# Prelim Bits 25-11-2021 | UPSC Daily Current Affairs

## Two-Pillar Solution to Tax Challenges of Digital Economy

*The OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (IF) has agreed a two-Pillar Solution to address the tax challenges arising from the digitalization of the Economy.*

### Pillar 1 - Re-allocation of Taxing Rights & Additional Share of Profit to the Market Jurisdictions

- Pillar 1 will ensure a fairer distribution of profits & taxing rights among countries with respect to the largest MNEs, including digital companies.
- It would re-allocate some taxing rights over MNEs from their home countries to the markets where they have business activities and earn profits, regardless of whether firms there have a physical presence there.

### Pillar 2 - Global Minimum Corporate Tax Rate

- Pillar 2 seeks to put a floor on competition over corporate income tax, through the introduction of a global minimum corporate tax rate that countries can use to protect their tax bases.
    - However, the deal requires countries to remove all digital tax and other similar unilateral measures and to commit not to introduce such measures in the future.
- Additional benefits will arise from the stabilisation of the international tax system and the increased tax certainty for taxpayers & tax administrations.

#### Reference

1. https://www.oecd.org/tax/beps/statement-on-a-two-pillar-solution-to-address-the-tax-challenges-arising-from-the-digitalisation-of-the-economy-july-202pdf
2. https://taxguru.in/income-tax/pillar-solution-tax-challenges-digital-economy.html

## Transition from Equalisation Levy 2020

*Recently, India and the USA agreed on a transition from India's charge of 2% Equalisation Levy 2020 on e-commerce supplies & the US' trade action regarding the said Equalisation Levy under the 2-Pillar Solution.*

- This transitional approach that will begin from April 1, 2021 is taken under the Two-Pillar Solution to Tax Challenges of Digital Economy.
- But, the interim period for the transition will be applicable from April 1, 2022, till implementation of Pillar One or March 31, 2024, whichever is earlier.

### Equalisation Levy

- Equalisation Levy taxes the digital transactions i.e. the income accruing to foreign e-commerce

companies from India.
- It is aimed at taxing business to business transactions.
- **Equalisation Levy 2016 (Google Tax)** was introduced in India as a withholding tax.
- It is charged at the rate of 6% of the amount of consideration for any specified service received or receivable by a resident from a resident in India or a non-resident having a permanent establishment in India.
- **Equalization Levy 2020 (Amazon Tax)** is directly levied on the Non-resident.
- It is charged at the rate of 2% of the amount of consideration received or receivable by an e-commerce operator (non-resident) from e-commerce services to
    1. A resident in India or
    2. A non-resident or
    3. A person who buys goods and services using internet protocol address located in India.
- It covered e-commerce supply or services and was made by way of amendment to Finance Act 2016.
- To know more about Equalisation Levy & Prevailing Issues, click here.

**Reference**


1. https://pib.gov.in/PressReleasePage.aspx?PRID=1774692
2. https://www.thehindu.com/business/Industry/india-us-agree-on-transitional-approach-for-digital-tax-on-e-commerce-supplies/article3767103ece
3. https://indianexpress.com/article/business/govt-inks-deal-with-us-to-phase-out-equalisation-levy-7639941/
4. https://cleartax.in/s/equalisation-levy


# NFHS-5 Phase II Findings

*Union Ministry of Health and Family Welfare released the findings of Phase-II of the 2019-21 National Family Health Survey (NFHS-5).*

- The findings of the Phase-II of NFHS-5 had details on the 131 key indicators for India and 14 States/UTs.
    - The findings of Phase-I of NFHS-5 in respect of 22 States & UTs were released in December, 2020.
- **Total Fertility Rates** (TFR), an average number of children per women, has further declined from 2.2 to 2.0 at the national level and all 14States/UT's ranging from 1.4 in Chandigarh to 2.4 in Uttar Pradesh.
- All Phase-II States have achieved replacement level of fertility (2.1) except Madhya Pradesh, Rajasthan, Jharkhand and Uttar Pradesh.
- **Contraceptive Prevalence Rate** (CPR) has increased from 54% to 67% at national level and in all Phase-II States/UTs except Punjab.
- Use of modern methods of contraceptives has also increased.
- Unmet needs of family Planning have declined from 13% to 9% at all-India level and in most of the Phase-II States/UTs.
- Unmet need for spacing - a major issue in India in the past - has come down to less than 10% in all the States except Jharkhand (12%), Arunachal Pradesh (13%) and Uttar Pradesh (13%).
- **Full immunization drive** among children aged 12-23 months has recorded substantial improvement from 62% to 76% at all-India level.
- 11 out of 14 States/UTs has more than 3/4$^{th}$ of children aged 12-23 months with fully immunization and it is highest (90%) for Odisha.
- Mission Indradhanush (2015) has been attributed as the reason for the increase in full

immunization coverage.
- There is an increase from 51% to 58% of women receiving their commended four or more Ante Natal Check-up (ANC) visits by health providers at all-India level.
- **Institutional births** have increased substantially from 79% to 89% at all-India Level.
- Institutional delivery is 100% in Puducherry and Tamil Nadu and more than 90% in 7 States/UTs out of 12 Phase-II States/UTs.
- Along with an increase in institutional births, there has also been an increase in C-section deliveries in many States/UTs especially in private health facilities.
- **Indicators of Child Nutrition**

| Child Nutrition indicators | All-India level data |
|---|---|
| Stunting | Declined from 38% to 36% |
| Wasting | Declined from 21% to 19% |
| Underweight | Declined from 36% to 32% |

- In all phase-II States/UTs, the child nutrition situation has improved but the change is not significant as drastic changes in respect of these indicators are unlikely in short span period.
- **Anaemia** among children and women continues to be a cause of concern.
- More than half of the children and women (including pregnant women) are anaemic in all the phase-II States/UTs and all-India level compared to NFHS4.
    - This is happening, despite the substantial increase in the composition of iron folic acid (IFA) tablets by pregnant women for 180 days or more.
- **Exclusive breastfeeding** to children under age 6 months has shown an improvement in all-India level from 55 percent in 2015-16 to 64% in 2019-21.
- All the phase-II States/UTs are also showing a considerable progress.
- **Women's empowerment indicators** portray considerable improvement at all India level and across all the phase-II States/UTs.
- Significant progress has been recorded between NFHS-4 and NFHS-5 in regard to women operating bank accounts from 53% to 79% at all-India level.
- More than 70% of women in every state and UTs in the second phase have operational bank accounts.

## National Family Health Survey (NHFS)

- The NFHS is a large-scale, multi-round survey conducted in a representative sample of households throughout India.
- It is a collaborative project of the International Institute for Population Sciences (IIPS), Mumbai, India; ICF, Calverton, Maryland, USA and the East-West Center, Honolulu, Hawaii, USA.
- IIPS is the nodal agency responsible for providing coordination and technical guidance for the NFHS.
- NFHS was funded by the United States Agency for International Development (USAID) with supplementary support from UNICEF.

| NFHS | Year |
|---|---|
| NFHS-1 | 1992-93 |
| NFHS-2 | 1998-99 |
| NFHS-3 | 2005-2006 |
| NFHS-4 | 2015-2016 |
| NFHS-5 | 2019-2021 |

**Reference**

1. https://pib.gov.in/PressReleasePage.aspx?PRID=1774533
2. https://www.business-standard.com/article/current-affairs/india-s-fertility-rate-declines-to-2-1-show-nfhs-5-phase-2-findings-121112400981_1.html
3. http://rchiips.org/nfhs/about.shtml

# Grey Matter

*A research supported under the SATYAM program by Department of Science & Technology has found that daily home-based meditation can increase the amount of grey matter in brains of patients with mild Alzheimer's disease.*

- Grey matter refers to **unmyelinated neurons** and other cells of the Central Nervous System.
- It is present in the **brain, brainstem and cerebellum**, and present throughout the **spinal cord**.
- It is referred to as the grey matter due to its greyish appearance. The neuron cell bodies are concentrated here giving the colour.
- **Functions** - Grey matter in the brain is involved in muscle control, and sensory perception such as seeing and hearing, memory, emotions, speech, decision making, and self-control.
- Also, the grey matter in the spinal cord is involved in muscle movement (motor neurons), and receiving and sending sensory information from the body (sensory neurons).

White matter consists of fibres of the tracts covered with the **myelin sheath,** which gives an opaque white appearance to the layer.

**Reference**

1. https://pib.gov.in/PressReleasePage.aspx?PRID=1774609
2. https://ncert.nic.in/ncerts/l/kebo121.pdf

# Mysuru Declaration

*The participants from 16 States signed the Mysuru Declaration and resolved to roll out the Common Minimum Service delivery by Panchayats across the country from April 1, 2022.*

- The declaration is aimed at recognising Citizen Centric Services as the "Heart of Governance".
- This declaration talks about both the services delivered by panchayats directly and services of other departments that are facilitated by panchayats through a monitoring mechanism.
- It aims to recognise the efforts to promote inclusive and accountable Local Self Governments in delivery of services, in consonance with the priorities and the aspirations of our citizens.

**Reference**

https://pib.gov.in/PressReleasePage.aspx?PRID=1774310

# National Action Plan to Combat Anti-Microbial Resistance

*Department of Animal Husbandry and Dairying organises a National Stakeholder Workshop on the National Action Plan to Combat Anti-Microbial Resistance.*

- The World Health Organization (WHO) spearheaded the development of a Global Action Plan on Anti-Microbial Resistance (AMR) which was approved in 2015.
- India is a signatory to the **Jaipur Declaration** on AMR, 2011.
- In 2017, India was amongst the first nations to have launched the National Action Plan for AMR for 2017 to 2021.
- **Delhi Declaration** on AMR was signed as an inter-ministerial consensus in order to adopt a holistic and collaborative approach towards prevention and containment of AMR.

## Antimicrobial Resistance

- Antimicrobial resistance (AMR) refers to a **condition of antibiotics becoming inefficient** against a wide range of pathogenic bacteria.
- It has been identified as a global health threat with serious health, political and economic implications.
- It is emerging as a global public health concern and is acknowledged by policymakers as a major health crisis.
- The IACG report titled "No Time to Wait: Securing The Future From Drug Resistant Infections" brings attention to the financial implications of AMR.

### Reference


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2. https://ncdc.gov.in/WriteReadData/l892s/File645.pdf
3. https://ncdc.gov.in/WriteReadData/linkimages/AMR/File670.pdf



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