



Inter-State Council

For Prelims: Inter-State Council, Sarkaria Commission, Article 263

For Mains: Inter-State Council and issues, Centre-State Relations, Inter-State Relations

Why in News?

Recently, the [Inter-State Council \(ISC\)](#) has been reconstituted with the Prime Minister as Chairman and Chief Ministers of all States and six Union Ministers as members.

- **Ten** union ministers will be the permanent invitees to the Inter-State Council.
- The government has also reconstituted the [standing committee of the Inter-State Council](#) with Union Home as Chairman.
 - The Chief Ministers of **Andhra Pradesh, Assam, Bihar, Gujarat, Maharashtra, Odisha, Punjab and Uttar Pradesh** are also members of the standing committee of the Inter-State Council.

What is the Inter-State Council?

- **Background:**
 - As part of the **process of reviewing the working of the existing arrangements** between the Union and the States, the Government constituted a commission in 1988 under the Chairmanship of Justice R.S. Sarkaria.
 - One of the **important recommendations of Sarkaria Commission** was for establishing a permanent **Inter-State Council** as an independent national forum for consultation with a mandate well defined in accordance with **Article 263 of the Constitution of India.**
- **About:**
 - The inter-state council is a **recommendatory body** that has been empowered to **investigate and discuss subjects of common interest** between the Union and state(s), or among states.
 - It also **makes recommendations for better coordination of policy** and action on these subjects, and deliberations on matters of general interest to the states, which may be referred to it by its chairman.
 - It also **deliberates on other matters of general interest** to the states as may be referred by the chairman to the council.
 - The Council may **meet at least thrice in a year.**
 - There is also a **Standing Committee of the Council.**
- **Composition:**
 - Prime Minister Chairman
 - Chief Ministers of all States Members
 - Chief Ministers of Union Territories having a Legislative Assembly and Administrators of UTs not having a Legislative Assembly and Governors of States under President's Rule (Governor's Rule in the case of J&K) Members.
 - Six Ministers of Cabinet rank in the Union Council of Ministers to be nominated by the Prime Minister Members.

What are the Functions of the Inter-State Council?

- To **create a strong institutional framework** to promote and support [cooperative federalism](#) in the country and activate the council and zonal councils by organising regular meetings.
- Facilitates consideration of all pending and emerging issues of Centre-state and inter-state relations by the zonal councils and inter-state council.
- **Develops a sound system to monitor the implementation of recommendations** put forward by them.

What is the Standing Committee of ISC?

- **About:**
 - It was set up in **1996 for continuous consultation** and processing of matters for the consideration of the Council.
 - It consists of the following members: (i) Union Home Minister as the Chairman (ii) Five Union Cabinet Ministers (iii) Nine Chief Ministers the Council is assisted by a secretariat called the Inter-State Council Secretariat.
 - This **secretariat was set-up in 1991** and is headed by a secretary to the Government of India. Since 2011, it is also functioning as the secretariat of the Zonal Councils.
- **Functions:**
 - The standing committee will **have continuous consultation and process matters for consideration of the council**, process all matters pertaining to centre-state relations before they are taken up for consideration in the inter-state council.
 - The standing committee also **monitors the implementation of the decisions taken on the recommendations of the council** and consider any other matter referred to it by the chairman or the council.

Which other Bodies Promote Interstate Relation?

- [Zonal Council:](#)
 - The Zonal Councils are the **statutory (and not the constitutional) bodies**. They are established by an Act of the Parliament, that is, States Reorganisation Act of 1956.
 - The **act divided the country into five zones-** Northern, Central, Eastern, Western and Southern and provided a zonal council for each zone.
 - While forming these zones, several factors have been taken into account which include: the natural divisions of the country, the river systems and means of communication, the cultural and linguistic affinity and the requirements of economic development, security and law and order.
 - **North Eastern Council:** The North Eastern States i.e. (i) Assam (ii) Arunachal Pradesh (iii) Manipur (iv) Tripura (v) Mizoram (vi) Meghalaya and (vii) Nagaland are not included in the Zonal Councils and their special problems are looked after by the **North Eastern Council**, set up under the North Eastern Council Act, 1972.
- **Inter-State Trade and Commerce:**
 - **Articles 301 to 307 in Part XIII of the Constitution** deal with the trade, commerce and intercourse within the territory of India.
- **Inter-State Water Disputes:**
 - **Article 262 of the Constitution** provides for the adjudication of interstate water disputes.
 - It makes two provisions:
 - Parliament may by law provide for the adjudication of any dispute or complaint with respect to the use, distribution and control of waters of any inter-state river and river valley.
 - Parliament may also provide that neither the Supreme Court nor any other court is to exercise jurisdiction in respect of any such dispute or complaint.

Way Forward

- If the Inter-State Council is to emerge as the key institution to manage inter-state frictions, it **first**

needs to have a regular meeting schedule.

- There is an **institutional gap in the Indian union right now**—and it needs to be filled before inter-state frictions get out of control.
- The council also has to have a **permanent secretariat which will ensure that the periodic meetings are more fruitful.**

[Source: TH](#)

World of Work Report: ILO

For Prelims: International Labour Organization, Treaty of Versailles, League of Nations.

For Mains: Findings and Recommendations of ILO Monitor on the world of work Report.

Why in News?

Recently, the [International Labour Organization\(ILO\)](#) has released the Ninth Edition of **ILO Monitor on the World of Work Report**, which says that after significant gains during the last quarter of 2021, the **number of hours worked globally dropped in the first quarter of 2022, to 3.8% below the employment situation** before the [Covid-19](#).

- The fresh lockdowns in China, the [conflict between Ukraine and Russia](#), and the global rise in the [prices of food and fuel](#) are cited as the main reasons for the findings.
- The report gives **a global overview of how countries are tackling an uneven labour market recovery** that has been further undermined by developments such as the Russian aggression against Ukraine, increases in inflation, and continuing strict Covid-19 containment measures.

What are the other Findings of the Report?

- **Global:**
 - **Reduction in Working Hour:**
 - Both India and **Lower-Middle-Income countries experienced a deterioration of the gender gap in work hours** in the second quarter of 2020.
 - However, because the initial level of **hours worked by women in India was very low, the reduction in hours worked by women in India has only a weak influence** on the overall performance of the lower-middle-income countries.
 - In contrast, the **reduction in hours worked by men in India has a large impact** on the overall performance.
 - **Divergence Between Richer and Poorer Economies:**
 - A great and growing divergence between richer and poorer economies continues to characterise the recovery.
 - While **high-income countries experienced a recovery in hours worked, low- and lower-middle-income economies suffered setbacks** in the first quarter of the year with a 3.6 and 5.7% gap respectively when compared to the pre-crisis benchmark.
 - **Workplace Closures Continue to Trend Downwards:**
 - After a brief spike at the end of 2021 and early 2022, workplace closures are currently on a downward trend.
 - While most workers still live in countries with some form of workplace restrictions, the strictest form of closure (economy-wide required closures for all but essential

workplaces) has nearly disappeared.

- These recent reductions in strict workplace closures were particularly pronounced in Europe and Central Asia, where currently 70% of workers face either only recommended closures or none at all.
- **Divergence in Employment Recovery Trends:**
 - In line with the overall divergence in hours worked, **employment levels had recovered in most high-income countries by the end of 2021, while deficits remained significant in most middle-income economies.**
 - The divergence in the **employment-to-population ratio from the last quarter of 2019 had been mostly eliminated by the end of 2021.**
- **Labour Incomes have not yet Recovered:**
 - In 2021, three out of five workers lived in countries where average annual labour incomes had not yet recovered to their level of the fourth quarter of 2019.
 - Workers in low-, lower-middle and upper-middle-income countries (excluding China) **still faced reduced labour incomes in 2021**, at rates of -1.6 %, -2.7 % and -3.7% respectively.
- **Informal employment was impacted more, especially for women, but has rebounded faster than formal employment:**
 - Displaced workers **from the formal economy, for instance, resort to informal employment to earn a living**, while those already in informal employment remain at work.
 - For this reason, changes in informal employment during economic downturns tend to be smaller than those in formal employment.
- **India:**
 - For every 100 women at work prior to the pandemic, **12.3 women would have lost their job as an average through** the entire period considered by the report.
 - In contrast, for every 100 men, the equivalent figure would have been 7.5.
 - Hence, the pandemic seems to have exacerbated the already substantial gender imbalances in employment participation in the country.
 - Women employment in India has come down, particularly in sectors such as healthcare as a result of the Covid-19 pandemic.

What are the Recommendations?

- The purchasing capacity of the workers should be improved. ILO has been proposing decent jobs and decent wages.
 - In India, most people are on contract without any social security. If there are no decent wages, **purchasing power will also come down.** The [Code on Wages](#) was passed in 2019 but **is not yet implemented.**
- A human-centred recovery that **establishes [sustainable development](#) paths towards a brighter and more inclusive future of work is more urgent** than ever. Such an approach was agreed by **tripartite consensus of the ILO's 187 Member States at the 109th International Labour Conference in June 2021**, which adopted the [Global Call to Action for a Human-Centred Recovery](#) from the Covid-19 crisis that is inclusive, sustainable and resilient, providing a detailed set of recommendations addressed to governments, employers' and workers' organizations and the international community.
- With the multiplication of risks, especially for the most vulnerable, timely and effective support is needed to protect and maintain the purchasing power of labour income and overall living standards.
- With combating inflation emerging as a policy challenge, **macroeconomic policies need to be adjusted carefully.** At the same time, emerging markets and developing countries will face headwinds resulting from monetary policy tightening in advanced economies, which will **require prudent management of financial flows.**
- To promote recovery over the longer term, well designed sectoral policies **are needed to promote the creation of decent jobs**, while aiming at formalization, sustainability and inclusiveness.
- Targeted policies to assist transitions of people during the recovery period also remain important, including **a focus on vulnerable groups and improving work conditions for those in [informal employment](#)** and helping them transition to the formal economy.

- To contribute to resilience and fairness in the labour market, these **efforts need to be matched by strong labour market institutions, collective bargaining and social dialogue** that respect international labour standards.
- A comprehensive approach towards ensuring **urgently needed social protection** (including health-related measures) and promoting decent job creation to foster just transitions can make a major difference.
 - In this regard, the **Global Accelerator for Jobs and Social Protection for Just Transitions**, with its aim of creating at least 400 million jobs by 2030, primarily in the green, digital and care economy, and extending social protection floors to over 4 billion people currently not covered, is an important initiative.
- Among many other goals, **it needs to promote an enterprise-enabling environment, develop human capabilities** that can expand productive capacities, protect people and create more decent jobs in a context of reinvigorated social dialogue and full application of labor standards.

What is the International Labor Organization?

- It is the only tripartite [United Nation \(UN\) agency](#). It brings together governments, employers and workers of 187 member States (India is a member), to set labour standards, develop policies and devise programmes promoting decent work for all women and men.
 - Received the [Nobel Peace Prize in 1969](#).
- **Established in 1919 by the [Treaty of Versailles](#)** as an affiliated agency of the [League of Nations](#).
- Became the first affiliated specialized agency of the UN in 1946.
- **Headquarters:** Geneva, Switzerland

What is Convention No 144 of the ILO?

- **Convention 144 of the year 1976** which is also known as the **Convention on Tripartite Consultation** (International Labour Standards), promotes application of an essential principle on which the International Labour Organization (ILO) was founded, which is:
 - Tripartite social dialogue in the development and implementation of international labour standards.
- Tripartism in respect to international labour standards promotes a national culture of social dialogue on wider social and economic issues.

UPSC Civil Services Examination, Previous Year Questions

Q. International Labour Organization's Conventions 138 and 182 are related to

- Child Labour, (2018)
- Adaptation of agricultural practices to global climate change
- Regulation of food prices and food security
- Gender parity at the workplace

Ans: A

Exp:

- In 2017, the Union Cabinet, GoI approved ratification of the Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182) of the International Labour Organization (ILO).
- Convention No. 138: India is the 170th ILO Member state to ratify Convention No. 138, which requires state parties to set a minimum age under which no one shall be admitted to employment

or work in any occupation, except for light work and artistic performances.

- Convention No. 182: India also became the ILO's 181st Member state to ratify Convention No. 182. This calls for the prohibition and elimination of the worst forms of child labour, including slavery, forced labour and trafficking; the use of children in armed conflict; the use of a child for prostitution, pornography and in illicit activities (such as drug trafficking); and hazardous work.
- These all are in line with the Child Labour (Prohibition and Regulation) Amendment Act, 2016, which completely prohibits employment or work of children below 14 years in any occupation or process and also prohibits the employment of adolescents (14 to 18 years) in hazardous occupations and processes.
- Additionally, the Child Labour (Prohibition and Regulation) Central Rules, as recently amended, for the first time provide for a broad and a specific framework for the prevention, prohibition, rescue and rehabilitation of child and adolescent workers.
- With ratification of the two core ILO Conventions, India has ratified six out of eight core ILO Conventions. Four other conventions relate to abolition of forced labour, equal remuneration and no discrimination between men and women in employment and occupation. **Therefore, option (a) is the correct answer.**

[Source: TH](#)

Outward Remittance Trend

For Prelims: Liberalised Remittance Scheme, Remittance, RBI

For Mains: Significance of Liberalised Remittance Scheme

Why in News?










Total **outward Remittances**, under the [RBI's Liberalised Remittance Scheme](#), shot up to an all-time high of USD 19.61 billion in the year ended March 2022 as against USD 12.684 billion in March 2021.

- Foreign exchange, including the US dollar and euro, taken out of the country by resident Indians **has shot up by 54.60%** during the fiscal year ending March 2022.

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GOING ABROAD

Outward remittances under LRS

Year	\$ million	
FY14	1,093.90	
FY15	1,325.80	
FY16	4,642.60	
FY17	8,170.70	
FY18	11,333.60	
FY19	13,787.60	
FY20	18,760.69	
FY21	12,684.40	
FY22	19,610.77	

What are Remittances?

- Remittances are usually understood **as financial or in-kind transfers made by migrants to friends and relatives back** in their communities of origin.
- These are basically **sum of two main components - Personal Transfers in cash** or in kind between resident and non-resident households and **Compensation of Employees**, which refers to the income of workers who work in another country for a limited period of time.
- Remittances **help in stimulating economic development in recipient countries**, but this can also make such countries over-reliant on them.

What is Outward Remittance?

- Outward remittance is **a transfer of funds in the form of foreign exchange by a person from India, to a beneficiary outside India** (except for Nepal and Bhutan) for any bonafide purposes as permissible under [Foreign Exchange Management Act \(FEMA\), 1999](#).

What is the Outward Remittance Trend?

- **Total Outward Remittances:**
 - The total outward remittances **were at an all-time high in FY22 as it made a strong comeback from the previous year's tepid show** because of the Disruptions led by Covid-19.
 - The comeback has been supported by **Indian's spending more on international travel and overseas education.**
- **Segments of Outward Remittances:**
 - **International Travel:** In FY22, **international travel picked up**, resulting in India's spending USD 6.91 billion on travel, which is more than double that was spent on travel in FY21.
 - In FY20, however, spends on travel by Indians was also almost \$6.95 billion.
 - **Overseas education:** Overseas education is important segment that has seen healthy growth in FY22 as Indians remitted over USD 5.17 billion in the year.
 - This showed an increase of 35% from FY21, where Indians had remitted USD 3.83 billion.
 - In FY20, remittances for overseas education were nearly USD 5 billion.
 - **Gifts:** Indians **remitted USD 2.34 billion as gifts in FY22**, up 47.28% over FY21.
 - In FY20, Indians remitted about USD 1.91 billion as gifts under the LRS scheme.
- **Investments in overseas Equity and Debt:**
 - Investments in overseas equity and debt by Indians also shot up to USD 746.5 million in FY22 as against USD 471.80 million in the previous year.

What is the Liberalised Remittance Scheme?

- This is the scheme of the [Reserve Bank of India](#), introduced in the year 2004.
- Under the scheme, **all resident individuals, including minors, are allowed to freely remit up to USD 2,50,000 per financial year (April - March)** for any permissible [current or capital account transaction](#) or a combination of both.
- The Scheme is **not available to corporations, partnership firms, Hindu Undivided Family (HUF), Trusts** etc.
- Though there are **no restrictions on the frequency of remittances under LRS, once a remittance is made** for an amount up to USD 2,50,000 during the financial year, a resident individual would not be eligible to make any further remittances under this scheme.

What are Current and Capital Account Transactions?

- **Current Account Transactions:** All transactions undertaken by a resident that do not alter his/her assets or liabilities, including contingent liabilities, outside India are current account transactions.
 - Example: payment in connection with foreign trade, expenses in connection with foreign travel, education etc.
- **Capital Account Transactions:** It includes those transactions which are undertaken by a resident of India such that his/her assets or liabilities outside India are altered (either increased or decreased).
 - Example: investment in foreign securities, acquisition of immovable property outside India etc.

UPSC Civil Services Examination, Previous Year Questions

Q. Which of the following constitute Capital Account? (2013)

1. Foreign Loans
2. Foreign Direct Investment
3. Private Remittances
4. Portfolio Investment

Select the correct answer using the codes given below:

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

Ans: (b)

Exp:

- Capital Account is one of two primary components of the balance of payments, the other being the Current Account. Whereas the Current Account reflects a nation's net income, the Capital Account reflects the net change in ownership of national assets.
- Capital Account includes:
 - Foreign Loans, **hence, 1 is correct.**
 - Foreign Direct Investment (FDI), **hence, 2 is correct.**
 - Portfolio Investment, **hence, 4 is correct.**
 - Other Investment,
 - Reserve Account.
- Private Remittances come under the Current Account. **Hence, 3 is not correct.**

- Therefore, option (b) is the correct answer

[Source: IE](#)

Ban on Export of Sugar

For Prelims: Sugar, Retail inflation rate, wholesale inflation, agri-cess on crude palm oil, soyabean oil, crude sunflower oil, wheat exports, AIDC

For Mains: Rising Inflation and issues, Growth & Development, Government Steps to Tackle Inflation

Why in News?

Recently, the government announced **curbs on exports of sugar**.

- Also, to **provide required relief to consumers**, customs duty and **Agriculture Infrastructure Development Cess (AIDC)** on 20 Lakh metric tonnes yearly import of crude soyabean and sunflower oil was exempted for two financial years (2022-23 and 2023-24).
- The exemption of import duties will **help cool domestic prices and control inflation**.

What is the Agriculture Infrastructure Development Cess?

- Cess is a kind of **special-purpose tax** which is levied over and above basic tax rates.
- The purpose of the new AIDC is to **raise funds to finance spending on developing agriculture infrastructure**.
- The AIDC is **proposed to be used to improve agricultural infrastructure** aimed at not only boosting production but also in helping conserve and process farm output efficiently.

What are the Reasons for the Decisions taken?

- **Ban on Sugar Export:**
 - **Reason:**
 - These steps were taken to **maintain “domestic availability and price stability of sugar”**.
 - The decision was in the wake of **“unprecedented growth in exports of sugar”** and the **need to maintain sufficient stock of sugar** in the country.
 - It is for the **first time in six years** that the Centre is regulating sugar exports.
 - **Exemption:**
 - Sugar mills and traders who have **specific permissions from the government will only be able to export sugar** (including raw, refined and white sugar) till 31st October, 2022 or until further orders.
 - Additionally, the **restriction is not applicable for exports to the [European Union \(EU\)](#) and the United States**.
- **Duty-Free Import of Edible Oil:**

- It was announced in the **wake of a [surge in edible oil prices in India](#)**.
 - **India is one of the world's largest vegetable oil importers** and relies on imports for 60% of its needs.
 - Meanwhile, after **[Russia's invasion of Ukraine](#)**, edible oil prices have shot up significantly.
 - **Sunflower oil is imported into India** majorly from Ukraine and Russia.
 - In February 2022, **[agri-cess on crude palm oil](#)** was reduced to 5% with effect from the earlier 7.5%.
- **To Contain Severe Inflationary Pressures:**
- These steps were taken in **view of the government's efforts to contain severe inflationary pressures**, with prices of food, fuels and crop nutrients soaring.
 - **[Retail inflation rate](#)** had surged to an **eight-year high of 7.79% in April 2022** while wholesale inflation has been in **double digits for 13 consecutive months**.
 - Retail edible oil inflation **remained at 20-35% level** all through 2021, with the latest print for inflation rate for oils and fats recorded at 17.28% for April 2022.

What are the other Steps taken to Contain Inflationary Pressures?

- **By India:**
- **Cuts Tax on Petrol and Diesel:**
 - The Centre **announced tax cuts on petrol, diesel, coking coal**, and raw materials for making steel over the weekend as part of its efforts to cool mounting inflationary pressure.
 - The **cut in fuel taxes could help reduce inflation directly by around 20 basis points** in June 2022 when its full impact will be visible.
 - **Reduction in Repo Rate:**
 - The **[Reserve Bank of India](#)** while **[reducing the repo rate by 40 bps](#)** in an out-of-turn **[monetary policy](#)** meeting in May, 2022 had expressed concern over high food and fuel prices feeding into inflation.
 - **Ban on Wheat Export:**
 - Earlier, the government decided to ban **[wheat exports](#)**.
 - **India is the world's second-biggest wheat producer**, and it chooses to ban export to **protect food security** for its mammoth population despite inflation concerns.
- **In Asia:**
- **[Indonesia's ban on Palm Oil Exports:](#)**
 - Indonesia, the **world's biggest producer, exporter, and consumer of palm oil**, has announced that it would be banning all exports of the commodity and its raw materials to reduce domestic shortages of cooking oil and bring down its rising prices.
 - **Malaysia Halting Chicken Sales Abroad:**
 - Malaysia will halt exports of 3.6 million chickens a month from June 1 and scrap the approved permit requirement for importing wheat until production and prices stabilize.

What is the Role of India as a Sugar Exporter?

- India is the **biggest producer of sugar in the world and the second largest exporter after Brazil**.
 - The move comes in a year when the country is set to register its highest-ever exports.
- About **82 lakh MT sugar has been dispatched from sugar mills** for export and approximately 78 lakh MT have been exported.
 - Export of sugar in the current sugar season 2021-22 is at its historic high.
- The **closing stock of sugar at the end of sugar season remains 60-65 lakh MT** which is equivalent to about three months' stocks required for domestic use.

What about the Edible Oil Economy in India?

- There are two major features which have **significantly contributed to the development of this sector.**
 - One was the setting up of the **Technology Mission on Oilseeds in 1986** which was converted into a **National Mission on Oilseeds and Oil Palm (NMOOP) in 2014.**
 - Further it was merged with **[NFSM \(National Food Security Mission\)](#).**
 - This gave a thrust to **Government's efforts for augmenting the production of oilseeds.**
 - The **other dominant feature which has had significant impact** on the present status of edible oilseeds/oil industry has been the **program of liberalization under which the Government's economic policy allows greater freedom** to the open market and encourages healthy competition and self regulation rather than protection and control.
- The **Yellow Revolution is one of the color revolutions** that was launched to increase the production of Edible oilseeds in the country to meet domestic demand.
- The government has also launched the **[Kharif Strategy 2021 for oilseeds.](#)**
 - It will bring an **additional 6.37 lakh hectare area** under oilseeds and is likely to produce 120.26 lakh quintals of oilseeds and edible oil amounting to 24.36 lakh quintals.
- **Edible Oils Commonly Used in India:** The major edible oils consumed in the country are mustard, soyabean, groundnut, sunflower sesame oil, niger seed, safflower seed, castor, and linseed (primary source) and coconut, palm oil, cottonseed, rice bran, solvent extracted oil, tree and forest origin oil.

Way Forward

- While this decision will have a moderating influence on price pressures in the economy, the worry is that **inflation has become entrenched and is likely to remain above the RBI's medium-term inflation target of 2-6%.**
- There should be **consistency in import policy as that sends appropriate market signals in advance.** Intervening through import tariffs is better than quotas which leads to greater welfare loss.
- This also calls for more accurate crop forecasts using satellite remote sensing and **[Geographical Information System\(GIS\) techniques](#)** to indicate shortfall/surplus in a crop year much in advance.

UPSC Civil Services Examination, Previous Year Questions

Q. A rise in general level of prices may be caused by (2013)

1. an increase in the money supply
2. a decrease in the aggregate level of output
3. an increase in the effective demand

Select the correct answer using the codes given below:

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

Ans: (d)

Exp:

- Inflation is a quantitative measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over a period of time.
- It is the constant rise in the general level of prices where a unit of currency buys less than it did in prior periods. Often expressed as a percentage, inflation indicates a decrease in the purchasing power of a nation's currency.
- Types of Inflation: Demand-Pull inflation, Cost-Push inflation and Built-in inflation.

- The Consumer Price Index (CPI) and the Wholesale Price Index (WPI) are the most commonly used inflation indices.
- **Causes of Inflation:**
 - Overall increase in demand for goods and services more rapidly than the production capacity in an economy. In such a situation, there occurs a decrease in the aggregate level of output which results in inflation. Hence, statement 2 is correct.
 - A demand-supply gap with higher demand and lower supply increases the effective demand, which resultantly contributes in rise in the general price level. Hence, statement 3 is correct.
 - An increase in the money supply also contributes to rise in the general price level. The reason is that with an increase in the money supply, there occurs a situation where more money chases the same number of goods. Therefore, the increase in monetary supply causes firms to put the prices up. Hence, statement 1 is correct.
 - An increase in the prices of production process inputs also contributes in inflation.
 - Increased wages result in higher cost of goods and services due to rise in prices of goods and services. Therefore, option (d) is the correct answer.

Q. Which one of the following is likely to be the most inflationary in its effect? (2013)

- (a) Repayment of public debt
- (b) Borrowing from the public to finance a budget deficit
- (c) Borrowing from banks to finance a budget deficit
- (d) Creating new money to finance a budget deficit

Ans: (d)

Exp:

- The rate of inflation depends on the rate of growth of the money supply in an economy.
- Creating new money to finance budget deficit would result in increase in money supply and is likely to be the most inflationary in its effect. Therefore, option (d) is the correct answer.

Q. Consider the following statements: (2013)

1. Inflation benefits the debtors.
2. Inflation benefits the bondholders.

Which of the statements given above is/are correct?

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

Ans: (a)

Exp:

- **Inflation:** It is a quantitative measure of the rate at which the average price level of a basket of selected goods and services in an economy increases over a period of time. It is the constant rise in the general level of prices where a unit of currency buys less than it did in prior periods. Often expressed as a percentage, inflation indicates a decrease in the purchasing power of a nation's currency.
- **Impact of Inflation on Debtor:** During periods of rising prices, debtors gain. When prices rise, the value of money falls. Though debtors return the same amount of money, but they pay less in terms of goods and services. This is because the value of money is less than when they borrowed the money. Hence, statement 1 is correct.
- **Impact of Inflation on Bond Holder:** Inflation reduces the purchasing power of each interest payment a bond makes. Thus, inflation impacts negatively the bond holder. Hence, statement 2 is

not correct. Therefore, option (a) is the correct answer.

Q. With reference to inflation in India, which of the following statements is correct? (2015)

- (a) Controlling the inflation in India is the responsibility of the Government of India only
- (b) The Reserve Bank of India has no role in controlling the inflation
- (c) Decreased money circulation helps in controlling the inflation
- (d) Increased money circulation helps in controlling the inflation

Ans: (c)

Exp:

- Controlling of inflation is the responsibility of both the GoI and the RBI. z Decreased money supply helps in controlling inflation as people have less money to spend. z Increased money supply does not help in controlling the inflation, rather it increases inflation. Therefore, option (c) is the correct answer.

[Source:IE](#)

75th Session of World Health Assembly

For Prelims: World Health Organization, World Health Assembly, Accredited Social Health Activists (ASHA)

For Mains: India's participation in the World Health Assembly, World Health Organisation functioning

Why in News?

World Health Assembly's 75th session is being held at [World Health Organization \(WHO\)](#) Headquarters (HQ), Geneva from 22nd to 28th May, 2022.

- Union Minister of Health and Family Welfare emphasized upon **India's commitment towards building a more resilient global health security architecture.**
- **Health for peace, peace for health** is the theme of the World Health Assembly, 2022.
- India's six [Accredited Social Health Activists \(ASHA\) workers](#) were awarded the **Global Health Leaders Award** at the ongoing 75th World Health Assembly to recognize their "outstanding contributions to advancing global health, demonstrated leadership, and commitment to regional health issues."

What is World Health Assembly?

- **About:**
 - **World Health Assembly (WHA)** is WHO's decision-making body attended by delegations from all of WHO's member states,
 - It is held yearly at the HQ of WHO, i.e., **Geneva, Switzerland.**
 - Specific health agenda prepared by the Executive Board remains the focus of this

assembly.

- Since the start of the Covid-19 pandemic, 2022's assembly is the first in-person assembly.

▪ **Functions of WHA:**

- Deciding on Organization's policies.
- Appointment of the Director-General of WHO.
- Administration of financial policies.
- Review and approval of the proposed programme budget.

▪ **Key Features of the Union Minister's address at the 75th Session:**

- **Streamlining of the WHO's approval process for vaccines and therapeutics** is needed to have a more resilient global health security architecture.
- **An equitable access to vaccines and medicines** should be allowed including the intellectual property aspects.
- **Cost-effective research, technology transfer and regional manufacturing capacities** must be on the priority list.
- As per WHO, **4.7 million Covid deaths (10 times the official figure)** have been reported in India. Therefore, **concern over WHO's recent exercise on all cause excess mortality on account of Covid-19** was expressed.
- India urged WHO to **consider the country-specific authentic data published through the [Civil Registration System \(CRS\)](#) by the Registrar General of India (RGI).**
- The use of **mathematical models of data prediction shouldn't be relied upon.** Consequently, the **Central Council of Health and Family Welfare** (set up under **Article 263** of the Constitution) **passed a unanimous resolution** condemning WHO's approach in this regard.

What is Accredited Social Health Activist (ASHA)?

▪ **About:**

- One of the key components of **[National Rural Health Mission \(NHRM\)](#) is ASHA.**
- She is a **social health activist in the age group of 25-45 years** who serves as the first point of contact to cater any **health-related requirements of deprived sections of the rural population** including women and children, who pose a difficulty in accessing the health services.
- Generally, there is **"1 ASHA per 1000 population"**. However, this norm can be relaxed in tribal, hilly and desert areas to **"1 ASHA per habitation"** depending upon the workload.

▪ **Roles and Responsibilities:**

- **Creating awareness about health determinants** by providing information to the people about nutrition, basic sanitation & hygienic practices, healthy living and working conditions, etc.
 - She also provides information about existing health services and encourages people for the timely utilization of health & family welfare services.
- **Counselling of women** on birth preparedness, safe delivery's importance, breastfeeding, contraception, immunization, child care and prevention of Reproductive Tract Infection/Sexually Transmitted Infection (RTIs/STIs).
- **Facilitating the access of health services** such as Ante Natal Check-up (ANC), Post Natal Check-up (PNC), immunization, sanitation and other services at the village/sub-center/primary health centers by mobilizing the community.
- **Developing a comprehensive health plan** by working in collaboration with the Village Health & Sanitation Committee of the Gram Panchayat.
- **Providing primary medical care** for minor disorders like fever, diarrhoea and minor injuries. Under Revised National Tuberculosis Control Programme.
- **Arranging the escort for pregnant women and children** who need treatment or are required to be admitted in the nearest health-care facility.
- **Keeping the Sub-Centres/Primary Health Centre informed about** births and deaths in her village and any disease outbreaks/ unusual health concerns in the community.

[Source: TH](#)

Pre-Monsoon Devastation in Assam

For Prelims: Landslides, Floods, Monsoon

For Mains: Causes of Pre Monsoon Floods and Landslides in Assam and other hilly regions

Why in News?

While the **Monsoons** are yet to arrive, Assam has already been beset by **Floods and Landslides** that have left 15 people dead and more than 7 lakh affected.

- The hill district of **Dima Hasao**, in particular, has been ravaged by flash floods and landslides, with connectivity to the rest of the state snapped.

What are the Factors behind this Unprecedented Devastation?

- **Excess Pre-Monsoon Rainfall:**
 - The average rainfall for the period of 1st March to 20th May in Assam is 434.5 mm, the corresponding number for this year is 719 mm which amounts to a 65 % excess.
 - The neighbouring state of Meghalaya has recorded an even greater excess of 137%.
- **Climate Change:**
 - The Timing and the Scale of Rainfall can be attributed to Climate Change.
 - Because of climate change, **there are more and more concentrated rain and heavy rainfall episodes.**

What is Causing the Landslides During Pre-monsoon?

- It is because of “**undesirable, unpragmatic, unplanned structural intervention on the fragile landscape** of hills.
- Over the years, there has **not only been massive deforestation for the extension of the railway line and the four-line highway**, but there has also been **rampant riverbed mining often done in collusion** with the district authorities.
- Many roads are being built over streams and spring water sources and hastily carried out infrastructure developmental work in assam and Nearby States has led to an **increase in landslides in the state in recent years.**

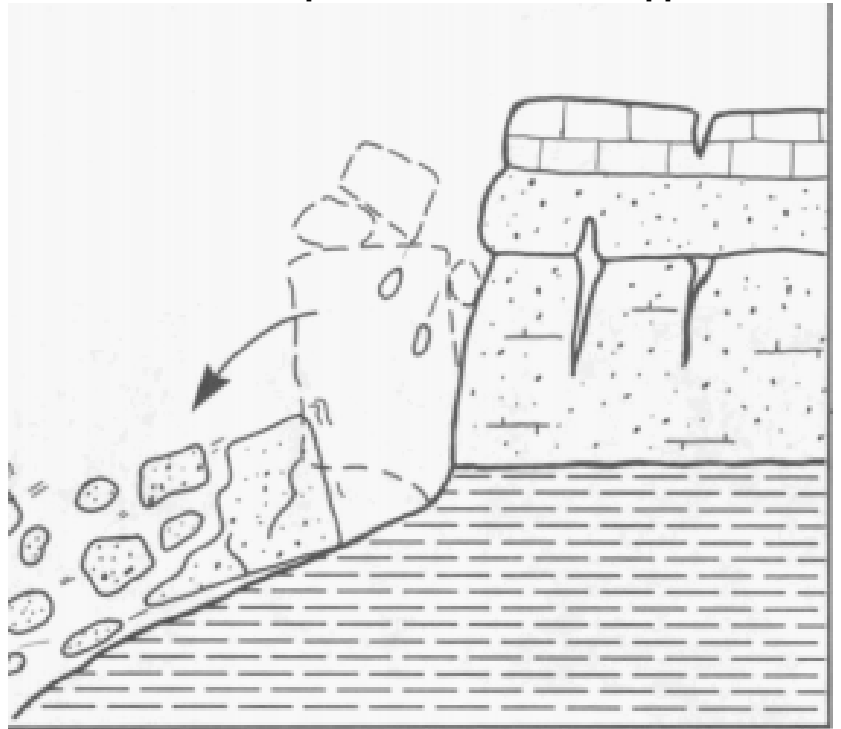
Way Forward

- The construction is needed to be “tuned to the ecological fragility of the region”, but “conscious construction” and an “integrated holistic approach across state boundaries” is the need of the hour.
- It is suggested to keep “traditional knowledge systems in mind” and involve the local community to build “sustainable infrastructure”. As long as it is top-down it will depend on the masculinist engineering bureaucracies.
- **Blaming climate change for everything is not enough**, there is a need to **look back at the mess we have created** on the ground level in combination with climate change to account for such disasters.

What is Landslide?

- **About:**

- A landslide is defined as the **movement of a mass of rock, debris, or earth down a slope.**
- They are **a type of mass wasting**, which denotes any downward movement of soil and rock under the direct influence of gravity.
- The term landslide encompasses **five modes of slope movement: falls, topples, slides, spreads, and flows.**



▪ **Related Steps:**

- The [Geological Survey of India \(GSI\)](#) has done a **national landslide susceptibility mapping** for 85% of the entire 4,20,000 square km landslide-prone area in the country. The **areas have been divided into different zones according to the propensity of the disaster.**
 - **Improvement in early warning systems, monitoring and susceptibility zoning** can reduce the damage caused by landslides.

[Source: DTE](#)

World Women's Boxing Championships

Why in News?

Nikhat Zareen became the fifth Indian woman to win a World title at World Women's Boxing Championships 2022 in Istanbul by defeating Thai Olympian Jutamas Jitpong at 5-0 in the 52 kg category.

- **Manisha Moun** and **Parveen Hooda** also won bronze medals in separate categories 57kg and 63kg respectively.
- India last won a World title when Mary Kom had become a six-time champion in Delhi in 2018.



What is the Achievements of India?

- Overall, India's medal tally has reached 39 including 10 gold, eight silver and 21 bronze medals in the 12th editions of the World championships and become the third-highest after Russia (60) and China (50).
- Six-time champion M.C. Mary Kom (2002, 2005, 2006, 2008, 2010 and 2018), Sarita Devi (2006), R.L. Jenny (2006) and K.C. Lekha (2006) are the other Indian women who have won the World title.

What is the World Boxing Championship?

- World Boxing Championships are amateur boxing competitions organized by the **International Boxing Association (IBA)**, which is the sport's governing body.
 - The mission of IBA is to promote, support and govern the sport of boxing worldwide in accordance with the requirements and spirit of the Olympic Charter.

UPSC Civil Services Examination, Previous Year Questions (PYQs)

Q. Consider the following statements in respect of the ICC World Test Championship:

1. The finalists were decided by the number of matches they won.
2. New Zealand was ranked ahead of England because it won more matches than England.

Which of the above statements is/are correct?

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

Ans : (d)

Exp:

- The 2021-2023 ICC World Test Championship is the second edition of the ICC World Test Championship. It started on 4 August 2021 and is scheduled to finish on 31 March 2023.
- **Revamped Point System:**
 - The ICC announced in 2020, that the finalists would be decided by percentage of points earned. The amount of points available per Test has been made uniform. This system allows the relative performance of teams to be compared at any point in time, meaning the

cancellation of any matches or series for any reason does not directly impact the points table. **Hence, statement 1 is not correct.**

- New Zealand was the first team to qualify for the inaugural final. It was ahead of England due to its ratings, i.e., points (126) after playing 22 matches. On the other hand, England after playing 35 matches has got a 107 rating. **Hence, statement 2 is not correct.**

[Source: TH](#)

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