



News Analysis (25 Apr, 2020)

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Direct Monetisation

Why in News

The government's (both centre and state) fiscal deficit is expected to **shoot up to around 15% of Gross Domestic Product (GDP)** when the **permissible limit is only 6%** according to **Fiscal Responsibility and Budget Management (FRBM)** obligations.

The **possibility of direct monetisation** to alleviate the stress is being explored.

Key points

- **Fiscal Deficit :**

- Fiscal deficit is the **total amount of borrowings required** to bridge the gap between government's spending and revenues.
- The borrowings can be from the internal sources (public, commercial banks, central bank etc.) or the external sources (foreign governments, international organisations etc.).
- At this time, for the government to borrow the money, the market should have it as savings.
 - Data show that savings of **domestic households** have been faltering and are **not enough to fund the government's existing borrowing needs.**
 - **Foreign investors have been pulling out** and moving to "safer" economies like the US, and are unwilling to lend in times of such uncertainty.

- **Ideal limit for government debt :**

- According to economists developing economies like India **should not have debt higher than 80%-90% of the GDP.** At present, it is around 70% of GDP in India.
- The government should commit to a predetermined amount of **additional borrowing and to reversing the action** once the crisis (Covid-19 outbreak) is over.

- **Direct monetisation (borrowing from the RBI):**
 - In direct monetisation, the government asks RBI to **print new currency in return for new bonds** that the government gives to the RBI.
 - **In lieu of printing new cash**, which is a liability for the RBI (since, every currency note has the RBI Governor promising to pay the bearer the designated sum of rupees), it gets government bonds, which are an asset for the RBI since such bonds carry **the government's promise to pay back the designated sum at a specified date.**
 - Now, the **government would have the cash to spend and alleviate the stress** in the economy via direct benefit transfers to the poor or starting construction of a hospital or providing wage subsidy to workers of small and medium enterprises etc.
 - This is different from the **"indirect" monetisation** that RBI does when it conducts the **Open Market Operations (OMOs) and/ or purchases bonds** in the secondary market.
- **Direct Monetisation by other countries in the wake of Covid-19:**

In the United Kingdom (UK) on April 9, 2020 the Bank of England extended direct monetisation facility to the UK government.
- **Problems with direct monetisation of government deficit:**
 - **High Inflation**
 - Ideally, the direct monetisation provides an opportunity for the government to **boost overall demand at the time when private demand has fallen.**
 - Thus, it **fuels inflation.** A little increase in inflation is healthy as it encourages business activity.
 - However, **higher inflation and higher government debt** provide grounds for **macroeconomic instability.**
 - **Inefficient Spending:** The governments are considered **inefficient and corrupt** in their spending choices— for example, whom to help and to what extent.
 - **Crisis in the Past:** Earlier, the direct monetisation led to the **balance of payments crisis** in 1991, and a near-crisis in 2013.
 - Until 1997, the RBI "automatically" monetised the government's deficit.
 - In 1994, Manmohan Singh (then Finance Minister) and C Rangarajan, then RBI Governor, decided to end this facility by 1997.

Source: IE

Deep Fakes

Why in News

Recently, cybercrime officials in India have been tracking certain apps and websites that produce nude photographs of innocent people using **Artificial Intelligence** (AI) algorithms.

Key Points

- **Deep Fake:**
 - Deep fakes or deep nudes are **computer-generated images and videos**. Cybercriminals use AI softwares to **superimpose a digital composite** (assembling multiple media files to make a final one) **onto an existing video, photo or audio**.
 - Using AI algorithms a person's words, head movements and expressions are transferred onto another person in such a seamless way that it becomes difficult to tell that it is a deep fake, unless one closely observes the media file.
- Deep fakes **first came into notice in 2017** when a Reddit user posted explicit videos of celebrities. After that several instances have been reported.
- **Concerns:**
 - The technology becomes **vulnerable** because deep fake images, audio and videos are very **realistic** and can be **used by cybercriminals to spread misinformation to intimidate or blackmail people, seek revenge or commit fraud** on social networking and dating sites.
 - It has become **one of the modern frauds of cyberspace**, along with **fake news, spam/phishing attacks, social engineering fraud, catfishing and academic fraud**.
 - It can be used to **create fake pornographic videos** and to make **politicians appear to say things they did not**, so the potential for damage to individuals, organisations and societies is vast.
 - With the **improvement in technology**, deep fakes are also getting better.
 - **Initially, an individual with advanced knowledge** of machine learning and access to the victim's publicly-available social media profile **could only make** deep fakes.
 - **Development of apps and websites capable** of such editing became **more frequent and easily accessible** to an average user.
- **Legality:**
 - In the US, the legality of deep fakes is **complicated**. An affected person **may claim defamation** but removing such content could be considered **copyright**.
Then, it will be a **violation of the First Amendment** which guarantees Americans the freedom concerning religion, expression, assembly and the right to petition.
 - Also, **46 states in the US have revenge porn laws**.
Revenge porn refers to the creation of sexually explicit videos or images that are posted on the Internet without the consent of the subject as a way to harass them.
 - However, the **Right to be Forgotten**, allows a user to request companies such as Facebook and Google, that have collected his/her data to take it down.
- **Protection:**
 - **Ensuring strict privacy settings on social media platforms** because keeping track of who downloads and misuses a user's pictures is impossible.
 - **Using freely available reverse image search tools** to find images that are similar to users in case it is feared that someone is using the original user's pictures.
 - **Staying mindful of virtual interactions** and **checking other user's profiles** to help determine if the person is genuine or not.

Phishing

- The email or text message carrying a link appears to come from a trusted source like a bank.
- The link takes the user to a fake website and once details like login name and passwords are entered, the login credentials reach the hacker.

Catfish Account

It refers to the practice of setting up fictitious online profiles, generally, for luring another person into a fraudulent romantic relationship.

Source: IE

National Panchayati Raj Day

Why in News

Recently, the Prime Minister addressed sarpanches from across the country through a video conference on **National Panchayati Raj Day**.

Key Points

- The **first National Panchayati Raj Day was celebrated in 2010**. Since then, the National Panchayati Raj Day is celebrated on **April 24** every year in India.
- **Prime Minister Launched two programmes:**
 - **e-GramSwaraj:** For monitoring of rural infrastructure works and e-governance.
 - **Swamitva programme:** It involves mapping of rural housing and land holdings via technology including drones.
The Swamitva programme would help rural India leverage property for institutional credit and other benefits.

Panchayati Raj

- After the Constitution came into force, **Article 40** made a mention of panchayats and **Article 246** empowered the state legislature to legislate with respect to any subject relating to local self-government.
- **Panchayati Raj Institution (PRI)** was constitutionalized through the **73rd Constitutional Amendment Act, 1992** to build democracy at the grass roots level and was entrusted with the task of rural development in the country.
- **PRI** is a system of **rural local self-government** in India.
Local Self Government is the management of local affairs by such local bodies who have been **elected by the local people**.

Salient Features of the 73rd Constitutional Amendment

- The 73rd Constitutional Amendment added **Part IX titled “The Panchayats”** to the Constitution.
- Basic unit of democratic system-**Gram Sabhas (villages)** comprising all the adult members registered as voters.
- **Three-tier system** of panchayats at village, intermediate block/taluk/mandal and district levels except in States with population is below 20 lakhs (Article 243B).
- Seats at all levels to be filled by direct elections **Article 243C (2)**.

- **Reservation of seats:**
 - Seats reserved for Scheduled Castes (SCs) and Scheduled Tribes (STs) and the chairpersons of the Panchayats at all levels also shall be reserved for SCs and STs in proportion to their population.
 - One-third of the total number of seats to be reserved for women.
 - One-third offices of chairpersons at all levels reserved for women (**Article 243D**).
- **Duration:**
 - **Uniform five year term** and elections to constitute new bodies to be completed before the expiry of the term.
 - In the event of dissolution, elections compulsorily within six months (**Article 243E**).
- **Independent Election Commission in each State** for superintendence, direction and control of the electoral rolls (Article 243K).
- **Power of Panchayats: Panchayats** have been **authorised to prepare plans for economic development and social justice** in respect of subjects illustrated in **Eleventh Schedule (Article 243G)**.
- **Source of Revenue (Article 243H):** State legislature may authorise the Panchayats with
 - Budgetary allocation from State Revenue.
 - Share of revenue of certain taxes.
 - Collection and retention of the revenue it raises.
- Establish a **Finance Commission in each State** to determine the principles on the basis of which adequate financial resources would be ensured for panchayats and municipalities (Article 243I).
- The **following areas have been exempted from the operation of the Act** because of the socio-cultural and administrative considerations:
 - Scheduled **areas listed under the V Schedule** in the states of Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa and Rajasthan.
 - The states of **Nagaland, Meghalaya and Mizoram**.
 - The hill areas of the district of **Darjeeling in the state of West Bengal** for which Darjeeling Gorkha Hill Council exists.
- However, an Act called the **Provisions of Panchayats (Extension to the Scheduled Areas) Act, 1996** passed by the Government of India.

Source: TH

Aerosol Levels Hit 20-year Low

Why in News

According to the data published by the **National Aeronautics and Space Administration (NASA)**, **aerosol levels in northern India at the beginning of April were significantly below** the normal for this time of year.

- The levels were the **lowest in 20 years of Moderate Resolution Imaging Spectroradiometer (MODIS) observations**.
- MODIS is a key instrument on NASA's satellites designed to monitor the Earth's atmosphere, ocean, and land surface. Data provided by it **assists policymakers in making sound decisions concerning the protection of the environment**.

Aerosols

- Aerosols are defined as a combination of **liquid or solid particles** suspended in a **gaseous or liquid environment**.
- In the atmosphere, these particles are mainly situated in the **low layers of the atmosphere (< 1.5 km)** since aerosol sources are located on the terrestrial surface.
- However, certain aerosols **can still be found in the stratosphere, especially volcanic aerosols** ejected into the high altitude layers.
- The origin of atmospheric aerosols is either **natural or the result of anthropogenic** activities.
 - **Natural sources of aerosols** include sea salt generated from breaking waves, mineral dust blown from the surface by wind, and volcanoes.
 - **Anthropogenic** aerosols include sulfate, nitrate, and carbonaceous aerosols, and are mainly from fossil fuel combustion sources.
- **Effects of aerosols:**
 - They affect the **atmospheric chemical composition**.
 - They can reduce **visibility**.
 - They have important impacts on **air quality and human health** (e.g. aerosols can cause damage to heart and lungs).
 - They serve as **nuclei for cloud droplets or ice crystals in ice clouds**.

Key points

- **Use of Aerosol Optical Depth (AOD) :** The data published with maps show **Aerosol Optical Depth (AOD) in 2020** compared to the average for 2016-2019. On the day of the **lockdown** on March 25, 2020, it was 0.3 over north India. The AOD fell to 0.2 around April 1 and was found to be 0.1 on April 5.
 - Aerosol optical depth is a measure of **how light is absorbed or reflected by airborne particles** as it travels through the atmosphere.
 - If aerosols are concentrated near the surface, an **optical depth of 1 or above** indicates **very hazy conditions**.
 - An optical depth, or thickness, of **less than 0.1** over the entire atmospheric vertical column is **considered clean**.
- The findings are in line with the analysis of the government's **air monitoring service, System of Air Quality and Weather Forecasting and Research (SAFAR)**, which also found **significant reduction in PM10, PM2.5 and nitrogen oxides levels** in major cities, including the national capital, after the lockdown was imposed.
- **Impact of lockdown**
 - Every year, aerosols from anthropogenic (human-made) sources contribute to **unhealthy levels of air pollution** in many Indian cities.
 - Human activities — driving vehicles, operating coal-fired power plants and factories, etc — **produce nitrates and sulphates that contribute to heavy concentration of aerosols** across the Indo-Gangetic Plains, every year.
 - On March 25, 2020 the Indian government placed its 1.3 billion citizens under a strict **lockdown to reduce the spread of Covid-19**.
 - The countrywide mandate **decreased activity at factories and severely reduced car, bus, truck and airplane traffic**. This has **contributed to the decreased levels of aerosols**.

- **Similar conditions are not there in southern India:**
 - Satellite data show aerosol levels have not yet decreased to the same extent. In fact, levels seem to be **slightly higher than in the past four years.**
 - The reasons are unclear but could be related to recent **weather patterns, agricultural fires, winds or other factors.**

Source: BS

Khudai Khidmatgar Movement

Why in News

It is 90 years for Qissa Khwani Bazaar massacre.

Qissa Khwani bazar was the site of a massacre perpetrated by British soldiers against **non-violent protesters of the Khudai Khidmatgar movement on April 23, 1930.**

Key points

- **Khudai Khidmatgar Movement**
 - The Khudai Khidmatgar was a **non-violent movement** against British occupation of the Indian subcontinent led by **Abdul Ghaffar Khan, a Pashtun freedom fighter, in the North-West Frontier Province.**
 - Over time, the movement turned **political**, leading to the British taking notice of its growing prominence in the region.
 - Following the arrest of Khan and other leaders in 1929, the movement formally joined the **Indian National Congress** after they failed to receive support from the All-India Muslim League.
 - Members of the Khudai Khidmatgar were organised and the men stood out because of the bright **red shirts they wore as uniforms**, while the **women wore black garments.**
 - The Khudai Khidmatgar opposed Partition, a stance that many interpreted as the movement not being in favour of the **creation of the independent nation of Pakistan.**
- **Reasons for Qissa Khwani Bazaar massacre:**
 - **Abdul Ghaffar Khan and other leaders of the Khudai Khidmatgar were arrested on April 23, 1930** by British police after he gave a speech at a gathering in the town of Utmanzai in the North-West Frontier Province.
 - Protests spilled into the **Qissa Khwani Bazaar in Peshawar** on the day of Khan's arrest.
 - **British soldiers entered the market area** to disperse crowds that had refused to leave and the British army vehicles drove into the crowds, killing several protesters and bystanders.

Abdul Ghaffar Khan

- Abdul Ghaffar Khan (1890-1988), the foremost 20th-century leader of the Pashtuns (a Muslim ethnic group of Pakistan and Afghanistan) was a follower of Mahatma Gandhi and was **called the "Frontier Gandhi".**
- **Ghaffar Khan met Gandhi and entered politics in 1919** during agitation over the Rowlatt Acts, which allowed the confinement of political dissidents without trial.

- In 1920 he **joined the Khilafat movement**, which sought to strengthen the spiritual ties of Indian Muslims to the Turkish sultan
- In 1921 he was **elected president of a district Khilafat committee** in his native North-West Frontier Province.
- Soon after attending an Indian National Congress (Congress Party) gathering in 1929, **Ghaffar Khan founded the Red Shirt movement (Khudai Khitmatgar)** among the Pashtuns.
- In **1987 he was awarded the Bharat Ratna Prize**, the highest Indian honour that can be given to civilians. He was the **first non-Indian to receive this honour**.
 - Another non-Indian to receive Bharat Ratna is **Nelson Mandela (1990)**.
 - **Mother Teresa, in 1980**, became the first and only naturalised citizen to be awarded the Bharat Ratna.

Source: IE

Urge to Suspend H-1B

Why in News

The **US President** has been **requested to suspend the foreign workers programme**, including **H-1B** as a huge number of Americans have lost their jobs due to the **Covid-19 pandemic**.

Key Points

- A lawmaker in the US has sought **suspension of the H-1B, H4, L1, B1, B2, Optional Practical Training Program and guest worker admissions**.
- The Congressional Select Committee on the Coronavirus Crisis has also been **urged to take action to protect medical professionals holding H-1B visas** because they are essential to confront and combat the current crisis.
 - Due to the **loss of revenues**, many **health centres are closing down** which will impact H-1B visa holders currently practicing medicine at these facilities.
- **Indians and H-1B Visa**
 - **Indians** are the **largest beneficiaries** of the H1B visas and held three out of four H1B visas as of 2018, data from the **United States Citizenship and Immigration Service (USCIS)** shows.
 - Indians held 309,986 H1B visas as of 2018, which was 73.9% of the total H1B visas issued.
 - Indians comprised 68% of H1B registrations for Financial Year 2020-21, followed by China, which accounted for 13.2%.
 - The latest move will hamper Indians who are working in the US on such visas by **decreasing the chances of employment**.
- Earlier, the US temporarily suspended approval of **some Green Cards**.
 - This step ensures the policy of **America First**.

Green Card

- It is officially known as a **Permanent Resident Card**.
- It is **issued to immigrants** to the US under the **Immigration and Nationality Act (INA), 1952**.

- It **allows** a person to **live and work permanently** in the US.

H-1B Visa

- It is a **non-immigrant visa** that allows US companies to employ **graduate level foreign workers in specialty occupations**. Specialty occupations requires:
 - **Theoretical or technical expertise** in specialized fields such as in IT, finance, accounting, architecture, engineering, mathematics, science, medicine, etc.
 - **Any professional level job** that usually requires a bachelor's degree or higher can come under the H-1B visa for specialty occupations.
- The US H1-B visa is **designed to be used for staff in specialty occupations**. H-1B has an **option of green card application**.
- H-1B visa holders can **bring their spouse and children under 21 years** of age to the **US under the H4 Visa category as dependents**.
 - An H4 Visa holder is allowed to remain in the US as long as the H-1B visa holder remains in legal status.
 - While an H4 visa holder is **not eligible to work** in the US, they may **attend school, obtain a driver's license and open a bank account** while in the US.

Source: IE

Credit Risk Funds

Why in News

Recently, Franklin Templeton Mutual Fund (one of the largest fund houses in India) has decided to close its six **credit risk funds**.

- The reason behind the step was **severe market dislocation** and **illiquidity** caused by the **Covid-19** pandemic.
- A **fund house** is a company that invests the pooled money of investors to buy financial securities like stocks, mutual **funds**, equities, etc.

Key Points

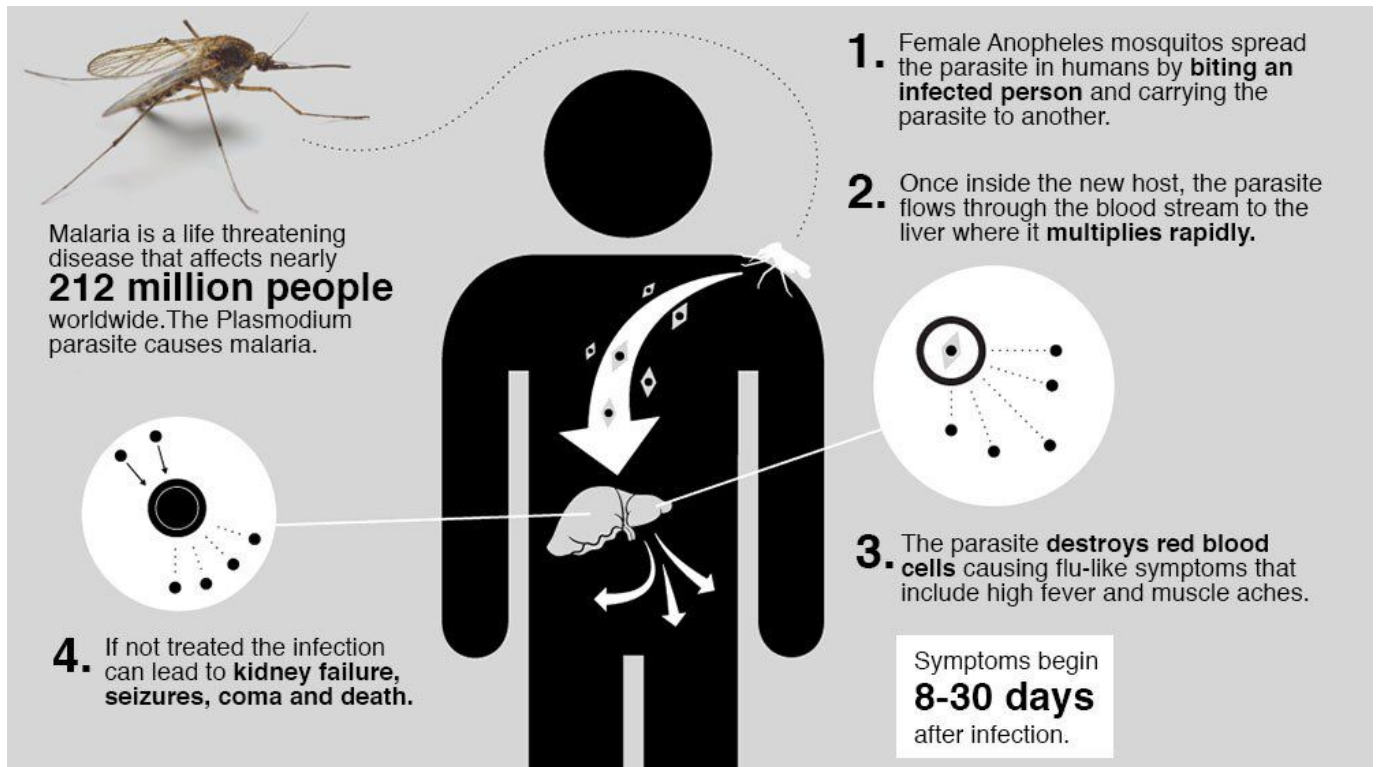
- Definition: Credit-risk funds are **debt funds** which have **at least 65% of their investments in less than AA-rated** (i.e. in lower-rated) **papers**.
 - **Debt funds** aim to generate returns for investors by investing their money in avenues like bonds and other fixed-income securities.
 - **Investment grade** refers to the quality of a company's credit. Anything below 'BBB' rating is considered a non-investment grade.
- They have the **potential to offer 2-3% higher returns** compared to risk-free higher rated papers.
- **Return:** Credit-risk funds make returns in two ways:
 - One, they earn interest income on the securities they hold.
 - Secondly, since they invest in lower-rated securities, if the rating of a security is upgraded, they have the potential to make capital gains.

- **Risk:**
 - **Liquidity risk:** Credit-risk funds have a higher liquidity risk. If a bond with a lower rating in the portfolio defaults or faces a further downgrade, it may be difficult for the fund manager to exit the holding.
 - **Concentration risk:** If **the portfolio is concentrated or has high holdings in any single business group**, then even a single default by business group will affect the entire portfolio.

Source: IE

World Malaria Day

- It is celebrated on **25th April** every year, to highlight the need for **continued investment and sustained political commitment** for malaria prevention and control.
Malaria is **preventable as well as curable**.
- **Theme for 2020: “Zero malaria starts with me”**
It is a grassroots campaign that aims to keep malaria high on the political agenda, mobilize additional resources, and empower communities to take ownership of malaria prevention and care.
- The **World Health Organisation** (WHO) releases the **World Malaria Report**.
The **2019 report** showed **no global gains in reducing new infections** over the period 2014 to 2018.
- **High burden to high impact:** It is a **new approach** to get the malaria fight back on track, **particularly in countries that carry the highest burden** of disease. It is **founded on 4 pillars:**
 - Political will to reduce malaria deaths.
 - Strategic information to drive impact.
 - Better guidance, policies and strategies.
 - A coordinated national malaria response.
- WHO **officially endorses disease-specific global awareness days for only four diseases including malaria:**
 - **1st December- World AIDS Day.**
 - **24th March- World Tuberculosis Day.**
 - **28th July- World Hepatitis Day.**



Dehing Patkai Wildlife Sanctuary

Why in News

Recently, the National Board for Wild Life (NBWL) has recommended coal mining in a part of an Dehing Patkai elephant reserve in Assam.

Dehing Patkai Elephant Reserve includes the Dehing Patkai Wildlife Sanctuary.

Key Points

- The Dehing Patkai Wildlife Sanctuary is also known as the **Jeypore Rainforest**.
- It is located in the Dibrugarh and Tinsukia districts of Assam.
- **Dehing is the name of the river** that flows through this forest and **Patkai is the hill** at the foot of which the sanctuary lies.
- **Fauna:** Rare fauna found in the region include **Chinese pangolin, flying fox, wild pig, sambar, barking deer, gaur, serow and Malayan giant squirrels**.
 - It is the **only sanctuary in India** which is **home to seven different species of wild cats** - tiger, leopard, clouded leopard, leopard cat, golden cat, jungle cat and marbled cat.
 - **Assamese macaque**, a primate found in the forest, is in the red list of endangered species.
- **Flora:** Dehing Patkai is a **deciduous rainforest** interspersed with semi-evergreen and lush green flora.

National Board for Wildlife (NBWL)

- National Board for Wildlife is a **statutory Board** constituted officially in 2003 under the **Wild Life (Protection) Act, 1972**.
- The NBWL is under the **Ministry of Environment, Forest and Climate Change (MoEFCC)**.
- The NBWL is **chaired by the Prime Minister** and is **responsible for promotion of conservation and development of wildlife and forests**.
- The **board is 'advisory' in nature** and can only advise the Government on policy making for conservation of wildlife.
- The **standing committee** of NBWL is **chaired by the Minister of Environment, Forest and Climate Change**.
The standing committee approves all the projects falling within protected wildlife areas or within 10 km of them.

Source: TH
