

## El Salvador's Bitcoin bet (GS Paper 3, Science and Tech)

### Why in news?

- The crash in the price of Bitcoin and other cryptocurrencies has put El Salvador's government in trouble.
- The country, led by President Nayib Bukele who is a self-proclaimed fan of cryptocurrencies, had adopted Bitcoin as an official currency in September 2021.
- The crash in the price of Bitcoin has raised concerns over the government's ability to repay its debt.

### What is the problem in El Salvador?

- The crash in the price of Bitcoin from around \$69,000 in November 2021 to around \$20,000 in June 2022 has caused losses to investors around the world. According to some estimates, the average cryptocurrency investor is deep in losses after the significant correction in the prices of cryptocurrencies.
- El Salvador's President has been using taxpayer's money to bet on Bitcoin. It is said that the El Salvador **government's investment of over \$100 million in Bitcoin** has lost more than half of its value till date due to the crash.



### Why did El Salvador adopt Bitcoin as an official currency?

- In 2001, El Salvador had adopted the U.S. dollar as its official currency. After Bitcoin was adopted as an official currency in September 2021, both Bitcoin and the U.S. dollar have been used as official currencies. The El Salvador government has been trying to encourage citizens to primarily use Bitcoin for their daily transactions.
- It even came out with a **payments wallet named Chivo** which gave out for free Bitcoin worth \$30 initially to encourage people to use Bitcoin in transactions.

### Why it adopted Bitcoin?

- Analysts believe that the decision to adopt Bitcoin as an official currency may have to do with the El Salvador government's inability to borrow in U.S. dollars.
- El Salvador's public debt has risen to over 100% of gross domestic product and its recent attempt to borrow \$1 billion using bonds backed by Bitcoin failed. The government's bonds are trading at a steep discount and are classified as junk by investors.

- It has already had to rely on financial help from the International Monetary Fund (IMF) and the World Bank to meet his government's spending needs. The IMF had also opposed its decision to make Bitcoin an official currency.
- Bitcoin offers a chance for the El Salvador government to cut down its reliance on the U.S. dollar to fund its spending. Greater adoption of Bitcoin in El Salvador will allow the government to tax and spend in Bitcoins instead of U.S. dollars.
- This maybe why the government is making various attempts to encourage the use of Bitcoin over U.S. dollars by its citizens.

#### **How well has Bitcoin done in El Salvador?**

- Most citizens of El Salvador have been reluctant to adopt Bitcoin as a medium of exchange, that is, as money. Many citizens, it is claimed, registered on the payments wallet Chivo that was pushed by the government simply to sell off their free Bitcoin in exchange for \$30.
- The acceptance of cryptocurrencies in general has been miniscule across the globe. This has been the case despite the fact that the supply of cryptocurrencies is limited by design, which could potentially help them maintain or increase in value over time.
- One big reason for the low acceptance of cryptocurrencies has been their extreme price volatility, making them an unreliable store of value. People in general are hesitant to accept something as money if they are not fairly sure about its likely value in the future.

### **Sri Lankan Cabinet passes 21st Amendment** **(GS Paper 2, International Relation)**

#### **Why in news?**

- Recently, the Sri Lankan Cabinet passed the 21st Amendment to its Constitution aimed at **empowering the country's Parliament over the Executive President** and now it will be tabled in Parliament.
- The 21st Amendment is **expected to annul the 20A to the Constitution**, which gives unfettered powers to President Gotabaya Rajapaksa **after abolishing the 19th Amendment** that will strengthen Parliament.



### **Introduction of 21A:**

- The 21A aims, among other reforms, at barring dual citizens from contesting elections to hold public office.
- A section of the ruling was opposed to bringing in 21A without addressing the current economic crisis.
- Under the 21A, the President will be held accountable to the Parliament.
- The Cabinet of Ministers is also accountable to Parliament. The National Council is also accountable to Parliament. Fifteen Committees and Oversight Committees are accountable to Parliament.

### **What will the 21st Amendment entail?**

- The amendment is likely to **reduce the Presidency to a ceremonial position**, retaining the powers of the President on all three armed forces while handing over almost all other key powers pertaining to governance, and cabinet ministers to the Prime Minister.
- Additionally, the President would require to act on the Prime Minister's advice to determine the scope and functions of ministries and appoint ministers, deputy ministers and state ministers.

### **Which amendments preceded the 21st Amendment?**

#### **19th Amendment in 2015:**

- The enactment of the 19th Amendment in April 2015 was rushed by then Prime Minister Ranil Wickremesinghe. It had removed the powers of the President to sack the Prime Minister at his discretion.
- Articles 46 (2) and 48 of the Sri Lankan constitution were amended ensuring that the cabinet ministers could have been dismissed only if the Prime Minister ceased to hold office by death, resignation or otherwise, or only if the Parliament rejects a statement of government policy or the budget or if the parliament passes a vote of no confidence against the Government.
- The amendment also restricted the President's powers to dismiss Cabinet ministers as he was required to act on the advice of the Prime Minister.

#### **Scrapping of 19th Amendment:**

- This was overturned in 2019, when the Rajapaksa family came into power with Gotabaya Rajapaksa winning the presidential election and his brother Mahinda Rajapaksa occupying the prime minister's office. The 19th amendment was scrapped.
- After registering a landslide victory in the 2020 general elections, the Rajapaksas increased the executive powers of a President by bringing in the 20th Amendment.
- The amendment also empowered the President to make key appointments to independent institutions. It was after the passage of this amendment that close family members of the Rajapaksa brothers were installed in key positions.

#### **Economic crisis in Sri Lanka:**

- Sri Lanka has been grappling with unprecedented economic turmoil since its independence from Britain in 1948.
- Sri Lanka's economic crisis has created political unrest with protesters demanding the President's resignation.

## **Prime Minister's Awards for Outstanding Contribution towards the Development and Promotion of Yoga-2021** **(GS Paper 1, Culture)**

#### **Why in news?**

- Recently, the **Prime Minister's Award for Outstanding Contribution towards the Development and Promotion of Yoga**, was announced for the year 2021.



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# PM YOGA AWARDS 2021

Prime Minister's Awards for Outstanding Contribution towards the Development and Promotion of Yoga at National & International Levels



## Winners:

- Two individuals, namely Bhikkhu Sanghasena Leh, Ladakh and Marcus Vinicius Rojo Rodrigues, Sao Paulo, Brazil, and
- Two organisations, namely, **The Divine Life Society, Rishikesh, Uttarakhand** and the **British Wheel of Yoga, United Kingdom** are the recipients of the same.

## About award:

- The awards for the Outstanding Contribution towards the Development and Promotion of Yoga was **announced by the Prime Minister of India** on the occasion of the 2nd International Day of Yoga celebrations at Chandigarh on 21st June, 2016.
- The Ministry of Ayush, Government of India developed the guidelines for the said awards.
- The winners will be felicitated with of a Trophy, Certificate and a Cash Award each. The value of each Cash Award would be Rs. 25.00 lakh.

## National Initiative for Promotion of Upskilling of Nirman workers (NIPUN)

(GS Paper 2, Social Justice)

## Why in news?

- Recently, Ministry of Housing & Urban Affairs launched an innovative project for skill training of construction workers called 'NIPUN' i.e. National Initiative for Promoting Upskilling of Nirman workers.
- The project NIPUN is an **initiative of the Ministry of Housing & Urban Affairs (MoHUA)** under its flagship scheme of the **Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM)** to train **over 1 lakh construction workers**, through fresh skilling and upskilling programmes and provides them with work opportunities in foreign countries also.



#### **About Deendayal Antyodaya Yojana-National Urban Livelihoods Mission (DAY-NULM):**

- DAY-NULM is a Centrally Sponsored Scheme, being **implemented since 2014-15**, with the aim to reduce poverty and vulnerability of urban poor households in the country by enabling them to access self-employment and skilled wage employment opportunities, resulting in an appreciable improvement in their livelihoods on a sustainable basis.
- The **National Skill Development Corporation (NSDC)**, the **nodal agency** under the Ministry of Skill Development & Entrepreneurship (MSDE), Government of India, will be the Implementation Partner for the project NIPUN.

#### **Implementation:**

The project implementation is divided into three parts –

- a) training through Recognition of Prior Learning (RPL) at construction sites,
  - b) training through Fresh Skilling by Plumbing and Infrastructure SSC and
  - c) International Placement through industries/ builders/ contractors.
- Onsite skill training will be provided to approximately 80,000 construction workers through industry associations under the RPL certification, co-branded with MoHUA, while about 14,000 candidates will receive fresh skilling through plumbing and infrastructure Sector Skill Council (SSC) in trades having promising placement potentials.
  - The courses are aligned with National Skills Qualifications Framework (NSQF) and will be imparted at accredited and affiliated training centres.

#### **Monitoring under NIPUN:**

- Under NIPUN, it is envisaged that NSDC will place approximately 12,000 people in foreign countries such as the Kingdom of Saudi Arabia, UAE and other GCC countries.
- Project NIPUN will also facilitate and support convergence with related line ministries. Meanwhile, NSDC will be responsible for the overall execution of training, monitoring and candidate tracking.
- A project committee with members from both NSDC and MoHUA will be formed under the chairmanship of the Additional Secretary-cum-Mission Director, DAY-NULM to oversee and monitor the project.

#### **Insurance:**

- It will provide trainees with '**Kaushal Bima**', a **three-year accidental insurance** with coverage of INR 2 lakhs, digital skills such as cashless transactions and the BHIM app, orientation about entrepreneurship, and EPF and BOCW facilities.

**Employment generation in construction industry:**

- The construction industry is poised to become the largest employer by 2022 and needs 45 million additional skilled workers over the next 10 years.
- To fulfil this mission, the National Real Estate Development Council (NAREDCO) and the Confederation of Real Estate Developers' Associations of India (CREDAI) have joined Project NIPUN as industry partners and will identify training job roles of aspirational value in the construction sector in collaboration with the SSC.