

Date: 8th January 2021

Indian GDP likely to contract :

News: government and released estimated GDP growth in this fiscal year.

Relevance:

- Prelims: though exact figures are not to be remembered. The pattern of the GDP growth is required to be known and some terms mentioned in the article
- Mains: the data can be used in essay or GS-3 to substantiate your answers.

Stat:

- Indian real GDP is estimated to contract by 7.7% in 2020-21.
- Gross value added (GVA) is expected to shrink by 7.2%.
- Indian economy had expanded 4.2% in 2019-20, and entered recessionary phase.
- In April to June period of 2020 there was a 23.9% collapse in GDP.
- Second half of 2020-21 will have. Anwar zero growth with only 0.1% contraction.

NOTE:

Recessionary phase: 2 successive quarter of sharp economic decline.

Real GDP: it's the GDP which is calculated by eliminating the impact of inflation on the GDP numbers with respect to base year.

YAMUNA FROTHING:

News: Delhi government prepared a nine point action plan to prevent Yamuna frothing.

Relevance:

- Mains: essay and GS 3- environment

Why frothing is taking place?

- Due to discharge of untreated sewage in the river

Plan:

- It mentions the target to achieved by various agencies to prevent the discharge of untreated wastewater in the river.
- Haryana and Uttar Pradesh have been asked to upgrade their sewage treatment plants as per the standard of Delhi pollution Control committee for treating waste water entering Yamuna.

World food price index:

News: world food price index rises for seventh straight month in December 2020.

About WFPI:

- It is released by food and agriculture Organization (FAO) .
- For 2020 it was three year high at 97.9 points.
- It was still less than historical peak of 2011.
- Export prices for wheat, maize, sorghum and rice rise in December.

Indian fiscal deficit:

News: Indian fiscal deficit for the year 2020-21 is likely to exceed 7% of gross domestic product.

Relevance:

- Prelims: pattern of fiscal development and conceptual information.

Present issue:

- In February 2020, the government projected the a deficit of 3.5 % for the current year.
- Estimated government borrowing was Rs.7.8 trillion, which was later revised to 12 trillion due to pandemic to provide relief package.
- India recorded it's first ever recession due to lockdown induced by pandemic.

Fiscal deficit:

Fiscal deficit = total expenditure- (revenue receipts+ non debt creating capital receipts)

- Total expenditure = revenue expenditure + capital expenditure
- Non debt creating capital receipts include disinvestment, slaw of its assets by the government such as sale of spectrum and coal mine lease and recovery of past loans.

High fiscal deficit reflects high borrowings on the part of government. It has serious implications as it leads to high interest burden. It comes through current receipts and thus widen the difference between current expenditure and current revenue.

High fiscal deficit is inflationary in nature.

FRBM ACT:

- It mandate the government to bring down its revenue deficit to 0.8% by 2022-23.
- And to bring down its fiscal deficit to 2.5% by 2022-23.
- Government should bring down its outstanding debt from 70% in 2016-17 to 60% in 2022-23.
- It also provide for an escape clause for extraordinary situation in the economy. In such situations government can deviate from the fiscal deficit target.

Tenth Schedule:

News: SC issued notice to Rajasthan assembly speakers and 6 MLA over their merger into ruling party.

Relevance: tenth Schedule both for prelims and mains

Tenth Schedule:

The 52nd Constitutional amendment act 1985 inserted Schedule X into the constitution of India. It aimed at preventing defection motivated by evil or self profit.

Disqualifications:

- If a member of political party voluntarily gives up his membership.
- If a member of a political party votes or abstain from voting contrary to the whip of the political party.
- If a **nominated member** join any political party after expiry of 6 months from the date he entered into the office.
- If an **independent member** joins any political party.

Exemptions:

It provides an exemption from disqualification on the basis of defection if:

- A member decides to leave a party in case the merger of a party with another party takes place with the consent of a 2/3rd member of the party.
- A member after being appointed as the presiding officer decides to voluntarily resign from the party.
- There is a split by 1/3rd member of the legislature party. This provision was deleted by the 91st Constitutional Amendment Act.

Decision making Authority:

Presiding officer is the decision-making authority; however, it is subject to Judicial review on the basis of malafide and perversity, etc.
