

ECONOMY

e-Shram Portal

Recently, the Ministry of Labour and Employment launched the e-Shram portal.

Key Points

About e-Shram Portal:

- **Aim:** To register 38 crore unorganised workers such as construction labourers, migrant workforce, street vendors, and domestic workers, among others.
- 1. The workers will be issued an e-Shram card containing a 12 digit unique number.
- 2. If a worker is registered on the eSHRAM portal and meets with an accident, he will be eligible for Rs 2.0 Lakh on death or permanent disability and Rs 1.0 lakh on partial disability.
- **Background:** The formation of e-Shram portal came after the Supreme Court directed the Government to complete the registration process of unorganized workers so that they can avail the welfare benefits given under various government schemes.
- **Implementation:** Government in States/UTs will conduct registration of unorganised workers across the country.

Status of Unorganised Sector in India:

- **The Ministry of Labour and Employment has categorized the unorganized labour force under four groups:**
- 1. **Occupation:** Small and marginal farmers, landless agricultural labourers, sharecroppers, fishermen, those engaged in animal husbandry, beedi making, etc.
- 2. **Nature of Employment:** Attached agricultural labourers, bonded labourers, migrant workers, contract and casual labourers come under this category.
- 3. **Specially Distressed Category:** Toddy tappers, scavengers, carriers of head loads, drivers of animal driven vehicles, loaders and unloaders.
- 4. **Service Category:** Midwives, Domestic workers, Fishermen and women, Barbers, Vegetable and fruit vendors, News paper vendors etc.
- According to the Periodic Labour Force Survey (PLFS 2018-19), 90% of workers were in the informal sector, which is 419 million of the 465 million workers.
- Informal workers in rural and urban areas have been hit the most due to the pandemic, because of the seasonality of their employment and lack of formal employee-employer relationship.

Initiatives Already Taken to Support Unorganised Sector:

1. Pradhan Mantri Shram Yogi Maan-dhan (PM-SYM)
2. Labour Code
3. Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)
4. PM SVANidhi: Micro Credit Scheme for Street Vendors
5. Atmanirbhar Bharat Abhiyan
6. Deendayal Antyodaya Yojana National Urban Livelihoods Mission
7. PM Garib Kalyan Ann Yojana (PMGKAY)
8. One Nation One Ration Card
9. Atmanirbhar Bharat Rozgar Yojana
10. Pradhan Mantri Kisan Samman Nidhi
11. World Bank Support to India's Informal Working Class

NATIONAL ISSUE

Bodoland Territorial Region (BTR)

The people displaced by ethnic and communal riots in areas under the Bodoland Territorial Region (BTR) since 1996 are set to return to the homes they left behind.

The Ministry of Home Affairs (MHA), the Assam government and the Bodo groups signed a tripartite agreement to redraw, rename and change power-sharing agreement in the Bodoland Territorial Area District (BTAD) in Assam.

Key Points

About:

- **Population:** Bodos are the single largest community among the notified Scheduled Tribes in Assam. They constitute about 5-6% of Assam's population. Kokrajhar, Baksa, Udalguri and Chirang districts in Assam constitute the Bodo Territorial Area District (BTAD) and are home to several ethnic groups.

Dispute:

- **Demand of Separate State:** The first organised demand for a Bodo state came in 1967-68 under the banner of the political party called Plains Tribals Council of Assam.
- **Assam Accord:** In 1985, when the Assam Movement culminated in the Assam Accord, many Bodos saw it as essentially focusing on the interests of the Assamese-speaking community. As a result of this, several Bodo groups led by the All Bodo Students Union (ABSU) and National Democratic Front of Bodoland have been demanding separate land for the ethnic community, a movement that has claimed nearly 4,000 lives.
- **Displacement of People:** Between 1993 and 2014, more than 970 Bengali-speaking Muslims, Adivasis and Bodos died in clashes triggered by indiscriminate shooting by extremist groups, primarily the now-disbanded National Democratic Front of Bodoland (NDFB). Some of the 8.4 lakh people displaced by the violence have remained in shabby relief camps while others relocated to areas beyond present-day BTR. Over 2.5 lakh people were displaced in the Bodo-Santhal conflict.

Bodo Accord:

- **First Bodo Accord:** After years of violent clashes, the first Bodo Accord was signed with the ABSU in 1993, leading to the creation of a Bodoland Autonomous Council with limited political powers.
- **Second Bodo Accord:** Under this, it was agreed to create a self-governing body for the Bodo Areas in the State of Assam. In pursuance of this, the Bodoland Territorial Council (BTC) was created in 2003 with some more financial and other powers.
- **Third Bodo Accord:** The agreement was signed in 2020, it renamed the BTAD as Bodoland Territorial Region (BTR).
 1. It promises more legislative, executive and administrative autonomy under the Sixth Schedule to Bodoland Territorial Council (BTC) and expansion of the BTC territory in lieu of statehood.
 2. It provides for alteration of the area of BTAD and provisions for Bodos outside BTAD.
 3. BTR includes the villages which are dominated by Bodos but are outside BTAD presently.

GOVERNANCE

Seven Years of Pradhan Mantri Jan Dhan Yojana

Recently, the government has asked the banks to improve access of account holders in the Pradhan Mantri Jan Dhan Yojana (PMJDY) scheme to micro-credit and micro investment products, like flexi-recurring schemes. PMJDY - National Mission for Financial Inclusion has completed seven years of successful implementation.

Key Points

Objective of PMJDY: Ensuring access to various financial services to the excluded sections i.e. weaker sections & low income groups at an affordable cost and using the technology for the same.

Six Pillars of the Scheme:

- **Universal Access to Banking Services** – Branch and Banking Correspondents.
 1. Accounts opened are online accounts in the core banking system of banks.
 2. Focus has shifted from 'Every Household' to Every Unbanked Adult'.
- **Basic Savings Bank Accounts with OverDraft (OD) Facility** of Rs. 10,000/- to every household.
- **Financial Literacy Program** – Promoting savings, use of ATMs, using basic mobile phones for banking, etc. Interoperability through RuPay debit card or Aadhaar enabled Payment System (AePS).
- **Creation of Credit Guarantee Fund** – To provide banks some guarantee against defaults.
- **Insurance** – Free accidental insurance cover on RuPay cards increased from Rs. 1 lakh to Rs. 2 lakh for PMJDY accounts opened after August 2018.
- **Pension Scheme** for the Unorganized sector.

Achievements:

- **Accounts:**
 1. The number of accounts rose to 43.04 crore in August 2021 from 17.9 crore in August 2015.
 2. Of this, 55.47% Jan Dhan account holders are women and 66.69% holders are in rural and semi-urban areas.
- **Deposits:** The deposits have shot up to Rs. 1.46 lakh crore from Rs. 22,901 crore during 2015-2021.
- **Operative Accounts:**

1. As per extant Reserve Bank of India guidelines, a PMJDY account is treated as inoperative if there are no customer induced transactions in the account for over a period of two years. In August 2021, out of total 43.04 crore PMJDY accounts, 36.86 crore (85.6%) were operative.
2. Continuous increase in percentage of operative accounts is an indication that more and more of these accounts are being used by customers on a regular basis.
 - **RuPay Usage:** Number of RuPay cards & their usage has also increased over time.
 - **Jan Dhan Darshak App:** This app is being used for identifying villages which are not served by banking touchpoints within 5 km. The efforts have resulted in a significant decrease in the number of such villages.
 - **Pradhan Mantri Garib Kalyan Package (PMGKP) for PMJDY Women:** Under PMGKP, a total of Rs. 30,945 crore have been credited in accounts of women PMJDY account holders during Covid lockdown.
 - **Smooth DBT Transactions:** About 5 crore PMJDY account holders receive Direct Benefit Transfer (DBT) from the Government under various schemes.

Impact:

- **Increased Financial Inclusion:** PMJDY has been the foundation stone for people-centric economic initiatives. Whether it is DBT, Covid-19 financial assistance, PM-KISAN, increased wages under MGNREGA, life and health insurance cover, the first step of all these initiatives is to provide every adult with a bank account, which PMJDY has nearly completed.
- **Formalisation of Financial System:** It provides an avenue to the poor for bringing their savings into the formal financial system, an avenue to remit money to their families in villages besides taking them out of the clutches of the usurious money lenders.
- **Prevention of Leakage:** DBTs via PM Jan Dhan accounts have ensured every rupee reaches its intended beneficiary and prevents systemic leakage.

Challenges:

- **Connectivity:** Lack of physical and digital connectivity is posing a major hurdle in achieving financial inclusion for rural India.
- **Technological Issue:** The technological issues affecting banks from poor connectivity, networking and bandwidth problems to managing costs of maintaining infrastructure especially in rural areas.
- **Procedure not Clear:** Most of the people are aware but still so many are not turned around as they are not understanding the proper procedure of opening an account and required documents at a time.

Way Forward

- There must be an endeavour to ensure coverage of PMJDY account holders under micro insurance schemes. Eligible PMJDY account holders will be sought to be covered under Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and Pradhan Mantri Suraksha Bima Yojana (PMSBY).
- Promotion of digital payments including RuPay debit card usage amongst PMJDY account holders through creation of acceptance infrastructure across India.

ENVIRONMENT & BIODIVERSITY

Hydropower Projects in Himalayas

Recently, the central government has said that no new Hydropower projects would be allowed in the upper reaches of the Ganga and those sanctioned would have to abide by environment regulations that prescribe a minimum flow in the river at all times of the year to preserve its health.

Key Points

About:

- Seven projects, all in Uttarakhand, have been allowed to complete construction primarily on the ground that they were over 50% complete.
- The seven projects are the:
 1. Tehri Stage 2: 1000 MW on Bhagirathi river
 2. Tapovan Vishnugadh: 520 MW on Dhauliganga river
 3. Vishnugadh Pipalkoti: 444 MW on Alaknanda river
 4. Singoli Bhatwari: 99 MW on Mandakini river
 5. Phata Bhuyang: 76 MW on Mandakini river
 6. Madhyamaheshwar: 15 MW on Madhyamaheshwar Ganga

7. Kaliganga 2: 6 MW on Kaliganga river

Issues:

- Activists have raised concerns that two projects, Singoli Bhatwari and Phata Bhuyang, which were specifically linked to the Kedarnath Tragedy (2013) have been allowed.
- The Vishnugadh project damaged in the February 2021 Floods too has been allowed to progress even though 200 plus people died due to the criminal negligence of there not being a Disaster Warning System.
- Hydropower projects, dams and construction activities are affecting the fragile Himalayan region making them susceptible to disasters.

Challenges to Hydropower Projects in Himalayas:

- **Decreasing Stability:** Glacier retreat and Permafrost Thaw are projected to decrease the stability of mountain slopes and increase the number and area of glacier lakes. Permafrost Thawing is the release of the powerful greenhouse gas methane into the atmosphere, which contributes to further warming in a reinforcing feedback loop.
- **Climate Change:** Climate change has driven erratic weather patterns like increased snowfall and rainfall. The thermal profile of ice is increasing, which means that the temperature of ice that used to range from -6 to -20 degree C, is now -2 degree C, making it more susceptible to melting.
- **Increase in Calamitic Instances:** With increased instances of cloudbursts, and intense spells of rainfall and avalanches, residents of the region are also placed at increased risk of loss of lives and livelihood.

Initiative Taken:

- National Mission on Sustaining Himalayan Ecosystem (NMSHE) is one of the eight missions under the National Action Plan on Climate Change (NAPCC). The mandate is to evolve measures to sustain and safeguard the Himalayan glaciers, mountain ecosystems, biodiversity and wildlife conservation & protection.

Way Forward

It is recommended that there should be no hydropower development beyond an elevation of 2,200 metre in the Himalayan region.

Considering population growth and required industrial and infrastructure growth, the government should be serious in development of hydro power which is essential for the sustainable growth of the economy, but in a more ecological manner.

IMPORTANT FACTS FOR PRELIM

Hurricane Ida

Recently, Hurricane Ida made landfall in Louisiana, US. It is an extremely dangerous Category 4 storm and one of the most powerful storms ever to hit the US. It will test the hundreds of miles of new levees that were built after the devastation of Hurricane Katrina (2005), which made landfall 16 years ago in the US.

Key Points

About: Hurricanes are the biggest and most violent storms on the planet. Tropical cyclones or hurricanes use warm, moist air as fuel, and therefore form over warm Equatorial water.

Mechanism:

- When the warm, moist air rises upward from the surface of the ocean, it creates an area of low air pressure below.
- When this happens, the air from the surrounding areas rushes to fill this place, eventually rising when it becomes warm and moist too.
- An eye forms in the centre. It is the calmest part of the cyclone. Before the wind reaches the centre it gets warmed up and rises upwards.
- When the warm air rises and cools off, the moisture forms clouds. This system of clouds and winds continues to grow and spin.
- This disturbance is fuelled by the ocean's heat and the water that evaporates from its surface.
- Such storm systems rotate faster and faster.
- Storms that form towards the north of the equator rotate counterclockwise, while those that form to the south spin clockwise because of the rotation of the Earth.

Names in Different Regions of the World:

- **Typhoons:** Tropical cyclones are known as Typhoons in the China Sea and Pacific Ocean.

- **Hurricanes:** In the West Indian islands in the Caribbean Sea and Atlantic Ocean.
- **Willy-willies:** In north-western Australia and
- **Tropical Cyclones:** In the Indian Ocean Region.

Categorization of Hurricanes:

- Hurricanes are categorized on the Saffir-Simpson Hurricane Wind Scale, which rates them on a scale of 1 to 5 based on wind speed.
- Hurricanes that reach category three or higher are classified as major hurricanes.

2.ICGS Vigraha

The Offshore Patrol Vessel (OPV) Indian Coast Guard Ship (ICGS) Vigraha was commissioned into the Indian Coast Guard (ICG). It is the last vessel in the series of seven OPVs built by Larsen & Toubro (Private Company) under an Ministry of Defence contract signed in 2015. In May 2021, OPV Sajag was commissioned into the ICG.

Key Points

About:

- It is about 98 metres long, 15 metres wide, has 3.6 metres draught, with 2,140 tonnes displacement and a range of 5,000 nautical miles.
- It can attain a sustained speed of up to 26 knots.
- It is fitted with advanced technology radars, navigation & communication equipment, sensors and machinery capable of operating in tropical sea conditions.
- It is also equipped with an integrated bridge system, integrated platform management system, automated power management system and high-power external fire-fighting system.
- It is armed with a 40/60 Bofors gun and fitted with two 12.7 mm Stabilised Remote Control Gun with fire control system.

Special Capability:

- To carry one twin-engine Helicopter and four high speed boats for boarding operation, search & rescue, law enforcement and maritime patrol.
- Capable of carrying pollution response equipment to contain oil spills at sea.

Offshore Patrol Vehicles:

- OPVs are long-range surface ships, capable of operation in maritime zones of India, including island territories with helicopter operation capabilities.
- Their roles include coastal and offshore patrolling, policing maritime zones of India, control and surveillance, anti-smuggling and anti-piracy operations with limited wartime roles.

3.Fukutoku-Okanoba Volcano: Japan

Recently, the Fukutoku-Okanoba Submarine Volcano exploded in the Pacific Ocean, off Japan. Earlier, a surge of Earthquakes and the ground swelling was noticed at Hawaii's Kilauea Volcano.



Key Points

- It is situated about 25 metres below the sea, five kilometres north of Japan's South Iwo Jima Island.

- The plume reached a height of 16 kilometres above the surface, which poses a risk to the passage of planes and ships.
 - Plume went straight from being a submarine event to an eruption cloud reaching the lower boundary of the Stratosphere, this is not very common for this type of volcano.
1. Normally lower-level plumes are seen from submarine eruptions.
 2. Eruption and submarine hydrothermal activities often cause water discoloration in the area, and during eruption, the volcano has built several temporary new islands.

DAILY ANSWER WRITING PRACTICE

Qns. What is central bank digital currency (CBDC)? How does it work? CBDC is slowly gaining momentum and acceptance across the world. Discuss its potential benefits and challenges in India. (250 words)

Ans:

Introduction

- A Central Bank Digital Currency (CBDC), or national digital currency, is simply the digital form of a country's fiat currency. Instead of printing paper currency or minting coins, the central bank issues electronic tokens. This token value is backed by the full faith and credit of the government.
- The Reserve Bank of India is likely to soon kick off pilot projects to assess the viability of using digital currency to make wholesale and retail payments to help calibrate its strategy for introducing a full-scale central bank digital currency (CBDC).

Body

- According to the Bank for International Settlements, more than 60 countries are currently experimenting with the CBDC. There are few Countries that already rolled out their national digital currency. Such as,
 1. Sweden is conducting real-world trials of their digital currency (krona)
 2. The Bahamas already issued their digital currency "Sand Dollar" to all citizens
 3. China started a trial run of their digital currency e- RMB amid pandemic. They plan to implement pan-China in 2022. This is the first national digital currency operated by a major economy.

Need for a CBDC:

- The growth of cryptocurrencies such as Bitcoin, Ethereum etc has raised challenges to fiat currencies.
- Along with their other vulnerabilities made the central bank of each country explore the possibility of introducing their own digital currencies.
- A 2021 BIS survey of central banks, which found that 86% were actively researching the potential for such currencies, 60% were experimenting with the technology, and 14% were deploying pilot projects.
- The need for inter-bank settlement would disappear as it would be a central bank liability handed over from one person to another.

Working of CBDC:

- CBDCs use distributed ledger technology (DLT), which is typically deployed in a hybrid architecture i.e. existing central bank and payment infrastructure + DLT for movement, transparency, workflow and audit trail or tracing of funds (value).
- This technology helps in efficiency (speed), security (encryptions) and also other aspects like smart contracts which execute buy and sell transactions based on a pre-defined criteria and opens up the possibility of 'programmable' money.
- CBDC can be in different forms like token or account/ digital wallet form.
- The underlying technology used for CBDCs can vary from DLT or a mix of existing payment rails and systems at one layer and DLT at the second layer. In order to keep track of money, banks need to store financial records, such as how much money a person has and what transactions they've made.
- While digitising the money supply chain from central banks to commercial banks to consumers of wholesale and retail CBDCs, complementing the existing infrastructure and investment is important.

Potential of a CBDC:

- An official digital currency would reduce the cost of currency management while enabling real-time payments without any inter-bank settlement.
- India's fairly high currency-to-GDP ratio holds out another benefit of CBDC — to the extent large cash usage can be replaced by CBDC, the cost of printing, transporting and storing paper currency can be substantially reduced.
- As the currency in digital form, it can provide an efficient way for financial transaction. Further, digital currency also solves the challenges with Cash and coins. Cash and coins require expenses in storage and have inherent security risks like the recent heist in the RBI currency chest.
- There are about 3,000 privately issued cryptocurrencies in the world. According to IMF, the key reason for considering national digital currency is to counter the growth of private forms of digital money.
- There is a possibility of these companies going bankrupt without any protection. This will create a loss for both investor and creditor. But the National Digital currency has government backing in case of any financial crisis.
- As the state-backed digital currency can provide investor/consumer protection, the private can confidently invest in the associated infrastructure without any doubts over its regulation. This will improve the services to people.
- The national digital currency will be regulated by the RBI. So, there will be less volatility compared to other digital currencies.
- Current RBI's work on inflation targeting can be extended to national digital currency also. Since India is planning to ban other cryptocurrencies, the RBI can better regulate digital and fiat currency. Thus, upgrading to digital currency and balancing the macroeconomic stability.
- With the introduction of CBDC in a nation, its central bank would be able to keep a track of the exact location of every unit of the currency, thereby curbing money laundering.
- Criminal activities can be easily spotted and ended such as terror funding, money laundering, and so forth

Concerns posed:

- India is already facing many cyber security threats. With the advent of digital currency, cyberattacks might increase and threaten digital theft like Mt Gox bankruptcy case.
- According to the Digital Empowerment Foundation in 2018 report, around 90% of India's population is digitally illiterate. So, without creating enough literary awareness introduction of digital currency will create a host of new challenges to the Indian economy.
- Introduction of digital currency also creates various associated challenges in regulation, tracking investment and purchase, taxing individuals, etc.
- The digital currency must collect certain basic information of an individual so that the person can prove that he's the holder of that digital currency. This basic information can be sensitive ones such as the person's identity, fingerprints etc.

Conclusion:

There are crucial decisions to be made about the design of the currency with regards to how it will be issued, the degree of anonymity it will have, the kind of technology that is to be used, and so on. There is no doubt that the introduction of National Digital currency prevents the various threats associated with the private-owned cryptocurrencies and take India the next step as a digital economy. But the government has to create necessary safeguards before rolling out. India needs to move forward on introducing an official digital currency.

DAILY QUIZ

Q1. Consider the following statements about Jan Shikshan Sansthan (JSS)

1. It aims to train over 40 crore people in India in different skills by 2025.
2. It is implemented through NGOs with 100% grants from the Government of India.

Which of the given above statements is/are correct?

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

Q2. With reference to Wi-Fi Technology, consider the following statements:

1. It is a light communication system that is capable of transmitting data at high speeds over the infrared spectrums.
2. It allows communications directly from one computer to another without an access point intermediary.

Which of the given above statements is/are correct?

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

Q3. The terms "Oslo I and II Accords" are sometimes mentioned in the news in the context of the affairs of

- a. China and Tibet
- b. Eritrea and Ethiopia
- c. Israel and Palestine**
- d. India and Pakistan

Q4. Recently, our scientists have discovered 'mermaid' plant species. In which part of India has it been discovered?

- a. Western Himalayas
- b. Western Ghats
- c. Andaman and Nicobar Islands**
- d. Sundarban Biosphere Reserve

Q5. What is the application of Somatic Cell Nuclear Transfer Technology?

- a. Production of biolarvicides
- b. Manufacture of biodegradable plastics
- c. Manufacture of biodegradable plastics**
- d. Production of organisms free of diseases



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