

9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination





Features:

Arranged as per syllabus Topics Most complete coverage of major News Papers editorials

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GS Paper 1

Topic- Urbanization, their problems and their remedies

India's urban water crisis-From Bengaluru to Chennai and beyond

Context- Bengaluru is experiencing its worst water crisis in decades. The weak monsoon last year has compounded an already difficult situation. Along with Bengaluru, several other Indian cities are under similar stress.

As per the Pey Jal Survekshan, only 10 % of Indian cities meet drinking water standards. This indicates that water supply is not considered during urban planning.

What are the reasons for deterioration of water quality in the distribution network?

- 1) Compounds from old pipes may get released into the water.
- 2) There is buildup of sediment and the accumulation of pathogens.
- 3) Due to sewer lines close to leaky pipes in many Indian cities, there is deterioration of water quality.

Read more- Bengaluru water crisis

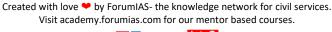
What are the problems with the water distribution network in Indian cities?

- 1) **Faulty piped water supply approach**-As per the standards of the Central Public Health and Environmental Engineering Organization, Indian cities have a daily per capita water requirement of 135 liters. Under the current piped water supply approach, all this water is treated to meet drinking water quality standards. However, a person requires only a fraction of this amount for drinking and cooking purposes. So, this practice of treating large quantities of water to drinking water quality standards and distributing is not beneficial.
- 2) **Capital intensive** The distribution network of water supply is quite costly. Further, there are regular expenses on repair and maintenance.

What steps can be taken to address this issue?

- 1) **Reforming piped water supply approach** There is a need to segregate water for drinking purposes and other domestic uses. This will ensure that only a small amount of wastewater is treated for drinking water quality standards.
- 2) **Packaged drinking water (PDW) model**-It relies on decentralized treatment of water and non-pipe mode of delivery. According to a recent study, 38 % of households in Kolkata and 70 % of households in Chennai routinely purchase water jars despite having access to piped water.
- However, a large section of urban population cannot buy water sold by private players. Further, as per WHO, the reverse osmosis method used by industry to purify water deprives water of essential minerals. Thus, these problems should be addressed before its widespread implementation.
- 3) Water ATMs-It is a water dispensation system which can be automatic with a coin or smart card, or manually. The recent water crisis in Bengaluru has pushed the city's authorities to experiment with water ATMs.

There is a need for an alternative model of water supply to address the water quality issues. Steps such as Decentralized treatment and non-pipe mode of service delivery should be promoted by the government.





Subject: Indian Society

Topic-Population and Associated Issues, Poverty and Developmental issues

Young and the old - lancet report on fertility rate

Context- According to medical journal Lancet, India's TFR will fall to 1.29 in 2050. One in five persons in India will be above the age of 60 in 2050. This highlights that India's demographic dividend is not for perpetuity.

What is Total Fertility rate and Replacement level?

TFR- It is the average number of children that are born to a woman (15-49 years) over her lifetime. **Replacement level-** It is the level of fertility at which a population exactly replaces itself from one generation to the next. A TFR of 2.1 is known as replacement rate.

What are the key highlights of the lancet study?

- 1) **Decline in TFR-** India's TFR has fallen to 1.29 well below the replacement rate of 2.1.
- 2) **Aging factor** One in five persons in India will be above the age of 60 in 2050. Further as per the UN Population Fund's (UNPF) India Ageing Report, the number of elderly in India will more than double from 149 million in 2022 to 347 million by mid-century.
- 3) **About China-** China's TFR had dropped to a record low and its working-age population had contracted by more than 40 million.

Read more-various opportunities and challenges of demographic dividend in India

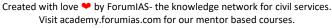
What are the consequences of declining fertility rate?

- 1) **Increase in aged population** By 2050, over 20% of India's population will be senior citizens, it poses challenges related to care, support, and health care.
- 2) **Shrinking Workforce** A smaller working age population could lead to labour shortages and affect economic growth. For ex- working-age population of China had contracted by more than 40 million.
- 3) **Endanger Demographic Dividend-** Experiences of developed nations suggests that once fertility rates fall below the replacement rate, it's almost impossible to set them back.

India's TFR is 1.9 which is currently just below the replacement rate. Further, as per UNPF calculations, the share of the country's working-age population will peak in the late 2030s and early 40s. Thus, in the background of these population trends, it is important to reap Indias full demographic dividend.

What should be the way forward?

- 1) **Skill Development-**There is an urgent need to overcome skill deficits and plug gaps in the knowledge economy.
- 2) **Diversifying employment pattern**-There should be creation of jobs outside of agriculture. Further, the jobs must not be in the low-paid informal sector.
- 3) **Social security measures** The government should ensure adequate social security and healthcare provisions for the growing elderly population. Along with this, the government should create opportunities for the elderly population to harness their skills effectively.
- 4) **Addressing regional imbalance**-TFR rate is not uniform across all Indian states. For ex- parts of south India and west India are greying faster than those in the north. Thus, the policymakers should acknowledge the demographic imbalance in all its dimensions and prepare for the change.





GS Paper 2

Topic: Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure.

Avoid pre-trial injunctions against the media in defamation cases: Timely restatement

News: The article discusses the Supreme Court's recent judgment advising courts to avoid pre-trial injunctions against the media in defamation cases. It emphasizes its potential negative impact on freedom of speech and the public's access to information.

Background

A lower court in Delhi and the Delhi High Court had told Bloomberg to remove an article about Zee Entertainment, saying it was defamatory. The Supreme Court disagreed with this and canceled their orders.

What is the Supreme Court's view on pre-trial injunctions against the media in defamation suits?

Supreme Court's Recent View: The Supreme Court says courts should be car<mark>eful a</mark>bout blocking media reports before trials in defamation cases.

Bonnard vs Perryman Rule: This principle states that injunctions in defamation suits should only be granted if the content is undoubtedly defamatory and cannot be justified during the trial.

Standard for Granting Injunctions: The Court emphasized the three-fold test for granting injunctions: **a prima facie case**, **the balance of convenience**, and **preventing irreparable harm**. It stressed the need for careful analysis of facts in each case.

Early Judgment Risk: The Court cautioned that early injunctions in lengthy trials can be like a 'death sentence' for the content, preventing vital public information from being shared. This is especially worrying with **SLAPPs (Strategic Lawsuit Against Public Participation)**, as it can suppress criticism.

Topic- Regulatory and various Quasi-judicial Bodies

Taking on big tech

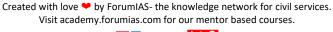
News- The US has finally changed its stance towards antitrust enforcement and the US Department of Justice, and 16 states have recently sued Apple alleging that it monopolized and abused the smartphone market.

Context- Competition Commission of India has asked its Director General to investigate on dispute between Google and a host of Indian firms and file a report in 60 days.

What is the dispute between Google and Indian firms?

Indian app developers filed a complaint against Google, alleging abuse of its dominant market position. The dispute centers on Google forcing developers to use its proprietary billing system in the Android and Play Store ecosystem.

Developers faced fees for choosing competitor billing systems. Non-compliance led to Google removing their





apps, but they were reinstated after public backlash. The Competition Commission of India (CCI) is investigating these practices to see if they violate the Competition Act, 2002.

What are the arguments given by these global giants to justify their dominant position?

- 1) They argue that there is no need for setting regulations because free markets will encourage entry of entrepreneurs who will inevitably challenge the existing structure.
- 2) They claim that innovations by smart start-ups would challenge the monopolies in a more efficient way than any governments intervention.
- 3) They overstate the negative impact of governmental intervention on the market forces. Further, they glorify the virtues of free market enterprise.
- 4) They justify bailouts at the taxpayers' expense by claiming that it is necessary to keep the wheels of commerce ticking.

Read more- Regulating tech giants in India

What are the problems with the dominant position of digital giants?

- 1) **Abuse of position**-Google forced app developers to use Google's proprietary billing system or pay a fee if they chose a competitor. This hampered the economic interest of small app developers.
- 2) **Employing wrong methods** Competition crimes in the digital space are more pervasive, visible and harmful. These giants engage in blocking, suppressing, excluding and limiting third-party wallets to ensure their profitability. This is a violation of the principles of free and fair competition.
- 3) **Monopolization tendencies** It can kill competition and innovation. For ex- Standard Oil Company that monopolized the market and was forced to split by US regulators.

What is the significance of USA's changed stance towards antitrust enforcement for India and the rest of world?

It will become easier for India and the EU to regulate these firms in their respective jurisdictions. The anti-trust enforcement agencies can now proceed in case of violations by these firms without geopolitical repercussions because the protective shield of the home country (USA) for these firms has been lifted.

Subject: Governance

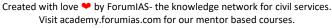
Topic- Issues Relating to Development and Management of Social Sector/Services relating to Health, Education, Human Resources.

Students suicide in India

Context- According to "Accidental Deaths and Suicides in India 2022" report by NCRB, over 13,044 Indian students ended their lives 7.6% of the total suicide fatalities in that year.

The number of suicides (students) rose from 10,335 in 2019, to 12,526 in 2020, to 13,089 in 2021. Further, In Kota (the hub of tuition/coaching) alone ,15 students ended their lives in 2022.

What are the reasons for students' suicides in India?





- 1) **Education system**-The lack of job opportunities, a limited number of seats in government institutions and the high fees charged in private institutions have all created a climate of intense competition. This imposes great pressure on the minds of students, and they are forced to take drastic steps. Read more-Increasing cases of Student suicide in India-A detailed explanation
- 2) **Financial Concerns**: As per All India Survey on Higher Education (AISHE) report (2019-20), only 21.4% of colleges are under governmental administration, with 78.6% under private entities. Due to high tuition or coaching fees, many families are not able to provide their children with supplementary educational resources such as coaching and tuition. This lack of support places immense and intense pressure on students to succeed in examinations of various kinds. A lack of success then leads to tragedy.
- 3) **Social and family expectations** Parental control, emotional detachment, and societal expectations contribute to the sidelining of a student's individual interest. The inability to satisfy parental expectations can leave young individuals feeling humiliated, dejected, desperate, and harassed. This may force them to take wrong steps.

What are the steps taken by coaching industries in Kota to address this issue?

- 1) Hostels are now equipped with 'anti-suicide features' that include devices fixed to ceiling fans to prevent children from harming themselves. Further, there are iron grills across balconies and passage ways.
- 2) The local government has stopped all routine testing in coaching institutes for over two months as a temporary measure.
- 3) Hostel staff are being trained and prepared to deal with the welfare of their wards. There is specialized training in mess administration, psychological support, behavioral counselling and an emphasis on overall student welfare.
- 4) The Kota police have pushed hostel wardens to become more proactive by endorsing campaigns such as "darwaze pe dastak (knock on door).

It is disturbing to see young students voicing their inner turmoil on social media. Thus, there is an urgent need for our social infrastructure to grow more supportive and accommodative and support these young lives.

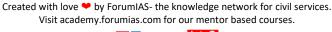
Topic- Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes.

Limitation of Welfare Policies Politics in India

Context- According to the ILO's World Social Protection Report, 2022, India spends too little on social protection. This is a matter of great concern as 90 per cent of the workforce in India works in informal sector with no or little social protection.

What are some of the important welfare schemes started by the Centre and States especially for women?

As per Crisil report 2023, the share of the economy (gross state domestic product) devoted to social welfare expenditures has increased from 1.2-1.3 % on average in 2017-18 to about 1.6 % in 2022-23 in 11 states.





Women have assumed great importance in the social protection architecture of states. There are various welfare schemes which cover education expenses, free public transport, subsidized LPG, and direct cash transfer.

- 1) Mahtari Vandan programme.- Chhattisgarh has announced this scheme.
- 2) **Ladli Behna scheme** This has been started by Madhya Pradesh government. Under it, Rs 1,250 per month was given to poor women beneficiaries.
- 3) **Kalaignar Magalir Urimai Scheme** This has been started by Tamilnadu. Under it,Rs 1,000 is transferred per month to women above the age of 21 with a household income of less than Rs 2.5 lakh. Similarly, there are schemes such as Mahalakshmi and the Gruha Lakshmi cash transfer programmes for women in Telangana and Karnataka respectively.
- 4) **Ujjwala scheme** -The Central government has started this scheme to provide subsidized LPG gas cylinders to poor women. The scheme has now been extended till February 2025.
- **5) PM Jan Dhan Yojna**-During Covid pandemic, the central government has transferred 3 instalments of Rs 500 each to women holding Jan Dhan Yojana bank accounts.

Read more-Subsidies are not a sustainable solution to underlying problems, rather it is a burden on fiscal purse

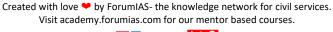
What is the significance of these welfare schemes for women?

Along with ensuring political dividends, it is also good economics. As per some studies, cash transfers to women have increased the proportion of expenditure on items of basic consumption and education. This benefits households and has positive implications for women's empowerment.

What are the issues with these welfare schemes?

- 1) **Paternalistic approach**-These welfare schemes are not rights-based schemes. They do not have any legal backing and are rather rooted in paternalism. Here, women are only seen as beneficiaries or recipient. This hinders their actual empowerment.
- 2) **Lack of political competition within states**-States with one political party domination do not have incentive to introduce fresh programmes or effectively implement existing schemes. Whereas in states, where there is stiff political competition and regular change of power, the welfare schemes are rejigged rather than withdrawn.
- 3) **Lack of inclusiveness** The social protection architecture in India is chaotic. It's unbalanced as groups like the very young and the old, who do not constitute the majority voters, are often overlooked.

According to the United Nations Declaration of Human Rights, social security is a human right. Thus, there is an urgent need to pay heed to ILO's Recommendation of 2012 that has called for all nations to institute a social protection floor.





Subject: International Relations

Topic-International Relations-Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.

The shift in India's foreign policy language - How Delhi talks to world

News: The article discusses how India's foreign policy language is becoming more confident as the country grows stronger economically and militarily. However, this new approach isn't fully embraced by all politicians yet, and the Opposition should focus on constructive debate about India's development and global role.

How has India's foreign policy language evolved?

In India's foreign policy language has **shifted from being defensive to more assertive and confident.** This change reflects India's growing global stature and economic progress.

Examples of this change include India's approach in the India-US nuclear deal in mid 2000s. At that time, India was concerned that a close relationship with US will result in loss of "strategic autonomy", but now India has much closer relationship with the US. The shift from seeing strategic autonomy as merely freedom from major powers' influence to leveraging India's own power marks a significant evolution in its foreign policy thinking.

The evolution in language also reflects in new terms like "leading power," "net security provider," and "first responder" to regional crises, indicating a proactive stance in global affairs.

For information on **India's foreign policy** read here

What is the role of the political class in this change?

Adaptation to New Diplomatic Language: The political class, including the Opposition, is slow in embracing India's evolving assertive foreign policy language. Persistent resistance exists among politicians and intellectuals to viewing India as a major power.

Contribution to India's Growth: Political parties, including the Opposition, have contributed to India's growth, being part of coalition governments since 1991. The Opposition's role is now to engage constructively in shaping India's path to development.

Debating India's Future Goals: There is a need for focused political debate on ambitious goal of becoming a developed nation by 2047, as outlined by the India's government.

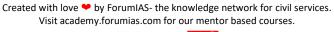
What responsibilities come with India's growth?

As India's power grows, it faces more responsibilities in shaping the regional and global order. India's role includes contributing to regional security, managing global commons, setting rules for international commerce, and influencing international institutions.

References to India as a "leading power", "Vishwa Mitra", and "net security provider" highlight its evolving responsibilities.

What are the challenges ahead?

- 1. Despite India's growing economy, its low per capita income highlights developmental challenges.
- 2. Becoming a developed country by 2047 is a goal set by the India's current government, a challenging yet





inspiring target.

- 3. Achieving a per capita income of \$12,000 by 2047, from the current less than \$3000, requires substantial economic growth.
- 4. These challenges include formulating effective economic strategies and industrial policies.
- 5. Addressing issues like inequality and environmental degradation is crucial for sustainable development.
- 6. Navigating a changing global order presents complex questions for India's international strategy.

Impact of politics on humanitarian aid: The politics of humanitarian aid

News: The article discusses how politics often interferes with humanitarian aid in conflict zones.

How does the UN Security Council view humanitarian aid?

Selective Enforcement: The UN Security Council's approach to humanitarian aid appears inconsistent. While it calls for aid in Gaza, the U.S.'s abstention and labeling the resolution as non-binding suggest a selective enforcement of aid policies.

Inadequate Action in Conflict Zones: Despite acknowledging the need for humanitarian aid in areas like Syria, Yemen, and Ethiopia, the Council's actions are often limited by political interests of member states, resulting in insufficient aid delivery.

Use of Aid as a Diplomatic Tool: The Council's decisions sometimes reflect the use of aid as a tool for diplomatic leverage, as seen in the case of Afghanistan where aid was provided without significant progress on women's rights.

For information on UN resolution on the ceasefire in Gaza read here

What role does India play in providing humanitarian aid?

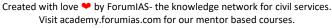
Aid to Sri Lanka: In 2008, India, under the Dravida Munnetra Kazhagam government, sent food and clothes to displaced Sri Lankan Tamil civilians. This act was both humanitarian and a political message of solidarity. **Continued Support:** In 2022, Tamil Nadu's Chief Minister, M.K. Stalin, sent significant food and medical aid to Sri Lanka during its economic crisis, demonstrating India's ongoing commitment to providing humanitarian assistance.

Global Contribution During COVID-19: India extended its humanitarian efforts globally by sending vaccines to over 100 countries during the COVID-19 pandemic, showcasing its capability and willingness to support international humanitarian causes.

What is the impact of politics on humanitarian aid?

U.S. Funding Decisions: The U.S. Congress halted funding to the UN agency assisting Palestinians, highlighting how political decisions directly impact humanitarian aid distribution.

Gaza's Crisis: In Gaza, political interests led to restricted aid delivery, including a tragic incident where Israeli soldiers killed Palestinians waiting for food, demonstrating the severe consequences of politicizing aid. **Civilian Casualties and Suffering:** The shooting of Palestinians by Israeli soldiers while waiting for food aid in Gaza highlights the severe consequences of politicizing humanitarian aid, leading to direct harm to civilians in need.





Africa-At the heart of India's Global South vision

Context- Africa houses three-fourths of humanity and over 39 % of the global GDP. Further, India projects itself as one of the leading voices of the Global South. In this context, there is a need to reform existing structures towards a more inclusive and representative system focused on development.

Read more- India and Global South

What is the importance of Africa for India's global south vision?

- 1) **Economic Importance**-The potential for economic partnerships between India and Africa is immense. For ex-Indian investments in Africa has reached \$98 billion in 2023, with trade totaling \$100 billion.
- 2) **Strategic importance**-Africa's influence in global forums will be important for India's vision for rule based global governance. India has also advocated the creation of African Union in the G20 summit.
- 3) **Energy Security** There is great potential for cooperation in this sector. Africa, with 30 % of the world's critical mineral reserves, is vital to ensure the energy transition in India. India needs to build solar panels and batteries necessary for a low-carbon future. This can be provided by the critical mineral reserve of Africa.

What should be the way forward?

India should increase technical capacity building amongst Africa's workforces. India should revamp existing collaborations or establish new ones with African technical organizations to address the issue of skill gap in Africa.

In order to meet India's Global South aspirations, it is important to leverage historical partnerships with African countries.

Topic-Important International institutions, agencies and fora, their structure, mandate.

Investment Facilitation for Development (IFD): WTO's investment facilitation negotiations are not illegal

News: The article discusses India's opposition to the Investment Facilitation for Development (IFD) Agreement at the WTO's 13th Ministerial Conference in Abu Dhabi. India is concerned about including investment in WTO agreements and the process of making IFD a part of WTO rules.

What is Investment Facilitation for Development (IFD)?

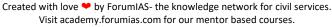
IFD is a proposed agreement within the World Trade Organization (WTO), aimed at making it easier for investments to flow globally.

It intends to enhance regulatory transparency and streamline administrative procedures, fostering a more conducive environment for foreign investments.

Notably, the IFD does not include provisions on market access, investment protection, and investor-state dispute settlement (ISDS).

Over 70% of WTO members, about 120 of 166 countries, support the IFD agreement.

The agreement was to be included as a plurilateral agreement (PA) within Annex 4 of the WTO Agreement, as allowed by Article II.3 of the WTO Agreement.





PAs are binding for WTO members that accept them and do not impose obligations on others. The IFD agreement, finalized in November 2023, was launched under the Joint Statement Initiative in 2017, indicating a shift in how WTO handles investment-related discussions.

For information on **Investment Facilitation Agreement** read here

Why does India oppose the IFD agreement?

India, along with South Africa, was key in opposing the inclusion of IFD in the WTO rulebook. The opposition is based on two main concerns: the suitability of including investment under WTO's scope, and the process of integrating IFD into WTO rules.

India contends that there was no collective decision to start negotiations on an IFD Agreement within the WTO framework. This stance is based on past decisions, like the 2004 WTO General Council ruling and the 2015 Nairobi ministerial decision, emphasizing the need for consensus among all members to initiate new negotiations.

Is Investment Considered Part of Trade?

OECD data showing that approximately 70% of international trade occurs within global value chains involving both trade and investment

Modern free trade agreements, such as the **Regional Comprehensive Economic Partnership (RCEP)** and the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership**, often include detailed investment provisions, reflecting the link between trade and investment.

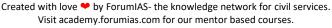
India's trade agreement with the European Free Trade Association also contains investment elements, further substantiating the relationship between trade and investment.

What is the Significance of the IFD Agreement?

Streamlining Global Investment: The IFD Agreement's primary goal is to simplify administrative procedures and increase regulatory transparency, aiming to bolster foreign investment inflows. **Excluding Certain Provisions:** The focus of the IFD towards the facilitation of investment rather than addressing these broader investment-related issues, like market access, investment protection, and investor-state dispute settlement (ISDS).

WTO Evolution: The IFD represents an evolution in the WTO's scope, potentially incorporating investment alongside trade.

Plurilateral Agreement Framework: Its integration as a plurilateral agreement within the WTO indicates a shift towards more flexible, inclusive frameworks for international economic cooperation.





GS Paper 3

Subject: Indian Economy

Topic--Indian economy-mobilisation of resources, growth, development.

Issue with India's GDP calculation: Is India's growth rate overestimated?

News: This article explains that India's method of calculating GDP growth has issues, making the growth seem higher than it is.

What is the current issue with India's GDP calculation?

Old GDP Calculation Methodology

Volume-Based Indices: Initially, India's GDP calculation relied heavily on indices like the index of industrial production.

Real Growth Calculation: Real growth was calculated directly, and the deflator was applied afterward, making the deflator's accuracy less critical.

New GDP Calculation Methodology (Since 2015)

Nominal Terms Measurement: GDP is now measured in nominal terms first.

Use of Deflators: The calculation uses deflators, like the Wholesale Price Index (WPI), to adjust for inflation and find real growth.

Issues with WPI: WPI is not an ideal measure for output prices, especially in the services sector, which constitutes two-thirds of the economy.

What are the problems with the GDP Deflator?

Use of Wholesale Price Index (WPI): Instead of a Producer Price Index (PPI), India uses WPI, which doesn't track producer prices accurately and excludes service prices.

WPI's Commodity Skew: WPI is biased towards commodities like oil and steel, and does not reflect the broader economy.

Mismatch with Consumer Prices: There's a disconnect between WPI and the Consumer Price Index (CPI). For example, from September 2022, CPI inflation remained over 5%, while WPI inflation declined due to falling global commodity prices.

Impact on Real GDP: This mismatch led to an inflated real GDP. For instance, during April-December 2023, WPI inflation averaged -1.0%, artificially raising the real GDP figures.

Single Deflation Methodology: India uses one deflator for both inputs and outputs in manufacturing, which can misstate growth when input and output prices diverge.

What's the impact of these issues?

Overestimated GDP Growth: The flawed deflator method leads to higher reported GDP growth. For example, the real growth in the manufacturing sector was inflated due to the fall in WPI.

Distortion in Sectoral Growth Rates: Sectors like manufacturing show inflated growth. Official numbers for

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the first three quarters of 2023-24 were much higher than they would have been with a more accurate deflator.

Misleading Economic Indicators: These inaccuracies can mislead policymakers and investors about the actual health and growth pace of India's economy, impacting economic decisions and long-term planning.

What should be done?

Adopt Consumer Price Index (CPI): Switch to using the CPI for deflating GDP, as it's closer to producer prices than WPI.

Implementation of Double Deflation Methodology: India should adopt double deflation, where outputs are deflated using an output deflator, and inputs using an input deflator, especially important for sectors like manufacturing.

Develop Producer Price Indices (PPI): Establishing a PPI in India would also aid in more accurately deflating GDP figures, aligning with international standards.

Topic: Inclusive growth and issues

Challenges of implementing a wealth tax: Piketty's wealth tax: An idea that just can't work

News: This article discusses the rise in billionaires in India and the debate about introducing a wealth tax. It argues that while a wealth tax might seem fair, it's difficult to implement and could have negative effects on the economy.

What is the current status of wealth inequality in India?

Increase in Billionaires: India has seen a rise in billionaires, with 94 new additions, reaching a total of 271. **Comparison with Other Countries:** This growth is higher than in China, which added 55 billionaires, now totaling 814.

Global Billionaire Rankings: India's total number of billionaires is significantly less than China and the US. **Wealth Disparity Concerns:** A study by Thomas Piketty highlights extreme wealth disparity in India, indicating the richest 1% hold a disproportionately large share of wealth.

What does Thomas Piketty's research suggest?

Wealth Inequality in India: Piketty's research, specifically his paper "Income and Wealth Inequality in India, 1922-2023," focuses on the growing wealth gap in India.

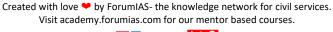
Top 1% Holding More Wealth: The study highlights that India's top 1% hold a large and increasing share of the nation's wealth, is at a historically high level.

Wealth Growth Outpacing Income: Piketty notes that when the return on capital surpasses general income growth, it disproportionately benefits the wealthy, leading to a wider wealth gap.

What are the challenges of implementing a wealth tax?

Difficulty in Fair Assessment: Assessing and taxing wealth is complex, particularly with diverse assets like real estate and cryptocurrencies.

Liquidity Problems: A wealth tax could unfairly burden people with illiquid assets, like a home, which might





need to be sold under distress to pay taxes.

Visibility of Assets: Visible assets, especially stocks, are easier to tax, but this could unfairly target certain forms of wealth.

Economic Impact: A wealth tax might discourage businesses from going public and could lead to capital flight to lower-tax countries.

Inefficiency in Capital Allocation: Such a tax could make capital allocation less transparent and efficient, adversely affecting the economy

Topic-Infrastructure: Energy, Ports, Roads, Airports, Railways etc.

Unified Metropolitan Transport Authority (UMTA): Indian cities cry out for UMTA

News: The article discusses the need for Indian cities to create a **Unified Metropolitan Transport Authority (UMTA)**. This authority would manage all city transportation, including roads, buses, and metro systems, aiming for better public transport efficiency and integration.

What is the current status of urban transport in India?

Urban Transport Policy: Since 2006, India has a policy recommending Unified Metropolitan Transport Authorities (UMTAs) for cities over 1 million people. According to the 2011 Census, there were 53 such cities. **Metro Rail Policy 2017:** Cities need UMTAs for central funding of metro projects. The policy aims to integrate metro rail with overall urban transport.

Cities' Response: Many cities still lack UMTAs, hindering integrated transport development.

For more information on Metro Rail Policy 2017 read here

Why is UMTA important?

Integration of Transport Modes: UMTA ensures all forms of urban transport, like buses and metros, work together efficiently.

Policy and Funding Compliance: Under the 2017 Metro Rail Policy, cities need UMTAs to get central funding for metro projects.

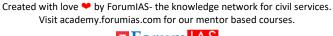
Efficient Urban Mobility: UMTA can lead to better traffic control, integrated payment systems, and real-time travel information.

Global Success Models: Cities like New York and London, with unified transport authorities, serve as successful examples for India to emulate.

Focus on Commuters: UMTA puts commuter needs at the center, aiming for a more accessible and reliable urban transport system.

What should be done?

- a) A Framework for Selecting an Appropriate Urban Transport System in Indian Cities (Dr. Tiwari's Report)
- **1. Tailored Transport Systems:** Implement transport systems based on city size; metros for cities over 8 million, buses and light rail for 4-8 million, and quality bus systems for smaller cities.
- **2. Integrated Approach**: Combine metro, bus, and local transport for efficient movement and connectivity.





- **3. High-Capacity Planning**: Plan for high-capacity systems like BRTS/metro in cities expecting to grow beyond 1 million.
- b) Strategies to Improve the Financial Performance of Metro Rail System in India (Dr. Chakrabarti's Report)
- 1. UMTA Management: UMTA should manage all city transport including roads and public transit.
- **2. Private Sector Involvement:** UMTA to work with private sectors for functions and equity partnerships.
- **3. Systematic Changes:** Initiate institutional changes for transferring ownership of transportation assets to UMTA.
- **4.Commuter-Centric Approach:** Focus on making transport decisions that prioritize commuter needs and experiences.

Managing Pilot Fatigue: Flight from fatigue

News: The article discusses how India's aviation authority has delayed implementing flight duty time limitations (FDTL) rules. The FDTL rules are meant to reduce pilot fatigue. For details information on flight duty time limitations rule read Article2, Article2

What are the initiatives taken for Managing Pilot Fatigue?

Historical Guidelines: Since the early 1950s, guidelines have been established by the International Civil Aviation Organization to limit flight and duty hours for safety. These guidelines were aimed to ensure that fatigue did not endanger flight operations.

Fatigue Risk Management Systems: Modern practices include adopting Fatigue Risk Management Systems. It combines scientific principles of fatigue management with aviation scheduling.

DGCA's Plans: The DGCA in India plans to adopt these systems, showing a commitment to improving fatigue management in aviation.

What are the current challenges in Indian aviation?

Delayed implementation of Pilot Fatigue Management: The delay in implementing flight duty time limitations (FDTL) rules means that ongoing issues with pilot fatigue have not been adequately addressed. These rules.

which intend to provide more rest and require fatigue reports, are crucial for safety.

Stress on crew due to rapid market growth: India's aviation market is experiencing high growth, leading to increased flying domestically and internationally. This puts additional stress on flight crews.

Pilot Shortage: Amidst this growth, there's a shortage of pilots. Airlines argued that new FDTL rules would necessitate hiring 15% to 25% more pilots.

Flight Cancellations Concern: Airlines feared that the new norms could lead to a nearly 20% cancellation of flights during the peak summer season.

Ultra-Long Haul Stress: The introduction of more widebody aircraft for longer flights adds further stress and safety concerns for flight crews.

What were the proposed changes by DGCA?

Increased Rest time for Pilots: The DGCA proposed changes to provide more rest time for pilots, addressing the issue of fatigue.

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Redefining Night Duty: The new rules aimed to redefine what constitutes night duty for pilots, aligning it with the latest understanding of how different working hours impact fatigue.

Mandatory Fatigue Reports: Airlines would be required to file regular reports on pilot fatigue, ensuring ongoing monitoring and management of this issue.

Implementation Timeline: The rules were scheduled to be implemented no later than June 1, indicating a clear deadline for airlines to comply.

Focus on Safety and Well-being: These changes were designed to enhance the safety and well-being of flight crews, prioritizing their health in a high-stress profession.

Subject: Agriculture

Topic: issues related to direct and indirect farm subsidies and minimum support prices.

Better utilization of fertilizer and food subsidies: Basic subsidies can be climate focused and aimed better

News- The article suggests India should change how it spends its agriculture and food subsidies. It recommends promoting organic fertilizers and millets over chemical fertilizers and rice or wheat, for better environmental and economic benefits.

For details information on **fertilizer subsidy** <u>read here</u>

For details information on **food subsidy** read here

What is the current situation with India's fertilizer and food subsidies?

a) India's Fertilizer Subsidies

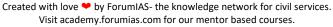
- 1. India's budget shows a **consistent increase in fertilizer subsidies since 2017.** Despite higher subsidies, crop yields are declining.
- 2. Farmers are overusing nitrogen fertilizers, leading to nutrient imbalances. **The NPK ratio is now** 11.8:4.6:1, far from the ideal 4:2:1.

b) India's Food Subsidies

- 1. India's food subsidy bill accounts for about 1% of its GDP.
- 2. The **bill has been around ₹2 trillion since 2020**, largely due to the difference between MSPs (Minimum Support Prices) and CIPs (Central Issue Prices) of grains.
- 3. The emphasis on wheat and rice, supported by high MSPs, has led to environmentally unsustainable farming practices.

What are the government initiatives for better utilization of fertilizer and food subsidies?

The Indian government's key initiatives for better fertilizer and food subsidy utilization include the **National Plan for Organic Productions** to shift towards organic farming, the **classification of nano urea as a 'nano**





fertilizer' by the Ministry of Agriculture for sustainable fertilizer use, and promoting millets in 2023, the **International Year of Millets,** highlighting their nutritional and environmental advantages to redirect food subsidies effectively.

For information on **Government Flagship Schemes in Agriculture** <u>read here</u>

For information on **nano fertilizer** read here

For information on **International Year of Millets** read here

What are the concerns related to better utilization of fertilizer and food subsidies?

Overuse of Chemical Fertilizers: India's heavy fertilizer subsidies have resulted in an excessive use of nitrogen fertilizers, disturbing soil health and causing an imbalance in nutrient use, as shown by the NPK ratio of 11.8:4.6:1 in 2022-23.

Declining Crop Yields: Increased fertilizer use has not translated into higher yields, suggesting inefficiency and potential environmental harm.

Policy and Oversight Conflicts: The divided management of fertilizer policy between separate ministries creates conflicting objectives and hinders coherent policy implementation.

What should be done?

- 1. Redirect fertilizer subsidies towards nano and organic fertilizers, aligning with net-zero emission goals.
- 2. Consolidate fertilizer oversight under the agriculture ministry to unify policy-making and execution, addressing policy gridlocks.
- 3. Encourage organic farming and crop diversification, as practiced in Odisha, with financial support and initiatives like rice-fallow management.
- 4. Channel food subsidies towards millets, particularly given 2023 being the International Year of Millets, to promote nutritious and less carbon-intensive crops. This would support Tribal communities and women farmers, moving towards a circular economy.
- 5. Maintain subsidy outlay levels while focusing on low-carbon alternatives for balanced welfare, fiscal responsibility, and climate change mitigation.

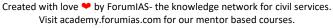
Subject: Environment

Topic- Environmental Pollution and Degradation, Environmental Impact Assessment

Black Carbon Emission

Context- According to a 2016 study, the residential sector contributes 47% of India's total black carbon emissions followed by Industries 22%, diesel vehicles 17%, open burning 12%, and other sources 2%. Decarbonization efforts in the industry and transport sectors in the past decade have led to reductions in black carbon emissions. However, the residential sector remains a challenge.

What is black carbon?





Description-It is a component of soot emitted by the incomplete combustion of fossil fuels, biofuel and biomass.

Impact-It contributes to global warming and poses severe risks. Exposure to black carbon can increase risk of heart disease, birth complications, and premature death.

Source- Most black carbon emissions in India arise from burning biomass, such as cow dung or straw, in traditional cookstoves.

What is the Pradhan Mantri Ujjwala Yojana (PMUY)?

Entitlements-The scheme would provide free liquefied petroleum gas (LPG) connections to households below the poverty line. The programme has provided connections to over 10 crore households as of January 2024.

Objective-To make clean cooking fuel available to rural and poor households and reduce their dependence on traditional cooking fuels.

Infrastructure-The PMUY has established infrastructure for LPG connections, including free gas stoves, deposits for LPG cylinders, and a distribution network.

Impact-It has helped in reducing black carbon emissions because it is a cleaner alternative to traditional fuel consumption.

Read more- Non Conventional Energy

What are the issues with Pradhan Mantri Ujjwala Yojana (PMUY)?

- 1) **Low LPG refill rate-** According to RTI data, in 2022-2023, only 25% of all PMUY beneficiaries availed either zero LPG refill or only one LPG refill. This suggests that they still relied entirely on traditional biomass for cooking.
- 2) **High cost** The cost of a 14.2-kg LPG cylinder, even with an additional subsidy, is still about ₹600 per cylinder. This is a high cost for most PMUY beneficiaries, so they switch to traditional sources like cow dung, firewood, etc.
- 3) **Low consumption of LPG**-As per the findings of the The Hindu newspaper, the average PMUY beneficiary household consumes only 3.5-4 LPG cylinders per year as compared to non-PMUY household that consume 6 to 7 cylinders.

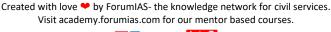
This implies that up to half of all the energy needs of a PMUY beneficiary household are still met by traditional fuels. Traditional fuels contribute to black carbon emissions.

4) **Last mile connectivity**-There is lack of last-mile connectivity in the LPG distribution network. This leads to unavailability of clean cooking fuel in remote areas which leads to enhanced use of biomass.

What should be the way forward?

- 1) **Production of Coal-bed methane**-There is a need to promote the local production of coal-bed methane (CBM) gas by composting biomass. It is a much cleaner source of energy. Here, Panchayats can take the initiative to produce CBM gas locally at the village level.
- 2) **Addressing low-refill rate**-The government should address the challenge of low refill rate by further subsidizing the cost of LPG cylinder.

PMUY scheme can help India become a global leader in addressing regional health concerns and help meet its Sustainability Development Goal of providing affordable clean energy to everyone and contributing to global climate mitigation.





Sustainable building materials

Context- India housing construction sector is booming, with over 3,00,000 housing units built annually. However, the building sector is a major energy consumer that accounts for over 33% of India's electricity usage, contributing to environmental degradation and climate change.

Further, The India Cooling Action Plan predicts an eight-fold increase in cooling demand between 2017 and 2037. Thus, it is important to address energy inefficiency in residential buildings due to India's rising energy and cooling demand.

What are the steps taken by the government to make construction sector energy efficient?

- 1) The government has taken steps like the Eco-Niwas Samhita (ENS) and the Residential Energy Conservation Building Code to ensure energy efficiency.
- 2) The ENS introduces the Residential Envelope Transmittance Value (RETV). This is a metric which measures heat transfer through a building's envelope.

Significance of RETV- Lower RETV values lead to cooler indoor environments and decreased energy usage. RETV of 15W/m2 or less is recommended for optimal efficiency, improved occupant comfort, and lower utility expenses.

What are the optimal construction materials for energy efficiency of buildings?

There are 4 popular materials such as Autoclaved Aerated Concrete (AAC) blocks, red bricks, fly ash, and monolithic concrete (Mivan).

Read more- Indian Cooling Action Plan

What is RETV evaluation for these construction materials?

- 1) **Autoclaved Aerated Concrete (AAC)** During evaluation, AAC blocks consistently had the lowest RETV across all climatic conditions. They have lower embodied energy compared to monolithic concrete and red bricks. However, they still contribute to emissions and waste.
- 2) **Monolithic Concrete** Monolithic concrete has an embodied energy 75 times greater than AAC for building materials.

Monolithic concrete, despite its quick construction time, poses a significant environmental impact, and sustainability challenges.

Note- Embodied Energy is the energy associated with the manufacturing of a product.

3) **Red brick-For** estimated construction time for a 100 sq. ft room, red bricks required the longest time. Red bricks exhibit moderate embodied energy, contributing to resource depletion, emissions, and waste.

What should be the way forward?

- 1) **Interdisciplinary Collaborations-**There is a need for fostering collaborations with sustainability experts to **develop** strategies like building orientation, Window Wall Ratio (WWR), U-value (rate of heat transfer) of walls **etc.** to ensure energy efficiency.
- 2) **Innovation**-There is a need for innovation from building materials manufacturers so that they can develop cost-effective, scalable, durable, fire-resistant solutions.

