



**PLUTUS IAS**

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# **Current Affairs**

**[4th January 2021]**

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# Topic-1: UK Spain Pact

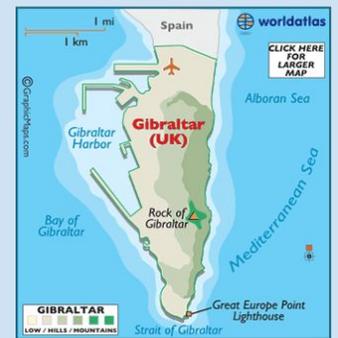
## Context:

- Recently, Spain has announced that it had struck a deal with the United Kingdom (UK) to maintain free movement to and from **Gibraltar – a small portion of land on the southern tip of the Iberian peninsula that Britain controls but Spain claims as its own.**



## What is Gibraltar?

- Gibraltar is a **British Overseas Territory** located at the southern tip of the Iberian Peninsula.
- It has an area of 6.8 km<sup>2</sup> (2.6 sq mi) and is **bordered to the north by Spain.**



## The status of Gibraltar:

- Gibraltar, with a population of around 34,000 people, has been the **subject of intense dispute between Spain and Britain for centuries.** This is mainly because of its **strategic location.**
- The territory, which is **connected to Spain by a small strip of land and surrounded by sea on three sides,** serves as the only opening from the Atlantic Ocean into the Mediterranean Sea, making it a **key location on the shortest sea route between Europe and Asia via the Suez Canal.**

## Geopolitics around Gibraltar:

- Gibraltar fell into British hands after a war in 1713, and has since remained with Britain despite several attempts by Spain to retake it.
- Due to its strategic importance, Gibraltar came to be highly fortified by Britain since the 18th century, thus earning its commonly known name– “**the Rock**”. Even during World War II, Gibraltar’s port was critically important for the Allies, and **it continues to be a key base for NATO**.
- When Britain joined the EU in 1973, Gibraltar was a “crown colony”, but was reclassified as a British Overseas Territory in 2002. In two referendums, one in 1967 and the other in 2002, Gibraltarians overwhelmingly voted to remain a British territory.
- Currently, the territory is self-governing in all aspects, except for defence and foreign policy, which are managed by London, and Gibraltarians have British citizenship.

## The Spain-UK relationship post-Brexit deal:

- The result of the 2016 Brexit referendum gave rise to the possibility of a hard border coming up between Gibraltar and the rest of Europe, despite 96 per cent of the vote in Gibraltar being in favour of remaining in the EU.
- Gibraltarians mainly voted ‘Remain’ because the territory’s economy depends on an open border with Spain, which sends over 15,000 workers and 200 trucks there daily.

## The Spain-UK relationship post-Brexit deal:

- However, free movement will now continue thanks to the Spain-UK deal, as **Gibraltar is being placed in the Schengen area**, with Spain acting as a guarantor. **The Schengen passport-free zone includes 22 countries from the EU, and four others –Norway, Switzerland, Iceland and Liechtenstein.** The UK has never been a part of this zone.
- **The EU will now place Frontex border guards for the next four years to ensure free movement to and from Gibraltar,** and the territory's port and airport would become the external borders of the Schengen area.

## **What are the consequences of the pact?**

- Although the deal covers free movement, **it does not address the sovereignty dispute between Spain and the UK.**
- Britain has called the deal a “political framework” for a separate treaty that it wants to sign with the EU concerning Gibraltar.

### **What is the Schengen Area?**

- The Schengen Area is an area comprising 26 European countries that have officially abolished all passports and all other types of border control at their mutual borders.
- The area mostly functions as a single jurisdiction for international travel purposes, with a common visa policy.
- The area is named after the 1985 Schengen Agreement signed in Schengen, Luxembourg.

### Schengen countries:

- There are 26 countries in the Schengen area. 22 countries are from European Union and other countries are **Norway, Switzerland, Iceland and Liechtenstein.**

- **The 22 EU countries are:** Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden.



## Topic-2: Rashtriya Vayoshri Yojana (RVY)

### Context:

- Recently, a distribution camp was organised for free distribution of Aids & Assistive devices at Block level among the identified Senior citizens under **Rashtriya Vayoshri Yojana (RVY)** and **Divyangjans** under **ADIP**



## Scheme of Government of India at Bhatinda in Punjab.

### About Rashtriya Vayoshri Yojana:

- Rashtriya Vayoshri Yojana (RVY) is a scheme for providing Physical Aids and Assisted-living Devices for Senior citizens belonging to BPL category.
- This is a **Central Sector Scheme**, fully funded by the Central Government.
- The expenditure for implementation of the scheme will be met from the **"Senior Citizens' Welfare Fund"**.
- The Scheme will be implemented through the sole implementing agency - Artificial Limbs Manufacturing Corporation (ALIMCO), a PSU under the Ministry of Social Justice and Empowerment.
- Under the scheme, the physical aids will be provided only to the senior citizens of the nation. This implies those who are aged above 60 years will get free assisted living aids and physical devices which are required for their sustainability.
- Also the govt. has selected the list of cities where the scheme will be implemented. The main criteria for the senior citizens to get full benefits of Rashtriya Vayoshri Yojana (RVY) scheme is that they must belong to the BPL family and should hold valid BPL cards issued by the concerned authority.

### Eligibility:

- Senior Citizens, belonging to BPL category and suffering from any of the age related disability/infirmity viz. Low vision, Hearing impairment, Loss of teeth and Locomotor disability will be provided with such assisted-living devices which can restore near normalcy in their bodily functions, overcoming the disability/infirmity manifested.
- The Scheme is expected to benefit all Senior Citizens across the

country.

**Devices Supported:**

- Walking sticks, Elbow crutches, Walkers/Crutches, Tripods/Quad Pods, Hearing Aids, Wheelchair, Artificial Dentures and Spectacles etc.

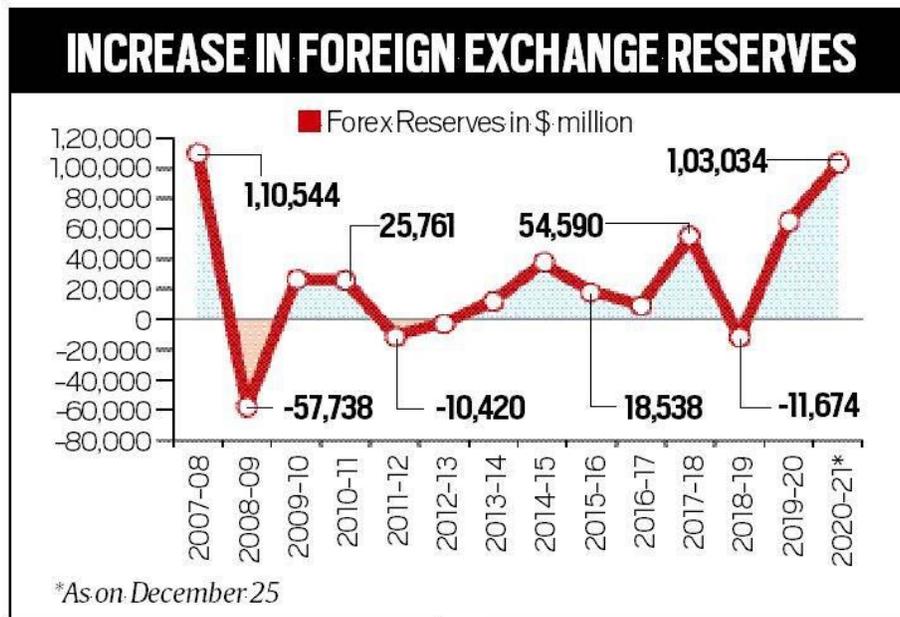
**Salient Features of the Scheme:**

- Free of cost distribution of the devices, commensurate with the extent of disability/infirmity that is manifested among the eligible senior citizens.
- In case of multiple disabilities/infirmities manifested in the same person, the assistive devices will be given in respect of each disability/impairment.
- Artificial Limbs Manufacturing Corporation (ALIMCO) will undertake one year free maintenance of the aids & assisted living devices.
- Beneficiaries in each district will be identified by the State Governments/UT Administrations through a Committee chaired by the Deputy Commissioner/District Collector.
- As far as possible, 30% of the beneficiaries in each district shall be women.
- The State Government/UT Administration/District Level Committee can also utilize the data of BPL beneficiaries receiving Old Age Pension under the NSAP or any other Scheme of the State/UT for identification of senior citizens belonging to BPL category.
- The devices will be distributed in Camp mode.

## Topic-3: India's Forex Reserves

### Context:

- Recently, India's foreign exchange reserves have increased by over \$103 billion in the current fiscal.



### Background:

- In 2007-08, the economy was booming, registering a gross domestic product growth of 9.3 per cent on top of 9.6 percent and 9.5 per cent in the preceding two years. The Centre's fiscal deficit, too, was a mere 2.5 percent of GDP. India could, then, easily withstand the shock from the global economic crisis that followed one year later.
- In 2007-08, the \$110.5-billion reserve build-up, amounting to 7.4 per cent of India's then much-smaller GDP, was powered largely by foreign investment, external commercial borrowings and other capital inflows totaling \$107.9 billion.
- These inflows were more a result of 'pull' factors, having to do with

global investors wanting to partake of the India growth story.

- The forex reserve accumulation in 2020-21 has been driven mainly by the country's current account balance — the gap between exports and imports — turning positive at \$34.7 billion during April-September.
- This surplus has, in turn, been due to imports in April-September 2020 falling by a massive \$95.6 billion over April-September 2019. And that is further reflective of low import demand in a shrinking economy.

### **Current status of forex -**

- The economy has, by contrast, contracted by 14.9 per cent year-on-year in April-September 2020-21 and the Reserve Bank of India (RBI) expects growth for the whole fiscal to be -7.5 per cent (on top of a dismal 3.9 per cent for 2019-20). Nor are government finances in great shape, with the most optimistic projection of the Centre's fiscal deficit for 2020-21 at 6.5-7 percent of GDP (as against the budgeted 3.5 per cent).
- The current account surplus has also been supplemented by some foreign capital inflows. Reliance Industries alone, for instance, attracted global investments aggregating Rs 1,99,321 crore (about \$27 billion) in its Jio Platforms digital and retail businesses between April 22 and November 9. Foreign portfolio investors, too, have pumped \$28.65 billion into Indian equity and debt markets so far this fiscal. But total foreign capital inflows, net of debt repayments and other outflows, have been only \$16.5 billion, as per RBI data for April-September 2020.
- Moreover, unlike in 2007-08, the capital flows coming in now seem to be more courtesy 'push' than 'pull' factors.
- With 10-year US treasury yields currently at 0.91 per cent — they are even lower at 0.19 per cent for the UK, 0.01 percent for Japanese and minus 0.58 percent for German government bonds of the same

tenure — investors are being pushed to seek returns in emerging market economies offering relatively higher returns.

- Some of that dollar liquidity has been flowing into India, especially since November.
- All in all, it makes for an extraordinary situation — of record forex reserves build-up when the economy is experiencing negative growth for the first time in 41 years and amid an unprecedented global pandemic.

### **What is Foreign Exchange Reserve?**

- Foreign exchange reserves are the foreign currencies held by a country's central bank. They are also called foreign currency reserves or foreign reserves. There are seven reasons why banks hold reserves. The most important reason is to manage their currencies' values.

### **How Foreign Exchange Reserves Work?**

- The country's exporters deposit foreign currency into their local banks. They transfer the currency to the central bank. Exporters are paid by their trading partners in U.S. dollars, euros, or other currencies. The exporters exchange them for the local currency. They use it to pay their workers and local suppliers.
- The banks prefer to use the cash to buy sovereign debt because it pays a small interest rate. The most popular are Treasury bills because most foreign trade is done in the U.S. dollar due to its status as the world's global currency.

### **Purpose of maintaining foreign exchange reserves (FOREX):**

There are seven ways central banks (RBI in case of India) use foreign exchange reserves.

- **First**, countries use their foreign exchange reserves to keep the value of their currencies at a fixed rate.
- **Second**, those with a floating exchange rate system use reserves to keep the value of their currency lower than the dollar.
- **A third and critical function** is to maintain liquidity in case of an economic crisis. For example, a flood or volcano might temporarily suspend local

exporters' ability to produce goods. That cuts off their supply of foreign currency to pay for imports. In that case, the central bank can exchange its foreign currency for their local currency, allowing them to pay for and receive the imports.

- The central bank supplies foreign currency to keep markets steady. It also buys the local currency to support its value and prevent inflation. This reassures foreign investors, who return to the economy.
- **A fourth reason** is to provide confidence. The central bank assures foreign investors that it's ready to take action to protect their investments. It will also prevent a sudden flight to safety and loss of capital for the country.
- **Fifth**, reserves are always needed to make sure a country will meet its external obligations. These include international payment obligations, including sovereign and commercial debts. They also include financing of imports and the ability to absorb any unexpected capital movements.
- **Sixth**, some countries use their reserves to fund sectors, such as infrastructure. China, for instance, has used part of its forex reserves for recapitalizing some of its state-owned banks.
- **Seventh**, most central banks want to boost returns without compromising safety. They know the best way to do that is to diversify their portfolios. They'll often hold gold and other safe, interest-bearing investments.

## Topic-4: National Metrology Conclave

### Context:

- The **National Metrology Conclave** was inaugurated on 4th January. Prime Minister Shri Narendra Modi delivered the inaugural address in New Delhi.

### **National Metrology Conclave:**

- The National Metrology Conclave is a one day event, organised by the Council of Scientific and Industrial Research-National Physical Laboratory (CSIR-NPL), to commemorate the Foundation day of CSIR-NPL.
- The theme of the conclave is '**Metrology for the Inclusive Growth of the Nation**'.

**Metrology:** Metrology is defined as the science of measurement and its applications.

### **About the Conclave:**

- '**National Atomic Timescale**' and '**Bhartiya Nirdeshak Dravya**' are dedicated to the nation.
- The foundation stone of the '**National Environmental Standards Laboratory**' has been laid.

### **Some Important Points:**

- **The National Atomic Time Scale** generates Indian Standard Time with an accuracy of 2.8 nanosecond.
- **Bhartiya Nirdeshak Dravya** or (Indian Reference Materials) is developed by the National physical laboratory that supports testing and calibration of laboratories for quality assurance, at par with international standards.
- **The National Environmental Standards Laboratory** is going to aid self-reliance in the certification of ambient air and industrial emission monitoring equipment.

## About Council of Scientific and Industrial Research (CSIR)

The **Council of Scientific and Industrial Research** abbreviated as **CSIR** was established by the Government of India in **1942** as an autonomous body that has risen as the largest research and development organisation in India.



### Organisational Structure:

- **President** : Prime Minister(Ex-Officio)
- **Vice President** : Minister of Science and Technology(Ex-Officio).
- **Governing Body** : The Director General is the head of the governing body. The other ex-officio member is the finance secretary, to deal with the expenditure.
- **CSIR Advisory Board** : It is a 15-members body having prominent members from the fields of science and technology. Its function is to provide S&T inputs to the governing body. Members have terms of 3 years.

### About CSIR-National Physical Laboratory of India:

- The **CSIR- National Physical Laboratory of India**, situated in New Delhi, is the Measurement Standard Laboratory of India.
- It maintains standards of SI Unit in India and calibrates the national standards of weights and measures.



**Founded: 1947**

## Topic-5: India is the first country to culture new mutated Corona Virus

### Context:

- The **Indian Council of Medical Research (ICMR)** has declared “India becomes the first country in the world to successfully isolate and culture the new, mutated strain of the novel coronavirus.”



### About the New mutated Variant:

- SARS CoV 2 has been mutated for various times, since its inception, but the new variant found in **the United Kingdom** is spreading at a very fast pace.
- The name of the new variant is **SARS-CoV-2- B.1.1.7.**
- This new variant is **70%** more transmissible.
- It affects young people the most.
- Number of cases have increased 3 times in the UK, because of this new variant.

## What does it mean?

**Cell Culture is the process to grow cells in the laboratory, outside their natural environment.**



- ICMR Scientists have successfully isolated and cultured the new mutated strain, i.e. ICMR has kept the new strain of the virus alive outside its natural culture.
- Virus always requires a host cell to perform its natural activity.
- ICMR has used Vero cell lines (artificial hosts used to cultivate).
- **Vero cell** lines are the lineage of cells used in cell cultures.
- This virus has already been spread into various countries including Canada, Japan, Lebanon, Germany, Denmark, The Netherlands etc the scientists in these countries were also trying to achieve the same, but no country has yet achieved this success.

## About Indian council of Medical Research (ICMR):

The Indian Council of Medical Research, the apex body in India for the formulation, coordination and promotion of biomedical research, is one of the oldest and largest medical research bodies in the world.

**Headquarters:** New Delhi

**Founded:** 1911



### **Significance:**

- With the help of the Cell culture, Virus will be grown artificially, this will help the scientists to study, conduct research and to understand the growth pattern of the new UK variant of SARS CoV 2.

## **Topic-6: China Expansionism**

### **Context:**

- In a recent interview reacting to China's expansionist policy in Indian Himalayan region, India's defense minister has stated that India is not going to reduce its troop until the status quo has not been maintained.
- Furthermore he said that if any country is expansionist and tries to occupy our land then we have the strength , capability & power to protect our territory. India will not tolerate anything which is harming its sovereignty and respect.

### **China's expansionism-**

- China's expansionist design has been going for a very long time when communist party of China came into power in 1949. From that time they have set the goals very firmly in Himalayan region.
- They have started labeling parts of the Himalayas as their territory. Nowadays it has been seen that they are making a large number of inroads and constructing various infrastructure projects in Himalayan region claiming the region as their own.

The time when Mao made his premiere speech had stated on Chinese palm & fingers policy. He referred to various Indian states such as Arunachal Pradesh , Sikkim etc and states of Nepal and some states of Bhutan etc as the fingers.

#### **The Five Fingers Theory -**

- It is a Chinese foreign policy attributed to Mao Zedong that considers Tibet to be China's right hand palm, with five fingers on its periphery: Ladakh, Nepal, Sikkim, Bhutan, and Arunachal Pradesh, and that it is China's responsibility to "liberate" these regions.

### **Interest of China in Himalayan region-**

In Asia China wants to be a hegemon. According to various international relations experts the main challenger of China for this region is India. It is also stated that If China controls over Himalayas that means it can control the upstream river of it and one who controls the river that can blackmail the countries to which the river flows and that is a threatful situation for India as well.

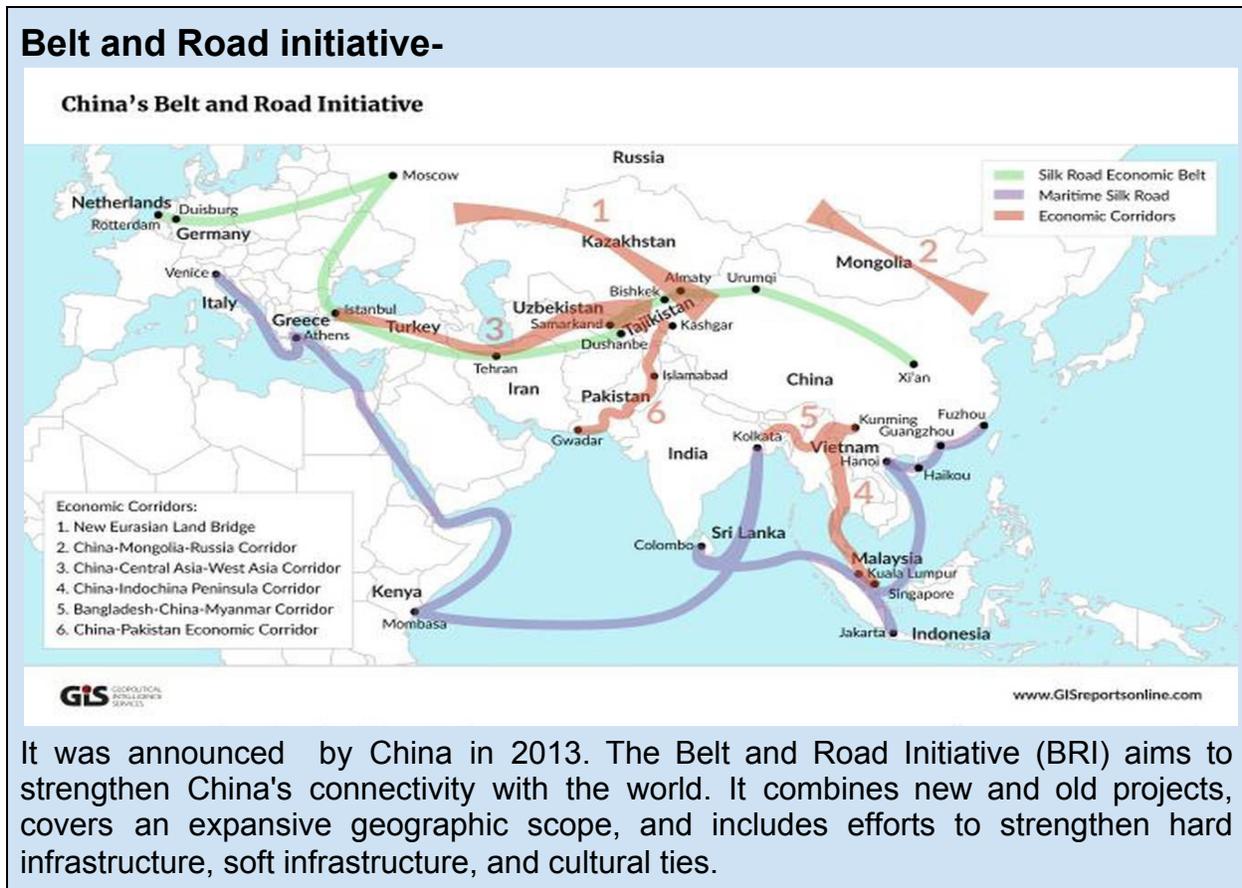
### **USA Perspective**

- The goal of the USA is to maintain its hegemony in the world and according to various scholars China is the new opponent of the USA who has become the challenger of its hegemony.
- Thus It has been seen that despite the change in USA administration, the USA has continued to eye on China's activity and will look to and try to break China's expansionism in south asia and Africa.
- It has also been noted that the US has started so much engagement with India these days to create it as a counter balancer of emerging China in Asia.

### **China's view**

- China wants to be a hegemon and the biggest challenge of it is coming from India.
- Therefore he will be looking to make India down on LAC and for this he is taking various measures such as expansion in Himalayas, naval

expansion in Indian ocean region and Belt and Road initiative in South Asian region.



It was announced by China in 2013. The Belt and Road Initiative (BRI) aims to strengthen China's connectivity with the world. It combines new and old projects, covers an expansive geographic scope, and includes efforts to strengthen hard infrastructure, soft infrastructure, and cultural ties.

### Way for India -

India should not focus on war with China but should focus on its behavioural change but it cannot be imposed on China, we have to coerce it via strong diplomacy. Following are some which India can follow-

- US policy is becoming more robust, containing China the same way European Nation has also come with the new “Indo pacific policy”. India can join hands with them and try to raise the cost of China's expansionism rather confront China through war which increases India's non plan expenditure.

- India should focus on the economic front as India is the biggest market for chinese goods. India should give a strong message to China that by harming India it is hacking their own feet
- Not only at the level of government but the whole of India approach is needed to curtail china. As stated by scholars that “if we don't buy, China cannot sell.”
- It has been seen that India is overly concerned with Pakistan. India has to realise that Pakistan is just a proxy we need to focus on the source from where the major national security challenge is arising.
- India has to get QUAD operationalized because it can become a pressure point which India can put up against China.

#### **The Quadrilateral Security Dialogue-**

- QUAD is an informal strategic forum between the United States, Japan, Australia and India that is maintained by semi-regular summits, information exchanges and military drills between member countries.

- India should focus on the asia africa growth corridor with Japan which can be a balancer of China's belt and road initiative.

#### **The Asia-Africa Growth Corridor -**

## ASIA - AFRICA GROWTH CORRIDOR

The map illustrates the Asia-Africa Growth Corridor (AAGC) with shipping routes connecting key ports. On the Indian subcontinent, Mumbai is highlighted as a central hub. In East Africa, ports include Djibouti, Mombasa, and Zanzibar. In Southeast Asia, routes connect to Singapore, Bangkok, and Mandalay. Other labeled regions include Sudan, Eritrea, Yemen, Oman, Ethiopia, Somalia, Kenya, Uganda, Tanzania, Sri Lanka, and Malaysia. A watermark for the Ministry of External Affairs, Government of India, is visible in the bottom right of the map area.

- AAGC is an economic cooperation agreement between the governments of India, Japan and multiple African countries.
- The AAGC would consist of four main components: development and cooperation projects, quality infrastructure and institutional connectivity, capacity and skill enhancement and people-to-people partnerships.
- These four components as well as four elements or four pillars are complementary to promote growth and all round development in both the continents.