

### WHAT TRIGGERED THE U.K.'S ECONOMIC CRISIS?

#### **In News:**

- Recently, British Prime Minister Liz Truss fired Chancellor of the Exchequer Kwasi Kwarteng and **dropped parts of their economic package**.
- The economic package had been announced to tackle burgeoning inflation and sooth market turbulence.

#### **U.K.'s economic crisis**

- The U.K. economy has veered (deviated) dangerously toward free fall in recent weeks.
- The trouble began shortly after September 6 when Ms. Truss took over from her predecessor, Boris Johnson.
  - Boris Johnson had to resign after an internal party rebellion over his involvement in the “party-gate” scandal.
- As she entered office, UK stared at a looming energy crisis partly driven by the instability stemming from energy supply disruptions due to Russia’s Ukraine war.
- She acted decisively to assure British families, struggling to pay their gas bills, of an energy price guarantee and subsequent cost savings.
- However, it was her broader plan to cut income tax for the highest earners in the U.K. and to scrap a corporate tax hike that was heavily criticised.

#### **Controversial proposals**

- The first policy aimed to kick-start the U.K. economy by abolishing the 45% top rate of income tax for people on incomes of £1,50,000 or higher.
- A second policy in a similar vein was the proposal to scrap a planned increase in corporate tax from 19% to 25% starting next April.
- Together, the two measures amounted to £45 billion in unfunded tax cuts.

#### **Why have these proposals been unpopular?**

- The Truss Cabinet has primarily been criticised for slashing revenue sources without adequately funding the large fiscal hole that such a give-away would create.
- These proposals were also attacked due to its misplaced priority.
- Currently Britain is witnessing runaway inflationary trends triggered by global commodity price fluctuations, convulsions in the energy market and the supply side constraints.
- As per analysts, these issues should have been addressed first instead of extending a tax break to highest earners.

### Steps required to mitigate the crisis

- The Truss government's **U-turn on the unfunded tax cuts** may temporarily ameliorate (improve) the turmoil in markets and prevent further economic damage.
- However, deeper macroeconomic changes are required to bring the U.K. back to a stable path of economic growth and manageable inflation levels.
- The inflation in UK now stands at nearly 10%. Hence, executives must not undermine the Bank of England's (BoE) attempt to get a handle on inflation.
  - The BoE has been attempting to do so through a series of interest rate hikes aimed at moderating business and consumer spending.
  - An unfunded fiscal programme with knock-on effects on the cost of borrowing and government bond prices limits the ability of the BoE.
    - As the Truss cabinet had announced the above controversial proposals, the yields on 10-year government bonds jumped dramatically.
    - As a result, BoE intervened with an emergency £65 billion bond-buying programme to stabilise the market.
- On public expenditure, UK should focus on more visionary public investment programme similar to the EU's trillion-dollar climate and digitalisation scheme or the U.S.'s expansive climate and infrastructure programme.

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## NORMS FOR FOREIGN UNIVERSITIES TO SET UP CAMPUS IN GIFT CITY

### In News:

- Recently, the Government notified regulations, framed by the International Foreign Services Centres Authority (IFSCA), allowing foreign universities to set up off-shore campuses at GIFT City and repatriate profits.

## Gujarat International Finance Tec-City (GIFT City):

- GIFT is planned as a financial Central Business District (CBD) under-construction on the banks of the Sabarmati River between Ahmedabad and Gandhinagar in Gujarat.
- It is **India's first operational greenfield smart city** and international financial services center.
- The total area for the development of GIFT is 886 acres out of which the Special Economic Zone (SEZ) constitutes 261 acres.
- It houses **India's first International Financial Services Center (IFSC)**.

## Objectives:

- To develop a new format for globally benchmarked Integrated City
- To propose a road map for fast-track development and implementation
- To make the city scalable in each and every aspect for a distant future
- To derive the city format from fast changing lifestyles and new technologies
- To achieve an image of Global city, that keeps pace with modern technologies

## Significance:

- GIFT shall be a **hub for the global financial services sector**, with state-of-the-art connectivity, infrastructure and transportation access.
- Envisioned as an **Eco-City**, GIFT will showcase business-oriented, environmentally-sensitive growth.
- It offers a **test-bed to drive reforms and innovation in various fields** including in delivery systems, local government, physical planning, infrastructure development, environmental protection and so on.
- This means, the fundamental principles of **life and livability** serve as the city's foundation.

## About the International Financial Services Centres Authority (IFSCA):

- Headquartered at GIFT City, Gandhinagar in Gujarat, IFSCA is a **statutory** body established in 2020 under the International Financial Services Centres Authority Act, 2019.
- It has been established as a unified regulator (as the dynamic nature of business in the IFSCs requires a high degree of inter-regulatory coordination) with a holistic vision to promote ease of doing business in IFSC and provide a world class regulatory environment.
- The main objective of the IFSCA is to develop a strong global connect and focus on the needs of the Indian economy and the global economy as a whole.
- Prior to the establishment of IFSCA, the domestic financial regulators, namely, RBI, SEBI, PFRDA and IRDA regulated the business in IFSC.

### About the recently notified regulations:

- It allows an educational institution from **the top 500 QS World Universities** to visit GIFT City and commit to establishing suitable infrastructure and facilities to offer courses in Science, Technology, Engineering, and Mathematics (STEM), etc.
- The regulations aim to address some of the barriers that foreign universities have faced in coming to India, such as fee and administrative control, reservation policy implementation and the requirement that they be a not-for-profit entity.
- The regulations also permit the parent entity to repatriate any profit without restriction.
- The foreign entity's courses or programs must be identical to those offered by the parent entity in its home jurisdiction, and the same degree, diploma or certificate must be conferred.
- The IFSCA would have the right to inspect foreign campuses set up in GIFT city.
- If an institution withdraws or discontinues a programme it would have to provide an alternative to the affected students, including reallocation.

### Significance:

- The demand for foreign education is huge and more than 10 lakh students from India go abroad.
- This step will allow India to **retain talent** within the country and **create skilled manpower** at GIFT city for financial services.

## ISRO PROPOSES DEDICATED SATELLITES FOR SUPPORTING AGRICULTURAL SECTOR: SOMANATH

### In News:

- The Indian Space Research Organisation (ISRO) has proposed dedicated satellites for supporting the country's agriculture sector.
- In this regard, recently, ISRO held discussions with the Department of Agriculture, Government of India, on the proposed '**Bharat Krishi Satellite**' programme.

### Need for an Agriculture Satellite Programme in India:

- Croplands cover over half of India's land area, and the agricultural sector employs about 590 million people in the country.
- Researchers can't rely on census data alone to monitor agriculture in India because many farms are small (less than 2 hectares).
- **Remote sensing** provides an essential vantage point for monitoring agriculture in India and investigating ways to sustainably improve crop yields.

### Indian Remote Sensing Satellites (IRS):

- Indian Remote Sensing Satellites (IRS) are a series of Earth observation satellites, built, launched and maintained by Indian Space Research Organization (ISRO).
- The IRS system is the largest constellation of remote sensing satellites for civilian use in operation today in the world.
  - Currently, 13 operational satellites are in Sun-synchronous orbit and 4 in Geostationary orbit.
- IRS data is used for the observation and management of the country's natural resources applications in **agriculture, hydrology, geology, drought and flood monitoring, snow studies, and land use**
- Through IRS, a continuous supply of synoptic, repetitive, multispectral data of the Earth's land surfaces is obtained.

### About 'Bharat Krishi Satellite' Programme:

- ‘Bharat Krishi Satellite’ Programme is a proposal put forward by ISRO to the Government of India.
- The ISRO proposes that **at least two dedicated satellites will be needed to make sure that all of the country’s agricultural land is covered well.**
- They will help with a wide range of farming tasks, such as crop forecasting, the use of pesticides, irrigation, soil data, and the collection of important data about drought.

### What is the need for a dedicated satellite programme?

- The yield of a crop doesn’t happen in a week; it happens over a few months.
- So, they need to be looked at continuously. Today, we don’t have enough satellites to do that.
- **Sreedhara Panicker Somanath**, chairman of ISRO, said that ISRO, not the Department of Agriculture, would own these satellites. ISRO will help with technical issues.

### Earth Observation Council:

- The head of ISRO has suggested that an ‘Earth Observation Council’ be set up **to fix the problems with earth observation and how data is used right now.**
- He said that a centralized council like this could help fix problems in this area.
- Current deficiencies include a discontinuity in earth observation missions, low utilisation of available remote sensing data, technology gaps and absence of a streamlined mechanism for data processing and dissemination as required by the industry.

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## INTERNATIONAL MONETARY AND FINANCE COMMITTEE (IMFC)

Union Finance Minister recently attended the International Monetary and Financial Committee in Washington DC.



### About

- **What is it?** The IMF Board of Governors is advised by two ministerial committees, the **International Monetary and Financial Committee (IMFC)** and the **Development Committee.**

- **Composition:** The IMFC has 24 members, drawn from the pool of 190 governors. Its structure mirrors that of the Executive Board and its 24 constituencies. As such, the IMFC represents all the member countries of the Fund.
- **Working:** The IMFC meets twice a year, during the Spring and Annual Meetings. The Committee discusses matters of common concern affecting the global economy and also advises the IMF on the direction its work.

### The Development Committee

- It is a joint committee, tasked with **advising the Boards of Governors of the IMF and the World Bank** on issues related to economic development in emerging and developing countries.
- **The committee has 24 members** (usually ministers of finance or development).
- It **represents the full membership of the IMF and the World Bank** and mainly serves as a forum for building intergovernmental consensus on critical development issues.

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### WOMEN'S ASIA CUP

**The Prime Minister, Shri Narendra Modi has congratulated the Indian women cricket team for winning the 7th Women's Asia Cup.**



#### About:

- The Asian Cricket Council Women's Asia Cup is a women's One Day International and Twenty20 International cricket tournament.
- It was established in 2004 and is a biennial tournament. The tournament is contested by cricket teams from Asia.
- The first Women's Asia Cup was held in 2004 on Colombo and Kandy in the Sri Lanka.
- The ICC has ruled that all the matches played in the Women's Asia Cup has ODI or T20I status.
- The 2012 Women's Asia Cup was the first event to be played in the T20 format.

## CARBON DATING

A court in Varanasi rejected a plea asking for a scientific investigation into the structure found inside the Gyanvapi Mosque that the Hindu side has claimed is a Shivling.



### About:

#### The scientific procedure of carbon dating

- Carbon dating is a widely-used method to establish the age of organic materials, things that were once living.
- Living things have carbon in them in various forms. The dating method is based on the fact that Carbon-14 (C-14), an isotope of carbon with an atomic mass of 14, is radioactive, and decays at a well-known rate.
- The most abundant isotope of carbon in the atmosphere is C-12. The ratio of C-12 to C-14 in the atmosphere is almost static, and is known.
- Plants and animals acquire C-12 and C-14 in roughly the same proportion as is available in the atmosphere.
- When they die, their interactions with the atmosphere stops. While C-12 is stable, the radioactive C-14 reduces to one half of itself in about 5,730 years — known as its ‘half-life’.
- The changing ratio of C-12 to C-14 in the remains of a plant or animal after it dies can be measured, and can be used to deduce the approximate time when the organism died.
- **Carbon dating cannot be used to determine the age of non-living things** like rocks. Also, the age of things that are more than 40,000-50,000 years old cannot be arrived at through carbon dating.

#### Radiometric dating methods:

- These are used to **calculate the age of inanimate things**. Instead of carbon, decays of other radioactive elements that might be present in the material become the basis for the dating method. Two commonly employed methods for dating rocks are
  - **Potassium-argon dating:** The radioactive isotope of potassium decays into argon, and their ratios can give a clue about the age of rocks.



- **Uranium-thorium-lead dating:** Uranium and thorium have several radioactive isotopes, and all of them decay into the stable lead atom. The ratios of these elements present in the material can be measured and used to make estimates about age.
- **Cosmogenic nuclide dating:** It is used to determine how long an object has remained exposed to sunlight. It is regularly applied to study the age of ice cores in polar regions.

## FRAME LAWS WITH EXPIRY DATE: PM

### In News:

- PM Modi said laws should come with an expiry date and be framed in local languages so that common people can comprehend them.
- He made these remarks while inaugurating the **All-India Conference of Law Ministers and Law Secretaries** via video conference.

### All-India Conference of Law Ministers and Law Secretaries

- The two-day conference is being hosted by the Ministry of Law & Justice at Ekta Nagar, Gujarat.
- The objective of the Conference is to provide a common forum for policymakers to discuss issues relating to the Indian Legal and Judicial system.
- The States and UTs will be able to share their best practices, exchange new ideas, and improve their mutual cooperation through this Conference.

### News Summary: Key Highlights of the speech

'EASE OF JUSTICE'	PM'S TAKES ON JUSTICE DELIVERY
<ul style="list-style-type: none"> <li>&gt; PM Modi said, while framing a law, some countries have provision of expiry date. "When that date comes, the law is reviewed... <b>India, too, will have to go ahead in the same spirit</b>"</li> <li>&gt; Use of regional languages in the legal system critical for 'ease of justice'</li> <li>&gt; In last 8 years, govt has scrapped over 1,500 old, obsolete and irrelevant laws, many from British era</li> </ul>	<ol style="list-style-type: none"> <li>1 5G will usher in a big revolution in the justice delivery system, all states should upgrade their legal system</li> <li>2 Law courses should be in local languages and courts should have digital libraries in local languages</li> <li>3 Laws should be framed in such a way that the poor can understand. Laws should have clarity</li> <li>4 Alternate dispute resolution mechanism prevalent in society should be studied and adopted in legal system</li> <li>5 Age of the law and its expiry date should be fixed at the time of framing. On expiry, it should be reviewed</li> </ol>

- **Pointed out the need for a dependable and speedy justice system**
- When justice is seen to be delivered, then the faith of the countrymen in the constitutional institutions is strengthened.
- **Highlighted the importance of continuous improvement of the law & order**
- Our society keeps on weeding out irrelevant laws and wrong customs.

- Otherwise, when any tradition turns into orthodoxy, it turns out to be a burden on society.
  - Some countries have the provision of deciding during the framing of a law as to how long it will remain effective.
  - So, in a way, the age and the expiry date of a law is determined when it is being framed. When the stipulated date comes, the same law is reviewed in new circumstances.
  - **Government has repealed many archaic laws**
    - In the last eight years, more than one and a half thousand archaic laws have been repealed.
    - More than 32,000 compliances were reduced to put an end to legal hurdles that obstruct the path of innovation and ease of living.
    - He emphasised that, in this Azadi Ka Amrit Kaal, new laws should be made by abolishing the laws which have been going on from the time of slavery.
  - **Clarity in law is crucial to citizens accessing justice.**
    - No matter how good the motive may be, but if there is confusion in the law itself, then the common citizens have to bear the brunt of it in future.
    - In absence of clarity, ordinary citizens have to spend a lot of money and run here and there to get justice.
  - **Focus should be given on ease of justice**
    - He stressed that new laws should be written in a clear manner and in regional languages to bring in ease of justice.
    - This will ensure that legal language doesn't become a barrier for citizens.
  - **Stressed on the need for modern technology in legal system**
    - He underlined modern technology's role in delivering justice during pandemic.
    - e-Courts Mission is moving fast in the country. Systems like **virtual hearing** has become a part of our legal system. e-filing of cases is also being encouraged.
    - With the advent of 5G in the country, such systems will gain pace, and many changes are inherent.
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