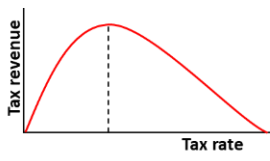

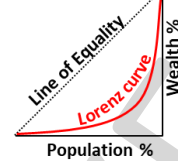

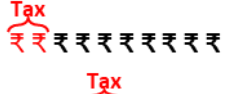





# All-Inclusive Current Affairs for Prelims 2023

## Economy Class-12

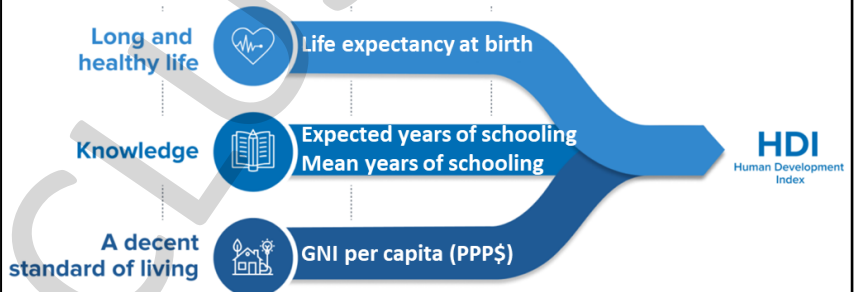
### Important Curves

LAFFER curve	PHILLIPS curve	LORENZ curve	KUZNETS curve
लफंडर tax नहीं देते	Bulb बनाता था अब बेरोजगार है	Mercedes Benz का रिश्तेदार	Per capita income and inequality
Tax rate and Tax revenue	Unemployment and inflation	Inequality of income or wealth	
			
 <p>More tax → less incentive to work</p>	 <p>No job → no money → Low demand-pull inflation</p>		 <p>2% growth      15% growth Inequality rising as rich are getting richer at faster speed</p>

**FINANCIAL EXPRESS**  
**India's rank on UNDP's global Human Development Index falls one notch to 132**  
 New Delhi | September 9, 2022 05:30 IST  
 India's rank in the global Human Development Index (HDI) slipped marginally to 132, out of 191 countries and territories, in the 2021/22 report, with most countries registering a decline in their HDI value. India's rank was 131 last year. For the first time, the HDI has declined for two years in a row, with 90% of countries registering a decline in their HDI value in 2020 or 2021, in the face of multiple crises like Covid-19, the war in Ukraine, and dangerous planetary changes. HDI is a measure of a nation's health, education and average income.

### Human Development

**First state** to prepare HDR was **MP** in 1995



#### UNDP

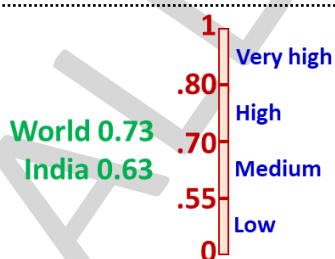
- 1965/66, New York
- Funded entirely by voluntary contributions
- Parent organization: ECOSOC

#### Did you know?

First president of Ecosoc was an Indian (Ramaswami Mudaliar)

#### India's HDI score

**1990-2018:** increased every year  
**2019:** no increase/decrease  
**2020:** fell      **2021:** fell



India is best in South Asia? No  
 India is worst in BRICS? Yes

073 Sri Lanka	052 Russia
090 Maldives	079 China
127 Bhutan	087 Brazil
129 Bangladesh	109 S Africa
<b>132 India</b>	<b>132 India</b>
143 Nepal	
161 Pakistan	
180 Afghanistan	

#### Human Development Report

**Title of 2021/22 HDR report:**  
 Uncertain times, Unsettled lives:  
 Shaping our Future in a  
 Transforming World

#### Some indices in HDR report:

- HDI
- Inequality adjusted HDI
- Gender development index
- Gender inequality index
- Multi-dimensional poverty index

I read I forget, I see I remember

See explanation of this PDF on [www.youtube.com/c/allinclusiveias](https://www.youtube.com/c/allinclusiveias)

### Human Development Report

- To measure human development, UNDP uses HDI and HPI.
- Since 1990 UNDP has been publishing HDR every year.
- Amartya Sen and Mahbub-ul-Haq worked together to bring out the initial reports.

### Human Development Index

- It was created in 1990 by Pakistani economist Dr Mahbub-ul-Haq
- It ranks countries based on health, education and access to resources.
- These rankings are based on a score between 0 to 1 (higher score is better)

### Human Poverty Index

- It was introduced in HDR in 1997.
- In 2010, it was replaced by MDPI (society pg-3)

### Prelims 1995

Which one of the following 5 year plan recognized human development as the core of all development efforts?  
(a) 3<sup>rd</sup> 5-year plan (b) 5<sup>th</sup> 5-year plan  
(c) 6<sup>th</sup> 5-year plan (d) **8<sup>th</sup> 5-year plan**

### UP-PCS 2019

Physical Quality of Life index was developed by  
(a) Morris David Morris (b) UNDP  
(c) Mahbub-ul-Haq (d) None of the above  
*Developed by Morris David Morris in 1970s*  
*Parameters: Literacy, infant mortality, life expectancy*

### Prelims 2011

Consider the following:  
1. Right to education      2. Right to equal access to public services      3. Right to food  
Which of the above are Human rights under "Universal Declaration of Human Rights"?  
(a) 1 only (b) 1, 2 only (c) 3 only (d) **1, 2, 3**

### NCERT Class-12 --- Fundamentals of Human Geography --- Chapter-4: Human Development

#### Growth vs Development

- **Growth** is quantitative. It can be positive or negative.
- **Development** is qualitative. It is only positive.

Growth may not lead to development. Example:  
A city may grow due to population, but it may not develop in terms of health, education, etc.

#### Dr Mahbub-ul-Haq


- He introduced the concept of human development
- i.e. development that enlarges people's choices and improves their lives

#### Approaches to Human development

<b>Basic needs Approach</b>	<ul style="list-style-type: none"><li>➤ 6 basic needs: health, education, food, water, sanitation, housing.</li><li>➤ It <u>ignores human choice</u> and emphasizes on basic needs.</li><li>➤ This approach was proposed by <u>ILO</u></li></ul>
<b>Welfare Approach</b>	<ul style="list-style-type: none"><li>➤ Govt is <u>responsible</u> for HD by spending more on welfare.<ul style="list-style-type: none"><li>➤ <u>Govt</u> must <u>spend</u> more on health, education, etc.</li></ul></li><li>➤ <u>People</u> are <u>beneficiaries</u> of development activities.<ul style="list-style-type: none"><li>➤ People are passive <u>recipients</u>; they don't participate in development.</li></ul></li></ul>
<b>Income Approach</b>	<ul style="list-style-type: none"><li>➤ HD is linked to <u>income</u>.</li><li>➤ Income reflects <u>freedom</u>.</li><li>➤ Higher the income, higher the HD</li></ul>
<b>Capability Approach</b>	<ul style="list-style-type: none"><li>➤ This approach is associated with <u>Prof Amartya Sen</u>.</li><li>➤ Building human capabilities in health, education and access to resources is key to HD</li></ul>

#### Four pillars of Human development

<b>Equity</b>	Equal access to opportunities
<b>Sustainability</b>	Continuity in availability of opportunities
<b>Productivity</b>	People's capabilities must be increased
<b>Empowerment</b>	Power to chose

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## Capital: Physical, Human, Social

### Social capital

- ❑ value generated from interpersonal relations from social networks.
- ❑ e.g. women discussing common problem in SHG; borrowing something from friend, helping the neighbour in times of need.

### Prelims 2019

- In the context of any country which one of the following would be considered as part of its social capital?
- (a) The proportion of literates in the population.
  - (b) The stock of its buildings, other infrastructure & machines
  - (c) The size of the population in the working age group.
  - (d) **The level of mutual trust and harmony in the society**

*NCERT Class-11 --- Indian Economic Development --- Chapter-4: Human Capital Formation in India*

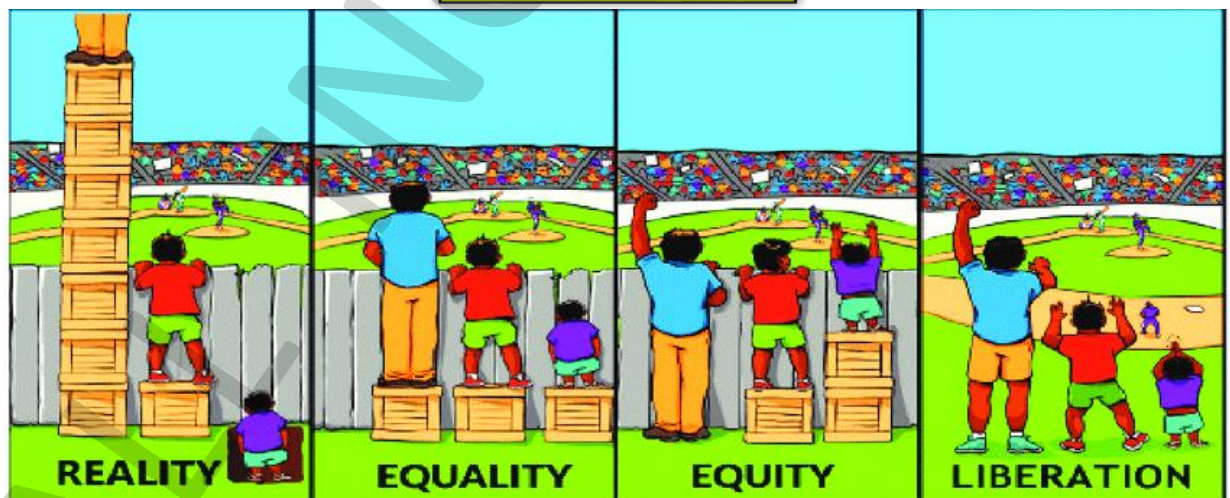


### Physical capital

### Human capital

It is <u>separable</u> from owner. Owner need not be present where asset is used	It is <u>inseparable</u> from owner. Owner must be present where asset is used
It is <u>tangible</u> . It can be easily <u>sold</u> in market.	It is <u>intangible</u> . It <b>cannot be sold</b> . Only its services can be sold.
It is <u>mobile</u> between countries.	It is <u>restricted</u> by nationality and culture.
It <u>depreciates</u> over time, and becomes <u>obsolete</u> .	It <u>depreciates</u> with age, but depreciation can be <u>reduced</u> by investing in health and education.
It creates only <u>private benefit</u> . i.e. only those who pay get the benefit e.g. only those who pay get the bus ride	It creates both <u>private and social benefits</u> . i.e. those who don't pay also get the benefit e.g. good driving skills saves pedestrians also

## Equality vs Equity



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## Glass ceiling

Invisible barrier that does not allow women (or other groups) to rise in an organization



## Glass cliff

Asking women (or other groups) to take up leadership role, when chances of failure are higher



## Collar color

These are generally metaphorical and not a description of actual attire.



White collar	Blue collar	Pink collar
Desk work	Manual labour	Care industry
e.g. Manager, IT, Engineer	e.g. factory, mining, construction	e.g. beauty, nursing, teaching

## Creative economy

THE HINDU

'Creative economy accounted for \$121 billion of exports in 2019'

September 03, 2022 07:44 pm | Updated 09:12 pm IST - New Delhi

India's creative economy comprising the arts and crafts, audio and video arts and design, among others, accounted for exports of goods and services worth \$121 billion in 2019, according to a paper by the Exim Bank of India.

### EXIM bank (Export-Import bank)

- Year: 1982, HQ: Mumbai, Ministry: Finance
- Established through Export-Import Bank of India [Act 1981](#)
- It gives credit to exporters, importers, govts, banks, etc.
- It is a specialized financial institution, wholly owned by [Govt of India](#)

*Note: all of the following have some amount of overlap*



### Creator economy / Influencer economy

People earn by marketing their skills online e.g. YouTube, TikTok, Patreon, etc.



### Creative economy / Orange economy

Economy associated with arts, crafts, audio, video, design, etc.

### Platform economy

Economic activity facilitated by digital platforms. e.g. in-drive, Zomato, Uber

### Gig economy

- part-time work done by freelancers rather than full-time permanent employees
- e.g. upwork, inDrive, Zomato, Uber

### Sharing economy / Peer-to-peer economy

- short-term P2P transaction to share use of idle assets and services
- e.g. Airbnb, P2P lending, Co-working space, etc

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## G20 unveils global pandemic fund to avoid repeat of Covid pandemic

Funds will be used to help countries prevent future pandemics; fundraising currently at \$1.4 billion

3 min read Last Updated : Nov 14 2022 | 12:20 AM IST

### Pandemic fund

- ❑ It was launched in November 2022 [G20 Summit](#) in Indonesia
- ❑ It will provide finance, to low and middle income countries, to strengthen capacity for, pandemic [prevention, preparedness, response](#). (disease surveillance, laboratories, etc)
- ❑ Many countries, including [India](#), are contributing funds to it.
- ❑ It is [one of the many FIFs](#) hosted by World Bank
- ❑ [World Bank](#) is Trustee and hosts the Secretariat.
- ❑ [WHO](#) will give technical support.

### Financial Intermediary Fund



- ❑ FIF is a [financial arrangement](#) that pools resources from various sources to support some international initiative.
- ❑ World Bank acts as Trustee for [more than 26 FIFs like](#):
  - The Pandemic Fund, Global Environment Facility, Adaptation Fund, Green Climate Fund, Least Developed Countries Fund, Coalition for Epidemic Preparedness Innovations, Clean Technology Fund, Global Infra Facility, etc.

### Doom Loop

(economy, environment, psychology, etc.)

The Economist explains

## What is the "doom loop" in the euro zone?

A vicious cycle in countries' financial systems has analysts worried

Jun 22nd 2022

#### Doom Loop

- ❑ One negative event [triggers another](#), which further triggers more negative events, causing the first event to worsen.

#### Doom loop in Economy

- ❑ it can be due to high NPAs, excess govt debt, weak banking system, excessive increase in interest rate, etc.
- ❑ To prevent or break the loop, [govt intervention](#) is needed, like a bailout package.