

NEWSPAPER HIGHLIGHT

It might not have all the connotations of a Rosa Parks' protest, but the Bill that the Tamil Nadu government introduced in the Assembly is revolutionary enough by recognising workers' 'right to sit'. Kerala is the only other State to have legislated on the 'right to sit', and that, in response to protests conducted by sections of the labour force. In Tamil Nadu, the government has taken a proactive step by introducing a legislation that will provide a chair to each worker, and a whole lot of dignity, besides helping the employees avoid the discomfort and health issues arising from remaining on their feet throughout the day.

Greece's center right government has created a new Ministry to address the impact of climate change and named former European Union commissioner Christos Stylianides as Minister. Intense heat waves in southern Europe in July and August — described in Greece at the worst in decades — fuelled deadly wildfires in Turkey as well and blazes in Italy, France, and Balkan countries.

The National Bureau of Animal Genetic Resources (NBAGR) has recognised the Manda buffalo, found in the Eastern Ghats and plateau of Koraput region of Odisha, as the 19th unique breed of buffaloes found in India. The Manda are resistant to parasitic infections, less prone to diseases and can thrive on modest resources.

Prime Minister Narendra Modi will chair a meeting of BRICS leaders including Chinese President Xi Jinping, Russian President Vladimir Putin and leaders of Brazil and South Africa on Thursday, the first in a series of summit level meetings he is expected to attend in September that will be dominated by discussions on the situation in Afghanistan. The meeting will be held in virtual format due to COVID-19 restrictions. The PM will also attend via video conference the Shanghai Cooperation Organisation (SCO) Heads of Government meeting being held in Dushanbe on September 16 and 17, but is expected to travel later this month to the U.S., to meet U.S. President Joseph Biden and address the UN General Assembly, officials confirmed.

SHOULD HIGH FISCAL DEFICIT BE FROWNED UPON

1. There is a debate as to whether a large fiscal stimulus would lead to high inflation amidst the deficit financing.
2. What is deficit financing—"The term 'deficit financing' is used to denote the direct addition to gross national expenditures through budget deficits. The essence of such a policy lies in government spending in excess of the revenue it receives in the shape of taxes, earnings of State enterprises, loans from the public, deposits and funds, and other miscellaneous sources. The government may cover the deficit either by running down its accumulated balances or by borrowing from banks (mainly from RBI and thus 'creating' money)."
3. Current fiscal scenario—**Fiscal deficit is the difference between total revenue and total expenditure of the government.** It is an indication of the total borrowings needed by the government (so as to finance the deficit). Fiscal deficit for 2020-21 was at 9.3% of the GDP. It is lower than 9.5% estimated by the Finance Ministry in the revised Budget estimates.
4. The Fiscal Responsibility and Budget Management (FRBM) Act 2003 aims to establish financial discipline in the economy, improve the management of public funds and reduce fiscal deficit. The latest provisions of FRBM Act has set the targets to limit fiscal deficit to 3% of the GDP by March 31, 2021. It restricts the debt to GDP ratio of central government to 40% of GDP and the state governments to 20% of GDP by 2024-25.
5. **Cause for the current rise in fiscal deficit? Rs.4,78,196 crore has been allocated for the defence expenditure in 2021-22 which constitutes around 13.73% of the total central government expenditure.** Increased spending on pandemic-relief measures coupled with pandemic restrictions widened the deficit. The investment slowdown due to uncertainty also led to increased fiscal deficits.

CHINA-TAIWAN RELATIONS

1. Chinese-claimed Taiwan has complained for a year or more of repeated missions by China's air force near the self-ruled island, often in the southwestern part of its air defence zone near the Taiwan-controlled Pratas Islands. Recently, 19 Chinese aircraft including nuclear-capable bombers had flown into Taiwan's air defence identification zone. In response, Taiwanese combat aircraft were dispatched to warn away the Chinese aircraft, while missile systems were deployed to monitor them.
2. Rationale behind such acts—**China often mounts such missions to express displeasure at something Taiwan has done or at shows of international support for the democratically ruled island,** especially by the United States, Taiwan's main arms provider. China has described its activities as necessary to protect the country's sovereignty and deal with "collusion" between Taipei and Washington.
3. Main issues—China has increased diplomatic, economic and military pressure on Taiwan, whose residents overwhelmingly reject Beijing's demand for political unification with the mainland. China has long blocked Taiwan from taking part in the UN and other international organizations and has stepped up such pressure since the election of Taiwanese President Tsai Ing-wen in 2016.
4. China-Taiwan relations- Background: **China has claimed Taiwan through its "one China" policy since the Chinese civil war forced the defeated Kuomintang, or Nationalist, to flee to the island in 1949 and has vowed to bring it under Beijing's rule,** by force if necessary. While Taiwan is self-governed and de facto independent, it has never formally declared independence from the mainland.
5. Under the "one country, two systems" formula, Taiwan would have the right to run its own affairs; a similar arrangement is used in Hong Kong. Presently, Taiwan is claimed by China, which refuses diplomatic relations with countries that recognise the region.

MLAs FORUM TO CHECK OUTMIGRATION FROM ARUNACHAL PRADESH

The Centre has created a National Farmers' Database with records of 5.5 crore farmers, which it hopes to increase to 8 crore farmers by December by linking it to State land record databases, according to Agriculture Minister Narendra Singh Tomar. Addressing Chief Ministers at a virtual conference on agriculture on Monday, Mr. Tomar said the farmers' database was key to advances in digital agriculture. "Agriculture has to be linked with digital technology, scientific research and knowledge,".

The Haryana government has suspended mobile Internet services in Karnal district today and beefed up security arrangements in view of the farmers' proposed protest on September 7. A similar order has been issued for Kurukshetra, Kaithal, Jind and Panipat districts where mobile Internet services will remain suspended from Tuesday midnight.

A Special Bench of the Supreme Court, led by Chief Justice of India N.V. Ramana, said the court was "not interested in a confrontation" with the government, but it was running out of patience and the Centre should conform and fill the long pending vacancies in key tribunals by the next hearing on September 13.

The Taliban called on former members of the Afghan forces to integrate with the new hardline rulers. "The Afghan forces who were trained in the past 20 years will be asked to rejoin the security departments alongside Taliban members," spokesman Zabihullah Mujahid told a press conference in the capital Kabul. The spokesman added that any insurgency against their rule would be "hit hard", after earlier saying they had captured the Panjshir Valley — the last pocket of resistance.

The Goods and Services Tax (GST) Council is likely to consider a ministerial group's report on introducing a differentiated regime for sectors where tax evasion is very high, such as brick kilns, sand mining, and gutkha and pan masala production, even as experts have urged caution about such carve outs. The Council, which will meet physically, for the first time since the pandemic's onset, on September 17 in Lucknow, had earlier constituted a Group of Ministers (GoM) to consider demands of some States to tax these products based on production capacity rather than output and introduce Special

1. The MLAs of Arunachal Pradesh representing constituencies bordering Tibetan China have formed a forum to prevent the outmigration of villagers and modify the Border Area Development Programme (BADP) to suit local needs.

2. Need for such a step: **People are migrating to urban areas within Arunachal Pradesh or beyond for livelihood. Many villages are almost abandoned today.** Besides, a decades-old plan of the State government to prepare border area residents as a line of defence hasn't gone well. Also, BADP was improperly implemented because of unclear guidelines.

3. About the Border Area Development Programme (BADP)-The BADP was initiated in the western region during the Seventh Five-Year Plan from 1985-1990 and extended to the other regions. The programme covers 456 blocks of 119 border districts in 16 States and two Union Territories abutting the international boundary. The BADP schemes include construction of primary health centres, schools, supply of drinking water, community centres, connectivity, drainage to enable sustainable living in border areas.

4. Objectives-The main objective of the BADP is **to meet the special developmental needs and wellbeing of the people living in remote and inaccessible areas situated near the international border and to saturate the border areas with the entire essential infrastructure** through convergence of Central/ State/ BADP/ Local schemes and participatory approach. Funding and schemes covered: The funds under BADP are provided to the States as a 100% non-lapsable Special Central Assistance.

ACCOUNT AGGREGATORS

1. Recently eight of India's major banks joined the Account Aggregator (AA) network that will enable customers to easily access and share their financial data.

2. What is an Account Aggregator- **It is a Non-Banking Financial Company (NBFC) engaged in the business of providing the service of retrieving or collecting financial information pertaining to its customer, under a contract.** It was created through an inter-regulatory decision by RBI and other regulators including SEBI, IRDA, and PFRDA through an initiative of the Financial Stability and Development Council (FSDC). The objective of Account Aggregator (AA) is to aggregate all financial information of an individual.

3. Significance of NBFC-AA? **Provides information on various accounts held by a customer in a consolidated, organised and retrievable manner.** Better understanding about the potential customers, make informed decisions and ensure smoother transactions. Help consumers and businesses access financial services, such as loans reducing the need for individuals to wait in long bank queues.

4. Help banks reduce transaction costs, thus offering lower ticket size loans and more tailored products and services to customers. Data transmitted through the AA is encrypted and are not allowed to store, process and sell the customer's data hence protecting customer privacy.

CRYPTO BANKING AND DECENTRALIZED FINANCING

1. The development of Bitcoin and other cryptocurrencies in a little over a decade has spawned a parallel universe of alternative financial services. Here is a look at them.

2. What do crypto businesses offer-Generally, lending and borrowing. Earn interest on holdings of digital currencies, often a lot more than on cash deposits in a bank. Borrow with crypto as collateral to back a loan. **Crypto loans generally involve no credit checks as transactions are backed by digital assets. E.g., In a BlockFi interest account, depositors can earn a yield 100 times higher than on average bank accounts.** BlockFi is a secured non-bank lender that offers cryptoasset-backed loans to cryptoasset owners.

3. Benefits- Fosters financial inclusion. **Unusually high return on their holdings for consumers. Provide financial stability for customers in countries with volatile government-issued currencies.**

4. What is DeFi-Decentralized finance, or DeFi-refers to an **alternative finance ecosystem where consumers transfer, trade, borrow and lend cryptocurrency.** Financial products become available on a public decentralized blockchain network, independently of traditional financial institutions and the regulatory structures. DeFi aims to "disintermediate" finance, using computer code to eliminate the need for trust and

Composition schemes.

The Supreme Court said the government had no option but to constitute the Goods and Services Tax (GST) Appellate Tribunal. The tribunal has not been constituted even four years after the central GST law was passed in 2016. Section 109 of the GST Act mandates the constitution of the Tribunal.

middlemen from transactions. It's a computer-controlled market that automatically executes transactions.

5.What could be done in the future- A new regulating approach for adapting to the new technology demands. E.g., Requirements like code audits and risk parameters, instead of mandating that DeFi protocols maintain the reserves of a bank and collect customer information. Using artificial intelligence and data analysis to monitor suspicious activity and tracking identity to fight financial fraud.