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ESE-2020

(Preliminary Examination)

Current Issues

(June - 2020)

ACE is the leading institute for coaching in ESE, GATE & PSUs

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15 All India 1st Ranks in ESE

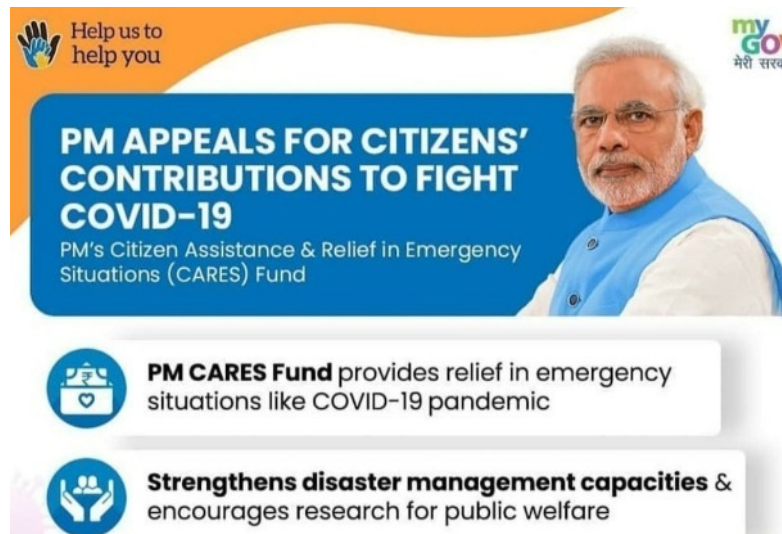
57 All India 1st Ranks in GATE

Current Issues

(June - 2020)

PM CARES fund

- The PM CARES Fund was created on 28 March 2020, “with the primary objective of dealing with any kind of emergency or distress situation, like posed by the COVID-19 pandemic”.
- It is a “public charitable trust”.



- Prime Minister is the ex-officio Chairman of the PM CARES Fund and Minister of Defence, Minister of Home Affairs and Minister of Finance, Government of India are ex-officio Trustees of the Fund.
- Reports suggest that PM CARES has already received contributions in excess of Rs. 10,000 crores. It amassed a staggering Rs. 6,500 crores in its very first week with donations from large corporate houses and celebrities.

PM Svanidhi

- PM Svanidhi, or Pradhan Mantri Street Vendor's AtmaNirbhar Nidhi scheme was announced by finance minister Nirmala Sitharaman on 14 May to enable street vendors to resume their livelihoods, which have been hit hard due to the national lockdown.
- It is a special micro-credit facility plan to provide affordable loan of up to ₹10,000 to more than 50 lakh street vendors, who had their businesses operational on or before 24 March.
- 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 (DBT) on six-month basis.
- The scheme is valid until March 2022.
- Small Industries Development Bank of India is the technical partner for implementation of this scheme.

- It will manage the credit guarantee to the lending institutions through Credit Guarantee Fund Trust for Micro and Small Enterprises.

Terminal High Altitude Area Defense

- It is a transportable, ground-based missile defense system.
- This anti-ballistic missile defense system has been designed and manufactured by the US Company Lockheed Martin.

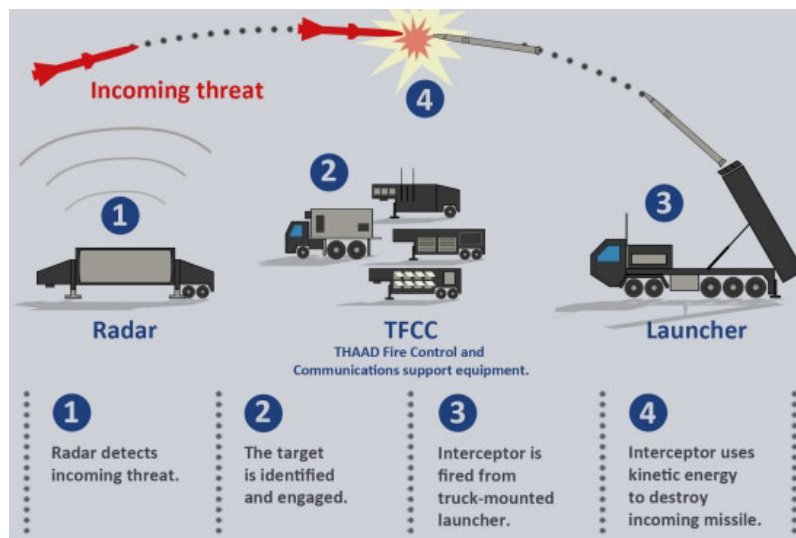
TERMINAL ■ HIGH ■ ALTITUDE ■ AREA ■ DEFENSE

THAAD
TAKING THE HIGH GROUND.

The THAAD system provides the critical capability to defend against short and medium ranged ballistic missiles.

LOCKHEED MARTIN

- ABILITY TO INTERCEPT MISSILES INSIDE AND OUTSIDE THE ATMOSPHERE
- DEFENDS POPULATION CENTERS AND HIGH VALUE INFRASTRUCTURES
- INTEROPERABLE WITH OTHER BALLISTIC MISSILE DEFENSE SYSTEMS
- HIGHLY MOBILE AND DEPLOYABLE WORLDWIDE



- THAAD is coupled with space-based and ground-based surveillance stations, which transfer data about the incoming missile and informs the THAAD interceptor missile of the threat type classification. THAAD is alarmed about incoming missiles by space-based satellites with infrared sensors.

India’s rating – Moody’s

- Moody’s Investors Service (“Moody’s”) has downgraded the Government of India’s foreign-currency and local-currency long-term issuer ratings to “Baa3” from “Baa2”. It stated that the outlook remained “negative”.
- The latest downgrade reduces India to the lowest investment grade of ratings and brings Moody’s ratings for the country in line with the other two main rating agencies in the world — Standard & Poor’s (S&P) and Fitch.
- A rating downgrade means that bonds issued by the Indian governments are now “riskier” than before, because weaker economic growth and worsening fiscal health undermine a government’s ability to pay back.

No	S&P	Moody's	Fitch	Meaning and Color
1	AAA	Aaa	AAA	Prime
2	AA+	Aa1	AA+	High Grade
3	AA	Aa2	AA	
4	AA-	Aa3	AA	
5	A+	A1	A+	Upper Medium Grade
6	A	A2	A	
7	A-	A3	A-	
8	BBB+	Baa1	BBB+	Lower Medium Grade
9	BBB	Baa2	BBB	
10	BBB-	Baa3	BBB-	
11	BB+	Ba1	BB+	Non Investment Grade Speculative
12	BB	Ba2	BB	
13	BB-	Ba3	BB-	
14	B+	B1	B+	Highly Speculative
15	B	B2	B	
16	B-	B3	B-	
17	CCC+	Caa1	CCC+	Substantial Risks
18	CCC	Caa2	CCC	Extremely Speculative

1st DOWNGRADE BY MOODY'S IN 22 YRS	
Rating & Action	
June 1998	Ba2, Downgrade
Feb 2003	Ba1, Upgrade
Jan 2004	Baa3, Upgrade
Nov 2017	Baa2, Upgrade
June 2020	Baa3, Downgrade

- There are four main reasons why Moody’s has taken the decision:
 - ✓ Weak implementation of economic reforms since 2017.

- ✓ Relatively low economic growth over a sustained period.
- ✓ A significant deterioration in the fiscal position of governments (central and state).
- ✓ And the rising stress in India's financial sector.

TULIP – Urban Learning Internship Program

- TULIP has been conceived in relation to the Budget 2020-21 announcements by the Finance Minister Smt. Nirmala Sitharaman under the theme 'Aspirational India'.
- TULIP is a program for providing fresh graduates experiential learning opportunities in the urban sector.
- It would help enhance the value-to-market of India's graduates and help create a potential talent pool in diverse fields like urban planning, transport engineering, environment, municipal finance etc.
- It will lead to infusion of fresh ideas and energy with engagement of youth in co-creation of solutions for solving India's urban challenges.
- This launch is also an important stepping stone for fulfilment of MHRD and AICTE's goal of 1 crore successful internships by the year 2025.
- TULIP would help fulfil twin goals of providing interns with hands-on learning experience as well as infusing fresh energy and ideas in the functioning of India's ULBs and Smart Cities.

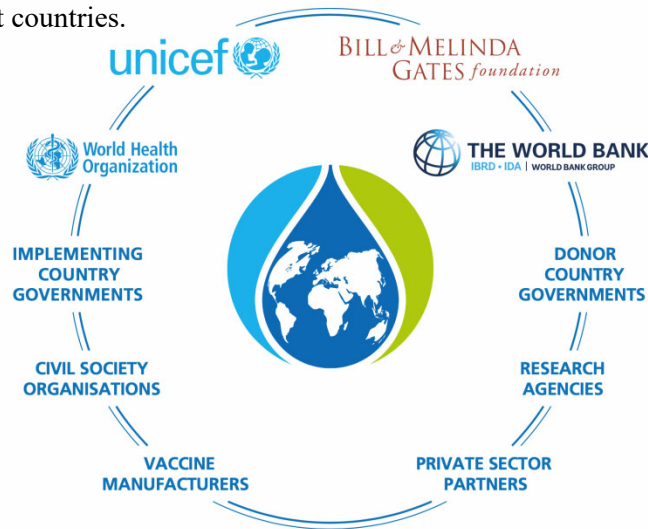
SWADES: Skill Mapping Exercise for Returning Citizens

- The initiative, undertaken as part of the Vande Bharat Mission, aims at empowering the returning citizens with relevant employment opportunities.
- It is a joint initiative of the Ministry of Skill Development & Entrepreneurship, the Ministry of Civil Aviation and the Ministry of External Affairs.
- The National Skill Development Corporation (NSDC) is supporting the implementation of the project.
- It aims to create a database of qualified citizens based on their skill sets and experience to tap into and fulfil demand of Indian and foreign companies.
- The collected information will be shared with the companies for suitable placement opportunities in the country.
- The spread of COVID-19 across the globe has had a significant economic impact with thousands of workers losing their jobs and hundreds of companies shutting down globally. Many of Indian citizens returning to the country through the Vande Bharat Mission of the Government of India may be facing uncertainty regarding their future employment opportunities.
- So, this initiative will help in deployment of returning Indian workforce matching their skill sets.



Global Vaccine Summit

- Prime Minister Shri Narendra Modi recently addressed the virtual Global Vaccine Summit hosted by UK Prime Minister Boris Johnson in which over 50 countries – business leaders, UN agencies, civil society, government ministers, Heads of State and country leaders participated.
- Overall the summit raised almost £7bn to Gavi, the international vaccine alliance. India pledged 15 Million US Dollars.
- Created in 2000, Gavi is an international organisation – a global Vaccine Alliance, bringing together public and private sectors with the shared goal of creating equal access to new and underused vaccines for children living in the world’s poorest countries.



INDIA STANDS IN SOLIDARITY WITH THE WORLD IN CHALLENGING TIMES

USD 15 million pledged to GAVI, the international vaccine alliance

India has become a donor to GAVI while still being eligible for GAVI support

GAVI works towards vaccinating children across the globe against deadly and debilitating diseases

GAVI - Global Alliance for Vaccines and Immunisation

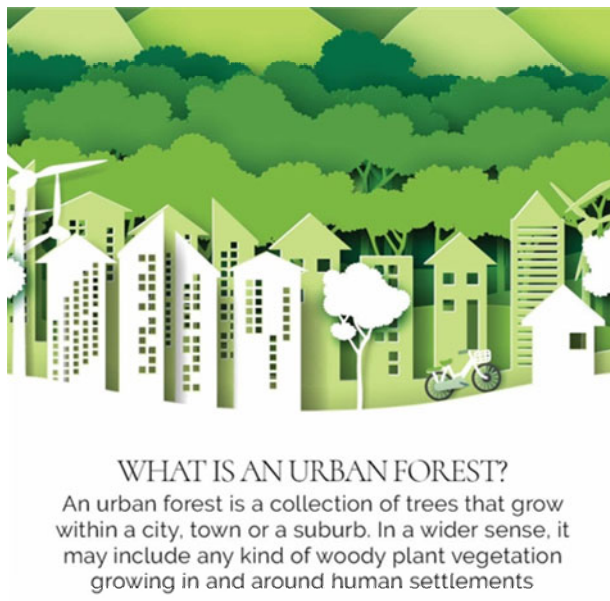
- Gavi brings together developing country and donor governments, the World Health Organization, UNICEF, the World Bank, the vaccine industry in both industrialised and developing countries, research and technical agencies, civil society, the Bill & Melinda Gates Foundation and other private philanthropists.
- GAVI's strategy supports its mission to save children's lives and protect people's health by increasing access to immunisation in poor countries.

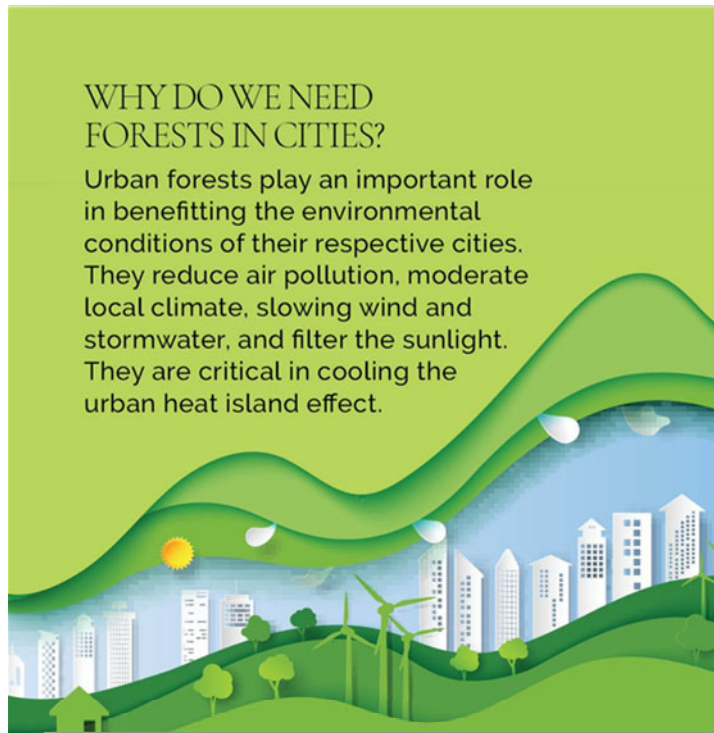
Nagar van scheme

- With biodiversity the theme of World Environment Day (WED), the ministry of environment, forest and climate change (MoEFCC) has launched 'Nagar Van' (city forest) scheme.
- Under the scheme, around 200 urban forests are to be developed all over the country in the next five years.
- The scheme will also provide an opportunity to the states to manage urban ecosystems.

Biodiversity conservation has traditionally been considered confined to remote forest areas but with increasing urbanisation a need has arisen to safeguard and save biodiversity in urban areas also. Urban forest is the best way to bridge this gap.

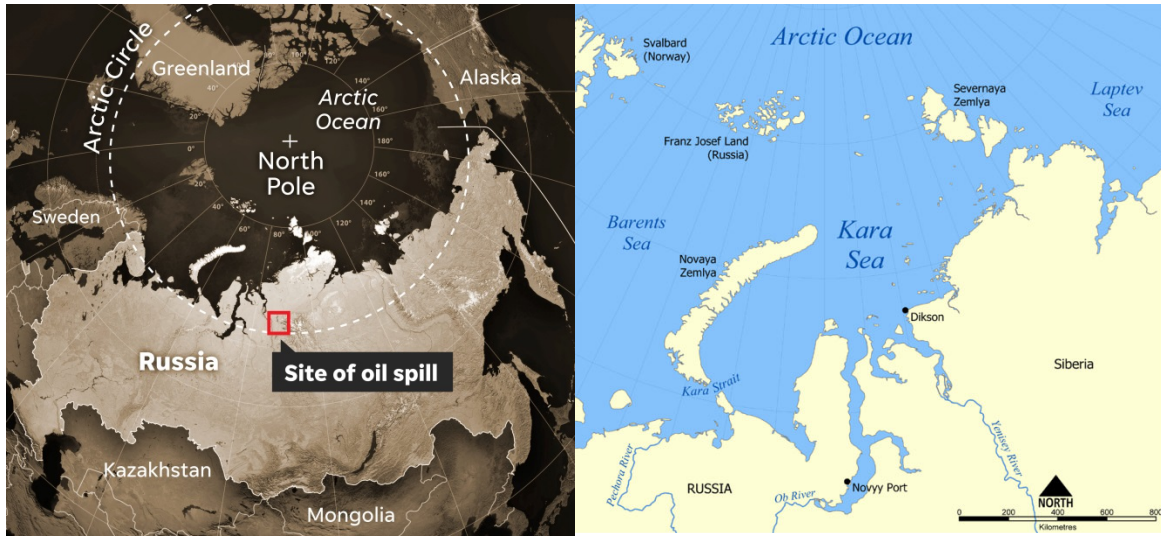
- India is endowed with rich biodiversity having several species of animals and plants and hosts 4 of the 35 global bio-diversity hotspots containing several endemic species.





Oil spill in Russia

- Russia has declared a state of emergency after a power plant fuel leak in its Arctic region caused 20,000 tonnes of diesel oil to escape into a local river, turning its surface crimson red.
- The oil has been discharged into Ambarnaya River. The river is part of a network that flows into the environmentally sensitive Arctic Ocean.
- Emergency measures are announced within Russia's Krasnoyarsk Region, located in the vast and sparsely populated Siberian peninsula. The power plant is located near the Region's Norilsk city, around 3000 km northeast of Moscow.
- Environmentalists have said the river would be difficult to clean, given its shallow waters and remote location, as well as the magnitude of the spill.
- This is the second-largest known oil leak in modern Russia's history in terms of volume.
- Damages to the Arctic waterways could be at least 6 billion rubles (over \$76 million). This excludes atmospheric damage due to greenhouse gases and soil pollution. The installed buoys will only help collect a small part of the pollution and nearly all the diesel fuel will remain in the environment.
- The diesel leak can have a serious impact on the local ecology. The Ambarnaya river flows to the Pyasino lake and river Pyasina, which connects it to the Kara sea, a part of the Arctic Ocean.



Social Bubbles

- The idea is based on New Zealand’s model of household “bubbles”, an exclusive social group that is allowed to meet with each other amid the pandemic.

- Many countries have started gradually lifting restrictions even as the number of cases of the infection continues to rise.
- One of the ways of effective social distancing strategies to keep the Covid-19 curve flat suggested by experts include the idea of social bubbles.

A bubble is referred to as an individual’s household or the people that one lives with. People may be allowed to extend their bubbles slightly to include caregivers or children who might be in shared care.

- These people don’t need to live in the same household but must be local.
- New Zealand followed this approach during the lockdown and allowed the expansion of the bubbles as transmission slowed and restrictions eased.



SOCIAL BUBBLES

Helps us prevent the spread of
Coronavirus

What is a Social Bubble?

- 
Group of 12 or less
- 
Socialize outside only
- 
Mutually Exclusive

What does a social bubble look like?

- 
Families
- 
Coworkers
- 
Workout Partners

- In case a member of the bubble develops symptoms, the entire bubble quarantines itself, preventing further spread of the infection.
- Such a policy can be an effective policy for other countries to encourage compliance with social distancing regulations while meeting care and support needs.
- Social bubbles can also be applied by employers to create departmental or work unit bubbles of employees. For instance, for hospitals and essential workers, the risk of transmission can be minimised by introducing shifts with a similar composition of employees. This could mean clubbing together employees based on their residential proximity.

Environmental performance index

- 12th edition of the biennial Environment Performance Index (EPI Index 2020) has been released.
- The index ranks 180 countries on 32 performance indicators across 11 categories covering environmental health and ecosystem vitality.
- The index is a method of quantifying and numerically marking the environmental performance of a state's policies.
- India secured 168th rank. The country scored 27.6 out of 100 in the 2020 index.
- India's rank was 177 (with a score of 27.6 out of 100) in 2018.
- India scored below the regional average score on all five key parameters on environmental health, including air quality, sanitation and drinking water, heavy metals and waste management.
- It has also scored below the regional average on parameters related to biodiversity and ecosystem services too.

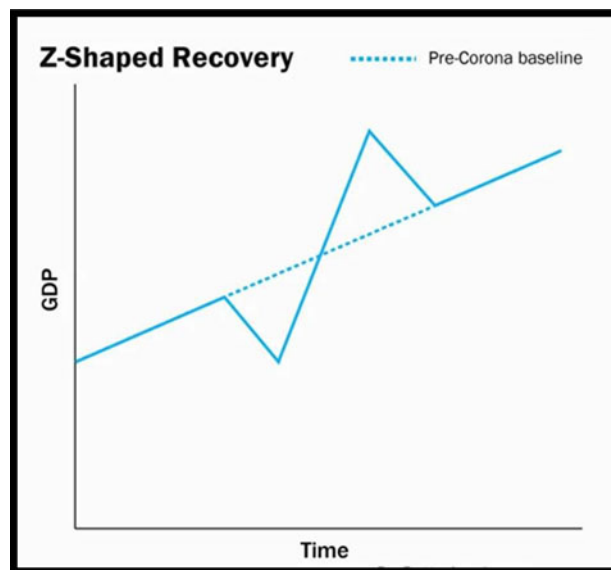
Shapes of economic recovery

Most economists are unanimous that in the current financial year, India's economy will contract.

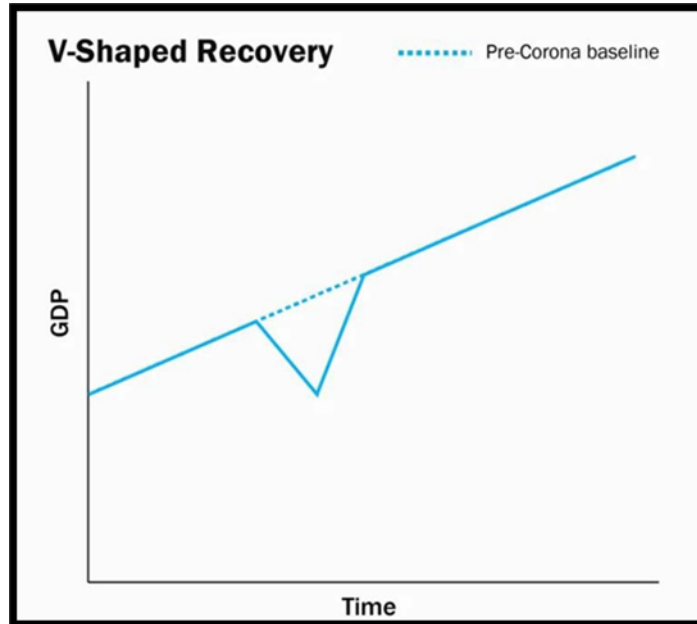
Given the weakness of the economy going into the Covid crisis as well as the less than adequate fiscal stimulus, India is likely to end up with an "elongated U-shape" recovery.

Shapes:

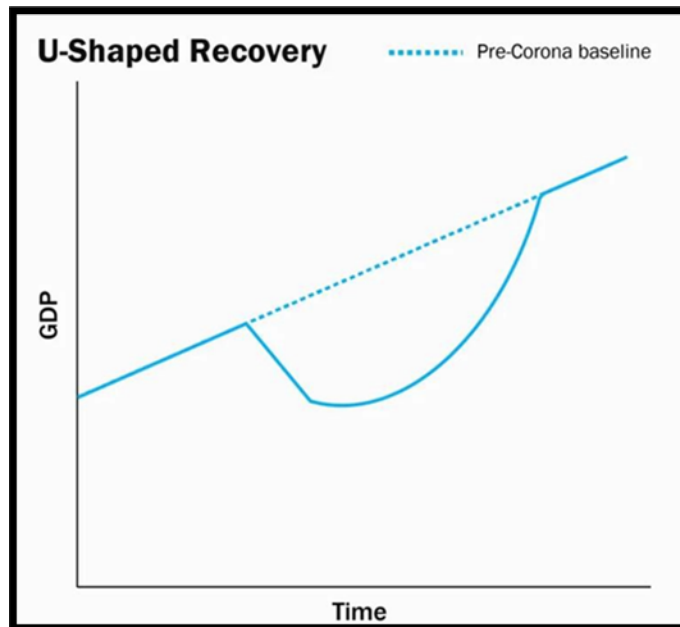
- 1) The Z-shaped recovery is the most-optimistic scenario in which the economy quickly rises like a phoenix after a crash.



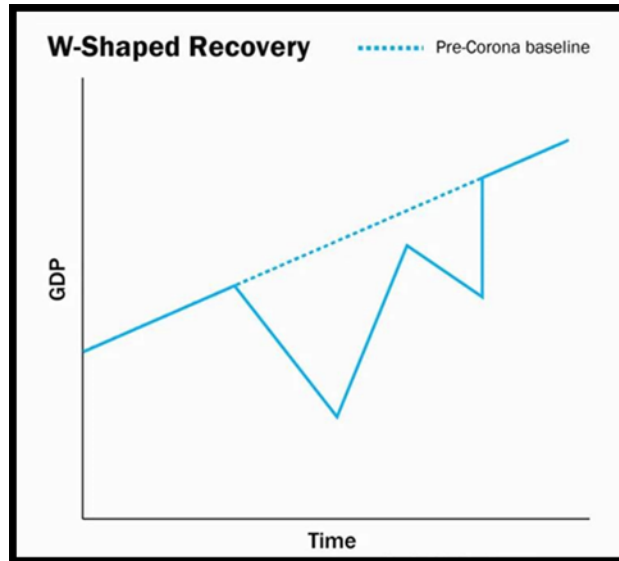
- 2) In V-shaped recovery, the economy quickly recoups lost ground and gets back to the normal growth trend-line.



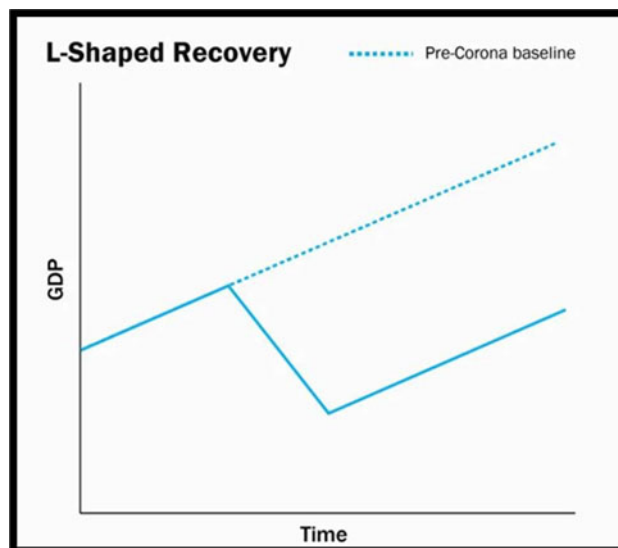
- 3) A U-shaped recovery is a scenario in which the economy, after falling, struggles and muddles around a low growth rate for some time, before rising gradually to usual levels.



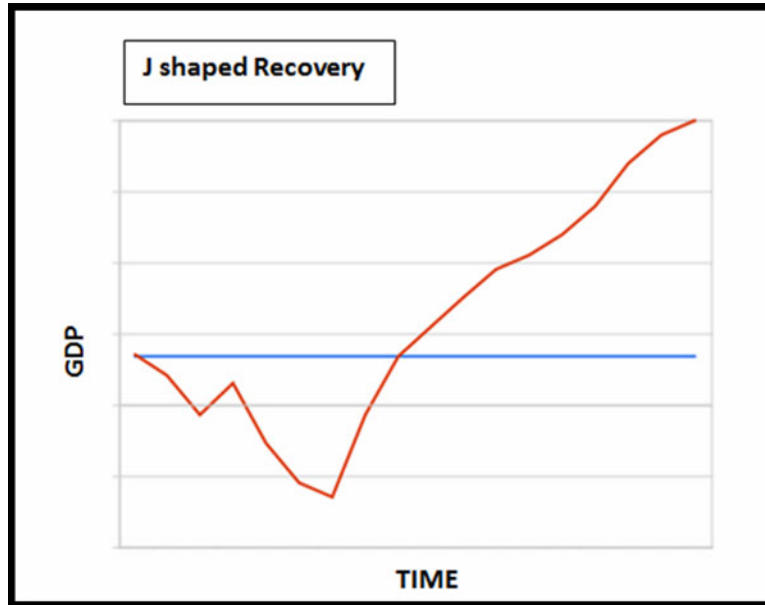
- 4) A W-shaped recovery is a dangerous creature — growth falls and rises, but falls again before recovering yet again, thus forming a W-like chart.



- 5) The L-shaped recovery is the worst-case scenario, in which growth after falling, stagnates at low levels and does not recover for a long, long time.

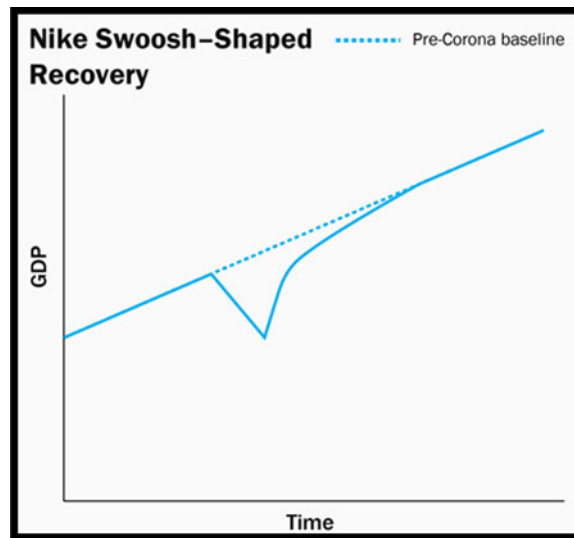


- 6) The J-shaped recovery is a somewhat unrealistic scenario, in which growth rises sharply from the lows much higher than the trend-line and stays there.

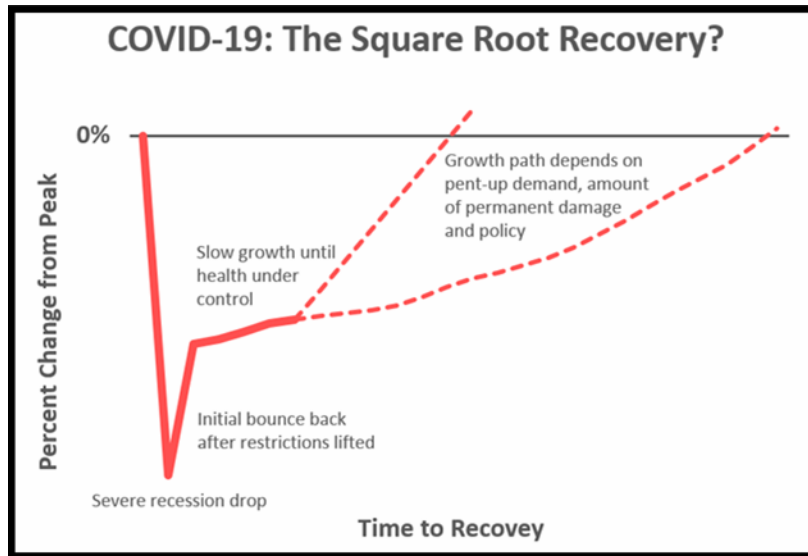


Other shapes:

7) There is also the Swoosh shaped recovery, similar to the Nike logo — in between the V-shape and the U-shape. Here, after falling, growth starts recovering quickly but then, slowed down by obstacles, moves gradually back to the trend-line.



8) There is also the Inverted square root shaped recovery. Financier George Soros, who coined this term years ago, explained that while there could a rebound from the bottom, the growth slows and settles a step down.



The shape of economic recovery is determined by both the speed and direction of GDP prints. This depends on multiple factors including fiscal and monetary measures, consumer incomes and sentiment.

Uttarakhand's summer capital

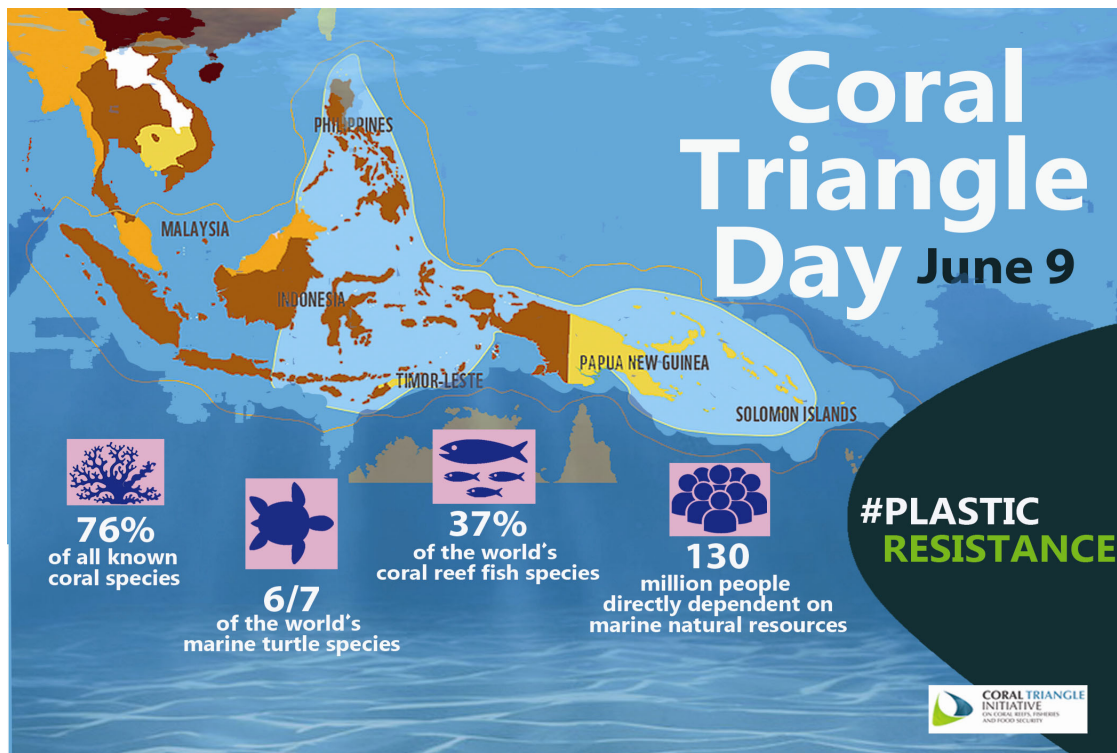
- Gairsain in Chamoli district was formally declared as the summer capital of Uttarakhand.
- It would be developed as an ideal seat of the administration.
- The Legislative Assembly of the state is located at Dehradun, the winter capital city.

Online waste exchange platform

- Launched by the Andhra Pradesh Government.
- It will help the authorities monitor the movement of hazardous waste real-time using the tools incorporated in the platform.
- The platform will be handled by the AP Environment Management Corporation (APEMC).
- The APEMC will streamline collection of the waste from industries, sort and streamline the waste as hazardous or non-hazardous or e-waste according to category, and scientifically dispose it off at various waste disposal centres.

Coral Triangle Day

- It is a massive celebration of the Coral Triangle, the world's epicentre of marine biodiversity, which encompasses the seas of 6 countries in the Asia-Pacific region: Indonesia, Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor Leste.
- It is held every year on June 9.



- The event brings together individuals, organizations, and establishments on one special day of the year to shed light on ocean conservation and the numerous ways to protect and conserve the Coral Triangle.

Coral Triangle is considered as one of the 3 mega ecological complexes on Earth, together with Congo Basin and the Amazon Rainforest. The region contains 76% of all known coral species, 37% of all known coral reef fish species and 53% of the world's coral reefs.

- The first Coral Triangle Day was celebrated on June 9, 2012 in conjunction with World Oceans Day which is celebrated every year on June 8.

Census of Asiatic Lion

- Census of Asiatic lion was recently conducted by the Gujarat government and the details have been released.
- The first Lion Census was conducted by the Nawab of Junagadh in 1936; since 1965, the Forest Department has been regularly conducting the Lion Census every five years.
- Facts:
 - 28% rise in population of Lions: Total estimated Lions in Gir region is 674. It was 523 in 2015.
 - 36% Expanse in distribution: Today, Asiatic lions are present in Protected Areas and agro-pastoral landscapes of Saurashtra covering nine districts, over an expanse of about 30,000 sq. km. It was 22,000 sq. km in 2015.

- Over the last several years, the lion population in Gujarat has been steadily rising.
- Every year, the state Forest Department invites NGOs, experts and wildlife enthusiasts to join the Census for transparency and augmenting manpower. But this time, it was not advisable to send so many people inside the forest as the Bronx Zoo in New York had reported a case of transmission of novel coronavirus from a human to a tigress.
- So, this year, the count was estimated not from a Census, but from a population “observation” exercise called Poonam Avlokan.

Poonam Avlokan (developed in 2014) is a monthly in-house exercise carried out every full moon. Field staff and officers spend 24 hours assessing the number of lions and their locations in their respective jurisdictions.

Unlike previous census, which had nearly 2000 participants, this census had around 1400 staff and a few experts. These staff kept moving in their respective territories and made their estimates based on inputs provided by lion trackers and on chance sightings.

Block counting method

India uses this method to estimate the numbers.

In this method, census enumerators remain stationed at water points in a given block and estimate abundance of lions in that block, based on direct sighting of lions who need to drink water at least once in 24 hours during the summer.

- There are inherent issues with this method. So, newer methods should be adopted- such as camera trapping and identifying lions based on permanent marks on their body, and statistical estimates based on the animals’ predatory patterns and numbers of their prey base.
- Presently, Asiatic lions are confined only to Gujarat. A single epidemic could wipe the entire population and the species might become extinct. Hence, introduction of species to new areas and states might be a good idea.

PK Mohanty panel

- Constituted by RBI.
- To review guidelines of ownership of private sector banks.
- Terms of reference:
 - ✓ Examine the existing regulation and guidelines on ownership of private sector banks.
 - ✓ Suggest appropriate norms to address the issue of concentration of control and ownership of banks.
 - ✓ Review the eligibility criteria of the individuals to apply for banking license.

GAFA tax

- The United States has reportedly pulled out of talks aimed at overhauling the global tax system for digital giants.
- With this, France has now confirmed an “impasse” on the so-called GAFA tax.
- France as well as U.K., Spain, Italy and others have imposed taxes on the largest digital firms.
- U.S. officials have slammed the moves as discriminating against American firms, and say any new levies should come only as part of a broader overhaul of international tax rules.
- Now, the US withdrawal from talks risks reigniting a transatlantic trade spat.
- In January, 137 countries agreed to negotiate a deal on how to tax tech multinationals by 2020-end, under the auspices of the OECD.
- France, Britain, Italy and Spain have already sent a reply expressing their desire to agree on “a fair digital tax at the level of the OECD as quickly as possible.



GAFA tax—named after Google, Apple, Facebook, Amazon—is a proposed digital tax to be levied on large technology and internet companies. France has decided to introduce the tax (3% tax on revenues from digital activities).

Digital tax in India:

- India has the second-largest online users in the world, with over 560 million internet users, and hence, from the viewpoint of its tax revenue base, digital businesses could not be overlooked.
- To ensure that value created digitally is appropriately taxed; two significant amendments were introduced in Indian taxation laws in the recent past:
- The “Equalization Levy” – A tax aimed at foreign digital companies has been in place since 2016 and levied a 6% tax payable on gross revenues from online advertising services, which raked over Rs. 550 crores in fiscal year 2017-2018.
- The new amendment, effective from April 1, 2020, essentially expands the equalization levy from online advertising to nearly all online commerce activities done in India by businesses that do not have taxable presence in India through applicability of 2% on its revenues.

Decarbonizing Transport Project:

- NITI Aayog and the International Transport Forum (ITF) of OECD jointly launched the ‘Decarbonizing Transport in Emerging Economies’ (DTEE) project in India on 24th June.

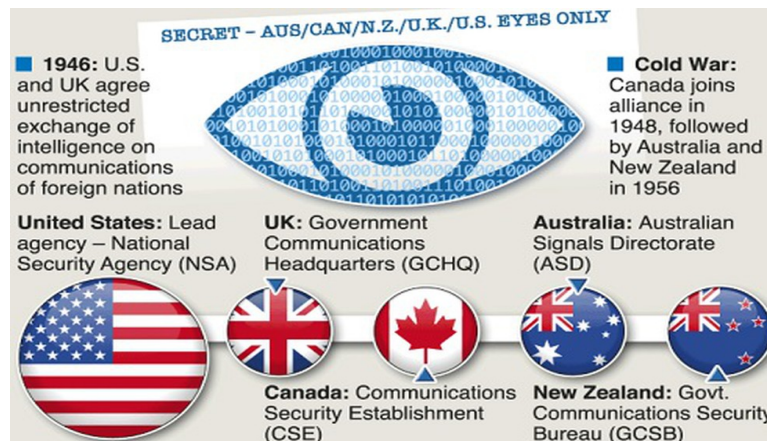
- The ambitious five-year project will help India develop a pathway towards a low-carbon transport system through the development of modelling tools and policy scenarios.
- The project will design a tailor-made transport emissions assessment framework for India.

Decarbonising Transport in Emerging Economies (DTEE):

- It supports transport decarbonisation across different world regions.
- Current participants: India, Argentina, Azerbaijan, and Morocco.
- The transport sector of India is the third most greenhouse gas (GHG) emitting sector, where the major contribution comes from the road transport sector.
- Out of the total carbon dioxide emissions in India, 13% come from the transport sector. These emissions have more than tripled since 1990.
- In India, CO₂ emitted per inhabitant was just about a twentieth of that of an average OECD country, yet, India's transport CO₂ emissions are likely to increase by almost 6% annually to 2030.
- This project will provide the government with a detailed understanding of current and future transport activity and the related CO₂ emissions as a basis for their decision-making.

U.N.-75 declaration

- Commemorative declaration marking the 75th anniversary of the signing of the U.N. Charter has been delayed.
- Member states could not reach an agreement on phraseology. They have objected to the use of a phrase “shared vision of a common future”.
- Because, the phrase, “community with a shared future for mankind” is closely associated with the Chinese Communist Party (CPC) and especially Chinese President Xi Jinping as an articulation of the country's vision for the world.
- The Five Eyes — the U.S., the U.K., Australia, New Zealand and Canada — along with India, have objected.



- The current impasse comes at a time when China’s relationships with a number of democracies, including India, Australia and the U.S., are strained.
- With this objection, the ‘silence’ process (a procedure by which a resolution passes if no formal objections are raised within a stipulated time) has been broken.
- However, China, on behalf of itself and Russia, Syria and Pakistan raised objections to the silence being broken.
- The objecting countries wanted the resolution to read, “We will work together with partners to strengthen coordination and global governance for the common good of present and future generations and to realize our shared vision for a better future as envisaged in the preamble of the UN Charter.”

The Charter was signed in San Francisco on June 26, 1945 and came into force on October 24, 1945.

It is the foundational treaty of the United Nations.

Conceived above all as a means to save future generations from the scourge of war, the Charter calls for the organization to maintain international peace and security; promote social progress and better standards of life; strengthen international law; and promote human rights.

Five Eyes:

It is an intelligence alliance comprising Australia, Canada, New Zealand, the United Kingdom and the United States. These countries are parties to the multilateral UKUSA Agreement, a treaty for joint cooperation in signals intelligence.

It began in 1946 when the United States and the United Kingdom agreed to an open exchange of intelligence on the communications of foreign nations. It was expanded when Canada joined the alliance in 1948, followed by Australia and New Zealand in 1956.

‘Guns, Germs and Steel’ crisis

- India is said to be going through the ‘guns, germs and steel’ crisis.
- (The name is borrowed from the title of Jared Diamond’s classic book on the evolution of societies and nations, *Guns, Germs, and Steel: The Fates of Human Societies*).
- It represents:
 - ✓ Chinese “guns” on the borders.
 - ✓ Coronavirus “germs” in our bodies.
 - ✓ “Steel” makers and other businesses on the verge of bankruptcy.
- This is the gravest confluence of military, health and economic crises threatening our nation in more than a generation.
- Each of these would qualify as an independent, large crisis by itself, warranting a specific resolution.

- The Chinese military threat calls for immediate and strategic action by our defence and foreign affairs establishments.
- The COVID-19 health epidemic is here to stay and needs constant monitoring by the Health Ministry and local administration.
- The economic collapse is an enormous challenge that needs to be overcome with prudent policy.
- The lockdown has affected all the four major drivers of our economy- people's spending on consumption, government spending, investment and external trade.
- To fulfil its obligation, the government needs to borrow copiously.
- This will lead to a fourth dimension to the “guns, germs and steel crisis”; a “junk” crisis.
- With rising debt levels, international ratings agencies will likely downgrade India's investment rating to “junk”, which will then trigger panic among foreign investors.