Context: For India to achieve Sustainable Development Goals (SDGs) by 2030 and to accomplish its vision of becoming a self-reliant \$5 trillion economy, one of the fundamental requirements will be to focus and invest in education. In the recent past, the government has made significant strides in this sector, a monumental development being the National Education Policy (NEP) 2020 reforms that is currently under way.

Focus areas

- Therefore, the upcoming Union Budget 2021 will be key for two reasons.
 - First, it is likely to provide an in-depth view of the implementation of NEP 2020.
 - And, second, this is the first Budget post-pandemic, and hence will be key with regard to how it will get the education sector back on track from the pandemic impact.
- Budget 2021 must emphasise on the following segments.
 - **First, the** focus on skill development must be deepened, right from the corporate sector to the low-income group youth, ensuring Indians are equipped with the necessary skills to support and accelerate the economy. According to a survey report by FICCI, at least 9 per cent Indians will be in jobs that does not exist currently and 37 per cent of workforce will require radically changed skillsets to meet their employment demands.
 - Another report, by McKinsey, highlights the fact that as many as 87 per cent of surveyed executives said that their organisations were either experiencing skill gaps or expecting them to happen within the next few years. The pandemic has emphasised the need to fill this gap and has put the spotlight on the need to re-skill and up-skill citizens across levels and sectors. Hence, there is a need to grant appropriate stimulus to skill development and ensure inclusive growth opportunities for all, as well as create a workforce that is ready to meet the global demands too.
 - **Second, education** infrastructure is another important segment which the Budget should focus on. The pandemic forced over 1.5 million schools across India to close overnight, showing the necessity for digital education. Although in the post-pandemic ecosystem, digital education has been embraced, India still needs to build capabilities to support blended learning completely.
 - According to a UNICEF report, only 24 per cent of Indian households have internet to access e-education. Therefore, education infrastructure lending is a necessity to aid the development of K-12 schools across the country. As India shifts towards blended learning and the usage of technology becomes paramount, the government must consider granting 'infrastructure status' to education institutions to make quality education affordable and accessible for deserving Indian students.
 - Focus from the government and easy availability of capital will induce an environment of innovation in the field of education, which can help bridge the demand and supply challenges in this sector.
 - **Finally, the** Budget should implement reforms such as refinancing of retail education loans for lower ticket size. Such financing scheme, similar to one available to HFCs (housing finance companies), can provide a boost to the education loan segment and contribute to liquidity management for NBFCs. This in turn would provide necessary momentum for NBFCs to create a stronger customer proposition and contribute to building the economy at large.
 - The education sector is undoubtedly on the cusp of an exciting phase with policy push and technological advancements. We are positive about the growing inclination towards equitable and quality education. We hope that the new directions will help bridge the



existing educational gaps and secure a sustainable long-term growth structure that will further boost the economy.

Mining sector — unburdening the legacy issues

(Source: [The Hindu Businessline](#))

Context: *India has huge mineral deposits, but the country's mining sector is still suffering from legacy issues. Making a fresh attempt for a course correction, the Union Cabinet recently approved a blueprint to usher in reforms in the mining sector.*

Details:

- This blueprint, which will be presented in the coming Parliament session, proposes to amend the Mines and Mineral (Development and Regulation) Act, 1957, clarifying doubts on double taxation, rationalising stamp duty and developing the National Mineral Index, among others.
- This is not the first attempt by a government to bring in reforms in this sector. But why did the earlier attempts not yield significant results? What were the constraints? Why has the potential of the sector not being fully realised?
- According to the government's own assessment, traditionally, one percentage point growth in mining pushes up the growth rate of industrial production by 1.2-1.4 percentage points. Also, one direct job in the sector creates 10 indirect jobs. The mineral sector's contribution to the GDP is only 1.75 per cent, currently.
- Despite having a huge potential, the country is far from being Atmanirbhar in mineral production. India imports minerals worth over ₹2.5-lakh crore every year whereas the domestic production is only half of that, at ₹1.25-lakh crore.
- With the latest move, the government aims to increase minerals production by 200 per cent in seven years. But can it achieve that? There is an urgent need to unlock the sector, everyone agrees, but still remain cautious.
- According to Aruna Sharma, a Development Economist and a former Secretary to the government, "Let us say a move has been made. Intent is there. But the devil lies in the detail. One has to see what the rules say once the amendments pass Parliament muster."

Auctions -- a mixed bag

- For example, the "auction only" regime for allocation of mineral blocks was introduced by the Modi government under the MMDR (Amendment) Act, 2015. However, holders of partially or minimally explored blocks were protected and kept out of the auction regime. This relief was given under Section 10A (2)(b) of the Act. But these concessions have neither resulted in a mining lease nor have they reached closure till date.
- Similarly, existing holders of Letters of Intent were given protection and kept out of the auction regime on the condition that they will obtain mining leases in a two-year period, by January 2017. This relief was given under Section 10A(2)(c) of the Act. These holders also have not been able to obtain mining leases so far.
- India's huge mineral reserves (about 2.7-lakh hectares of mineral land) are locked because of legacy issues created by the provisions of Section 10A (2) (b) and 10A (2) (c). Also, public sector enterprises have for long been sitting on a large number of blocks without producing.
- Hence, the government, after wide consultations with States, ministries, industry associations, public and NITI Aayog, plans to bring in major structural reforms that can help India become Atmanirbhar in the mineral sector.



- A step towards this is to resolve the legacy issues by amending Section 10A (2)(b) and 10A (2)(c) of the MMDR Act and granting mineral rights only through auction for these blocks. It also proposes to reimburse exploration expenditure of those lease holders whose rights under Section 10A(2)(b) have lapsed.
- If a PSU does not obtain a mining lease in the specified time, its allotted mineral block will be auctioned by the State government.
- The major objective of the latest set of reforms is to generate jobs, reduce imports and increase production by bringing large mineral blocks into auction.
- These amendments will bring a large number of mines for auction. The government believes this will help strengthen the “auction only” regime and boost transparency in the system.

The counterpoint

- One of the major reforms which is being highlighted is repealing of Section 10 A (2)(b) thereby claiming to make more than 500 mineral blocks available for auction.
- It is worth mentioning that while amending the MMDR Act, 1957 in 2015, the government had acknowledged the valuable contribution made by these license holders by introducing Section 10A(2)(b).
- And now removing it from the Act and offering such blocks for auction is against natural justice and will have far reaching adverse implications on the growth of the domestic mineral sector besides tarnishing the image of the country globally.
- It will also show that the government has faltered on its Act and is bound to lead to irreparable loss of investors' confidence in Indian mineral sector, apart from multiple litigation in Courts resulting in such an exercise of the government being rendered completely futile.
- Moreover, it will also affect adoption of state-of-the-art technology required in exploration and mining sector besides impeding much-needed FDI, the recent experience of auctioning of coal blocks for commercial mining is a testimony where none of the international mining companies evinced interest to participate despite best efforts of the government to attract FDI in coal sector.

Implementation, the key

- It is also important to note that the government has been taking corrective measures. If implemented properly they will strengthen the auction regime, increase production by auctioning large number of mineral blocks as almost 500-plus non-operational blocks will be made available for auction.
- But, as is the case with electricity, in mining too, States play a critical role. It will be important for the Centre to have States on board. It needs to adopt a consultative approach for the sector.
- Besides, on paper, the blueprint seems attractive but it remains to be seen when it finally becomes a law, how good the rules are to implement it. Till then one will have to wait and watch.

A Budget blueprint for difficult times

(Source: [The Hindu](#))

Context: *As the country prepares to enter a new financial year after an ominous and gloomy 2020-21, there are great expectations about green shoots and the shape of the economic recovery.*

Missed opportunities

- The sudden onslaught and rapid spread of COVID-19 have devastated most nations. Yet, we believe India could have done better. A better planned lockdown by being sensitive to India's unique conditions of a large migrant and informal workforce could have reduced the deep distress in the labour market.



- A responsible and generous fiscal aid package would have soothed millions of struggling families, brought food to starving homes and contained widening inequality. The Reserve Bank of India's actions to supply enough liquidity were laudable, but they were inadequate.
- One of the most telling signs of the economic desperation of Indian families was — and is — the demand for work under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) programme.
- After being mocked by the Prime Minister, MGNREGA, by providing work at minimum wages to anyone that asked, has proved to be the only safety net for hundreds of millions of Indian households during these times of severe distress. Nearly 120 million people have asked for work under MGNREGA this financial year, the highest in the history of the programme.
- Total work demanded under MGNREGA in 2020-21 is 53% higher than last year. The optimism about headline economic recovery in the last few months seems hollow when we realise that nearly 35 million people have requested MGNREGA work in the months of December and January, the highest in the last six months. Such continued high demand for MGNREGA work at subsistence wages is a clear sign that there is no true economic recovery, let alone a 'V' or any other letter shaped.
- Even as hundreds of millions of Indians were struggling with loss of jobs and MGNREGA work, India's stock markets were exuberant and reached record levels. India's stock market indices are at the highest levels ever.
- The top 50 companies increased their market wealth by nearly ₹3,00,000 crore (\$40 billion) during this time. The excess liquidity pumped in by central banks is finding its way to asset markets, including India's stock markets, driving it to unreasonable highs. If the stock market exuberance were to benefit the broader economy and most Indians, then it is welcome.
- The benefits of rising stock markets have accrued only to a minuscule few. The curative economic measures of governments in response to the COVID-19 pandemic may have unintentionally caused one of the worst phases of economic disparity between the rich and the poor in most nations.

Threats and weaknesses

- Soaring asset prices and supply shocks have also led to a rise in consumer price inflation. Rising inflation will inevitably force the RBI to tighten interest rates or at least pause the lowering of rates. A tighter monetary policy carries the risk of slowing down private investment, with the consequential effect of lacklustre growth in jobs and wages. India's macro economy is, thus, precariously poised and needs deft handling.
- The external sector could be a potential saviour of India's economy as global trade grows from its post-COVID-19 lows. Unfortunately, however, the government has shot itself in the foot by reversing its trade policy suddenly and turned inwards toward import substitution, quantitative restrictions, non-tariff barriers and shunning trade alliances.
- Over the past three decades, a surge in labour intensive exports has been the predominant driver of growth in jobs and wages for millions of high- and low-skilled Indians. The slowdown in exports and the misplaced aversion to two-way external trade will further harm the livelihoods of many Indians.
- India's fiscal policy response to the COVID-19 shock has been underwhelming. The lack of a basic minimum income safety net to cope with the shock has plunged millions of families into poverty. As of December, 12 million adult Indians have dropped out of the labour force compared to last year when, given India's demographic profile, there should have been a net addition to the labour force.
- Unemployment in the formal sector too is very high. Most supply-side measures such as the government's corporate tax cuts, loan moratoriums, and guaranteed credit schemes seem to have helped corporates to boost their profits and reduce their debt. They have hardly been used to make new investments or create jobs or increase wages.
- Besides, in continuation of previous policy catastrophes (demonetisation, muddled Goods and Services Tax), the government has sought to thrust ill-thought policies such as the controversial farm laws on the nation, with no consultation or discussions.



- As a result, the lone bright spot in the economy thus far — agriculture — has also been wrecked with rising anger among farmers, confusion over farm produce procurement, doubts over the continuation of Minimum Support Price, and a loss of trust between farmers and the government.
- The other fiscal measure to aid the needy is to embark on a large-scale public investment programme that can stimulate economic activity, create jobs and revive demand.
- However, the government's fiscal situation is bleak. The government had budgeted to collect tax revenues of ₹16-lakh crore in 2020-21. Eight months into the year, the government has been able to collect only ₹7-lakh crore in tax revenues at the end of November 2020. In contrast, the government had budgeted to spend ₹30-lakh crore this financial year and is on track to fulfilling, and even possibly exceeding, its expenditure budget.
- We believe that the government was right to not cut back on expenditure despite falling revenues during a time of unprecedented crisis, though we may differ on the priorities of expenditure. Therefore, India's fiscal deficit is bound to rise significantly. We can live with it provided there are smart responses to inflation and future borrowing.

The non-negotiables

- The government's task is cut out. Given the reality of an unequal economic recovery, a misconceived trade policy and a perilous fiscal situation, the government will have to unveil its economic plan for the next financial year and the two remaining years of its term. There are some non-negotiables in economic planning for the next year.
- The COVID-19 pandemic has exposed the multiple lacunae in India's public health infrastructure and served a stern warning that nothing is more important than increasing health-care expenditure and ramping up the health infrastructure. The central government's Ministry of Health and Family Welfare's budget has to increase from the current levels of roughly ₹70,000 crore (2% of total expenditure in 2020-21) to at least ₹1,00,000 crore.
- Since May 2020, India's borders have been under threat by the Chinese. Any weakness will invite a war. India must immediately shore up its defence preparedness and be ready to defend its borders. India's defence expenditure as a share of GDP has been falling.
- The government must increase defence expenditure from the current level of 1.6% of nominal GDP to 3% of nominal GDP in the next year, keeping in mind that the GDP will be lower than the level attained in 2019-20.
- There is no credible evidence yet that bankers are willing to lend and borrowers — especially corporates — are willing to make fresh investments. A rising interest rate environment, a financial sector choked with record non-performing loans and weak consumption demand implies that a pick up in private investment cannot be assured.
- Hence, public investment must step in to do the heavy lifting and pull the economy from its current dismal state. Expanded public investment can provide jobs and stimulate demand, the two most pressing needs of the country today. The central government's capital expenditure must be increased significantly from the level of ₹4 lakh crore (14% of total expenditure) in 2020-21 to at least 20%-25% of total expenditure.

A basic income safety net

- Any increase in the government's public investment will take time to translate into jobs and incomes for large numbers of the labour force. So, there is an immediate need for a basic income safety net for the bottom half of India's families for a six-month period, similar to the Congress party's NYAY (or Nyuntam Aay Yojana/Minimum Income Support Programme) idea. We believe that an unconditional monthly cash transfer to the needier segments of the population will be the most efficient way to alleviate their miseries fastest.
- The Budget that will be presented on Monday should be evaluated in this context and not as another routine Budget. Fiscal deficit and the threat of international ratings cannot dictate India's economic policy in current times of deep distress when lives, livelihoods and the nation's security are at stake.



- The situation is so grim that it is not the time to experiment or play loose. Given the dire situation and the government's penchant for rash policy announcements without a due consultative process, it is best to self-impose a moratorium on new laws, ordinances or bills for the next one year.
- We simply cannot afford to get distracted when the economic situation needs full and exclusive attention. For the sake of the nation's future, we hope the government will embark on steering the economy in the right direction.



GS III

U.S. & climate action

(Source: [The Hindu](#))

Context: Joe Biden assumed office as President of the United States on January 20, 2021, and among the first orders he signed was one to restore America's participation in the United Nations Paris Agreement on climate change. His decision on America's return will take effect on February 19, which would be 107 days after its withdrawal under the Donald Trump administration became formal on November 4, 2020.

What changes did the Trump administration make on climate?

- The withdrawal from the Paris Agreement meant that the U.S. was no longer bound by its national pledge made under the pact: to achieve an economy-wide reduction of its GHG emissions by 26%-28% below the 2005 level in 2025 and to make best efforts to reduce emissions. America also stopped its contribution to the UN's Green Climate Fund, to which it had pledged \$3 billion, after transferring an estimated \$1 billion.
- On the contrary, the Trump regime focused on, among other things, relaxing controls on emissions from fossil fuel-based industries, diluting standards on air quality and vehicular emissions, hydrofluorocarbon leaking and venting from air-conditioning systems, loosening the way the government calculated the social cost of carbon, restraining individual States such as California from setting higher standards, revoking protection for natural habitats, including the Arctic sought by the oil and gas industry, and for individual wildlife species.
- In all, more than 100 environmental rules were tinkered with by the administration, with some rule reversals remaining in process when the presidential election took place, and others taken to court. The ability of the Environmental Protection Agency (EPA) to enforce the law was weakened, and the scientist leading the production of the National Climate Assessment, Michael Kuperberg, was replaced just after it became clear that Mr. Trump was losing the election.
- The Clean Power Plan, a major provision from the Obama-era to cut power sector emissions by 32% over 2005 levels by 2030, was initially replaced with the Affordable Clean Energy (ACE) rule, with a reduction effect of only 0.7%, according to an estimate by Harvard Law School.
- In the final days of the Trump presidency, however, the ACE rule was struck down by a court, giving Mr. Biden the freedom to reformulate a strong rule.

What areas will Mr. Biden focus on to cut emissions?

- **The U.S. accounts for 15% of global GHG emissions, but it is the biggest legacy contributor of atmosphere-warming gases. Transport (28%) and power (27%) are the two biggest national sectors contributing to GHG emissions, followed by industry (22%) and agriculture (10%), according to data published by the EPA in 2020. Commercial and residential emissions together make up only 13%. Significantly, 10% of U.S. emissions are methane, which has a greater warming effect than CO₂, and 81% is carbon dioxide. The rest is made up of nitrous oxide and fluorinated gases.**
- Mr. Biden, who has formed a high-powered team including special presidential envoy for climate, John Kerry, to lead clean development, has placed climate change front and centre among his priorities.
- He has promised an "enforcement mechanism to achieve net-zero emissions no later than 2050", including a target no later than the end of his term in 2025, aided by a planned federal investment that will total \$1.7 trillion over ten years, besides private investments.
- The plan revolves around 10 million well-paying clean energy jobs with a focus on solar and wind power, close linkages between university research and the private sector modelled on the post-World War II economy, active support for carbon capture, utilisation and storage, and a renaissance in green

transport that includes the “second great railroad revolution” in a country that starved the railways to promote cars and road freight.

What does Mr. Biden’s policy mean for other countries?

- In his Plan for Climate Change and Environmental Justice released before the election, Mr. Biden says America will strongly support multilateralism again, but also call for accountability from other countries, including the top emitter, China, on GHG emissions.
- Nations that default could face carbon adjustment fees or quotas. This year’s UN climate conference in Glasgow will see the new administration engaging UNFCCC member-nations to raise global ambition.

Agri Credit and Small Farmers

(Source: [The Hindu](#))

Context: *Agricultural credit has become less efficient in delivering agricultural growth. Otherwise, why should over 85% of farmers’ income remain stagnant over the years? Any other sector which has access to a low rate of interest credit has always boomed and ballooned so much so it has created a bubble of its own.*

Most small farmers left out

- Every year, the central government announces an increase in the target of subsidised agriculture credit limit and banks surpass the target.
- On February 1, Budget day, the Union Finance Minister will again set a new agricultural credit target for 2021-22. In 2011-12, the target was ₹4.75-lakh crore; now, agri-credit has reached the target of ₹15-lakh crore in 2020-21 with an allocated subsidy of ₹21,175 crore. The question is: where is the credit and subsidy going and are they really benefiting the farmers?
- In the last 10 years, agriculture credit increased by 500% but has not reached even 20% of the 12.56 crore small and marginal farmers. Despite an increase in agri-credit, even today, 95% of tractors and other agri-implements sold in the country are being financed by non-banking financial companies, or NBFCs, at 18% rate of interest; the banks’ long-term loans rate of interest for purchasing of the same is 11%.
- The central bank, the RBI, has also questioned agricultural households with the lowest land holding (up to two hectares) getting only about 15% of the subsidised outstanding loan from institutional sources (bank, co-operative society). The share is 79% for households belonging to the highest size class of land possessed (above two hectares), beneficiaries of subsidised institutional credit at 4% to 7% rate of interest.
- As in the Agriculture Census, 2015-16, the total number of small and marginal farmers’ households in the country stood at 12.56 crore. These small and marginal holdings make up 86.1% of the total holdings. As in the Situation Assessment Survey of Agricultural Households by the National Sample Survey Office (NSSO), Ministry of Statistics and Programme Implementation, the share of institutional loans rises with an increase in land possessed — showing that the bulk of subsidised agri-credit is grabbed by big farmers and agri-business companies.
- A loose definition of agri-credit has led to the leakage of loans at subsidised rates to large companies in agri-business. Though the RBI had set a cap that out of a bank’s overall adjusted net bank credit, 18% must go to the agriculture sector, and within this, 8% must go to small and marginal farmers and 4.5% for indirect loans, bank advances routinely breach the limit.
- In 2017, 53% of the agriculture credit that the National Bank for Agriculture and Rural Development (NABARD) provided to Maharashtra was allocated to Mumbai city and suburbs, where there are no agriculturists, only agri-business. It made indirect loans to dealers and sellers of fertilizers, pesticides, seeds and agricultural implements undertaking work for farmers.

Many irregularities



- A review by the RBI's internal working group in 2019 found various inconsistencies. It found that in some States, credit disbursal to the farm sector was higher than their agriculture gross domestic product (GDP) and the ratio of crop loans disbursed to input requirement was very unevenly distributed. Examples are in Kerala (326%), Andhra Pradesh (254%), Tamil Nadu (245%), Punjab (231%) and Telangana (210%).
- This shows the diversion of credit for non-agriculture purposes. One reason for this diversion is that subsidised credit disbursed at a 4%-7% rate of interest is being refinanced to small farmers, and in the open market at a rate of interest of up to 36%.
- Subsidised credit should be the 'cause for viable agriculture but, unfortunately, the agriculture sector's performance has not been commensurate with the subsidised credit that it has received'. Even new farm laws have not addressed the reform in the agriculture credit system.
- The way forward is to empower small and marginal farmers by 'giving them direct income support on a per hectare basis rather than hugely subsidising credit. Streamlining the agri-credit system to facilitate higher crop loans to farmer producer organisations, or the FPOs of small farmers against commodity stocks can be a win-win model to spur agriculture growth'.

Technology as a solution

- With mobile phone penetration among agricultural households in India being as high as 89.1%, the prospects of aggressive effort to improve institutional credit delivery through technology-driven solutions can reduce the extent of the financial exclusion of agricultural households.
- Farmers have been able to avail themselves of loans through mobile phone apps, says a media report. These apps use satellite imagery reports which capture the extent of land owned by farmers in States where land records are digitised and they grow the crop to extend the Kisan Credit Card loans digitally.
- Instant, otherwise, farmers have to produce the certified land record copy from the revenue department, which is much time consuming. Other steps are reforming the land leasing framework and creating a national-level agency to build consensus among States and the Centre concerning agriculture credit reforms to fill the gap and reach out to the most number of small and marginal farmers.

The shipping sector and Sagarmala

(Source: [The Hindu](#))

Context: *The major economies of the world have always realised the potential of shipping as a contributor to economic growth. Today, for instance, control of the seas is a key component of China's Belt and Road Initiative (BRI). China is trying to take control of the Bay of Bengal and the Indian Ocean Region. However, geographically, China is not as blessed as India. It has a great variety of climates and it has a coast only in the east; yet, seven of the top 10 container ports in the world are in China, according to the World Shipping Council. What aided China's growth are strong merchant marine and infrastructure to carry and handle merchandise all over the world.*

Prior to the 16th century, both India and China were equal competitors on GDP. Historical records prove that India had maritime supremacy in the world. But over the past 70 years, India has lost its global eminence in shipping due to poor legislation and politics.

Helping foreign shipping liners

- Starting from the establishment of new ports in independent India to the establishment of the present-day Chabahar Port in Iran, all of India's actions on the shipping front have been counter-effective. This is due to a visionless administration. All the shipping infrastructure in peninsular India only helps foreign shipping liners. India has concentrated only on short-term solutions.
- In the past, colonial traders had strong merchant marine, but they also developed optimum shore-based infrastructure with road and rail connectivity to facilitate their trade. There was balanced infrastructure

onshore and at sea. Shore-based infrastructure was developed to cater to the carrying capacity. This needs to be understood with a clear economic sense.

- Foreign ship owners carry our inbound and outbound cargo. This is the case in container shipping too. As a country, we have still not optimised our carrying capacity. Foreign carriers and their agents continue to ransack EXIM trade with enormous hidden charges in the logistics cycle. Much of foreign currency is drained as transshipment and handling cost every day.
- Given this state of affairs, members of our maritime business community have also preferred to be agents for foreign ship owners or container liners rather than becoming ship owners or container liners themselves. This is a historical mistake and a major economic failure of the country. As a result, there is a wide gap between carrying capacity and multi-folded cargo growth in the country.
- Today, Ministry officials are happily relaxing “Cabotage” regulation in the name of coastal shipping. This benefits only the foreign container-carrying companies and not Indian shipowners. Official actions allow foreign carriers to enjoy the situation here and push the Indian tonnage owners to vanish from the scene. Starting from the Swadeshi Steam Navigation Company of V.O. Chidambaram Pillai to the Scindia Steam Navigation Company of our times, Indian owners have not got the blessings of successive governments.
- In the port sector, instead of creating regional cargo-specific ports in peninsular India, the bureaucracy has repeatedly allowed similar infrastructural developments in multiple cargo-handling ports. As a result, Indian ports compete for the same cargo.
- If we make our major ports cargo-specific, develop infrastructure on a par with global standards, and connect them with the hinterlands as well as international sea routes, they will automatically become transshipment hubs. We need to only concentrate on developing the contributing ports to serve the regional transshipment hubs for which improving small ship coastal operations is mandatory.
- It is our long-cherished dream to be competent and cost-effective in international supply chain logistics. We need quality products to be available in global markets at a competitive price. This will happen only if we develop balanced infrastructure onshore as well as at sea.

Sagarmala- A ray of hope

- Sagarmala, a government programme to enhance the performance of the country’s logistics sector, provides hope. Its aims are port-led industrialisation, development of world-class logistics institutions, and coastal community development. When Sagarmala initiates infrastructural development on the shorefront, this will also get reflected in domestic carrying capacity.
- As of now, shipbuilding, repair and ownership are not preferred businesses in peninsular India. The small ship-owning community in India also prefers foreign registry for their ships instead of domestic registration. If this has to change, there needs to be a change in the mindset of the authorities and the maritime business community.
- With the call for ‘Make in India’ growing louder and with simultaneous multi-folded cargo growth in the country, we need ships to cater to domestic and international trade. Short sea and river voyages should be encouraged. The ship-owning spirit of the Indian merchant marine entrepreneur has to be restored. Shipbuilding and owning should be encouraged by the Ministry.
- The National Shipping Board is an independent advisory body for the Ministry of Shipping, where the Directorate General of Shipping (DGS) is a member. The NSB should be able to question the functioning of the DGS, which is responsible for promoting carrying capacity in the country.
- Sagarmala should include coastal communities and consider evolving schemes to harness the century-old ship-owning spirit and sailing skills of peninsular India. Coastal communities should be made ship owners. This will initiate carriage of cargo by shallow drafted small ships through coast and inland waterways.
- All minor ports in peninsular India will emerge as contributing ports to the existing major ports and become transshipment hubs on their own. Old sailing vessel owners should be encouraged to become small ship owners.



- It is sad that most of the global shipping companies which depend on Indian cargo for their business have Indians as either commercial heads or Indian crew onboard their ships. The creamy layer from management and nautical institutions are employed out of India. When the most creative human resource is not used in the country, what is the point of declaring that India has the number one youth population in the world?
- The youth population is merely a number, not a skill-based strength. In the coastal region, their strength has not been tapped. This is a point of concern and Sagarmala should concentrate on consolidating the strength of the coastal youth and make them contribute to the nation's economy with pride.

Self-reliance in science

(Source: [The Hindu](#))

Context: *On March 4, 1958, under the leadership of Jawaharlal Nehru, for the first time in the history of independent India, Parliament passed a resolution on science policy. In effect, this resolution proved to be a springboard for the development of the country's scientific infrastructure. Since that resolution, successive governments issued policy statements with varying emphasis on chosen objectives and goals, often echoing the existing national and global imperatives and the ruling dispensation's ideology.*

The 2020 draft policy

- India's Department of Science and Technology recently released a draft of the fifth Science, Technology, and Innovation Policy. This 62-page-long document presents the objectives and goals of our new science policy.
- The public is expected to provide feedback on this document before it gets finalised. But the problem with the document is that it is rambling and full of jargon and clichés, making the task of separating the grain from the chaff a major exercise in itself.
- The new policy envisages technological self-reliance and aims to position India among the top three scientific superpowers. Though the names of the other two nations are not mentioned, it must be understood that they are the U.S. and China. For that to happen, the draft policy says, we need to attract our best minds to remain in India by developing a “people-centric” science, technology, and innovation “ecosystem”. It states that the private sector's contribution to the Gross Domestic Expenditure on Research and Development should be doubled every five years. The 2013 policy had similar aims. The 2020 draft policy fails to discuss what we have achieved on these fronts since then.
- Why does our R&D investment in science continue to hover between 0.5% and 0.6% of the GDP? Raising it to 2% of the GDP has been a national goal for a while. Despite strong recommendations in the past by several scientific bodies and leading scientists and policymakers, we are still well short of that goal.
- The 2020 draft policy blames this on “inadequate private sector investment” and adds that “a robust cohesive financial landscape remains at the core of creating an STI-driven Atmanirbhar Bharat.” It looks as if the government is trying to shift the responsibility of financing R&D to different agencies such as the States, private enterprises, and foreign multinational companies. But it is doubtful if the various funding models that are presented are workable or practical, especially during a pandemic.
- The policymakers who drafted this report should have gone back to the self-financing revenue model proposed in the Dehradun Declaration for the CSIR labs back in 2015 and critically evaluated its success rate.
- Common sense informs us that the private sector cannot be expected to pay for basic research. This is because the return on investment in basic research takes too long from a private sector perspective. Only the government can have long-term interest to support such research. Participation of the private sector in basic science has not happened even in the U.S.

- The fact is that basic science research in India is suffering from the lack of adequate funding despite grand proclamations. Even elite institutes like the Indian Institutes of Technology are finding it difficult to run their laboratories on a day-to-day basis because of paucity of funds.
- The draft policy visualises “a decentralized institutional mechanism balancing top-down and bottom-up approaches, focusing on administrative and financial management, research governance, data and regulatory frameworks and system interconnectedness, for a robust STI Governance”. This is easier said than done.
- This intention is in fact defeated in the document itself, where several new authorities, observatories and centres have been proposed, which may end up feeding up the already fattened bureaucracy in science administration. Decentralisation of administrative architecture is essential, but we need to explore the practical option of providing more autonomy to research and academic centres for financial management.
- Some points are welcome. These include the fact that policymakers are considering alternative mechanisms of governance of the financial landscape; that they realise the administrative burdens of researchers and the problem of journal paywalls; and promise to explore international best practices of grant management.
- It was reported in 2019 that more than 2,400 students dropped out from the 23 IITs in just two years, with over half of them belonging to the Scheduled Caste/Scheduled Tribe and Other Backward Classes. The number of suicides of students is also on the increase in the IITs. Caste discrimination could be one of the reasons for these tendencies.
- As a part of inculcating an inclusive culture in academia, the document promises to tackle discriminations “based on gender, caste, religion, geography, language, disability and other exclusions and inequalities”. It mentions more representation of women and the LGBTQ community, but is silent on how we are to achieve their proportionate representation.

Science and society

- In the chapter ‘Science Communication and Public Engagement’, concerns on the disconnect between science and society are valid. But the fact is that hyper-nationalism is not conducive to the propagation of evidence-based science and a rational outlook.
- It is also heartening to see that the document harks back to our constitutional obligation to “develop a scientific temper, humanism and the spirit of inquiry and reform.” But it is silent on how this can be achieved when pseudoscience is deliberately propagated in the name of traditional science with the help of some arms of the government. A recent instance is the proposal by the Rashtriya Kamdhenu Aayog to conduct a national examination under the garb of ‘cow science’.
- The document does not mention how to stem the rot within, although it speaks extensively about science communication and scientific temperament. Our belief systems, values, and attitudes have an impact on the quality of research. That partly explains why Indians who have chosen to work in labs abroad are able to make path-breaking discoveries.
- The ruling dispensation has a moral obligation to facilitate an environment that encourages a mindset that constantly challenges conventional wisdom as well as open-minded inquiry among the students. Only a dissenting mind can think out of the box.
- The document contains nuggets of modern scientific vision and information. But its digressive style impacts the reader’s attention. The document should prioritise important issues and amplify first the problems which have cultural and administrative dimensions.
- With the advent of new disruptive technologies, global competitiveness will be increasingly determined by the quality of science and technology, which in turn will depend on raising the standard of Indian research/education centres and on the volume of R&D spending. India has no time to waste.



Global antitrust and the challenge of Big Techs like Facebook and Google

(Source: [The Hindu](#))

Context: *There are ongoing investigations worldwide, including in the European Union and the United States, on the abuse of monopolistic power by the Big Tech firms, especially Facebook and Google. Many compare this with the earlier antitrust investigations in the U.S. on the telecom industry and the break-up of the AT&T dictated by the Department of Justice in its Modified Final Judgment in 1982.*

Key differences now

- However, there are important differences this time around when compared with the earlier investigations.
 - First, the information good that is being provided by the Internet firms of today, is largely non-rival. The consumption of information by one does not alter the value for the others. However, in telecom, due to limited network capacity, the consumption by one has an effect of decreasing value for the others and, hence, is rival in nature.
 - Second, telecom services are within the jurisdictional boundaries of regulators and, hence, the regulators have the power to lay down rules of the orderly behaviour of the licensed telecom operators. On the other hand, the Internet firms operate globally, thanks to the ubiquitous Internet. Therefore, it is often difficult to lay down international rules of obligation and fulfilment by the different country regulators.
 - Third, while it is debatable whether the goods and services provided by the Internet firms are excludable, telecom is certainly excludable due to the need for consumers to obtain connections from the respective telcos and pay the subscription charges for the same. It is this factor that was leveraged by the Internet firms to provide search, navigation, and social connectivity with no charge to the consumers, and, consequently, making these services non-excludable. In fact, the Internet, started as the Department of Defense project in the U.S., was created to be non-excludable. However, commercialisation of the Internet has created this new avatar of non-excludability that includes subtle trade-offs of personal information for availing services of the Internet firms.

Monetisation models

- It must be pointed out that such non-excludable and non-rival goods, also known as public goods, are provided by governments. On the other hand, in a peculiar way, the information goods as described above are being provided by private firms. This arrangement poses several problems.
 - First, while governments can cover the expense of providing public goods (such as police protection, parks and street lights) through tax-payers' money, private firms need to have monetisation models to cover the costs of providing their services. Hence, the Internet firms have resorted to personalised advertisements and third-party sharing of the personal information of their users for monetisation purposes.
 - Second, the strong network effects present in these Internet platforms warrant increasing the subscriber base and garnering as much market share as possible. This results in near monopoly of some firms in their defined markets. In order to retain their pole position, these firms may resort to anti-competitive behaviour including acquiring rivals to vertically integrate; erecting entry barriers by refusing to interconnect and inter-operate with competing firms, and leveraging their capital base, thereby engaging in predatory pricing, and driving out competitors.

Indispensable applications

- However, network effects create a huge consumer surplus. Even without our knowledge, these Internet firms have now become an indispensable part of our lives. We cannot do without Google Maps for our day-to-day commute to various destinations; Google Searches are indispensable in our quest for

information and news; Google Scholar is a necessary tool for academicians to explore relevant research artefacts.

- There are positive externalities as well. For example, Google Maps Application Program Interface (APIs) is being used by almost all logistic and transport companies; Facebook APIs are used for advertisement by almost all firms across the industry. Sundar Pichai, the CEO of Google, recently announced that its Search is being expanded to provide accurate and timely information on vaccine distribution to enable quick recovery from the COVID-19 pandemic.
- Hence, the question before policymakers is how to regulate these Internet firms from abusing their monopoly power while at the same time encouraging the positive externalities and consumer surplus they create.
- This is a tough nut to crack as it is often very difficult to prove that the firms engage in the abuse of their monopoly power. Due to strong network effects, it is not possible to ban or curtail these services. Even if other options are available (such as Signal and Telegram for messaging), the network effects bind customers to their often used platform (WhatsApp), even if it is not their favourite.

Possible solutions

- A traditional view is to subsidise the good that creates positive externalities. Should the governments provide tax subsidy to these Internet firms in return for their orderly behaviour in the marketplace? Should the governments mandate sharing of Non-Personal Data (NPD) owned by these firms for societal and economic well-being as pointed out in the expert committee on NPD?
- It is legitimate as pointed out by the Australian government in its media legislation, that Google and Facebook must negotiate a fair payment with news organisations for using their content in Facebook's newsfeed and Google's Search. Controlled expansion of products and services without hurting the interests of consumers and smaller competing firms shall be the mantra used by these firms to minimise litigation, lawsuits and, eventually, wastage of tax-payers' money.
- The other way to control any abusive behaviour of the Internet firms is to use the power of public voice. The million mails that were sent to the Telecom Regulatory Authority of India in March 2015, effectively put an end to the Free Basics programme of Facebook in India, thereby prohibiting any violation of Net Neutrality principles.
- Similarly, the huge public outcry and subsequent government actions have delayed the recent changes to privacy policy relating to the sharing of personal information between WhatsApp and its parent firm, Facebook.
- While governments and regulators deal with these dilemmas, should not the Internet firms adhere to core ethical principles in conducting their businesses? Lessons from the Enron scandal, and collusions between large banks and financial institutions during the 2008 financial crisis, indicate that firms that aim at super monopoly profits and are greedy to become powerhouses of the world, often end up in the ditch.

Current Affairs Quiz

1. Consider the following statements in context of Minimum Support Prices (MSPs)

1. Commercial crops are not covered under minimum support prices (MSPs).
2. If MSP is made legally binding, no crop can be purchased below the MSP by the private buyers.
3. The marketed surplus for all the crops covered under MSP is more than 50%.

Which of the above statements is/are correct?

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

Answer: b)

- Commercial crops like cotton, copra and raw jute are covered under MSP.
- The marketed surplus ratio for different crops is estimated to range from below 50% for ragi and 65-70% for bajra (pearl-millet) and jowar (sorghum) to 75% for wheat, 80% for paddy, 85% for sugarcane, 90% for most pulses, and 95%-plus for cotton, jute, soyabean and sunflower.

2. Which of the following statement(s) is/ are correct regarding Monetary Policy?

1. The Reserve Bank of India (RBI) is vested with the responsibility of conducting monetary policy under the provisions of Agreement on Reserve Bank of India Act, 1934.
2. The primary objective of monetary policy is to maintain price stability and achieve growth.

Select the correct answer code:

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c)

3. Which of the following statement(s) is/are incorrect with respect to Guru Gobind Singh ?

1. He is the son of sixth Sikh guru Hargobind, a prominent religious philosopher.
2. He named Guru Granth Sahib, the religious text of the Khalsas and the Sikhs

Select the correct answer code

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

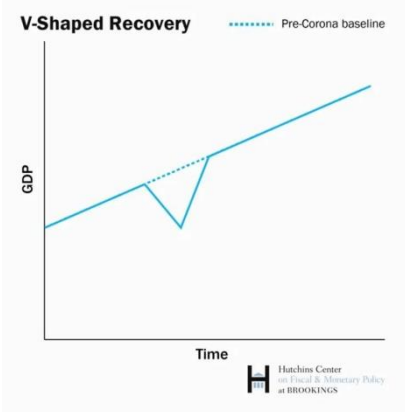
Answer : a

Guru Gobind Singh

- He became the Sikh guru at the age of nine, following the demise of his father, Guru Tegh Bahadur, the ninth Sikh Guru.

4. India's economy is showing decisive signs of a 'V-shaped' recovery in 2021. What does 'V-shaped' recovery mean?

- a) Economy quickly rises like a phoenix after a crash and It more than makes up for lost ground.
- b) Economy quickly recoups lost ground and gets back to the normal growth trend.
- c) Economy, after falling, struggles and muddles around a low growth rate for some time, before rising gradually to usual levels.
- d) Growth falls and rises, but falls again before recovering yet again



Answer: b)

5. Consider the following statements with respect to Bodoland Territorial Region (BTR) Agreement

1. It is a tripartite agreement between the Central Government, State Government and the National Democratic Front of Bodoland (NDFB).
2. The Accord signed in 2020 was the third peace deal signed with Bodo rebel groups.

Which of the statements given above are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : c

6. Which of the following statement(s) is/are correct with respect to AMPHEX – 21?

1. It is a joint amphibious exercise among Indian Navy, Army and Air Force.
2. Exercise KAVACH which aims for defence of Andaman & Nicobar Islands is a part of AMPHEX – 21.

Select the correct answer code:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : c

7. Which of the following statement(s) is/are incorrect with respect to Corporate Social Responsibility (CSR) Rules

1. Under the rules, registration is compulsory for agencies implementing CSR activities on behalf of companies.
2. It has decriminalised Non-compliance with CSR provisions, by shifting such offences to penalty regime.

Select the correct answer code:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : d

8. Consider the following statements regarding Off-budget borrowing.

1. Off-budget borrowings are loans taken by any public institution on the directions of the central government.
2. Off-budget borrowing helps keep the country's fiscal deficit within acceptable limits.

3. Off-budget financing is not part of the calculation of the fiscal indicators and does not have any fiscal implications.
4. Public sector banks can fund off-budget expenses.

Which of the above statements is/are correct?

- a) 1, 2 and 3 only
- b) 1, 2 and 4 only
- c) 2, 3 and 4 only
- d) 1, 3 and 4 only

Answer: b)

Comptroller and Auditor General report of 2019 points out, this route of financing puts major sources of funds outside the control of Parliament. “Such off-budget financing is not part of the calculation of the fiscal indicators **despite fiscal implications**,” said the report.

9. The actual liabilities of the Union government include :

1. Borrowings by PSUs
2. Loans taken for the recapitalisation of banks
3. Capital expenditures of various Ministries.

Select the correct answer code:

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

Answer: a)

- In addition to the borrowings by PSUs, the actual liabilities of the government would include loans taken for the recapitalisation of banks.
- Capital expenditure creates assets for the government and causes reduction in liabilities for the government.

10. Which of the following statement(s) is/are incorrect regarding Non-Banking Financial Companies (NBFCs)?

1. All the NBFCs are regulated by RBI.
2. The designation of ‘Systematically Important’ is applicable for Banks and not for NBFCs.

Select the correct answer code:

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c)

- Housing Finance Companies, Merchant Banking Companies, Stock Exchanges, Companies engaged in the business of stock-broking/sub-broking, Venture Capital Fund Companies, Nidhi Companies, Insurance companies and Chit Fund Companies are NBFCs but they have been exempted from the requirement of registration under Section 45-IA of the RBI Act, 1934 subject to certain condition.
- NBFCs whose asset size is of ₹ 500 cr or more as per last audited balance sheet are considered as systemically important NBFCs.

11. Which of the following are regulated by the RBI?

1. Housing Finance Companies
2. Merchant Banking Companies
3. Venture Capital Fund Companies

Select the correct answer code:

- a) 1 and 2 only

- b) 2 only
- c) 2 and 3 only
- d) None of the above

Answer: d)

Housing Finance Companies are regulated by National Housing Bank, Merchant Banker/Venture Capital Fund Company/stock-exchanges/stock brokers/sub-brokers are regulated by Securities and Exchange Board of India, and Insurance companies are regulated by Insurance Regulatory and Development Authority. Similarly, Chit Fund Companies are regulated by the respective State Governments and Nidhi Companies are regulated by Ministry of Corporate Affairs, Government of India.

12. Abraham Accords, recently seen in news is a joint statement between Israel, Bahrain and-

- a) Saudi Arabia
- b) Tunisia
- c) Palestine
- d) United Arab Emirates

Answer: d)

'Abraham Accords' entered with the UAE and Bahrain are 'peace-for-peace' deals without any physical quid pro quo by Israel.

13. India and the International Energy Agency (IEA) have recently signed the framework for Strategic Partnership. Which of the following is/are not the benefits of the partnership?

- a. It will helps in extensive exchange of knowledge and enhance global energy security, stability and sustainability
- b. It will be a stepping stone towards India becoming a full member of the IEA
- c. It will help India to surpass Japan to become the world's third largest crude oil importers
- d. None of the above

Answer : c

- It will strengthen mutual trust and cooperation & enhance global energy security, stability and sustainability.
- This partnership will lead to an extensive exchange of knowledge and would be a stepping stone towards India becoming a full member of the IEA.
- The contents of the Strategic partnership will be jointly decided by IEA members and India.

14. The Inequality Virus Report is released by -

- a. World Health Organization
- b. Doctors without Borders
- c. Oxfam International
- d. Oxford Health Alliance

Answer : c

15) Consider the following statements in respect to Presidential address:

- 1. In India, the practice of the President addressing Parliament was followed since the Government of India Act of 1919.
- 2. Article 87 of Indian Constitution provides for special address by the President in a joint sitting.

Which of the statement(s) given above is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : a

- Article 87 of Indian Constitution provides for special address by the President at the commencement of the first session after each general election to the House of the People and at the commencement of the

first session of each year the President shall address both Houses of Parliament assembled together and inform Parliament of the causes of its summons.

16) Consider the following with respect to Climate Risk Index 2021:

1. It analyses quantified impacts of extreme weather events both in terms of the fatalities and economic losses.
2. It is released by United Nations Office for Disaster Risk Reduction (UNDRR)

Which of the statement(s) given above is/are incorrect?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : b

- Recently, an NGO based in Germany 'Germanwatch' has released the Global Climate Risk Index (CRI) 2021.

17) Which of the following statement(s) is/are incorrect with respect to Global Risks Report 2021?

1. It is released by World Economic Forum (WEF).
2. According to the report, Infectious diseases topped the global risks chart, displacing climate change.

Which of the statement(s) given above is/are incorrect?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

Answer : d

18. Consider the following statements with respect to Disinvestment in India:

1. Disinvestment can either reduce the government's share in the public sector undertakings (PSUs) or transfer the ownership of the PSU altogether to the highest bidder.
2. Department of Investment and Public Asset Management (DIPAM) under the Ministry of Finance is tasked with managing the Centre's investments in the PSUs.

Which of the above statements is/are correct?

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: c)

19. Patharughat uprising, during the British rule was a

- a) Tribal Revolt
- b) Peasant Uprising
- c) Caste Movement
- d) None of the above

Solution: b)

20. Consider the following statements regarding Goods and Services Tax (GST):

1. Union Budget can make important decisions and changes in tariff structure of GST.
2. The GST law also provides for the creation of a Consumer Welfare Fund wherein undue benefits made by businesses under the GST law have to be deposited, in case it cannot be passed on to the identified recipient.

Which of the above statements is/are correct?

- a) 1 only



- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

Answer: b)

- GST Council is the governing body for the implementation of GST rules in India. It is tasked with the duties to make important decisions and changes in GST. The GST Council is authorised to determine the rate of tax applicable under the GST model, tax exemption rules, the due date of submitting GST forms, tax related laws and deadlines and special exemptions for some States of India, NOT the Union Budget.

