

ECONOMY

❖ **The sustained growth in remittances**

➤ **CONTEXT: Remittances to India are set to touch a record \$100 billion in 2022, according to the World Bank's latest Migration and Development Brief titled, 'Remittances Brave Global Headwinds'.**

• India received \$89.4 billion in 2021 (this is the first time a country will reach the \$100 billion mark)

➤ **What is a remittance?**

- It denotes a sum of money sent by one party to another.
- The term describes the money sent by someone working abroad to their family back home.
- In the case of India, the largest sources of remittances have been from Indians working in the Gulf Cooperation Council (GCC) countries (UAE, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait), and the U.S./U.K.

➤ **What has been the general trend in remittances this year?**

- World remittances are expected to touch \$794 billion in 2022, up from \$781 billion in 2021. This represents a growth of 4.9%, compared to 10.2% in 2021, which was the highest since 2010. Of the \$794 billion, \$626 billion went to low- and middle-income countries (LMICs).
- Remittances represent an even larger source of external finance for LMICs in 2022, compared to foreign direct investment (FDI), official development assistance (ODA), and portfolio investment flows.
- The top five recipient countries this year are expected to be India (\$100 billion), followed by Mexico (\$60 billion), China (\$50 billion), the Philippines (\$38 billion) and Egypt (\$32 billion).

➤ **What are the reasons behind the sustained growth in remittances?**

- According to the World Bank, one of the main reasons is the gradual reopening of various sectors in host-country economies, following pandemic-induced closures and travel disruptions. This "improved migrant workers' incomes and employment situations and thereby their ability to send money home." An allied reason was the "migrants' determination to help their families back home" during the tough post-pandemic recovery phase.
- According to the report 10.2% growth in remittances achieved in 2021, that too against the backdrop of the pandemic, owed a lot to the stimulus measures enacted "to underpin faltering high-income economies", especially in the U.S. and Europe, which helped to support employment levels and maintain or increase incomes of migrant workers, enabling them to send money home.

➤ **What are the reasons behind the resilience of India's inward remittance flows?**

- The report points to a structural shift in India's remittance economy, both in terms of the top destination countries, and the nature of the jobs held by migrants.
- Remittances have benefitted from a gradual structural shift in Indian migrants' key destinations from largely low-skilled, informal employment in the Gulf Cooperation Council (GCC) countries to a dominant share of high-skilled jobs in high-income countries such as the U.S., the U.K., and East Asia (Singapore, Japan, Australia, New Zealand).
- Between 2016-17 and 2020-21, while the remittances from the U.S., U.K. and Singapore increased from 26% to 36%, the share from five GCC countries dropped from 54% to 28%. In 2020-21, the U.S., with a share of 23%, surpassed Saudi Arabia as India's top source country for remittances.
- With 20% of India's emigrants in the U.S. and the U.K., "the structural shift in qualifications and destinations has accelerated growth in remittances tied to high-salaried jobs, especially in services,". This made a big difference during the pandemic, when "Indian migrants in high-income countries worked from home and benefitted from large fiscal stimulus packages" while in the post-pandemic phase, "wage hikes and record-high employment conditions supported remittance growth in the face of high inflation".
- In the GCC countries, Indian migrants benefited from governments' direct support measures to keep inflation low.
- Indian migrants also have "taken advantage" of the depreciation of the Indian rupee vis-à-vis the U.S. dollar (it fell by 10% between January and September 2022) to increase their remittances.

➤ **What does the report say about future trends?**

- The report predicts that growth in remittances will fall to 2% in 2023 as the GDP growth in high-income countries continues to slow, eroding migrants' wage gains.
- For South Asia as a whole, the growth in remittances is expected to fall from 3.5% in 2022 to 0.7% in 2023.
- In the U.S., higher inflation combined with a slowdown will limit remittance flows, while the GCC countries will also see cooling of remittance outflows following a slowdown.
- The demand for labour is expected to soften as construction activities for the FIFA World Cup in Qatar have ended. Nonetheless, remittances to India are forecast to grow by 4% 2023, "supported by the large share of Indian migrants earning relatively high salaries in the U.S., the U.K. and East Asia".
- Their salaries may be more resilient than those of lower-wage migrants, for example in the GCC.

FOREIGN POLICY

❖ **India's Central Asia outreach**

- **CONTEXT: National Security Advisor (NSA) Ajit Doval hosted a meeting of his counterparts from five Central Asian countries (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Turkmenistan) in New Delhi recently.**
 - All countries except Turkmenistan sent their NSAs; Ashgabat was represented by its ambassador in New Delhi.
 - The meeting, which took place in the backdrop of the Russia-Ukraine conflict and the security situation in Afghanistan under the Taliban, flowed from the first India-Central Asia virtual summit of January 27 2022.
- **Engagement with Central Asia**
 - The Silk Route connected India with Central Asia from the 3rd century BC to the 15th century AD. From the export of Buddhism, India has shared old and deep cultural ties with the region.
 - In 1955, during a 16-day visit to the erstwhile Soviet Union, Prime Minister Jawaharlal Nehru travelled to Almaty, Tashkent, and Ashgabat, all of which became capitals of newly-independent countries after the 1991 collapse of the USSR.
 - Prime Minister P V Narasimha Rao visited Kazakhstan and Uzbekistan in 1992, and Turkmenistan and Kyrgyzstan in 1995.
 - In 2003, Atal Bihari Vajpayee became the first Prime Minister to visit Tajikistan; he had travelled to Kazakhstan in the previous year.
 - Manmohan Singh visited Uzbekistan in 2006, and the Kazakh capital Astana in 2011.
 - Despite India's focus on its other relationships (the US (nuclear deal), China (2003 border pact), and Pakistan (in the aftermath of the 2008 Mumbai terror attacks) diplomatic parts continued to move on Central Asia.
 - India also attended Shanghai Cooperation Organisation summits, which were attended by the Central Asian countries, and put in its request for membership.
 - Focussed engagement began with the "Connect Central Asia policy" in 2012, which received a fillip with Prime Minister Narendra Modi's visit to all five Central Asian countries in July 2015 — the first by an Indian Prime Minister.
- **Battle for strategic space**
 - Central Asia has always been seen as Russia's backyard —20-30% of the population is of Russian origin, and Russian is spoken widely.
 - Central Asia is extremely rich in mineral and natural resources. Kazakhstan has one of the biggest reserves of uranium, besides stores of coal, lead, zinc, gold, and iron ore. The Kyrgyz Republic is rich in gold and hydro-power, and Turkmenistan has one of the world's largest reserves of natural gas. Tajikistan has huge hydro-power potential and Uzbekistan has gold, uranium, and natural gas.
 - That China's President Xi Jinping chose to visit four Central Asian countries on his first overseas trip in September 2022 after two years of Covid-related disruption, underlines the strategic importance of this region.
 - For India, engagement with the Central Asian countries is important because of a range of reasons:
 - ✓ Security cooperation after the Taliban takeover in Afghanistan
 - ✓ To counter China's influence in the region
 - ✓ Plans for connectivity with Europe including the International North South Transport Corridor (INSTC)
 - ✓ To meet its energy needs (Turkmenistan is part of the proposed TAPI gas pipeline)
 - ✓ For reasons of old cultural links and trade potential.
- **India's engagement**
 - The recent engagement began with the India-Central Asia foreign ministers' meeting on December 19, 2021. That meeting was held against the backdrop of the fall of Kabul in mid-August 2021, and a little more than a month after the NSAs of Central Asian countries, along with the NSAs of Russia and Iran, attended the Afghanistan-focussed Regional Security Dialogue in New Delhi. Turkmenistan, Uzbekistan and Tajikistan share borders with Afghanistan.
 - At the December 19, 2021 meeting, India told Central Asia counterparts that their "concerns and objectives" in Afghanistan were "similar", and their goal was "a truly inclusive and representative government, the fight against terrorism and drug trafficking, ensuring unhindered humanitarian assistance and preserving the rights of women, children and the minorities".
 - Prime Minister Narendra Modi's January 27, 2022 virtual summit with the leaders of the Central Asian countries, in which he called for an integrated approach to regional cooperation and flagged Afghanistan as a common concern.(Two days earlier, China had hosted these leaders at its own summit, which Beijing had swiftly organised after India's announcement).
 - Prime minister of India and the five Central Asian leaders decided, among other things, to hold a leaders' summit every two years; regular meetings among their foreign and trade ministers; a joint working group on Afghanistan; joint counter-terrorism exercises between India and interested Central Asian countries; and a group to operationalise the use of Chabahar port by all five countries.
- **Imperatives now, for future**
 - China, which has a direct border with the region, has a bilateral trade of \$50 billion with Central Asia, and has made major investments in these countries with its Belt and Road Initiative. India's trade with the region is a paltry \$2 billion.

- The lack of overland transport access (with Pakistan blocking the way) is a major challenge to India's Central Asia plans. India wants to integrate the INSTC with Chabahar port in Iran to access the resource-rich region.
- The NSAs, who generally focus on security issues, discussed these connectivity corridors at the recent meeting.
- From the security perspective, the NSAs discussed the challenges of extremism, terrorism, and radicalisation in the region.
- Central Asia is seen as the northern boundary of the Islamic world, and with the Taliban's return in Afghanistan, the threat of radicalism and possible regrouping of the Islamic State poses a serious security challenge for the countries in the region.
- India does not want the post-Soviet space to be captured by the Chinese, and the NSAs engagement is a key mechanism in India's toolkit.

PRELIMS

1. National party

❖ **CONTEXT: The Election Commission of India (ECI) has laid down the technical criterion for a party to be recognised as a national party.**

➤ **What is a national party?**

- The name suggests that a national party would be one that has a presence 'nationally', as opposed to a regional party whose presence is restricted to only a particular state or region.
- National parties are usually India's bigger parties, such as the Congress and BJP. However, some smaller parties, like the communist parties, are also recognised as national parties. A certain stature is sometimes associated with being a national party, but this does not necessarily translate into having a lot of national political clout.
- Some parties, despite being dominant in a major state — such as the DMK in Tamil Nadu, BJD in Odisha, YSRCP in Andhra Pradesh, RJD in Bihar, or TRS in Telangana — and having a major say in national affairs, remain regional parties.

➤ **How is a national party defined?**

- The ECI has laid down the technical criterion for a party to be recognised as a national party.
- A party may gain or lose national party status from time to time, depending on the fulfilment of these laid-down conditions.
- As per the ECI's Political Parties and Election Symbols, 2019 handbook, a political party would be considered a national party if:
 - ✓ it is 'recognised' in four or more states; or
 - ✓ if its candidates polled at least 6% of total valid votes in any four or more states in the last Lok Sabha or Assembly elections and has at least four MPs in the last Lok Sabha polls; or
 - ✓ if it has won at least 2% of the total seats in the Lok Sabha from not less than three states.
- To be recognised as a state party, a party needs:
 - ✓ At least 6% vote-share in the last Assembly election and have at least 2 MLAs; or
 - ✓ have 6% vote-share in the last Lok Sabha elections from that state and at least one MP from that state; or
 - ✓ at least 3% of the total number of seats or three seats, whichever is more, in the last Assembly elections; or
 - ✓ at least one MP for every 25 members or any fraction allotted to the state in the Lok Sabha; or
 - ✓ have at least 8% of the total valid votes in the last Assembly election or Lok Sabha election from the state.

➤ **Where does the AAP fit into this scheme?**

- The AAP is in power with big majorities — and very large vote shares — in Delhi and Punjab. And in the Goa Assembly elections held in March, it received 6.77% of the vote.
- This meant that going into the Gujarat-Himachal elections, the party already fulfilled the criteria for recognition as a state party in three states.
- It required 6% of the vote in the Assembly elections in either Himachal or Gujarat to be recognised in a fourth state — which would qualify it for recognition as a national party.
- While the AAP got only 1% of the vote in Himachal — where it virtually pulled out of the race midway through the campaign — its almost 13% vote in Gujarat is more than double what it required to be recognised as a state party there. That made it four states.

➤ **What are the other national parties?**

- As of now, the ECI has recognised eight parties as national parties — the BJP, Congress, Trinamool Congress, CPI(M), CPI, Nationalist Congress Party (NCP), Bahujan Samaj Party (BSP), and Conrad Sangma's National People's Party (NPP), which was recognised in 2019.

2. PM SVANidhi Scheme

➤ **CONTEXT: The Government of India has extended the PM Street Vendor's Atma Nirbhar Nidhi (PM SVANidhi) Scheme beyond March, 2022 with the following provisions:**

- ✓ Extension of lending period till December 2024;
- ✓ Introduction of 3rd loan of upto ₹50,000 in addition to 1st & 2nd loans of ₹10,000 and ₹20,000 respectively.
- ✓ To extend 'SVANidhi Se Samridhi' component for all beneficiaries of PM SVANidhi scheme across the country;

- As on November 30, 2022, 31.73 lakh Street Vendors have availed benefit of 1st loan of ₹ 10,000 loan ; Out of these 5.81 lakh have availed benefit of second loan of ₹ 20,000 loan; Out of those who availed 2nd loan, 6,926 street vendors have availed benefit of third loan of ₹50,000.

- 42 lakh street vendors are to be provided benefits under PM SVANidhi Scheme by December, 2024.

➤ **About:**

- Prime Minister Street Vendors AtmaNirbhar Nidhi (PM SVANidhi) was announced as a part of the Economic Stimulus-II under the Atmanirbhar Bharat Abhiyan.

- It has been implemented since 1st June 2020, for providing affordable working capital loans to street vendors to resume their livelihoods that have been adversely affected due to Covid-19 lockdowns, with a sanctioned budget of Rs. 700 crore.

- **Aim:** To benefit over 40 lakh street vendors who had been vending on or before 24th March 2020, in urban areas including those from surrounding peri-urban/rural areas. To promote digital transactions through cash-back incentives up to an amount of Rs. 1,200 per annum.

- The vendors can avail a working capital loan of up to Rs. 10,000, which is repayable in monthly installments in the tenure of one year.

- On timely/early repayment of the loan, an interest subsidy of 7% per annum will be credited to the bank accounts of beneficiaries through Direct Benefit Transfer on a quarterly basis.

- There will be no penalty on early repayment of the loan. The vendors can avail the facility of the enhanced credit limit on timely/early repayment of the loan.

3. SATAT Initiative

➤ **CONTEXT: Minister of State for Petroleum and Natural Gas, Shri Rameswar Teli in a written reply to a question in Lok Sabha ongoing session.**

- Sustainable Alternative Towards Affordable Transportation (SATAT) initiative envisages setting up of 5000 Compressed Biogas (CBG) plants for production of 15 Million Metric Ton (MMT) per annum of CBG by 2023-24.

- As on 31st October 2022 Oil and Gas Marketing Companies participating in SATAT have issued 3694 Letters of Intent (LoI) to entrepreneurs for procurement of CBG produced by them. Further, 38 CBG/biogas plants with installed capacity around 225 MT per annum have been commissioned by LoI holders.

- 'SATAT' (Sustainable Alternative Towards Affordable Transportation) scheme on Compressed Biogas (CBG) was launched in 2018.

- Under the SATAT scheme, entrepreneurs shall set up CBG plants, produce & supply CBG to Oil Marketing Companies (OMCs) for sale as automotive & industrial fuels.

- **Aim:** To produce compressed biogas (CBG) from Waste and Biomass sources like agricultural residue, cattle dung, sugarcane press mud, Municipal Solid Waste (MSW) and sewage treatment plant waste and make CBG available in the market for use as a green fuel.

- The Bio-Gas is purified to remove hydrogen sulphide (H₂S), carbon dioxide (CO₂), and water vapor and compressed as Compressed Bio-Gas (CBG), which has methane (CH₄) content of more than 90%.

4. PM-KUSUM

❖ **CONTEXT: Shri R.K Singh, Union Minister of Power and New & Renewable Energy in a written reply in Lok Sabha inform about the implementation.**

- It was launched in 2019 by the Ministry of New and Renewable Energy (MNRE).

- It envisages income generation for farmers from their infertile land with the establishment of solar power plants. While the farmers can sell the power generated from the solar plants to the power distribution companies, the solar pumps can also be installed for irrigation of agricultural land.

- **Aim:** To help farmers access reliable daytime solar power for irrigation, reduce power subsidies, and decarbonise agriculture.

- **Components of Scheme:** Three components:

- ✓ Component A: 10,000 MW of Decentralized Ground Mounted Grid Connected Renewable Power Plants of individual plant size up to 2 MW.

- ✓ Component B: Installation of 17.50 lakh standalone Solar Powered Agriculture Pumps of individual pump capacity up to 7.5 HP.

- ✓ Component C: Solarisation of 10 Lakh Grid-connected Agriculture Pumps of individual pump capacity up to 7.5 HP.

- **Deployment Models:** They can use one of three deployment models: off-grid solar pumps, solarised agricultural feeders, or grid connected pumps.

- Off-grid pumps have been the most popular, but the nearly 2,80,000 systems deployed fall far short of the scheme's target of two million by 2022.

- **Implementation:** State Nodal Agencies (SNAs) of MNRE will coordinate with States/UTs, Discoms and farmers for implementation of the scheme.

- **2020 Amendment:** In November 2020, MNRE amended/clarified implementation Guidelines of Pradhan Mantri Kisan Urja Suraksha evam Utthaan Mahabhiyaan (PM-KUSUM) Scheme based on the learnings from the implementation of the Scheme during the first year.
- **Amendments made:**
 - ✓ The scope of the scheme has been increased by including pasturelands and marshy lands owned by farmers.
 - ✓ The size of solar plants has been reduced so that small farmer can participate.
 - ✓ Increased completion period from nine to twelve months.
 - ✓ Penalty for the shortfall in generation removed for ease of implementation by farmers.
 - ✓ Central Financial Allowance (CFA) will be allowed for solar pumps to be set up and used by Water User Associations (WUAs)/Farmer Producer Organisations (FPOs)/Primary Agriculture Credit Societies (PACs) or for cluster-based irrigation systems along with individual farmers.

ANSWER WRITING

Q. Digital divide leads to inequality and disparity in society and leads to the problem of unequal access to education. Discuss

Introduction

The digital divide is the gap that exists between individuals who have access to modern information and communication technology and those who lack access.

Digital divides exist between developed and developing countries, urban and rural populations, young and educated versus older and less-educated individuals, and men and women.

In India the urban-rural divide is the single biggest factor in the digital divide.

Consequences of Digital Divide

- **The Disadvantaged Bear the Brunt:** Children belonging to the Economically Weaker Sections [EWS]/Disadvantaged Groups [DG] had to suffer the consequence of not having to fully pursue their education or worse drop out because of the lack of access to Internet and computer. They even run the danger of being drawn into child labour or worse, child trafficking.
- **Unfair Competitive Edge:** The poor will remain void of crucial information presented online concerning academia, and thus they will always lag, and this may be summed up by poor performance. Hence superior students who can access the internet have an unfair competitive edge over their less privileged counterparts.
- **Disparity in Learning:** The people in lower socio-economic classes are disadvantaged and have to undergo long hours of cumbersome studies in meeting the objectives of the course. While the rich can easily access schooling materials online and work on their programs in a flash.
- **Decreased Productivity Among the Poor:** Most underdeveloped countries or the rural areas tend to produce half-baked graduates because of inadequate training due to limited research abilities as connectivity to the internet is limited besides having low cadre training equipment.

Initiatives taken to Promote Digital Education

- **PM eVIDYA:** A comprehensive initiative called PM eVIDYA was initiated as part of Atma Nirbhar Bharat Abhiyaan in May, 2020, which unifies all efforts related to digital/online/on-air education to enable multi-mode access to education.
- **SWAYAM PRABHA:** The SWAYAM PRABHA is a group of 34 DTH channels devoted to telecasting high-quality educational programmes on 24X7 basis using the GSAT-15 satellite.
- **Diksha Portal:** It was launched for providing a digital platform to teachers giving them an opportunity to learn and train themselves and connect with the teacher community. It is built considering the whole teacher's life cycle - from the time student teachers enroll in Teacher Education Institutes (TEIs) to after they retire as teachers.
 - It also provides access to NCERT textbooks and lessons, following the regular school curriculum.
- **PRAGYATA:** The Ministry of Human Resource Development (MHRD) released guidelines on digital education titled PRAGYATA. Under the PRAGYATA guidelines, only 30 minutes of screen time per day for interacting with parents is recommended for kindergarten, nursery and pre-school. Schools can hold live online classes for a maximum of 1.5 hours per day for Classes 1-8, and 3 hours per day for Classes 9-12.

Way Forward

- Even though schools are now reopening gradually due to the receding curve of the pandemic, the “need to provide adequate computer-based equipment together with access to online facilities for children is of utmost importance”.
- Priority should be given to the less advantaged students who do not have access to e-learning.
- A solution has to be devised at all levels of the Government, State and Centre, to ensure that adequate facilities are made available to children across social strata so that access to education is not denied to those who lack resources.

MCQs

1. Consider the following statements regarding the political parties in India:
 1. The Representation of the People Act, 1951 provides for the registration of political parties.
 2. Registration of political parties is carried out by the Election Commission.
 3. A national level political party is one which is recognised in four or more states.

4. Amm Admi Party recently recognized as national party.
Which of these statements are correct?
a) 1 and 2 only b) 2 ,3 and 4 only **c) 1,2 and 3 only** d) 3 and 4 only
2. With reference to PM-KUSUM Scheme objectives, which of the statements is/are correct?
1. Increase in farmers' income by providing reliable sources for irrigation and de-dieselise the farm sector.
2. Removing farmers' dependence on diesel and kerosene and linking pump sets to solar energy.
Select the correct answer using the codes given below:
a) 1 only **b) 2 only** c) Both 1 and 2 d) Neither 1 nor 2
3. "Eco friendly measures to mitigate impacts of linear infrastructure on wildlife" is a set of guidelines issued by?
a) National Green Tribunal
b) Indian Board for Wildlife
c) Wildlife Institute of India
d) Animal Welfare Board of India
4. SATAT scheme often mentioned in news, which of the following is being promoted as an alternative transport fuel?
a) LPG b) CNG c) Hydrogen **d) Compressed Biogas**
5. Consider the following statements regarding PM SVANidhi scheme.
1. The PM SVANidhi scheme, is a credit facility that provides street vendors a collateral-free loan of Rs 1,00,000 with low rates of interest for a period of one year.
2. The scheme is part of the AtmaNirbhar Bharat package.
3. Small Industries Development Bank of India (SIDBI) is the implementing agency for the scheme.
Which of the above statements is/are correct?
a) 1 and 2 only b) 1 and 3 only **c) 2 and 3 only** d) 2 only
6. Consider the following statements about the Remittances in India and identify the incorrect one/s.
1. India is world's largest remittance recipient country followed by Mexico.
2. Due to enhanced global prospects, the remittance receipts are registering a consistent increase in India for past several years.
3. Along with services, remittances from the part of invisibles in Balance of Payments and help in balancing the trade deficit in India.
Select the correct answer using codes given below
a) 1 and 2 only **b) 1 and 3 only** c) 2 only d) 3 only
7. In the context of India, which of the following factors is/are contributor/contributors to reducing the risk of a currency crisis?
1. The foreign currency earnings of India's IT sector.
2. Increasing government expenditure.
3. Remittances from Indians abroad.
Select the correct answer using the code given below.
a) 1 only **b) 1 and 3 only** c) 2 only d) 1, 2 and 3
8. Consider the following statements about the GAGAN (GPS Aided Geo Augmented Navigation) which was recently seen in news:
1. It is joint effort of Airport Authority of India (AAI) and Indian Space Research Organization (ISRO)
2. GAGAN is the first Satellite Based Augmentation System (SBAS) system in the world to serve the equatorial region
3. GAGAN has benefits in aviation as well as in non-aviation fields such as disaster management
Which of the above statements is/are correct?
a) 1 and 2 only b) 2 and 3 only c) 1 and 3 only **d) 1,2 and 3**
9. With reference to Krishi Udan 2.0 scheme, consider the following statements:
1. It has been launched Ministry of Agriculture and Farmers Welfare to assist farmers in transportation of agricultural products.
2. Scheme will focus on transporting perishable food products from the hilly areas, northeastern states and tribal areas.
3. E-KUSHAL platform has been launched under the scheme for information dissemination.
Which of the statements given above is/are correct?
a) 1 and 2 only **b) 2 and 3 only** c) 1 and 3 only d) 1,2 and 3
10. Recently Museums Grant Scheme is in news, with reference to this consider the following statements:
1. The scheme aims to develop at least 1 Central /State Government Museum located in the State Capital each year.
2. The Ministry of Culture provides financial assistance under the Scheme.
3. It is a brown field project.
Which of the statement/s given above is/are correct?
a) 1 and 2 only b) 2 and 3 only c) 1 and 3 only d) 1,2 and 3