News Analysis (02 Jan, 2021)

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Digital Payments Index: RBI

Why in News

The **Reserve Bank of India (RBI)** has constructed a composite **Digital Payments Index (DPI)** to **capture the extent of digitisation of payments** across the country.
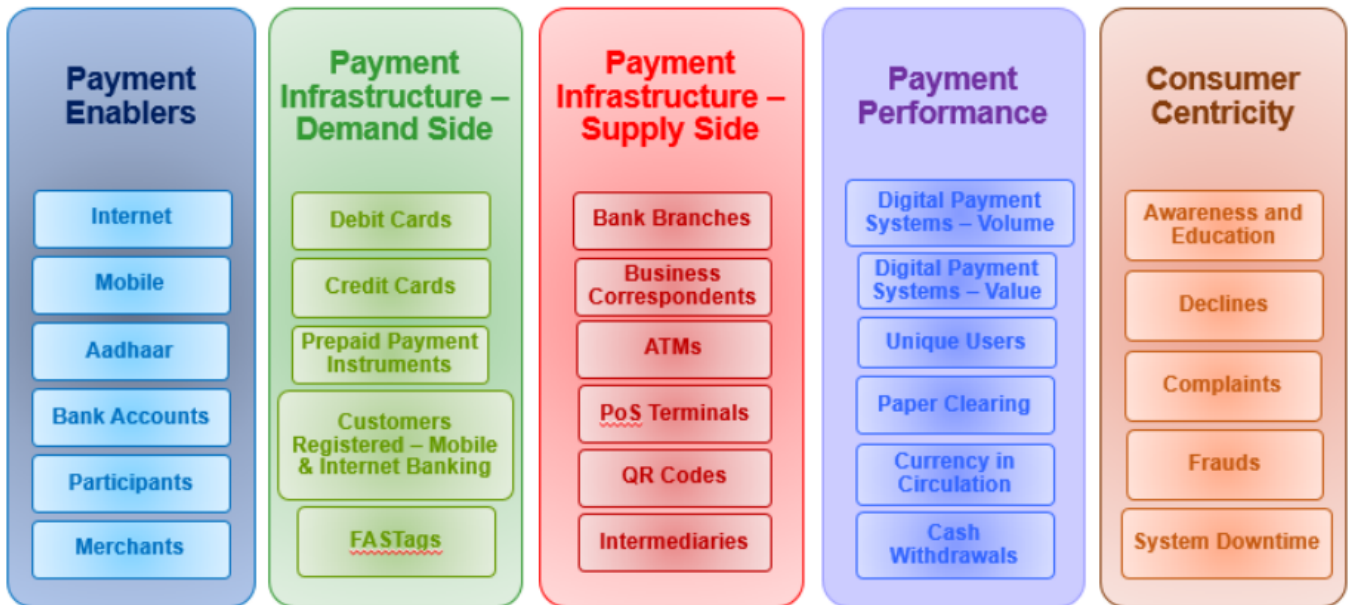
Key Points

About the Index:

- The RBI-DPI comprises **5 broad parameters** that enable **measurement of deepening and penetration of digital payments** in the country **over different time periods.**
- **5 Parameters:**
  - **Payment Enablers** (weight 25%),
  - **Payment Infrastructure** – Demand-side factors (10%),
  - **Payment Infrastructure – Supply-side factors** (15%),
  - **Payment Performance** (45%) and
  - **Consumer Centricity** (5%).
- It has been **constructed with March 2018 as the base period,** i.e. DPI score for March 2018 is set at 100.
- It will be **published on RBI's website on a semi-annual basis** from March 2021 onwards with a lag of 4 months.

Payments Index – Parameters and Sub-parameters

Payment Enablers	Payment Infrastructure – Demand Side	Payment Infrastructure – Supply Side	Payment Performance	Consumer Centricity
Internet	Debit Cards	Bank Branches	Digital Payment Systems – Volume	Awareness and Education
Mobile	Credit Cards	Business Correspondents	Digital Payment Systems – Value	Declines
Aadhaar	Prepaid Payment Instruments	ATMs	Unique Users	Complaints
Bank Accounts	Customers Registered – Mobile & Internet Banking	PoS Terminals	Paper Clearing	Frauds
Participants		QR Codes	Currency in Circulation	System Downtime
Merchants	FASTags	Intermediaries	Cash Withdrawals	

- **Index Value for 2019 and 2020:**

  The DPI for March 2019 and March 2020 worked out to be **153.47 and 207.84 respectively,** indicating appreciable growth.

- **Digital Payments Scenario:**
  - **Data Analysis:**
    - During the **second quarter (Q2) of 2020-21**, **Unified Payments Interface (UPI) payments** recorded an **82% jump in volume** and a **99% jump in value,** compared with the same quarter last year, according to the Worldline India Digital Payments report.
    - In Q2, **19 banks joined the UPI ecosystem,** bringing the total number of banks providing UPI services to 174 as of September 2020 while the **BHIM App was available for customers of 146 banks.**
    - In Q2, there were **over 51.8 lakhs Point of Sale (PoS) terminals** deployed by merchant acquiring banks, which is 13% higher than the same quarter of the previous year.
      - A merchant acquiring **bank is a bank that processes payments on behalf of a merchant.**
    - In 2018, the **Bank for International Settlements (BIS) ranked India seventh** among the 24 countries where it tracks digital payments.
  - **Recent Initiatives:**
    - The **National Payments Corporation of India (NPCI) has recently given approval to WhatsApp to go live with UPI** in a graded manner, starting with a maximum registered user base of 2 crores.
    - The NPCI has also **issued a cap of 30% of the total volume of transactions processed in UPI,** which is applicable to all Third-Party App Providers (TPAPs) and is effective from 1st January 2021.
    - The RBI has created a **Payments Infrastructure Development Fund (PIDF)** to encourage acquirers to deploy Points of Sale (PoS) infrastructure — both physical and digital modes — in tier-3 to tier-6 centres and north eastern states.

RBI's Other Publications

- **Consumer Confidence Survey** (CCS - Quarterly)
- Inflation Expectations Survey of Households (IESH - Quarterly)
- Financial Stability Report (Half-Yearly)
- **Monetary Policy Report** (Half-Yearly)
- Report on Foreign Exchange Reserves (Half-Yearly)

Source: TH

Arctic: Concerns & Opportunities

Why in News

As per the **WWF**-**Arctic Programme,** the Arctic region is **warming up twice as fast as the global average.** The ice cap has been shrinking fast since 1980 and the **volume of Arctic sea ice has declined by as much as 75%.**

Since 1992, WWF's **(World Wide Fund for Nature) Arctic Programme** has been working with **its partners across the Arctic** to combat threats to the Arctic and to preserve **its rich biodiversity in a sustainable way.**

Key Points

About Arctic:
- The Arctic is a **polar region** located at the northernmost part of Earth.
- The Arctic consists of the **Arctic Ocean, adjacent seas, and parts of Alaska** (United States), **Canada, Finland, Greenland** (Denmark), **Iceland, Norway, Russia, and Sweden.**
- Land within the Arctic region has seasonally **varying snow and ice cover.**

- **Ecological Impact of Warming on Arctic:**
  - The loss of ice and the warming waters will affect **sea levels, salinity levels,** and **current** and **precipitation patterns.**
  - The **Tundra** is returning to **swamp,** the **permafrost is thawing, sudden storms are ravaging coastlines** and **wildfires** are devastating interior Canada and Russia.
    > **Tundra:** Found in regions **north of the Arctic Circle and south of the Antarctic Circle.** These are **treeless regions.**
  - The phenomenally **rich biodiversity of the Arctic region is under serious threat.**
    > The absence of year-long ice and higher temperatures are making the survival of Arctic marine life, plants and birds difficult while encouraging species from lower latitudes to move north.
  - The Arctic is also home to about **40 different indigenous groups, whose culture, economy and way of life is in danger** of being swept away.
    > Increasing human encroachment with its attendant stresses will only aggravate this impact and upset a fragile balance.
- **Commercial Importance of Arctic:**
  - The opening of the Arctic presents huge commercial and economic opportunities, particularly in **shipping, energy, fisheries and mineral resources.**
  - **Commercial navigation:**
    > The **Northern Sea Route (NSR)** which would connect the North Atlantic to the North Pacific through a short polar arc is the most tempting.
  - **Oil and natural gas deposits:**
    > Estimated to be 22% of the world's unexplored resources, mostly in the Arctic ocean, will be open to access along with mineral deposits including 25% of the global reserves of rare earths, buried in Greenland.
  - **Issues Involved:**
    - Navigation conditions are dangerous and restricted to the summer.
    - Lack of deep-water ports, a need for ice-breakers, shortage of workers trained for polar conditions, and high insurance costs add to the difficulties.
    - Mining and deep-sea drilling carry **massive costs** and **environmental risks.**
    - Unlike **Antarctica**, the Arctic is **not a global common** and there is no overarching treaty that governs it.

- **Conflict over Arctic:**
  - Russia, Canada, Norway and Denmark have put in **overlapping claims for extended continental shelves,** and the **right to sea-bed resources.**
  - Russia is the dominant power, with the **longest Arctic coastline,** half the Arctic population, and a full-fledged strategic policy.
    - Claiming that the NSR falls within its territorial waters, Russia anticipates **huge dividends from commercial traffic including through the use of its ports, pilots and ice-breakers.**
    - Russia has also activated its northern military bases, refurbished its **nuclear armed submarine fleet and demonstrated its capabilities,** including through **an exercise with China** in the eastern Arctic.
  - **China,** playing for economic advantage, has moved in fast, projecting the **Polar Silk Road as an extension of the <u>Belt and Road Initiatives</u>**, and has invested heavily in ports, energy, undersea infrastructure and mining projects.
- **India's interests in Arctic:**
  - **Environmental Interest:**
    India's extensive coastline makes it vulnerable to the impact of Arctic warming on **ocean currents, weather patterns, fisheries and most importantly, the <u>monsoon.</u>**
  - **Scientific Interest:**
    Scientific research in Arctic developments, in which India has a good record, will contribute to its **understanding of climatic changes in the Third Pole, the Himalayas.**
  - **Strategic Interest:**
    The strategic implications of an **active China in the Arctic** and its growing economic and strategic relationship with Russia are self-evident and **need close monitoring.**
  - Since 2013, India has had **observer status** in the **<u>Arctic Council</u>**, which is the predominant inter-governmental forum for cooperation on the environmental and development aspects of the Arctic.
  - It is high time that its presence on the Arctic Council was underpinned by a strategic policy that encompassed **economic, environmental, scientific and political aspects.**

<u>**Source:IE**</u>

IFSCA Becomes Associate Member of IOSCO

Why in News

The **<u>International Financial Services Centres Authority (IFSCA)</u>** has become **an associate member** of the **<u>International Organization of Securities Commissions (IOSCO).</u>**

Securities and Exchange Board of India (SEBI) is an **ordinary member** of IOSCO.

Key Points

- **International Financial Services Centres Authority (IFSCA):**
    - **About:**
        - It was established in April 2020 under the **International Financial Services Centres Authority Act, 2019**. It is headquartered at **GIFT (Gujarat International Finance Tec-City)**, Gandhinagar in Gujarat.
        - It is a **unified authority for the development and regulation of financial products, financial services and financial institutions** in the **International Financial Services Centre (IFSC)** in India.
            - An IFSC **caters to customers outside the jurisdiction of the domestic economy.**
        - It has been established to **promote ease of doing business** in IFSC and to **provide a world class regulatory environment.**
    - **Objective:**
        - To **develop a strong global connect and focus on the needs of the Indian economy** as well as to **serve as an international financial platform** for the entire region and the global economy as a whole.

- **International Organization of Securities Commissions (IOSCO):**
  - **About:**
    - **Founded:** April 1983
    - **Headquarters:** Madrid, Spain
      - **IOSCO Asia Pacific Hub** is located in **Kuala Lumpur, Malaysia.**
    - It is the **international organization** that **brings together the world's securities regulators,** covering more than **95%** of the world's securities markets, and is the global standard setter for the securities sector.
    - It works closely with the **G20 (Group of Twenty)** and the **Financial Stability Board (FSB)** in setting up the standards for strengthening the securities markets.
      - The **FSB** is an **international body that monitors and makes recommendations about the global financial system.**
    - The IOSCO **Objectives and Principles of Securities Regulation** have been **endorsed by FSB** as one of the key standards for sound financial systems.
    - IOSCO's enforcement role extends to matters of interpretation of **International Financial Reporting Standards (IFRS)**, where IOSCO maintains a (confidential) database of enforcement actions taken by member agencies.
      - IFRS is an accounting standard that has been issued by the **International Accounting Standards Board (IASB)** with the objective of providing a common accounting language to increase transparency in the presentation of financial information.
  - **Objectives:**
    - To **cooperate in developing, implementing and promoting adherence** to internationally recognized and consistent standards of regulation, oversight and enforcement in order to protect investors, maintain fair, efficient and transparent markets, and seek to address systemic risks;
    - To **enhance investor protection and promote investor confidence** in the integrity of securities markets, through strengthened information exchange and cooperation in enforcement against misconduct and in supervision of markets and market intermediaries; and
    - To **exchange information at both global and regional levels** on their respective experiences in order to assist the development of markets, strengthen market infrastructure and implement appropriate regulation.
- **Significance of the Membership:**
  - It would provide IFSCA the **platform to exchange information at the global level and regional level on areas of common interests.**
  - The IOSCO platform would enable IFSCA to **learn from the experiences and best practices of the regulators of other well established financial centres.**

Source:PIB

Global Housing Technology Challenge-India

Why in News

The Prime Minister has laid the foundation of **LightHouse Projects (LHPs),** as part of the **Global Housing Technology Challenge-India (GHTC-India) initiative,** at **six sites** across six states via videoconference.

- He also announced the winners under **Affordable Sustainable Housing Accelerators - India (ASHA-India)** and gave away annual awards for excellence in implementation of **Pradhan Mantri Awas Yojana - Urban (PMAY-U) Mission.**
- He also released **a certification course on innovative construction technologies** named **NAVARITIH** (New, Affordable, Validated, Research Innovation Technologies for Indian Housing).

Key Points

- **Global Housing Technology Challenge-India:**
  - The **Ministry of Housing and Urban Affairs** has conceptualized a Global Housing Technology Challenge - India (GHTC- India) which **aims to identify and mainstream a basket of innovative technologies** from across the globe **for the housing construction sector** that are sustainable, eco-friendly and disaster-resilient.
  - The Prime Minister declared the **year 2019-20** as **'Construction Technology Year'** while **inaugurating GHTC-India in March 2019.**
  - **3 Components of GHTC-India:**
    - **Grand Expo and Conference:** It is **organized biennially** to provide a platform to all stakeholders associated with housing construction for the exchange of knowledge and business.
    - **Proven Demonstrable Technologies for the Construction of Lighthouse Projects:** These projects **demonstrate the merits of the selected technologies** and serve as live laboratories for research, testing, technology transfer, increasing mass awareness and for mainstreaming them in the country.
          The **funding** for the LHPs is **as per the guidelines of PMAY-U.**
    - **Potential Future Technologies for Incubation and Acceleration Support:** Potential future technologies from India that are applicable to the housing sector **will be supported and encouraged through the ASHA (Affordable Sustainable Housing Accelerators) India program.**

- **LightHouse Projects at Six Sites:**
  - Six LHPs **consisting of about 1,000 houses each with physical & social infrastructure facilities** are being constructed at six places across the country namely Indore (Madhya Pradesh), Rajkot (Gujarat), Chennai (Tamil Nadu), Ranchi (Jharkhand), Agartala (Tripura) and Lucknow (Uttar Pradesh).
  - These projects will **showcase the use of the six distinct shortlisted innovative technologies** for field level application, learning and replication.
  - LHPs will **demonstrate and deliver ready to live mass housing** at an expedited pace as compared to conventional brick and mortar construction and will be more economical, sustainable, of high quality and durability.
- **Affordable Sustainable Housing Accelerator – India (ASHA India):**
  - The aim of ASHA-India is to **catalyse research and development in the housing construction sector, building materials and related products** by providing a suitable platform to promote and showcase India's vibrant and dynamic community of innovators.
  - It will **support the potential future technologies developed in India** by the way of incubation and acceleration.
    > Incubation and acceleration support is provided to potential future technologies that are **not yet market ready (pre-prototype applicants)** or to the technologies that are **market ready (post prototype applicants)** respectively.

Source: PIB

Draft National Science Technology and Innovation Policy, 2020

Why in News

Recently, the draft of the **5th National Science Technology and Innovation Policy (STIP)** has been uploaded by the **Department of Science and Technology (DST)** on its website.

> This Policy will replace the **Science Technology and Innovation Policy of 2013**.

Key Points

- **Aim:**
  - To bring about **profound changes through short, medium and long-term mission mode projects** by building a nurtured **ecosystem that promotes research and innovation** on the part of both individuals and organizations.
  - To **identify and address strengths and weaknesses of the Indian Science Technology and Innovation (STI) ecosystem** to catalyse socio-economic development of the country and also make the Indian STI ecosystem globally competitive.

- **Important Provisions:**
  - **Related to Equity and Inclusion:**
    - **Gender Equality:**
      - It proposes that at least **30% representation be ensured for women** in all decision-making bodies, as well as **"spousal benefits" be provided to partners of scientists belonging to the** <u>Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ+) community.</u>
      - The **LGBTQ+ community** should be **included in all conversations** related to **gender equity,** and provisions be made to **safeguard their rights** and promote their representation and retention in the science and technology sector.
    - **Child and Elderly Care:**
      - **Child-care benefits are proposed to be made gender-neutral,** and **flexible work timings and adequate parental leave** are to be offered to cater to maternity, childbirth and child care.
      - All publicly-funded research institutions and universities will be asked to provide **day-care centres for children of employees, and also have a provision for elderly care.**
    - **For Disabled:**
      - For the **benefit of** <u>people with disabilities</u>, the policy asks all publicly-funded scientific institutions to make **"structural and cultural changes" to support their inclusion.**
    - **Other Related Provisions:**
      - For age-related cut-offs in matters relating to selection, promotion, awards or grants, **the "academic age" and not the biological age would be considered.**
      - **Removal of bars on married couples** being employed in the same department or laboratory.
        - As of now, married couples are not posted in the same department, leading to cases of loss of employment or forced transfers when colleagues decide to get married.
  - **Open Science Policy (One Nation, One Subscription):** To make scientific knowledge and data available to all, the government has proposed:
    - To **buy bulk subscriptions of all important scientific journals across the world, and provide everyone in India free access to them.**
    - To set up a **Science, Technology and Innovation Observatory** that will serve as the central repository of all kinds of data generated from scientific research in the country.

- **Research and Education:**
  - It proposes to establish **Education Research Centres (ERCs)** and **Collaborative Research Centres (CRCs)** to provide research inputs to policymakers and bring together stakeholders.
  - **Research and Innovation Excellence Frameworks (RIEF)** will be developed to enhance the quality of research along with the promotion of engagements with the relevant stakeholders.
  - A dedicated portal to provide access to the outputs of such publicly-funded research will be created through the **Indian Science and Technology Archive of Research (INDSTA).**
  - To set up Infrastructure to **boost local Research and Development capabilities** and **reduce large scale import** in selected sectors of domestic importance such as electronic hardware for home appliances, railways, intelligent transport, clean tech, defence, etc.
- **For Strengthening India's Strategic Position:**
  - To achieve **technological self-reliance** and **position India among the top three scientific superpowers** in the decade to come.
  - To **double the number of Full-Time Equivalent (FTE) researchers, Gross Domestic Expenditure on R&D (GERD)** and private sector contribution to the GERD every 5 years.
  - Establishment of a **Strategic Technology Board** that will **bridge all strategic government departments,** and monitor and recommend technologies to be bought or indigenously made.

Source:PIB

Satyameva Jayate: Digital Media Literacy

Why in News

The Kerala Government has recently announced a digital media literacy programme called **'Satyameva Jayate' (Truth alone triumphs) to counter** the menace of **Fake News.**

Key Points

- The programme would be taught at **schools and colleges,** which would be encouraged to **develop curriculum on digital media literacy.**
- **The programme would cover five points :**
  - What is wrong information.
  - Why they are spreading fast.
  - What precautions have to be adopted while using the content of social media.
  - How those who spread fake news make profit.
  - What steps can be initiated by citizens.

Satyameva Jayate

- Satyameva Jayate (Truth alone triumphs") is a part of a mantra from the Hindu scripture **Mundaka Upanishad.**
- Following the independence of India, it was adopted as the national motto of India on **26th January 1950.**
- It is inscribed in the **Devanagari script** at the base of the **Lion Capital of Ashoka** and forms an **integral part of the Indian national emblem.**
- The emblem and the words "Satyameva Jayate" are inscribed on one side of all Indian currency and national documents.

- **Menace of Fake News:**
  - Fake news is untrue information presented as news. It often has the aim of **damaging the reputation** of a person or entity, or making money through advertising revenue.
  - Once common in the print and digital media, the **prevalence of fake news has increased with the rise of social media and messengers.**
  - **Political polarization, post-truth politics, confirmation bias, and social media** have been implicated in the spread of fake news.
- **Threats Posed**
  - Fake news can reduce the impact of real news by **competing with it.**
  - In India, the spread of fake news has occurred mostly with relation to **political and religious matters.**
    - However, misinformation related to Covid-19 pandemic was also widely circulated.
  - Fake news spread through social media in the country has become a serious problem, with the potential of it resulting in **mob violence.**
- **Countermeasures**
  - **Internet shutdowns** are often used by the government as a way to control social media rumours from spreading.
  - Ideas such as **linking Aadhaar to social media accounts** have been suggested to the Supreme Court of India by the Attorney General.
  - In some parts of India like Kannur in Kerala, the government conducted **fake news classes in government schools.**
  - The government is planning to conduct more public-education initiatives to make the population more aware of fake news.
  - Fact-checking has sparked the creation of **fact-checking websites** in India to counter fake news. For example **Alt News.**
  - Recently, the Supreme Court has asked the Centre to provide information on the **existing legal mechanisms to deal** with complaints about the content on television channels. Further it has asked the Centre to create an authority to check fake news and bigotry on air.

Way Forward

- The government must take the initiative to make all sections of the population **aware of the realities of this information war and evolve a consensus to fight this war.** Strict action against the fake news providers.
- Government should have an **independent agency** to verify the data being circulated in **social and other media.** The agency should be tasked with presenting real facts and figures.
- Social media websites should be **made accountable** for such activities so that it becomes their responsibility to have **better control over the spread of fake news.**
- The **artificial intelligence technologies,** particularly **machine learning and natural language processing,** might be leveraged to combat the **fake news problem.**
- Programmes such as above of kerala government need to be replicated in other states to ensure students are **aware of the problem of fake news** and have the **ability to tackle it** and as well as **make their families aware of it.**

Source:IE

203rd Anniversary of the Bhima-Koregaon Battle

Why in News

The **victory pillar (also known as Ranstambh or Jaystambh)** in Bhima-Koregaon village (Pune district of Maharashtra) celebrated the **203rd anniversary of the Bhima-Koregaon battle of 1818** on **1st January, 2021.**

> In 2018, **incidents of violent clashes between Dalit and Maratha groups** were registered during the celebration of the **200th anniversary** of the Bhima-Koregaon battle.

Key Points

- **Historical Background:**
    - A **battle** was fought in Bhima Koregaon between the **Peshwa forces and the British on 1ˢᵗ January, 1818.**
    - The **British army,** which **comprised mainly of Dalit soldiers,** fought the **upper caste-dominated Peshwa army.**
        The **British troops defeated the Peshwa army.**
    - **Peshwa Bajirao II** had **insulted the Mahar community** and terminated them from the service of his army.
        - This caused them to side with the English against the Peshwa's numerically superior army.
        - **Mahar,** caste-cluster, or group of many endogamous castes, living chiefly in Maharashtra state and in adjoining states.
            - They mostly speak Marathi, the official language of Maharashtra.
            - They are officially **designated Scheduled Castes.**
    - The defeat of Peshwa army was considered to be a **victory against caste-based discrimination and oppression.**
    - It was one of the last battles of the **Third Anglo-Maratha War (1817-18), which ended the Peshwa domination.**
    - **Babasaheb Ambedkar's visit to the site on 1ˢᵗ January, 1927,** revitalised the memory of the battle for the Dalit community, making it a rallying point and an assertion of pride.
- **The Victory Pillar Memorial:**
    It was **erected by the British** in **Perne village** in the district **for the soldiers killed in the Koregaon Bhima battle.** It has attained **legendary stature in Dalit history.**

Source:IE

Umed Paoni Karhandla Wildlife Sanctuary

Why in News

A **tigress** and her two cubs were found dead in the **Umed Paoni Karhandla Wildlife Sanctuary, Nagpur, Maharashtra.**

Key Points

- **About the Sanctuary:**
    - **Umed Paoni Karhandla Wildlife Sanctuary** has a connection with **Tadoba Andhari Tiger Reserve** through forest along **Wainganga river (a tributary of Godavari).**
    - The sanctuary is home to resident breeding **tigers**, herds of **Gaur**, wild **dogs** and also **rare animals like flying squirrels, pangolins** and **honey badgers.**

- **Other Protected Sites of Maharashtra:**
  - Tadoba National Park
  - Gugamal National Park
  - Pench National Park
  - Navegaon National Park
  - Sanjay Gandhi National Park
  - Melghat Tiger Reserve
  - Sahyadri Tiger Reserve
  - Bor Tiger Reserve

Source:IE