

CURRENT AFFAIRS

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TOPIC: BANKING

CBDC to reduce time, cost in cross-border business: RBI's Sankar

'Digital rupee will cut settlement risk'

PRESS TRUST OF INDIA
NEW DELHI

Central bank digital currency (CBDC), to be introduced this year, could become a tool for reducing time and cost for cross-border transactions, Reserve Bank Deputy Governor T. Rabi Sankar said on Wednesday.

The RBI has proposed to roll-out the CBDC, or a digital equivalent to the rupee, on a pilot basis this fiscal year, as announced by Finance Minister Nirmala Sitharaman in the Budget.

"We have to understand that internationalisation of CBDC is crucial to addressing the payments issue that bodies like G-20 and Bank for International Settlements (BIS) are dealing with now," he said at the India Ideas Summit.

Observing that India had an 'excellent, cheap and fast' domestic payments system, he said the cost of cross-border payments, however, was still high.

There was a lot of scope for improvement in terms of both cost and speed, he noted.

CBDC was probably the most efficient answer to this, he said, adding, for example, if India's CBDC and the U.S. CBDC systems could talk to each other, one wouldn't have to wait for settling transactions.

"That massively takes out the settlement risk from cross border transactions that reduces time, that reduces cost. So, CBDC internationalisation is something that I'm looking forward to," he said.

Concerning fraud management, Mr. Sankar said digital payment needs to be scaled up while preserving



system integrity, which essentially means technical stability.

"It just doesn't mean that the technical failures of transactions have to be minimised, it also means that transactions themselves have to inspire confidence; we cannot have too many instances of frauds," the RBI Deputy Governor added.

'Fraud management'

"Fraud management is an area that we also need to focus on if we have to scale it up [digital payment]," he noted. Citing the example of the Unified Payments Interface (UPI) for non-feature phones, Mr. Sankar said the RBI pays special attention to the fact that digital payment technology should be inclusive.

"The third is of course innovation. I've talked about it in terms of what the RBI India Innovation Hub has been doing. But this innovative impulse is something that we would want the industry to rise up to," he said. On data security, he said the RBI had to keep working on it on a continuous basis.

"We need to understand [that] there's never a moment when we feel we are secure enough because that is the moment you get vulnerable," he added.

Fiat Currency

✓ Fiat money is government-issued currency that is not backed by a physical commodity, such as gold or silver, but rather by the government that issued it.

✓ The value of fiat money is derived from the relationship between supply and demand and the stability of the issuing government, rather than the worth of a commodity backing it as is the case for commodity money.

✓ Most modern paper currencies are fiat currencies, including the U.S. dollar, the euro, and other major global currencies.

- ✓ Fiat money has no intrinsic value, while legal tender is any currency declared legal by a government.
- ✓ Governments can issue fiat currency and make it legal tender by setting it as the standard for debt repayment.
- ✓ CBDC is a digital form of Fiat Currency which can be transacted using wallets backed by blockchain and is regulated by the central bank. It is a legal tender issued by a central bank in a digital form.

TOPIC: FUNDAMENTAL RIGHTS

Vertical Reservation:

- ✓ Reservation for Scheduled Castes, Scheduled Tribes, and Other Backward Classes is referred to as vertical reservation.
- ✓ It applies separately for each of the groups specified under the law.
- ✓ Example: Article 16(4) of the Constitution contemplates vertical reservation.

Horizontal Reservation:

- ✓ It refers to the equal opportunity provided to other categories of beneficiaries such as women, veterans, the transgender community, and individuals with disabilities, cutting through the vertical categories.
- ✓ Example: Article 15 (3) of the Constitution contemplates horizontal reservation.

Constitution doesn't allow quota for women in public jobs: HC

'30% quota in T.N. will turn unconstitutional if State continues vertical method'

MOHAMED IMRANULLAH S.
CHENNAI

The Constitution does not expressly permit reservation for women in public employment. On the contrary, Article 16(2) prohibits discrimination in public employment on the ground of sex. Therefore, women can, at best, be provided only horizontal and not vertical reservation on the basis of the Supreme Court's pronouncement in the Indra Sawhney's case (1992), the Madras High Court has ruled.

Chief Justice Munishwar Nath Bhandari and Justice N. Mala held that the 30% reservation provided to women in public employment under Section 26 of the Tamil Nadu Government Servants (Conditions of Service) Act, 2016 would stand declared unconstitutional if the State government and the Tamil Nadu Public Service Commission (TNPSC) wanted to continue the practice of following the vertical methodology.

The judges said the legal provision could be saved only if the government was willing to implement it horizon-



The reservation for women, at best, can only be provided horizontally, say judges. ■ FILE PHOTO

tally in future appointments. They advised the government to amend the provision accordingly. The verdict was delivered while disposing of a batch of writ petitions filed in 2013, 2021 and 2022 challenging the "wrong" methodology adopted by the TNPSC for providing the reservation.

The Bench agreed with the writ petitioners' counsel that the TNPSC should not reserve 30% vacancies for women *en bloc* at first and then decide social reservation because such a practice had been leading to excess number of women getting appointed, much to the disadvantage of meritorious male candidates, it added.

The court said that the petitioners had brought to its notice that in a process for recruitment of 1,141 veterinary assistant surgeons, only 342 amounted to the 30% quota. Even if overall merit is taken into consideration, 424 women could have been selected. However, due to the "wrong" methodology, as many as 544 women got selected.

The court said women who had scored as low as 279.25 marks were selected while men with 337 marks could not make it because of the wrong methodology.

Hence, the court ordered that the commission should first draw the list of meritorious candidates by follow-

ing the vertical reservation under General Turn, Backward Class, Scheduled Caste and Scheduled Tribe categories. Thereafter, it must find out the number of the horizontal reservation beneficiaries such as the physically challenged and women who had got selected on merits under each social category. If less number of women/physically challenged had got selected in a particular social category as against the percentage of horizontal reservation earmarked for them, additional beneficiaries must be included in that category after pulling out names from the bottom of the list. However, if more number of women/physically challenged had got selected in any category, they need not be disturbed, the judges said.

The Bench said their verdict would not apply to appointments that had already been made. However, in cases where appointments were to be made, the TNPSC must follow the correct methodology, failing which the entire reservation for women would stand declared *ultra vires* to the Constitution.

TOPIC: EDUCATION

Cabinet approves PM SHRI scheme

Government schools will be selected if a State agrees to implement NEP in 'entirety'

JAGRITI CHANDRA
NEW DELHI

The Union Cabinet on Wednesday approved the 'PM Schools for Rising India' (PM SHRI) scheme to turn existing government schools into model schools for implementation of the National Education Policy, 2020.

The scheme will be implemented as a Centrally sponsored scheme with a total project cost of ₹27,360 crore, with the Centre's share being ₹18,128 crore for the period of five years from 2022-23 to 2026-27 for transforming nearly 14,500 schools across the country.

However, schools will be selected only if the State government agrees to implement the NEP "in entirety with the Centre laying down commitments for supporting these schools for achieving specified quality parameters" to become PM SHRI schools, according to a press statement of the Ministry of



Union Ministers Dharmendra Pradhan (left) and Anurag Thakur addressing media on Wednesday. ■ SUSHIL KUMAR VERMA

Education. These schools will also be "monitored vigorously" to assess their progress in implementing NEP.

The scheme has been announced at a time when some States, including Tamil Nadu, continue to oppose the NEP for imposing a centralised education system on the entire country when

education is a State subject as well as enforcing the three-language policy under which students will learn three languages out of which two have to be native to India. Other grounds for opposition include mandatory school entry at three years, which could leave out many from marginalised commu-

unities, promotion of vocational courses from Class 6 at the cost of formal education, as well as the option to exit schools in Class 10 with the option to re-enter in Class 11.

"A school will receive nearly ₹2 crore, and the money will be transferred directly to the school's account through Direct Benefit Transfer. The principal or the local committee will be given the flexibility to determine the use of 40% of the fund," Education Minister Dharmendra Pradhan said at a press conference.

The PM SHRI scheme also provides a "School Quality Assessment Framework" which will be developed for measuring key performance indicators for carrying out quality evaluation of schools selected from the current academic year.

The quality parameters that will be evaluated once a school is selected for the scheme will include imple-

mentation of NEP 2020, student registry for tracking enrolment and learning progress, improvement in learning outcomes of each child to achieve levels above State and national average, linkage of school with higher education institutions and local entrepreneurial ecosystem for mentoring as well as creating "students rooted in the heritage of India, proud of values of Bharat, conscious of duties towards society and responsibilities towards nation-building".

Earlier, Delhi Chief Minister Arvind Kejriwal wrote a letter to Prime Minister Narendra Modi on the scheme and said there was a need to pay attention to all government schools, which he said were worse than "kabaadhana" (scrapyard). "You have only prepared a scheme for 14,500 schools. There are more than 10 lakh government schools in the country," he wrote

PM Shri Scheme

- ✓ It is a new centrally sponsored scheme and will showcase the components of the National Education Policy, 2020.
- ✓ A Centrally Sponsored Scheme is one where the cost of implementation is likely to be split in the 60:40 ratio among the Union government and the states/Union Territories.
- ✓ In Northeastern states, Himachal Pradesh, Uttarakhand, Jammu and Kashmir and UTs without legislatures, the Centre's contribution can go up to 90 per cent.
- ✓ Under it, as many as 14,500 schools across states and Union Territories will be redeveloped to reflect the key features of the NEP, 2020.
- ✓ The NEP envisages a curricular structure and teaching style divided into various stages – foundational, preparatory, middle and secondary.
- ✓ PM SHRI schools will be an upgrade of existing schools run by the Centre, states, UTs and local bodies.

TOPIC: PREAMBLE

Positive secularism is allowed, student to SC in hijab case

Positive Secularism:

- ✓ Positive secularism is where the state plays an enabler role in the exercise of fundamental rights and the religious freedoms of all communities.

Negative Secularism:

- ✓ Under 'negative secularism', the state says that nobody can display their religious identity in public and the ban on hijab in public places was upheld by the constitutional courts.
- ✓ Turkey observes negative secularism.

The Spirit of 1971

India and Bangladesh must focus on future cooperation based on past partnership

Bangladesh Prime Minister Sheikh Hasina's ongoing state visit to India and meeting with Prime Minister Narendra Modi have resulted in positive outcomes and seven agreements, which include the conclusion of the first water sharing agreement in 26 years, the launch of free trade agreement talks, and infrastructure projects particularly in the railways sector. The water sharing agreement on the Koshiyara, which was preceded by the first Joint River Commission meeting in 12 years, is a particularly hopeful sign on resolving water management, and a very contentious issue, of 54 trans-boundary rivers. While there has been a smaller agreement on the withdrawal of 1.82 cusecs from the Feni in the interim period, the Koshiyara agreement is the first time the Centre has been able to bring on board Assam and other north-eastern States, for the agreement since the 1996 Ganga water treaty. However, the Teesta agreement, of 2011, held up by West Bengal, remains elusive, a point Ms. Hasina made several times. Clearly, the Teesta river agreement will require more efforts by the Modi government, and flexibility from the Mamata Banerjee-led State government, if the deal is to be sealed soon. The timeline grows more important for Ms. Hasina, who is due to hold elections at the end of next year, after three terms in office. Much of her focus was also on attracting investment by Indian industry, which now constitutes a small fraction of Bangladesh's FDI inflows. Ms. Hasina made particular mention of two dedicated Special Economic Zones for Indian companies, coming up at Mongla and Mirsarai.

Ms. Hasina's visit, which follows her previous state visit in 2017, and Mr. Modi's visit to Bangladesh in 2021, have set India-Bangladesh ties on a firmer footing, and on course for closer engagement in trade, connectivity and people-to-people ties. However, the positive trend in ties goes further back, to Ms. Hasina's advent to power in 2009, her unilateral moves to shut down terror training camps, and to hand over more than 20 wanted criminals and terror suspects to India. It is incumbent on New Delhi, which has benefited from such outcomes and the turnaround in relations with what used to be an inimical neighbour, to be equally sensitive to Dhaka's concerns, particularly when it comes to comments made by ruling party leaders on deporting Rohingya refugees, comparing undocumented migrants to "termites", the Citizenship (Amendment) Act, and more recent references to annexing Bangladesh for "Akhand Bharat". While cross-border sensitivities in South Asia often run high over such political rhetoric, it is necessary that New Delhi and Dhaka remain focused on their future cooperation, built on their past partnership, and what is referred to as the "Spirit of 1971".

Positive:

- ✓ River water Agreement
- ✓ Indian Industry → SEZone
- ✓ Past: Terror camp operating against India → closed
- ✓ Wanted criminals → India

Negative:

- ✓ Teesta River
- ✓ CAA 2019

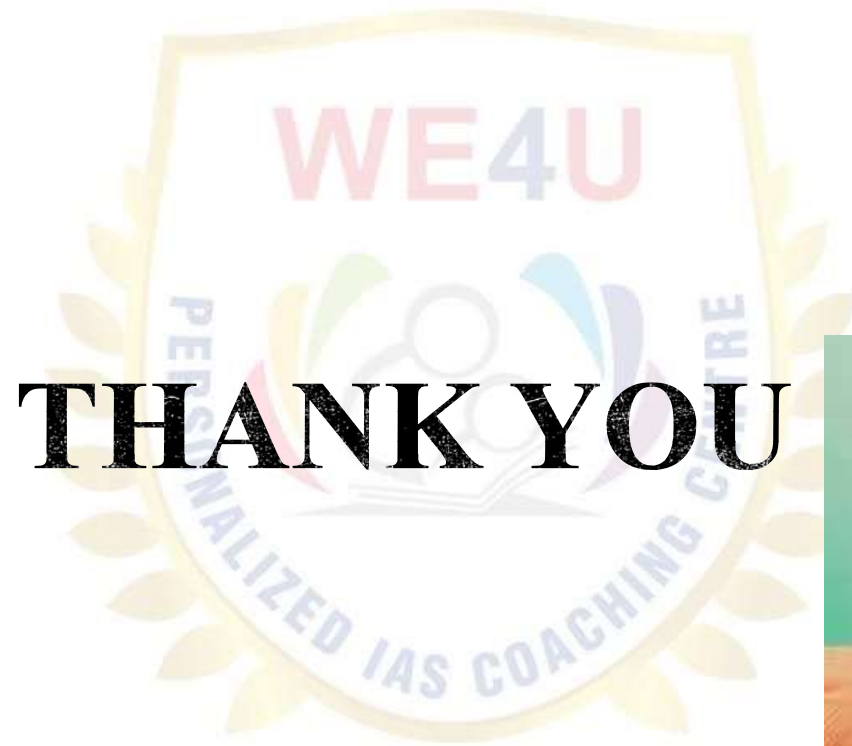
Way forward: Spirit of 1971

TOPIC: RIVER

Flood alert issued along banks of Kollidam river

Kollidam

- ✓The Kollidam (referred to as Coleroon in Colonial English) is a river in southeastern India.
- ✓The Kollidam is the northern distributary of the Kaveri River as it flows through the delta of Thanjavur.
- ✓It splits from the main branch of the Kaveri River at the island of Srirangam and flows eastward into the Bay of Bengal.
- ✓The distribution system in Kollidam lies at Lower Anaicut which is an island of river Kollidam.



THANK YOU

