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Current affairs summary for prelims

6 September, 2024

THE PUBLIC ACCOUNT COMMITTEE

Context: *The PAC will assess SEBI's performance in light of political controversy regarding Hindenburg's allegations against SEBI's chairperson.*

➢ **Overview:**
- SEBI chief Madhabi Puri Buch faced scrutiny after Hindenburg alleged a conflict of interest due to her husband's role with Blackstone.

➢ **The Public Accounts Committee (PAC)**
- Established in **1921**, as first mentioned in the **Government of India Act, 1919 (Montford Reforms).**
- Ensures funds granted by Parliament are used within the scope of demands
- **Parliamentary Committee:** The PAC is **one of the three key financial committees** of Parliament, alongside the Estimates Committee and the Committee on Public Undertakings.(A parliamentary committee is a group of MPs focused on detailed scrutiny of governance, policy and administration.)
- **Ministers cannot be members of the PAC.**
- Formed annually under **Rule 308** of the Rules of Procedure and Conduct of Business in the **Lok Sabha.**

➢ **Appointment:**
- **Chairman:** Appointed by the Speaker of the Lok Sabha.
- **Nature:** Advisory body, not an executive body.

➢ **Members:**
- **Composition:** 22 members (15 elected by Lok Sabha Speaker, 7 by Rajya Sabha Chairman).
- **Term:** One year.

➢ **Functions:**
- **Examination:** Reviews accounts related to appropriations, annual Finance Accounts and other relevant accounts.
- **Audit Reports:** Considers CAG's reports on appropriation and audit of revenue receipts and expenditures.
- **Scrutiny:** Investigates savings and defects in financial procedures.

Importance of Parliamentary Committees:

➢ **Provides Forum:**
- **Expertise:** Deliberates on complex issues with domain experts and government officials.
- **Technical Insight:** Enhances understanding of intricate matters.

➢ **Build Consensus:**
- **Cross-Party Dialogue:** Facilitates agreement through closed-door meetings.
- **Consensus Building:** Promotes cooperative decision-making.

➢ **Examine Policy Issues:**
- **Policy Review:** Examines and makes recommendations on policy issues.
- **Action Taken Report:** Government reports on acceptance and implementation of recommendations.

Eastern Economic Forum

Context: *At the Eastern Economic Forum, Russia proposed China, India and Brazil as mediators after recent discussions.*

➢ **Overview:**

- At the Eastern Economic Forum in **Vladivostok**,Putin proposed China, India and Brazil as potential mediators in Russia-Ukraine peace talks.
- He suggested using an unimplemented Istanbul agreement as a basis for talks, not the Swiss summit.

➢ **Eastern Economic Forum (EEF):**
- **Launched in 2015:** The EEF was established to attract foreign investments to Russia's Far East (RFE).
- **Growth in Agreements:** Agreements increased from 217 in 2017 to 380 in 2021, totaling 3.6 trillion rubles.
- **Focus Areas:** The forum focuses on infrastructure, transportation, minerals, construction, industry and agriculture.

➢ **Objectives:**
- **Strategic Development:** Russia aims to connect to Asian trade routes and modernise cities such as Vladivostok and Khabarovsk.
- **Economic Survival:** The goal is to mitigate economic crises and sanctions with assistance from China and other Asian powers.

➢ **Key Players:**
- **China:** The major investor in the RFE, contributing 90% of the investments. China aims to advance its Belt and Road Initiative (BRI) and the Polar Sea Route through the RFE.

Face to Face Centres
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- **Others:** South Korea, Japan and India are also significant players.

➢ **Significance of RFE:**

- **Resources:** The RFE is rich in fish, oil, gas, wood, diamonds and minerals, contributing 5% of Russia's GDP.
- **Population:** The region has a sparse population and seeks to attract more residents and workers.
- **Geopolitical Location:** It serves as a strategic gateway to Asia.

➢ **India's Interests:**

- **Expansion:** India seeks to enhance trade, connectivity and investments in the RFE.
- **Cooperation Areas:** India is interested in energy, pharmaceuticals, maritime connectivity, healthcare, tourism and the diamond industry.
- **Previous Support:** India offered USD 1 billion in credit in 2019 to develop infrastructure in the region.

➢ **Balancing Act:**

- **EEF and IPEF:** India manages its interests in both forums, navigating the EEF's anti-sanctions stance while participating in the U.S.-led Indo-Pacific Economic Framework (IPEF).
- **International Relations:** India invests in the EEF and engages with the IPEF to balance between Russian and Western influences.
- **Strategic Positioning:** India uses the IPEF to strengthen its presence in the Indo-Pacific region while avoiding China-led regional agreements like the RCEP.

RFE (Russia's Far East): The RFE is rich in natural resources and contributes 5% to Russia's GDP. It acts as a strategic gateway to Asia.Russia aims to modernise the region, attract investments and connect to Asian trade routes, with significant investments from China and interest from countries like India.

Government Interventions in Price Stabilization

Context: *Due to a 47% price increase, the Central Government intervened by introducing onions at Rs 35/kg.*

➢ **Overview:**

- To counter rising onion prices, the government is selling onions at Rs 35/kg through NCCF and NAFED.
- The government holds a buffer stock of 4.7 lakh tonnes and uses the Price Stabilisation Fund to manage price hikes.

➢ **What is Government intervention?**

- Government intervention refers to actions taken by a government to influence or directly control economic activities in order to correct market failures, stabilise the economy and ensure equitable distribution of resources.

➢ **Types of Government Intervention:**

- **Price Controls:**
  - **Price Ceilings:** Maximum price set to prevent prices from rising too high (e.g., rent controls, caps on essential goods).
  - **Price Floors:** Minimum price set to prevent prices from falling too low (e.g., minimum wage, support prices for agriculture).
- **Subsidies:**
  - **Producer Subsidies:** Financial assistance to reduce production costs and support producers (e.g., subsidies for farmers, energy subsidies).
  - **Consumer Subsidies:** Direct payments or discounts to reduce the cost of essential goods for consumers (e.g., food subsidies, fuel subsidies).
- **Buffer Stocks:**
  - **Stockpiling:** Accumulating surplus of commodities to release into the market during shortages (e.g., food grain reserves).
  - **Storage Management:** Regulating storage of goods to manage supply and stabilise prices.
- **Public Distribution System (PDS):**
  - **Rationing:** Distributing essential goods at subsidised rates to ensure availability for all (e.g., ration shops, food distribution programs).
  - **Targeted Schemes:** Providing benefits to specific groups, such as low-income families (e.g., targeted food assistance).
- **Regulation and Licensing:**
  - **Trade Regulation:** Controlling imports and exports to manage domestic supply and price stability (e.g., import tariffs, export restrictions).
  - **Licensing Requirements:** Setting rules for market entry and competition (e.g., business licences, industry regulations).
- **Monetary Policy:**
  - **Interest Rates:** Adjusting interest rates to influence economic activity and inflation (e.g., central bank rate changes).
  - **Money Supply:** Managing the amount of money in the economy to control inflation and stabilise prices.
- **Fiscal Policy:**
  - **Government Spending:** Adjusting public expenditure to influence economic activity and stability (e.g., infrastructure projects, social programs).
  - **Taxation:** Implementing or adjusting taxes to impact consumer behavior and economic stability (e.g., sales taxes, income taxes).

- **Market Intervention:**
  - **Direct Purchases/Sales:** Government buying or selling goods in the market to influence prices (e.g., buying surplus crops, selling stocks).
  - **Regulatory Bodies:** Institutions to oversee market practices and prevent monopolies (e.g., Competition Commission).
- **International Agreements:**
  - **Trade Agreements:** Negotiating trade terms to manage market stability and price levels (e.g., free trade agreements, trade tariffs).
  - **Global Price Stabilisation:** Engaging in international efforts to manage commodity prices (e.g., OPEC decisions on oil production).
- **Consumer Protection Laws:**
  - **Anti-Profiteering Measures:** Laws to prevent excessive pricing and unfair trade practices (e.g., price gouging laws).
  - **Quality Standards:** Ensuring product safety and quality to protect consumers (e.g., food safety regulations, product standards).

➢ **Price Stabilization Fund (PSF):**

- **Establishment:** Set up in 2014-15 under the Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW).
- Transferred to the Department of Consumer Affairs (DOCA) in 2016.
- Aims to stabilise prices of selected commodities by regulating their distribution or procurement, managing price volatility

➢ **Regulation and Management:**

- **Governance:** Managed centrally by the Price Stabilisation Fund Management Committee (PSFMC) which approves proposals from State Governments and Central Agencies.
- **Custodian:** Small Farmers Agribusiness Consortium (SFAC) maintains the PSF as a central corpus fund.

➢ **Function:**

- **Price Volatility Control:** Regulates the price volatility of key agri-horticultural commodities like onions, potatoes and pulses.
- **Working Capital Support:** Provides interest-free advances to Central Agencies and State/UT Governments for market intervention operations.
- **Procurement and Import:** Supports domestic procurement from farmers or wholesale mandis and may also facilitate imports.
- **Loan Provision:** Extends interest-free loans to cover working capital and expenses related to procurement and distribution of commodities.

➢ **National Cooperative Consumers' Federation (NCCF):**

- **Description:** NCCF is a cooperative organisation that works with consumer cooperatives across India. It aims to ensure the availability of essential commodities to consumers at fair prices.
- **Functions:** NCCF handles procurement, storage and distribution of commodities and implements government schemes to stabilise prices and provide relief during shortages.

➢ **National Agricultural Cooperative Marketing Federation (NAFED):**

- **Description:** NAFED is a cooperative federation that focuses on agricultural marketing and cooperative activities. It operates under the Ministry of Agriculture and Farmers Welfare.
- **Functions:** NAFED is involved in the procurement, storage and distribution of agricultural produce. It works to stabilise market prices and ensure fair returns to farmers through efficient marketing practices.

NEWS IN BETWEEN THE LINES

Jal Sanchay Jan Bhagidari

Prime Minister of India will launch the 'Jal Sanchay Jan Bhagidari' initiative at Surat in Gujarat today (6th of September 2024) through video conferencing.

About the Jal Sanchay Jan Bhagidari:

- 'Jal Sanchay Jan Bhagidari' is an initiative, **aimed at enhancing water conservation and management** through community involvement.
- This initiative is **aligned with the ongoing Jal Shakti Abhiyan**: Catch the Rain campaign.
- Under this program, **approximately 24,800 rainwater harvesting** structures are being constructed **across Gujarat** with active community participation.
- These rainwater harvesting structures are intended to enhance rainwater collection and contribute to long-term water sustainability in the region.
- The initiative highlights the importance of community-driven water conservation efforts and encourages the involvement of **Corporate Social Responsibility (CSR) initiatives**.

National Exit Test

Recently, Union Minister of State for AYUSH (Independent Charge) Prataprao Jadhav announced that the National Exit Test for AYUSH will apply to students enrolled from the 2021-22 academic session onwards.

About National Exit Test:

- The National Exit Test (NExT) is a **proposed examination for all MBBS** (Bachelor of Medicine, Bachelor of Surgery) **students** in India who complete their **final year**, aimed at standardizing the medical education system.
- It will **replace the existing NEET-PG** (for postgraduate medical admissions) and the Foreign Medical Graduate Examination (FMGE).
- It **serves both as a licensure exam** for practicing medicine in India and as an entrance test for postgraduate courses.
- All MBBS students who have completed their course at a medical college recognized by the National Medical Commission (NMC) are eligible for NExT.
- **Foreign medical graduates** (FMGs) who wish to practise medicine in India must also qualify through NExT.
- NExT **consists of two parts** including **NExT-1**, testing **theoretical** knowledge at the end of the final MB year, and **NExT-2,** assessing **practical** skills and clinical knowledge after the internship.
- NExT will be administered by a self-governing body called the Board of Examinations in Medical Sciences, **proposed under the National Medical Commission (Amendment) Bill, 2022.**

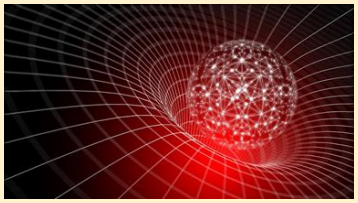
BAE Hawk Trainer Aircraft

Recently, BAE Hawk trainer aircraft of the Royal Saudi Air Force's Saudi Falcons aerobatic team released smoke during maneuvers at the inaugural Egypt International Airshow in Alamein.

About:

- The BAE Systems Hawk is a **British-made, single-engine**, jet-powered aircraft that is **used for training and combat**.
- It is considered the **world's leading military aircraft trainer** and has been used by several air forces, including the **Royal Air Force** and the **Indian Air Force.**
- Its advanced airborne simulation technology and co ckpit environment help prepare pilots for front line aircraft, such as the **Typhoon and F-35**.
- It can be used for close support, reconnaissance, surveillance and air defense.
- The Indian Air Force has used the **Hawk Mk 132 since 2008**, making it a crucial component of its training and operational capabilities.

Quantum Gravity



Recently, Indian researchers have advanced efforts to unify classical and quantum gravity.

About the Quantum Gravity:

- Quantum gravity is a **field of theoretical physics** that aims to explain gravity using quantum mechanics.
- It is relevant in situations where **both gravity and quantum effects** are important, such as **near black holes** and **neutron stars**.
- Quantum mechanics **describes the behavior of small particles**, while general relativity **describes gravity on large scales**.
- Quantum gravity is an **incomplete theory** that aims to unify forces, general relativity and quantum mechanics.
- **String theory is a theory of quantum gravity** that attempts to unify all known forces of nature.

POINTS TO PONDER

- A team of researchers recently discovered which rare species of whale off the coast of Antarctica? **– Arnoux's Beaked Whale**
- At which event did the President of India recently unveil the new flag and insignia of the Supreme Court? **– National Conference of District Judiciary**
- Which ministry recently launched the Vishvasya-Blockchain Technology Stack as part of a series of blockchain-based solutions? **– Ministry of Electronics and Information Technology (MeitY)**
- Which community has requested recently the Nagaland government to address the boundary line issue between Mon district and Charaideo district on Google Maps? **– Konyak Tribe/community**
- What is the name of the scheme recently launched by the Union Minister for Agriculture and Farmers' Welfare and Rural Development in New Delhi? **– AgriSURE Scheme (Agri Fund for Start-ups & Rural Enterprises)**