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# TATHASTU ICS

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DAILY CURRENT AFFAIRS



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S.NO.	TOPIC
1.	CENTRAL BANK DIGITAL CURRENCIES AND CROSS BORDER PAYMENTS
2.	GIG WORK IN INDIA
3.	HOW INVASIVE SPECIES ARE COSTING THE GLOBAL ECONOMY BILLIONS ANNUALLY?

## CENTRAL BANK DIGITAL CURRENCIES AND CROSS BORDER PAYMENTS

SOURCE: [LIVEMINT](#) , [TH](#) , [IE](#)

### WHY IN NEWS?

RBI Governor Shaktikanta Das highlighted the challenges in cross-border payments and emphasized that Central Bank Digital Currencies (CBDCs) can enhance efficiency, reduce costs, and increase transparency in these transactions.

### ABOUT CBDCs:

Central bank digital currencies (CBDCs) are the digital form of a government-issued currency that isn't pegged to a physical commodity. They are issued by central banks, whose role is to support financial services for a nation's government and its commercial-banking system, set monetary policy, and issue currency.

#### WHY THE PUSH FOR CBDCs

- Boosts financial inclusion
- Makes the economy less dependent on cash
- Creates a scenario for lower usage of private digital currencies
- Reduction in cost of printing currency
- Retail CBDC helps access to safe money for payments and settlements
- Wholesale CBDC helps lower transaction costs for banks, quicker settlement of trades

SOURCE: Forbes India

### DIFFERENCE BETWEEN CBDC AND CRYPTO CURRENCY:

Aspect	Central Bank Digital Currency (CBDC)	Cryptocurrency
<b>Issuer</b>	Central banks or government	Decentralized network/community
<b>Backing</b>	Backed by the government's trust	Not backed by any central authority
<b>Regulation</b>	Subject to government regulations	Generally, operates outside of traditional financial regulations
<b>Control</b>	Centralized control and governance	Decentralized, often governed by a consensus mechanism
<b>Monetary Policy Impact</b>	Can be used to implement monetary policies and manage the money supply	Operates independently of central banks, impacting monetary policy less directly
<b>Stability</b>	Generally stable value, tied to the national currency	Can have high price volatility
<b>Transparency</b>	Transactions are traceable and may require KYC (Know Your Customer)	Offers varying degrees of anonymity and privacy
<b>Use Cases</b>	Mainly for government payments, interbank settlements, and retail transactions	Primarily used as a digital asset or medium of exchange
<b>Legal Status</b>	Legally recognized and issued by governments	Legal status varies by country, often facing regulatory scrutiny
<b>Examples</b>	Examples include China's digital yuan (e-CNY) and the proposed US digital dollar	Examples include Bitcoin, Ethereum, and thousands of other cryptocurrencies

### WHY DO WE NEED CBDCs?

1. **Cost-Efficient Management:** CBDC will reduce the costs associated with physical cash management.
  - a. EXAMPLE: In FY22, India spent ₹4,984.80 crore on printing money and ₹4,012.10 crore the previous year.
2. **Boost to Digital Economy and Financial Inclusion:** CBDC will address the country's increasing need for cash. Additionally, it will stimulate India's digital economy, promote financial inclusion, and enhance the overall efficiency of the financial system.
3. **Security in Uncertain Times:** e₹, being central bank money, provides a secure option for individuals during uncertain situations like the COVID-19 pandemic.
4. **Diverse Saving and Transaction Choices:** e₹ offers various options such as e-wallets, mobile banking, and UPI for making payments and managing savings.
5. **Enhanced Payment Safety:** e₹ is a secure central bank instrument with direct access to RBI money for payments and settlements. It serves as an electronic version of cash, primarily designed for retail transactions.

### DISADVANTAGES OF CBDCs:

1. **Privacy Concerns:** CBDCs may raise privacy issues as transactions can be easily tracked.
2. **Bank Disintermediation:** They might lead to disintermediation of commercial banks, impacting their profitability.
3. **Cybersecurity Risks:** CBDC systems are susceptible to cyberattacks, requiring robust security measures.
4. **Depositor Behaviour:** People might shift deposits from banks to CBDCs, affecting the banking system.
5. **Cross-Border Regulatory Challenges:** Regulating cross-border CBDC transactions can be complex.
6. **Technological Barriers:** Implementation and maintaining CBDC systems require advanced technology and infrastructure

### STATUS OF CBDCs IN INDIA:

- The Reserve Bank of India (RBI) has been exploring the possibility of launching a central bank digital currency (CBDC) in India since 2019. In her 2021-22 budget speech, the Finance Minister announced that the RBI would launch a CBDC in the coming fiscal year.
- The RBI has been conducting a pilot project for the CBDC since December 2022. The pilot is being conducted in two phases: a wholesale CBDC (w-CBDC) pilot and a retail CBDC (r-CBDC) pilot. The w-CBDC pilot is being conducted with a limited number of banks, while the r-CBDC pilot is being conducted with a wider range of stakeholders, including retail investors and merchants.
- The RBI has not yet announced a timeline for the launch of the CBDC. However, it is expected that the CBDC will be launched in India in the next few years.

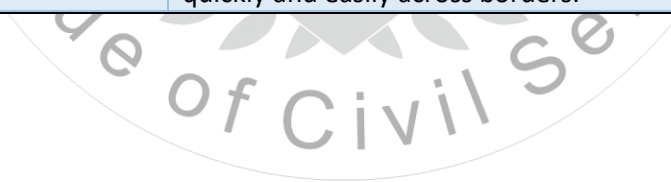
### WAY FORWARD:

- **Pilot Programs:** Continue and expand CBDC pilot programs to test and refine the technology, infrastructure, and user experience.
- **Regulatory Clarity:** Develop clear and comprehensive regulatory frameworks that address the legal, technical, and security aspects of CBDCs.

- **Public Awareness:** Launch public awareness campaigns to educate citizens about the benefits and usage of CBDCs, promoting their adoption.
- **Interoperability:** Ensure interoperability between different CBDCs and existing payment systems to facilitate seamless transactions.
- **Financial Inclusion:** Use CBDCs as a tool to enhance financial inclusion by reaching underserved and remote populations.

#### DIFFERENT TYPES OF MONEY:

Type of money	Example	Description
<b>Commodity money</b>	Gold, silver, copper	Money that has intrinsic value, meaning that it is worth something in and of itself. It is used as a medium of exchange because it is durable, portable, divisible, and has a consistent value.
<b>Fiat money</b>	US dollar, euro, Indian rupee	Money that is not backed by a physical commodity. Its value is based on the government's promise to accept it as payment for goods and services. It is used as a medium of exchange because it is widely accepted and has a stable value.
<b>Fiduciary money</b>	Banknotes, cheques	Money that is not backed by a physical commodity, but it is backed by the full faith and credit of the government. It is used as a medium of exchange because it is widely accepted and is considered to be a safe store of value.
<b>Commercial bank money</b>	Deposits in checking accounts	Money that is created by commercial banks when they make loans. It is used as a medium of exchange because it is easily accessible and can be used to make payments quickly and easily.
<b>Digital money</b>	Bitcoin, Ethereum	Money that exists only in digital form. It is used as a medium of exchange because it is secure and can be transferred quickly and easily across borders.



## GIG WORK IN INDIA

SOURCE: [TH](#), [IE](#), [PMINDIA](#)

### WHY IN NEWS?

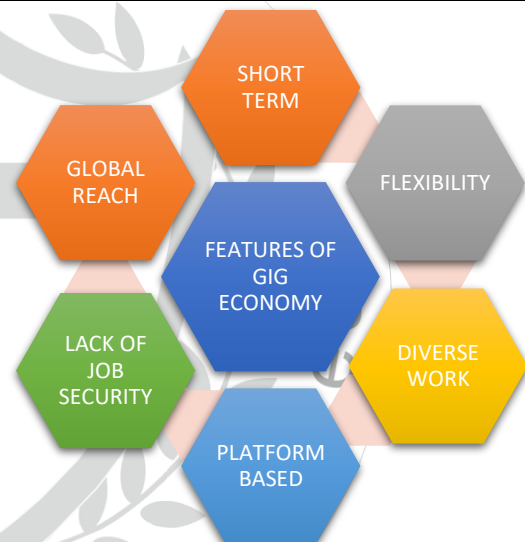
The e-commerce industry in India is projected to generate 7,00,000 gig jobs by the end of H2 2023, with a focus on e-commerce, logistics, warehousing, last-mile delivery, and call centre roles. These opportunities are expected to be concentrated in tier-2 and tier-3 cities.

### WHAT IS GIG ECONOMY?

- A **Gig economy** is a free market system in which temporary positions are common and organizations contract with independent workers for short-term engagements.
- **GIG WORKER:** According to the **Code on social security 2020**. A gig worker is a person who performs work or participates in work arrangements and earns from such activities, outside of the traditional employer-employee relationship.

### STATUS OF GIG ECONOMY IN INDIA:

- Around **56% of India's new employment opportunities** come from the gig economy, encompassing **both blue-collar and white-collar sectors**.
- While traditionally associated with blue-collar roles, the gig economy is now witnessing growth in white-collar positions like consultants, salespeople, web designers, content writers, and software developers.
- The gig economy has the potential to create up to 90 million jobs in non-farm sectors, contributing an **estimated 1.25% to India's GDP in the long term**.
- As India aims to achieve a \$5 trillion economy by 2025, the gig economy is expected to play a crucial role in addressing income disparities and unemployment.
- **NITI Aayog** recently published a report titled '**India's Booming Gig and Platform Economy**,' projecting that the **gig workforce will reach 235 million by 2029-30**.
- In the 2020-21 fiscal year, approximately 7.7 million gig workers were part of the gig economy, constituting 2.6% of the non-agricultural workforce and 1.5% of the total workforce in India.



### CHALLENGES OF THE GIG ECONOMY:

1. **Lack of Job Security:** Gig workers often lack job security, employment benefits, and legal protections that traditional employees enjoy.
2. **Income Inconsistency:** Gig workers face income volatility as their earnings depend on the number of gigs they secure, making financial planning difficult.
3. **Limited Access to Benefits:** Gig workers typically don't have access to health insurance, provident funds, or other social security benefits.
4. **No Statutory Protections:** Many gig workers are not covered by labour laws, which can leave them vulnerable to exploitation.

5. **Skill Mismatch:** Gig workers may have skills that don't match the demands of available gigs, leading to underemployment.
6. **Unequal Bargaining Power:** Gig platforms often have more bargaining power than individual workers, which can lead to unfavourable terms and conditions.

GOVERNMENT INITIATIVES TO SUPPORT GIG ECONOMY IN INDIA:		
Initiative	Objective	Key features
<b>National Digital Employment Exchange (NDXE)</b>	To create a unified platform for job seekers and employers to connect.	The NDXE will be a web-based platform that will allow job seekers to register their profiles and employers to post job openings. The platform will also provide features such as skill mapping, career counselling, and training.
<b>Skill India</b>	To upskill and reskill workers for the gig economy.	The Skill India initiative provides a range of training programs for workers in different sectors. The programs are designed to help workers acquire the skills they need to succeed in the gig economy.
<b>Pradhan Mantri Kaushal Vikas Yojana (PMKVY)</b>	To provide training to youth in emerging sectors such as IT, e-commerce, and hospitality.	The PMKVY is a government-funded training program that provides free training to youth. The program is designed to help youth acquire the skills they need to get jobs in the gig economy.
<b>Start-up India</b>	To promote entrepreneurship and innovation.	The Start-up India initiative provides a range of benefits to start-ups, such as tax breaks, funding, and mentoring. The initiative is designed to help start-ups succeed in the gig economy.
<b>Mudra Yojana</b>	To provide loans to small businesses.	The Mudra Yojana is a government-funded loan program that provides loans to small businesses. The program is designed to help small businesses grow and create jobs.
<b>E-Shram portal</b>	To create a national database of gig workers.	The e-Shram portal is a government-run website that collects information about gig workers. The information collected on the portal will be used to provide benefits and services to gig workers.

#### WAY FORWARD:

- **Clear Regulatory Framework:** Establish a clear and balanced regulatory framework that recognizes gig workers' rights and responsibilities while providing flexibility for platform-based work.
- **Social Security Nets:** Develop customized social security schemes, such as health insurance, retirement benefits, and unemployment protection, tailored to the needs of gig workers.
- **Skill Development:** Invest in skill development and training programs to enhance the employability and income potential of gig workers, especially in emerging sectors like technology.
- **Financial Inclusion:** Promote financial inclusion by enabling gig workers to access formal banking services, credit, and insurance to manage their finances and risks.

## HOW INVASIVE SPECIES ARE COSTING THE GLOBAL ECONOMY BILLIONS ANNUALLY?

SOURCE: [THE INDIAN EXPRESS](#)

### WHY IN NEWS?

- The **Assessment Report on Invasive Alien Species and Their Control**, the most **comprehensive study** on invasive species to date, published by the **Intergovernmental Platform on Biodiversity and Ecosystem Services (IPBES)**, found that there are 37,000 alien species, including plants and animals, that have been introduced by many human activities to regions and biomes around the world, including more than **3,500 invasive alien species**.

### WHAT ARE INVASIVE SPECIES?

- Invasive species are **non-native organisms** that have been introduced to a new environment, region, or ecosystem, frequently as a **result of human activity**.
- They are also known as **invasive alien species or exotic species**.
- Where they are introduced, these animals have the potential to seriously disrupt local ecosystems, species, and human interests.



LANTANA CAMARA



RED EAR SLIDER TURTLE

### INVASIVE SPECIES IN INDIA:

SPECIES (PLANT KINGDOM)	LOCATION
1. LANTANA CAMARA	Western ghats, Eastern ghats, and some parts of Northeast India.
2. PARTHENIUM WEED (Congress weed)	Northern and Central India
3. WATER HYACINTH	Kerala, West Bengal and Uttar Pradesh
4. EUCALYPTUS	Western Ghats
5. AUSTRALIAN ACACIA	Southern and North Eastern states.
6. SENNA SPECTABILIS	Western Ghats

SPECIES (ANIMAL KINGDOM)	LOCATION
1. RED-EARED SLIDER TURTLE	Coastal areas
2. HOUSE SPARROWS	Urban areas
3. BURMESE PYTHON	Andaman and Nicobar
4. APPLE SNAIL	Southern and Northeastern regions
5. AFRICAN CATFISH	Coastal and riverside
6. AMERICAN BULL FROG	Kerala

#### CHARACTERISTICS OF INVASIVE SPECIES:

- **Rapid production:** High reproduction rates in invasive species enable them to quickly grow their numbers.
- **Non-native origin:** Outside of their native ecosystems, invasive species arise. Humans may introduce them purposefully or unintentionally through trade, travel, agriculture, or horticulture.
- **Lack of natural predators:** Invasive species frequently lack natural predators or restraints in their new environments, allowing their numbers to expand unchecked.

#### CHALLENGES ARISE DUE TO INVASIVE SPECIES:

- **Loss of biodiversity:** A decrease in biodiversity can result from invasive species **outcompeting and displacing native ones**. The ecosystems' capacity to deliver ecosystem services may be negatively impacted for a long time by this loss of biodiversity.
- **Ecosystem disruption:** **Ecosystem functions** including **nutrient cycle, water movement, and fire regimes** can all be affected by invasive species. The entire ecosystem may be affected in a cascade manner by these disturbances, creating ecological imbalances.
- **Economic impact:** By destroying forests, fisheries, and agricultural crops, invasive species can hurt the economy. Controlling invasive species and lessening their negative effects can be expensive.
- **Health hazards:** Some invasive species can endanger human health **by spreading diseases or triggering allergies**. For instance, invading mosquitoes can spread diseases like the **West Nile and Zika viruses**.

#### HOW TO DEAL WITH THIS CHALLENGE?

- **Biosecurity measures:** Put in place stringent **biosecurity controls** at **ports, airports, and border crossings** to stop invasive species from accidentally entering the world through trade and travel.
- **Awareness:** Spread knowledge about the dangers of invasive species and the **value of ethical behaviour** among the general public, industries, and stakeholders.
- **Regulation and Legislation:** Pass rules and regulations **limiting the sale and import of potentially invasive species**, and make sure they are adhered to impose **certification and inspection** requirements on imported items.

#### GOVERNMENT EFFORTS:

##### MAJOR LEGISLATIONS:

LEGISLATION	PROVISION
1. <b>BIOLOGICAL DIVERSITY ACT 2002</b>	It offers a framework for the law to govern the use of biological resources and related traditional knowledge.
2. <b>WILDLIFE PROTECTION ACT 1972</b>	This aids in the management of exotic species that can threaten native wildlife. It includes measures for the restriction of hunting, poaching, and the illegal trade in wildlife.
3. <b>FOREST CONSERVATION ACT 1980</b>	Protecting <b>indigenous forest ecosystems</b> , it indirectly aids in the management of invading species.
4. <b>PLANT QUARANTINE REGULATION OF IMPORT INTO INDIA ORDER 2003</b>	To <b>stop the spread of invasive plant species</b> , it contains procedures for the inspection and quarantine of imported plant material.



## MAJOR INTERNATIONAL TREATIES:

TREATY	OBJECTIVE
1. <b>CONVENTION ON BIOLOGICAL DIVERSITY</b>	The CBD is an international agreement that seeks to protect biodiversity, utilize its elements responsibly, and guarantee the <b>equitable and fair distribution of the advantages</b> associated with genetic resources.
2. <b>CARTEGENA PROTOCOL ON BIOSAFETY</b>	This protocol, which is a component of the CBD, deals especially with the <b>safe handling, transfer, and use of living modified organisms (LMOs)</b> , which can include genetically engineered organisms.
3. <b>IUCN GUIDELINES ON INVASIVE SPECIES</b>	IUCN has created <b>management guidelines and suggestions for invasive alien species</b> , which are helpful resources for nations and organizations tackling invasive species problems.
4. <b>NAGOYA PROTOCOL</b>	A supplemental accord to the Convention on Biological Diversity (CBD), the Nagoya Protocol on <b>Access to Genetic Resources, and the Fair and Equitable Sharing of Benefits</b> Arising from their Utilisation.
5. <b>INTERNATIONAL PLANT PROTECTION CONVENTION</b>	An international agreement known as the IPPC attempts to <b>safeguard plant resources from the introduction and spread of pests, diseases, and invasive alien species</b> .

### WAY FORWARD:

- **RESTORATION and REHABILITATION:** To repair ecosystems harmed by invasive species, and fund **habitat restoration and rehabilitation projects**.
- **RESEARCH AND MONITORING:** The biology, behaviour, and ecological effects of invasive species should be better understood by **funding scientific research**.
- **INTERNATIONAL COOPERATION:** Address concerns related to transnational invasive species in cooperation with **international organisations and surroundings**.