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## 1. Iranians elect reformist Pezeshkian as President

### Reformist President Iran

Iran's reformist candidate Masoud Pezeshkian on Saturday won a run-off presidential election against conservative Saeed Jalili, the Interior Ministry said.

Mr. Pezeshkian received more than 16 million votes, around 54%, and Jalili more than 13 million, roughly 44%, out of about 30 million votes cast. Voter turnout was 49.8%, Mr. Eslami added, up from a record low of about 40% during the first round.



Iran's supreme leader Ayatollah Ali Khamenei, who has the final say on all major policy issues, congratulated Mr. Pezeshkian. Mr. Khamenei urged him to "continue the path of martyr Raisi and use the country's many capacities, especially the revolutionary and faithful youth, for the comfort of the people and the progress of the country.

### About new President

Mr. Pezeshkian is a 69-year-old heart surgeon whose only previous government experience came as Health Minister about two decades ago. He has called for "constructive relations" with Western countries to "get Iran out of its isolation". He favours the revival of the 2015 nuclear deal between Iran and global powers.

The election came against a backdrop of heightened regional tensions due to the Gaza war, a dispute with the West over Iran's nuclear programme, and domestic discontent over the state of Iran's sanctions-hit economy.

The U.S. unilaterally withdrew from the accord in 2018, reimposing sanctions and leading Iran to gradually reduce its commitment to its terms.

### Statement from the US

The U.S. said it would make no difference whether Mr. Pezeshkian or Mr. Jalili won. State Department spokesperson Vedant Patel said there was no expectation the vote would "lead to a fundamental change in Iran's direction" or improvement in human rights.

### Policy under previous President

The death of conservative President Ebrahim Raisi in a helicopter crash necessitated the election, which was not due until 2025. Under Raisi, Iran sought improved relations with China and Russia while mending ties with Arab neighbours, chiefly Saudi Arabia, to avert deeper isolation.

Relevance: GS Prelims & Mains Paper II; International Relations

Source: The Hindu

## 2. Two Per cent tax on Ultra rich of the World

### Why in News?

French economist Gabriel Zucman has in a recent report commissioned by Brazil's G-20 presidency recommended an annual 2% tax on individuals holding wealth exceeding \$1 billion. Finance Ministers of the G-20 group are set to meet in Rio de Janeiro on July 25-26, and the proposal is expected to be discussed at the meeting.



### What exactly is the proposal?

Mr. Zucman, an economist who has extensively researched the accumulation, distribution and taxation of global income and wealth, has proposed the adoption of an internationally coordinated minimum tax standard for ensuring effective taxation of ultra-high-net-worth individuals. This he argues would be the basic requirement to safeguard global tax progressivity. At the minimum, he recommends that individuals possessing more than \$1 billion

in total wealth (assets, equity shares in both listed and unlisted companies, other ownership

structures that enable participating in companies' ownership, etc.) would be required to pay a minimum amount of tax annually that would be equal to 2% of their wealth.

Such a minimum tax on billionaires could potentially raise \$200-\$250 billion a year globally from about 3,000 individuals, and were it to be extended to cover those with a net worth exceeding \$100 million, would add \$100-\$140 billion annually in global tax revenue.

### **What is the rationale for such a tax?**

As per a key finding of the Global Tax Evasion Report 2024, prepared by researchers at the EU Tax Observatory, global billionaires benefit from very low effective tax rates, which range between 0% and 0.5% of their wealth. "When expressed as a fraction of income and considering all taxes paid at all levels of government (including corporate taxes, consumption taxes, payroll taxes, etc.), the effective tax rates of billionaires appear significantly lower than those of all other groups of the population," the researchers write.

### **Why moot such a tax now?**

The French economist cites research that shows contemporary tax systems worldwide are not effectively taxing the wealthiest individuals. As a result ultra-high-net-worth individuals tend to pay less in tax relative to their income than other social groups. This in turn deprives governments of substantial tax revenues and contributes to concentrating the gains of globalisation into relatively few hands, undermining the social sustainability of economic globalisation, he argues.

Also, the global social and political environment, and in some ways the regulatory climate too, are more conducive now to successfully implement such a proposal. He specifically cites the progress made in curtailing bank secrecy over the last 15 years through increased information exchange between countries.

The other major enabling factor is the 'historic decision' in 2021, when more than 130 countries and territories agreed to a common minimum corporate tax of 15% for large multinational companies (MNCs). The willingness on the part of countries worldwide to tax MNCs in a manner so as to prevent them from seeking to operate out of low or zero tax jurisdictions is, a template that can be built upon now for taxing billionaires.

### **How much support does the proposal have?**

Brazil, Latin America's largest economy, is the main backer. France, Spain, Colombia, Belgium, the African Union and South Africa, which will assume the G-20 presidency next year, have also backed the idea.

Also, while U.S. Treasury Secretary Janet Yellen is reported to have said the U.S. could not support a global wealth levy, Mr. Zucman has cited President Joe Biden's proposed minimum income tax targetting individuals with more than \$100 million in wealth as yet another approach to tax the uber-rich.

### **What is its relevance to India?**

India has seen a disproportionately sharper increase in wealth at the top of the pyramid over the nine-year period to 2023, according to a study titled 'Income and Wealth Inequality in

India, 1922-2023: The Rise of the Billionaire Raj'. The authors of this working paper posit that "by 2022-23, top 1% income and wealth shares (22.6% and 40.1%) are at their highest historical levels and India's top 1% income share is among the very highest in the world". The authors of this study on inequality go on to suggest: "a 'super tax' on the very wealthy might be a good place to start. Not only would it serve as a tool for fighting the growing inequalities we are observing today, but it would also provide additional fiscal space for the Indian government to enhance spending on essential social expenditures (health, education, nutrition) which have historically been low compared to global standards, including other countries at similar income levels".

"A tax of just 2% on the total net wealth of the 162 wealthiest Indian families in 2022 would yield revenue to the tune of 0.5% of national income (more than twice the central government's budget expenditures on the National Rural Employment Guarantee Act in recent years)," they add.

Relevance: GS Prelims & Mains Paper III; Economics

Source: The Hindu

### 3. How to manage 'brain-eating amoeba' cases

#### Why in News?

There have been four cases, including three deaths, of the rare, but fatal primary amoebic meningoencephalitis (PAM) in Kerala in the last two months. A 14-year-old boy from Thikkodi in Kozhikode district tested positive for the infection on July 5. He is undergoing medical treatment now and his condition is reported to be stable.

#### Where have the fatalities occurred?

There have been three deaths so far — E.P. Mridul, 12, from Feroke in Kozhikode district, died at a private hospital in Kozhikode city on July 3. V. Dakshina, 13, of Kannur, succumbed to it at a private hospital in the city on June 12. Fadva, 5, of Munniyur in Malappuram, died at the Government Medical College Hospital, Kozhikode, on May 20.



#### What is PAM?

Primary amoebic meningoencephalitis or PAM is caused by *Naegleria fowleri*, an amoeba that thrives in warm freshwater lakes, ponds and rivers. It can also survive in poorly maintained swimming pools in rare cases. As it can infect the brain and destroy the tissues there, this one-celled organism is also called 'brain-eating amoeba'. These infections, though rare, are fatal and 97% of the patients don't survive. The infection happens when people go for a swim in lakes, ponds or rivers, during the summer. Experts say that it could occur if the atmospheric temperature is high and water levels are

low. The amoeba enters the body through the nose and reaches the brain. It destroys brain tissues and causes their swelling. In recent cases, children have been found to be more

vulnerable to it. The infection does not spread from people to people. Swallowing water containing the amoeba does not lead to it either.

### **What are the symptoms of PAM?**

According to the Centers for Disease Control and Prevention (CDC) in the U.S., headache, fever, nausea, and vomiting are its early symptoms. The disease, however, can progress rapidly. Stiff neck, confusion, lack of attention to people and surroundings, loss of balance, and hallucinations are the later symptoms. It usually leads to coma and death after five days, says the CDC. Most people die within one to 18 days.

Experts point out that warming of the atmosphere and stagnant and unhygienic water resources could be some of the conditions leading to the infection. This type of amoeba is found to be more active in warm water.

### **How is it diagnosed and treated?**

The infection can be diagnosed through PCR tests of the cerebrospinal fluid. However, as PAM is a rare condition, detection can sometimes be hard. In Kozhikode, doctors at the Government Medical College Hospital suspected its possibility in the five-year-old girl from Malappuram after she exhibited symptoms similar to that of bacterial meningitis, whose instances have come down in recent times, mainly due to vaccination. There are no standard treatment methods available and the doctors are following the guidelines of the CDC for now. According to sources, the State Health department has procured miltefosine, a broad-spectrum anti-microbial drug, from Germany for the treatment of infected persons. Paediatricians say that Azithromycin and Amphotericin B, some of the other medicines suggested, are available.

### **Has it been reported in Kerala before?**

First detected in the Alappuzha municipality in 2016, it was reported in Malappuram in 2019 and 2020, Kozhikode in 2020, Thrissur in 2022, and again in Alappuzha in 2023. Health Minister Veena George convened a meeting on July 1 to take stock of the situation and it was decided to formulate special guidelines for the treatment.

Health officials have said that there is a chance of the amoeba entering the brain through the holes in a layer that separates the nose and the brain or through possible holes in the ear drum. So, children having infections in their ear have been advised against taking baths in ponds or in stagnated water resources. Diving too should be avoided. Those running water theme parks and swimming pools have been asked to chlorinate the water there at regular intervals. Kerala Chief Minister Pinarayi Vijayan convened another meeting on July 5 and issued directions to keep water resources clean. Children have been asked to use swimming nose clips to prevent the infection.

### **What can be done to reduce the risk?**

Holding the nose or wearing a nose clip while jumping or diving into fresh water are some of the steps suggested to avoid the infection. The head should be kept high while entering warm water. Steer clear from digging in shallow waters, say experts. Distilled or boiled water should be used for clearing nasal passages.

Relevance: GS Prelims; Science & Technology



Source: The Hindu

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