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[WHY RBI SENT RS 73,615 CRORE TO RBI'S CONTINGENCY FUND?](#)

Focus: GS-III Indian Economy

Introduction

The Reserve Bank of India (RBI), the government's banker, has retained a whopping amount of Rs 73,615 crore within the RBI by transferring it to the Contingency Fund (CF) of the central bank, thus leading to a sharp fall in the transfer of surplus to the government in the current year.

The central bank has the following main risk provision accounts –

1. Contingency Fund,



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2. Currency and Gold Revaluation Account (CGRA),
 3. Investment Revaluation Account Foreign Securities (IRA-FS) and
 4. Investment Revaluation Account-Rupee Securities (IRA-RS)

What is the Contingency Fund (CF)?

This is a specific provision meant for meeting unexpected and unforeseen contingencies, including depreciation in the value of securities, risks arising out of monetary/exchange rate policy operations, systemic risks and any risk arising on account of the special responsibilities enjoined upon the Reserve Bank.

Not to be confused with Contingency Fund of India

- The Contingency Fund of India is established by the parliament by the Contingency Fund of India Act 1950, under **Article 267** of the Indian Constitution.
- The fund is held by the Finance Secretary (Department of Economic Affairs) on behalf of the President of India and it can be operated by executive action.
- The Contingency Fund of India exists for disasters and related unforeseen expenditures.
- Approval of the Parliament of India for such expenditure and for withdrawal of an equivalent amount from the Consolidated Fund is subsequently obtained to ensure that the corpus of the Contingency Fund remains intact.

What did the government get as surplus this year?

- The Central Board of the RBI recently approved the transfer of Rs 57,128 crore as surplus – or dividend — to the Central government for the accounting year 2019-20, sharply lower by 67.5 per cent from Rs 1.76 lakh crore that it paid to the government last year.
- **As per the RBI Act, profits or surplus of the RBI are to be transferred to the government, after making various contingency provisions, public policy mandate of the RBI, including financial stability considerations.**

What's the CGRA account?



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- The Currency and Gold Revaluation Account (CGRA) is maintained by the Reserve Bank to take care of currency risk, interest rate risk and movement in gold prices.
 - Unrealised gains or losses on valuation of foreign currency assets (FCA) and gold are not taken to the income account but instead accounted for in the CGRA.
 - CGRA provides a buffer against exchange rate/ gold price fluctuations.
 - It can come under pressure if there is an appreciation of the rupee vis-à-vis major currencies or a fall in the price of gold.

What are IRA-FS and IRA-RS accounts?

- The unrealised gains or losses on revaluation in foreign dated securities are recorded in the Investment Revaluation Account Foreign Securities (IRA-FS).
- Similarly, the unrealised gains or losses on revaluation is accounted for in Investment Revaluation Account-Rupee Securities (IRA-RS).

-Source: Indian Express

HOW MARRIAGE AGE AND WOMEN'S HEALTH ARE LINKED?

Focus: GS-II Social Justice

How prevalent is underage marriage?

- Data show that the majority of women in India marry after the age of 21.
- Although, the mean age of women at marriage is 22.1 years, and more than 21 in all states- this does not mean that child marriages have disappeared.
- The latest National Family Health Survey (NFHS-4) found that about 26.8% of women aged 20-24 were married before adulthood (age 18).



How does the age of marriage correlate with health?

WHY NUTRITION AND EDUCATION ARE FACTORS TOO

CHART 1: MEAN AGE AT MARRIAGE IN 2017

Andhra Pradesh	22
Assam	22.3
Bihar	21.8
Chhattisgarh	21.8
Delhi	23.7
Gujarat	22.5
Haryana	22.5
Himachal	23.4
Jammu & Kashmir	25.1
Jharkhand	21.9
Karnataka	22.3
Kerala	23.2
Madhya Pradesh	21.4
Maharashtra	22.5
Odisha	21.9
Punjab	23.5
Rajasthan	21.5
Tamil Nadu	23
Telangana	22
Uttar Pradesh	22.2
Uttarakhand	22.3
West Bengal	21.2
ALL INDIA	22.1

Source: Women and Men in India 2019, MOSPI

CHART 2: WOMEN MARRIED BEFORE AGE 18 (%)

1992-93:	54.2
1998-99:	50
2005-06:	47.4
2015-16:	26.8

Source: NFHS

CHART 3: ANAEMIC WOMEN AGED 15-49 (%)

1998-99:	51.8
2005-06:	55.3
2015-16:	53.1

Source: NFHS

CHART 4: INFANT & MATERNAL MORTALITY, 2017

Country	IMR	MMR
Brazil	12.8	60
China	7.4	29
India	29.9	145
S Africa	28.5	119
Russia	6.1	17

Source: UN Inter-Agency Group for Child Mortality Estimation; WHO, UNICEF, UNFPA, World Bank Group, and the United Nations Population Division

CHART 5: WEALTH & MARRIAGE AGE

Wealth quintile	Mean age at marriage
Lowest	17.6
Second	18.2
Middle	18.9
Fourth	20.2
Highest	22.3

Source: NFHS-4

CHART 6: EDUCATION & MARRIAGE AGE

Years of schooling	Age at marriage
No schooling	17.4
>5 years	17.6
5-7 years	18.2
8-9 years	18.9
10-11 years	19.8
12 years+	23

Source: NFHS-4

Data show that less educated girls and those belonging to poorer families tend to get married before age 18

- Preventing early marriage can reduce the maternal mortality ratio and infant mortality ratio.
- As of 2018 data, the maternal mortality ratio — the number of maternal deaths for every 100,000 children born — is 113 - dropping from 122 in 2016.
- [Click Here to read more about Maternal Mortality Rate](#)
- India's infant mortality ratio shows that 30 of every 1,000 children born in a year die before the age of one.
- Both these indicators in India are the highest among the BRICS economies.
- Also, young mothers are more susceptible to anaemia- more than half the women of reproductive age (15-49 years) in India are anaemic.
- The prevalence of anaemia among women has consistently been high over the last 20 years.



Can a mandated age of marriage bring about a change at population level?

- **Poverty, Limited Access to Education and Economic Prospects, and Security Concerns are the known reasons for early marriage.**
- If the main causes of early marriage are not addressed, a law will not be enough to delay marriage among girls.
- Women in the poorest 20% of the population married much younger than their peers from the wealthiest 20%.
- The average age at marriage of women with no schooling was 17.6, considerably lower than that for women educated beyond class 12.
- Almost 40% of girls aged 15-18 do not attend school, as per a report of the National Commission for Protection of Child Rights.
- Nearly 65% of these girls are engaged in non-remunerative work.

Hence, many believe that merely tweaking the official age of marriage may discriminate against the poorer, less-educated and marginalised women.

-Source: Indian Express

WHAT IS VACCINE NATIONALISM?

Focus: GS-II International Relations

Introduction

- Countries are engaging in agreements for purchase of COVID-19 vaccines at an average of more than 1 per person:
The United States has entered into multi-billion-dollar agreements with at least six big pharmaceutical companies for assured supplies of vaccines (in development) amounting to more than two doses for every American citizen.
 - The United Kingdom has entered into similar agreements with multiple companies to
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secure about five doses per person.

Countries are pre-booking vaccine supplies, often throwing billions of dollars at candidate vaccines whose success as of now is uncertain, has given rise to a term called “vaccine nationalism”.

What is vaccine nationalism?

- When a country manages to secure doses of vaccines for its own citizens or residents and prioritises its own domestic markets, before they are made available in other countries it is known as ‘vaccine nationalism’.
- This is done through pre-purchase agreements between a government and a vaccine manufacturer.

Why is ‘vaccine nationalism’ a concern?

Unavailability

- The concerns arise from the fact that these advance agreements are likely to make the vaccine inaccessible to large parts of the world that do not have the money to bet on candidates whose success is not guaranteed.
- Since there is limited capacity to produce a vaccine, the wait for a vaccine for countries which do not have the money to pre-book could get prolonged, because whatever is produced in the first few months or years would have to be sent to the richer countries to fulfil the contractual obligations.

Inflation

- The Vaccines which are successful would be in great demand, especially from the countries that have entered into advance agreements that have clauses to enable increased supplies for more money.
- It would thus drive up the prices of the vaccine, making it potentially unaffordable for a



large number of countries.

Why do countries hoard vaccines?

- To their citizens, the governments want to show how concerned they are about their safety and health, for which they want to hoard as many vaccines as they potentially can.
- And for the international community, and also for their own public, they want to flaunt their scientific capability and expertise.

In the past

- There have been precedents: In 2009, following an outbreak of H1N1 influenza, or swine flu, rich countries had hoarded vaccines in a way similar to the pre-booking happening now. As a result, many countries in Africa had no access to these vaccines for months.
- Similarly, anti-retroviral drugs for the treatment of HIV patients were unavailable in Africa, the worst affected region, for several years after being developed in the 1990s.

Way Forward adopted

- The World Health Organization (WHO), along with some other international alliances, have launched a platform called ACT (or Access to Covid19 Tools) Accelerator Programme.
- Its objective is to accelerate the development, production, and equitable access to Covid-19 vaccines, and also therapeutics and drugs.
- The vaccine part of the programme is called the COVAX facility.
- COVAX is supposed to do for the world what the richer countries are doing at an individual level —invest money into the leading candidate vaccines to accelerate their development and production.
- But it also has another important objective — to ensure that the successful vaccines are made equally accessible to all, at an affordable price.
- It seeks to achieve this by ensuring that all participating countries are provided supplies to cover at least 20% of their populations, at a uniform price.
- Then as more vaccine doses become available, they would be distributed to countries in proportion to their population size and the extent of the problem they face.



-Source: Indian Express

UNCHARTED TERRITORY OF OUTER SPACE

Focus: GS-III Science and Technology, GS-II International Relations

Introduction

Several space events planned well in advance have proceeded amidst the COVID-19 pandemic without much attention. The launch of missions to Mars by China and the U.S. along with the UAE's Mars orbiter; the first astronaut trip to orbit on a commercial enterprise built by Space X; the completion of the Chinese 'BeiDou' satellite navigation system; and the U.S. Space Command statement that Russia conducted a "non-destructive test of a space-based anti-satellite weapon" all portray a trend that outer space is witnessing a welter of new activity.

Growth of the space industry

- Technological changes augur well for the peaceful use of outer space.
- The price tag for reaching low Earth orbit has declined by a factor of 20 in a decade.
- The reducing cost of traveling to space not only enhances human space travel possibilities by leveraging new commercial capabilities but will usher in applications dismissed earlier as science fiction.
- Various companies are using orbital vantage points to collect and analyse data to deliver fresh insights in weather forecasting, global logistics, crop harvesting and disaster response.
- Space could prove attractive for high-tech manufacturing too.
- In short, an exciting new platform is opening up for entrepreneurs.

Challenges in fulfilling potential



Gaps in Space Laws

- As outer space becomes democratised, commercialised and crowded, the multilateral framework for its governance is becoming obsolescent.
- The Outer Space Treaty of 1967 enshrines the idea that space should be “the province of all mankind” and “not subject to national appropriation by claims of sovereignty”.
- The Rescue Agreement, Space Liability Convention, and the Space Registration Convention expanded provisions of the Outer Space Treaty.
- The Moon Treaty of 1979 was not ratified by major space-faring nations. Space law does not have a dispute settlement mechanism, is silent on collisions and debris, and offers insufficient guidance on interference with others’ space assets.
- These gaps heighten the potential for conflict in an era of congested orbits and breakneck technological change.

State-Centric rules

- The legal framework is state-centric, placing responsibility on states alone.
- However, non-state entities are now in the fray for commercial space exploration and utilisation.
- Some states are providing frameworks for resource recovery through private enterprises based on the notion that this is not expressly forbidden for non-state actors. (E.g., U.S. Executive Order on Encouraging International Support for the Recovery and Use of Space Resources 2020).
- On the other hand, some scholars and governments view this as skirting the principle of national non-appropriation, violating the spirit if not the letter of the existing space law.
- The lack of alignment of domestic and international normative frameworks risks a damaging free-for-all competition for celestial resources involving actors outside the space framework.

Military in space

- Military Strategists extol the virtues of holding the high ground, and Space is the highest ground.
- States are investing in military space systems for communications, navigation, and reconnaissance purposes, so as to ensure operability of a range of capabilities.
- Reliance of militaries on satellite systems means that space assets become potential



targets.

- So, investment in technologies that can disrupt or destroy space-based capabilities is under way.
- The space arms race is difficult to curb, especially since almost all space technologies have military applications.
- Despite concerns about military activity in outer space for long, not much progress has been made in addressing them.
- The UN General Assembly passes a resolution on Prevention of an Arms Race in Outer Space since 1982.
- Chinese- and Russian-backed Treaty proposals were initiated in 2008 and updated in 2014. For various legal, technical, and political reasons these have not advanced at the Conference on Disarmament.

Need for a space legislation

- India has invested enormous resources in its space programme through the Indian Space Research Organisation (ISRO).
- More importantly, our space assets are crucial for India's development and India's future plans are ambitious (including a landing on the Moon; the first Indian solar observatory; the first crewed orbital spaceflight mission; and installation of a modular space station in 2030).
- **The proposed involvement of private players and the creation of an autonomous body IN-SPACE (Indian National Space Promotion and Authorisation Centre) under the Department of Space for permitting and regulating activities of the private sector are welcome efforts.**
- **We need a space legislation enabling coherence across technical, legal, commercial, diplomatic and defence goals.**
- Our space vision also needs to address global governance, regulatory and arms control issues. As space opens up our space vision needs broadening too.

-Source: The Hindu

BRINGING THE INTERNET TO EVERYONE

Focus: GS-II Social Justice, GS-III Science and Technology



Introduction

The COVID-19 pandemic has amplified the influence of technology in our lives - We live in times where we can buy or sell anything online, get quality access to healthcare, government services and education online, etc.

Marginalised and isolated

- Meanwhile, a substantial section of our population, including the urban poor, the elderly and those in remote areas, find themselves marginalised and isolated because of their inability to navigate the digital space.
- They find themselves unable to get access to health and welfare alerts, critical services, engage in upskilling or learning, or take part in economic activities without potentially exposing themselves to the virus.

Last mile connectivity

- In 2016, the UN General Assembly passed a non-binding resolution that declared Internet access as a human right.
- In 2011, the Indian government launched the National Optical Fibre Network project for providing broadband connectivity to 2,50,000 Gram Panchayats.
- In 2015, the programme was renamed Bharat Net and integrated into the Digital India initiative.
- It included plans for tying up with and subsidising 4G telecom operators for setting up 700,000 Wi-Fi hotspots spread across each of our villages for last mile connectivity. But the rate of Internet penetration still stands at 50%.
- **The National Education Policy 2020 advocates greater integration of technology. However, India still lacks a concrete roadmap for ICT training in various proficiency levels for our diverse population segments.**

Way Forward



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- Internet connectivity has to be ensured in our remotest areas by accelerating the deployment of additional optical fibres, wireless technology, drones and satellites.
 - Community access points have to be installed in every nook and corner to ensure that even those who lack their own devices can access the digital space.

-Source: The Hindu

[MAKING AGRICULTURAL MARKET REFORMS SUCCESSFUL](#)

Focus: GS-III Agriculture

Introduction

- The recent reforms in agricultural marketing have brought a sea change in policy.
- The removal of restrictions under the Essential Commodities Act (ECA) should help attract private investment in agriculture and help farmers of cereals, pulses, oilseeds, onion and potato, who have been adversely affected by the policy regime hitherto that discouraged private investment.
- The two new ordinances are expected to enable inter-State trade and promote contract farming, thereby providing a large number of options to farmers.

[Click Here to read more about the two ordinances regarding agriculture reforms](#)

Difficulties to be addressed

I- Time-Inconsistency



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- Behavioural economists call this problem 'time-inconsistency' problem, or in simple terms, the policy credibility problem.
 - This situation arises when a decision maker's preferences change over time in such a way that the preferences are inconsistent at different points in time.
 - In 2016, the electronic national agricultural market (e-NAM) was launched, and was intended to be a market-based mechanism for efficient price discovery by the farmers.

States needed to amend their respective Agricultural Produce Market Committee (APMC) Acts to put in place three prerequisites for the success of this programme —

1. A single licence across the State;
2. A single-point levy of the market fee;
3. Electronic auctioning in all the markets.

Several States could not or did not carry out these amendments and the e-NAM proved to be far less effective than desired.

PM-AASHA

- The government reverted back to public price support by launching an ambitious programme, PM-AASHA in 2018 - the main objective of this programme was to provide an assured price to farmers that ensured a return of at least 50% more than the cost of cultivation.
- However, the initial budgetary outlay did not match the level of ambition of the programme.

PM-KISAN

- Then evolved the PM-KISAN, a direct cash transfer programme, in the interim Budget of 2019-2020.
- This programme involved a fixed payment of ₹6,000 per annum to each farm household with a budgetary outlay of ₹75,000 crore.
- [Click Here to read more about PM-KISAN](#)



II- Centre-State relations

- Although the Ordinances were passed by the Central Government using the constitutional provisions, the implementation of the same vests with the States.
- Also, inter-State trade involves movement of goods across the State boundaries.
- Thus, coordination between the Central and the State governments, and also among various States becomes crucial.

III- Interlinked market failures

- Absence or failure of credit and insurance markets may lead a farmer to depend upon the local input dealer or the middleman to meet his/her farming needs.
- This, in turn, may tie him to these intermediaries and constrain his choice of output markets. Similarly, the widespread restrictions on land leasing in many States lead to inefficient scale of production.
- Thus, reforms in the output market alone are not sufficient and must be supplemented and complemented with liberalisation of the lease market and better access to credit and insurance markets.

-Source: The Hindu