

## World Bank report on Remittances

- Remittances to India are set to touch a record \$100 billion in 2022, according to the World Bank's latest Migration and Development Brief titled, 'Remittances Brave Global Headwinds'.
- India received \$89.4 billion in 2021 this is the first time a country will reach the \$100 billion mark.

### What is a remittance?

- It denotes a sum of money sent by one party to another.
- These days, the term describes the money sent by someone working abroad to their family back home.
- In the case of India, the largest sources of remittances have been from Indians working in the Gulf Cooperation Council (GCC) countries (UAE, Bahrain, Saudi Arabia, Oman, Qatar, Kuwait), and the U.S./U.K.

### What are the reasons behind the sustained growth in remittances?

- According to the World Bank, one of the main reasons is the gradual reopening of various sectors in host-country economies, following pandemic-induced closures and travel disruptions.
- This "improved migrant workers' incomes and employment situations and thereby their ability to send money home.

### What are the reasons behind the resilience of India's inward remittance flows?

- The report points to a structural shift in India's remittance economy, both in terms

of the top destination countries, and the nature of the jobs held by migrants.

- It notes that "remittances have benefitted from a gradual structural shift in Indian migrants' key destinations from largely low-skilled, informal employment in the Gulf Cooperation Council (GCC) countries to a dominant share of high-skilled jobs in high-income countries such as the U.S., the U.K., and East Asia (Singapore, Japan, Australia, New Zealand)."
- With 20% of India's emigrants in the U.S. and the U.K., "the structural shift in qualifications and destinations has accelerated growth in remittances tied to high-salaried jobs, especially in services," states the report
- In the GCC countries, Indian migrants benefited from governments' direct support measures to keep inflation low.
- Finally, the report adds that Indian migrants may also have "taken advantage" of the depreciation of the Indian rupee vis-à-vis the U.S. dollar.

### What does the report say about future trends?

- The report predicts that growth in remittances will fall high-income<sup>3</sup> as the GDP growth in high-income countries continues to slow, eroding migrants' wage gains.
- For South Asia as a whole, the growth in remittances is expected to fall from 3.5% in 2022 to 0.7% in 2023.
- In the U.S., higher inflation combined with a slowdown will limit remittance flows, while the GCC countries will also see a cooling of remittance outflows following a slowdown.
- The demand for labor is expected to soften as construction activities for the FIFA World Cup in Qatar have ended.

- Nonetheless, remittances to India are forecast to grow by 4% next year, “supported by the large share of Indian migrants earning relatively high salaries in the U.S., the U.K., and East Asia”.

## **THE HINDU**

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### **India as G20 Presidency**

#### **What does India’s presidency mean?**

- The G20 Summit is held annually under a rotating presidency, which rests with India for 2023.
- The group does not have a permanent secretariat, and the presidency is supported by the previous, current, and future holders of the post, together called the troika.
- Along with India, 2023’s troika includes Indonesia and Brazil.
- As the President-Nation, India will host the 18th G20 Heads of State and Government Summit in December 2023 in New Delhi.
- Apart from hosting the summit and setting the theme, the G20 presidency does not come with any formal powers.
- However, India plans on showcasing its philosophies of Vasudhaiva Kutumbakam (one earth, one family, one future), and LiFE (Lifestyle for Environment) through the theme and the logo of the event.
- India’s G20 presidency is “striving for just and equitable growth for all in the world, as we navigate through these turbulent times, in a sustainable, holistic, responsible, and inclusive manner,”
- India’s presidency also comes as many countries witness inflation and recession trends, compounded by the Russia-Ukraine war and the standoff between the European Union and Russia.

- India’s own problems with China, also a part of the G20 group, pose a potential issue for the effective functioning of the forum.

#### **How does the G20 forum work?**

- The processes under G20 are divided into two parallel tracks the finance track and the Sherpa track.
- The finance track is led by Finance Ministers and central bank governors of member nations, who meet throughout the year.
- Sherpas, who are personal emissaries of leaders, lead the Sherpa track.
- They oversee negotiations all through the year, discussing agenda items for the summit and coordinating the substantive work of the G20.
- Working groups designed around specific themes operate within both tracks.
- These include representatives from relevant ministries of member nations and invited/guest countries too.
- Various international organizations such as the United Nations, International Monetary Fund, and the Organisation for Economic Co-operation and Development also participate in working groups.

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### **Wild Life (Protection) Amendment Bill**

- Wild Life (Protection) Amendment Bill seeks better management of protected areas and also provides for certain permitted activities like grazing or movement of livestock and bona fide use of drinking and household water by local communities.

- The Bill, which had undergone the scrutiny of a parliamentary panel, seeks to conserve and protect wildlife through better management of protected areas and rationalise schedules which list out species under the Wildlife (Protection) Act, 1972, the Wild Life (Protection) Act, 1972, was enacted to provide for the protection of wild animals, birds and plants with a view to ensure the ecological and environmental security of the country.
- The bill also seeks to include the aspects of "conservation" and "management" of wildlife that are covered by the Act and make amendments for better management of protected areas.
- It proposes to rationalize and amend the schedules, which list out wildlife species, for the purposes of clarity, and ensure better care of seized live animals and disposal of seized wildlife parts and products.
- The bill further seeks to enable control of invasive alien species and allow for the transfer or transport of live elephants by persons having ownership certificates in accordance with conditions prescribed by the central government.
- It also proposes to insert a new Chapter VB in the principal Act for the regulation of international trade in endangered species of wild fauna and flora and allow state boards for wildlife to constitute standing committees.
- India is a party to the Convention on International Trade in Endangered Species of Wild Fauna and Flora, which requires that appropriate measures are taken to enforce the provisions of the convention.

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### **Dhara Mustard Hybrid -11 (DMH-11)**

- Field trials of the transgenic mustard variety, Dhara Mustard Hybrid -11 (DMH-11), revealed them to be higher yielding and they did not deter the pollination habits of honeybees,
- The DMH-11 had recently been approved by the Genetic Engineering Appraisal Committee (GEAC) for cultivation in farmer fields, as a precursor to commercial cultivation.
- The GEAC is an autonomous body of experts authorized by the Environment Ministry to appraise the safety of genetically modified seeds.
- The only other transgenic seed permitted to be commercially cultivated in India is BT cotton.
- "Extensive studies carried out on toxicity, allergenicity, compositional analysis, field trials, and environmental safety studies of GM mustard lines vs their non-transgenic comparators have provided evidence that they are safe for cultivation and for food and feed use.
- Visitation of bees to the transgenic lines is similar to the non-transgenic counterparts as per the data recorded during the trials.

### **The Bill amends the Energy Conservation Act, of 2001**

- The Bill amends the Energy Conservation Act, 2001 to empower the central government to specify a carbon credit trading scheme.
- Designated consumers may be required to meet a proportion of their energy needs from non-fossil sources.
- The Energy Conservation Code for buildings will also apply to office and

residential buildings with a connected load of 100 kilowatts or above.

- Energy consumption standards may be specified for vehicles and ships.

### **Key Issues and Analysis**

- Carbon credit trading aims to reduce carbon emissions, and hence, address climate change.
- The question is whether the Ministry of Power is the appropriate Ministry to regulate this scheme.
- A further question is whether the market regulator for carbon credit trading should be specified in the Act.
- Same activity may be eligible for renewable energy, energy savings, and carbon credit certificates.
- The Bill does not specify whether these certificates will be interchangeable.
- Designated consumers must meet certain non-fossil energy use obligations.

### **The Economic and Technology Co-operation Agreement (ETCA)**

- The Economic and Technology Co-operation Agreement (ETCA) is a proposed diplomatic arrangement that seeks to add to the existing free trade agreement between the Republic of India and the Republic of Sri Lanka, primarily in relation to trade-in services and the service sector; it seeks to emulate a proto freedom-of-movement system and a single market.
- The proposal is championed by supporters as a method to introduce low-cost goods for low-income people in Sri Lanka and increase sales of high-end goods to India, while also making Sri Lanka more attractive for FDI.
- But many lobby groups have become concerned that India would flood Sri Lanka with cheaper labor, with the IT industry in

particular worried about the influx of cheaper Indian tech workers.

### **The objectives of ETCA**

- To strengthen and advance the economic, trade, investment, and technology cooperation between the two parties
- To promote further liberalization of trade in goods, liberalizing trade in services and gradually establish fair, transparent, and facilitative trading, investment, and investment protection mechanisms
- To expand areas of economic cooperation and establish a cooperation mechanism.

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