## The Hindu News Analysis – 02nd August 2019 – Shankar IAS Academy

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*C – Chennai ; T – Thiruvananthapuram; B – Bengaluru; D – Delhi
Part A—Preliminary Examination

Paper I - (200 marks)

• Current events of national and international importance.
• Economic and Social Development - Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination

PAPER II

General Studies I: Indian Heritage and Culture, History and Geography of the World and Society.

• Role of women and women's organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.

PAPER III

General Studies II: Governance, Constitution, Polity, Social Justice and International relations.

• Government policies and interventions for development in various sectors and issues arising out of their design and implementation.
• Welfare schemes for vulnerable sections of the population by the Centre and States and the performance of these schemes, mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections.

Definitions:

⇒ As per the Pre-Conception and Pre-Natal Diagnostic Techniques Act of 1994, (PCPNDT Act, 1994)

⇒ Foetus - Human Organism which is developing from 57th day of fertilization or creation till its birth

⇒ Female foeticide - Selective killing of female foetus before being given birth

⇒ Sex Selection - Any procedure/technique for the purpose of ensuring or increasing the probability than an embryo will be of particular sex

⇒ Embryo - Developing human organism after fertilisation till the end of 56 days

⇒ Sex ratio at birth = \( \frac{\text{No. of females born per Thousand males born}}{\text{Sample Registration System (SRS)}} \)

⇒ System of recording of both births and deaths based on the sample units spread across India.

⇒ SRS Data
  
  2013 - 909 female/1000 male. \( \uparrow \) in female foeticide
  
  2017 - 896 female/1000 male

⇒ HMIS Data:
  
  2015-16 - 923 female/1000 male
  
  2018-19 - 931 female/1000 male \( \downarrow \) Birth at Private Institutions left out
**Proof:**

NHFS-4: (2010-14)

Sex ratio (Delivery wise)
- Home: 969
- Govt: 930
- Private: 851

**Reasons for female foeticide:**

- Special neo-natal care units
- Protection of ‘missing girls’
- Author: Birth statistics should be properly recorded to help the people, governments, and health professionals to focus on bringing down the gender gaps at birth

**Gender Bias - 1st born child:**

- Presence of ultra sound clinics in the remote areas (U.P., Bihar) → Reason for female foeticide
- Lack of stricter implementation of PCPNDT Act, 1994

**Non-functional Central Supervisory Board**

- Section 9 of PCPNDT Act
  - Shall meet once in 6 months

**Medical Associations not following PCPNDT Act**

- Federation of Obstetrics and Gynaecological Societies of India vs Union of India

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**Is banning cryptocurrencies the solution?**

- A number of other countries have introduced policies to regulate or ban cryptocurrencies.
- Author: The government should consider regulating the use of cryptocurrencies to ensure their proper use and deter illegal activities.

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**Part A—Preliminary Examination**

**Paper 1—(200 marks)**

- Current events of national and international importance
- Indian Polity and Governance-Constitution, Political System, Panchayat Raj, Public Policy, Rights Issues, etc.
- Economic and Social Development
  - Part B—Main Examination
  - PAPER-III
  - Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

  - PAPER-IV
  - Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
  - Science and Technology—developments and their applications and effects in everyday life.
  - Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security, money laundering and its prevention.
Ban of Cryptocurrency

- In 2017, govt. set up a Committee to study issues related to virtual currencies
  - Submitted report in 2018 along with draft bill.

- Report
  - Bans private cryptocurrencies in India.
  - Imposing of fines and penalties - activities connected with cryptocurrencies

Banning of Cryptocurrency & Regulation of official digital currency Bill, 2019

- Fine → up to 25 Crores
- Imprisonment → up to 10 years
  - Mines, generates, holds, disposes, sells, issues
  - Deals, transfers

- Introduction of single cryptocurrency for the whole country - backed by RBI

Virtual currency

- Digital representation of value
- Functions - medium of exchange
  - Unit of account
  - Store of value
- No legal tender status
- Different from fiat currency of a country

Cryptocurrency:

- Subset of virtual currency
- Decentralised network → no central authority
- Protected by cryptography
  - Ex: Bitcoin - first of its kind

Draft bill: "any information/code/no/token, not being a part of official digital currency, generated through cryptographic means... providing digital representation..."

Reasons for banning of Cryptocurrency:

1. Volatility

- Value directly tied to demand
- Due to absence of central bank intervention to control supply
- Large fluctuations → not suitable for store of value

Author's view:

- Other asset classes are not banned
- Whether to invest or not → decision of investor
- Will continue to exist in underground or black market
2. Not backed by Commodity or Sovereign govt

Author's view:

- no need for backing - only 'trust'
- Ex: Somalia, Central Bank ceased to work
- people still continued to use currency

3. Cryptocurrency used for criminal activities

- Example of European Union
  - Fifth EU Anti-Money Laundering Directive (AML-5)
  - aim: crypto transactions more secure
  - stringent KYC
  - Self-declaration laws

- Market competition → will restrict the supply to minimal amount
- Reputation effect → careful about issuing currency

If ban is implemented...

- Entrepreneurs will lose incentive to work in blockchain technology sector
- 2018 → Silicon valley → 2.9 billion USD into blockchain startups
- Cryptocurrency - only viable practical application of blockchain Tech

Bandipur's contributions on the global front

The research was funded by the Centre for Ecological Agriculture, Environment and Conservation (CEACE)

Researcher worked on the economic valuation of Bandipur tiger reserve

- tiger reserve is an example of a globally unique ecosystem
- tiger reserve is an example of a globally unique ecosystem

Bandipur reserve worth 36,405 crore

Each rupee spent on reserve generates benefits of 17163

- Currently 25000+ people live near to the reserve
- tiger reserve generates 1 Crore Rupees per year

Part A—Preliminary Examination

Paper I (200 marks)

- Current events of national and international importance.
- General issues on Environmental ecology, bio-diversity and Climate Change - that do not require subject specialization.

Part B—Main Examination

PAPER IV


- Conservation, environmental pollution and degradation, environmental impact assessment.
Economic evaluation of 10 tiger reserves by Centre for Ecological Services Management + Indian Institute for Forest Management led by National Tiger Conservation Authority (NTCA), MoEF&CC

⇒ About Bandipur Tiger Reserve:
  - Valued at Rs. 6405 Crore
  - Evaluated → economic, scientific, educational, cultural and recreational services
  - Obj: highlight holistic economic benefits of protected areas → enhance tiger conservation
  - For every Re. 1 spent → tangible and intangible benefits worth Rs. 716.3 generated.
    - Rate of return > 700%.

⇒ Tangible → have physical form
  - eg: firewood, fodder from forest

⇒ Intangible → non-physical assets
  - eg: fresh air

⇒ Report:
  - 3% at local level
  - 15% at National level
  - 81% global level
  - Proper conservation → benefits not just regional population, but internationally

⇒ What are the benefits?
  - At local level,
    - Firewood and grazing land
      - Fuel and fodder needs
    - Non-timber produces
      - Honey, medicinal plants, wild fruits
    - Employment generation
  - At national level,
    - Releases 1121 billion litres of water/year to Cauvery → invaluable
    - Prevents → soil loss and nutrient loss → so ↓ cost of rectification
  - At global level,
    - Storage and Sequestration of Carbon
    - Stores 1.2 Crore Tonnes of Carbon and Sequester 3.45 lakh Tonnes of Carbon

⇒ Carbon Sequestration by forests:
  - Atmospheric CO₂ is taken by trees, plants, through photosynthesis → stored as carbon
    - in trunk, branches, foliage and roots

⇒ Bandipur Tiger Reserve:
  - Located in South Karnataka
  - Part of Nilgiris Biosphere Reserve
  - A National Park
Global gold demand touches 3-year high

Continued central bank buying, sustained growth in gold-backed ETFs were the key drivers WGC.

Report of World Gold Council -
- Gold demand in the first half of 2019
  - 3 year high; pegged at 1,181.7 tonnes
  - 8% rise compared with 2018 (1st half)

Important reasons:
1. Robust and continued central bank buying
2. Sustainable growth in gold-backed exchange traded funds (ETFs)

Why are the central banks buying gold?
- Diversification of foreign exchange reserve
- Gold - reliable diversifier and hedge against volatility of other currencies
- Forex reserve - usually is stable currencies like dollar and Euro + gold

Part A—Preliminary Examination
Paper I - (200 marks)
- Current events of national and international importance.

Part B—Main Examination
PAPER-IV
- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
- Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth.
- Investment models.

- Volatility of Dollar - reasons can be US Federal Reserve Policies
  - Eg: US Fed Reserve - ↑interest rate for dollar deposits → flow of dollars to US

De-dollarization of forex reserve
- To reduce dependency on dollar

- Geopolitical instability
- Countries - 'not so good' with US - China, Russia, Iran and Turkey - buys gold
  - replaces dollar in their reserve
2. Growth of gold backed ETFs
   - ETF - Exchange Traded Funds
     - Tracks value of a commodity
     - Can be bought and sold like stocks
   - Gold ETFs - tracks price of gold
     - Gold trade in security exchanges
   - Advantages:
     - Trade in electronic account
     - No fear of theft
     - Pure quality

3. Demand for gold in India:
   - Jewelry demand - busy wedding season, and healthy festival sales.

World Gold Council:
- Market development organisation for gold industry
- Works from mining to market
- Stipulate gold demand
  - HQ: London, UK.

Kaziranga tigers spotlight on official-poacher nexus

Report suggests some staff may be involved in poaching.

Part A—Preliminary Examination
Paper 1—(200 marks)
- Current events of national and international importance
- General issues on Environmental ecology, Bio-diversity and Climate Change - that do not require subject specialization.

Part B—Main Examination
PAPER IV
- Conservation, environmental pollution and degradation, environmental impact assessment.

4th cycle of the Management Effectiveness Evaluation of Tiger Reserves (MEETR)
- Poaching in Kaziranga National Park/Tiger Reserve
- Nexus between officials and poachers
- Officials involving in poaching
  - 2017 - Poaching of 3 Rhinos
    - Rum from Tunki anti-poaching camp
- Poachers sneak through Karbi Anglong Hills
Practice Question – Prelims

Q1. Which among the following best describes Cryptocurrency?
   a) It is subset of virtual currencies that is centralised, protected by cryptography and not a part of any Official Digital Currency.
   b) It is subset of virtual currencies that is centralised, protected by cryptography and is a part of any Official Digital Currency.
   c) It is subset of virtual currencies that is decentralized, protected by cryptography and not a part of any Official Digital Currency.
   d) It is subset of virtual currencies that is decentralized, protected by cryptography and is a part of any Official Digital Currency.

Q2. Consider the following statements with reference to ‘Cryptocurrencies’.
   1. It is a digital representation of value that can be digitally traded.
   2. It has the same functions like ‘Money’.
   3. It has a legal tender status.
   4. It is same as a fiat currency of a country.
   Which among above statements is/are correct?
   a) 1 only
   b) 1 and 2 only
   c) 2, 3 and 4 only
   d) 1, 2 and 4

Answer for Practice Question – Prelims

Q1. Option (c) – It is subset of virtual currencies that is decentralized, protected by cryptography and not a part of any Official Digital Currency.
Q2. Option (b) – 1 and 2 only
Q3. Option (c) – Both 1 and 2