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## GS 2 : Polity, Governance, International Relations

### 1. Tracing the decline of U.S. power

#### Context:

- The article analyzes the **change in U.S. foreign policy approach over the years** and its impact on the U.S.' standing in global affairs.

#### Background:

##### Phase of pragmatism in US foreign policy:

- Between the **period of 1970 to 1990s**, U.S. foreign policy was guided by the philosophy of realist pragmatism.
- Through **Henry Kissinger's visit to China in July 1971**, the U.S. chose to ignore the huge human rights violations in China during the Cultural Revolution (1966-76) and **chose to engage with China** in a bid to counter the Soviet Union. This came despite the large deviations in their respective world views and ideologies.

##### Phase of liberal idealism in US foreign policy:

- In the **post-Cold War era**, US foreign policy seems to be guided by the philosophy of liberal idealism.
- This phase has witnessed **U.S. intervention in many countries like Afghanistan, Iraq, etc.** guided by its **paternalistic responsibility to world peace and stability**. US has also taken great measures to **expand NATO into the former Soviet bloc**.

##### Analysis of the foreign policy approach:

- The article laments the switch from realist pragmatism to liberal idealism in the U.S. foreign policy approach based on the following arguments.

##### Success of the moral pragmatism phase:

- Kissinger's visit to Beijing in July 1971 is widely regarded as a major move that swung the 'correlation of forces' in America's favour and led to the ultimate **victory over the Soviet Union**.

- Despite the overwhelming pragmatism in its foreign approach during the pre-1991 phase, there was **scope for liberalism too** as witnessed in US support to democratic struggles.

#### Failures of the liberal idealism phase:

- The article argues that the abandonment of Kissingerian realist pragmatism has **weakened the U.S. both domestically and externally**.
- The lack of focus on its own domestic development due to an excessive focus on global affairs has resulted in a scenario where its own **economic global dominance is at stake**.
- The U.S. military interventions in different nations have not only resulted in huge civilian casualties in these countries, but have also **resulted in the loss of life of U.S. army personnel and cost trillions of dollars to the American exchequer**.

#### Conclusion:

- Pointing to the adverse impact of abandoning realist pragmatism and switching to liberal idealism, the article suggests a **return to Kissingerian realist pragmatism to manage and counter the threat posed by a rising China**.

## 2. China says it 'drove away' U.S. warship

#### Context:

China's military said it "drove away" a U.S. warship that **illegally entered Chinese waters near the Paracel Islands**.

#### Background:

- On July 12, 2016, the **Permanent Court of Arbitration in the Hague** ruled that **China had no historic title over the South China Sea**.
- In its 2016 ruling, it had also said **China had interfered with traditional Philippine fishing rights at Scarborough Shoal** and breached the country's sovereign rights by exploring for oil and gas near the Reed Bank.
- However, **Beijing has not accepted the ruling**.
- The date of the recent event marks the anniversary of an international court ruling that held Beijing had no claim over the South China Sea.

#### Details:

- The islands are claimed by China, Taiwan and Vietnam, which require either permission or advance notification before a military vessel passes through.
- Hundreds of other islands, reefs and atolls in the resource-rich waterway are **contested by Brunei, China, Malaysia and the Philippines, with China claiming rights to resources within its so-called nine-dash line, or most of the region.**
- It is a critical global sea route **and China continues to coerce and intimidate Southeast Asian coastal states, threatening freedom of navigation in the** throughway.

#### US response:

- The US Navy has said that it **asserted navigational rights and freedoms in the vicinity of the Paracel Islands consistent with international law.**
- It said that, under international law, **the ships of all states enjoy the right of innocent passage through the territorial sea.**
- It said that by engaging in **innocent passage** without giving prior notification, the **U.S. challenged these unlawful restrictions imposed by China, Taiwan and Vietnam.**

### 3. Losses forced closure of dairy farms, Lakshadweep tells HC

#### Background:

Policies introduced by Lakshadweep Administrator Praful Khoda Patel through the **Draft Lakshadweep Development Authority Regulation 2021 (LDAR)** in the Union Territory had evoked criticisms from various quarters and also had sparked protests in the union territory.

#### Details:

- The **affidavit was filed by the Lakshadweep administration** in response to a public interest litigation petition **challenging the reforms proposed in the islands.**
- The Lakshadweep administration has told the Kerala High Court that:
  - After a detailed analysis, it was felt imprudent to continue the dairy farms, **suffering a huge loss of more than ₹90 lakh per year.**
  - The decision to shut them had **no relation to the proposed Animal Preservation Regulation.**

- The affidavit said the decision to disengage excess casual employees from various establishments was to **prevent loss to the exchequer**.

The draft Lakshadweep Development Authority Regulation (LDAR), 2021 will **require ratification from the Union Home Ministry and the Cabinet before it is implemented**.

#### 4. Prioritising school reopening on the road to recovery

##### Background:

- Most **schools in India have been closed since the national lockdown started in March 2020**. With the decline in caseload, while one section has been calling for reopening of schools, some have argued against such a move over fears of impending waves of the pandemic.
- In this context, the article analyzes the concerns associated with the continued closure of schools while also weighing in on the risks of school reopening.

##### Impact of school closure:

- **In India, more than 32 crore students have been affected by the shutdown of schools** due to the pandemic induced lockdowns. It has **impeded the learning process** of the students and would hence have a **negative impact on the learning outcomes of the children**.
- Education is often considered a great empowerment mechanism and people often make considerable investments in their children's education, as a way toward a better future and a better living standard. **The inequitable access to digital devices and the internet would only further deepen the existing inequalities in society**.
- The prolonged closures could accentuate the **issue of school dropouts**, especially in rural areas.
- Prolonged school shutdown could severely set back India's fight against ills such as **child labour and child marriage**.
  - India has registered an alarming **rise in the early marriage of girls** during the pandemic.
- Due to the shutdown of schools, **mid-day meal schemes** have been disrupted and this would have an adverse impact on the **nutritional security of children** dependent on this scheme.
- Schools are not merely about education. The school environment provides an important avenue for the children to socialize among his/her peers and is an

important aspect of the **social development of the child**. The prolonged closure of schools can impact this process.

- Extended school closure is having a severe **impact on children's mental health** due to anxiety and depression during the pandemic.

### **Risks associated with school reopening:**

- Given the closed school environments and the difficulty in ensuring social distancing norms between students, there are legitimate concerns over the **schools acting as super spreader regions for the future pandemic waves**.
- There are also concerns that a **possible third wave involving newer variants** could affect children.
- However, the article argues against the above risks based on the following aspects.
  - Several careful scientific studies across various regions in Europe/U.S., measuring the role of in-person classes in COVID-19 spread have pointed out that the risk of COVID-19 spread in schools is minimal compared to other locations.
  - The available studies have pointed out the **risk of COVID-19 for children being much lower than adults** and lesser than those compared to other risks to child's health like seasonal influenza and unintentional injury. The COVID-19 induced child mortality has been very low.
  - There is no scientific basis for the fears associated with the third wave of the pandemic and the article points out the findings of the Public Health England's June 2021 report noting the newer variant Delta as less dangerous than the original virus and could be an indication of the expected evolutionary path of the virus.

### **Scenario in other countries:**

- While schools in India have remained shut throughout the pandemic, various regions around the world which have been worse hit by the pandemic than India, have kept their schools, especially primary schools, mostly open.
- This includes various European countries such as Portugal, France, the Netherlands, etc. and some states in the U.S. which have kept their schools open for in-person classes even through their second wave.

### **Recommendations:**

#### **Opening of schools:**

- The administration should balance the risks of transmission through children with the harm of prolonged school closures and **plan for a gradual re-opening of schools with appropriate precautions in place.**

#### **Vaccination of teachers:**

- Given that teachers are at high risk of catching COVID-19 if schools reopen, the government must **treat teachers on a par with essential workers**, and offer them prioritised vaccination.

#### **Vaccines for children:**

- There have been calls to ensure full vaccination of children before considering the option of school reopening. The development of COVID-19 vaccines for children should be a priority for the world.
- The article argues against any unnecessary haste given the reports of side effects of vaccines and calls for a **careful risk-benefit analysis** before any such intervention in children.

#### **Providing differentiated options:**

- Given that a “one-size-fits-all” approach may not be suitable, as each individual’s risk-benefit analysis could be different, the article suggests providing sufficient avenues for all.
- This could involve providing a **hybrid model. Opening schools with a mix of online and offline options** could be an important step in this direction.

#### **Conclusion:**

- Children have long borne the costs of prolonged school closure and evidence-based decisions toward reopening are a necessity.

### **5. The power of scrutiny**

#### **Context:**

- The Supreme Court of India has upheld the authority of a committee of the Delhi Assembly to summon a senior official of Facebook.

#### **Background:**

- Facebook's India vice-president was repeatedly summoned by the Delhi Assembly's **Committee on Peace and Harmony** on the **subject of the Delhi riots of 2020**.
- Facebook had argued before the Supreme Court that this was a **case of overreach** given that **Delhi's law and order came under the central government** and also because Facebook was governed by the **IT Act of Parliament** on which the State government has no power.

#### Details:

- Despite the constraints of the powers of the Delhi Assembly on the subject of law and order, the Court found that its committee still could summon the Facebook India official without encroaching upon the turf of the Centre.

#### Significance:

##### Recognition of the power of state assemblies:

- The judgement is an extremely nuanced recognition of the **extent of powers of State Assemblies in matters regulated by an Act of Parliament**.

##### Role to be played by state assemblies:

- The Supreme Court ruling supports the notion that an assembly should not be restricted to the passage of new laws but could also **play an important role in other aspects of governance as well**. The SC judgement held that **the "inquisitorial" and "recommendatory" powers of a House can be used for better governance**.

##### Recognition of the risk posed by unregulated social media operations:

- Recognizing the potential risk associated with the **spread of misinformation on social media**, the Court has rightly recognized **the impact of social media on law and order**, a subject matter which ultimately affects the governance of States. The judgment could pave the way for scrutiny of social media platforms by other States.

#### Concerns:

- This development could further intensify the discordance over legislative turf between the central government and the Delhi government and the SC rightly cautions the committee from transgressing into any fields reserved for the Union Government.



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

### 6. 68 killed in lightning strikes in 3 States; experts issue warning

#### Context:

With the monsoon making a slow revival over several parts of India there is a **rise in lightning-linked deaths**.

#### Details:

- The Home Ministry's statistics consistently cited **lightning as the biggest natural disaster-linked killer in India**.
- Nearly 68 were reportedly struck dead by lightning on a single day in Uttar Pradesh, Rajasthan and Madhya Pradesh.

#### What is lightning, and how does it strike?

- Lightning is a very **rapid and massive discharge of electricity in the atmosphere**, some of which is directed towards the Earth's surface.
- These **discharges are generated in giant moisture-bearing clouds that are 10-12 km tall**.

#### How does this current reach the Earth from the cloud?

- While the Earth is a good conductor of electricity, it is electrically neutral. However, **in comparison to the middle layer of the cloud, it becomes positively charged**.
- As a result, about 15%-20% of the current gets directed towards the Earth as well. It is this flow of current that results in **damage to life and property on Earth**.

#### How common are deaths by lightning?

- Lightning is the **biggest contributor to accidental deaths due to natural causes**.
- In 2019, an analysis by Skymet reported that **five States accounted for half the lightning strikes that year, led by Odisha with 9,37,462 strikes or about 16% of the cloud-to-ground strikes**. There were **20 million lightning strikes in that period with over 72% of them being instances of "in-cloud" lightning**.

**Issue:**

- Several thousand thunderstorms occur over India every year. Each can involve several – sometimes more than a hundred – lightning strikes.
- **Occurrences of lightning are not tracked in India.**
- **Just one group of scientists**, at the Indian Institute of Tropical Management (IITM) in Pune, **works full-time on thunderstorms and lightning.**
- There is **simply not enough data for scientists to work with.**

## 7. Inflation remains above 6% in June

**Context:**

Retail inflation has been recorded at above 6%.

**Details:**

- According to data released by the **Ministry of Statistics and Program Implementation**, retail inflation had touched a six-month high in May 2021. It has remained at **6.3% in June 2021.**

**Issue:**

- Inflation has exceeded the **Monetary Policy Committee's target of 4 (+/-2)%**, for the second straight month.
  - At present, the RBI has a target for **retail inflation or CPI of 4% with a margin of 2 percent on either side.**
- This has led to questions over whether the panel can continue with its **accommodative stance to help revive growth.**
  - An **accommodative stance** means RBI will cut rates to **inject money into the financial system** whenever needed.
  - A change in the stance to '**neutral**' means RBI **will alter rates in any direction to control the money supply in the system.**
- If the RBI cuts the interest rate, it may further lead to an increase in retail inflation. For **containing inflation, RBI should raise interest rates.** But raising interest rates at this stage would be **catastrophic for India's GDP growth.**
- Economists have stressed that the lack of **fiscal policy action to cool prices could cause a faster unwinding of RBI's growth-supporting approach to interest rates.**

**Conclusion:**

Growth impulses remain fragile with the second COVID-19 wave hurting the recovery momentum. Economists opine that the tussle between supporting the **nascent, incomplete revival in growth** and **preserving the anchoring of inflationary expectations** will continue.

## THE INDIAN EXPRESS

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

#### 1. Regional powers and the Afghanistan question

##### Context

A regional conclave of foreign ministers taking place in Dushanbe this week under the banner of the **Shanghai Cooperation Organisation (SCO)** should give us a sense of the unfolding regional dynamic on Afghanistan.

##### SCO addressing challenges in Afghanistan

- Geography, membership and capabilities make the SCO an important forum to address the post-American challenges in Afghanistan.
- The SCO was launched 20 years ago by China and Russia **to promote inner Asia stability**.
- The current members of the SCO are China, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, Pakistan, and India.
- The SCO has four observer states – Iran, Afghanistan, Mongolia and Belarus.
- The idea of a **regional solution to Afghanistan** has always had much political appeal.
- But **divergent regional strategic perspectives** limit the prospects for a sustainable consensus on Afghanistan.

##### Implications of the US exit for the region

- The quiet satisfaction in Moscow, Beijing, Tehran and Rawalpindi at the US's exit from Afghanistan, however, is tinged by worries about **the long-term implications of Washington's retreat**
- Regional players have to cope with the consequences of the US withdrawal and the **resurgence of the Taliban**.

- Neither Moscow nor Beijing would want to see Afghanistan becoming the hub of international terror again under the Taliban.
- For China, potential Taliban **support to the Xinjiang separatist groups** is a major concern.
- Iran can't ignore the Sunni extremism of the Taliban and its oppressive record in dealing with the Shia, and Persian-speaking minorities.
- Pakistan worries about the danger of the conflict spilling over to the east of the Durand Line, and hostile groups gaining sanctuaries in Afghanistan.

### Three factors that drive India's Afghan policy

- The US exit means a new constraint on Delhi's ability to operate inside Afghanistan.
- There is also the danger that Afghanistan under the Taliban could also **begin to nurture anti-India terror groups**.
- If India remains active but patient, **many opportunities could open up in the new Afghan phase**.
- Three structural conditions will continue to shape India's Afghan policy.
- **One** is India's **lack of direct physical access to Afghanistan**.
- This underlines the importance of India having **effective regional partners**.
- **Second**, it remains to be seen if Pakistan's partnership with China and the extension of the China Pakistan Economic Corridor into Afghanistan can address Pakistan's inability to construct a stable and legitimate order in Afghanistan.
- **Third**, the contradiction between the interests of Afghanistan and Pakistan is an enduring one.
- While many in Pakistan would like to turn Afghanistan into a protectorate, Afghans deeply value their independence.
- All Afghan sovereigns, including the Taliban, will inevitably **look for partners to balance Pakistan**.

### Way forward for India

- India must actively contribute to the SCO deliberations on Afghanistan, but must temper its hopes for a collective regional solution.
- At the same time, Delhi should focus on **intensifying its engagement with various Afghan groups**, including the Taliban, and **finding effective regional partners** to secure its interests in a changing Afghanistan.

### Conclusion

India should pursue the regional solution to Afghanistan challenge after the US exit while increasing the engagement with the various players in Afghanistan including the Taliban.

## 2. Right to Repair Movement

### Why in News

In recent years, countries around the world have been attempting to pass effective 'right to repair' laws.

- The movement traces its roots back to the very dawn of the computer era in the 1950s.
- The goal of the movement is to get companies to make spare parts, tools and information on how to repair devices available to customers and repair shops to increase the lifespan of products and to keep them from ending up in landfills.

### Key Points

- **Right to Repair:**
  - The **Right to Repair electronics** refers to government legislation that is intended to allow consumers the ability to repair and modify their own consumer electronic devices, where otherwise the manufacturer of such devices require the consumer to use only their offered services.
  - The idea originally originated from the USA where the **Motor Vehicle Owners' Right to Repair Act 2012**, required the manufacturers to provide the necessary documents and information to allow anyone to repair their vehicles.
- **Benefits:**
  - This will help boost business for small repair shops, which are an important part of local economies.
  - It will help reduce the vast mountain of electrical waste (e-waste) that piles up each year on the continent.
  - It will save consumers' money.
  - It will contribute to circular economy objectives by improving the life span, maintenance, re-use, upgrade, recyclability and waste handling of appliances.
- **Reason for Encouraging the Movement:**
  - **Electronic manufacturers** are encouraging a culture of 'planned obsolescence'.
    - 'Planned obsolescence' means that devices are designed specifically to last a limited amount of time and to be replaced.
  - This can lead to immense pressure on the environment and wasted natural resources.

- **Manufacturing an electronic device** is a highly polluting process. It makes use of polluting sources of energy, such as fossil fuel, which has an adverse impact on the environment.
- **Reason for Opposing:**
  - **Large tech companies**, including Apple, Microsoft, Amazon and Tesla have argued that **opening up their intellectual property to third party repair services or amateur repairers** could lead to **exploitation and impact the safety and security of their devices**.
- **Right to Repair Movement around the World:**
  - The **United States President** has signed an executive order calling on the Federal Trade Commission to **curb restrictions imposed by manufacturers that limit consumers' ability to repair** their gadgets on their own terms.
  - The **UK, too**, introduced **right-to-repair rules** that should make it much easier to buy and repair daily-use gadgets such as TVs and washing machines.

## E-waste in India

- **Official Data:**
  - According to the **Central Pollution Control Board (CPCB)**, India generated more than **10 lakh tonnes of e-waste in 2019-20**, an increase from 7 lakh tonnes in 2017-18.
- **Indian Initiatives:**
  - **E-Waste Management Rules, 2016:**
    - The rules **aim to enable the recovery and/or reuse of useful material** from e-waste, thereby reducing the hazardous wastes destined for disposal and to ensure the environmentally sound management of all types of waste of electrical and electronic equipment.
  - **E-Waste Clinic:**
    - Aimed at **segregating, processing and disposal of waste**.

## Way Forward

- Right to Repair law could be **especially valuable in a country like India**, where service networks are often spotty and authorised workshops are few and far between in the hinterland.
- **India's informal repair sector** does a good job with jugaad. But the **quality of repair and maintenance services** could improve substantially if such legislation was adopted.

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

### 3. Tiger Corridor in Rajasthan

#### Why in News

The Rajasthan government will develop a **tiger corridor connecting** the newly proposed 'Ramgarh Tiger Reserve', Ranthambore Tiger Reserve and Mukundra Hills Tiger Reserve.

- **Sariska Tiger Reserve** is another Tiger reserve in Rajasthan.

#### Key Points

- **About the Animal Corridor:**
  - **Wildlife or animal corridors** are meant to ensure safe passage for animals between two isolated habitats.
  - In wildlife parlance, corridors are mainly of two types: **functional and structural**.
    - **Functional corridors** are defined in terms of functionality from the perspective of the animal (basically areas where there has been recorded movement of wildlife).
    - **Structural corridors** are contiguous strips of forested areas and structurally connect the otherwise fragmented blocks of the landscape.
  - When structural corridors are affected by human anthropogenic activities, functional corridors automatically widen because of animal use.
  - In 2019, the **National Tiger Conservation Authority** in collaboration with the **Wildlife Institute of India** published a document, mapping out **32 major corridors across the country**, management interventions for which are operationalised through a Tiger Conservation Plan.
  - The states are required to **submit a Tiger Conservation Plan** under section **38V of the Wildlife (Protection) Act, 1972**.
- **Other Protected Areas in Rajasthan:**
  - **Desert National Park**, Jaisalmer
  - **Keoladeo National Park**, Bharatpur
  - **Sajjangerh wildlife sanctuary**, Udaipur
  - **National Chambal Sanctuary** (on tri-junction of Rajasthan, Madhya Pradesh and Uttar Pradesh).

- **Protection Status of Tiger:**
  - **Indian Wildlife (Protection) Act, 1972:** Schedule I
  - **International Union for Conservation of Nature (IUCN) Red List:** Endangered.
  - **Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES):** Appendix I.

### Project Tiger

- Project Tiger is a **Centrally Sponsored Scheme** of the **Ministry of Environment, Forests and Climate Change** launched in 1973 to provide central assistance to the tiger States for tiger conservation in designated tiger reserves in India.
- The project is administered by the **National Tiger Conservation Authority (NTCA)**.

### National Tiger Conservation Authority (NTCA)

- It is a statutory body under the **Ministry of Environment, Forests and Climate Change**.
- It was established in 2005 following the recommendations of the Tiger Task Force.
- It was constituted under enabling provisions of the **Wildlife (Protection) Act, 1972**, as amended in 2006, for strengthening tiger conservation, as per powers and functions assigned to it.

## 4. High forex reserves are no guarantee of monetary policy independence

### Context

The ascending stock of forex reserves has led to the view this will enable the sole devotion of monetary policy to domestic objectives.

### Assessing the significance of forex reserves

Let's look into the experience of China and India in this regard.

#### 1) Learning from China's experience

- In 2016, China had a strong external position – current account surplus and **more than \$3tn forex reserves**.



- However, investors' expectations on renminbi (RMB) value began to shift due to rising concerns about its growth outlook, domestic rate cuts and eventual depreciation, and imminent tightening of US monetary policy, resulting in **net capital outflows of \$725 billion (bn) over the year.**
- This put sustained pressure upon the RMB.
- Eventually, China resorted to **capital control measures**, which slowed the outflow and supported the RMB in the first half of 2017.

## 2) India's own historical record

- India's own historical record shows that, high or low, forex reserves didn't prevent investors from reappraising positions.
- India experienced this in case of oil prices (2018) or taper fears (2013).
- The CAD was moderate, at 1.1% and 1.4% of GDP in two quarters to December 2017.
- But as oil prices climbed, current account projections were rapidly **revised to 2.5-3% of GDP in less than a quarter** seeing the jump in the import bill, lagging exports and continuous outflow of portfolio capital.
- Reserves totalled \$424 bn then (end-March 2018); foreign currency assets were \$399 billion.
- Against a mere \$9 bn capital outflow, the peak-to-trough decline in reserves was \$19 bn in April-June 2018, with **5% depreciation of the rupee.**
- The sharper, \$21 bn fall in mid-April to July 20, 2018 equalled the reserves decline in April-August **2013 taper episode when the rupee depreciated three times more or 15%!**
- Forex reserves were much lower in 2013 (\$255 bn range) and it had taken only a quarter for the current account gap to widen from 4.0% of GDP in April-June 2012 to 5.4% and **a record 6.7% in subsequent two quarters to December 2012!**

## Key takeaways

- History shows that **no level of reserves is a foolproof guarantee** for macroeconomic stability or interest rate immunity.
- The important lesson these episodes hold is that repressive attempts do not always convince markets or prevent shifts in expectations and often compel **large, abrupt adjustment.**
- Investors reassess positions, including global factors, whatever the reserves' stock.
- The crucial role of reserves is **psychological**, i.e. market confidence and liquidity insurance that is immediate and unconditional that allows central banks to buy time, whether for a gradual adjustment, soft landing, or as the case may be.

## Distortion in bond market and RBI's role in it

- RBI has been systematically suppressing bond yields, particularly the 10-year benchmark, the reference rate for banks.
- So effective was the repression that the bond market became irrelevant as yields altogether stopped responding to inflation or fiscal developments.
- The 207-basis-point jump in retail inflation in a month in May, which exceeded expectations, caused not even a flicker in the yield premium for example.
- This did not prevent responses elsewhere though – **the overnight indexed swap (OIS)**, which signals future interest rate movements, increased 20-30 basis points at different tenures with fresh inflation risks.
- Clearly, the **market reading was inconsistent with RBI's**, whose rigid adherence to a particular level (6% in the case of the old, 10-year bond) was disregarded outright.
- The monetary policy **cue was not being accepted**, failing to soothe ruffled feathers about inflation.

## Risk involved in RBI's policy

- If the global financial cycle were to suddenly turn, risk-aversion set in, or oil prices shoot up to risky levels, investors will undoubtedly look at actual differentials, not the one set in stone by RBI.
- There will be exchange rate pressures, which RBI can no doubt manage with liberal reserves.
- But the duration and degree of adjustment is not in RBI's control, identically to the bond market one, where it has infinite capacity to keep local yields where it wants.
- There's a **limit to how much foreign currency it can sell** – the \$609bn reserve holding is finite.
- **Currency depreciation** can, therefore, **worsen a bad situation** as higher inflation pressurises domestic interest rates to rise.
- RBI's issuance of the new **10-year benchmark bond at 6.10%**, which came as a surprise against its previous inflexibility, indicates RBI has internalised the above risks.
- The disparate movements were **undermining RBI**, whose commitment to continue the accommodative monetary policy as long as necessary to revive and sustain growth has been reassuring.

## Conclusion

When the economy is open, financially integrated and subject to cross-country dynamics, it is more prudent to let market forces play out a bit than persist with a stance that could turn unsustainable despite the high reserves.

## 5. What is Suborbital Flight?

Virgin Group founder Richard Branson became the first billionaire to fly to the edge of space and back, riding aboard his own Virgin Galactic spacecraft in a suborbital flight.

### What is Suborbital Flight?

- When an object travels at a horizontal speed of about 28,000 km/hr or more, it goes into orbit once it is above the atmosphere.
- Satellites need to reach that threshold speed in order to orbit Earth.
- Such a satellite would be accelerating towards the Earth due to gravity, but its horizontal movement is fast enough to offset the downward motion so that it moves along a circular path.
- Any object travelling slower than 28,000 km/hr must eventually return to Earth.
- These are suborbital flights, because they will not be travelling fast enough to orbit Earth once they reach there.
- Such a trip allows space travellers to experience a few minutes of “weightlessness”.

### Analogical example

- For an analogy, consider a cricket ball thrown into the air.
- Given that no human hand can give it a speed of 28,000 km/hr (about 8 m/sec), the ball will fly in an arc until its entire kinetic energy is swapped with potential energy.
- At that instant, it will lose its vertical motion momentarily, before returning to Earth under the influence of gravity.
- A suborbital flight is like this cricket ball, but travelling fast enough to reach the “edge of space”, and yet without enough horizontal velocity to go into orbit.
- If an object travels as fast as 40,000 km/hr, it will achieve escape velocity, and never return to Earth.

### Why the buzz?

- With Branson and Jeff Bezos kicking off private space flight, several companies are looking for customers wanting to go on suborbital or even orbital journeys.
- At Branson's Virgin Galactic, around 600 people have already paid deposits for tickets that are priced up to \$250,000 (Rs 1.86 crore).
- However, Bezos's Blue Origin, which uses the reusable New Shepard rocket, is yet to announce commercialization plans, according to the BBC.
- There is also excitement among scientists who want to use suborbital flights for microgravity research.
- Such flights would be far less expensive than carrying experiments and people to the International Space Station.
- Suborbital flights could also be an alternative to parabolic flights in airplanes that space agencies currently use to simulate zero gravity.

### Safety concerns

- The Branson flight comes seven years after his company's first rocket, called Enterprise, crashed during a test flight, killing one of the pilots on board.
- The other survived after parachuting out.
- The current rocket is also not certified by the US Federal Aviation Administration, which is prohibited to do so by law until 2023.
- This is because the US government does not want to burden companies like Virgin Atlantic with regulations during their "learning" period, when they can innovate by trying out different designs and procedures.
- Passengers who go on such trips need to sign "informed consent" forms, similar to the ones before going for skydiving or bungee jumping.

## 6. India's First Cryptogamic Garden

### Why in News

Recently, **India's first cryptogamic garden** was **inaugurated in the Chakrata town of Dehradun, Uttarakhand.**

- The garden will be housing nearly 50 species of lichens, ferns and fungi (collectively known as Cryptogamae).

### Note:

- **Plant kingdom** can be divided into two sub-kingdoms viz. **Cryptogams and phanerogams.**
- Cryptogams consist of seedless plants and plant-like organisms whereas phanerogams consist of seed-bearing plants.
  - Phanerogams are further divided into two classes i.e. **gymnosperms and angiosperms.**

### Key Points

- **Factors Responsible for Location of this Garden:**
  - This garden is at Deoban in Chakrata at a height of 9,000 ft.
  - This site is chosen **because of its low pollution levels and moist conditions** which are conducive for the growth of these species.
  - Further, Deoban **has pristine majestic forests of Deodar and Oak** which create a natural habitat for cryptogamic species.
- **Cryptogams:**
  - A cryptogam is a **plant that reproduces with the help of spores.**
  - The word "**Cryptogamae**" implies 'hidden reproduction', referring to the fact that they do not produce any reproductive structure, seed, or flower.
  - Due to this, they are called "**flowerless**" or "**seedless plants**" or '**lower plants**'.
  - They **need a moist environment** to survive.
  - These are **present in aquatic and terrestrial places.**
  - **Algae, bryophytes, lichens, ferns and fungi are the best-known groups** of cryptogams.
- **Classification of Cryptogams:** Cryptogams are classified into 3 groups based on the various structural and functional criteria of the plant.
  - **Thallophyta:** Thallophyta is a division of the plant kingdom including primitive forms of plant life showing a simple plant body. They **lack roots, stems, or leaves.**
    - It **includes algae-like Spirogyra, Sargassum, etc.**
    - They are predominantly aquatic and found both in marine as well as freshwater habitats.
  - **Bryophyta:** Bryophytes comprise a limited variety of **non-vascular land plants.** They prefer moist habitats but they can survive in dry environments too. Example- hornworts, liverworts, mosses, etc.
    - They occupy an intermediate position between algae and pteridophytes.
    - Since bryophytes can survive in both water and land, they are considered as the '**amphibians of the plant kingdom**'.
  - **Pteridophyta:** A pteridophyte is a vascular plant that disperses spores. It is the first plant to **have xylem and phloem.**

- Ferns are the largest living group of primitive vascular plants.
- **Other Types of Cryptogams:**
  - **Liches:** Lichens are a complex life form that is a **symbiotic partnership of two separate organisms, a fungus and an algae.**
  - **Fungi:** It is a kingdom of usually **multicellular eukaryotic organisms** that are **heterotrophs.**

## 7. RBI's Retail Direct Scheme

### Why in News

Recently, the **Reserve Bank of India (RBI)** announced the '**RBI Retail Direct Scheme.**

- In February 2021 RBI **proposed to allow retail investors to open gilt accounts** with the central bank to invest in **Government securities (G-secs)** directly.

### Key Points

- **About:**
  - Under the scheme, **retail investors (individuals) will have the facility to open and maintain the 'Retail Direct Gilt Account' (RDG Account)** with the RBI.
    - **Retail Investor** is a non-professional investor who buys and sells securities or funds that contain a basket of securities such as mutual funds and **Exchange Traded Funds (ETFs).**
    - **A Gilt Account** can be compared with a bank account, except that the **account is debited or credited with treasury bills or government securities instead of money.**
  - RDG accounts can be opened through an **online portal** provided for the purpose of the scheme.
  - The online portal will give registered users access to primary **issuance of G-secs and access to Negotiated Dealing System-Order Matching system (NDS-OM).**
    - The RBI introduced the **NDS-OM in August 2005.** It is an **electronic, screen based, anonymous, order driven trading system** for dealing in G-secs.
  - It is a **one-stop solution to facilitate investment in G-secs** by individual investors.

- RBI seeks to **democratize the ownership of government debt securities** beyond banks and managers of pooled resources such as mutual funds.
- **Current G-Sec Market:**
  - The G-sec market is **dominated by institutional investors** which are large market actors such as banks, mutual funds and insurance companies.
    - These **entities trade in lot sizes of Rs 5 crore or more.**
  - So, there is **no liquidity in the secondary market for small investors** who would want to trade in smaller lot sizes.
    - The **primary market** is where securities are created, while the **secondary market** is where those securities are traded by investors.
  - There is **no easy way for them to exit their investments.** Thus, currently, direct G-secs trading is not popular among retail investors.
- **Significance:**
  - **Improved Ease of Access:**
    - It will make the process of G-sec **trading smoother for small investors** therefore it will **raise retail participation in G-secs** and will **improve ease of access.**
  - **Facilitate Government Borrowings:**
    - This measure together with relaxation in mandatory Hold To Maturity (securities that are purchased to be owned until maturity) provisions **will facilitate smooth completion of the government borrowing programme in 2021-22.**
  - **Financialise Domestic Savings:**
    - Allowing direct retail participation in the G-Sec market will **promote financialisation of a vast pool of domestic savings** and could be a game-changer in India's investment market.
- **Other Measures Taken to Increase Retail Investment in Government Securities:**
  - **Introduction of non-competitive bidding** in primary auctions.
    - **Non-competitive bidding** means the bidder would be able to participate in the auctions of dated government securities without having to quote the yield or price in the bid.
  - **Stock exchanges to act as aggregators** and facilitators of retail bids.
  - **Allowing a specific retail segment** in the secondary market.

## Government Security

- A G-Sec is a **tradable instrument** issued by the Central Government or the State Governments.

- It acknowledges the Government's debt obligation. Such securities are **short term** (usually called treasury bills, with original maturities of less than one year- presently issued in three tenors, namely, 91 day, 182 day and 364 day) or **long term** (usually called Government bonds or dated securities with original maturity of one year or more).
- In India, the **Central Government issues both treasury bills and bonds or dated securities** while the **State Governments issue only bonds or dated securities**, which are called the State Development Loans (SDLs).
- G-Secs carry practically no risk of default and, hence, are called **risk-free gilt-edged instruments**.
  - **Gilt-edged securities** are high-grade investment bonds offered by governments and large corporations as a means of borrowing funds.

### Prelims Practice Questions

1. Which of the following statements about Hawa Mahal is/are correct?

1. It was built by Maharaja Sawai Pratap Singh
2. Mr. Lal Chand Usta was the architect.

Options:

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

Answer: c

Explanation:

- Hawa Mahal, also known as the "Palace of Breeze", was built in 1799 as an extension to the Royal City Palace of Jaipur.
- It was built by Maharaja Sawai Pratap Singh.
- Mr. Lal Chand Usta was the architect of Hawa Mahal.
- The five-storey palace was built in the form of Krishna's crown because Sawai Pratap Singh was devoted to Krishna.



**2. With reference to the Acute Encephalopathy Syndrome (AES), consider the following statements:**

1. It is caused by the Japanese Encephalitis virus.
2. It is characterized by high fever and inflammation of the brain.
3. It can be prevented by vaccination.

Which of the statements given above is/are correct?

A 1 and 2 only

B 3 only

C 2 and 3 only

D 1, 2 and 3

Answer : A

Explanation

- Acute Encephalitis Syndrome (AES) is a broad term involving several infections and affects young children. The syndrome can be caused by viruses, bacteria or fungi. In India, the most common cause is the virus that causes Japanese Encephalitis (JE). **Hence, statement 1 is correct.**
- **Acute encephalitis syndrome** is a severe case of encephalitis transmitted by mosquitoes and is characterized by **high fever and inflammation of the brain. Hence, statement 2 is correct.**
- The disease most commonly affects children and young adults and can lead to considerable morbidity and mortality.
- Viruses are the main causative agents in AES cases, although other sources such as bacteria, fungi, parasites, spirochetes, chemicals, toxins, and noninfectious agents have also been reported over the past few decades. It is **not vaccine-preventable. Hence, statement 3 is not correct.**
  - Japanese Encephalitis virus (JEV) is the major cause of AES in India (ranging from 5%-35%).
  - Herpes simplex virus, Nipah virus, Zika virus, Influenza A virus, West Nile virus, Chandipura virus, mumps, measles, dengue, scrub typhus, S.pneumoniae are also found as causative agents for AES.

**3. With reference to Kesaria Stupa, which of the following statements is/are correct?**

1. It is a Buddhist stupa in the State of Sikkim.

2. It is regarded as the largest Buddhist stupa in the world.

**Options:**

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

**Answer: b**

**Explanation:**

- Kesaria stupa is a Buddhist stupa in the State of Bihar. The stupa is in the east Champaran district of Bihar.
- It is regarded as the largest Buddhist stupa in the world.

**4. Consider the following statements:**

- 1. The state of Nagaland was formed out of the states of Assam and Arunachal Pradesh.
- 2. The Nagas are hill people found in the states of Manipur and Arunachal Pradesh.

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**

- **Nagaland** achieved statehood in December 1963. It was formed out of the **Naga Hills district of Assam** and the then **North East Frontier Agency (NEFA) province (now Arunachal Pradesh)**. Hence, **statement 1 is correct**.
- **Nagas are a hill people** who are estimated to number about 2.5 million (1.8 million in Nagaland, **0.6 million in Manipur and 0.1 million in Arunachal states**) and living in the remote and mountainous country between the Indian state of Assam and Burma. **Hence, statement 2 is correct.**
  - There are also Naga groups in Burma.

- The Nagas are not a single tribe, but an ethnic community that comprises several tribes who live in the state of Nagaland and its neighbourhood.
  - Nagas belong to the Indo-Mongoloid Family.

**5. Consider the following statements:**

1. The Chenab is the largest tributary of the Indus.
2. The Bari Doab lies between the Ravi and the Chenab rivers.

**Which of the above statements is/are correct?**

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

**Answer: a**

**Explanation:**

- The Chenab is the largest tributary of the Indus.
- The area enclosed between Beas and Ravi rivers is called Bari doab.

**6. Consider the following statements with respect to Central Information Commission (CIC)**

1. It is a constitutional body chaired by Minister of Information and Broadcasting.
2. It consists of a Chief Information Commissioner and not more than ten Information Commissioners.

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

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

**Answer : b**

**Central Information Commission (CIC)**

- It was constituted through an Official Gazette Notification under the provisions of the Right to Information Act (2005), It is not a constitutional body.
- It is a high-powered independent body which inter alia looks into the complaints made to it and decides the appeals.
- They are appointed by the President on the recommendation of a committee consisting of:
  1. The Prime Minister as Chairperson,
  2. The Leader of Opposition in the Lok Sabha and
  3. A Union Cabinet Minister nominated by the Prime Minister

### Mains Practice Questions

**1Q. "Liberalising the entry of new operators in the public transport may be the path for improving services and facilitating growth of the sector." In the light of the given statement critically analyse the idea of privatisation of railways. (250 words)**

#### Approach

- In the introduction, write the context of Indian Railways to allow private firms to operate passenger trains on its network.
- Discuss the merits of the idea of privatisation of railways.
- Discuss the cons related to privatisation of Indian railways.
- Conclude suitably.

**2Q. "If the global community has to come out stronger in the face of any crisis, there is a need to establish a multilateral global order." Critically examine. (250 words)**

#### Approach

- In the introduction write what you understand by the term 'multilateral global order'.
- Elaborate briefly the roles and the significance of multilateral global order especially in tackling crises.
- Examine the challenges related to present multilateral global order.

- Finally, give a way forward to increase inclusivity and sustainability of such a multilateral order.

