



**When something is important
enough, you do it even if the odds
are not in your favor.**

Elon Musk

The Hindu

हिंदी में

Analysis

2021

24
June

For all
competitive exams

By Prashant
Mavani



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








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NEWS

- PM Narendra Modi to interact with participants of Toycathon-2021 via video conferencing today
 - Aims to crowd-source innovative toys and games ideas
- Meeting of all political parties from J&K to be chaired by PM in national capital today
- More than 30 crore doses of COVID vaccine administered in the country so far
- UK High Court rejects diamantaire Nirav Modi's appeal against his extradition to India

- **India launches its Official Olympic Theme Song ahead of the Games in July-August**
 - Playback Singer Mohit Chauhan has composed and sung the song titled 'Lakshya Tera Samne Hai'.
- **President Kovind to embark to Kanpur on special Presidential train on 25th June**
- **Railways Ministry says Kisan Rails given farmers wide access of Indian markets**
- **Culture Minister Prahlad Singh Patel chairs Central Advisory Board on Culture meeting**

- Active collaborations, research partnerships & leveraging each other's strengths are ways ahead to fight pandemics like COVID: Defence Secretary
- Health Ministry dismisses media reports saying homeless people have been 'barred and conspicuously left out' from vaccination
- US Prez Joe Biden unveils plan funding more police to combat surge in homicides
- Russia says, its forces fired warning shots and dropped bombs to deter British Royal Navy destroyer entering its waters in Black Sea

A background image showing a laptop keyboard on the left, a pair of tortoiseshell glasses resting on an open notebook in the center, and a black pen on the right. The scene is set on a light-colored desk.

OPINION EDITORIALS

Fuel on fire | Pioneer

- Oil prices and inflation are defying gravity
- Diesel breached the Rs 100-mark in Rajasthan
- Petrol is Rs 100 + in seven states
- Economy is reeling under severe recessionary pressures

- **Manufacturing** is down
- **Employment** is low
- **Purchasing power** of the common man is down

- **Oil prices** push the prices further up as these have a **cascading effect** on economy.
- The Government is in no mood to relent.
- Moreover, **volatility** in the **international market** limits its options.
- The prices were hiked **43 times** this year.
- This has indeed helped the **Government collect more revenue**.

- The excise collection during **April-November 2020** was at **Rs 1,96,342 crore**, up from **Rs 1,32,899 crore** during the same period in **2019**.
- The central taxes increased from **Rs 10.39 in May 2014** to **Rs 32.9 in June 2021!**
- Before Modi Government, **crude oil price** constituted **two-thirds of the fuel price**, now taxes have taken that spot.
- The central and State Government taxes account for nearly **54 per cent** of its cost.

- The Government is justifying the **high excise on petrol and diesel** by saying that it needs money to spend on **welfare schemes**.
- Petroleum Minister Dharmendra Pradhan concedes that it is problematic for people, though quickly adding that the Government spent **Rs 35,000 crore on vaccines**.
- The **trucks** that carry **freight** and **diesel pump** sets that **push water** into the fields also run on diesel.

- However, adjusting excise and other taxes could control the fuel prices.
- Each time, the increased new price becomes normal.
- It has failed to avoid **wasteful expenditure** on projects of little value.
- **Fiscal discipline** is missing in the Government.
- The **petrol price hike** comes in **handy**.

Need for holistic education policy | Pioneer

- **Gender disparity** and **non-inclusivity** is a major hindrance in India's pursuit to achieve the **4th Sustainable Development Goal** of ensuring quality education for all.
- India lags behind **China** and other **BRIC nations** in terms of **inclusivity** and **participation** in education.
- **China** in particular has **near universal levels** of enrolment in **lower secondary** and a majority completing **upper secondary** in most parts of the country.



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD



- **India** has a **smaller proportion** of its population enrolled at **secondary levels** than Brazil, Russia, and China.
- The only region of the world with lower participation at secondary school level than India is **sub-Saharan Africa**.
- India witnesses a **huge gender disparity** and access to education in India remains **widely problematic**, with great variations **between and within states**, and large differences in participation **between identifiable sub-populations like Scheduled Castes and Tribes, girls, and some Muslim communities**.

- Nationally, there is a **high initial enrolment rate** in the first grade.
- However, about **30 per cent** of them fail to complete **Grade V** (primary), about **50 per cent drop out before completing Grade VIII** (upper primary), and **60 per cent do not finish Grade X** (lower secondary).
- This is prevalent in northern India, particularly in the **BIMARU states**.

- According to the **Census of India 2011**, only **26 per cent of girls completed secondary education** as **compared to 50 per cent of boys**.
- **The Annual Status of Education Report (Rural), 2019** also found that **preference** is given to the education of **sons** in comparison to daughters, by enrolling the former in private schools, which are considered better than government schools in imparting education.

- In India, **both direct and indirect costs of schooling** are **high** and the lower household incomes of the majority of the population makes participation in secondary schooling a big challenge.
- Household surveys show the **poorest allocate less than five per cent of expenditure** to education.
- **Unsubsidised secondary schooling** is not available to most rural households and is considered a prerogative only for rich urban households.

- Education plays a crucial role in **empowering individuals** and pave way for **transformation** of the **society** at large.
- Education has a major role in making the youth improve their **social standing** by alleviating their **poverty-ridden condition**.

- One of the main measures of human development is access to education, and as the Human Development Report 2012 mentions, the growth in index is associated with growth in **public spending** on education.
- Therefore, a fundamentally important position should be accorded to **education**, and particularly **inclusion**, in the entire scheme of things.
- The importance of **quality education** and the urgent **need of equality in education** should be ingrained in the policy.

- As education is imperative for empowering people, equality and inclusivity have to be crucial for any education policy to facilitate and drive widespread social transformation in the society.
- The government should create a framework based on equality of condition, which has **five dimensions** of
 1. RESOURCES
 2. RESPECT & RECOGNITION
 3. LOVE, CARE & SOLIDARITY
 4. POWER
 5. WORKING AND LEARNING

- With **equality of condition as a base**, **gender equality framework** can be extended by adding the aspect of **inclusion**, which, in addition to parity, equity and equality, can become the pillars for achieving quality education for all.
- It is proposed that these four elements of the gender equality framework have to be guided by another framework — strategy, practices, resources and governance - to develop a holistic and integrated education policy.

Engage Iran | TH

- The **U.S.'s decision** to block dozens of **Iran-linked websites** at a time when both countries are trying to revive the **nuclear deal** is unnecessary provocation.
- The move comes days after Iran elected **Ebrahim Raisi**, a hardline cleric, as President.
- The way to **fight disinformation campaigns** is to **promote information** and **strengthen independent journalism**.

- The **Biden administration** had hoped for reaching an **agreement** with **Tehran** on reviving the nuclear deal before the June 18 Iran presidential election.
- After multiple rounds of **indirect talks in Vienna**, along with other world powers, a final agreement has not been reached, but all parties have **expressed faith** in talks.
- The Biden administration had shown a **willingness** to **reverse Donald Trump's maximum pressure policy** and revive the deal that would cut off Iran's path towards the bomb in return for lifting sanctions.

- Iran, embattled by sanctions, economic woes and protests, has **responded positively** to the U.S.'s **overtures**.
- When the Trump administration pulled the U.S. out of the nuclear deal and reimposed sanctions, Iran **started rebuilding its nuclear programme with higher-level fuel enrichment and production of centrifuges**.
- Now, the U.S. wants Iran to return to the terms of the **original agreement**, while the **Iranians want the sanctions lifted first**.

- The **Biden administration** also wants to discuss **Iran's ballistic missile programme** and its regional activities.
- Mr. Raisi has rejected such **demands outright**.
- Both sides should focus on the **diplomatic path**, aimed at achieving a **pragmatic agreement first** that addresses the most critical issues — Iran's expanding nuclear programme and America's sprawling sanctions regime.

What Mumbai Can Learn From New York | Tol

- **Equity capital markets** sector was among the **early beneficiaries** of the economic reforms launched in 1991.
- Recently, the market capitalisation of companies traded on **Bombay Stock Exchange** crossed the **\$3 trillion mark**, making it the eighth largest stock market by market capitalisation in the world.

- In recent years, **private equity funds** have emerged as a **critical provider** of early-stage and growth-stage **capital** to businesses across industries.
- Securities and Exchange Board of India (**SEBI**) leans heavily in favour of **de-risking retail equity investors** in public markets by **erecting high barriers to the entry** of new companies into public-capital market.
- But the fallout from such an approach is the **stifling of growth of public equity** via initial public offerings (IPOs).

- SEBI has relatively **tough eligibility criteria** for companies wishing to float an IPO.
- For example, it requires them to have tangible assets of at least **Rs 3 crore**.
- The regulator also requires them to **exhibit average operating profits of Rs 15 crore** in the preceding three years with no operating losses in any one of those years.
- A further requirement is **net worth of Rs 1 crore** in each of the three preceding years.

- Contrast these requirements with those by the **Securities and Exchange Commission (SEC)**, SEBI's counterpart in the United States.
- Unlike SEBI, SEC accepts the prospectus of a new company upon being provided a **detailed business case** and **a comprehensive statement of financial and corporate information**, vetted for completeness and accuracy not by the regulator, but by **qualified private entities** such as **investment banks** and **legal counsels**.

- SEC focusses on **disclosure and transparency**, taking the view that such information would **enable investors to make informed judgments** about whether to invest in a company's securities.
- Rather than prescribe a number of qualifying criteria, the regulator focusses its efforts on **enforcement**.
- This **open entry** is a big reason why **young ventures** in **sunrise industries** are able to access public equity markets in the United States.

- Many **new age technology companies** are able to build successful businesses even though they incur **operating losses in the early years due to high operating costs of building a customer base**, which brings profits in later years via network economies of scale flowing from an expanded customer base.
- In a recent consultation paper, **SEBI** has proposed **four other reforms** aimed at making public equity markets more attractive to investors and companies wishing to float IPOs.

- First, under the current rules, the company promoter is required to **lock in 20% holding** for at **least three years**.
- Likewise, **non-promoter shareholders** acquiring securities prior to the public issue are required to hold the **shares for one year**.
- The paper proposes to reduce these lock-in periods to **one year and six months**, respectively.
- This will allow **initial investors** early exit and free up their capital for fresh investments.

- Second, the concept of “**promoter**” is a uniquely Indian one.
- In the past, when **promoters usually held majority of the securities**, this made sense. But today, companies increasingly **raise capital privately** from institutional and other sources.
- Furthermore, many startups and non-family businesses today have no identifiable promoters.
- Consequently, the paper correctly proposes to shift from the concept of promoter to that of the “**person in control**”.

- The purpose of regulation should be to ensure that **equity markets** are **competitive**.
- This requires **low barriers to entry** into and **exit** from equity markets.
- Regulations that set a high qualifying bar for companies wishing to float IPOs can serve as **entry barriers**.
- To be sure, legitimate interests of retail investors must be protected.

- But this is best done by **ensuring transparency** and **full disclosures** on the part of companies seeking listing, **investor education** and **regulation that fosters competition** in equity markets.

Ans

- The Lakshadweep Administration has recently mooted a proposal to shift its legal jurisdiction from the Kerala High Court to which State?

A. HC of Andhra Pradesh

B. HC of Telangana

C. HC of Karnataka

D. HC of Gujarat

MCQ

- Which document did India sign at the G7 alongside other guest countries, criticising “authoritarianism, disinformation and politically motivated Internet shutdowns”?
- A. Democracy Allyship Statement
 - B. Digital Civic-Space Statement
 - C. Open Societies Statement
 - D. Good Governance Statement

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Do you know?

Nalanda = Na+alam+Daa, meaning “*no stopping of the gift of knowledge*”

So do gift share this lecture with your loved ones. Thanks