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# **CURRENT AFFAIRS**

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**GS 2 : Polity, Governance, International Relations**

**1. Vaccine skirmishes**

**Background:**

- The United States has declared its support for a **temporary waiver of the Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement for COVID-19 vaccines.**
- The proposal for a temporary waiver has been **rebuffed by major EU nations** and met with counter-suggestions. **Germany has threatened that it would create “severe complications” for the production of vaccines,** echoing the view of major pharma corporations.
- France has been relatively less hostile to considering the proposal and has called for refraining from blocking the export of raw materials for vaccine production.

**Concern:**

- Though the proposal for a temporary waiver sounds like a well-intentioned, pro-developing-countries policy stance it must be noted that the **IPR waiver will not entirely resolve the vaccine deficit issue.**

**Recommendations:**

- The following **supplemental measures** may be necessary to address the vaccine shortage in some countries like India and other developing nations.
  - The grant of a waiver would have to be accompanied by a **“tech transfer”** that provides generic pharmaceutical manufacturers with the requisite **trained personnel, raw materials and hi-tech equipment and production know-how.** The pharmaceutical companies should be persuaded to share their technology willingly, agreeing to **joint ventures** to increase global production expeditiously.
  - There should be appropriate science-based measures to **test and certify the safety, immunogenicity and protective efficacy of the vaccines** that would be produced by generic manufacturers.
  - The **global supply chains for vaccine production** should be examined to avoid major disruptions.
  - The short term measures to address vaccine shortfalls could include **developed nations sharing their vaccine stockpiles,** particularly in

cases where the latter exceed projected domestic need. The **pharma companies should be financially incentivized to produce more doses at affordable prices** to donate directly to the countries in need.

### 2. 3 naval ships bring in medical supplies

**Context:**

**Operation Samudra Setu II**

**Details:**

- Nine ships have been deployed for COVID relief operation 'Samudra Setu II' for shipment of Liquid Medical Oxygen and associated medical equipment from friendly foreign countries in the **Persian Gulf and South-East Asia**.
- Navy's **landing ship tank INS Airavat** arrived from Singapore with eight cryogenic oxygen tanks and other critical COVID medical stores.
- **INS Trikand and INS Kolkata** returned to India with oxygen-filled containers from West Asia.
- Two more warships were en route to India from Kuwait and one ship was at Brunei to embark with medical supplies.

**Indian Air Force Initiative:**

- **Indian Air Force (IAF)** aircraft carried out **sorties from various parts of the country**, airlifting oxygen containers, other medical supplies and equipment.
- IAF aircraft also carried out **international sorties**. The equipment has been procured from Singapore, Dubai, Thailand, United Kingdom, Germany, Belgium, Australia, Indonesia and Israel.

### 3. Iran confirms that it is in talks with Saudi Arabia

**Context:**

Iran's Foreign Ministry for the first time has confirmed that it is holding talks with regional rival Saudi Arabia.

**Background:**

- The neighbouring countries **cut ties in 2016** after **Iranian protestors attacked Saudi diplomatic missions** following the **kingdom's execution of a revered Shiite cleric**.

- The regional rivals have **backed opposite sides of several regional conflicts**, from Syria to Yemen, where a Saudi-led coalition is fighting the Houthi rebels.
  - Iran backs the Houthis, who are battling the Saudi-led military that intervened in Yemen's war in 2015.
- They have long competed for influence across the Middle East.
  - Saudi Arabia accuses Iran of using proxies to fight wars and weaken Arab states, destabilizing the region.
  - Iran sees Saudi Arabia as a key player in efforts by the United States and Israel to dominate the region and destabilize Iran.

#### Details:

- Iranian and Saudi officials met in Baghdad in **April 2021**, their **first high-level meeting since Riyadh cut diplomatic ties with Tehran in 2016**.
- The purpose of the talks was both bilateral and regional.

#### 4. India variant is of global concern: WHO

##### What's in News?

The World Health Organization has said that the B.1.617 variant of coronavirus first identified in India is being classified as a variant of global concern.

- The double mutant strain of SARS-CoV-2 reported in India is scientifically named B.1.617.
- The double mutant Covid variant is a concern as the Union health ministry said in its statement that "such mutations confer immune escape and increased infectivity" to the coronavirus.
- Studies have shown reduced efficacy of vaccines against the double mutant strain of SARS-CoV-2.

#### 5. A national health service in India

##### Background:

##### Structural issues in the healthcare system of India:

- The health crisis brought out by the pandemic has exposed the problems of the healthcare system in India.

Low public spending:

- India has very low public spending on health (barely 1% of GDP).
- Though India's public spending on health is set to double in the 2021-22 financial year, it continues to remain **grossly inadequate when compared to the levels in other similar developing nations.**

High out of pocket expenditure:

- The share of 'out of pocket' (OOP) health expenditure (of total health spending) in India was **over 60% in 2018.**
  - Medical expenses constitute the major reason for personal debt in India and have **pushed many into poverty.**

Regional inequality:

- India's fragmented, **urban-centred, variably functional and grossly underfunded primary health centres and elite-focused healthcare system** cater to only a small section of the population.
  - In certain rural areas, the doctor-population ratio is over 1:40,000.

Lack of regulation of private health sector:

- The private health sector in India is poorly regulated in practice.
  - Some private healthcare providers have objected to public authorities' orders on widened patient access during the ongoing health crisis.

Details:

- The article argues for a national health service in India modelled on the **British National Health Service.**

**British National Health Service:**

- The service is **funded entirely from general taxation** and the general public receive treatment solely according to their clinical needs without any exception.
- The system includes payment to general practitioners, most of whom remain private providers but are paid by the state for treating NHS patients.
- **All hospital treatment and medicines are free**, as are outpatient and follow-up appointments. Only a proportion of patients in England have to pay for prescription items.
- The NHS is the largest employer in the U.K. Its **current budget is about 7.6% of GDP**, and it **provides highly localised access to care.**

- It has resulted in the provision of top-class universal healthcare, including **training and research**.
- It **integrates preventive and curative medicine** at all levels.

#### **Additional information:**

- According to the Lancet Planetary Health journal, air pollution accounted for 1.7 million deaths in India in 2019. The annual business cost of air pollution is currently estimated at \$95 billion, which is about 3% of India's GDP.

### **6. Pakistan government to set new rules to meet FATF requirements**

#### **Context:**

Pakistan is set to introduce **new rules relating to anti-money laundering cases** and **change the prosecution process** to meet its remaining tough conditions to **exit from the FATF grey list**.

#### **Details:**

- **Pakistan was put on the grey list** by the Paris-based Financial Action Task Force (FATF), the global watchdog for money laundering and terror financing **in June 2018** and the country has been struggling to come out of it.
- Based on the measures that Pakistan takes, the FATF would conclude if Pakistan has **complied with three outstanding benchmarks, out of 27, that blocked its exit from the grey list in February 2021**.

### **7. Decoding inequality in a digital world**

#### **Background:**

#### **Economic fallout of the pandemic:**

- The existing **economic inequality has further increased** during the pandemic.
  - People in the formal sector have faced little or no economic fallout. The super-rich have even become richer. However, the bulk of the Indian population is suffering a huge economic setback. While people in the unorganized sector have faced widespread job losses, even those who did not lose jobs have had to face large income shocks.

#### **Impetus to digitization:**

- The novel coronavirus **pandemic has accelerated the use of digital technologies in India**, even for essential services such as health and education.

### Concerns:

- What is concerning is the fact that apart from the immediate economic setback brought out by the pandemic, well-recognised channels of economic and social mobility – **education and health** – **are getting rejigged** in ways that would only further increase the existing inequalities.
- Poor people have poor access to health and education in India. The increasing digitization of these critical sectors is only adding to the woes of the poor to access the services.
- **Digitization seems to be exacerbating the already existing inequalities**, especially by raising the barrier for people to receive services they are entitled to.

### Education sector:

- While the switch to online education has helped ensure a semblance of uninterrupted education, the access to it has not been necessarily equitable.
- While the switch to online education has been seamless for the privileged, yet **a significant number of the most vulnerable are struggling to access online education**, due to the following reasons.

### Lack of digital devices:

- According to National Sample Survey data from 2017, only 6% of rural households and 25% of urban households have a computer.

### Lack of internet connectivity:

- **Access to Internet facilities is not universal in India.**
- Available data notes that only 17% in rural areas and 42% in urban areas have access to the internet. However, it is to be noted that smartphones with data have improved access over the past four years since the 2017 survey.
- **Lack of stable connectivity** is also a major concern in India.

### Economic condition of the family:

- Surveys by the National Council of Educational Research and Training (NCERT), the Azim Premji Foundation, ASER and Oxfam suggest that between 27% and 60% could not access online classes for a range of reasons: **lack of devices, shared devices, inability to buy “data packs”, etc.**



Lack of learning environment at home:

- Children from poor families lack a learning environment at home. A quiet space to study is a luxury for such children.
  - 25% of Indians lived in single-room dwellings in 2017-19.
- **Girl children are expected to contribute to domestic chores** if they are at home. This reduces the time available for them to access online education.

Loss of peer learning opportunities:

- Peer learning has suffered due to the switch to online education given that students are missing out on the opportunity to learn from fellow students that is an inevitable outcome of the social interaction in classrooms. This is all the more significant for children coming from poor households who have to face the burden of lack of domestic support in learning.

**Health sector:**

- The poor in India have poor access to good health care services due to the following reasons.
  - **India has very low public spending on health (barely 1% of GDP).** As a result, the **share of 'out of pocket' (OOP) health expenditure (of total health spending) in India was over 60%** in 2018.
    - This is much higher than countries like the U.S. with a highly privatised health system where the OOP was merely 10%.
  - **The private health sector in India is poorly regulated in practice.** This has led to them charging very high for their services and thus leading to a scenario where their services become unaffordable for the poor.
- Given the challenges posed by the current health crisis in the form of shortage of essentials: drugs, hospital beds, oxygen, vaccines, etc, the focus of the administration seems to be on increasing digitization of the sector.
  - Example: Efforts being made at developing apps like CoWIN.
- However, there are some concerns associated with this trend of digitization in the health sector.

Digital illiteracy:

- Digital technologies are creating extra hurdles. Along with the paperwork, patients will have to navigate **digi-work**.
  - The use of CoWIN to book a slot makes it that much harder for those **without phones, computers and the Internet**. Also, the website is only available in English which limits its usefulness for the non-English speaking population in India.



- Platform- and app-based solutions can exclude the poor entirely, or squeeze their access to scarce health services further.

#### Privacy concerns:

- Experts have voiced their concerns over the attempts to use the pandemic to create an infrastructure for future exploitation of people's data.
  - The digital health ID project with a **centralised database model** is being pushed during the pandemic.
- Making **Aadhaar mandatory to register on CoWIN platform** for vaccination registration is a cause of concern.
- Given that **India lacks a data privacy law**, it is very likely that health records will end up with private entities without the data owner's consent, even weaponized against them (e.g., private insurance companies may use it to deny poor people an insurance policy or charge a higher premium).

#### Ineffective in addressing the core issues:

- Digital "solutions" **create additional bureaucracy** for all sick persons in search of these services without doing enough to punish the overcharging private hospitals or people indulging in hoarding and black marketing.
- Unless health expenditure on basic health services is increased, apps such as Aarogya Setu, Aadhaar and digital health IDs can do little to help improve the ailing health sector.
- **Digital solutions only seem to be obfuscating and distracting us from the real problem.** The health sector needs **policy, not technocratic solutions.**

#### Conclusion:

- **Technological changes in education and health are worsening the existing inequities.** The privileged are getting ahead not necessarily because they are smarter, but because of the privileges they enjoy as compared to the poor sections.
- The pandemic should nudge us to be **more discerning about which digital technologies to embrace** especially in sectors like education and health which are critical for social mobility in a society like India.

## GS 3 : Economy, Science and Technology, Environment

### 8. 1 lakh tonnes of grain given under PMGKAY

#### What's in News?

Of the 40 lakh tonnes of free food-grains promised under the Pradhan Mantri Garib Kalyan Anna Yojana, one lakh tonnes has been distributed so far.

#### Details:

- The foodgrains will be **allocated free-of-cost @ 5 Kg per person per month** to nearly 80 Crore beneficiaries covered under the **National Food Security Act, 2013 (NFSA) over and above NFSA foodgrains.**
- It would be on the same pattern as the earlier PM-GKAY.

#### Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY):

- PMGKAY is a **food security welfare scheme announced** in March 2020, during the COVID-19 pandemic.
- It is operated by the **Department of Food and Public Distribution** under the **Ministry of Consumer Affairs, Food and Public Distribution.**
- The scheme **aims to feed the poorest citizens of India** by providing grain **through the Public Distribution System**, to all the priority households (ration cardholders and those identified by the Antyodaya Anna Yojana scheme).

### 9. SEBI's sustainability reporting norms mandate ESG overview

#### Context:

The Securities and Exchange Board of India (SEBI) has issued a circular notifying the **new disclosure norm on sustainability-related reporting** for the top 1,000 listed companies by market capitalization by FY23.

#### Market capitalization:

- Market capitalization, generally referred to as “market cap” is the market value of a publicly-traded company's outstanding shares.
- Market cap is equal to the share price multiplied by the number of shares outstanding.

#### Details:

- Such reporting will be under a new **Business Responsibility And Sustainability Report (BRSR) format**.
- It is a significant step towards **bringing sustainability reporting at par with financial reporting**.
- The companies will need to provide an overview of their material environmental, social, governance risks and opportunities and approach to mitigate or adapt to the risks along with financial implications.
  - The **social-related disclosures** will cover the workforce, value chain, communities and consumers.
- Companies will have to disclose the gender and social diversity of employees, including measures for differently-abled employees and workers, occupational health and safety and trainings.
- On the community front, **companies need to make disclosures on social impact assessments (SIA), rehabilitation and resettlement and corporate social responsibility**.
- For consumers, they have to make disclosures on product labelling, product recall and complaints in respect of data privacy and cybersecurity.

**GS 2 : Polity, Governance, International Relations**

**1) 100% Tap Water Connection in Rural Areas in Puducherry: JJM**

**Why in News**

The **Union Territory of Puducherry** has become the **fourth State/UT** after **Goa, Telangana and Andaman & Nicobar Islands** to provide assured **tap water supply** to every **rural home** under **Jal Jeevan Mission (JJM)**.

- Further, the **State of Punjab** and the **UTs of Dadra & Nagar Haveli and Daman & Diu** have also crossed the milestone of **covering 75% of rural homes** with assured tap water supply.

**Key Points**

- **Jal Jeevan Mission:**
  - JJM envisages supply of **55 litres of water per person per day** to every **rural household** through **Functional Household Tap Connections (FHTC)** by **2024**.
  - It is under the **Ministry of Jal Shakti**.
  - JJM focuses on **integrated demand and supply-side management of water** at the local level.
    - **Creation of local infrastructure** for source sustainability measures as mandatory elements, like **rainwater harvesting, groundwater recharge and management of household wastewater for reuse**, is undertaken in convergence with other government programmes/schemes.
  - It also **encompasses:**
    - **Prioritizing provision of FHTCs in quality affected areas**, villages in drought prone and desert areas, **Sansad Adarsh Gram Yojana (SAGY)** villages, etc.
    - **Providing functional tap connection to Schools, Anganwadi centres, Gram Panchayat buildings, Health centres, wellness centres and community buildings.**
    - **Technological interventions for removal of contaminants** where water quality is an issue.

- The Mission is based on a community approach to water and includes extensive Information, Education and Communication as a key component of the mission.
- JJM looks to create a jan andolan for water, thereby making it everyone's priority.
- The fund sharing pattern between the Centre and states is 90:10 for Himalayan and North-Eastern States,
  - 50:50 for other states, and 100% for Union Territories.
- The total allocation to the scheme is over Rs. 3 lakh crore.
- **Jal Jeevan Mission (Urban):**
  - **Launch:** In the Budget 2021-22, Jal Jeevan Mission (Urban) was announced under the Housing and Urban Affairs Ministry to provide universal coverage of water supply to all households through functional taps in all statutory towns in accordance with Sustainable Development Goal- 6 (clean water and sanitation).
  - **Objectives:**
    - Securing tap and sewer connections.
    - Rejuvenation of water bodies.
    - Creating a circular water economy.

## 2) Gopal Krishna Gokhale

### Why in News

The Prime Minister of India paid tribute to Gopal Krishna Gokhale on his Jayanti.

- Gopal Krishna Gokhale was a great social reformer and educationist who provided exemplary leadership to India's freedom movement.

### Key Points

- **Birth:** 9<sup>th</sup> May, 1866 in Kotluk village in present-day Maharashtra (then part of the Bombay Presidency).
- **Ideology:**
  - Gokhale worked towards social empowerment, expansion of education, struggle for freedom in India for three decades and rejected the use of reactionary or revolutionary ways.
- **Role in Colonial Legislatures:**
  - Between 1899 and 1902, he was a member of the Bombay Legislative Council followed by work at the Imperial Legislative Council from 1902 till his death (1915).

- At the Imperial legislature, Gokhale played a key role in framing the **Morley-Minto reforms of 1909**.
- **Role in INC:**
  - He was **associated with the Moderate Group of Indian National Congress (joined in 1889)**.
  - He became **president of INC in 1905 in Banaras session**.
    - This was the time when bitter differences had arisen between his group of **'Moderates'** and the **'Extremists'** led by **Lala Lajpat Rai** and **Bal Gangadhar Tilak** among others. The two factions **split at the Surat session of 1907**.
    - Despite the ideological difference, **in 1907**, he intensely **campaigns for the release of Lala Lajpat Rai**, who was imprisoned that year by the British at Mandalay in present-day Myanmar.
- **Related Societies and Other Works:**
  - He **established the Servants of India Society in 1905** for the expansion of Indian education.
  - He was **also associated with the Sarvajanik sabha journal** started by Govind Ranade.
  - In 1908, Gokhale **founded the Ranade Institute of Economics**.
  - He started English weekly newspaper, **The Hitavada** (The people's paper).
- **Mentor to Gandhi:**
  - As a liberal nationalist, he is **regarded by Mahatma Gandhi as his political guru**.
  - Gandhi wrote a book in Gujarati dedicated to the leader titled **'Dharmatma Gokhale'**.

### **Morley-Minto Reforms 1909**

- The reforms included the **admission of Indians to the Secretary of State's council, to the viceroy's executive council**, and to the executive councils of Bombay and Madras, and the **introduction of an elected element into legislative councils** with provision for **separate electorates for Muslims**.
  - The reforms were regarded by Indian nationalists as too cautious, and the provision of separate electorates for Muslims was resented by Hindu.
- The **legislative councils at the Centre and the provinces** were increased in size.
  - The Act increased the maximum **additional membership of the Imperial Legislative Council from 16 to 60**.
- The legislative councils at the Centre and the provinces were to have **four categories of members** as follows:



- **Ex officio members:** Governor-General and members of the executive council.
- **Nominated official members:** Government officials who were nominated by the Governor-General.
- **Nominated non-official members:** Nominated by the Governor-General but were not government officials.
- **Elected members:** Elected by different categories of Indians.
  - The elected members were **elected indirectly**.
- **Indians were given membership** to the Imperial Legislative Council for the **first time**.
- It introduced **separate electorates for the Muslims**.
  - Some constituencies were earmarked for Muslims and only Muslims could vote for their representatives.
- **Satyendra P Sinha** was appointed the first Indian member of the **Viceroy's Executive Council**.

### 3) Covid-Vaccination Related Challenges

#### Why in News

There was a **decrease in the number of vaccine doses** administered in the week starting 1st May 2021, after the government “opened up” vaccination beyond priority groups, to its **lowest level in eight weeks**.

- **Covid-19** vaccines are being developed at a pace faster than for any other disease, yet there are shortages.

#### Key Points

- **Global Issues:**
  - **Huge Population:**
    - With about seven billion people to be vaccinated worldwide, with mostly two jabs (Doses) each, the **demand is obviously very high**.
  - **Self-Centered Rich:**
    - **More than 80% of available vaccines have been ordered and/or already stocked by a few countries** representing only about 20% of the world population.
    - Even with a **World Health Organization (WHO)**-led effort like **COVAX**, **only about 1% of the African population has received vaccines** so far.
  - **Delay in Emergency Approvals:**
    - Till now **only three vaccines** – Pfizer, Moderna, and Janssen – have been **approved by the US**.



- The most affordable AstraZeneca vaccine still awaits approval.
- Approval for Russia's Sputnik V was recently denied in Brazil.
- Vaccines of China's Sinovac and Sinopharm are not yet approved in western countries.
- **Challenges in India:**
  - **Limited Suppliers:**
    - **Limited capacity of the two vaccine (COVAXIN & COVISHIELD) manufacturers** who are now being piled upon with much bigger orders from state governments and private hospitals that may take months to fulfil.
  - **Supply Chain Gap:**
    - There is a big gap in the supply chain of the ambitious programme to vaccinate all its adult population.
    - Although **India ranks number three after the US and China in the absolute number of vaccines administered**, only about **13% of its population has received a single jab and about 2% fully vaccinated**.
      - Many countries have already vaccinated more than half their adult population.
  - **Unequal Procurement Process:**
    - The revised vaccine procurement process **builds in a skew against smaller hospitals in cities and towns** in comparison to their bigger counterparts in simply getting access to the shots, and a more **disconcerting urban-rural divide** in terms of where healthcare facilities are vis-à-vis the already-established supply-chain map.
  - **Digital Divide:**
    - There is the issue of **mandatory Co-Win registration** as part of the new decentralised distribution strategy, which potentially adds to an entry barrier that could be tougher to navigate for users in the hinterland, both in terms of **access to the platform** and an **English-only interface for users so far**.
    - Mandatory online registration introduces a **skew in favour of urban centres**, given that a little over half of India's population has access to broadband Internet, while **rural tele-density is under 60%**.
      - States including **Bihar, Uttar Pradesh, Chhattisgarh, Jharkhand, and Madhya Pradesh** having among the **country's lowest tele-density**.
    - It is more difficult for those with **less access and greater unfamiliarity with technology**, including access to a smartphone or computer.

## Way Forward

- Efficacious and **safe vaccines**, regardless of their origin, **need to be critically but quickly examined and added to the pool.**
- India's **Covid-19 vaccine drive will be a monumental mission**, not just in terms of vaccinating its own population, but also vaccinating a large part of the world thanks to its position as the world's leading vaccine producer. **Addressing the issues associated with the development and distribution of vaccines** will augment the effort to efficiently get vaccines to hundreds of millions in the shortest period of time.

## GS 3 :Economy, Science and Technology,Environment

### 4)NITI Aayog's Report for a Digitally Inclusive Bharat

#### Why in News

The NITI Aayog and Mastercard have released a report titled 'Connected Commerce: Creating a Roadmap for a Digitally Inclusive Bharat'.

- The report identifies challenges in accelerating **Digital Financial Inclusion (DFI)** in India and provides recommendations for making digital services accessible to its 1.3 billion citizens.

#### Digital Financial Inclusion

- "Digital financial inclusion (DFI)" can be defined broadly as **digital access to and use of formal financial services by excluded and underserved populations.** Such services should be suited to customers' needs, and delivered responsibly, **at a cost both affordable to customers and sustainable for providers.**

#### Key Points

- **Challenges:**
  - **Demand Side Gap:**
    - Lot of effort has been put to attain DFI and **much success on the supply side of DFI** has been seen (**e-governance, the JAM**

- trinity, Goods and Services Tax, Direct Benefit Transfer (DBT schemes).
- However, the break in the digital financial flow comes at the last mile, where **account holders mostly withdraw cash for their end-use.**
- **Unsuccessful Agri-Techs:**
  - Agriculture, with its allied sectors, provides livelihood to a large section of the Indian population. Over the years, agriculture's contribution to national GDP has declined from 34% in 1983-84 to just 16% in 2018-19.
  - Most agri-techs **have not succeeded in digitizing financial transactions** for farmers or enabling formal credit at lower rates of interest by leveraging transaction data.
- **Inability of MSMEs to Access Formal Finance:**
  - **Micro, Small and Medium Enterprises (MSMEs)** have been a key growth driver for the Indian economy. According to a 2020 Report, the category employed some 110 million people, or over 40% of India's non-farm workforce.
  - The **lack of proper documentation, bankable collateral, credit history and non-standard financials** force them to access informal credit at interest rates that are double of those from formal lenders.
- 
- **Trust and Security in Digital Commerce:**
  - The surge in digital transactions has increased the **risk for possible security breaches**, both for consumers and businesses.
  - A Medici report of June 2020 says **40,000 cyber-attacks targeted the IT infrastructure of the banking sector in India.**
- **Digitally Accessible Transit Systems:**
  - With the onset of the pandemic, there is **an increasing need for transit systems to be further integrated with contactless payments** in India.
  - Globally, the trend is toward **open-loop transit systems**, with interoperable payment solutions allowing travelers to switch between different modes of transport with a connected payments network.
- **Recommendations:**
  - For market players, it is critical to **address the gap on the demand side** by creating user-friendly digital products and services that encourage the behavioral transition from cash to digital.
    - A significantly successful example is that of **FASTag.**

- **Strengthening the payment infrastructure** to promote a level playing field for **Non-Banking Financial Companies (NBFCs)** and banks.
- **Digitizing registration and compliance processes** and diversifying credit sources to enable growth opportunities for **MSMEs**.
- **Building information sharing systems**, including a 'fraud repository', and ensuring that online digital commerce platforms carry warnings to alert consumers to the risk of frauds.
- **Enabling agricultural NBFCs to access low-cost capital** and deploy a '**phygital**' (**physical + digital**) model for achieving better long-term digital outcomes. **Digitizing land records** will also provide a major boost to the sector.
- **To make city transit seamlessly accessible** to all with minimal crowding and queues, leveraging existing smartphones and contactless cards, and aim for an inclusive, interoperable, and fully open system.

### Digital Financial Inclusion Initiatives Taken in India

- **Jan Dhan-Aadhar-Mobile (JAM) Trinity:**
  - The combination of **Aadhaar**, **Pradhan Mantri Jan-Dhan Yojana (PMJDY)**, and a surge in **mobile communication** has reshaped the way citizens access government services.
  - As per the estimates in March 2020, the total number of beneficiaries under Jan Dhan scheme have been more than 380 million.
- **Expansion of Financial Services in Rural and Semi-Urban Areas:**
  - Reserve Bank of India (RBI) and **National Bank for Agriculture and Rural Development (NABARD)** have taken initiatives to promote financial inclusion in rural areas. These include:
    - Opening of bank branches in remote areas,
    - Issuing Kisan Credit Cards (KCC),
    - Linkage of self-help groups (SHGs) with banks,
    - Increasing the number of Automated Teller Machines (ATMs),
    - Business correspondents model of Banking
    - **Payment Infrastructure Development Fund (PIDF) scheme**, etc.
- **Promotion of Secure Digital Payments:**
  - With the strengthening of the **Unified Payment Interface (UPI)** by National Payments Corporation of India (NPCI), digital payments have been made secure, compared to the past.
  - The **Aadhar-enabled Payment System (AEPS)** enables an Aadhar Enabled Bank Account (AEBA) to be used at any place and at any time, using micro ATMs.
  - The payment system has been made more accessible due to offline transaction-enabling platforms, like Unstructured Supplementary

Service Data (USSD), which makes it possible to use mobile banking services without internet, even on a basic mobile handset.

- **Enhancing Financial Literacy:**
  - The Reserve Bank of India has undertaken a project titled "**Project Financial Literacy**".
    - The Objective of the project is to disseminate information regarding the central bank and general banking concepts to various target groups, including, school and college going children, women, rural and urban poor, defence personnel and senior citizens.
  - **Pocket Money** is a flagship programme of **Securities and Exchange Board of India (SEBI)** and National Institute of Securities Market (NISM) aimed at increasing financial literacy among school students.

## 5) Super Cycle of Commodities

### Why in News

Recently, there has been an across-the-board **rise in global commodity prices** that is being billed as a new **commodity super cycle**.

- A commodity is a **basic good used in commerce** that is **interchangeable** with other goods of the same type. Commodities are most often **used as inputs in the production of other goods or services**.

### Key Points

- **About:**
  - A commodity super cycle is a **sustained period of abnormally strong demand** growth that producers struggle to match, sparking an **increase in prices that can last years or in some cases a decade or more**.
- **Current Situation:**
  - **Metals:**
    - **Steel**, the most commonly used input in the construction sector and industries, **is at all-time highs, as most metals** including base and precious metals prices have increased a lot in the last one year.
  - **Agricultural Products:**
    - Sugar, corn, coffee, soybean oil, palm oil – **have risen sharply** in the US commodities market, the **effect of which is being seen in the domestic market, too**.
- **Reason:** The new commodity super cycle is resulting from:
  - **Recovery in global demand** (led by recovery in China and the US).
  - **Supply-side constraints**.



- **Loose monetary policy of global central banks.**
- **Investment in Asset Creation:** It is also a result of money starting to hide in assets that are stores of value as there is an expectation that inflation may rise.
  - Therefore it is fear of **inflation** that is leading to jump in prices and it is not demand driven.
- **Concerns:**
  - It is **leading to input cost pressures** and is a growing concern, as it is not only expected to have a bearing on cost of infrastructure development in India but also **have an impact on the overall inflation, economic recovery and policy making.**
  - Higher metal prices will lead to **higher Wholesale Price Index (WPI) inflation** and so the core inflation may not come down.

### Loose and Tight Monetary Policies

- A monetary policy that **lowers interest rates and stimulates borrowing** is an **expansionary monetary policy or loose monetary policy.**
- Conversely, a monetary policy that **raises interest rates and reduces borrowing** in the economy is a **contractionary monetary policy or tight monetary policy.**

### Inflation

- Inflation refers to the **rise in the prices of most goods and services** of daily or common use, such as food, clothing, housing, recreation, transport, consumer staples, etc.
- Inflation **measures the average price change** in a basket of commodities and services over time.
- Inflation is **indicative of the decrease in the purchasing power** of a unit of a country's currency. This could ultimately lead to a deceleration in economic growth.
- However, a **moderate level of inflation is required in the economy to ensure that production is promoted.**
- In India, inflation is primarily measured by two main indices – **WPI (Wholesale Price Index) and CPI (Consumer Price Index)** which measure wholesale and retail-level price changes, respectively.

### Core Inflation

- It is the change in the costs of goods and services but **does not include those from the food and energy sectors.** This measure of inflation excludes these items **because their prices are much more volatile.**

- It is important because **it's used to determine the impact of rising prices on consumer income.**

### Way Forward

- The decision makers **need to look at the mismatch** in supply and demand and they need to find out where to invest, where to **incentivise through the Production-Linked Incentive (PLI) Scheme to prepare themselves to deal with the situation.**

### 6)Illegal Sale of Uranium

#### Why in News

Two people were arrested under the **Atomic Energy Act, 1962** for possessing uranium without licence and selling it illegally.

- On testing, the sample was **confirmed as natural uranium by Bhabha Atomic Research Centre (BARC).**

#### Key Points

- **Uranium:**
  - **About:**
    - Uranium **occurs naturally in low concentrations** in soil, rock and water. It is a **hard, dense, malleable, ductile, silver-white, radioactive metal.**
      - Uranium metal has a **very high density.**
    - When finely divided, it **can react with cold water.** In air it is coated by **uranium oxide**, tarnishing rapidly.
    - It can **form solids solutions and intermetallic compounds** with many of the metals.
  - **Applications:**
    - **Energy Production:** The main use of uranium in the civilian sector is to fuel commercial nuclear power plants for generation of **nuclear energy.**
      - This requires uranium to be **enriched with the uranium-235 isotope** and the chain reaction to be controlled so that the energy is released in a more manageable way.
    - **Making Atomic Bomb:** The first atomic bomb used in warfare was an uranium bomb.
      - This bomb contained **enough of the uranium-235 isotope** to start a runaway chain reaction which in a fraction of a



second caused a large number of the uranium atoms to undergo fission, thereby releasing a fireball of energy.

- **Used as Shield against Radiation:** Depleted uranium is also used as shield against radiation in **medical processes** using radiation therapy and also while **transporting radioactive materials**.
  - Though itself radioactive, uranium's high density makes it effective in halting radiation.
- **Used as Counterweights in Industry:** Its high density also makes it useful as counterweights in aircraft and industrial machinery.
- **Radiometric Dating:** The **isotope uranium 238** is used to estimate the age of the earliest igneous rocks and for other types of radiometric dating.
- **Fertilizer: Phosphate fertilizers** are made from material typically high in uranium, so they usually contain high amounts of it.
- **Health and Environmental Impacts:**
  - **Impact on Health:** Potentially depleted uranium has both chemical and radiological toxicity with the two important target organs being the **kidneys and the lungs**.
  - **Impact on Environment:** Uranium mining facilities produce tailings that generally are disposed of in near surface impoundments close to the mine.
    - These tailings pose serious environmental and health risks in the form of **Radon emission, windblown dust dispersal and leaching of contaminants** including heavy metals and arsenic into the water.
- **Uranium Deposits In India:**
  - In India, Uranium deposits occur in the **Dharwar rocks**.
  - It occurs along the **Singhbhum Copper belt (Jharkhand); Udaipur, Alwar and Jhunjhunu districts** of Rajasthan, **Durg district** of Chhattisgarh, **Bhandara district** of Maharashtra and **Kullu district** of Himachal Pradesh.
  - Significant quantities of reserves have been recently discovered in parts of **Andhra Pradesh and Telangana** between Seshachalam forest and Sresailam (Southern edge of Andhra to Southern edge of Telangana).
- **Legal Framework in India:**
  - In pursuance to **entry at serial No. 54 of List I (Union List)**, the Parliament has passed '**The Mines & Minerals (Development and Regulation) Act, 1957 (MMDR Act)**'.
    - However, with respect to **minor minerals**, the **rulemaking powers have been delegated to the States** through this Act.

- Since Uranium is a major mineral, it is **managed by the Union Government** under provisions of **MMDR Act**.
- The policy and legislation relating to Major minerals are managed by the Ministry of Mines, but **Uranium being an atomic mineral is managed by the Department of Atomic Energy (DAE)**.
  - The **Atomic Energy Act, 1962** seeks to provide standards of controlling radioactive substances and plants and measures to prevent radiation accidents, retain public safety, assure cautious disposal of radioactive wastes, and so on.
- Many of these mineral deposits are found in rich forest reserves and thus **approval of the Union Ministry of Environment, Forest and Climate Change** becomes necessary.

### **Bhabha Atomic Research Centre**

- Dr. Homi Jehangir Bhabha conceived the Nuclear Program in India. Dr Bhabha established the Tata Institute of Fundamental Research (TIFR) for carrying out nuclear science research in 1945.
- To intensify the effort to exploit nuclear energy for the benefit of the nation, Dr Bhabha established the Atomic Energy Establishment, Trombay (AEET) in January 1954 for a multidisciplinary research program essential for the ambitious nuclear program of India. AEET was renamed Bhabha Atomic Research Centre (BARC) in 1966.

### **7) Pradhan Mantri Garib Kalyan Ann Yojana**

#### **Why in News**

Recently, thirteen states have started distributing foodgrains under the **Pradhan Mantri Garib Kalyan Ann Yojana (PMGKAY)**.

- The scheme has been rolled out again for two months (May and June 2021) as **the country's healthcare infrastructure has reached its capacity** and several states have taken steps like complete **lockdown**, night curfew to contain the spread of the disease.

#### **Key Points**

- **About:**
  - PMGKAY is a part of **Pradhan Mantri Garib Kalyan Package (PMGKP)** to help the poor fight the battle against **Covid-19**.
    - Its nodal Ministry is the **Ministry of Finance**.

- It was **initially announced for a three month period** (April, May and June 2020), covering 80 crore ration cardholders. Later it was extended till **November 2020**.
  - However in April 2021, the government had announced its decision to **restart the PMGKAY**.
- The scheme aimed at providing each person who is covered under the **National Food Security Act 2013** with an **additional 5 kg grains** (wheat or rice) for free, in addition to the 5 kg of subsidised foodgrain already provided through the **Public Distribution System (PDS)**.
- The new version of the PMGKAY **lacks one of its important components** which was there in 2020 PMGKAY i.e **free-of-cost 1 kg pulses per month** to each household covered under the NFSA.
- **Expenditure:**
  - **Government of India will bear all expenditure** of over Rs. 26,000 crore on account of food subsidy and Central assistance to states/UTs on account of intra-state transportation etc.
- **Allocation Till Now:**
  - Out of a total **monthly allocation** of **39.69 lakh Metric Tonnes (MT)** under the PMGKAY, **15.55 lakh MT have been lifted by states**.
  - 1.01 lakh MT have been distributed to **2.03 crore beneficiaries till May 2021**.
- **Challenge:**
  - A key issue is that **the beneficiaries of the National Food Security Act are based on the last census (2011)**. The number of food-insecure people has increased since then and they remain uncovered.

## 8) National Financial Reporting Authority

### Why in News

**National Financial Reporting Authority (NFRA)** is in the process of creating a verified and accurate **database of companies (Public Interest Entities) and auditors** that come under the regulatory ambit of it.

- In this regard, the NFRA has been engaging with the **Corporate Data Management (CDM) division of the Ministry of Corporate Affairs (MCA)** and three recognised **stock exchanges in India**.

### Key Points

- **Constitution:** NFRA was **constituted in 2018** by the Government of India **under section 132 (1) of the Companies Act, 2013**. It is an **audit regulator**.
- **Background:** The decision to constitute the NFRA was taken after the role of auditors and the **Institute of Chartered Accountants of India** came under the

scanner for alleged lapses in various corporate scams including that at the Punjab National Bank.

- **Composition:** It consists of a chairperson, who shall be a person of eminence and having expertise in accountancy, auditing, finance or law, appointed by the Central Government and such other members **not exceeding 15**.
- **Functions and Duties:**
  - **Recommends accounting and auditing policies and standards** to be adopted by companies for approval by the Central Government.
  - **Monitor and enforce compliance** with accounting standards and auditing standards.
  - **Oversee the quality of service of the professions** associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service.
  - Protect the **public interest**.
- **Powers:**
  - It can **undertake investigation** related to the following class of companies and bodies corporate called **Public Interest Entities**:
    - Companies whose **securities are listed on any stock exchange** in India or outside India.
    - **Unlisted public companies** having paid-up capital of not less than **Rs. 500 crores** or having annual turnover of **not less than Rs. 1,000 crores** or having, in aggregate, outstanding loans, debentures and deposits of **not less than Rs. 500 crores** as on the **31<sup>st</sup> March** of immediately preceding financial year.
    - **Insurance companies, banking companies**, companies engaged in the generation or supply of **electricity**.
  - Where **professional or other misconduct** is proved, it has the power to make order for imposing penalty of –
    - **not less than one lakh rupees**, but which may extend to five times of the fees received, in case of **individuals**; and
    - **not less than ten lakh rupees**, but which may extend to ten times of the fees received, in case of **firms**.
- Its **account is monitored by the Comptroller and Auditor-General of India**.
- It is **headquartered in New Delhi**.

**Prelims Practice Questions**

1) Which of the following is/are incorrect regarding 'Dharmatma Gokhale'?

1. It was a book written by Bal Gangadhar Tilak as a tribute to Gopal Krishna Gokhale.
2. It was written in Sanskrit.

**Options:**

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

**Answer: c**

**Explanation:**

- 'Dharmatma Gokhale' is a book written by Gandhiji in Gujarati, as a tribute to Gopal Krishna Gokhale.

2) Consider the following areas: (UPSC 2012)

1. Bandipur
2. Bhitarkanika
3. Manas
4. Sunderbans

**Which of the above are Tiger Reserves?**

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

**Answer: b**

**Explanation:**

- Bhitarkanika National Park is a national park in northeast Kendrapara district in Odisha. It obtained the status of a Ramsar site in 2002. It is surrounded by Bhitarkanika Wildlife Sanctuary. It is not a Tiger Reserve.

- Bandipur in Karnataka, Manas in Assam and Sunderbans in West Bengal are all Tiger Reserves

**3) Natuna Island sometimes seen in the news recently is located in which of the following regions?**

- a. Adriatic Sea
- b. South China Sea
- c. West Pacific Ocean
- d. South Pacific Ocean

**Answer: b**

**Explanation:**

- China has sparked a major maritime confrontation with Indonesia recently near the South China Sea with dozens of Chinese fishing vessels, along with a coast guard escort, entering waters off **the Natuna Islands**, which are within Indonesia's exclusive economic zone but are also claimed by China.

**4) Which of the following tribal groups is/are not the inhabitants of the state of Arunachal Pradesh?**

1. Adi Tribe
2. Galos Tribe
3. Mikir Tribe
4. Nyishi Tribe
5. Banjara Tribe

**Select the correct answer using the codes given below:**

- a. 5 only
- b. 3 and 5 only
- c. All except 4
- d. None

**Answer: b**

**Explanation:**

**Tribal Lockdown Rituals**



- Tribes in Arunachal Pradesh have revived indigenous lockdown rituals to contain the spread of COVID-19.
- It is to be noted that state of Arunachal Pradesh is geographically closest to China's Hubei province where the COVID-19 outbreak began.
- The tribes which follow self-quarantine are as follows

### **Galos Tribe**

- The Galos, which are one of the 26 major tribes of Arunachal Pradesh that dominate West Siang district practised the Arr-Rinam ritual.
- The Galo community has been recognized as a Scheduled Tribe in the Amendment to the Constitution (ST), Order, 1950, Part-XVIII.
- Mopin is the main festival in Galos which is celebrated for the prosperity of the villages.
- The Galos perform Popir dance.
- Arr-Rinam is the Galo equivalent of lockdown imposed by consensus for 48 hours whenever an epidemic strikes.
- The Arr-Rinam follows the Ali-Ternam (the word Ali means epidemic and Ternam means forestall) ritual to ward off an epidemic.
- These rituals were last performed almost four decades ago when a water-borne disease had affected many members of the community.
- However, these rituals have been performed periodically for livestock, primarily the semi-wild animal mithun, that are prone to contagious diseases.
- This is for the first time in 30-40 years that the rituals were performed for the safety of humans.
- The Bos or deputy priests performed the Ali-Ternam under the guidance of a Nyibo (shaman).
- The ritual ended with the community leaders sealing five major entry points of the district.

### **Adi Tribe**

- The Adi tribe of Arunachal Pradesh is believed to have come from southern China in the 16th century.
- They are the Tibeto-Burman language speaking population.
- They reside in the far north inhabiting East Siang and Lower Dibang Valley districts of Arunachal Pradesh.
- The Adis are experts at making cane and bamboo items.
- Solung (harvesting festival where animal sacrifices and rituals are performed) and Aran (a hunting festival where all the male members of the family go for hunting) are two major festivals of the Adi tribes.
- The Adi community perform lock down ritual called the motor or pator system in the Adi (tribe) dialect.



- This is a customary self-restriction, where the locals lock down several villages by erecting barricades to prevent the entry of outsiders.
- No person is allowed to enter or leave the villages.
- They believe that this ritual lets shamans with legendary powers to locate wild herbs to combat an epidemic.

### Nyishi Tribe

- Nyishi Tribes also called Bangni are the tribal people of eastern Bhutan and Arunachal Pradesh (formerly North East Frontier Agency).
- Nyishi is a Scheduled Tribe.
- It is the single largest tribe of Arunachal Pradesh.
- They speak the Tibeto-Burman language of the Sino-Tibetan family.
- The Nyishi support themselves with slash-and-burn agriculture and with hunting and fishing.
- They live together in a longhouse without partitions but with a separate fireplace for each conjugal family.
- Aside from a patrilineal household there is no formal social organization or village government.
- Their religion involves belief in spirits associated with nature.
- In districts such as Papum Pare and East Kameng, the dominant Nyishi community observed Arrue involving self-quarantine.

5) Operation Namaste, often seen in the news recently is associated with which of the following?

- a. Indian Army
- b. National Disaster Response Force
- c. Indian Council of Medical Research
- d. None of the above

**Answer: a**

#### **Explanation:**

#### **Operation Namaste: Indian Army**

- The Indian Army has code-named its anti-COVID-19 campaign as Operation Namaste to help the government in its fight against the pandemic.
- Soldiers are advised to follow the lockdown, wherever they do not have any operational role, and stay fit.
- Under the operation soldiers are assured that their families will be well taken care of.

6) Which of the following tribes belong to the Andaman and Nicobar Islands?

1. Onge
2. Toto
3. Shompen
4. Jarawa
5. Sentinelese

**Choose the correct option:**

- a. 1, 2 and 3 only
- b. 1, 2, 3 and 5 only
- c. 1, 3, 4 and 5 only
- d. 1, 2, 3, 4 and 5

**Answer: c**

**Explanation:**

Andaman and Nicobar Islands house Onge, Shompens, Sentinelese, Jarawa, Great Andamanese and Nicobarese tribes. Toto is a Particularly Vulnerable Tribal Group in West Bengal.

## **Mains Practice Questions**

**1Q. India's leap of 23 ranks in the Ease of Doing Business ranking is significant on the 2019 World Bank's 'ease of doing business' index. Examine the steps taken by government to improve business environment and challenges remaining. (250 words).**

### **Approach**

- Briefly give Ease of Doing Business ranking.
- Examine the steps taken by government to improve business environment
- Describe challenges to further improvements.
- Give conclusion.

**2Q. "Not only must Justice be done; it must also be seen to be done." Examine. (150 words)**

### **Approach**

- Introduce by mentioning the importance of justice as a principle.
- Mention judiciary's role in upholding justice and instances which erode people's faith in the system.
- Mention some other dimensions needed to ensure a just society.