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GS 2 : Polity, Governance, International Relations

1. The gender technology gap has to end

Introduction:

- The **COVID-19 pandemic has exposed and exacerbated the existing inequalities** in the society.
- One major inequality which has been most noticeable during the pandemic has been the **gender inequality in access to technology**.

Manifestations of gender inequality in access to technology:

Digital device ownership and usage:

- **In South Asia, only around 65% of women have access to a mobile**, which has emerged as the major tool for digital connectivity in recent years.
- In families which share a digital device, it is more likely that the males of the family would have better access to such devices. **Females have to face suspicion and opposition by trying to access the devices** which could be attributed to patriarchal attitudes and cultural beliefs.

Limited or no access to the internet:

- According to Global System for Mobile Communications (GSMA) estimates, over 390 million women in low- and middle-income countries do not have Internet access. South Asia alone has more than half of these women.
- **Only 14.9% of Indian women have been reported to be using the internet.**

Non-neutral nature of technologies:

- In the App Store, most of the existing two million apps **cater mainly to young men**.
- Given that most technologies are created by men, for men, they **do not necessarily meet women's requirements**.

Concerns:

- The lack of equitable access to technology has a perceptible impact on women.

Access to critical information and services:

- The technological gaps have **prevented women from accessing critical services and information during the COVID-19 pandemic**.
 - In India, Bangladesh and Pakistan, fewer women than men received the necessary **information to survive COVID-19**.
 - The need to **register online for vaccination** has led to lower vaccination levels in women as compared to men.
- The information and access to health care have largely moved online and access to technology has become crucial to ensuring public health and safety.

Deepen existing inequalities:

- The lack of access to technology could **rob the technologically deprived women of the potential advantages of such technologies**. This will only deepen the existing gender inequality in society and render the achievement of gender equality more difficult.

Recommendations:

Addressing the social aspects:

- The mindset around digital technology and device ownership must change.
- This could be ensured by the **social and economic empowerment of women** through appropriate government policies and schemes.

Feminist technology:

- There is a need to **address the existing inequality through innovation**. Adoption of feminist technology should be the way forward.
 - **Feminist technology (also called "femtech")** is an approach to technology and innovation that is inclusive, informed and responsive to the entire community while acknowledging all the existing diversity.

Women focussed products:

- Interventions designed specifically for women need to be considered.
 - Examples: **Apps for women and mothers to access telemedicine consultation**. Digital networks to connect women to informal job opportunities while balancing caring for their families. **Built-in features on mobile phones such as an emergency button** connecting women to law enforcement if they face unwanted street harassment should also be considered.

Involving the private sector:

- Given that governmental policies alone cannot address this issue of inequitable technological access, the private sector should be involved too through appropriate policies and incentives.

Measures being taken by UN Women:

- UN Women has been undertaking the following measures and initiatives towards addressing the challenge of gender inequality in access to technology.
 - **The Generation Equality Forum aims to double the number of women and girls working in technology and innovation.**
 - It is encouraging investment in feminist technology and innovation to support women's leadership as innovators.
 - It also aims to reduce the **gender digital divide and ensure universal digital literacy by 2026** through digital empowerment programmes.
 - Its initiatives such as **EQUALS and International Girls in ICT Day celebration** aims to encourage more girls into taking STEM (science, technology, engineering, and mathematics) as their academic areas, enter digital technology careers, and aspire to be the next leaders in digital technology.

Significance:

- The need for a more **equal, diverse, and sustainable world of technology** is inevitable, more so after the experience of the disruption caused by the COVID-19 pandemic. Bringing an end to the gender technology gap **will help save lives and make livelihoods more secure in the face of any future pandemics.**
- Gender-equal technology is not just significant from an altruistic perspective but is also a **pragmatic approach given the economic dividends that it could yield.** Thus it could not only be advantageous for the social benefits it could bring but could also be financially viable for the developer.
 - Given the potential of women and girls as large consumer groups they could act as major profit drivers for the sector. According to GSMA, closing the gender gap in mobile Internet usage in low- and middle-income countries would **increase GDP by U.S. \$700 billion over the next five years.**

2. Blended learning won't work

Context:

- The recent circular by the University Grants Commission (UGC) proposing the shift to a blended learning (BL) approach under which the **higher educational institutions (HEI) would teach 40% of any course online and the rest 60% offline.**

Arguments in favour:

Student-friendly:

- As against the traditional classroom model which is teacher-directed, top-down, and employs a one-size-fits-all approach, **BL is student-driven, bottom-up, and customizable.**
- BL could also bring in the much-needed **flexibility in assessment and evaluation patterns** as envisioned in the recent National Education Policy.
- This flexibility in the teaching and learning environments will lead to **improved student learning outcomes** and also **enhance self-learning opportunities for working students.**

Scope for institutional collaborations:

- BL would provide for increased opportunities for institutional collaborations at a distance. This will have a **perceptible impact on the quality of education** that such a system can provide for.

Enhanced role of a teacher:

- The enhanced student-teacher interactions envisioned in the BL system will **enable teachers to have a greater influence and effect on students' learning.**
- The adoption of a BL system will result in the shifting of the role of the teacher from being a mere knowledge provider to that of a coach and mentor.

Concerns:

Cost factor:

- The shift to a BL system will **require a substantial upfront investment.** Given that 60.56% of the 42,343 colleges in India are located in rural areas and 78.6% are privately managed, there are doubts over whether such institutes will be able to successfully implement BL. Only the big and elite institutions would be able to invest in technology and provide such learning.

- Even if these institutes are able to implement such a system, **the fee that they will have to charge to cover up the investments will be high** and may prove to be unaffordable for all sections of society.

Digital divide:

- Given that **internet penetration in India continues to be low** with a **skewed distribution between urban and rural areas**, the shift to the BL system could exacerbate the existing digital divide resulting in the exclusion of a large number of rural students.
 - As per available estimates, **Internet penetration is only 45% as of January 2021.**

Fails to acknowledge the heterogeneous nature of the student community:

- Given the fact that the students entering higher education come from diverse backgrounds, a uniform approach may not be the ideal way forward.
- Expecting the students to switch over quickly to collaborative and technology-enabled learning will be stressful for them and may **accentuate the existing dropout rate in higher education.**

Reduction in social contact:

- Given that the BL system will **entail a reduction of the student engagement in classroom environments**, there are doubts over the ability of the BL system to accrue all-round formation of the student including the development of their intelligent quotient, emotional quotient, social quotient, physical quotient and spiritual quotient.
- These are critical for personality development, character building and career formation as envisioned in the recent **National Education policy which calls for 'all round education of a student'**.

Recommendations:

Closing the digital divide:

- The government should **ensure equity in access to technology** and bandwidth for all HEIs across the country free of cost.

Appropriate teacher education:

- Digital training programmes for teachers should be ensured to help them adapt to the new system. This will make them more effective.

Re-designing of the curriculum:

- The new system needs to be complemented with a re-designed curriculum right from the school level up to the higher education level.

Conclusion:

- The blended learning (BL) approach could lead to the **actualisation of the three cardinal principles of education policy: access, equity and quality** provided the associated concerns are adequately addressed.

3. Model Tenancy Act is a model Act, says Puri

Context:

Housing and Urban Affairs Minister reiterated that **the Model Tenancy Act is a model Act that would have to be passed by the States.**

- The model Act would be applicable to future agreements and not to existing ones.

Details:

- The model Act, if passed by the States and UTs, would **prescribe the norms for lease agreements, deposits, dispute handling** and other aspects of rental properties.
- States and Union Territories **can adopt the Model Tenancy Act by enacting fresh legislation** or they can **amend their existing rental laws.**
- **Separate rent authorities, courts and tribunals** will be set up in districts to protect the interests of both the owner and the tenant.

Significance:

- It will help **overhaul the legal framework** with respect to rental housing across the country, which would help **spur its overall growth.**
- It will enable the **institutionalisation of rental housing** by shifting it towards the formal market.
 - Through this, vacant houses could be unlocked for rental housing purposes.
- It will enable the **creation of adequate rental housing stock** for all the income groups thereby **addressing the issue of homelessness.**

- It is expected to give a fillip to **private participation in rental housing as a business model** for addressing the huge housing shortage.

4. Twitter storm to save Unani medicine

Context:

All India Unani Conference and Aligarh Muslim University's A.K. Tibbia College have demanded **just treatment for the Unani system of medicine** in the newly formed **National Commission for Indian System of Medicine**.

Issue:

- It has been pointed out that the **Unani System** that has a considerable presence in the country and abroad has been **clubbed with regional systems of Siddha and Sowa Rigpa** in the Commission.
- The Ministry of AYUSH has permitted Ayurvedic postgraduates of surgery to perform surgical procedures while ignoring the right of Unani postgraduates in surgery with similar course contents and training.
- An appeal has been made for **an independent board, fair distribution of resources and appropriate representation in the Commission**.

National Commission for Indian System of Medicine Bill

- The **National Commission for Indian System of Medicine Bill, 2019** was introduced in Rajya Sabha in 2019 and was passed by both the houses of the parliament in 2020.
- The Bill sought to **repeal the Indian Medicine Central Council Act, 1970** and provide for a **holistic medical education system**.
- It established a National Commission for Indian System of Medicine (NCISM).

Functions of the NCISM:

1. **Framing policies** for regulating medical institutions and medical professionals of the Indian System of Medicine.
2. **Assessing the requirements** of healthcare-related human resources and infrastructure.
3. **Ensuring compliance** by the State Medical Councils of Indian System of Medicine of the regulations made under the Bill.
4. **Ensuring coordination among the autonomous boards set up under the Bill**.

Unani Medicine:

- The Unani system of medicine **originated in Greece**, however, its **present form was saved by the Arabs**.
- Unani medicine is also known as **Unani Tibb, Arabian medicine, or Islamic medicine**.
- It is a healing philosophy that takes from ancient Greek medicine. In Arab, Unani means 'Greek.'
- It assumes the four main elements – **Fire, Water, Air and Earth** which corresponds to four humours – **Phlegm, Black bile, Blood, and Yellow bile respectively**.
- Unani was **introduced in India by the Arabs and Persians**.

5. The 'Union government' has a unifying effect

British Cabinet Mission Plan (1946):

- The Cabinet Mission came to India aiming to **discuss the transfer of powers from the British government to the Indian leadership**.

Main proposals:

- The British Cabinet Mission Plan (1946) **contemplated a Central government with very limited powers whereas the provinces had substantial autonomy**.
 - There would be a Union of India, embracing both British India and the States which would deal with the following subjects: Foreign Affairs, Defence, and Communications.
 - All subjects other than the Union subjects and all **residuary powers would vest in the Provinces**.
- It proposed a **two-tiered federal plan** which was expected to maintain national unity while conceding the largest measure of regional autonomy.
 - There would be **three groups of provinces** (i) Group 'A' was to include Madras, Bombay, U.P., Bihar, Central Province and Orissa (ii) Group 'B' was to comprise Punjab, Sindh, N.W.F.P. and British Baluchistan (iii) Group 'C' was to include Bengal and Assam.
 - These groups would draft their own constitutions in consultation with their respective provinces included in each group.
- The Union would have an Executive and a Legislature constituted from British Indian and States' representatives.

GS 3 : Economy, Science and Technology, Environment

6. Banks get assets worth ₹8,441 crore from ED

Context:

Assets worth 8,441.5 crore have been **transferred to public sector banks** that **suffered losses due to frauds committed by businessmen.**

Background:

- The banks had suffered losses of ₹22,585.83 crore due to frauds committed allegedly by businessmen Vijay Mallya, Nirav Modi and Mehul Choksi.
- Based on the cases registered by the Central Bureau of Investigation, the ED had taken up a **money laundering probe.**
- ED unearthed a complex web of **domestic and international transactions** and **stashing of assets** abroad by the accused persons and their associates.
- Dummy entities were used by them **for rotation and siphoning of the funds** provided by the banks.

Details:

- ED recently transferred attached shares worth ₹6,600 crore to a State Bank of India-led consortium as per an **order of the Prevention of Money Laundering Act (PMLA) Special Court.**
- The **Debt Recovery Tribunal**, on behalf of the consortium, sold the shares.
- **Prosecution complaints were filed** against all three accused.
- **Extradition requests were sent for them to the United Kingdom** (Mr. Mallya and Mr. Modi) and Antigua and Barbuda (Mr. Choksi).

Prevention of Money Laundering Act

- PMLA is a legislation **enacted in 2002 and came into force in 2005**, that has the chief objective of **preventing money laundering - the process of converting black money into white.**

7. IAF, Navy match skills with U.S. team

What's in News?

The Indian Navy and the Air Force are carrying out a two-day **passage exercise**.

- The passage exercise is being carried out with the **U.S. Navy Carrier Strike Group (CSG) Ronald Reagan** during its **transit through the Indian Ocean Region (IOR)**.
- The **Indian Naval warships** along with **aircraft from the Navy and Indian Air Force (IAF)** are engaged in **joint multi-domain operations with the U.S. Carrier Strike Group**.
- The exercise is being carried out **south of Thiruvananthapuram on the western seaboard**.
- INS Kochi and Teg, along with P-8I long-range maritime patrol aircraft and MiG 29K fighters, are participating in the exercise.
- Jaguar, Su-30 MKI fighters, Phalcon and Netra early warning aircraft, IL-78 air to air refueller aircraft are also taking part in the exercise.

Objective:

The aim of the exercise is to **strengthen the bilateral relationship and cooperation** by demonstrating the ability to integrate and coordinate comprehensively in maritime operations.

Note:

Passage Exercise (PASSEX) PASSEX is a naval exercise that is regularly conducted by the Indian Navy with units of friendly foreign navies, whilst visiting each other's ports.

8. 'Climate crisis to hit sooner than feared'

What's in News?

According to a landmark draft report from the UN's climate science advisers, even if humans can tame planet-warming greenhouse gas emissions, climate change will fundamentally reshape life on Earth in the coming decades.

- It says that **prolonged warming beyond the threshold of 1.5 degrees Celsius** could produce **progressively serious** centuries' long and, in some cases, **irreversible consequences**.
- Earlier models predicted that **Earth-altering climate change would not be likely before 2100**.
- It pointed out that **dire consequences stemming from decades of carbon pollution are unavoidable in the short term**.

THE INDIAN EXPRESS

GS 2 : Polity, Governance, International Relations

1. Bhutan's Tax Inspectors Without Borders (TIWB) Programme

Tax Inspectors Without Borders (TIWB) programme has been recently launched.

TIWB Program

- TIWB is a joint initiative of the United Nations Development Programme (UNDP) and the Organization for Economic Cooperation and Development (OECD).
- India was chosen as the Partner Jurisdiction and has provided the Tax Expert for this programme.
- It aims to aid Bhutan in strengthening its tax administration by transferring technical know-how and skills to its tax auditors, and through sharing of best audit practices.
- The focus of the programme will be in the area of International Taxation and Transfer Pricing.
- This programme is another milestone in the continued cooperation between India and Bhutan and India's continued and active support for South-South cooperation.

2. National Maritime Heritage Complex: Lothal

Why in News

The **Ministry of Culture (MoC)** and **Ministry of Ports, Shipping and Waterways (MoPSW)** signed a Memorandum of Understanding (MoU) for '**Cooperation in Development of National Maritime Heritage Complex (NMHC)**' at Lothal, Gujarat.

Key Points

- **About:**
 - NMHC will be **developed in Lothal region of Gujarat.**

- It would be developed as an **international tourist destination**, where the maritime heritage of India from ancient to modern times would be showcased.
 - The idea is to create an **edutainment (education with entertainment)** approach for this destination that would be of great interest for the visitors.
- It is **going to cover an area of 400 acres**, with structures such as Heritage Theme Park, National Maritime Heritage Museum, Lighthouse Museum, Maritime Institute, eco-resorts, and more.
- There will also be **many pavilions where all coastal states in India and union territories** can showcase their artifacts and maritime heritage.
- The unique feature of NMHC is the **recreation of ancient Lothal city**, which is one of the prominent cities of the **ancient Indus valley civilization**.
- **About Lothal:**
 - **Lothal** was one of the southernmost cities of the ancient **Indus Valley Civilization** located in Gujarat.
 - Construction of the city began **around 2400 BCE**.
 - According to the **Archaeological Survey of India (ASI)**, Lothal had the **world's earliest known dock**, which connected the city to an ancient course of the Sabarmati river on the **trade route between Harappan cities in Sindh and the peninsula of Saurashtra**.
 - Lothal was a **vital and thriving trade Centre in ancient times**, with its trade of beads, gems, and valuable ornaments reaching the far corners of West Asia and Africa.
 - The techniques and tools they pioneered for bead-making and in metallurgy have stood the test of time for over 4000 years.
 - The Lothal site has been **nominated as a UNESCO World Heritage Site**, and its application is **pending on the tentative list of UNESCO**.

Indus Valley Civilization

- Also known as **Harappan Civilization** that flourished around 2,500 BC, in the western part of South Asia, in contemporary **Pakistan and Western India**.
- It was home to the **largest of the four ancient urban civilizations** of **Egypt, Mesopotamia, India and China**.
- It was **basically an urban civilization** and the people lived in well-planned and well-built towns, which were also the centers for trade.
 - They had wide roads and a **well-developed drainage system**.
 - The houses were **made of baked bricks** and had two or more storeys.
- The highly civilized Harappans **knew the art of growing cereals**, and wheat and barley constituted their staple food.

- By 1500 BC, the Harappan culture came to an end. Among various causes ascribed to the decay of Indus Valley Civilization are the recurrent floods and other natural causes like earthquakes, etc.

3. Class Action Suits

Why in News

Incidents such as the recent **Oil and Natural Gas Corporation Limited (ONGC) barge disaster** underline the **absence of effective class action suits/lawsuits in India**.

- 71 people were killed after **Cyclone Tauktae** damaged ONGC's barge vessels off Bombay High.

Oil and Natural Gas Corporation Limited

- It is a **Maharatna** Public Sector Undertaking (PSU) of the Government of India.
- It was **set up in 1995** and is under the **Ministry of Petroleum and Natural Gas**.
- It is the **largest crude oil and natural gas company in India**, contributing around 70% to Indian domestic production.

Key Points

- **About:**
 - It is a **case brought to court by a group representing a larger set of people**, often in thousands, who have **suffered the same loss**. Such a group forms a class.
 - It derives from **representative litigation**, to ensure justice to the ordinary individual against a powerful adversary.
 - The **accused in such cases usually are corporate entities or governments**.
 - Generally, in class action suits, the damages paid may be small at an individual level or may not even be quantifiable.
 - The **total damages calculated, however, could be large**.
 - The difference between **public interest litigation (Article 32 or Article 226 of the Constitution)** and class action suits is that unlike a class action suit, a **public interest litigation cannot be filed against a private party**.
- **History of Class Action Suits:**

- While class action suits have a **history dating back to the 18th century**, these were **formally incorporated into law in the US in 1938** under the **Federal Rules of Civil Procedure**.
 - It is a tool extensively used in the US where individuals or small communities, aggrieved by the actions of a large entity, come together to exercise legal options collectively.
- Over the years, class action has become so successful at curbing negligence, that it is **now a part of US corporate and consumer laws, environmental litigation, etc.**
- **Rules in India for Class Action Suits:**
 - **Civil Procedure Code 1908 :**
 - The **Code of Civil Procedure, 1908** is a procedural law related to the administration of civil proceedings in India.
 - Rule 8 refers to **representative suits**, which is the closest to a classic class action suit in a civil context in India. **It does not cover criminal proceedings.**
 - **Companies Act 2013:**
 - **Section 245** of it allows **members or depositors of a company to initiate proceedings** against the directors of the company in specific instances.
 - There are **threshold limits**, requiring a minimum number of people or holders of issued share capital before such a suit can proceed.
 - This type of suit is filed in the **National Company Law Tribunal (NCLAT)** currently.
 - **Competition Act 2002:**
 - Under Section 53(N), it allows a **group of aggrieved persons to appear at the NCLAT** in issues of anti-competitive practices.
 - **Consumer Protection Act 2019 (replaced the 1986 Act):**
 - The **Supreme Court** has held that in **certain complaints under the Consumer Protection Act 1986, they can be considered as class action suits.** (Rameshwar Prasad Shrivastava and Ors v Dwarkadhis Project Pvt Ltd and Ors 2018).
- **Benefits:**
 - **Reduced Burden:**
 - An immediate benefit is that the court has to hear only one case and not several. This **reduces the chance of similar cases clogging the already overburdened courts.**
 - **Helps the Weak:**
 - As **not everyone has the means or time to pursue a legal case**, a small group of people with funds or the ability to raise money can **bring justice to other victims who may be disadvantaged.**
 - **Affects Brand Image:**

- **Companies are reluctant to face such suits** as it affects their brand image. They **prefer settling such cases faster** to minimize the damage to their reputation.
- An advantage for the accused parties, however, is that they have to deal with only one case.
- **Challenges:**
 - **Underdeveloped system of torts:**
 - **Tort law has not developed sufficiently** in India for a number of reasons, primarily **due to the high cost and time-consuming nature of litigation.**
 - **Lack of contingency fees:**
 - The rules of the **Bar Council of India do not allow lawyers to charge contingency fees**, i.e., a percentage of the damages claimants receive if they win a case.
 - This **disincentives lawyers from appearing in time-consuming cases** that class action suits inevitably are.
 - **Lack of Third-party financing mechanisms for litigants:**
 - Since litigation costs are high, class action suits can be **made easier by allowing external parties to fund or sponsor the cost of litigation.**
 - Some states like Maharashtra, Gujarat, Madhya Pradesh, and Karnataka have made changes in the Civil Procedure Code to allow this.

Way Forward

- India **should move in the direction of such accountability**, which is taken seriously in developed economies, and which makes them better abodes for employment and business.
- Lawyers should be incentivised for taking such cases, it will be a **good first step in bringing class action suits into the mainstream.**
- Class action suits are necessary **if India is to improve its ease of doing business rankings**, especially in disaster prevention and risk of life.

GS 3 : Economy, Science and Technology, Environment

4. Guidelines for Other Service Providers (OSP)

The Union Minister for Electronics & Information Technology has further liberalized the guidelines for Other Service Providers (OSPs).

What are OSPs?

- These entities are business process outsourcing (BPO) organizations giving Voice based services, in India and abroad.
- The term Business Process Outsourcing or BPO as it is popularly known, refers to outsourcing in all fields.
- A BPO service provider usually administers and manages a particular business process for another company.
- BPOs either use new technology or apply an existing technology in a new way to improve a particular business process.
- India is currently the number one destination for business process outsourcing, as most companies in the US and UK outsource IT-related business processes to Indian service providers.

Main features of the liberalized guidelines

- Distinction between Domestic and International OSPs has been removed. A BPO centre with common Telecom resources will now be able to serve customers located worldwide including in India.
- EPABX (Electronic Private Automatic Branch Exchange) of the OSP can be located anywhere in the world. OSPs apart from utilising EPABX services of the Telecom Service Providers can also locate their EPABX at third Party Data Centres in India.
- With the removal of the distinction between Domestic and International OSP centres, the interconnectivity between all types of OSP centres is now permitted.
- Remote Agents of OSP can now connect directly with the Centralised EPABX/ EPABX of the OSP/ EPABX of the customer using any technology including Broadband over wireline/ wireless.
- No restriction for data interconnectivity between any OSP centres of same company or group company or any unrelated company.

5. What is a Full Ship Shock Trial (FSST)?

The US Navy Friday carried out a 'full ship shock trial' on its newest and most advanced nuclear-powered aircraft carrier to ensure its hardness was capable of withstanding battle conditions.

What is a Full Ship Shock Trial (FSST)?

- During World War II, American warships suffered severe damage from enemy mines and torpedoes that had actually missed their target, but exploded underwater in close proximity.
- The US Navy has since worked to improve the shockproofing of their ship systems to minimize damage from such “near miss” explosions.
- In FSSTs, an underwater explosive charge is set off near an operational ship, and system and component failures are documented.
- The FSST probes whether the components survive shock in their environment on the ship; it probes the possibilities of system failures, and large components that could not be otherwise tested.

6. It's time for RBI to turn its attention to inflation

How inflation benefits government as a borrower

- Rising inflation hurts lenders and **benefits borrowers**.
- To that extent, the government, one of the biggest borrowers, stands to benefit as **high inflation will lower the national debt load in relation to the size of the economy**.
- The Union budget 2021-22 assumed a **14.4 per cent growth in nominal GDP**, however, actual growth is set to exceed this.
- The **GDP deflator**, which **measures the difference between nominal and real GDP**, is a weighted average of WPI and CPI, with a higher weightage to WPI.
- And given that **nominal GDP is used as a base for computing the fiscal ratios**, all of these will get deflated.
- **The value of past debt and debt servicing costs** thus gets pared in real terms as inflation rises.
- Viewed from a debt dynamics perspective, as the gap between growth and interest rates rises, **the debt/GDP ratio falls**.

Impact on other stakeholder

- That inflation **reduces purchasing power** and hits private consumption is well known.
- Overall food CPI inflation (5 per cent) was lower than **non-food inflation (7.1 per cent) in May**.
- **Lower food inflation, coupled with higher non-food inflation** means **reduced purchasing power for farmers**.

- Inflation trends, specifically input prices (reflected better by WPI), matter **for corporate performance as well.**
- While producers seem to be **bearing a part of the burden of rising input costs** for now, these could get passed on in greater measure to consumers once demand recovers.
- Rising inflation **reduces returns on fixed income instruments**, including **bank deposits**, which account for over 50 per cent of households' financial savings.
- This has already induced a shift to riskier asset classes such as equities, which has **ramifications for overall financial stability.**

Way forward

- The RBI will have to closely monitor inflation trends and calibrate its policy response.
- It has not intervened on high inflation since the onset of the pandemic and, rightly so, **in order to support growth.**
- But the current spell of inflation is over a high base and a continuation of recent trends will persuade it to turn the focus back on inflation.
- Given the need for monetary policy to stay accommodative, it might be **time to consider other supply-side interventions** such as cuts in excise rates on petroleum products to soften the inflation blow.

Conclusion

Given the impact rising inflation has for the broader sections of the economy, it is time for RBI to turn its attention to inflation.

7. What is AgriStack?

The Department of Agriculture, Cooperation and Farmers Welfare has entered into an MoU with Microsoft Corporation to start a pilot project in 100 villages to create a 'Unified Farmer Service Interface' through its cloud computing services.

AgriStack

- The AgriStack is a collection of technologies and digital databases proposed by the Central Government focusing on India's farmers and the agricultural sector.

- The central government has claimed that these new databases are being built to primarily tackle issues such as poor access to credit and wastage in the agricultural supply chain.
- Under AgriStack', the government aims to provide 'required data sets' of farmers' personal information to Microsoft to develop a farmer interface for 'smart and well-organized agriculture'.
- The digital repository will aid precise targeting of subsidies, services and policies, the officials added.
- Under the programme, each farmer of the country will get what is being called an FID, or a farmers' ID, linked to land records to uniquely identify them. India has 140 million operational farm-land holdings.
- Alongside, the government is also developing a unified farmer service platform that will help digitise agricultural services delivery by the public and private sectors.

Issues with the move

- Agriculture has become the latest sector getting a boost of 'techno solutionism' by the government.
- But it has, since then, also become the latest sector to enter the whole debate about data privacy and surveillance.
- Since the signing of the MoUs, several concerns related to sharing farmers' data with private companies the major one being Microsoft whose owner Bill Gates is said to be the largest private farmland owner in the US.
- In all the MoUs, there are provisions under which the agriculture ministry will enter into a data sharing agreement with the private companies of the likes of Amazon, Microsoft and Patanjali.
- The development has raised serious concerns about information asymmetry, data privacy and consent, profiling of farmers, mismanaged land records and corporatization of agriculture.
- The formation of 'Agristack' also implies commercialization of agriculture extension activities as they will shift into a digital and private sphere.

Why such concerns?

- The project was being implemented in the absence of a data protection legislation.
- It might end up being an exercise where private data processing entities may know more about a farmer's land than the farmer himself.
- Without safeguards, private entities would be able to exploit farmers' data to whatever extent they wish to.
- This information asymmetry, tilted towards the technology companies, might further exploit farmers, especially small and marginal ones.

What are some major threats?

- One of the biggest worries is the threat of financial exploitation.
- We have already seen how microfinance firms have wreaked financial havoc in rural hinterlands.
- Now, once Fintech companies are able to collect granular data about the farmers' operations, they may offer them usurious rates of interest precisely when they would be in the direst need for credit.
- With this, the risk of commodifying agriculture and farmer data ran high.

8. RBI's Proposals for Microfinance Institutions

Why in News

Recently, the **Reserve Bank of India (RBI)** proposed to lift the interest rate cap on **Microfinance Institutions (MFIs)**, and said all micro loans should be regulated by a common set of guidelines irrespective of who gives them.

Key Points

- **Proposals:**
 - RBI has suggested a **common definition of microfinance loans** for all regulated entities.
 - **Microfinance loans** should mean **collateral-free loans to households with annual household income** of Rs 1,25,000 and Rs 2,00,000 for rural and urban/semi urban areas, respectively.
 - For this purpose, **'household'** means a group of persons normally living together and taking food from a common kitchen.
 - RBI has **mooted capping the payment of interest and repayment of principal for all outstanding loan obligations of the household** as a percentage of the household income, subject to a **limit of maximum 50%**.
 - **Non-banking Financial Company (NBFC)-MFIs**, like any other NBFC, shall be **guided by a board-approved policy** and the fair practices code, whereby disclosure and transparency would be ensured.
 - There would be **no ceiling prescribed for the interest rate**. There would be no **collateral allowed** for micro loans.
 - There can be **no prepayment penalty**, while all entities have to permit the borrowers to repay weekly, fortnightly or monthly instalments as per their choice.

- **Significance of Proposal:**
 - RBI has reposed faith in the **maturity of the microfinance sector** with this step.
 - This is a forward-looking step where the **responsibility is of the institution** to fix a reasonable interest rate on transparent terms.
- **MicroFinance Institution (MFI):**
 - Microfinance is a **form of financial service** which provides small loans and other financial services **to poor and low-income households**.
 - Indian microfinance sector has witnessed **phenomenal growth over the past two decades** in terms of increase in both the **number of institutions** providing microfinance and the **quantum of credit** made available to the microfinance customers.
 - Microcredit is delivered through a variety of institutional channels viz.,
 - **Scheduled commercial banks (SCBs)** (including **small finance banks (SFBs)** and **regional rural banks (RRBs)**)
 - Cooperative banks,
 - **Non-banking financial companies (NBFCs)**
 - Microfinance institutions (MFIs) registered as NBFCs as well as in other forms.
 - **MFIs** are financial companies that provide small loans to people who do not have any access to banking facilities.
 - The definition of “small loans” varies between countries. In India, all loans that are below Rs. 1 lakh can be considered as microloans.
 - **Significance:**
 - It is an economic tool designed to **promote financial inclusion** which enables the poor and low-income households to come out of poverty, increase their income levels and improve overall living standards.
 - It can facilitate achievement of national policies that target **poverty reduction, women empowerment, assistance to vulnerable groups, and improvement in the standards of living**.

Non-Banking Financial Company-Micro Finance Institution

- The NBFC-MFI is a **non-deposit taking financial company**.
- Conditions to qualify as NBFC-MFI:
 - Minimum Net Owned Funds (NOF) of Rs. 5 crore.
 - At least 85% of its Net Assets in the nature of Qualifying Assets.
 - The Qualifying Assets are those assets which have a substantial period of time to be ready for its intended use or sale.

- The difference between an NBFC-MFI and other NBFC is that while other NBFCs can operate at a very high level, MFIs cater to only the smaller level of social strata, with need of smaller amounts as loans.

Prelims Practice Questions

1. Suicide Worldwide Report is published by which of the following organizations?

- a. United Nations Human Rights Council (UNHRC)
- b. World Health Organization (WHO)
- c. Doctors without Borders
- d. United Nations Children's Fund (UNICEF)

Answer : b

Suicide Worldwide Report

- Suicide is defined as death caused by self-directed injurious behaviour with intent to die as a result of the behaviour.
- Recently, a report titled Suicide worldwide in 2019 was published by the World Health Organization (WHO).
- The global age-standardized suicide rate was 9.0 per 1,00,000 population for 2019.
- India has the highest suicide rate in the Southeast Asian region.

2. The term 'Hidden hunger' seen in news best describes:

- a. Deficiency of micronutrients, such as vitamins, iron, iodine and other trace elements.
- b. Body's inability to absorb nutrients due to an infection or disease.
- c. Protein energy malnutrition due to acute deficiency of food.
- d. Deficiency of macronutrients affecting the metabolic system, growth, and development of the body.

Answer: a

Explanation:

- The word hidden hunger refers to a more insidious type of deficiency caused by eating food that is cheap and filling but deficient in essential vitamins and micronutrients.
- Hidden hunger describes deficiency of micronutrients, such as vitamins, iron, iodine and other trace elements.

3. Consider the following statements:

1. The Great Barrier Reef is located in the north-east coast of Australia.
2. The reef structure is composed of tiny organisms known as coral polyps.

Which of the statements given above is/are correct?

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

Answer : C

Explanation

- The Great Barrier Reef is the world's most extensive and spectacular coral reef ecosystem composed of over 2,900 individual reefs and 900 islands.
 - The reef is located in the Coral Sea (North-East Coast), off the coast of Queensland, Australia. Hence, statement 1 is correct.
 - It can be seen from outer space and is the world's biggest single structure made by living organisms.
- This reef structure is composed of and built by billions of tiny organisms, known as coral polyps. Hence, statement 2 is correct.
 - They are made up of genetically identical organisms called polyps, which are tiny, soft-bodied organisms. At their base is a hard, protective limestone skeleton called a calicle, which forms the structure of coral reefs.

- These polyps have microscopic algae called zooxanthellae living within their tissues. The corals and algae have a mutualistic (symbiotic) relationship.
- It was selected as a World Heritage Site in 1981.

4. Manas National Park has which of the following designations?

1. Important Bird Area
2. World Heritage Site
3. Tiger Reserve
4. Elephant Reserve
5. Biosphere Reserve

Options:

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

Answer: d

Explanation:

Manas National Park or Manas Wildlife Sanctuary is a national park, UNESCO Natural World Heritage site, a Project Tiger reserve, an elephant reserve, Important Bird Area and a biosphere reserve. It is located in Assam.

5. Consider the following statements regarding Ebola Virus Disease (EVD) :

1. Ebola virus was first discovered near the Ebola River in South Africa.
2. Ebola spreads via direct contact through broken skin or mucous membranes.
3. Reverse transcriptase polymerase chain reaction (RT-PCR) test is used for its confirmation.

Which of the statements given above is/are correct ?

A 1 and 3 only

B 2 only

C 2 and 3 only

D 1, 2 and 3

Answer : C

Explanation

- Ebola Virus Disease (EVD) is transmitted to people from wild animals and spreads in the human population through human to human transmission.
 - Ebola virus was first discovered in 1976 near the Ebola River in what is now the Democratic Republic of Congo. Hence, statement 1 is not correct.
- Human-to-Human Transmission: Ebola spreads via direct contact (through broken skin or mucous membranes) with:
 - Blood or body fluids of a person who is sick with or has died from Ebola.
 - Objects that have been contaminated with such body fluids (like blood, feces, vomit). Hence, statement 2 is correct.
- Confirmation that symptoms are caused by Ebola virus infection are made using the following diagnostic methods:
 - ELISA (antibody-capture enzyme-linked immunosorbent assay)
 - Reverse transcriptase polymerase chain reaction (RT-PCR) assay, etc. Hence, statement 3 is correct.

6. Consider the following statements. BASIC group countries put together account for about

1. One-third of the World's geographical area (land based)
2. Two-third of World's human population

Select the correct answer using the codes below.

- A. 1 only
- B. 2 only
- C. Both 1 and 2
- D. None of the above

Answer : A

Explanation:

The BASIC group was formed as the result of an agreement signed by the four countries on November 28, 2009. They are a bloc of four large newly industrialized countries – Brazil, South Africa, India and China.

Significance of the grouping:

Objectives: The signatory nations have a broadly common position on reducing greenhouse gas emissions and raising the massive funds that are needed to fight climate change. The BASIC countries constituted one of the parties in the Copenhagen Accord reached with the US led grouping; the Accord, was, however, not legally binding. The BASIC group wields considerable heft purely because of the size of the economies and populations of the member countries. Brazil, South Africa, India and China put together has one-third of the world's geographical area and nearly 40% of the world's population, and when they unitedly speak in one voice this shows their determination. BASIC is one of several groups of nations working together to fight climate change and carry out negotiations within the UNFCCC.

Mains Practice Questions

1. "Wherever the art of medicine is loved, there is also a love of humanity." Analyse this statement in light of India's pharmaceutical capabilities and responsibilities amid the novel coronavirus pandemic across the world.

Approach:

- Discuss India's position in the global pharmaceuticals sector.
- Mention the issues involved like rising demand for medicines, the moral obligation of India and challenges.
- Mention India's response to the global crisis.
- Conclude the answer with advantages associated.

2. Elucidate the role of National Human Rights Commission in India. Also, discuss why it is dubbed as a "Toothless Tiger". (250 words)

Approach

- Briefly highlight the nature and role of NHRC.
- Highlight specific role and success in furthering human rights.
- Highlight lacunas of NHRC.
- Highlight the steps taken and needed to make it more effective.