



Quantitative Instruments of Monetary Policy

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QUANTITATIVE INSTRUMENTS OF MONETARY POLICY



LIQUIDITY ADJUSTMENT FACILITY (LAF)

- € **Repo Rate (RR):** The rate at which the RBI lends money to commercial banks. Here, RBI **purchases securities**.
- € **Reverse Repo Rate:** The rate at which the RBI borrows money from commercial banks within the country. **Opposite of Repo.**
- € If RBI wants to signal **tight monetary policy**, it will **increase the repo rate**; banks will **increase their lending rates**.



BANK RATE

- € It is a **long-term rate (RR is short-term)** at which the central bank lends money to other banks.
- € **Increase in Bank rate** will increase the **interest rates on the Loans /Deposits** and vice versa.



STATUTORY LIQUIDITY RATIO (SLR)

- € SLR is the minimum percentage of deposits that a commercial bank has to **maintain in the form of liquid cash, gold or other securities**.
- € If RBI wants to **tighten the monetary policy**, it will **raise the SLR**.



CASH RESERVE RATIO (CRR)

- € Banks are required to hold a certain proportion of their deposits in the form of **cash with RBI**.
- € With the **increase in CRR**, banks **increase the lending rates**.



OPEN MARKET OPERATIONS (OMOS)

- € These include **purchase/sale of government securities** by the Central Bank for **injection/absorption of durable liquidity** in the banking system.



Drishti IAS

Foreign Policy of India

For Prelims: United Nation Security Council (UNSC), United Nations General Assembly (UNGA), International Atomic Energy Agency (IAEA), Human Rights Commission

For Mains: Current Challenges in India's Foreign Policy and way forward

Why in News?

On the geopolitical and diplomatic stage, 2022 was a difficult year, especially following Russia's invasion of Ukraine.

How did India handle the Ukraine Crisis?

- **Following Non-Alignment Policy:**
 - The **war in Ukraine saw the government spell out its version of "non-alignment"**, as it sought to keep a balance in the growing polarisation between the U.S. and the **European Union** on one side, and Russia on the other.
 - On one side the Indian **Prime Minister made his discomfort with the war clear directly to Russian President Vladimir Putin with the words "This era is not for war"** and on the other hand **refused to accept western sanctions, growing military and oil trade with Russia**, and seeking **rupee-based payment mechanisms** to facilitate them.
- **Refusing to Vote on the Resolution:**
 - Most significantly, in more than a dozen resolutions at the **United Nation Security Council (UNSC), United Nations General Assembly (UNGA), International Atomic Energy Agency (IAEA), Human Rights Commission**, and other multilateral platforms seeking to censure Russia for the invasion and humanitarian crisis, **India chose to abstain.**
 - The Indian Foreign Policy said that India's policy was guided by its national interests, telling those who expected India to take sides, "Tough luck if our policies do not meet your expectations".

What were the Other Highlights in Foreign Policy in 2022?

- **Returning to Free Trade Agreements (FTAs):**
 - In 2022, **India returned to FTAs**, after a break of several years when India had called for a review of all **FTAs**, scrapped all Bilateral Investment Treaties (BITs) and walked out of the 15-nation Asian **Regional Comprehensive Economic Partnership (RCEP)**.
 - In 2022, **India signed trade agreements with the UAE and Australia**, and hopes to progress on talks with the EU, **Gulf Cooperation Council** and Canada for others.
- **Joining US led IPEF:**
 - India also joined the **U.S.-led Indo-Pacific Economic Forum (IPEF)**, although it later decided to stay out of trade talks.

What about Ties with Neighbours?

- **Sri Lanka:**
 - India's foreign policy was marked by **economic assistance to Sri Lanka in the midst of its collapse.**
- **Bangladesh, Bhutan, and Nepal:**
 - Foreign policy of India is marked by **regional trade and energy agreements with**

Bangladesh, Bhutan, and Nepal that could see a South Asian energy grid emerge.

▪ **Central Asian countries:**

- India has also strengthened ties with **Central Asian countries** on connectivity.
 - India has restarted efforts to revive the much-delayed **Turkmenistan-Afghanistan-Pakistan-India (TAPI) pipeline project**.
 - India also discussed the best use of the **International North-South Transport Corridor (INSTC)**.
 - Steps have also been taken to operationalize the **Chabahar port** in Iran which can provide a secure, viable and unhindered access to the sea for the Central Asian countries.
 - In addition, the **Ashgabat Agreement** on International Transport and Transit Corridor (ITTC) was discussed to enhance connectivity between India and Central Asian countries.

▪ **Afghanistan and Myanmar:**

- The government kept channels open with repressive regimes like Afghanistan's Taliban and the Myanmar Junta, opening a "technical mission" in Kabul and sending the foreign secretary to Myanmar to discuss border cooperation.
- Earlier in December, 2022 **India abstained on a UNSC vote calling for Myanmar to end violence and release political prisoners**.

▪ **Iran and Pakistan:**

- With Iran too, where protests against the killing of an activist have brought thousands onto the streets, India has steered clear of any criticism.
- However, ties with Pakistan remain flat, with a big showdown at the UN in December, 2022 between the foreign ministers of the two nations.

What Progress has been made in the LAC-China Standoff?

- Despite a visit to Delhi by China's Foreign Minister and disengagement at some stand-off points, tensions at the **Line of Actual Control** remained high, and an unsuccessful Chinese PLA attempt to take Indian posts at Yangtse in Arunachal Pradesh ended the year, signaling more violent clashes in 2023.
- In spite of the fraught state of relations, India is due to host the Chinese President twice in 2023, at the **G-20** and **SCO summits**, opening up the possibility for talks to end the standoff.

What are the Current Challenges in India's Foreign Policy?

▪ **Pakistan-China Strategic Nexus:**

- The most formidable threat **India faces today is from the Pakistan-China strategic nexus that seeks to change the status quo** at the contested borders and undermine India's strategic security.
- China's aggressive actions since May 2020 to change the status quo at the Line of Actual Control have severely damaged Sino-Indian relations.

▪ **China's Expansion:**

- For India, **the issue of how to balance China's forays into South Asia** and the **Indian Ocean region** is another concern.
- Under the rubric of China's much touted **Belt and Road Initiative (BRI)**, it is developing **China-Pakistan Economic Corridor (CPEC)** in Pakistan (through the Indian territory in the Pakistan-occupied Kashmir), building China-Nepal Economic Corridor, China-Myanmar Economic Corridor and dual use infrastructure in the littorals of the Indian Ocean.

▪ **Balancing Big Power Relations:**

- India's strategic autonomy **precludes New Delhi to join any military alliance or strategic partnership** that is inimical to another country or group of countries.
- Traditionally, the **West has perceived India closer to the Soviet Union / Russia**. These perceptions are accentuated with India actively participating in SCO, **BRICS** and **Russia-India-China (RIC) forum**.
- For India to balance an assertive China, it has to rely on external balancing in the Indo-Pacific to overcome the security dilemmas posed by the Pakistan-China hybrid threats.
- India's participation in **QUAD**, signing of foundational agreements with US, Japan, France, UK and Indonesia should be seen from that perspective.

- **Refugee Crisis:** In spite of not being a party to the [1951 Refugee Convention](#) and its 1967 Protocol, **India has been one of the largest recipients of refugees in the world.**
 - The challenge here is to **balance protection of human rights and national interest.** As the Rohingya crisis unfolds, there is still a lot that India can do to facilitate the finding of long-term solutions.
 - These actions will be key in determining India's regional and global standing on human rights.

Way Forward

- India **should look forward to creating an external environment which is conducive for an [inclusive development](#) of India** so that the benefits of growth can reach the poorest of the poor in the country.
 - And ensure that India's voice is heard on global forums and that India is able to influence world opinion on issues of global dimensions such as [terrorism](#), [climate change](#), disarmament, reforms of institutions of global governance.
- As rightly said by Mahatma Gandhi, **politics without principles and ethics would be disastrous. India should move towards collective development with an ethical persuasion** reclaiming its moral leadership in the world at large.
- As we live in a dynamic world, **India's foreign policy is therefore geared up to be proactive, flexible, and pragmatic** in order to respond quickly to changing situations.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. At the international level, bilateral relations between most nations are governed on the policy of promoting one's own national interest without any regard for the interest of other nations. This leads to conflicts and tension between nations. How can ethical consideration help resolve such tensions? Discuss with specific examples. **(2015)**

Q. In respect of India-Sri Lanka relations, discuss how domestic factors influence foreign policy. **(2013)**

Q. 'The long-sustained image of India as a leader of the oppressed and marginalised nations has disappeared on account of its new found role in the emerging global order.' Elaborate. **(2019)**

[Source: TH](#)

Regenerative Agriculture

Prelims: Regenerative Agriculture, Soil Degradation, Zero-budget natural farming, National Project on Organic Farming.

Mains: Regenerative Agriculture and its Significance.

Why in News?

Farmers in Madhya Pradesh who follow regenerative farming methods find that they reduce the need for frequent irrigation, which conserves water and energy.

What is Regenerative Agriculture?

▪ Background:

- The **Green Revolution** of the 1960s pulled India from the brink of starvation, but the revolution **also made India the world's biggest extractor of groundwater.**
 - According to the **UN's World Water Development Report, 2022**, India extracts 251 cubic km or more than a quarter of the world's groundwater withdrawal each year; 90 % of this water is used for agriculture.
- Currently, there is severe and widespread **deficiency of organic carbon and micronutrients in Indian soils.**
- If **agriculture is to continue to feed the country's undernourished population — 224.5 million, according to the UN's State of Food Security and Nutrition in the World, 2022 — and drive its economy, it needs to work in harmony with nature, not against it.**
- Farmers, activists and agricultural research organisations across the world are **thus developing methods of chemical-less farming which uses natural inputs and cultivation practices such as crop rotation and diversification**, which fall under the wider umbrella of regenerative agriculture.

▪ About Regenerative Agriculture:

- Regenerative agriculture is a **holistic farming system** that focuses on soil health, food quality, biodiversity improvement, water quality and air quality through methods such as **reducing the use of chemical fertilisers and pesticides, reducing tillage, integrating livestock and using cover crops.**
- It adheres to the **following principles:**
 - **Minimize soil disturbance** through conservation tillage
 - Diversify **crops to replenish nutrients** and disrupt pest and disease lifecycles
 - **Retain soil cover** using cover crops
 - Integrate **livestock, which adds manure to the soil** and serves as a source of carbon sinks.



What are the Advantages of Regenerative Agriculture?

▪ Improves Soil Health:

- It goes a step ahead of sustainable agriculture and aspires not only to maintain the resources like soil and water **but also to improve them.**
 - According to the UN Food and Agriculture Organization, **healthy soil helps in better water storage**, transmission, filtering and reduces agricultural run-off.

▪ Water conservation:

- Healthy **soil helps in improving water-use efficiency** by better water storage, transmission, filtering and reduces agricultural run-off.
 - Studies have established that 1% increase in soil organic matter per 0.4 hectare

increases **water storage potential by more than 75,000 litres.**

▪ **Energy Conservation:**

- Regenerative Agriculture practices **conserve energy used by irrigation aids such as pumps.**

What are Indian Efforts to Promote Regenerative Agriculture?

▪ **The National Project on Organic Farming:**

- The National Project on Organic Farming is the country's longest experiment on the practice, ongoing since 2004 and conducted by ICAR-Indian Institute of Farming System Research, Meerut.

▪ **Systematic Rice Intensification:**

- A method in which seeds are spaced at wider distances and organic manure is applied to improve yields.

▪ **Zero-Budget Natural Farming:**

- It is also known as Subhash Palekar Natural Farming and emphasises on preparing and using **inputs made from crop residue, cow dung and urine, fruits, among other things.**

▪ **Samaj Pragati Sahyog:**

- It is a grassroots organisation that promotes **natural methods to control agricultural pests** such as composting and recycling of crop residues, use of farm yard manure, cattle urine and application of tank silt, has also made efforts to this end.
 - It has conducted field trials with 1,000 farmers on more than 2,000 ha of land in four districts of Madhya Pradesh and one district of Maharashtra in 2016-18, to measure the water saved.

UPSC Civil Services Examination Previous Year Question (PYQ)

Prelims

Q. How is permaculture farming different from conventional chemical farming? (2021)

1. Permaculture farming discourages monocultural practices but in conventional chemical farming, monoculture practices are predominant.
2. Conventional chemical farming can cause an increase in soil salinity but the occurrence of such phenomenon is not observed in permaculture farming.
3. Conventional chemical farming is easily possible in semi-arid regions but permaculture farming is not so easily possible in such regions.
4. Practice of mulching is very important in permaculture farming but not necessarily so in conventional chemical farming.

Select the correct answer using the code given below.

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

Ans: (b)

Exp:

- Permaculture is an attempt to best use land so that generations in the future can continue to make use of the land in productive manners, allowing for personal subsistence. Permaculture relies on three ethics: care for the earth, care for people and fair share. It draws from several disciplines including organic farming, agroforestry, integrated farming, sustainable development, and applied ecology.
- Chemical farming is defined as the practice where chemicals such as pesticides, herbicides, fungicides, insecticides, and fertilizers are used in agriculture to control pests and disease or

control and promote growth.

- Permaculture is a totally integrated design system that is modelled on nature. Permaculture farming promotes multi cropping and integrated farming systems, whereas chemical farming is more suitable for monoculture cropping due to use of crop specific inputs like irrigation, chemical fertiliser and harvesting methods. Hence, 1 is correct.
- Chemical farming makes the soil less fertile over time due to use of chemical fertilizers, which can lead to serious problems like soil salinisation. But such problems do not occur in permaculture farming as it relies on organic fertilizers. Hence, 2 is correct.
- The concept of permaculture involves well-designed systems that do not produce waste and tries to copy well-designed systems. Permaculture tries to take into account local conditions like arid climate, which helps in developing a suitable system to ensure sustainable production. In case of chemical farming, intense use of chemical fertilizers and irrigation make the soil less fertile over time, thus restricting its practice in semi-arid regions. Thus, conventional chemical farming is not suitable for semi-arid regions. **Hence, 3 is not correct.**
- Mulching is a long-established horticultural practice that involves spreading a layer of material on the ground around plants to protect their roots from heat, cold, or drought or to keep the fruit clean. The material used for covering is called 'mulch'. Mulching is usually practiced while cultivating commercially important crops, fruit trees, vegetables, flowers, nursery saplings, etc.
- Mulching is an important component of permaculture farming for promoting maximum efficiency. Whereas, conventional chemical farming does not consider it as essential. **Hence, 4 is correct.**
- **Therefore, option (b) is the correct answer.**

Mains

Q. How far is Integrated Farming System (IFS) helpful in sustaining agricultural production? **(2019)**

Q. What is Integrated Farming System? How is it helpful to small and marginal farmers in India? **(2022)**

Source: DTE

Recession and Yield Curve

For Prelims: Recession, Yield Curve

For Mains: Growth & Development

Why in News?

In many of the world's top economies, including the United States, the biggest and most consequential, **there are fears of recession** as the new year approaches.

- The US does look headed for a recession — **a key pointer is the inversion of US treasury yields.**

What is a Recession?

- **A recession typically involves the overall output in an economy** contracting for at least two

consecutive quarters, along with job losses and reduction in overall demand.

- The **US National Bureau of Economic Research (NBER)** decides whether the economy is in a recession based on its assessment of **the depth, diffusion, and duration of the impact on the economy**.
 - Sometimes, the duration may not be long but the decline could be very severe — as it happened in the wake of the [Covid-19 pandemic](#).
 - Or, the depth and diffusion may be relatively less but the downturn may last long — as is expected in the United Kingdom in the wake of the economic crisis.

What are US Treasuries?

- In any economy, the **safest loans are those that are given to governments** — entities that will always be there, and which typically do not default on their debt.
- Governments need to borrow money because their tax revenues more often than not aren't enough to finance all their spending.
- The **instrument by which the government borrows from the market** is called a government bond.
- **In India they are called [G-secs](#), in the UK they are called **gilts**, and in the US, they are called **treasuries**.**

What is the Yield of a Treasury?

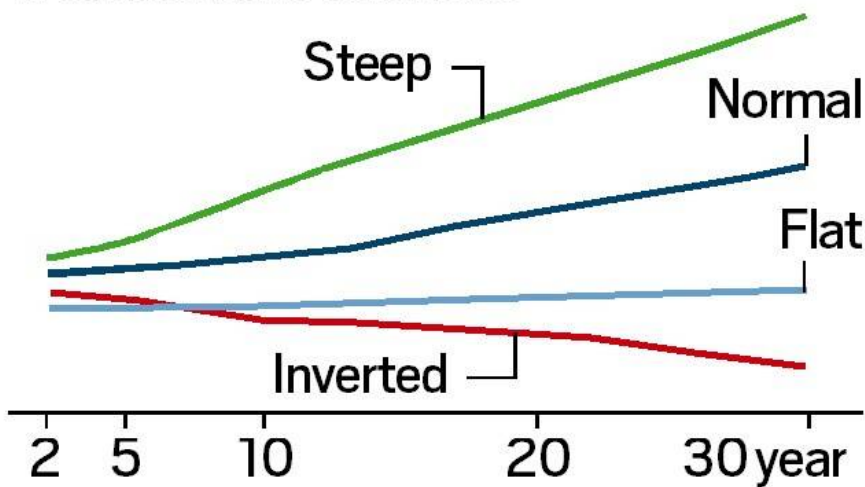
- Unlike a bank loan, on which the interest rate varies with time, **a government bond comes with pre-determined “coupon” payment**.
- So, the US government may “float” a 10-year bond with a face value of USD100 and coupon payment of USD 5. This means, if you lend USD100 to the US government by buying this bond, you would get USD 5 each year for the next 10 years plus the whole sum of USD100 at the end of 10 years. This would imply a yield of 5%.
- But if for some reason one sold this bond to another investor, the yield will change depending on the price at which the bond is sold. If the price increases — say, the bond is sold for USD110 — the yield will fall because the annual return (USD5) remains the same. And if the price falls, the yield will rise.

What is the Yield Curve?

- Governments borrow for durations ranging from 1 month to 30 years.
- Typically, **yields are higher for longer tenures** because one is lending money for longer.
- If the yields for different tenures of bonds are mapped, it will give an upward-sloping curve.
- The **curves can be flat or steep depending on the money available in the market** and the expected overall economic activity. When investors feel buoyant about the economy, they pull money out of long-term bonds and put it into short-term riskier assets such as stock markets. **As prices of long-term bonds fall, their yields rise — and the yield curve steepens.**

DIFFERENT TYPES OF YIELD CURVES

The yield curve evolves in line with changes in the economic conditions



What is Yield Inversion?

- Yield inversion happens **when yields for shorter duration bonds are higher than the yields on longer duration bonds**. If investors suspect that the economy is heading for trouble, they will pull out money from short-term risky assets (such as stock markets) and put it in long-term bonds. This causes the prices of the long-term bonds to rise and their yields to fall. This process first **leads to flattening and eventually the inversion of the yield curve**.
- Yield inversion has long been a reliable predictor of recession in the US — and US treasuries have been witnessing yield inversion for a while now.
- The spread between the yields of 10-year and 3-month treasuries has turned negative.

10 YEAR-3 MONTH TREASURY YIELD SPREAD



Why does this matter to India?

- Rising interest rates are likely to make the **US dollar even more strong against the rupee. Indian imports will become costlier** as a result, and could **fuel domestic inflation**.
- Higher returns in the US may also lead to some **rebalancing of the investments coming to India**.
- Indian exports may benefit due to a weaker rupee but a **recession will dampen the demand for Indian exports**.

UPSC Civil Services Examination Previous Year Question (PYQ)

Q. Which among the following steps is most likely to be taken at the time of an economic recession?

- (a) Cut in tax rates accompanied by increase in interest rate.
- (b) Increase in expenditure on public projects.
- (c) Increase in tax rates accompanied by reduction of interest rate.
- (d) Reduction of expenditure on public projects.

Ans: (b)

Exp:

- Economic recession is a macroeconomic term that refers to a slowdown or a massive contraction in economic activities for a long enough period, or it can be said that when a recessionary phase sustains for long enough, it is called a recession.
- In order to tackle the economic recession, the money supply in the economy must be increased. There are various ways to boost money supply into the economy:
 - **Expansionary Monetary Policy:** It will increase the supply of money in the market. Banks and Financial Institutions will have more money to lend with leveraged interest rates. This will attract the borrowers to borrow money, thereby increasing the economic activities and expenditure such as investment, production, consumption etc.
 - **High Expenditure on Public Projects:** Increase in expenditure on public projects will lead to increase in money supply and will be helpful in bringing the country out of economic recession.
- Cutting the tax rate will increase the money supply in the economy, however high interest rate will lead to low money supply as banks will be giving loans on higher interest rates and it will lead to low borrowings.
- Reduction in the interest rate will increase the money supply in the economy and will help in tackling the economic recession, however increase in tax rates will not be helpful in that direction since it will lead to less expenditure by the people.
- Reduction of expenditure on public projects will decrease the money supply in the economy. Therefore, option (b) is the correct answer.

Source: IE

AVGC Promotion Task Force Report

For Prelims: University Grants Commission, AVGC, National Education Policy, Atal Tinkering Labs

For Mains: AVGC Sector and related challenges

Why in News?

Government has received the report of the **Animation, Visual Effects, Gaming and Comics (AVGC) Promotion Task Force**.

What are the Main Recommendations?

- **Domestic Industry Development for Global Access:**
 - A **National AVGC-XR (Extended Reality) Mission with a budget outlay to be created** for integrated promotion & growth of the AVGC sector.
 - Launch of a **'Create in India' campaign** with exclusive focus on content creation, In India, For India & For World.
 - With a goal to make India the global hub for AVGC, institute an International AVGC Platform, along with a Gaming Expo with focus on **Foreign Direct Investment (FDI)**, Co-production treaties and Innovation.
 - Establish a **National Centre of Excellence (COE) for the AVGC sector** to become an international reference point across Skilling, Education, Industry Development and Research & Innovation for the AVGC sector.
- **Developing Talent Ecosystem to realize Demographic Dividends:**
 - **Leverage National Education Policy (NEP) to develop creative thinking with dedicated AVGC course content at school levels**, to build foundational skills and to create awareness about AVGC as a career choice.
 - A **University Grants Commission (UGC)** recognised curriculum for undergraduate and postgraduate degrees has also been suggested.
 - Enhance Industry participation to ensure employment opportunities and absorption for students from non-metro cities and Northeast states.
 - Established AVGC Accelerators and Innovation hubs in academic institutions, on lines of **Atal Tinkering Labs**.
- **Enhancing Technology & Financial Viability for Indian AVGC Industry:**
 - Democratize AVGC technologies by **promoting subscription-based pricing models for MSME, Start-Ups and institutions**.
 - Made in India for AVGC technologies through incentive schemes for R&D and IP creation. Evaluate PLI scheme to incentivize AVGC hardware manufacturers.
 - Enhanced **Ease of Doing Business** in AVGC sector i.e., tax benefits, import duties, curbing piracy, etc.
 - Leverage Start-Up India to provide technical, financial and market access assistance to AVGC entrepreneurs to promote culture of R&D and local IP Creation.
- **Raising India's Soft Power through an Inclusive Growth:**
 - Establish a **dedicated Production Fund for domestic content creation** from across India to promote Indian culture & heritage globally.
 - Evaluate Reservation for high-quality indigenous content by broadcasters.
 - For an Inclusive India, **target skilling and industry outreach for youth in Tier 2 & 3 towns and villages in India**.
 - Establish Special incentives for women entrepreneurs in the AVGC sector.
 - Establish a framework to ensure Child Rights Protection in the digital world.

What is the Status of AVGC Sector of India?

- The AVGC sector in India has **witnessed unprecedented growth rates in recent times**, with many global players entering the Indian talent pool to avail offshore delivery of services.
- Further, the **Media and Entertainment (M&E) Industry is expected to grow at an 8.8% CAGR by 2026**.
- As per the experts, within the M&E Industry, the AVGC sector can witness a growth of 14-16% in the next decade.
- India is emerging as a **primary destination for high-end, skill-based activities in the AVGC sector**.

- The Government of India has **designated audio-visual services as one of the 12 Champion Service Sectors** and announced key policy measures aimed at nurturing sustained growth.
- The AVGC Sector is an important segment of the Media & Entertainment sector, is emerging as an important growth engine of the Indian economy.

What are the Challenges with the AVGC Sector?

- **Lack of Authentic Data:**
 - Non availability of data such as employment, industry size, education intuitions, etc. for AVGC sector, makes decision making tougher for entities.
- **Skill Gap in Education and Employment sector:**
 - Creation of the AVGC ecosystem within the country **requires a workforce with specialized skills** for various roles such as animators, developers, designers, localization experts, product managers, etc.
 - At present, the **education system at school and university level does not have a dedicated curriculum focused on AVGC.**
- **Infrastructure Constraints:**
 - In the absence of **adequate training infrastructure**, there is deterioration in the quality of training being delivered to students, thus impacting the quality of output and human resources for the AVGC industry.
- **Less focus on Research Development:**
 - There is **also a need to develop research related narrative for the AVGC-XR sector**, so that dedicated focus can be given to it.
- **Absence of an AVGC Academic Reference Point:**
 - There is **no apex institute in India for the AVGC sector** unlike other sectors such as engineering, design, management, packaging, etc.
- **Availability of Funds:**
 - At present **there is no dedicated fund available for the promotion of the AVGC sector** which acts as an obstacle for the growth of the sector in India.
- **Lack of Globally-Popular Indian IPs:**
 - The AVGC sector in general **has suffered a lack of original Indian [intellectual property](#) as most work in this sector is outsourced.**
 - Animation industry is dominated by services to other countries and thus it is important to incentivize local production with additional concessions to increase local IP.

Way Forward

- **Need for Holistic Academic Curriculum:**
 - Most of the AVGC related programmes offered by various institutes in India are academic in nature. Thus, there is a **need to develop a holistic curriculum offering relevant industry programmes.**
- **Impetus to be given to R&D:**
 - R&D plays a **very important role in driving the entire AVGC sector.** Therefore, focused interventions need to be undertaken for the sector.
- **Need to explore the Startup Ecosystem of India:**
 - Aspiring entrepreneurs **not only create various job opportunities but also foster economic growth of the industry.**
 - New inventions and disruptive innovations will enable the Indian AVGC industry to grow at a faster pace, matching the international standards.

[Source: PIB](#)

Denotified, Nomadic, Semi-Nomadic Tribes

For Prelims: De-notified, Nomadic and Semi-nomadic Tribes, Related commissions and committees, Development and Welfare Board for De-notified, Nomadic and Semi-Nomadic Communities (DWBDNC), Schemes for DNT

For Mains: Issues Related to SCs & STs, Government Policies & Interventions, State of De-notified, Nomadic and Semi-nomadic Tribes in India.

Why in News?

The Parliamentary panel on Social Justice and Empowerment has asked the government to expedite categorisation of **Denotified, Nomadic and Semi-Nomadic Tribes** under either the [SC/ST/OBC](#) lists. Delay would increase their suffering and deprive them of welfare schemes.

Who are Denotified, Nomadic and Semi-Nomadic Tribes?

- These are communities that are the **most vulnerable and deprived**.
- DNTs (Denotified) are communities that were **'notified' as being 'born criminals'** during the British regime under a series of laws starting with the **Criminal Tribes Act of 1871**.
 - These Acts were repealed by the **Independent Indian Government in 1952**, and these communities **were "De-Notified"**.
- A few of these communities which were listed **as de-notified were also nomadic**.
 - Nomadic and semi-nomadic communities are **defined as those who move from one place to another rather than living in one place all the time**.
- Historically, Nomadic Tribes and De-notified Tribes never had access to private land or home ownership.
- While most DNTs are spread across the [Scheduled Castes \(SC\)](#), [Scheduled Tribes \(ST\)](#) and [Other Backward Classes \(OBC\)](#) categories, some DNTs are not covered in any of the SC, ST or OBC categories.
- Many commissions and committees constituted since Independence have referred to the problems of these communities.
 - These include the **Criminal Tribes Inquiry Committee, 1947** constituted in the United Provinces (now Uttar Pradesh),
 - **Ananthasayanam Ayyangar Committee in 1949** (it was based on the report of this committee the Criminal Tribes Act was repealed),
 - Kaka Kalelkar Commission (also called first OBC Commission) constituted in 1953.
 - The **B P Mandal Commission constituted in 1980** also made some recommendations on the issue.
 - The **National Commission to Review the Working of the Constitution (NCRWC), 2002** held that DNTs have been wrongly stigmatised as crime prone and subjected to high handed treatment as well as exploitation by the representatives of law and order and general society.
 - The NCRWC was established under the chairmanship of Justice M N Venkatachaliah.
- It has been estimated that South Asia has the **world's largest nomadic population**.
 - In India, roughly 10% of the population is Denotified and Nomadic.
 - While the number of Denotified Tribes is about 150, the population of Nomadic Tribes consists of about 500 different communities.

What are the Challenges Faced by Nomadic Tribes?

- **Lack of Basic Infrastructure Facilities:** Like drinking water, shelter, and sanitation facilities are not available to the communities. Healthcare and education facilities are also not available.
- **Bad Treatment by Local Administration:** Due to the stigma of Criminals bestowed upon them in the past, they are still treated as criminals and tortured by the local administration and police.
- **Lack of Social Security Cover:** Since they are on move frequently, they do not have a permanent settlement. As a result, they lack social security cover and are not issued [Ration Cards](#),

[adhar Card](#), etc. and hence, they are not getting benefits under the government welfare schemes.

- The **caste categorization is not very clear** for these communities, in some states some of the communities are included under the SC category, in some other states they are included under OBCs.
 - However, most of the groups from these communities do not have caste certificates and hence are not able to avail the benefits of government welfare programs.

What are the Related Developmental Efforts for These Tribes?

- **Dr. Ambedkar Pre-Matric and Post-Matric Scholarship for DNTs:**
 - This Centrally Sponsored Scheme was launched in 2014-15 for the welfare of those DNT students who are not covered under SC, ST or OBC.
 - The scheme of Pre-matric Scholarship for DNT students is helpful in spreading education amongst DNT children especially the girl child.
- **Nanaji Deshmukh Scheme of Construction of Hostels for DNT Boys and Girls:**
 - This Centrally Sponsored Scheme, launched in 2014-15, is implemented through State Governments/UT Administrations/Central Universities.
 - The aim of the scheme is to provide hostel facilities to those DNT students; who are not covered under SC, ST or OBC; to enable them to pursue higher education.
- **Scheme for Economic Empowerment of DNTs:**
 - It aims to provide free competitive exam coaching, health insurance, housing assistance, and livelihood initiatives.
 - It ensures **expenditure of Rs. 200 crores to be spent over five years beginning 2021-22.**
 - The DWBDNCs (Development and Welfare Board for De-notified, Nomadic and Semi-Nomadic Communities) has been **tasked with the implementation of this scheme.**
- **DWBDNC:**
 - DWBDNC was established under the **Societies Registration Act, 1860** under the aegis of the **Ministry of Social Justice and Empowerment** for the purpose of implementing welfare programmes.
 - The DWBDNC was constituted on 21st February 2019, under the chairmanship of Bhiku Ramji Idate.

[Source: TH](#)

Department of Social Justice and Empowerment Year End Review 2022

For Prelims: Initiatives by Department of Social Justice and Empowerment

For Mains: Year End Review of Department of Social Justice and Empowerment, Initiatives and Achievements of the Department

Why in News?

Recently, the year-end-review of the **Department of Social Justice & Empowerment** for the year 2022 was released.

What are Key Achievements of the Department?

- **Reservation to Economically Weaker Sections (EWS):**
 - [Articles 15\(6\) and 16\(6\)](#) were inserted in the [Constitution](#) vide the **Constitution 103rd Amendment Act 2019**.
 - These Articles enable the States to provide upto 10% [reservation for the EWS](#) in Government jobs and Government Educational Institutions.
 - The [Supreme Court of India](#), in November 2022, has **upheld the validity of the Constitution 103rd Amendment Act 2019**.
- **Nasha Mukht Bharat Abhiyan (NMBA):**
 - NMBA was launched in 2020 by the **Ministry of Social Justice & Empowerment** and is being implemented in 372 most vulnerable districts based on the findings of the first **Comprehensive National Survey** and inputs from the [Narcotics Control Bureau \(NCB\)](#).
 - It intends to reach out to the masses and spread awareness about substance use with focus on higher educational Institution, university campuses & schools, reaching out & identifying dependent population.
 - **Achievements:**
 - Around **9.3 crore people** have been sensitized on substance use including **3 Crore Youth and 2 Crore Women**.
 - Events like 'Nashe se Azaadi- A National Youth and Students Interaction Programme', '**Naya Bharat, Nasha Mukht Bharat**', 'NMBA Interaction with NCC' are regularly organized to engage and connect with youth and other stakeholders.
 - **National Action Plan for Drug Demand Reduction (NAPDDR)** is a scheme under which **financial assistance is provided** to State Governments, UT Administration, NGOs/VOs and Government Hospitals for different programmes for Drug Demand Reduction for Awareness Generation, Capacity Building, Counselling, Treatment and rehabilitation.
- **Pre & Post Matric Scholarship for Scheduled Castes:**
 - **National Overseas Scholarship Scheme:**
 - Department of Social Justice & Empowerment (DoSJE) is implementing the [National Overseas Scholarship \(NOS\) for Scheduled Caste etc. under which financial assistance is provided](#) to selected students from [Scheduled Castes, De notified, Nomadic & Semi - Nomadic Tribes](#), landless agricultural laborers and traditional artisan categories, for pursuing Masters and PhD level courses abroad.
 - Number of seats under NOS has been increased from 100 to 125 with effect from 2021-22.
 - **National Fellowships for SC Students (NFSC):**
 - The objective of the Scheme is to **provide fellowships in the form of financial assistance to students** belonging to Scheduled Caste category to pursue higher studies leading to M. Phil., Ph.D. in Science, Humanities and Social Science streams, in Indian Universities/Institutions/Colleges recognized by University Grants Commission (UGC).
- **Pradhan Mantri Anusuchit Jaati Abhyuday Yojana (PM AJAY):**
 - It has been framed after **merging the three erstwhile schemes** namely:
 - Pradhan Mantri Adarsh Gram Yojana (PMAGY)
 - Special Central Assistance to Scheduled Caste Sub Plan (SCA to SCSP)
 - Babu Jagjivan Ram Charawas Yojana (BJRCY)
 - **Developments:**
 - **Grants-in-Aid Component (Erstwhile SCA to SCSP):**
 - The financial Assistance has been enhanced from Rs.10,000/- to Rs. 50,000/- or 50% of the asset cost, whichever is lesser for beneficiary/ household.
 - Web based portal has been developed for submission, appraisal, and approval and monitoring of Annual Action Plan through portal.
- **National Backward Classes Finance & Development Corporation (NBCFDC):**
 - [NBCFDC](#) was incorporated under **Section 25 of the Companies Act 1956 in 1992** (now section 8 of Companies Act 2013) as a Company not for profit with an objective to **promote economic and developmental activities** for the benefit of [Other Backward Classes \(OBCs\)](#).

- **Achievements:**
 - During the year 2022 (Jan-Nov 2022), NBCFDC disbursed funds of Rs. 418 Crores for more than 1.2 lakh beneficiaries.
- **Dr. Ambedkar Foundation (DAF):**
 - DAF has launched a new scheme **Dr. Ambedkar Centre of Excellence (DACE)**, which has been implemented in 30 Central Universities throughout the country, for **coaching of Scheduled Caste students for Civil Services Examination (CSE)**.
 - **Dr. Ambedkar Medical Scheme** was implemented successfully with 173 beneficiaries.
 - **Dr. Ambedkar Scheme for Social Integration through inter Caste Marriages** benefitted 218 beneficiaries.
- **Scheme for Residential Education for Students in High Schools in Targeted Areas (SHRESHTA):**
 - **The Ministry of Social Justice & Empowerment** implements the [Central Sector Scheme of “Grant-in-Aid to Voluntary and other Organizations working for Scheduled Castes”](#) under which financial assistance is provided to the **NGOs** for projects related to the Education sector to Scheduled Caste students.
 - The scheme has been revised with effect from 2022-23 as **(SHRESHTA)** and a new component under Mode-I has been added to the Scheme, under which every year a specified number of meritorious SC students in the country will be selected for quality residential education in top-class residential High Schools through a nation-wide entrance test conducted by National Testing Agency (NTA).
- **Pradhan Mantri Dakshta Aur Kushalta Sampann Hitgrahi (PM DAKSH) Scheme:**
 - Under the [PM DAKSH Scheme](#), skills are provided to marginalized persons covering SCs, OBCs, EBCs, DNTs, Sanitation workers including waste pickers, through Corporations (NSFDC, NBCFDC and NSFDC) under the Department of SJE.
 - Under it, NSFDC’s target is to provide skill training of 20,600 during 2022-23.
 - Achievements:
 - During 2022, NBCFDC has sanctioned skill development training programmes for 19553 trainees.
- **National Action for Mechanised Sanitation Ecosystem (NAMASTE):**
 - **Achievements of [NAMASTE](#):**
 - Coverage of 3944 manual scavengers/dependants under various Skill Development Training programmes.
 - Covered 8396 sanitation workers under RPL/Upskilling training programme.
 - Provided assistance of Rs. 8.17 crore to 445 manual scavengers/dependants for general self-employment programme.
- **Transgender:**
 - A Memorandum of Understanding has been signed with **National Health Authority** in 2022 for providing a comprehensive **Medical package to Transgender Persons** in convergence with [Ayushman Bharat Yojana](#).
 - The Comprehensive Package would cover all aspects of transition related healthcare for Transgender persons. It will also (not exhaustive) provide coverage for hormone therapy, gender reassignment surgery inclusive of post operation formalities which can be redeemed at all private and government healthcare facilities.

[Source: PIB](#)

Bomb Cyclone

Why in News?

Recently, a [Bomb cyclone](#) hit the **United States and Canada**, which triggered [road accidents](#) that results in the death of more than 30 people.

What is a Bomb Cyclone?

▪ About:

- A bomb cyclone is a **large, intense midlatitude storm that has low pressure at its center**, weather fronts and an array of associated weather, from blizzards to severe thunderstorms to heavy precipitation.
- Bomb cyclones put forecasters on high alert because **they can produce significant harmful impacts**.

▪ Reasons for the Formation:

- Storms **form when a mass of low-pressure air (warm air mass) meets a high-pressure mass (cold air mass)**. The air flows from high pressure to low, creating winds.
- It occurs when a midlatitude cyclone rapidly intensifies, **dropping at least 24 millibars over 24 hours**.
 - **A millibar measures atmospheric pressure.**
- This quickly increases the pressure difference, or gradient, **between the two air masses, therefore making the winds stronger**.
 - The formation of this rapidly strengthening weather system is a process **called bombogenesis**.

How does a Bomb Cyclone Differ from a Hurricane?

- **Hurricanes** tend to form in tropical areas and are powered by warm seas. For this reason, they're **most common in summer or early fall**, when seawater is warmest.
- Bomb cyclones **generally occur during colder months** because cyclones occur due to cold and warm air meeting.
 - During the summer, there's generally not much cold air across the atmosphere; this means a bomb cyclone is much less likely to occur.
- Hurricanes **form in tropical waters**, while **bomb cyclones form over the northwestern Atlantic**, northwestern Pacific and sometimes the **Mediterranean Sea**.

UPSC Civil Services Examination Previous Year Questions (PYQs)

Consider the following statements: (2020)

1. Jet streams occur in the Northern Hemisphere only.
2. Only some cyclones develop an eye.
3. The temperature inside the eye of a cyclone is nearly 10°C lesser than that of the surroundings.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 2 and 3 only
- (c) 2 only
- (d) 1 and 3 only

Ans: (c)

Source: IE

Trademark

Why in News?

The Delhi High Court granted an **interim injunction in favour of Hamdard Laboratories** in its plea against Sadar Laboratories Private Limited for **infringing its registered trademark**.

- The Court has restrained the manufacture and sale of sweet beverage concentrate 'Sharbat Dil Afza' during the pendency of a lawsuit for alleged trademark infringement by **Hamdard Dawakhana which sells 'Rooh Afza'**.

What is the Court's Verdict?

- The court said Rooh Afza served as the **source identifier for Hamdard for over a century and has acquired immense goodwill** and it was essential to ensure that the competitors keep a safe distance from the mark.
- It is not difficult to conceive that a person who looks at the label of 'DIL AFZA' may recall the label of 'ROOH AFZA' as the word 'AFZA' is common and the meaning of the words 'ROOH' and 'DIL', when translated in English, **are commonly used in conjunction**.
- Both the products have the **"same deep red colour and texture"** and "structure of the bottles is not materially different" and thus **opined that the "commercial impression of the impugned trademark is deceptively similar to the appellants' trademark"**.

What is a Trademark?

- A trademark is a **sign capable of distinguishing the goods or services** of one enterprise from those of other enterprises. Trademarks are protected by **Intellectual Property Rights (IPR)**.
- **In India**, trademarks are governed by the Trade Marks Act 1999, which was amended in 2010.
- It legally **differentiates a product or service from all others of its kind** and recognizes the source company's ownership of the brand.
- Although trademarks do not expire, the **owner must make regular use of it in order to receive the protections** associated with them.
- It serves as a **badge of origin exclusively identifying a particular business** as a source of goods or services.
- **Trademark infringement is the unauthorised usage** of a sign that is identical or deceptively similar to a registered trademark.
- A mark is said to be **strong when it is well-known and has acquired a high degree of goodwill**.
- The degree of the protection of any trademark changes with the strength of the mark; the stronger the mark, the higher the requirement to protect it.

UPSC Civil Services Examination Previous Year Questions (PYQs)

Q. In order to comply with TRIPS Agreement, India enacted the Geographical Indications of Goods (Registration and Protection) Act, 1999. The difference/differences between a "Trade Mark" and a Geographical Indications is/are (2010)

1. A Trade Mark is an individual or company's right whereas a Geographical Indication is a community's right.
2. A Trade Mark can be licensed whereas a Geographical Indication cannot be licensed.
3. A Trade Mark is assigned to the manufactured goods whereas the Geographical Indication is assigned to the agricultural goods/products and handicrafts only.

Which of the statements given above is/are correct?

- (a) 1 only
- (b) 1 and 2 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

Ans: (b)

[Source: IE](#)

Veer Bal Diwas

Why in News?

Recently, the Prime Minister participated in a historic programme marking 'Veer Bal Diwas' at Major Dhyan Chand National Stadium in Delhi.

- On 9th January 2022, the **day of the Prakash Purab of Sri Guru Gobind Singh Ji**, the Prime Minister had announced that 26th December would be observed as '**Veer Bal Diwas**', to mark the martyrdom of sons of Sri Guru Gobind Singh - **Sahibzadas Baba Zorawar Singh Ji and Baba Fateh Singh Ji**.

Who was Sahibzadas Zorawar Singh and Fateh Singh?

- Sahibzada Jorawar Singh (9) and Sahibzada Fateh Singh (7) are among the most revered martyrs in [Sikhism](#).
- A combination of Mughals soldiers besieged [Anandpur Sahib](#) on the orders of emperor Aurangzeb (1704).
- The two sons of Guru Gobind Singh were captured.
- They were offered safe passage if they became Muslims.
- They both refused, and so they were sentenced to death and were bricked alive.
- These two greats preferred death instead of deviating from the noble principles of Dharma.

Who was Guru Gobind Singh?

- **About:**
 - The **last** of the ten Sikh Gurus, Guru Gobind Singh was **born on 22nd December 1666 in Patna, Bihar**.
 - His birth anniversary is based on the [Nanakshahi calendar](#).
 - He became the Sikh guru at the age of nine, following the demise of his father, [Guru Tegh Bahadur](#), the ninth Sikh Guru.
 - He was assassinated in 1708.
- **Contributions:**
 - **Religious:**
 - He is known for his significant contributions to the [Sikh religion](#), including the introduction of the turban to cover hair.
 - He also founded **the principles of Khalsa** or the Five 'K's'.
 - The Five K's are kesh (uncut hair), kanga (wooden comb), kara (iron or steel

- bracelet), kirpan (dagger) and kachera (short breeches).
- These were the five articles of faith that a Khalsa must always adorn.
 - He also laid down many other rules for the Khalsa warriors to follow like abstaining from tobacco, alcohol, halal meat, etc. The Khalsa warrior was also duty-bound to protect innocent people from persecution.
 - He named Guru Granth Sahib, the religious text of the Khalsas and the Sikhs, as the next Guru of the two communities.
- **Martial:**
 - He fought against the Mughals in the battle of Muktsar in 1705.
 - In the Battle of Anandpur (1704), the Guru lost his mother and two minor sons who were executed. His eldest son also died in battle.
 - **Literary:**
 - His literary contributions include the Jaap Sahib, Benti Chaupai, Amrit Savaiye, etc.
 - He also wrote the Zafarnama which was a letter to the Mughal Emperor Aurangzeb.

UPSC Civil Services Examination Previous Year Questions (PYQs)

Q. Consider the following Bhakti Saints: (2013)

1. Dadu Dayal
2. Guru Nanak
3. Tyagaraja

Who among the above was/were preaching when the Lodi dynasty fell and Babur took over?

- (a) 1 and 3
- (b) 2 only
- (c) 2 and 3
- (d) 1 and 2

Ans: (b)

Exp:

- Lodi dynasty was the last ruling family of the Delhi Sultanate. The last ruler of this dynasty was Ibrahim Lodi, who was defeated by Babur in 1526 at the Battle of Panipat. It marked the end of the Lodi dynasty and the rise of the Mughal Empire in India led by Babur.
- Guru Nanak (1469-1539): Guru Nanak was the founder of Sikhism and the first of the ten Sikh Gurus. **Hence, 2 is correct.**
- Dadu Dayal (1544-1603): Dadu Dayal was a poetsaint from Gujarat, India. He was a religious reformer who preached against formalism and priestcraft. "Dadu" means brother, and "Dayal" means "the compassionate one". **Hence, 1 is not correct.**

Source: PIB