

### THE NATIONAL RESEARCH FOUNDATION (NRF)

#### Why in News?

- The Union Cabinet approved **the National Research Foundation (NRF) Bill 2023**, which will establish NRF as an apex body to provide high-level strategic direction to scientific research in the country.
- **The Bill was necessary** because current laws made it hard for private research organisations to contribute to a funding body such as the NRF.

#### Salient Features of the NRF Bill 2023:

- **It will pave the way to establish NRF** that will seed, grow and promote R&D and foster a culture of research and innovation throughout India's universities, colleges, research institutions and R&D laboratories.
- The proposed Bill also **repeals the Science and Engineering Research Board (SERB)** established by Parliament in 2008 and subsumes it into the NRF.
  - **The SERB** is the Department of Science and Technology's (DST) main funding body and is responsible for funding S&T start-ups, setting up incubators and funding science-related projects in central and state universities

#### What is NRF?

- As per the recommendations of the **National Education Policy (NEP)**, NRF will be established at a total estimated cost of **₹50,000 crore from 2023-28**.
  - The government will contribute ₹10,000 crore over five years and **close to ₹36,000 crore is expected to come from the private sector** (as investments into research).
- **The DST** would be an "administrative" department of NRF that would be governed by a **Governing Board**.
  - **The Prime Minister will be the ex-officio President** of the Board and the Union Minister of Science & Technology and Union Minister of Education will be the ex-officio Vice-Presidents.

- The **Governing Board** will also consist of eminent researchers and professionals across disciplines.
- NRF's functioning will be governed by an **Executive Council** chaired by the Principal Scientific Adviser to the Government of India.

### Significance of NRF:

- **Democratisation of science funding:** NRF will emphasise the funding of projects in peripheral, rural and semi-urban areas, which are neglected and never receive funding for science projects.
- **Finding solutions to the big problems facing Indian society:** The NRF would promote research not just in the natural sciences and engineering, but also in social sciences, arts and humanities.
- **Provides an efficient and integrated management system:** For the implementation of the missions such as the supercomputer mission or the quantum mission.

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## GREEDFLATION: DOES INDIA ALSO HAVE IT?

### Context

- There is a growing consensus across the world that **corporate greed is causing inflation and** workers are being doubly penalised by low wage increases and higher interest rates.
- It is important to understand the policy implications and whether India is also witnessing 'Greedflation.'

### What is Inflation?

- **Inflation** (or the inflation rate) is the rate at which the general price level rises.
- For example, when it is reported that the inflation rate was 5% in June 2023 it implies that the general price level of the economy (as measured by a representative basket of goods and services) was 5% more than what it was in June 2022.

### What causes inflation?

- Either **price gets pushed up** because **input costs have risen** — this is called **cost-push inflation**.

- For example, if crude oil prices went up by 10% overnight because of a supply disruption then the general price level will be pushed up because energy costs have gone up.
- **Prices are pulled up** because there is **excess demand** — this is called **demand-pull inflation**.
- For example, if RBI cuts interest rates sharply and the public finds that buying a house is now quite affordable, since EMIs have fallen, then the sudden surge in demand for new houses will pull up home prices because new houses cannot be made immediately.

## What is Greedflation?

- **Greedflation** simply means (corporate) greed is fuelling inflation.
- In other words, instead of the wage-price spiral, it is the **profit-price spiral** that is in play.
- In essence, greedflation implies that **companies exploited the inflation** that people were experiencing by putting up their prices way beyond just covering their increased costs and then used that to maximise their profit margins. That, in turn, further fuelled inflation.
- In Europe and the US there is a growing consensus that greedflation is the real culprit.

## Situation in US and Europe

### In the United States:

- **The corporate profits** (as a proportion of the national income) have spiked to the highest level in the past 100 years.
- The price of almost everything in the U.S. economy **can be broken down into the three main components of cost:** labour costs, non-labour inputs, and the “mark-up” of profits over the first two components.
- Since the COVID-19 recession in the second quarter of 2020, overall prices in the NFC (Non-Financial Corporate) sector have risen at an annualized rate of 6.1.
- **Over half of this increase (53.9%) can be attributed to fatter profit margins, with labour costs contributing less than 8% of this increase.**

### In Europe

- Chief Economist of the European Central Bank, recently stated that while the biggest driver of high inflation that Europe witnessed in 2022 (since the start of the war) was the spike in energy costs but there was very little contribution of higher wages.
- There was, however, an extra and significant injection of inflation from rising profits of firms.

**Is Greedflation happening in India?** Only after the study of Net Profits and what is Causing Higher Profits, it can be said whether Greedflation is happening in India or not.

### Net Profits

- According to Centre for Monitoring Indian Economy (CMIE) data **the net profits of listed companies is at a record high.**
- The Indian corporate sector has generated **superlative profits in the post pandemic period.**
- Profits during recent times have been nearly thrice the profits corporates earned earlier.
- These Higher profits can come only from: higher sales (with the same profits margins), higher profit margins (with the same level of sales) or a combination of higher sales and higher profit margins.

### Do these higher profits point to the existence of greedflation in India?

- Data shows the existence of a sharp spike in profits.
- So, prima facie **there is a very good chance that corporate greed also played a role in spiking the inflation rate in India.**

### Conclusion

- Since there are mixed notions about ‘Greedflation’ it is important to discuss what can be done to control “greedflation” as firms take advantage of the crisis to raise prices.
- Ultimately, it is the common people who suffer.

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### WHAT IS ZERO FIR?

Recently, in Manipur violence incidents, nearly 30% of First Information Reports (FIRs) were ‘zero FIRs’, filed suo-motu by the police, irrespective of jurisdiction.

## About Zero FIR:



- **What is it?** It refers to an FIR that is registered **irrespective of the area** where the **offence is committed**.
- The police, in such a case, can no longer claim that they have no jurisdiction.
- Such an FIR is then later transferred to the police station that has the actual jurisdiction so that the investigation can begin.
- It was introduced on the **recommendation of the Justice Verma Committee** formed at the backdrop of the brutal Nirbhaya gang rape in Delhi in 2012.
- This puts a legal obligation on the police to begin an investigation and take quick action without the excuse of the absence of jurisdiction.

## What is a first information report (FIR)?

- It is the **information given** to a police officer in writing as per the provisions of **Section 154 of the Code of Criminal Procedure (CrPC)**.
- From the point of view of an informant, the main purpose of an FIR is to set criminal law into motion.
- While for the police, the main purpose of an FIR is to obtain information about alleged criminal activity and take necessary steps to produce the perpetrator(s) before a court.

## The objective of a Zero FIR

- To **avoid delay** and any other kind of disruptions.
- To make police bound to take the jurisdiction.
- **Timely jurisdiction** is to be taken immediately after the registration of the FIR.
- To make sure that the investigation is done properly.
- To enable the case to proceed fast.

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## WHAT ARE CRITICAL MINERALS?



An expert committee set up by the Central Government recently identified 30 minerals as critical to India, including lithium and vanadium, which are largely used in the manufacturing of batteries.

## About Critical Minerals:

- It is a **metallic or non-metallic element** that has **two characteristics**.
- It is **essential for the functioning of our modern technologies**, economies or national security and
- There is a **risk that its supply chains could be disrupted**.
- The '**criticality**' of minerals **changes with time** as supply and society's needs shift.
- **Applications:**
  - They are used to **manufacture advanced technologies**, including mobile phones, computers, fibre-optic cables, semiconductors, banknotes, and defence, aerospace and medical applications.
  - Many are **used in low-emission technologies**, such as electric vehicles, wind turbines, solar panels, and rechargeable batteries.
  - Some are also **crucial for common products**, such as **stainless steel and electronics**.
- **Examples: antimony, beryllium, bismuth, cobalt, copper, gallium, germanium, lithium, vanadium etc.**
- **Top Producers: Chile, Indonesia, Congo, China, Australia and South Africa.**

## What is the Mineral Security Partnership?

- It is an ambitious new **initiative to bolster critical mineral supply chains**, announced by the **United States (US)** and key partner countries in **June 2022**.
- The **goal** of the alliance is to **ensure that critical minerals are produced, processed, and recycled in a manner that supports the ability of countries to realise the full economic development** benefit of their geological endowments.
- The **focus** of the grouping **would be on the supply chains of minerals** such as Cobalt, Nickel, Lithium and also the 17 “rare earth” minerals.
- India was recently inducted into the Mineral Security Partnership (MSP).

## CABINET APPROVES PM-PRANAM



### Why in news?

- The Centre has approved a new scheme PM-PRANAM to incentivise states to promote alternative fertilisers and reduce the use of chemical fertilisers.
- It also decided to continue the current urea subsidy scheme for three years ending March 2025, with an outlay of ₹3.68 lakh crore.

### PM-PRANAM

#### • About

- PM-PRANAM stands for PM Programme for Restoration, Awareness, Nourishment and Amelioration of Mother Earth.
- The scheme aims to reduce the use of chemical fertilisers by incentivising state.
- Under the scheme, the states, which will adopt alternative fertilisers will be incentivised with the subsidy that is saved by reducing the use of chemical fertilisers.
  - Suppose a state is using 10 lakh tonne of conventional fertiliser.
  - If it reduces its consumption by 3 lakh tonne, then the subsidy saving would be ₹3,000 crore.
  - Out of that subsidy savings, the Centre will give 50% of it — ₹1,500 crore to the state for promoting the use of alternative fertiliser and other development works.

#### Objective

- To encourage the balanced use of fertilisers in conjunction with bio fertilisers and organic fertilisers.
- To reduce the subsidy burden on chemical fertilisers,
  - Subsidy burden is around Rs 2.25 lakh crore in 2022-2023.
  - This is 39% higher than the previous year's figure of Rs 1.62 lakh crore.

#### Features of the scheme

- The scheme will not have a separate budget.
- It will be financed by the savings of existing fertiliser subsidy under schemes run by the Department of fertilisers.
- 50% of subsidy savings will be passed on to the state that saves the money as a grant.
- 70% of this grant can be used to create assets related to the technological adoption of alternate fertilisers and alternate fertiliser production units at the village block, and district levels.
- The **remaining 30% grant** money can be used to reward and encourage farmers, panchayats, and other stakeholders involved in fertiliser reduction and awareness generation.
- To illustrate the calculation in reducing chemical fertiliser use, a state's increase or decrease in urea consumption in a year will be compared to its average consumption of urea over the previous three years.

## STATE OF ARMAMENTS, DISARMAMENT AND INTERNATIONAL SECURITY

According to Stockholm International Peace Research Institute's (SIPRI) annual assessment of the 'state of armaments, disarmament and international security', the global inventory of nuclear warheads has increased over the past year.



### About State of Armaments, Disarmament and International Security:

- It is an **annual assessment of the** Sweden-based think tank **Stockholm International Peace Research Institute (SIPRI)**.

### Highlights:

- As on January 2023, the **world has 9,576 nuclear weapons** in military stockpiles **for potential use**.
- That is **86 more than the number in January 2022**.
- Of this stockpile, an estimated **3,844 warheads** were **'deployed'** with missiles and aircraft.
- **Around 2,000** of these **'deployed'** weapons — **nearly all of which belonged to Russia or the USA**—were **kept in a state of high operational alert**, meaning that they were fitted to missiles or held at airbases hosting nuclear bombers.





# CROSS & CLIMB ROHTAK



- **Nine nuclear-armed states** — the United States, Russia, the United Kingdom, France, China, India, Pakistan, North Korea and Israel — **continue to modernise their nuclear arsenals** and have deployed several new nuclear-armed or nuclear-capable weapon systems in 2022.
  - The estimate of the size of **China’s nuclear arsenal increased from 350 warheads in January 2022 to 410** in January 2023.
  - **India was estimated to have a growing stockpile of about 164 nuclear weapons, up from 160** the previous year. These weapons were assigned to a maturing nuclear triad of aircraft, land-based missiles and nuclear-powered ballistic missile submarines (SSBNs).
  - **Pakistan possessed approximately 170 nuclear warheads** as of January 2023 — **up from 165 from the previous year.**
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