



Current Affairs of the Day

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Hardship may push people into making drugs for a living: UNODC

2020 World Drug Report

Key findings:

- The United Nations Office on Drugs and Crime (UNODC), in its 2020 World Drug Report, has highlighted a wide range of possible consequences of the COVID-19 pandemic on illegal drug production, supply and consumption.
- Expressed concern over the adverse impact of the economic hardship caused by the pandemic. This could lead to an increase in the number of people resorting to illicit activities linked to drugs to make a living.
- As experienced during the 2008 economic crisis, it could result in reductions in drug-related budgets of the governments; overall increase in drug use, with a shift towards cheaper and more harmful drugs.
- The measures taken by governments to counter the pandemic inevitably had double-edged consequences on large-scale drug supply.

Double-edged sword:

- Some countries, such as Italy, the Niger and countries in Central Asia, have experienced a sharp decrease in drug seizures, amid reports that drug traffickers have diverted their attention to other illegal activities, including cybercrime and trafficking in falsified medicines (in Balkan countries).
- Other countries, including Morocco and Iran, have reported huge drug seizures, indicating large-scale drug trafficking, while some have reported an increase in interdiction resulting from increased controls.
- The lockdown could hinder the production and sale of opiates in major producing countries. The key months for the opium harvest in Afghanistan are March to June. This year's harvest took place during the pandemic.

Value Added Information

About UNODC:

- Established in 1997 through a merger between the United Nations Drug Control Programme and the Centre for International Crime Prevention,



UNODC is a global leader in the fight against illicit drugs and international crime.

- UNODC relies on voluntary contributions, mainly from Governments, for 90% of its budget.
- UNODC is mandated to assist Member States in their struggle against illicit drugs, crime and terrorism.

The three pillars of the UNODC work programme are:

- Field-based technical cooperation projects to enhance the capacity of Member States to counteract illicit drugs, crime and terrorism.
- Research and analytical work to increase knowledge and understanding of drugs and crime issues and expand the evidence base for policy and operational decisions.
- Normative work to assist States in the ratification and implementation of the relevant international treaties, the development of domestic legislation on drugs, crime and terrorism, and the provision of secretariat and substantive services to the treaty-based and governing bodies.

‘With industries not restarting production, ISRO projects affected’

- On January 1, 2020, the Indian Space Research Organisation set out an ambitious target of 25 satellite and launch missions for the year.
- With three months now lost due to the COVID-19 pandemic, leaving the space agency without a single home launch yet, ISRO Chairman and Secretary, Department of Space K. Sivan said though supply of hardware from industries has been affected, work at each centre is on track.

Value Added Information

About Indian Space Research Organisation (ISRO)

- ISRO is the space agency under the Department of Space of Government of India, headquartered in the city of Bengaluru, Karnataka.
- Its vision is to harness space technology for national development, while pursuing space science research and planetary exploration.



- Antrix Corporation Limited (ACL) is a Marketing arm of ISRO for promotion and commercial exploitation of space products, technical consultancy services and transfer of technologies developed by ISRO.

Monsoon has covered country at fastest pace since 2013: IMD

- The southwest monsoon has galloped to cover the entire country at a pace not seen since 2013, according to the **India Meteorological Department (IMD)**.
- The normal date for the monsoon to span the whole country is July 8. This year, the monsoon set in early on its expected date of June 1 and was only briefly stalled due to the impact of cyclone Nisarga that struck Maharashtra on June 2.

Value Added Information

India Meteorological Department (IMD):

- It is national meteorological service of the country and chief government agency dealing in everything related to meteorology, seismology and associated subjects.
- It was formed in 1875.
- It functions under Ministry of Earth Sciences.
- It is headquartered in New Delhi.

Mandate:

- Undertake meteorological observations and provide current information and forecasting information for most favorable operation of weather-dependent activities such as irrigation, agriculture, aviation, shipping etc.
- Offer warning against severe weather phenomenon such as tropical cyclones, norwesters, dust storms, heat waves, cold waves, heavy rains, heavy snow, etc.
- Provide met-related statistics needed for agriculture, industries, water resources management, oil exploration, and any other strategically important activities for the country.
- Engage in research in meteorology and allied subjects.



- Detect and locate earthquakes and evaluate of seismicity in various parts of the country for developmental projects.

ASEAN states warn of S. China Sea tensions

ASEAN Summit 2020

Key Points:

- Vietnam and the Philippines warned of growing insecurity in Southeast Asia at a regional summit on Friday amid concerns that China was stepping up its activity in the disputed South China Sea during the coronavirus pandemic.
- Both Hanoi and Manila lodged protests with China in April after Beijing unilaterally declared the creation of new administrative districts on islands in the troubled waterways to which Vietnam and the Philippines also have competing claims.
- China has been pushing its presence in the Exclusive Economic Zones of other countries while claimants are preoccupied tackling the COVID-19 pandemic, prompting the United States to call on China to stop its “bullying behaviour” there.
- In early April, Vietnam said one of its fishing boats was sunk by a Chinese maritime surveillance vessel. China said that Vietnam's claims in South China sea are illegal and “doomed to fail”.
- In his opening remarks at the ASEAN Summit, Vietnamese Prime Minister Nguyen Xuan Phuc said international institutions and international law had been seriously challenged during the global crisis.





'Economy in deep trouble, to shrink 5%'

S&P Global Ratings 2020

Key findings:

- India's economy is in deep trouble. Difficulties in containing the virus, an anaemic policy response, and underlying vulnerabilities, especially across the financial sector, are leading us to expect growth to fall by 5% this fiscal year before rebounding in 2021.
- In its report titled 'Asia-Pacific losses near \$3 trillion as balance sheet recession looms,' S&P projected the region's economy to shrink by 1.3% in 2020, but grow by 6.9% in 2021.
- This implies a loss nearing \$3 trillion in output over these two years.
- One risk now looming larger is yet another 'balance sheet recession' in which at least one important sector of the economy — the government, firms, or households — tries to bolster its weak financial position by saving more, paying down debt and spending less.
- SS&P kept its forecasts for growth in the Chinese economy at 1.2% and 7.4% for 2020 and 2021, respectively.

Focus on revival, not debt, says Finance panel

Key Points:

- The government need not, at present, focus on fiscal consolidation and increased public debt, rather it should concentrate on the fastest possible revival of the economy, **15th Finance Commission** Chairman N. K. Singh, said on Friday.
- He said there was acute pressure on the finances of both the Central and State governments given the much lower growth number and revenue receipts.



Value Added Information

Recommendations of the 15th Finance Commission:

How revenue has been divided?

- FC has considered the 2011 population along with forest cover, tax effort, area of the state, and “demographic performance” to arrive at the states’ share in the divisible pool of taxes.
- In order to reward population control efforts by states, the Commission developed a criterion for demographic effort — which is essentially the ratio of the state’s population in 1971 to its fertility rate in 2011 — with a weight of 12.5%.
- The total area of states, area under forest cover, and “income distance” were also used by the FC to arrive at the tax-sharing formula.

Key recommendations:

- The Commission has reduced the vertical devolution — the share of tax revenues that the Centre shares with the states — from 42% to 41%.
- The Commission has said that it intends to set up an expert group to initiate a non-lapsable fund for defence expenditure.

State- wise distribution:

- Shares of the southern states, except Tamil Nadu, have fallen — with Karnataka losing the most.
- Shares of states like Maharashtra, Himachal Pradesh and Punjab, along with Tamil Nadu, all of which have fertility rates below the replacement level, have increased slightly.
- On the other hand, Andhra Pradesh, Kerala, Karnataka, and West Bengal’s shares have fallen, even though their fertility rates are also low.
- Incidentally, Karnataka, the biggest loser in this exercise, also had the highest tax-GSDP ratio in 2017-18, as per an RBI report on state finances.



Criticisms:

- The population parameter used by the Commission has been criticised by the governments of the southern states.
- The previous FC used both the 1971 and the 2011 populations to calculate the states' shares, giving greater weight to the 1971 population (17.5%) as compared to the 2011 population (10%).
- The use of 2011 population figures has resulted in states with larger populations like UP and Bihar getting larger shares, while smaller states with lower fertility rates have lost out.
- The combined population of the Bihar, Uttar Pradesh, Madhya Pradesh, Rajasthan and Jharkhand is 47.8 crore.
- This is over 39.48% of India's total population, and is spread over 32.4% of the country's area, as per the 2011 Census.
- On the other hand, the southern states of Tamil Nadu, Kerala, Karnataka and undivided Andhra Pradesh are home to only 20.75% of the population living in 19.34% of the area, with a 13.89% share of the taxes.
- This means that the terms decided by the Commission are loaded against the more progressive (and prosperous) southern states.