



## News Analysis (23 Oct, 2020)

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### CPI-IW Base Year Revised to 2016

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#### Why in News

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Recently, the **Ministry of Labour and Employment** released the new series of **Consumer Price Index** for **Industrial Worker (CPI-IW)** with base year 2016.

- The new series of CPI-IW with base 2016 has **replaced the existing series with base 2001**.
- Earlier, the series were also revised from 1944 to 1949; 1949 to 1960; 1960 to 1982 and 1982 to 2001.

#### CPI-IW

- The CPI-IW is **mainly used for determining dearness allowance (DA)** paid to central/state government employees and workers in the industrial sectors besides **measuring inflation** in retail prices, **fixation and revision of minimum wages** in scheduled employments.
- CPI-IW is **compiled and maintained by the Labour Bureau**, an attached office of the Ministry of Labour & Employment.

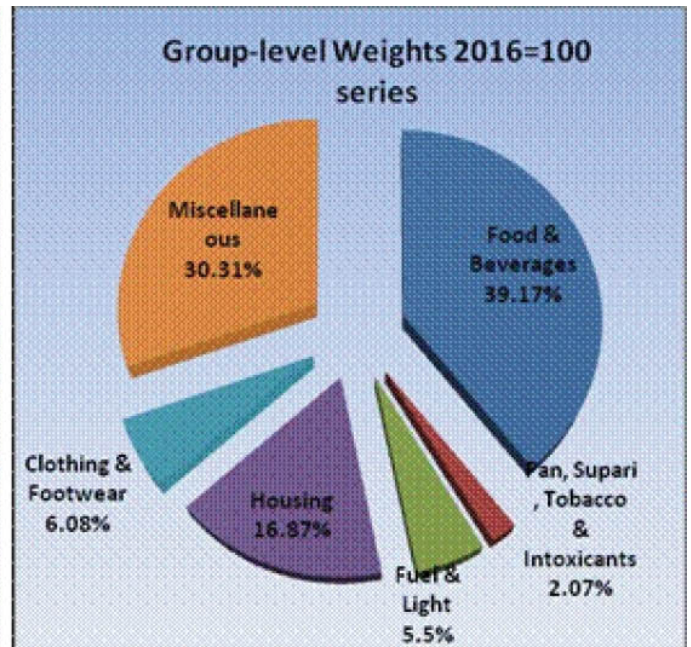
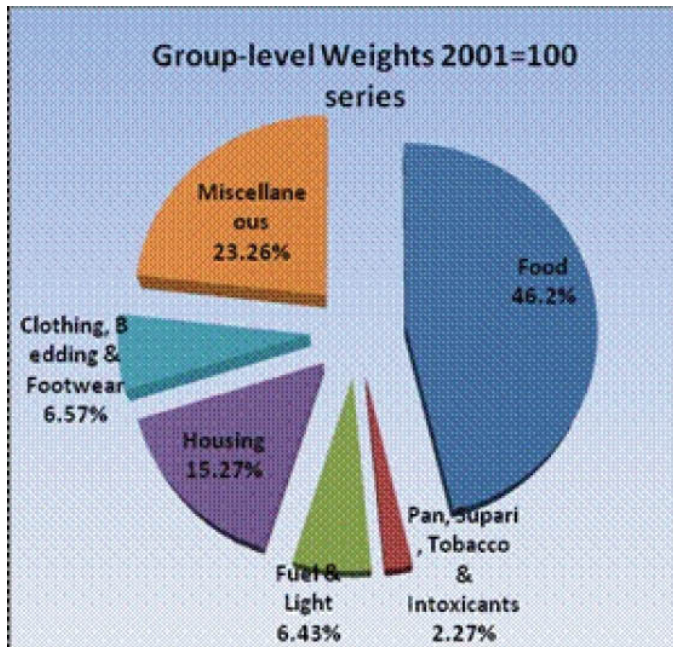
#### Key Points

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## New Series:

- The new series with base year 2016 **covers the latest consumption pattern** of the target population.
- It gives **more weightage to spending on health, education, recreation** and other miscellaneous expenses, while **reducing the weight of food and beverages**.
  - The weight of **spending on housing and clothing** increased from 15.2% to 17%.
  - The weight of **miscellaneous items, like education and health** rose to 30.31% from 23.26%.
  - The weight of **food and beverage** was reduced from 46.2% to 39% and indicates an increase in disposable income.
- The number of **markets and the sample size** for working class family income and expenditure surveys were **increased**.

The sample size was increased from 41,040 families to 48,384, also the number of selected markets for collecting retail price data was increased from 289 to 317.
- The **number of items in the index basket has increased** to 463 items as against 392 items in the 2001 series.
- The Labour Bureau is also working towards **revising the index every five years**.



**Effect:**

- The new series **would not have an immediate impact on the dearness allowance** (DA) as the government has frozen biannual hike in dearness allowances since January 2020 to offset the financial implications on the exchequer during the coronavirus pandemic.
  - The DA, a component of salary, is revised every six months to keep pace with the inflation rate.
  - For private sector workers, the central government and most states increase the variable DA component of minimum wages twice a year based on the CPI-IW inflation numbers.
- However, the change in base year will certainly have an effect on DA calculation by June 2021, when the freezing on DA will come to end.

**Consumer Price Index**

- It measures price changes from the **perspective of a retail buyer**. It is released by the **National Statistical Office (NSO)**.
- The CPI calculates the difference in the price of commodities and services such as food, medical care, education, electronics etc, which Indian consumers buy for use.
- The CPI has several sub-groups including food and beverages, fuel and light, housing and clothing, bedding and footwear.
- At present, India has **five consumer price indexes (CPIs), three of which are working-class specific**. These are:
  - **CPI for Industrial Workers (IW)**.
  - **CPI for Agricultural Labourer (AL)**.
  - **CPI for Rural Labourer (RL)**.
    - These three indexes are compiled by the **Labour Bureau** in the **Ministry of Labour and Employment**.
    - CPIs AL and RL are used to fix minimum wages of agricultural labourers and rural unskilled employees.
    - The Labour Bureau is also expected to bring out the **new series of the CPI-AL/RL**, which currently has the base year of 1986-87 by August 2021.
- The other two are **CPI-Urban and CPI Rural**. These two indexes are compiled by the National Statistical Office (NSO) in the Ministry of Statistics and Programme Implementation.

The combined rise in retail prices is captured by **CPI Combined**.
- A committee set up by the National Statistical Commission (NSC) in 2005 under the recommendation of **Dr C Rangarajan Commission**, has suggested that CPI-Rural and CPI-Urban could be a substitute for CPI-AL/RL and CPI-IW, respectively.

**Way Forward**

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- The new series will serve as a **useful reference book for researchers, academicians, scholars** and all other **stakeholders of CPI-IW**.

- The improvements made in the new series will make it **more comparable at international level**. It will help in measurements of macroeconomic indicators of the Indian economy.
- As per the recommendations of **International Labour Organisation (ILO)**, **Index Review Committee (IRC)** and **National Statistical Commission (NSC)** the base year of price index numbers should be revised at frequent intervals generally not exceeding 10 years to reflect the changes that take place in the consumption pattern of consumers.

**Source: TH**

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## **G-20 Anti-Corruption Working Group Meeting**

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### **Why in News**

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Recently, Saudi Arabia hosted the **first-ever Ministerial Meeting of the G-20 Anti-Corruption Working Group** (ACWG) virtually.

Currently, **Saudi Arabia holds the presidency of G-20** and is the first Arab nation to do so.

### **Key Points**

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- **G-20 Anti-Corruption Working Group:**
  - It was set up in **June 2010 at the Toronto Summit of G-20**. The year **2020** marks its **10<sup>th</sup> anniversary**.
  - **Objective:** To prepare "comprehensive recommendations for consideration by leaders on how the G20 could continue to make practical and valuable contributions to international efforts to combat corruption".
  - ACWG has **led the G-20 anti-corruption efforts** coordinating the collective and national actions taken by its members.
  - It actively works with the **World Bank Group**, the **Organisation for Economic Cooperation and Development (OECD)**, the **United Nations Office on Drugs and Crime (UNODC)**, the **International Monetary Fund (IMF)**, the **Financial Action Task Force (FATF)**, etc.

The World Bank and the UNODC are also involved in the ACWG through the active participation and contribution of **Stolen Asset Recovery Initiative (StAR)** to its work, which **plays an advisory role** on asset recovery, anti-money laundering/counter-terrorism financing, transparency and beneficial ownership, etc.

- **G-20 on Corruption:**
  - In recent years the **G-20 has played a critical role in global and national anti-corruption efforts.**
  - It **recognises the negative impact of corruption** which, ‘threatens the integrity of markets, undermines fair competition, distorts resource allocation, destroys public trust, and undermines the rule of law’.
  - It is **committed to ensuring that member countries lead by example and add value to existing international instruments and commitments.**
  - The G-20 agreed on the **Anti-Corruption Action Plan, 2019-2021** in **Buenos Aires in 2018.** In the framework of this action plan, G-20 members look forward to developing targeted actions where the **G-20 can best add value in promoting international efforts** in the fight against corruption.

## Initiatives in India

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- **Central Vigilance Commission:**
  - Though **created in 1964**, it became an **independent statutory body in 2003.**
  - Its mandate is to oversee the vigilance administration and to advise and assist the executive in matters relating to corruption.
- **Prevention of Corruption Act, 1988:**
  - The Act aims at **checking corruption in big places and striking hard against corporate bribery.** It seeks to establish a vicarious liability so that the actual bribe giver is also exposed.
  - It was **amended in 2018** to introduce a number of new provisions including **criminalizing the act of giving bribes** also in addition to taking the bribe and at the same time putting in place an effective deterrence for such actions by individuals as well as corporate entities.
- **Lokpal and Lokayuktas:**
  - The **Lokpal and Lokayukta Act, 2013** provided for the establishment of Lokpal for the Union and Lokayukta for States.
  - These institutions are operational in the country to **bring in more transparency, more citizen-centricity and accountability** in governance.
- **Fugitive Economic Offenders Act, 2018:**
  - It **empowers authorities for non-conviction based attachments and confiscation of proceeds** of crime and properties as well as assets of a fugitive economic offender.
- **Prevention of Money Laundering Act, 2002:**
  - **Money laundering** is the **process of making large amounts of money generated by criminal activity**, such as drug trafficking or terrorist funding, appear to have come from a legitimate source.
  - The law was **enacted to prevent and control money laundering**, provide for confiscation and seizure of property obtained from laundered money and to deal with any other issue connected with money-laundering in India.

- **Other Related Legislation and Moves:**
  - **Right to Information Act, 2005.**
  - **Whistleblowers Protection Act, 2014.**
  - **Benami Transactions (Prohibition) Act, 2016.**
  - **Ratification of United Nations Convention Against Corruption in 2011.**
  - **Introduction of e-governance.**

## **G-20**

- It is an **informal group of 19 countries** and the **European Union (EU)**, with representatives of the **IMF** and the **World Bank**.
 

The G20 membership comprises a **mix of the world's largest advanced and emerging economies**, representing about two-thirds of the world's population, 85% of global **gross domestic product (GDP)** 80% of global investment and over 75% of global trade.
- **Headquarter:**

The G20 **operates as a forum and not as an organisation**. Therefore, it **does not have any permanent secretariat**.
- **Origins:**
  - **1997-1999 Asian Financial Crisis:** This was a ministerial-level forum which emerged after G7 invited both developed and developing economies. The **finance ministers and central bank governors began meeting in 1999**.
  - **Amid the 2008 Financial Crisis**, the world saw the need for a **new consensus-building at the highest political level** and it was decided that the G20 leaders would begin meeting once annually.
- **Members:**
  - The members of the G20 are Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Republic of Korea, Mexico, Russia, Saudi Arabia, South Africa, Turkey, the UK, the USA, and the EU.
  - **One nation holds the chair every year**, known as the '**G20 Presidency**'.

**Source: PIB**

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## **Credit Suisse Global Wealth Report**

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### **Why in News**

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Recently, **Credit Suisse** has released the **Global Wealth Report 2020**.

- Credit Suisse is a financial services company based in Switzerland.
- The Credit Suisse Global Wealth Report provides the most comprehensive and up-to-date coverage of information on household wealth worldwide.

### **Key Points**

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- **Global Scenario:**
  - In **2019**, total global **wealth rose by USD 36.3 trillion** and wealth per adult reached USD 77,309, which is 8.5% more when compared to 2018.
    - As a consequence, the world has been better placed to absorb any losses from **Covid-19** during 2020.
  - However, total **household wealth dropped by USD 17.5 trillion** between January and March 2020, a **4.4% decrease** compared to the value at the end of 2019.
    - Asia Pacific** is the **highest contributor of household wealth**.
  - **Female workers have suffered disproportionately**, partly because of their high representation in businesses and industries such as restaurants, hotels, personal service and retail that have been **badly affected by the pandemic**.
- **Indian Scenario:**
  - Household wealth in India is **dominated by property and other real assets**, although **financial assets** have grown over time, now forming 22% of gross assets.
    - Stocks, bonds, bank deposits** are some examples of **financial assets**.
  - The average wealth of Indian adults **rose marginally** to USD 17,420 **at end-June 2020**, as against USD 17,300 as of December 2019, showing some growth **despite the Covid pandemic and lockdowns**.
  - **Wealth inequality remains quite high** in India.
    - There is **considerable poverty** reflected in the fact that **73% of the adult population had wealth below USD 10,000 at the end of 2019**.
    - At the other extreme, **a small fraction of the population (2.3% of adults) had a net worth over USD 1,00,000**.
      - With 4,593 **ultra-high-net-worth individuals** in the country as of end-2019, **India** came in **fourth after the USA, China and Germany**.
  - Between January and April 2020, **unemployment rates approximately tripled** in India to **24%**.

## Challenges Related to Wealth Inequality in India

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- **Distinguishing Poor and Non-poor:** In developing countries such as India, despite having hundreds of pro-poor schemes, the biggest question is **whether such benefit is reaching the poor**.
  - The real challenge is in **distinguishing the poor from non-poor**, particularly when such data are questionable.
- **Low Government Spending:** The **government spending on health, education and social protection** in the country is **low** and more often than not, subsidises the private sector.
- **Impact on Women:** The **burden of inequality continues to be borne by India's women**, they continue to be tasked with bearing the burden of care work, thus withholding their entry into the labour force.

- **Impact on Vulnerables:** While **traditionally vulnerable communities**, such as the Scheduled Castes and Scheduled Tribes, are catching up with the rest of society in primary education, they are falling further behind when it comes to advanced (12 years or more) education.  
Most now have access to mobiles but few have computers. And too many people are still just one illness away from poverty, as per the **UNDP's 2019 Human Development Report (HDR)**.
- **Climate change** will only exacerbate the inequality.

## Way Forward

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- Given the damage inflicted by Covid-19 on the global economy, it seems remarkable that **household wealth has emerged relatively unscathed**. Wealth acts as a form of self-insurance that households can draw upon when times are hard.
- Rising economic inequality has become an important issue for overall development of India with the focus being shifted to '**inclusive growth**' in the past years.
- By increasing **social spending, changing gendered attitudes towards care work**, and ensuring the **wealthy pay their share**, the government can reduce inequalities.
- A focus on rights-based entitlements (for instance, work through the **Mahatma Gandhi National Rural Employment Guarantee**) and technological innovations (such as to open bank accounts and facilitate digital payments to beneficiaries - **JAM Trinity**) have gone some way towards improving living standards. New insurance schemes for universal health coverage (**Ayushman Bharat**), crop-failure and accidents (**Pradhan Mantri Fasal Bima Yojana**) reflect a momentum for action to tackle inequality. These measures are absolutely crucial in reaching those left furthest behind.

**Source: IE**

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## NAG Missile: Anti Tank Guided Missile

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### Why in News

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Recently, the final user trial of 3<sup>rd</sup> **generation Anti Tank Guided Missile (ATGM) NAG** was carried out successfully from **Pokhran range in Thar desert (Rajasthan)**.

### Key Points

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- **Developed By: Defence Research and Development Organisation (DRDO)**





- **Features:**

- The NAG missile has been developed to **strike and neutralise highly-fortified enemy tanks**. It also has **night strike capabilities**.  
ATGMs are missile systems that can strike and neutralise armoured vehicles such as tanks.
- It has a **minimum range of 500 metres** and **maximum range of 4 km**.
- As a **third-generation ‘fire and forget’ category system**, NAG uses an **imaging infra-red seeker** to lock on to the target before launch.
- In the **top attack mode**, the missile is required to climb sharply after launch and travel at a certain altitude, then plunge on top of the target. In the **direct attack mode**, the missile travels at a lower altitude, directly striking the target.
- It has a capability to **defeat Main Battle Tanks (MBT)** equipped with composite and reactive armour.
- The **NAG missile carrier (NAMICA)** is a **Russian-origin BMP-II based system with amphibious capability**.  
BMP-II is a mechanized infantry fighting vehicle.
- **Version of NAG ATGM:** DRDO is currently in the final stages of the development of the **helicopter-launched version of Nag ATGM**, called the **Helina**, which has undergone successful tests in 2018.
- **Significance:**
  - With this final user trial, Nag will **enter the production phase**.  
The **missile** will be produced by Defence Public Sector Undertaking (PSU) **Bharat Dynamics Limited (BDL)**, whereas **Ordnance Factory, Medak**, will produce the **NAMICA**.
  - This means that the **Indian Army will no longer have to import this weapon from either Israel or the USA** for the range of four kilometres.  
It was due to unavailability of a credible anti-tank weapon, that **India had to buy around 200 pieces of Spike anti-tank missiles from Israel** as emergency purchases after the **aggression by the People's Liberation Army (China) in Ladakh**.
  - Further, the army is currently using **second generation Milan 2T and Konkur ATGMs** and has been looking for about third-generation missiles, which are important for stopping advancing enemy tanks.

- **Other Missile Systems:** Missiles have been developed by India under '**Integrated Guided Missile Development Program**'.

### **IGMDP (Integrated Guided Missile Development Program)**

- It was conceived by Dr. A.P.J. Abdul Kalam to enable India attain self-sufficiency in the field of missile technology. It was approved by the Government of India in 1983 and completed in March 2012.
- The **5 missiles (P-A-T-N-A)** developed under this program are:
  - **Prithvi:** Short range surface to surface **ballistic missile**.
  - **Agni:** Ballistic missiles with different ranges, i.e. Agni (1,2,3,4,5)
  - **Trishul:** Short range low level **surface to air missile**.
  - **Nag:** 3<sup>rd</sup> generation **anti-tank missile**.
  - **Akash:** Medium range **surface to air missile**.

#### **Other Recent Tests:**

- The NAG ATGM trial was in continuation of a series of missile tests conducted by the DRDO in the last one-and-a-half months.
  - Among these trials were two other ATGMs - the **Laser-Guided ATGM**, and the **Stand-Off Anti-Tank Missile (SANT)**.
- DRDO, successfully tested India's first indigenous anti-radiation missile named **Rudram**, Supersonic Missile Assisted Release of Torpedo (**SMART**) system, nuclear capable **missile Shaurya**, **Naval version of the BrahMos** and **Hypersonic Technology Demonstrator Vehicle (HSTDV)**.

**Source: PIB**

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## **Monoclonal Antibodies for Covid-19**

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### **Why in News**

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Recently, the **International AIDS Vaccine Initiative (IAVI)** and **Serum Institute of India (SII), Pune** announced an agreement with **Merck, a science and technology company**, to develop **SARS-CoV-2 neutralising monoclonal antibodies (mAbs)**, which will be used to address the **Covid-19 pandemic**.

- IAVI is a non-profit scientific research organisation dedicated to addressing urgent global health challenges. It is headquartered in New York, USA.
- SII is the world's largest vaccine manufacturer.

### **Key Points**

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- **Monoclonal Antibodies:**
  - Antibodies are proteins produced naturally by the immune system that target a specific foreign object (antigen). They are called **monoclonal Antibodies (mAbs)** when they are produced by clones derived from a single parent cell.
  - They are **man-made proteins** that act like a human antibody in the immune system. They are **made by cloning a unique white blood cell**.
  - mAbs have **monovalent affinity**, it binds only to the **same epitope** i.e. the part of an **antigen** that is recognized by the **antibody**.
  - They are designed to perform many roles, like they can be **used to carry drugs, toxins, or radioactive substances** directly to affected cells.
  - mAbs are **used to treat many diseases**, including some types of **cancer**.
- **mAbs and Covid-19:**
  - Neutralising monoclonal antibodies (mAbs) against SARS-CoV-2 were **co-invented by IAVI and Scripps Research**.
  - They are widely considered to be promising candidates for Covid-19 treatment and prevention.
  - Encouraging results for Covid-19 antibody treatment have emerged from preclinical research and from initial clinical trials.
  - mAbs also have the potential to play an important complementary role to Covid-19 vaccines.
    - It can be used both for treatment and potentially for prevention, especially for those individuals who, due to age or medical conditions, may not benefit from vaccination.

## Antibody

- **Antibody, also called immunoglobulin** is a **protective protein** produced by the immune system in response to the presence of a foreign substance, called an **antigen**.  
A wide range of substances are regarded by the body as antigens, including disease-causing organisms and toxic materials.
- Antibodies **recognize and attack onto antigens** in order to remove them from the body.

## Way Forward

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Given that many experts speculate that Covid-19 will become an endemic disease, and given the severity of symptoms in a significant proportion of people affected, effective therapies will be necessary to treat those who remain unvaccinated or whom vaccination does not protect.

## Source: TH

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## INS Kavaratti

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## Why in News

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Recently, **INS Kavaratti** has been formally inducted into the Indian Navy at the **Naval Dockyard in Eastern Naval Command (ENC), Visakhapatnam**.

## Key Points

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- It is **named after the capital of the Lakshadweep group** of islands.
- It is the **last of the four indigenously built Anti-Submarine Warfare (ASW) stealth corvettes** built under **Project 28 (Kamorta class)**, by **Garden Reach Shipbuilders and Engineers (GRSE)**, Kolkata.
- The ship is regarded as **one of the most potent ASW stealth corvettes** to have been constructed in India as it joins three other ships of the same class **INS Kamorta, INS Kadmatt** and **INS Kiltan**, at the ENC.

Its induction is a game-changer in the eastern seaboard, especially with the **Chinese submarines trying to increase their presence in the Indian Ocean**.

- It has **enhanced stealth features** resulting in **reduced Radar Cross Section (RCS) achieved by the superstructure along with optimally sloped surfaces**.  
INS Kavaratti and INS Kiltan are the **first two major warships** in the country to have the unique feature of the **superstructure made of carbon fibre composite material**.
- It has **high indigenous content** with the **state-of-the-art equipment** and systems to fight in **Nuclear, Biological and Chemical (NBC) warfare conditions**.
  - Some of the major equipment/ systems developed indigenously include **Combat Management System, Torpedo Tube Launchers** and **Infra-Red Signature Suppression System**, etc.
  - The high level of indigenisation incorporated in the production accentuates the objectives of **Atmanirbhar Bharat Initiative**.
- The ship is the **reincarnation of the erstwhile Arnala Class missile corvette** of the same name, **INS Kavaratti-P 80**, a ship that played an important role in the **liberation of Bangladesh in 1971**.

**Source: PIB**

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