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MARCH 2023

WEEKLY CURRENT AFFAIRS

YOJNA IAS WEEKLY CURRENT AFFAIRS

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WEEKLY CURRENT AFFAIRS

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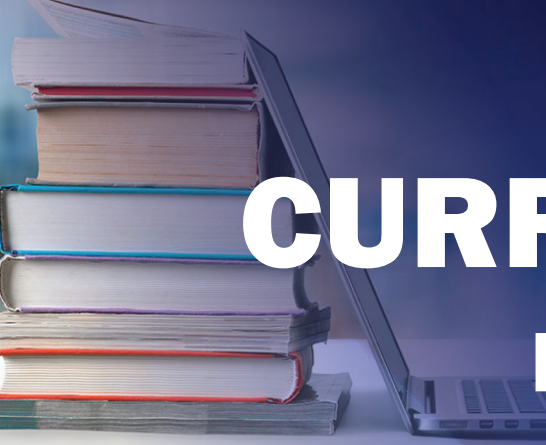


CURRENT AFFAIRS
MARCH 2023

WOMEN'S RESERVATION BILL

Women's Reservation Bill

This article covers "Daily current events "and the topic is about 'Women's Reservation Bill' which is in news, it covers "Society" In GS-1, the following content has relevance for UPSC.

For Prelims: Women's Reservation Bill

For Mains: GS-1, Society

Why in news:

In New Delhi, the head of the Bharat Rashtra Samithi (BRS) started a day-long hunger strike to press for the passage of the Women's Reservation Bill (WRB).

About Women's Reservation Bill (WRB):

- The Constitution (One Hundred and Eighth Amendment) Bill, 2008 seeks to reserve one-third of all seats in the Lok Sabha and state legislative assemblies for women.
- One-third of the total number of seats reserved for Scheduled Castes and Scheduled Tribes in the Lok Sabha and legislative assemblies will be reserved for women from those categories.
- Reserved state or union territory seats in state or union territory may be assigned through rotation to various districts.
- Seat reservations for women will be phased out 15 years following the passage of this Amendment Act.

Timeline of the Bill:

- 1996: The WRB was first introduced in 1996 and referred to a Joint Parliamentary

Committee; however, due to the dissolution of the Lok Sabha, the Bill lapsed and had to be reintroduced.

- 1998: The Bill was reintroduced, but it once again failed to win support and lapsed.
- 1999: The Bill was reintroduced in the 13th Lok Sabha by the NDA administration and was subsequently introduced twice in 2003.
- 2004: The UPA government incorporated it in its Common Minimum Plan and ultimately tabled it in Rajya Sabha in 2008 to prevent it from lapse again.
- Only a few of the recommendations made by the Geeta Mukherjee Committee in 1996 were included in this version of the Bill.
- 2010: The Bill was enacted in the Rajya Sabha but lapsed in the Lok Sabha; since then, there has been a call for women's reservation in legislative bodies.

Key Issues:

- Opponents claim that it would perpetuate women's unequal status since they would not be perceived as competing on merit.
- Opponents also argue that this policy diverts focus away from greater challenges of electoral reform, such as political criminalization and intra-party democracy.
- The rotation of reserved constituencies in each election may limit an MP's incentive to work for his area because he may be ineligible to run for re-election from that constituency.
- The report examining the 1996 women's reservation Bill recommended that reservation be provided for women of Other Backward Classes (OBCs) once the Constitution was amended to allow for reservation for OBCs.
- It also recommended extending reservation to the Rajya Sabha and the Legislative Councils. Both of these recommendations have yet to be incorporated into the Bill.

Women in Parliament: India and the Rest of the World:

- Presently, women make up only 14% of Lok Sabha Members (78 in total) and around 11% of the Rajya Sabha.
- While the figure has increased dramatically since the first Lok Sabha, when women made up approximately 5% of total MPs, it remains far lower than in many other countries.
- According to PRS data, Rwanda (61%), South Africa (43%), and even Bangladesh (21%), are ahead of India in this regard.
- According to the current Inter-Parliamentary Union report, India ranks 144th out of 193 countries regarding women's parliamentary representation.
- According to an American Economic Association study, countries with a more significant proportion of women in national legislatures are more likely to approve and implement gender-sensitive legislation.
- A Harvard Kennedy School study published in 2010 found that female representation on village councils enhanced female participation and responsiveness to issues such

as drinking water, infrastructure, sanitation, and roadways.

Way Forward:

- Panchayati Raj Institutions (PRIs) have been instrumental in bringing women representation to the grassroots level. Numerous states have implemented a 50% reservation for women candidates in elections.
- Substantial party reforms will be essential to complement the Women's Reservation Bill. Making internal systems more welcoming to women entering politics.
- There is a need for institutional, social, and behavioural transformation among the people of India. Gender equality is also one of the Sustainable Development Goals.

Source:
The Indian Express; Prsindia.org

CRYPTO MARKETS UNDER PMLA

This article covers "Daily current events "and the topic is about 'Crypto markets under PMLA' which is in news, it covers "Science and Tech" In GS-3, the following content has relevance for UPSC.

For Prelims: Crypto markets under PMLA
For Mains: GS-3, Science and Tech

Why in news:

The Finance Ministry stated that the exchange between virtual digital assets and fiat currencies, the exchange between one or more forms of virtual digital assets, and the transfer of virtual digital assets — will come under PMLA.

About Cryptocurrency

- A cryptocurrency is a digital currency that is generated via the use of encryption algorithms. Because of the use of encryption technology, cryptocurrencies can act as a currency and a virtual accounting system.
- When it comes to cryptocurrencies, a network of private computers always strives to validate transactions by solving complex cryptographic riddles.
- During the 2008 financial crisis, Satoshi Nakamoto proposed an accounting system that sparked the notion of blockchain.
- According to market capitalisation, Bitcoin is the largest cryptocurrency in the world,

followed by Ethereum.

Legal status of Crypto in India

- Despite introducing cryptocurrency tax, the government still does not proceed with the development of legislation.
- The Reserve Bank of India recommended a cryptocurrency ban, which was overturned by a court ruling.
- In 2022, India implemented a 30% income tax on bitcoin gains, and the laws governing the 1% tax deducted at source on cryptocurrency went into force.

About Prevention of Money Laundering Act (PMLA):

- The Act, passed in 2022, empowers the government to seize property obtained illegally or through money laundering.
- The burden of proof is on the accused under the Act.
- The PMLA was enacted in response to India's international commitment to combat money laundering (Vienna Convention). These include:
  - United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances 1988
  - Basle Statement of Principles, 1989
  - Forty Recommendations of the Financial Action Task Force on Money Laundering, 1990
  - Political Declaration and Global Program of Action adopted by the United Nations General Assembly in 1990

Objectives of Prevention of Money Laundering Act (PMLA):

- To prevent money laundering.
- Combating the diversion of funds towards unlawful activity and economic crimes.
- Confiscation of property derived from money laundering.
- Providing for any other matters related to money laundering.

Actions taken by the Government:

- The government issued a notification putting crypto-asset transactions under the purview of the PMLA. It defined the types of transactions covered under PMLA. These are:
  - Exchange between virtual digital assets and fiat currencies.
  - Exchange between one or more forms of virtual digital assets.
  - Exchange of virtual digital assets.
  - Safekeeping of virtual digital assets.
  - Provision of financial services in connection with an issuer's offer.
  - The sale of a virtual digital asset.
- The measure is anticipated to help investigating agencies take action against

cryptocurrency firms.

How does the industry perceive the notification:

- Concerns exist that the notification does not give organisations enough time to comply with the new rules.
- The industry is also concerned that crypto firms may end up interacting directly with enforcement authorities such as the ED.
- Under the PMLA, entities like CoinDCX are now legally compelled to do due diligence and enhanced due diligence.

Way Forward:

- If there are rules and guidelines prohibiting crypto laundering, investors will be concerned about being penalised. To make things easier, exchanges in India must monitor transactions made by investors that surpass a specific amount within a tax year and notify the tax authorities.
- To mitigate the impact of the Virtual Digital Asset (VDA) tax architecture, the government should implement a progressive tax system with varied rates for short- and long-term gains, in accordance with worldwide best practises.

Sources:

The Hindu, Livemint, www.incb.org

SILICON VALLEY BANK (SVB) CRISIS

This article covers "Daily Current Affairs" and the topic details the recent Silicon Valley Bank crisis (SVB) crisis. The collapse of SVB, a US-based bank forced depositors to withdraw their money fearing the chances of it turning insolvent.

For Prelims:

- Basel Norms: The international banking regulations.
- Basel Committee on Banking Supervision (BCBS).
- Basel Accords and Indian Banks' adherence to them.

For Mains:

GS 3: Economy – Bond price and change in interest rates.

Why in the news?

The collapse of Silicon Valley Bank (SVB) has stoked fears about the vulnerability of the

US banking structure. It also signifies the inherent weaknesses of the banking sector. The crisis can have spillover effects on the financial sector on a global level.

Silicon Valley Bank

WHAT IS SILICON VALLEY BANK (SVB)?

SVB is a US-based bank established in 1983. Before the collapse, it was the 16th largest US-based bank, which provided services to over fifty percent of venture-backed technology companies in the US.

The Silicon Valley Bank is known for its close relationships with the technology and innovation industries, and it has helped finance some of the most prominent technology companies in the world. It has also been involved in several notable IPOs and mergers and acquisitions in the technology sector.

Silicon Valley Bank provides a range of banking and financial services, including loans, credit cards, foreign exchange, cash management, and investment services.

Silicon Valley Bank Crisis

WHAT WENT WRONG AND CAUSED THE CRISIS?

The Silicon Valley Bank was shut down by US regulators. The liquidity situation was dismal as the bank fell short of cash to pay its depositors.

The wrong investment decisions made by Silicon Valley Bank are considered the primary reason behind the crisis. The Bank invested a major portion of its wealth in government bonds when the interest rates were low.

Government bonds are considered the safest option with near to zero chances of default. But the problem started with the hike of interest rates by the US Fed to counter the inflationary pressure developed as a result of the pandemic and geopolitical conflicts. As a result, the bond prices of Silicon Valley Bank took a plunge leading to major losses.

IMPACT OF CHANGES IN THE INTEREST RATE ON BOND YIELDS

Bond yields and prices have an inverse relationship, meaning that as bond prices increase, bond yields decrease and vice versa. This is because the yield of a bond is calculated as the coupon rate (the fixed interest rate paid on the bond) divided by its price. (Bond Yield = Coupon Rate / Bond price)

Any kind of change in the interest rates impacts bond prices.

- Decrease in interest rate: The price of existing bonds will increase, as their fixed coupon rate becomes more attractive relative to the lower prevailing interest rates. This will cause the bond's yield to fall.
- Increase in interest rate: The price of existing bonds will decrease, as their fixed coupon rate becomes less attractive relative to the higher prevailing interest rates. This will cause the bond's yield to rise.

WHAT IS THE PLAN OF ACTION TO DEAL WITH THE SILICON VALLEY BANK CRISIS?

- Federal Deposit Insurance Corporation or FDIC has taken over the wealth of Silicon Valley Bank.
- Federal Reserve has announced a thorough inquiry into the Bank.
- The US government has announced a tighter regulatory framework and a bailout package to tide over the crisis.

WHAT ARE THE SITUATIONS WHEN A BANK FACES COLLAPSE?

- Credit risks: If a bank lends money to borrowers who are unable to repay their loans, the bank may face credit losses that can result in a financial crisis.
- Liquidity risks: If a bank faces a shortage of cash and cannot meet its obligations to

depositors or creditors, it may be forced to sell assets quickly or borrow money at unfavorable rates, which can lead to a liquidity crisis.

- Market risks: If a bank has a large portfolio of investments or loans that are sensitive to changes in interest rates, exchange rates, or other market factors, it may be exposed to market risk that can result in significant losses.
- Operational risks: If a bank experiences failures in its internal processes, systems, or controls, it may face operational risks that can lead to financial losses, legal or regulatory penalties, and damage to its reputation.
- Reputation risk: If a bank's reputation is damaged by negative publicity or a loss of trust from customers or investors, it may lose business and face financial difficulties.

Way Forward

The collapse of the Silicon Valley Bank has sent a ripple effect around the world with stock prices taking a plunge. There are fears of financial uncertainties and risk of liquidity in the coming times. Some experts are marking the crisis as the largest bank crisis after the 2008 economic meltdown carrying the potential of spreading to other sectors while others are seeing it just as a transient phenomenon.

Source:
The Economictimes
NDTV

Industrial Disaster

This article covers "Daily current events "and the topic is 'Industrial Disaster' which is in news, it covers "Disaster Management" In GS-3, and the following content has relevance for UPSC.

For Prelims: Industrial Disaster
For Mains: GS-3, Industrial Disaster

Why in news:

The fire at a Kochi landfill site in Brahmapuram earlier this month served as a sharp reminder that Indian towns must brace themselves for more such occurrences as summer approaches.

Industrial Disasters

ABOUT INDUSTRIAL DISASTER

- An industrial disaster is a significant event involving hazardous materials that can have ramifications for the surrounding population and environment.
- Depending on the nature of the products involved, the disaster may take the form of a fire, an explosion, or the release of hazardous or radioactive substances.
- It usually happens when an employer is remiss in their duties to protect their employees.
- This could be due to failing to offer a safe working environment, encouraging work shortcuts, not adequately training personnel, or neglecting to supervise staff.

INDUSTRIAL DISASTER IN THE PAST

Bhopal Gas Tragedy:

- The 1984 gas leak at Union Carbide India Ltd's pesticide plant is regarded as the world's biggest industrial disaster.
- More than 5 lakh people were affected.
- The leak is said to have killed over 3,700 individuals and maimed or permanently handicapped countless more.
- The hazardous chemical was identified as methyl isocyanate. The gas harmed the lungs, kidneys, and liver, and produced cerebral oedema, among other things. The occurrence increased the stillbirth rate by 300% and newborn death by 200% in the area.
- The healthcare system was overburdened, and staff were unprepared for the crisis.

Chasnala Mining Disaster:

- In 1975, the Chasnala mining accident occurred in a coal mine in Jharkhand, and it was one of the worst in Indian mining history.

- It was triggered by malfunctioning equipment that ignited a pocket of methane gas, resulting in an explosion. The explosion caused the mine to collapse, releasing millions of gallons of water from a nearby reservoir.
- Around 700 individuals were killed due to the explosion, mine collapse, or reservoir flooding.

Jaipur Oil Depot Fire:

- In 2009, an industrial disaster happened at an Indian Oil Corporation oil depot in Rajasthan.
- It led to 12 fatalities and numerous injuries. During a week, 500,000 people were evacuated from the neighbourhood as the fire was brought under control.
- The administration lacked a disaster management strategy, and the fire department lacked the necessary equipment to combat the fires.

Korba Chimney Collapse:

- In 2009, an under-construction chimney for a thermal plant (under BALCO's contract) in Chhattisgarh collapsed, killing 45 people. Severe weather (torrential rainfall) hampered rescue efforts.
- The causes were determined to be the use of substandard materials, technical flaws in the design, incorrect water curing, and supervisor incompetence.

Bombay Docks Explosion:

- In 1944, an explosion aboard a cargo transporting weapons in Mumbai's Victoria Dock killed over 800 people.
- When the initial fire on the cargo could not be put out, the crew was forced to abandon the ship. It was followed by explosions that damaged neighbouring vessels, including numerous navy warships, several economically developed places nearby, and fires that erupted in the adjacent slums as a result of the shower of flaming debris.

INDIA'S ABSOLUTE LIABILITY

- Absolute Liability holds an individual ultimately accountable for actions caused by the release of a dangerous object in a non-natural usage of the land, with no exceptions.
- In the case of MC Mehta v Union of India, the Indian judiciary, led by Justice Bhagwati, ultimately adopted the notion of Absolute Responsibility as applicable in situations like the one in the case.
- The Court specifically indicated that there will be no exceptions to the new concept of Absolute Responsibility. There were two justifications for this, which were:
- The firm engaged in hazardous and fundamentally dangerous activities owes a duty to society to compensate persons who have suffered as a result of the industry.
- Only the enterprise has the ability and resources to create and implement protections against such hazards and threats.
- The Public Liability Insurance Act of 1991 was enacted in India to provide a solid basis and logic for the notion of Absolute Responsibility.

- The goal of enacting such legislation is to address the significant expansion in the number of hazardous industries and operations in India.
- This has increased the potential of accidents, injuries, and damages, not just to personnel but also to individuals and property located near such industries.
- As a result, this act improves the position of the affected people by giving quick relief in the form of insurance to workers and people impacted and injured in the process of handling hazardous materials, whether by themselves or by a nearby industry or operation.

WHY IS ABSOLUTE LIABILITY NECESSARY?

- The Rylands v Fletcher decision established the Strict Liability rule.
- This rule has so many exceptions in the issue that the actual scope of responsibility becomes very small.
- Due to the dynamic nature of technology and society, this old idea, first proposed in 1868, may not fit all countries as well as it did then.
- Since India has followed English laws since before independence, tweaks and amendments have been made to meet the demands of the country over time.
- Numerous principles and concepts that were not entirely appropriate in the Indian context were modified to meet the requirements of Indian legislation.
- India followed Strict Liability in no-fault liability law until it discovered that it could not be adequately implemented in the Indian environment.
- The principal impetus came from the two occurrences of the Bhopal Gas catastrophe and the Oleum Gas Leak case, which implanted a realisation of the necessity for a new liability concept in India to meet its industrial and economic needs.

WAY FORWARD

- Although India has adequate regulations to combat industrial disasters, its effectiveness must be evaluated.
- Buffer zones must be built around factories that handle hazardous products. By doing so, disasters can be controlled and fewer lives and property are lost.
- The Supreme Court emphasised that financial compensation should serve as a deterrent to future disasters. It must be proportional to the capacity of the infringing firm.
- The disaster management strategy must be made known to the local authorities, especially because CBRN (chemical, biological, radiological, and nuclear) disasters necessitate a unique response.
- All such industrial facilities should be required to maintain an efficient disaster management plan. The individual must also be aware of the plan and educated on how to handle similar events through recurrent safety drills.
- The disaster management strategies of the industries must be communicated to the local public. The “sitting of the industries” problem can be handled by gradually

shifting industries away from densely populated areas.

- Furthermore, planning must be undertaken to keep growing cities away from such industrial complexes.
- Given the increasing frequency of natural disasters in India, infrastructure resilience must be enhanced. For example, the 2001 Bhuj earthquake destroyed a phosphoric acid sludge containment system, while a 1991 super-cyclone in Odisha caused an ammonia gas leak from a fertiliser plant.
- Many initiatives, such as Make in India, require industrial expansion to be backed by sufficient safety procedures and regulations; in other words, growth must be sustainable.
- Following the Vizag gas spill, the centre gave certain instructions. The NDMA requested that businesses treat the first week of operations after the lockout as a trial period. High output targets were discouraged for the first week.
- It also urged that the sectors train their staff to recognise irregularities that could lead to such mishaps. Before restarting manufacturing, complete safety audits should be performed.

Source:

Wikipedia

BIOMASS PELLETS

This article covers "Daily Current Affairs" and the topic details Biomass Pellets. The topic is relevant for UPSC as we are moving forward with a focus on biodegradable and sustainable energy options. The topic is related to the environment section in GS-3 and has relevance for UPSC.

For Prelims:

- What are Biomass Pellets?
- What is Biomass Energy?
- Other energy sources related to Biomass energy.

For Mains:

GS 3: Environment Significance of Biomass Energy Issues with Biomass Energy Technologies associated with Biomass Energy.

Why are Biomass pellets in the news?

Recently, experiments were carried out by NTPC-NETRA in the NTPC Dadri coal-based thermal power plant to ascertain the impact of co-firing biomass on the Thermal Power Plants (TPPs).

What is the result of these experiments?

Research has shown that cofiring 5% to 10% of biomass with coal in thermal power plants is a safe and effective method that does not adversely affect power plant operations. Co Firing biomass has helped in decreasing the reliance of thermal power plants on coal. So far around 97,000 metric tonnes of agro-residue-based biomass has been co-fired in coal-based thermal power plants, leading to a reduction of more than 1.2 Lakh Metric Tonnes (LMT) of carbon dioxide emissions.

WHAT ARE BIOMASS PELLETS?

- Biomass refers to any organic material that is derived from living or dead organisms. It can include wood, crops, agricultural residues, animal waste, and other organic matter. When the above-mentioned biomass or organic materials are compressed into small pellets they can serve as a source of energy.
- Thus, biomass pellets are a type of fuel derived from organic materials such as wood, agricultural crops, and forestry residues.

Biomass Pellets

WHAT IS CO-FIRING OF BIOMASS PELLETS WITH COAL IN THERMAL POWER PLANTS?

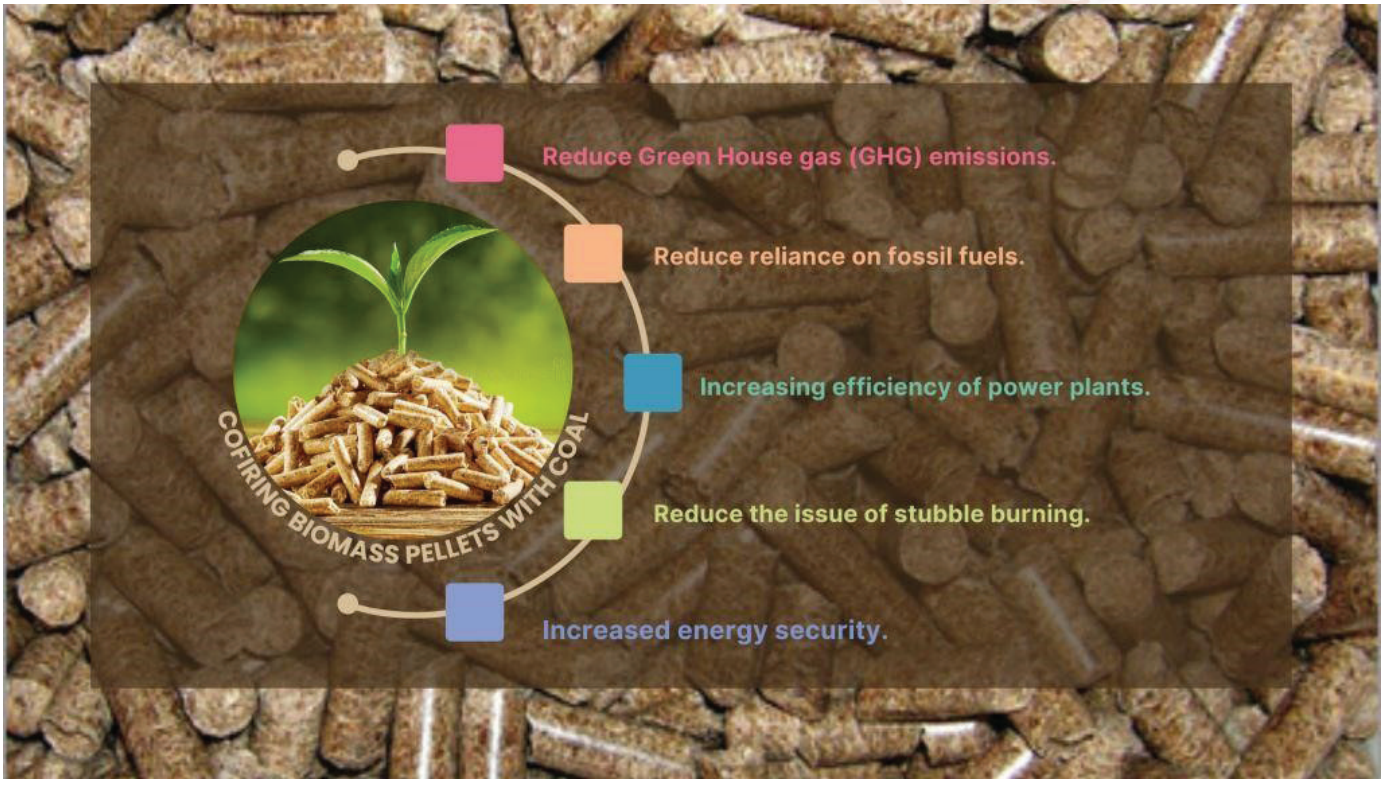
Co-firing or co-combustion is the burning of two materials together. The 'co-firing biomass with coal experiment' conducted by NTPC involved the burning of biomass pellets with coal in order to generate electricity.

The objective behind burning biomass pellets with coal was:

- **Reduce greenhouse gas (GHG) emissions:** The combustion of coal releases vast amounts of greenhouse gases like carbon-di-oxide, carbon monoxide, sulfur-di-oxide, etc. These gases have a prime role in increasing temperatures globally. Biomass pellets are a carbon-neutral energy source, meaning that the carbon dioxide released during combustion is offset by the carbon dioxide absorbed during plant growth.
- **Reduce reliance on fossil fuels and increase the use of renewable energy:** By co-firing biomass pellets with coal, power plants can reduce their reliance on fossil

fuels and decrease their carbon footprint. The practice is in line with achieving the 'net zero' commitment of India by 2070.

- **Increasing efficiency of power plants:** The co-firing of biomass pellets with coal can help in improving the efficiency of power plants. Biomass has a higher volatile content than coal, which can improve combustion efficiency and reduce emissions.
- **Reduce the issue of stubble burning:** The farmers burn their fields post-harvesting to clear them for the next crop. This raises the pollution levels in nearby areas. For example, the paddy residue burnt by farmers in Punjab and Haryana created high PM levels in NCR. Thus, converting the residue into biomass can help resolve the issue of stubble burning.
- **Increased energy security:** The use of biomass can help to diversify the energy mix and reduce dependence on imported fossil fuels, which can improve energy security and reduce the risk of price volatility.
- **Job creation:** The production and use of biomass can create jobs in rural areas, where biomass resources (crop residues, animal excreta, etc) are abundant. This can augment local economies and reduce dependence on foreign energy sources.



Biomass Pellets with coal

WHAT ARE GOVERNMENT EFFORTS IN THIS DIRECTION?

- National Mission on the use of Biomass in Thermal Power Plants (SAMARTH)
- **Revised biomass policy:** It mandates all thermal power plants in the country to use

5% of biomass pellets in the co-firing with coal.

- **GEM portal:** GeM portal has a facility for Biomass pellet procurement.
- **Priority Sector lending by the RBI:** This makes easy loan availability to set up biomass energy plants.
- **MNRE Scheme "Biomass Programme":** It provides assistance to set up the biomass pellet plant.

WHAT ARE THE ISSUES WITH CO-FIRING BIOMASS WITH COAL?

- **Regular availability:** Biomass is not always readily available in the quantities required for co-firing with coal. This can be a particular issue for large-scale power plants that require a steady supply of feedstock.
- **Infrastructural constraints:** The infrastructure required to turn the process into reality is not robust enough. There are issues of procurement, storage, transportation, etc.
- **Nature of biomass:** Biomass pellets can be susceptible to moisture and can break down more easily during transportation and storage.
- **Other emissions:** While biomass combustion is considered carbon-neutral, there can still be emissions of other air pollutants, such as particulate matter, nitrogen oxides, and sulfur dioxide.
- **Combustion efficiency:** Biomass has a lower heating value than coal, which can impact the overall efficiency of the power plant.
- **Cost:** While biomass can be less expensive than coal, there can still be significant costs associated with sourcing, transporting, and processing biomass feedstocks.

WAY FORWARD

The use of biomass pellets as a co-firing material with coal in thermal power plants has the potential to play an important role in reducing greenhouse gas emissions and increasing energy security. Here are some potential ways forward for biomass pellets:

- **Development of sustainable biomass supply chains:** It is essential to ensure that the biomass used to produce pellets is sustainably sourced and does not contribute to deforestation or other environmental problems.
- **Advancements in pellet production technologies:** Continued advancements in pellet production technologies can help to increase the efficiency of biomass pellet production and reduce costs. For example, using advanced drying techniques, improving pelletizing equipment, and developing more efficient pellet transportation methods can all help to make biomass pellets more cost-effective.
- **Integration with other renewable energy sources:** Integrating biomass pellets with other renewable energy sources, such as wind and solar power, can help to provide a more stable and reliable energy supply. This can be achieved through the use of hybrid power plants, where different renewable energy sources are used in combination.

- **Development of Cooperatives:** The farmers can develop cooperatives on the line of FPOs to achieve economies of scale in the collection, transportation, and use of biomass pellets. Being a cheap item only vast-scale collective efforts can bring revenue.

Source:

PIB

Bio-Energy

Drax.com