

# 9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



**3<sup>rd</sup> Week**

**July. 2024**

**Features :**

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

**INDEX**

<b>GS Paper 2</b> .....	<b>4</b>
<b>Subject: Indian Polity</b> .....	<b>4</b>
Topic- Indian Constitution—Historical Underpinnings, Evolution, Features, Amendments, Significant Provisions and Basic Structure.....	4
<b>Issues with Bharatiya Nagarik Suraksha Sanhita</b> .....	<b>4</b>
<b>Subject: Governance</b> .....	<b>5</b>
Topic- governance-Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources, .....	5
<b>How climate change reduces children's outdoor play opportunities in India</b> .....	<b>5</b>
<b>The failures of the National Testing Agency (NTA) in India</b> .....	<b>6</b>
<b>Subject: Social Justice</b> .....	<b>7</b>
Topic- Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes; Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections. ....	7
<b>Critique of the Juvenile Justice System</b> .....	<b>7</b>
<b>The controversial Karnataka employment reservation bill</b> .....	<b>8</b>
<b>India needs reasonable accommodation for persons with disabilities</b> .....	<b>8</b>
<b>The problems with sub-caste reservations</b> .....	<b>9</b>
<b>India needs a national law to tackle superstitious practices.</b> .....	<b>10</b>
<b>The issue of GST on disability Aids</b> .....	<b>11</b>
<b>Subject: International Relations</b> .....	<b>12</b>
Topic- Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.....	12
<b>India's strategic involvement in both the Quad and BRICS</b> .....	<b>12</b>
<b>India's strategic autonomy amid its relationship with the U.S. and Russia</b> .....	<b>13</b>
<b>GS Paper 3</b> .....	<b>14</b>
<b>Subject: Indian Economy</b> .....	<b>14</b>
Topic- Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment. ....	14
<b>The conflicting reports on job creation in India</b> .....	<b>14</b>
<b>India is facing three macroeconomic puzzles</b> .....	<b>15</b>
<b>Financial Capacity for Infrastructure and Corporate Expansion</b> .....	<b>16</b>
<b>Female Employment to Counter Unemployment</b> .....	<b>17</b>
<b>Addressing Myths about Gig-Based Works</b> .....	<b>18</b>
<b>India's Employment Crisis</b> .....	<b>19</b>

## 9 PM Compilation July [Third Week] 2024

<b>Intergenerational and Intragenerational Fiscal Equity in India .....</b>	<b>20</b>
<b>Annual Survey of Unincorporated Enterprises (ASUSE).....</b>	<b>21</b>
<b>Recent Trends in India's Trade.....</b>	<b>22</b>
<b>The issue of agri tax exemption.....</b>	<b>23</b>
<b>The analysis of FRBM Act in India .....</b>	<b>24</b>
<b>Topic- Inclusive Growth and issues arising from it.....</b>	<b>25</b>
<b>    Debate on Billionaire Consumption .....</b>	<b>25</b>
<b>Subject: Agriculture.....</b>	<b>26</b>
<b>Topic- Major Crops - Cropping Patterns in various parts of the country, - Different Types of Irrigation and Irrigation Systems; Storage, Transport and Marketing of Agricultural Produce and Issues and Related Constraints; E-technology in the aid of farmers.....</b>	<b>26</b>
<b>    Challenges in India's Spice Exports .....</b>	<b>26</b>
<b>    AgriSure: A New Initiative to Boost Agricultural Innovation .....</b>	<b>27</b>
<b>    Revitalizing India's Agricultural Research and Development System.....</b>	<b>28</b>
<b>    India's challenges with agricultural exports and post-harvest losses.....</b>	<b>29</b>
<b>    The green revolution in maize .....</b>	<b>30</b>
<b>Topic- Infrastructure: Energy, Ports, Roads, Airports, Railways etc.....</b>	<b>31</b>
<b>    Challenges in India's Energy Sector .....</b>	<b>31</b>
<b>Topic- Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.....</b>	<b>32</b>
<b>    Electronics Manufacturing Revolution .....</b>	<b>32</b>
<b>Subject: Environment.....</b>	<b>33</b>
<b>Topic- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.....</b>	<b>33</b>
<b>    Balancing Development and Sustainability.....</b>	<b>33</b>
<b>    Challenges with Current Tree Planting Efforts.....</b>	<b>34</b>
<b>Subject: Internal Security .....</b>	<b>35</b>
<b>Topic- Challenges to Internal Security through Communication Networks, Role of Media and Social Networking Sites in Internal Security Challenges, Basics of Cyber Security; Money-Laundering and its prevention.....</b>	<b>35</b>
<b>    Global IT Outages.....</b>	<b>35</b>
<b>    Google's cybersecurity capabilities, especially after Microsoft's Azure outage.....</b>	<b>36</b>
<b>Topic- Security Challenges and their Management in Border Areas.....</b>	<b>37</b>
<b>    Reason for the increase in terrorist activities in Jammu.....</b>	<b>37</b>
<b>Subject: Disaster Management.....</b>	<b>38</b>
<b>Topic- Disaster and Disaster Management.....</b>	<b>38</b>

9 PM Compilation July [Third Week] 2024

**Parametric Insurance..... 38**  
**Multi-dimensional Impact of Heat Stress..... 39**



## GS Paper 2

### Subject: Indian Polity

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

#### Issues with Bharatiya Nagarik Suraksha Sanhita

**Context-** The article discusses a major change in India's criminal procedure law with the Bharatiya Nagarik Suraksha Sanhita, 2023. The most worrying change is the possible increase in police custody from a maximum of 15 days under the old CrPC to up to 90 days under the new law. This raises serious constitutional and human rights issues.

CrPC is called the "Accused's Constitution," providing vital protections during detention and interrogation. Thus, no law is more crucial than the CrPC in supporting any accused.

#### What are the different types of Custody?

**Police custody:** Police have principal control and physical custody. This is generally considered the harshest experience for the accused.

**Judicial custody:** Accused are placed in jail with institutional rules. It allows regulated visiting hours, police access, mealtimes, and sleep time

#### What are the Changes in Custody Duration Under BNSS?

**CrPC-**Section 167 of the CrPC allowed custody for up to 60 or 90 days, depending on the severity of the punishment, with police custody limited to 15 days unless extended by the Magistrate. The aim was to curb police custody abuse and ensure it did not surpass 15 days.

**BNSS-**Section 187 of the BNSS diverges by retaining the 60 or 90-day timelines and default bail concept while eliminating the 15-day police custody limit. This allows Magistrates to authorize police custody exceeding 15 days.

A detailed article on Bhartiya Nyaya Sanhita- Significance and Concerns can be [read here](#).

#### What are the issues with these changes?

- 1) **Infringement of Article 21-** Extended police custody raises concerns about potential violations of the right to life, health, and fair trial. This also increases the risk of custodial violence and torture.
- 2) **Violation of Supreme Court judgments:** The D K Basu v State of West Bengal case emphasizes that Article 21 ensures the right to live with dignity, protects against torture and assault by state officials, and extends these rights to convicts, undertrials, and detainees. The provisions of BNSS appear to contradict the Supreme Court's stance on custodial rights.
- 3) **Safeguards against police excesses:** BNSS removes existing protections in CrPC, exposing accused individuals to potential abuse.
- 4) **Impact on fair trial** -Extended police custody can undermine the accused's defense preparation and increase the risk of coerced confessions or statements.
- 5) **Comparison with Harsh laws:** The Unlawful Activities (Prevention) Act, 1967 (UAPA) restricts police custody to 30 days and mandates an affidavit for extending police custody beyond judicial custody. In contrast, the BNSS permits a three-fold increase in police custody compared to the UAPA.

## Subject: Governance

### Topic- -governance-Issues relating to development and management of Social Sector/Services relating to Health, Education, Human Resources,

#### How climate change reduces children's outdoor play opportunities in India.

**Context:** The article discusses how climate change is reducing children's opportunities to play outdoors, particularly in India. It highlights the dangers of extreme weather like heatwaves and emphasizes the need for better urban planning and community efforts to ensure safe play spaces for all children.

#### How Does Climate Change Affect Children's Play?

1. Climate change significantly impacts children's play by making outdoor environments unsafe and inaccessible due to extreme weather conditions like heatwaves and floods.
2. In India, children face increased risks with the country **ranked 26 out of 163 on UNICEF's Children's Climate Risk Index (CCRI) 2021**, indicating high vulnerability to climate impacts.
3. A UNICEF analysis highlights that South Asia has the highest number of children exposed to extreme temperatures, which limits their opportunity to play outdoors and interact with peers, crucial for their development and mental health.

#### What Challenges Do Children Face in Accessing Play Spaces?

1. Many children, especially in low-income areas, face significant **barriers to accessing safe play spaces due to urbanization and environmental degradation.**
2. **Socio-economic disparities**, and social identities such as caste, class, disability, and gender, also limit access to leisure and public spaces.
3. In India, **public playgrounds are often non-existent** or poorly maintained in poorer communities.
4. Overcrowded and small living conditions in **urban areas restrict indoor play opportunities.**
5. Places designated for playgrounds in some low-income areas are frequently misused as dumping grounds for solid waste, further reducing available spaces for children to play.

#### What Should be Done?

1. **Implement bioclimatic design principles** in playground infrastructure to create safe, climate-adapted play areas.
2. **Expand access to green spaces** within cities to counteract the urban heat island effect, making outdoor play more feasible.
3. **Community initiatives** should focus on improving playground conditions and creating shaded areas in parks for children to play during warmer days.
4. **Adapt and preserve traditional architectural techniques** for natural cooling in building playgrounds and public spaces.
5. **Encourage children to participate in local environmental actions**, such as biodiversity mapping, to empower them and integrate their perspectives in urban planning and climate resilience strategies.



## The failures of the National Testing Agency (NTA) in India

**Context:** The article discusses the failures of the National Testing Agency (NTA) in India, which has led to examination malpractices and a loss of trust in the system. It suggests decentralizing entrance exams and improving the school system to restore integrity and relevance to school education.

For detailed information on **National Testing Agency (NTA)** [read this article here](#)

### What is the National Testing Agency (NTA)?

**National Testing Agency-** National Testing Agency (NTA) was established as a Society registered under the Indian Societies Registration Act, 1860. It is an autonomous and self-sustained testing organization to conduct entrance examinations for admission/fellowship in higher educational institutions.

For more information [read this article here](#)

### What are the main issues with the National Testing Agency (NTA)?

- 1. Conduct of Examinations:** The NTA conducts exams in pen and paper mode, contrary to its original vision of electronic testing, increasing the risk of malpractice.
- 2. Examination Integrity Issues:** There have been widespread issues with question paper leaks, arbitrary grace marks, and selective re-examinations, as exemplified by the NEET-UG fiasco, which has undermined trust in the fairness of the exams.
- 3. Operational Weaknesses:** The NTA's structure is lean, with many functions outsourced, which has compromised its ability to manage exams effectively. The chairperson and CEO lack the expertise needed to build a robust testing institution.

### What Should be Done?

- 1. Decentralize Exam Processes:** The central government should allow states to conduct their own entrance exams based on a standardized template to maintain consistency and reduce the risk of malpractice.
- 2. Form Expert Committees:** The government has constituted a seven-member committee, chaired by former ISRO chairman K. Radhakrishnan, to review and reform the examination process.
- 3. Strengthen Data Security:** The committee's terms of reference include improving data security protocols to enhance the robustness of examinations, addressing concerns raised by the NEET-UG leaks.
- 4. Integrate School Performance:** Include school-leaving marks in entrance exam scores to revive the importance of school education and reduce the influence of coaching centers.
- 5. Improve Governance:** Clearly define roles within the NTA and establish a responsive grievance redress mechanism to restore trust and ensure effective management.

## Subject: Social Justice

### Topic- Welfare Schemes for Vulnerable Sections of the population by the Centre and States and the Performance of these Schemes; Mechanisms, Laws, Institutions and Bodies constituted for the Protection and Betterment of these Vulnerable Sections.

#### Critique of the Juvenile Justice System

**Context:** The article discusses how India's Juvenile Justice system manages young offenders, emphasizing rehabilitation over punishment and the possibility of trying adolescents as adults. It highlights the need for better implementation of the system's principles to ensure accountability and victim-centered justice.

For detailed information on **JUVENILE JUSTICE LAW** [read this article here](#)

#### What Does the Law Say About Juveniles Committing Serious Crimes?

1. The Juvenile Justice (Care and Protection of Children) Act, 2015 (JJ Act) defines a "heinous" offense as one with a minimum punishment of seven years or more.
2. Adolescents over 16 can be tried as adults for heinous offenses.
3. The example in Pune involved a teen who caused deaths by negligent driving, which is not classified as "heinous" because it lacks a minimum prescribed punishment.
4. Such offenses are termed "serious" because they have a maximum punishment of over seven years but no minimum sentence, thus not qualifying for trial in an adult court under the JJ Act.

#### What Are Innovative Ways to Hold Juveniles Accountable?

1. **Victim impact panels (VIPs)** are used in the U.S., where offenders meet with the victims' families to understand the impact of their actions.
2. A 2022 study by Kevin Thompson and Sarah Joyce showed that VIPs in North Dakota significantly reduced recidivism among offenders.
3. These panels **allow victims to express their grief and offenders to offer apologies, aiding in rehabilitation.**
4. This method emphasizes personal accountability and the **healing of both victims and offenders.**
5. It shifts from traditional punitive approaches to a more restorative justice model, focusing on community and victim involvement in the justice process.

#### What is the Critique of the Juvenile Justice System?

1. The juvenile justice system is often criticized for its **poor implementation** rather than its intent or structure.
2. Critics argue that the system sometimes **fails to fully apply its foundational principles**, focusing inadequately on rehabilitation and accountability
3. Trying juveniles as adults is seen as a shortcut that bypasses the core issues of systemic inefficiency.
4. The public outcry and legal challenges in the Pune case exemplify concerns over perceived leniency and inconsistency in handling serious offenses by juveniles.
5. This critique underscores the need for a more robust and consistently applied juvenile justice system that truly balances the goals of rehabilitation and public safety.



## The controversial Karnataka employment reservation bill

**Context:** The article talks about Karnataka's draft "State Employment of Local Candidates in the Industries, Factories and Other Establishments Bill, 2024," which aimed to reserve jobs for locals but faced legal and industry backlash. It argues that fair labor practices for all workers, not just local ones, are a better solution.

For detailed information on **Local Reservation in Private Job** [read this article here](#)

### Why is the Proposed Karnataka Bill Controversial?

- 1. Local Reservation Requirement:** The proposed Karnataka Bill mandates that 50% of management and 70% of non-management positions in industries be reserved for local candidates. This is seen as restrictive by businesses.
- 2. Legal Precedents:** Similar laws in other states like Haryana and Andhra Pradesh have faced legal challenges. The Punjab and Haryana High Court quashed Haryana's law, citing violations of constitutional rights to equality (Article 14) and freedom (Article 19).
- 3. Industry Opposition:** The Bill was "temporarily withheld" after significant pushback from industry heads and trade bodies, indicating strong resistance from the business community.
- 4. Comparative Examples:** Andhra Pradesh's similar law is still under judicial review, and Jharkhand's has not been implemented, suggesting ongoing controversy and legal complications with such initiatives.

### What Should be Done?

- 1. Enforce Labor Rights:** Ensure fair treatment and protect all workers, including migrants, from exploitation.
- 2. Address Exploitative Practices:** Employers should not make migrant workers work longer hours for lower pay without benefits.
- 3. Create a Level Playing Field:** Provide equal opportunities for local and migrant workers by curbing unfair labor practices.
- 4. Avoid Protectionism:** Job protectionism for local workers is not a solution.
- 5. Legal Compliance:** Follow constitutional provisions like Article 16(3), which limits reservation based on residence to public employment and requires Parliament's approval.

## India needs reasonable accommodation for persons with disabilities

**Context:** The article discusses the need for reasonable accommodations for Persons with Disabilities (PwDs) in India. It highlights institutions' reluctance to bear costs, suggesting an incentive and cost-sharing model to ensure compliance, diminish reluctance, and promote positive outcomes.

For detailed information on **SC Ruling to prevent stereotyping and Discrimination of Persons with Disabilities** [read this article here](#)

### What is the Concept of Reasonable Accommodations?

- 1. Definition:** Reasonable Accommodations (RAs) are adjustments that help Persons with Disabilities (PwDs) exercise their rights equally with others.
- 2. Legal Framework:** Defined in section 2.(y) of the Rights of Persons with Disabilities (RPwD) Act, 2016.
- 3. Examples** include building ramps, providing assistive technologies, adapting job roles, and modifying

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workplace policies.

- 4. Importance:** RAs ensure accessibility and equal opportunities for PwDs.
- 5. Exemptions:** Institutions are exempt if proving RAs cause an undue burden.
- 6. Undue Burden:** The Convention on the Rights of Persons with Disabilities (CRPD) outlines factors to determine undue burden, which institutions sometimes misuse to avoid compliance.
- 7. Current Scenario:** Indian institutions are often reluctant to bear the costs, impacting the rights of PwDs.

### Why are Institutions Reluctant to Implement RAs?

- 1. Cost Concerns:** Institutions adopt utilitarian approaches rather than welfare-based approaches, focusing on cost-benefit analysis instead of the needs of PwDs.
- 2. Prejudices:** Institutions often believe PwDs are less productive, leading to reluctance in providing RAs.
- 3. Undue Burden Defense:** Institutions use the "undue burden" clause to avoid compliance, often for expediency rather than genuine hardship.
- 4. Lack of Awareness:** Many are unaware that most RAs can be implemented inexpensively, contributing to their reluctance.

### What should be done?

- 1. Incentives:** Offer tax credits, deductions, or subsidies to institutions providing RAs. This reduces financial pressure and encourages compliance.
- 2. Cost-Sharing:** Share costs of RAs with institutions demonstrating genuine financial hardship. The National Fund for PwDs can be utilized for this purpose.
- 3. Utilize National Fund:** Section 86 of the RPwD Act mentions the National Fund for PwDs, which remains underutilized and restricted in scope. Ensure the National Fund for PwDs is continuously funded and optimally used. Designate it as a line item in annual budgets.
- 4. Uniform Standards:** Implement a consistent legal standard for "undue burden" to prevent misuse by institutions.
- 5. Verification Process:** Institutions requesting funds should first prove their inability to afford RAs, considering any incentives already received. The governing body of the National Fund should verify these claims and consult experts to ensure that the RAs requested are necessary and proportional before releasing funds.

## The problems with sub-caste reservations

**News:** This article discusses the issue of sub-caste reservations within the Scheduled Castes (SC) and Scheduled Tribes (ST) communities in India.

In an ongoing case in the Supreme Court, the decision on sub-caste reservation for SC/STs has been reserved. Now let's discuss the government's steps for empowerment of lower castes. The government's steps till now are in line with the Ambedkar's 3 policy measures.

Dr. B.R. Ambedkar advocated for three policy measures to address the denial of rights and isolation faced by untouchables:

- 1) Legal safeguards against caste discrimination
- 2) Reservations in legislature, public jobs, and educational institutions
- 3) Measures to improve ownership of capital assets and education levels

### What was the rationale behind these 3 policies?

**Legal Safeguards and Reservations:** Ambedkar proposed legal safeguards to ensure fair representation in the present, complemented by reservations to address immediate discrimination in legislatures, jobs, and education.

**Economic Empowerment:** Recognizing the limitations of legal safeguards and reservations, Ambedkar emphasized improving ownership of capital assets and education for long-term empowerment and capability building.

Therefore, any sub-caste reservation should be extended with these 3 policies in mind.

### Is there any need of the sub-caste reservation?

Proponents argue that some sub-castes have benefited more than others, necessitating separate quotas for those lagging behind.

However, it is often ignored that low job participation may stem from low education levels and lack of income-generating assets, not necessarily from discrimination by other sub-castes.

If the sub-caste reservation is given without improving their capital ownership and educational participation, they may continue to have a low share in jobs and education.

## India needs a national law to tackle superstitious practices.

**Context:** The article discusses the need for a national law in India to tackle superstitious practices. It highlights debates between experts on whether existing state laws are sufficient or if a broader, national law is necessary to address the issue more effectively.

For detailed information on **What are the laws against black magic and superstition in India?** [read this article here](#)

### What is the Need for a National Anti-Superstition Law?

**1. Gap in Current Legislation:** Current criminal laws do not specifically target superstitious practices, causing reluctance among police to act against fraudulent godmen.

**2. Existing Acts' Limitations:** The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954, is riddled with loopholes that fail to address many superstitious practices effectively.

**3. Successful State Models:** States like Maharashtra and Karnataka have specific laws that successfully address superstitious practices, indicating the effectiveness of tailored legislation.

**4. Need for Comprehensive Coverage:** Due to the uneven presence of state-specific laws, many regions remain unprotected; a national law would ensure comprehensive coverage, addressing superstitious practices uniformly across all states.

### What Are the Implementation Challenges?

**1. Lack of Sensitization:** Law enforcement agencies are not adequately sensitized to address superstitious practices, influenced by cultural biases that hinder objective enforcement.

**2. Reluctance to File Cases:** Police officers often show reluctance to file FIRs against superstitious practices, with investigations frequently compromised by political influence, leading to low conviction rates.

**3. Caste Discrimination:** Superstitious practices often involve caste-based discrimination, which is not always recognized or addressed by the authorities, highlighting a gap in understanding and enforcement.

### How to Balance Laws and Religious Freedom?

- 1. Implement Reasonable Restrictions:** Use Article 25 of the Constitution, which allows for reasonable restrictions based on public order, morality, and health, to balance laws against superstitious practices with religious freedom.
- 2. Define Exploitative Practices:** Clearly define what constitutes exploitative and superstitious practices, distinguishing them from legitimate religious beliefs to prevent overreach.
- 3. Protect Fundamental Rights:** Ensure that anti-superstition laws also protect other fundamental rights, like the right to life and against untouchability, highlighting that exploitative practices cannot be justified as religious rights.
- 4. Judicial Oversight:** Maintain robust judicial oversight to review cases and prevent misuse of the law against religious practices.

For detailed information on **Freedom of religion and attire** [read this article here](#)

### What Should be Done?

- 1. Enact National Legislation:** Implement a national anti-superstition law modeled after Maharashtra and Karnataka to provide specific legal provisions against superstitious practices.
- 2. Sensitize Law Enforcement:** Conduct comprehensive training programs for police officers and first responders to address cultural biases and enhance their ability to handle superstitious practices.
- 3. Promote Restorative Justice:** Develop restorative measures for victims, including establishing a victim compensation fund and ensuring social security schemes for those affected by witch-hunting and other practices.
- 4. Foster Scientific Temper:** Encourage rational thinking and scientific temperament through education reforms and public awareness campaigns.
- 5. Monitor Implementation:** Regularly review and amend the law to address local concerns and improve its effectiveness, ensuring that it does not conflict with constitutional rights.

### The issue of GST on disability Aids

**News:** Goods and Services Tax (GST) was imposed on essential mobility aids for disabled individuals in India in 2017. It highlights a severe injustice.

Five percent tax is charged on prosthetic limbs, Braille, and wheelchairs, effectively penalizing disabled individuals for their basic needs.

#### What are the issues with taxing the disability aids?

**Article 14:** The GST on disability aids is argued to be unreasonable under Article 14 of the Indian Constitution, which guarantees equality before the law. While it discriminates against disabled and imposes on taxes on movement and learning of able-bodied individuals. For example, A motorized wheelchair costing Rs 1 lakh incurs a GST of Rs 5,000. If the wheelchair lasts for 500 kilometers, the tax burden equates to Rs 10 per kilometer. This burden is unjustifiable when compared to the tax-free movement of able-bodied individuals. Blind individuals face an additional tax burden due to the GST on Braille publishers, furthering their economic and social marginalization.

**Article 15:** The GST on disability aids could be interpreted as violating Article 15, which prohibits discrimination on various grounds, including "place of birth."

**Rights of Persons with Disabilities Act, 2016:** Section 3 of this Act specifically prohibits discrimination

against persons with disabilities, reinforcing the argument against the GST on mobility aids.

**Indirect Discrimination:** Chief Justice D Y Chandrachud's 2021 judgment on Article 15 (Lt. Col. Nitisha) emphasized the need to recognize indirect discrimination. It is also a form of indirect discrimination.

**Contradicts government stand:** This situation contradicts the government's stated concern for disabled individuals, whom Prime Minister Narendra Modi refers to as "divyang" (divine in Hindi).

**Supreme Court Judgement:** SC has time and again struck down the laws after the test the constitutionality of a tax levied by the government. For example, in cases such as Sakal Papers (1961) case, Indian Express (1984) case, Aashirwad Films (2007).

**What should be done?**

**Reform Tax Policies:** Policymakers should ensure that tax policies do not disproportionately impact marginalized groups, including disabled persons.

**Enhance Legal Protections:** Strengthen legal frameworks to prevent indirect discrimination and ensure that all policies promote inclusivity and fairness.

## Subject: International Relations

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

#### India's strategic involvement in both the Quad and BRICS

**Context:** The article discusses India's strategic involvement in both the Quad and BRICS. It highlights the challenges and opportunities India faces in balancing its role in these groups. The article underscores the need for India to stay actively engaged in both alliances.

**What are the challenges and opportunities India faces in balancing its role in these groups?**

#### A. India's Quad Engagement

**a) Challenges:**

- 1. Security Focus:** Quad's security-centric approach, especially with AUKUS, does not fully align with India's broader vision.
- 2. Diplomatic Balance:** India's independent stance on Russia and Ukraine conflicts with some Quad members' positions.

**b) Opportunities:**

- 1. Strategic Benefits:** Enhanced bilateral relations, particularly with the U.S.
- 2. Techno-Economic Role:** Leadership in critical technology areas and supply chains.
- 3. Maritime Security:** Significant contributions to Indo-Pacific maritime security, as seen in the 2021 event presided over by PM Modi.

#### B. India's BRICS Engagement



**a) Challenges:**

1. **China's Dominance:** Risk of China using BRICS to promote its global agenda.
2. **Expansion:** Managing new members and ensuring they support India's interests.

**b) Opportunities:**

1. **Reformed Multilateralism:** Promoting "reformed multilateralism" and shaping global governance.
2. **Financial Institutions:** Leveraging initiatives like the New Development Bank and Contingent Reserve Arrangement.
3. **Global South Influence:** Strengthening ties with developing countries and balancing Western influence.

**What is AUKUS and Its Impact on the Quad?**

**A. AUKUS Formation:**

1. **Members:** Includes the U.S., Australia, and the U.K.
2. **Purpose:** Enhance military capabilities, focusing on nuclear submarines for Australia.
3. **Strategic Focus:** Primarily aimed at securitizing the Indo-Pacific and deterring China.

**B. Impact on the Quad**

1. **Security Emphasis:** Shifts the regional focus towards military aspects, aligning with U.S. interests.
2. **India's Perspective:** Causes a dilemma for India, which prefers a broader vision for Quad that includes development and security.
3. **Geo-strategic Interests:** While AUKUS complements Quad's objectives, India's reluctance to fully embrace a purely military vision underscores its unique position and strategy within these alliances.

**India's strategic autonomy amid its relationship with the U.S. and Russia**

**Context:** The article discusses India's strategic autonomy amid its relationship with the U.S. and Russia. It explains that India's approach to foreign policy allows it to make independent decisions despite global pressures. This autonomy helps India balance its ties with both Russia and the West.

For detailed information on **Recalibrating the India-US relationship** [read this article here](#)

**What is the Current Tension Between India and the U.S.?**

1. **Recent Diplomatic Strains:** The tension between India and the U.S. has escalated due to India's neutral stance on the Ukraine conflict and its continued partnership with Russia.
2. **U.S. Concerns:** The U.S. expressed displeasure when India proceeded with Prime Minister Modi's visit to Moscow, especially right before a NATO summit.
3. **Strategic Autonomy Debate:** U.S. officials, including Ambassador Eric Garcetti, criticized India's concept of strategic autonomy, suggesting it's ineffective during crises.
4. **Economic and Defense Ties with Russia:** India's crude oil imports from Russia surged from \$2.4 billion in 2021-22 to \$46.5 billion in 2023-24. Over 40% of India's defense imports come from Russia.

**How Has India Maintained Its Strategic Autonomy?**



- 1. Historical Roots:** India's strategic autonomy evolved from its non-alignment policy during the Cold War.
- 2. Neutral Position:** India maintained neutrality in the Russia-Ukraine conflict, avoiding Western pressure.
- 3. Defense and Energy Ties:** Despite global pressures, India imports over 40% of its defense equipment from Russia and significantly increased its oil imports from Russia.
- 4. Balanced Relationships:** India engages with both Russia and Western countries to protect its interests.
- 5. Multilateral Approach:** India supports a multilateral global order, ensuring its voice and that of the Global South are heard.

### What is the Significance of India's Relationship with Russia?

- 1. Continental Asia:** India collaborates with Russia for economic progress, connectivity, and security in Eurasia.
- 2. Balancing China:** India's ties with Russia can act as a counterbalance to Russia's growing relationship with China.
- 3. Strategic Autonomy:** Maintaining this relationship allows India to pursue its own interests without aligning strictly with any major power bloc.

For detailed information on **Significance of India's Relationship with Russia** [read this article here](#)

### How Does India View Its Role in a Multipolar World?

- 1. Strategic Autonomy:** India maintains strategic autonomy to navigate global relations based on its national interests, balancing ties with major powers like the U.S. and Russia.
- 2. Global Balancing Act:** India's approach aims to maintain neutrality and cooperation with different global powers, avoiding alignment with any specific bloc.
- 3. Positive-Sum Perspective:** By promoting multilateral interactions, India supports a more inclusive global order, viewing international relations as opportunities for mutual benefit rather than competition.

## GS Paper 3

### Subject: Indian Economy

### Topic- Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

#### The conflicting reports on job creation in India

**Context:** The article discusses the conflicting reports on job creation in India. Prime Minister Modi cites a report suggesting significant job growth, which contrasts with other reports showing high unemployment. It highlights the challenges of accurately measuring employment due to outdated and incomplete data.

For details information on **India's labor market and employment situation** read [Article 1](#), [Article 2](#), [Article 3](#)

### What Are the Different Reports Saying About Employment in India?

- 1. Prime Minister Narendra Modi** cited an RBI report claiming **8 crore jobs** have been created recently, aiming to counter the opposition's unemployment narrative.
- 2. State Bank of India (SBI)** supported Modi's claims with data showing **8.9 crore jobs** in manufacturing and services from FY14-FY23.
- 3. Centre for Monitoring Indian Economy (CMIE)** reported an increase in unemployment rate to **9.2%** in June 2024, the highest in eight months, contradicting the government's claims of significant employment growth.

### Why Are There Conflicting Data on Employment?

- 1. Different Data Sources:** Employment figures vary due to different sources like the RBI's KLEMS data and the SBI report, which both use existing government surveys, versus CMIE's independent assessments.
- 2. Definitions of Employment:** Periodic Labour Force Survey (PLFS) counts individuals involved in any work activity as employed, while CMIE uses stricter criteria, considering only those earning an income.
- 3. Large Unorganized Sector:** Accurate data collection is hindered by India's vast unorganized sector, employing 94% of the workforce, where consistent and reliable data are hard to obtain.
- 4. Economic Shocks:** Events like demonetization and the COVID-19 pandemic have disrupted the economy, making previous data sets unreliable for current conditions.

### What Does the Ground Reality Suggest?

- 1. High Competition for Government Jobs:** About 47 lakh applicants competed for 60,000 police positions in Uttar Pradesh, illustrating intense job scarcity.
- 2. Massive Number of Applicants for Few Positions:** 1.25 crore aspirants applied for the Railway Recruitment Board exams, highlighting the desperation among job seekers.
- 3 Public Protests Over Employment Schemes:** Protests in Bihar, Uttar Pradesh, and other states when the Agnipath scheme was announced in 2022 illustrate public dissatisfaction and concern regarding new employment policies.

### What Should Be Done?

- 1. Acknowledge Data Gaps:** The government should recognize and address the discrepancies in employment data, as suggested by the differences between PLFS and CMIE reports.
- 2. Update and Regularize Data Collection:** It's crucial to conduct more frequent and updated surveys, like the ASUSE survey annually, especially post-major economic events to ensure relevance.
- 3. Enhance Data Quality in the Unorganized Sector:** Implementing systematic and continuous data collection methods for the vast unorganized sector could improve the accuracy of employment statistics.
- 4. Transparent Communication:** Officials should transparently present employment data and its limitations, avoiding misinterpretations and misuse in policy making and public discussions.

## India is facing three macroeconomic puzzles

**Context:** The article discusses three main issues: weak consumption, low employment growth, and low core inflation. It suggests that actual economic growth is modest. It recommends no tax cuts, privatizing PSUs, and lowering interest rates to improve the economy.

For detailed information on **India's Economic Growth and challenges** [read this article here](#)

### What are the three macroeconomic puzzles facing India?

**1. Soft Consumption:** Despite a reported GDP growth of around 7% to 9% annually over the past three years, consumption growth is only 4%. This is half the rate of overall GDP growth. Data on industrial capacity utilization, corporate sales, FMCG, and two-wheeler sales support this weak consumption. Household savings have declined, with net financial saving at 5.7% of GDP in 2023-24, down from 7.6% before COVID-19.

**2. Weak Employment Growth:** Official numbers show good growth, but the reality on the ground indicates underwhelming employment opportunities. This contradiction suggests that reported high GDP growth isn't translating into job creation.

**3. Low Core Inflation:** Core inflation, excluding food and fuel, is around 3%. This suggests weak aggregate demand. Low core inflation is inconsistent with the reported high GDP growth rates of 9.7%, 7.2%, and 8.6% over the past three years.

### What should be the policy response?

**1. No Tax Cuts:** Tax cuts would benefit only the top 10-20% of the population. GST revenues are just recovering to pre-GST levels; cuts would harm public finances.

**2. Privatization of PSUs:** Implementing a program of privatization, particularly for PSUs like MTNL. This could encourage investment and modernization by new private sector owners, as seen with the Tata's modernization of Air India.

**3. Lower Interest Rates and Weaker Exchange Rates:** Reducing interest rates could help improve export competitiveness, as the rupee has been exceptionally strong compared to other emerging market currencies, affecting Indian exporters' competitiveness.

## Financial Capacity for Infrastructure and Corporate Expansion

**Context-** In the last decade, companies have tripled their capacity for funding capital expenditures due to lower debts and increased profits, according to CRISIL. The banking sector, strengthened by reduced bad loans and timely recapitalization, is now robust in lending.

### What are the reasons behind this increased ability of corporates and banks to fund capital expenditure?

1) **Corporate Financial Health:** Factors such as increased cash accruals, reduced leverage (median gearing), and improved working capital cycles have strengthened their ability to undertake capex. In terms of nominal GDP, capex ability has increased from 3.8% a decade ago to 5.2% now.

#### 2) Banking Sector Reforms and Performance

A) The banking sector has improved significantly with reduced non-performing assets (NPAs) and better capital adequacy ratios. This has also been supported by government funding for public-sector banks and private banks raising capital.

B) Clearing up balance sheets through write-offs and maintaining higher provisioning coverage ratios has restored trust in their ability to lend.

#### 3) Financial Innovation and New Funding Avenues: -

a) **Infrastructure Investment Trusts (InvITs):** Since 2017, more than 19 InvITs have been set up, managing assets worth Rs 4.9 lakh crore, half of which is financed through debt. InvITs have attracted equity and debt from both domestic and international investors for infrastructure assets. This has enabled developers to

monetize revenue-generating assets and deploy capital into new projects.

b) **Real Estate Investment Trusts (REITs)**: REITs, like InvITs but for real estate, manage assets valued at Rs 1.4 lakh crore, with one-third financed through debt.

c) **Restricted Groups (RGs)**: This innovation provides advantages like diversification, debt control, and cash flow protection. CRISIL Ratings has rated 13 RGs, including 11 in renewables, with a total rated debt of Rs 14,000 crore.

d) **Sustainability-linked and Green Bonds** -These instruments are becoming more popular because they focus on reducing climate risk. Green bonds are financing renewable energy projects and are preferred by international investors.

**Read More-** [RBI Surplus Transfer to Government-Explained Pointwise](#)

**What should be the way forward?**

1) **Factors to Monitor** -Companies should closely monitor factors such as interest rates, global uncertainties, excess global capacity, and uneven recovery before committing to large-scale spending.

2) **Deepening the Bond Market**- The domestic corporate bond market needs to be deepened to become a significant funding source.

3) **Structural Improvements**- Implementing structural improvements to attract patient capital investors such as insurers and pension funds. This may involve allowing investments in lower-rated bonds (below AA), raising exposure limits to the infrastructure sector, and adopting expected loss ratings.

4) **Infrastructure Financing** -The corporate bond market needs to enhance its capacity and risk appetite to facilitate take-out financing for operational infrastructure projects.

5) **Expanding Credit Capacity** -There is a need to create more credit capacity for funding capital expenditures in emerging sectors like green energy.

## Female Employment to Counter Unemployment

**Context** -The Lokniti-CSDS pre-poll survey highlighted that unemployment and inflation shaped the Lok Sabha Elections 2024. The article proposes tapping into the underutilized potential of female employment, especially in rural areas, to enhance economic outcomes and empower women.

**Read More-** [Women-dependency of Indian agriculture: Gender discrimination in farms](#)

**What are the issues with women's participation in the labor force?**

1) **Urban Female Workforce Participation** -The slower rise in urban female LFPR from 2018 to 2022, as per IER 2024, indicates fewer opportunities for women in cities. Starting businesses was tough due to limited capital access and societal norms, especially in communities dominated by men in trades such as tie and dye.

2) **Traditional Occupations**- Women stick with traditional occupations like bandhani and embroidery despite their lower income potential because these jobs align with local gender norms and help balance household chores with earning money. However, these occupations don't address strategic gender needs such as challenging regressive norms.

3) **Gendered Occupational Choices**-Women's job decisions are shaped by local gender norms. For ex- in many tribal villages, women are prohibited from ploughing or netting in ponds due to these norms.

**What should be the way forward?**



- 1) **Collectivization:** Forming self-help groups (SHGs) and federations can benefit women in traditional occupations. SHGs provide training for new skills, while federations connect women directly to markets for improved returns. For ex-The Kutch Mahila Vikas Sangathan (KMVS), Lakhpati Didi Programme etc.
- 2) **Creating New Opportunities:** Women entering male-dominated workplaces may increase competition for jobs traditionally held by men. To address this, creating opportunities in neglected sectors is important. For ex- expanding canal irrigation during the summer slump season has empowered women by providing more agricultural opportunities when men are less engaged.
- 3) **Market Access:** Improving women's access to markets for input and tools empowers them by increasing their engagement in markets. For ex- In the Upper Gangetic Plains (Uttarakhand and Uttar Pradesh), women's have become empowered when less dominant irrigation sources like groundwater are expanded.
- 4) **Workplace Improvements:** Ensuring safety and basic facilities such as toilets and childcare (crèches) in workplaces is essential. These facilities should be mandated in small and medium manufacturing or business units to prioritize the well-being of employees.

### Addressing Myths about Gig-Based Works

**Context-** The Karnataka government's proposal for legislation to enhance gig workers' welfare is a commendable and necessary initiative. This law aims to debunk misconceptions promoted by the gig and platform industry.

#### What are the misconceptions promoted by the gig and platform industry?

- 1) **Myth of Independence** -They promote the idea that gig workers are "partners" or "captains" without bosses. However, they are subjected to-
  - A) **Algorithmic Control:** Algorithms dictate work hours, task allocation, and performance metrics. Workers struggle to understand and comply with algorithmic demands.
  - B) **Digital Agreements:** Terms and conditions imposed by platforms negate the concept of independent contracting. Every aspect of work is monitored and controlled by the platform.
- 2) **Myth of Flexibility**-They highlight flexibility of gig work to justify the lack of labor law protections. However, there is-
  - A) **Employer-Centric Flexibility:** Studies show that flexibility mainly benefits the employer, not the worker. Payment structures and incentive schemes effectively eliminate worker flexibility.
  - B) **Mandatory Requirements:** Workers must comply with login hours to qualify for incentives. Inactivity periods result in disadvantaged rate cards and incentive schemes.
- 3) **Full-Time Reality vs. Part-Time Perception**- They propagate the notion that gig work is primarily part-time or supplementary income. However, gig workers have-
  - A) **Income Dependency:** A study by PAIGHAM and the University of Pennsylvania found that 96% of cab drivers earn their entire daily income from gigs, while 90.7% of delivery workers depend solely on gig work for income.
  - B) **Working Hours:** Taxi drivers average over 11 hours of work daily. Delivery workers average 10 hours per day.

#### How has Karnataka Bill tried to address these misconceptions?

##### 1) Role of Algorithm-

- A) The bill acknowledges how algorithms control workers and aims to empower them by reducing algorithmic influence, allowing for more autonomy in their work lives.

B) Mandates transparency in algorithmic parameters used for work allocation, denial, worker categorization, and personal data usage.

2) **Flexibility**-The legislation introduces fair contract requirements, ensures income security for workers, and grants them the right to refuse work without facing penalties.

3) **Social Protection**-The legislation mandates social security provisions for gig workers and creates a framework for schemes covering old age, death, and health-related events.

**Read More-** [Issues faced by Gig worker](#)

### What are the issues with the protection of gig workers in India?

1) **Central Government Approach**- The Code on Social Security makes only a passing reference to gig workers. It has delinked workers from minimum labor protections like wages and occupational safety.

2) **Karnataka Government Approach**- It doesn't address critical issues such as minimum wage, occupational safety, working hours, and collective bargaining rights.

## India's Employment Crisis

**Source**-This post on **India's Employment Crisis** has been created based on the article “**To measure economic growth, India must look at jobs, not products**” published in “**The Indian Express**” on 23 July 2024.

**UPSC Syllabus**-GS Paper-3- Indian Economy and issues relating to Planning, Mobilization of Resources, Growth, Development and Employment.

**Context**-This article criticizes official job creation claims made by the government and duly supported by the RBI. It also proposes a new approach to tackle the country's persistent employment crisis.

### What are the issues with Official Job Creation claims made by the government?

1) **Government Claims**-The government cited RBI report that claimed 80 million new jobs were created in 3-4 years. This claim contradicts visible evidence of unemployment across the country.

For ex- 5 million youth are applying for 60,000 job vacancies in Uttar Pradesh. 34 million people seeking minimum wage work under rural employment guarantee scheme etc.

2) **Credibility of RBI Report**: In the past 5 years, more manufacturing and services jobs were created than in the previous 13 years combined. The report states that 50 million high-quality jobs were generated from FY 2019 to 2023, despite a 5% GDP growth, contrasting with 20 million jobs created during an 11% growth period.

These findings challenge established economic theories on growth and job creation and raise concerns about the credibility of institutions like the RBI if they support dubious claims.

### What is the performance of government's previous past job creation efforts?

1) **"Make in India" Initiative** : Aimed to boost manufacturing and create jobs.

**Outcome**: Manufacturing fell from 17% of GDP in 2014 to 14% in 2023.

2) **Corporate Tax Cuts** : Intended to stimulate private sector investment and job creation.

**Outcome**: Private investment as a share of GDP remained flat. This has led to the Loss of corporate tax revenue and increased taxation on the middle class and poor.

3) **Production Linked Incentive (PLI) Scheme** : Designed to increase production and indirectly create jobs.

**Issue**: -There is no reliable measure of jobs created under PLI. Modern manufacturing often increases



production substantially without increasing employment. For ex- Foxconn doubling production from 2010 to 2020 without hiring more workers.

**Read More-** [Production-Linked Incentive or PLI Schemes and its challenges](#)

### What is an Employment Linked Incentive scheme?

1) **Objective-** It incentivizes corporations based on the number of new jobs created rather than the quantity of production.

2) **Implementation Strategy:** Utilize Aadhaar-based payroll and bank-account systems to prevent fraud and standardize incentive amounts per employee, irrespective of their wages or skills.

### 3) Advantages of ELI:

A) This sector-agnostic approach avoids problems associated with favoring specific industries or cronyism.

B) It allows firms to decide on productivity investments, such as machinery versus hiring workers, without government interference.

C) It can adapt to the quickly changing work landscape influenced by the rise of AI and the gig economy.

E) Countries like the US, UK, Germany, Australia, and others have implemented various forms of employment incentive programs for corporations. This shows that it is not an untested idea.

### 4) Potential Challenges:

A) Employers might misuse employment incentives by rehiring current employees to qualify for incentives. This could undermine the programs' goal of creating new jobs.

B) There is concern about ELI's impact on India's overall productivity, shifting focus from encouraging labor to production.

**Way ahead-**The government should move away from indirect trickle-down economics and instead implement direct policies to create jobs.

## Intergenerational and Intragenerational Fiscal Equity in India

**Context:** The article discusses how tax revenue from the central government is distributed among states in India. It emphasizes balancing fairness between generations and between different states' economic statuses, suggesting changes in the criteria to ensure both current and future financial equity.

For detailed information on **Fiscal Federalism in India** [read this article here](#)

### What is the Principle of Intergenerational and Intragenerational Fiscal Equity?

**1. Intergenerational Fiscal Equity:** This principle ensures that current government spending does not become a financial burden on future generations. If a government covers its expenses through borrowing, it means future taxpayers will have to pay more in taxes. For instance, during the 14th Finance Commission period, higher borrowing by states could lead to higher future taxes.

**2. Intragenerational Fiscal Equity:** This focuses on fair distribution of resources among different states within the same generation. High-income states, such as Maharashtra and Tamil Nadu, generate substantial tax revenue but receive fewer Union transfers, unlike states like Bihar and Uttar Pradesh, which rely more on Union money.

### What Challenges Arise from Current Fiscal Policies?

**1. Intergenerational Inequity:** Current fiscal policies, like funding government expenses through borrowing, potentially burden future generations with higher taxes. This creates a cycle where future taxpayers bear the cost for today's spending.

**2. Disparity in State Funding:** High-income states like Gujarat and Maharashtra, which contribute significantly through taxes, receive fewer Union transfers compared to their contributions. They financed 59.3% of their revenue expenditure through their own taxes, while low-income states like Bihar and Uttar Pradesh financed only 35.9% and depended heavily on Union transfers.

**3. Legal Limit Breaches:** Reduced Union transfers force some states to exceed their Fiscal Responsibility Act limits, risking fiscal sustainability.

### What Should be Done?

**1. Adjust the Tax Distribution Formula:** The Finance Commission should revise the criteria used to distribute Union tax revenue, incorporating more fiscal variables that reflect actual state performance and needs. This would ensure fairer distribution between states.

**2. Increase Weights for Fiscal Indicators:** Fiscal discipline and tax effort should carry more weight in the distribution formula. This adjustment would encourage states to improve fiscal management and revenue collection, thus ensuring more sustainable finances.

**3. Enhance Support for High-Income States:** High-income states like Maharashtra, which financed 59.3% of their expenditure through their own revenues, should receive fairer Union transfers to acknowledge their contribution and prevent fiscal imbalances.

**4. Legal and Fiscal Policy Reforms:** Implement policies that prevent excessive borrowing and ensure intergenerational equity. This includes enforcing Fiscal Responsibility Acts strictly and adjusting policies to avoid future generations being burdened by current fiscal decisions.

For detailed information on **Tax Contribution by States Needs to be Revisited** [read this article here](#)

## Annual Survey of Unincorporated Enterprises (ASUSE)

**Context:** The article discusses the challenges faced by India's informal sector, based on data from the Annual Survey of Unincorporated Enterprises (ASUSE). It highlights significant job losses and a decrease in employment quality over seven years, influenced by major economic disruptions such as demonetization, the GST rollout, and the COVID-19 pandemic. The survey data from the National Sample Survey Office provides a detailed look at these trends.

For detailed information on **India's informal sector** [read this article here](#)

### What is the Annual Survey of Unincorporated Enterprises (ASUSE)?

The Annual Survey of Unincorporated Enterprises (ASUSE) focuses on gathering data from unincorporated enterprises in India.

**1. Conducted By:** The ASUSE is conducted by the National Sample Survey Office (NSSO).

**2. Definition and Scope:** Unincorporated are enterprises in the unorganised or informal sector, comprising Micro, Small and Medium Enterprises (MSMEs), household units including those with hired workers, and own-account enterprises.

**3. Sector Coverage:** ASUSE specifically surveys these enterprises in three sectors: manufacturing, trade, and other services. It excludes enterprises under the Factories Act and the organized sectors surveyed by the Annual Survey of Industries.

**4.. Composition:** These enterprises include proprietary and partnership establishments that are not organized as Limited Liability Partnerships (LLPs), along with other collective forms like cooperatives and self-help groups.

#### What Challenges Has the Informal Sector Faced?

**1. Economic Shocks:** The informal sector faced major disruptions from demonetization in 2016, GST rollout in 2017, and the COVID-19 pandemic starting in 2020. These events led to financial instability and operational challenges for many informal businesses.

**2. Quality of Employment:** There was a shift towards own-account enterprises, suggesting a decline in the quality of employment, as fewer hired-worker units were maintained.

#### What are the major outcomes of this survey?

**1. Employment Decrease:** Employment in the informal sector dropped by 16.45 lakh, from 11.13 crore in 2015-16 to 10.96 crore in 2022-23.

**2. Enterprise Increase:** The number of unincorporated enterprises increased by 16.56 lakh, reaching 6.50 crore in 2022-23 from 6.33 crore in 2015-16.

**3. Shift in Employment:** Own-account enterprises rose nearly 4%, while hired-worker enterprises declined by 3.2%.

**4. Women in Agriculture:** The share of women in agriculture increased to 64.3% in 2022-23 from 55.3% in 2018-19.

**5. Sector-Specific Trends:** Manufacturing units fell by 9.3%, and the number of workers in manufacturing dropped by 15%. Trade units decreased by 2%, but worker numbers rose by 0.8%. Service sector units grew by 19.1%, with a 9.5% increase in workers.

**6. State-Level Changes:** Sixteen out of 34 states/UTs recorded a decline in informal sector workers, reflecting varying economic impacts and recovery patterns post-pandemic.

### Recent Trends in India's Trade

**Context:** The article discusses India's trade figures for June. Exports increased slightly, while imports and the trade deficit also grew. It highlights concerns in the bullion market and the decline in gems and jewellery exports. The article calls for stable trade policies to support Indian exporters and boost job creation.

For detailed information on **India's New Foreign Trade Policy (FTP)** [read this article here](#)

#### What Are the Recent Trends in India's Trade?

**1. Increase in Exports:** India's goods exports rose for the third consecutive month in June, increasing by 2.55% to reach \$35.2 billion.

**2. Growth in Imports:** Imports grew by 5% to \$56.2 billion, although this figure is lower than May's peak of nearly \$62 billion.

**3. Trade Deficit Dynamics:** The trade deficit expanded by 9.4% compared to last June, but cooled slightly from the previous month, totaling \$21 billion.

**4. Oil Trade Impact:** Despite stable oil prices, petroleum exports decreased by 18.3% to \$5.5 billion, indicating a drop in export volumes. Concurrently, oil imports rose by 19.6%, driven by increased domestic demand.

**5. Bullion Trade:** Gold imports decreased by 38.7% in June to \$3.06 billion, the lowest in the fiscal year 2024-25. In contrast, silver imports soared by 377% in June, highlighting a sharp increase.

#### What Should be Done?

- 1. Stabilize Trade Policies:** Ensure stable trade policies to support exporters, avoiding sudden changes like the recent scrapping of the interest equalisation scheme for all but smaller firms.
- 2. Boost Export Sectors:** Focus on boosting exports across various sectors, where at least 19 of India's top 30 export sectors showed growth over May and June.
- 3. Address Bullion Market Concerns:** Investigate disruptions in the bullion market caused by concessional duty imports through GIFT City, especially related to the free trade pact with the UAE.
- 4. Support Gems and Jewellery Sector:** Address the continuous decline in gems and jewellery exports, which have contracted for seven successive months.

### The issue of agri tax exemption

**News:** Agricultural income is currently exempt from tax, which has become a conduit for tax evasion and money laundering, especially by non-agricultural entities.

#### What is the rationale behind giving agriculture tax-exemption?

First, the exemption is based on the constitutional provision that only states can legislate on agricultural income.

Second, agriculture is a high-risk profession with small landholdings, making tax exemption justifiable for most farmers.

#### What are the issues of giving tax-exemption to agriculture?

Reports indicate that many non-agricultural entities and high-income individuals exploit this exemption. For instance, in a CAG audit of tax returns, many claims were allowed without proper verification, and substantial exemptions were given to corporate entities.

While government has not provided the easy exemptions to other sectors, even after demands by the sections, agriculture is continuously getting the exemption.

#### What can be done?

**Long term measures:** Implement a proper tax regime for agricultural income, with thresholds to protect small farmers while addressing large-scale abuses.

Just like GST reforms, cooperative federalism can play a positive role in the agri sector reforms as well.

#### Immediate measures:

- 1) Restrict agricultural income tax exemptions for companies.
- 2) Scrutinize high agricultural income claims (above ₹10 lakh, ₹50 lakh, and ₹1 crore) to identify high-risk cases.
- 3) Consider removing exemptions for agricultural income above certain thresholds (e.g., ₹50 lakh or ₹1 crore) to reduce inequity.



## The analysis of FRBM Act in India

**Context:** The article highlights India's journey of Fiscal Responsibility and Budget Management (FRBM) Act and the lessons that India can take from this journey.

The Fiscal Responsibility and Budget Management (FRBM) Act, enacted in August 2003. It aimed to bring fiscal discipline by mandating the central government to reduce the Gross Fiscal Deficit (GFD) to 3% of GDP by 2008.

This target was revised in April 2018 to focus on a debt-GDP ratio of 40%, with the GFD of 3% remaining the operational target.

### How was India's journey towards fiscal consolidation?

#### First Period (2003-2008):

- **Reduction in GFD:** GFD reduced from 5.8% in 2002-03 to 2.6% in 2007-08.
- **Impact of Global Financial Crisis:** The GFD surged to 6.6% by 2009-10 due to the global financial crisis following the collapse of Lehman Brothers.
- **Pace and Method:** Fiscal consolidation was rapid, averaging 0.6% of GDP annually. This was achieved by compressing expenditure (2.1 percentage points) and augmenting revenue (1.1 percentage points). The gross tax-GDP ratio increased from 9.1% in 2003-04 to 12.1% by 2007-08.

#### Second Period (2010-2019):

- **Reduction in GFD:** GFD was reduced to 3.4% of GDP by 2018-19.
- **Pandemic Impact:** The pandemic in 2020 pushed the GFD to 9.2% of GDP in 2020-21, and the debt-GDP ratio to 61.0%, far exceeding the target.
- **Pace and Method:** Fiscal consolidation slowed to an average of 0.2% of GDP annually, with expenditure compression accounting for 1.5 percentage points and revenue augmentation for 0.2 percentage points. The tax-GDP ratio remained broadly unchanged at 10.5% during this period.

### What are major lessons learned by India in the process of fiscal consolidation?

**Impact of Exogenous Shocks:** Major exogenous shocks can derail fiscal consolidation efforts, highlighting the need for creating sufficient fiscal space during normal macroeconomic conditions.

**Tax-GDP Ratio:** Sustainable fiscal consolidation requires improving the tax-GDP ratio. There are limits to achieving fiscal consolidation through expenditure compression alone.

**Rationalizing Expenditure:** Wherever possible, expenditure needs to be rationalized to create fiscal space for future exogenous shocks.

**Future Fiscal Path:** The central government has reduced the GFD to 5.8% of GDP in 2023-24 and aims to bring it down to 5.1% in 2024-25. Despite this, the debt-GDP ratio remains elevated at 55.3% in 2023-24.

**Long-term Projections:** Given the current macroeconomic conditions, with a primary deficit reduction of 0.6% of GDP annually from 2025-26 to 2030, the debt-GDP ratio is projected to moderate to 54.4% by 2030.

## Topic- Inclusive Growth and issues arising from it.

### Debate on Billionaire Consumption

**Context:** The article discusses the ethical and economic impacts of wealthy people, like billionaires, spending a lot of money on lavish things. It explores different views on whether this kind of spending is good or bad for society, considering how it affects economic growth, job creation, and income inequality.

For detailed information on **Status of Inequality In India** [read this article here](#)

#### What is the Debate on Billionaire Consumption?

The debate on billionaire consumption centers on the ethical and economic implications of their lavish spending in a capitalist society marked by significant inequalities:

- 1. Right-Wing Defense:** Billionaires' spending is seen as a legitimate exercise of personal freedom. This argument posits that inequalities stem from policy flaws, not individual spending habits.
- 2. Marxist Critique:** Profits and, by extension, billionaire consumption are viewed as the exploitation of workers. The theory suggests that capitalism inherently produces few wealthy individuals at the expense of a larger working class.
- 3. Economic Impact:**
  - a. Positive:** Spending by billionaires can stimulate demand for local goods and services, potentially increasing employment and local incomes.
  - b. Negative:** Without corresponding investments in productive assets like machinery, there is no long-term improvement in labor productivity or living standards.
- 4. Social Contract Theory (Keynesian):** Capitalists are expected to invest their profits to ensure employment and productivity growth. Failure to invest adequately can lead to underutilized labor resources and stagnant wages.
- 5. Modern Capitalism Issues:** Investment decisions are privately made, often favoring consumption over investment. This choice can lead to resource misallocation, impacting workers' employment opportunities and living standards negatively.

**Conclusion** -The debate on billionaire consumption reveals deep concerns about inequality and economic growth. Lavish spending without equivalent investment leads to job scarcity and stagnant wages. Effective public policy must address the imbalance between consumption and investment to ensure broader economic welfare and more equitable distribution of resources in society.



## Subject: Agriculture

**Topic- Major Crops - Cropping Patterns in various parts of the country, - Different Types of Irrigation and Irrigation Systems; Storage, Transport and Marketing of Agricultural Produce and Issues and Related Constraints; E-technology in the aid of farmers.**

### Challenges in India's Spice Exports

**Context-** India, known as the "Spice Bowl of the World," has seen spice exports triple from 575,000 metric tonnes in 2010-11 to 1.54 million MT by 2023-24. Turmeric is a key export, with 324,000 hectares cultivated, producing 1.16 million tonnes in 2022-23, which is 75% of global supply. In 2022-23, India exported over 154,000 tonnes of turmeric worth \$207.45 million, with projections to reach \$1 billion by 2030. The US is the top importer, holding a 20% share, followed by Bangladesh, Iran, and the UAE.

#### What are the Challenges in the Spice Export Sector?

1) **Demand-side Challenges:** Demand for turmeric is declining in developed countries like the Netherlands and Germany as they increasingly meet their needs domestically. As a result, these countries are becoming major exporters of turmeric within the EU.

#### 2) Supply-side Challenges:

A) There is growing competition from smaller countries like Fiji, which was the fourth-largest turmeric exporter in 2022-23, as well as from Myanmar, Vietnam, and Indonesia.

B) The share of turmeric in total spice production dropped from 11% to 8.3% between 2021-22 and 2022-23, while its share in the total cultivation area decreased from 7.6% to 6.3%.

#### 3) Quality Control Issues:

A) Indian spices face rejections in key markets due to phytosanitary issues, such as toxins, high maximum residue limits (MRL), and adulteration. For example, Singapore and Hong Kong recently banned some Indian spice mixes.

B) Issues persist despite the presence of quality control bodies like the Spices Board of India and Agricultural and Processed Food Products Export Development Authority.

A detailed article on **India's Spice Exports – Significance and Challenges** can be [read here](#).

#### What should be the way forward?

1) **Supply Chain Evaluation:** There is a need to conduct a thorough assessment of the spice supply chain to identify quality gaps and reduce rejections.

2) **Regulatory Reforms:** There is a need to create a single regulatory body with the authority to monitor and ensure high-quality laboratory testing and product traceability before exports.

3) **Compliance and Standards:** Encourage exporters and supply chain partners to follow Good Agricultural Practices and adhere to standards set by the International Organization for Standardization and Hazard Analysis and Critical Control Points.

4) **Stakeholder Coordination:**

- A) Key stakeholders like policymakers, traders, corporations, and processors need to collaborate on a common platform.
- B) Utilize events like the World Spice Congress and Global Turmeric Conference for knowledge sharing and capacity building.

#### 5) International Agreements

- A) Focus on signing mutual recognition agreements (MRAs) for harmonization of spice standards. For ex- the recent MRA for organic products signed between India and Taiwan in 2024 is an example of this approach
- B) Engage in discussions for trade facilitation and push for harmonized testing and certification standards in trade agreements.

### AgriSure: A New Initiative to Boost Agricultural Innovation

**Context-**The government of India is planning to launch the "Agri Fund for Startups & Rural Entrepreneurs" (AgriSure), a Category-II alternative investment fund with an initial corpus of ₹750 crore. This initiative aims to support innovation in agriculture and address key challenges in the sector.

#### What is the Agri Fund for Startups & Rural Entrepreneurs?

- 1) **Objective-**To provide comprehensive support to agripreneurs by establishing a financing ecosystem that offers both equity and debt options, enhances the farm produce value chain, creates rural infrastructure, generates employment, and supports farmers' producer organizations.
- 2) **Funding Pattern-** The initial corpus of ₹750 crore, funded by the Ministry of Agriculture, NABARD, and other financial institutions, is managed by NABVENTURES, a wholly owned subsidiary of NABARD.

#### What are the challenges faced by agriculture sector in India?

- 1) **Vulnerability to Climate Change:** India's agriculture is increasingly susceptible to climate change impacts and severe weather conditions
- 2) **Ecological Stress-** The ICRIER (Indian Council for Research on International Economic Relations) paper highlights ecological stress in Punjab and Haryana from surplus paddy production, resulting in soil degradation, water depletion, and methane emissions from flooded rice fields contributing to greenhouse gas emissions.
- 3) **Low Productivity-** Agriculture is India's largest source of employment but has the lowest labor productivity of any sector.
- 4) **Financing Challenges:** - Securing funding for agri-startups is still challenging despite past government efforts.
- 5) **Lack of Technology Development:** Despite having over 40 universities focused on agriculture and related fields, there is a lack of indigenous technology to tackle critical agricultural challenges.

**Read More-** [Challenges for Indian agriculture to realize its aspiration of a Viksit Bharat by 2047](#)

#### What is the significance of AgriSure?

- 1) Using information technology in agriculture will boost labor productivity and increase income and profits for small and marginal farmers, who constitute 85% of the farming population.
- 2) As food prices have been a major factor in inflation, boosting agricultural productivity will enhance food availability at affordable prices and ease pressure in macroeconomic management.

**What should be the way forward?**

- 1) **Priority Areas for Funding:** The fund should prioritize startups that develop crop varieties resilient to extreme weather, such as drought and heavy rain, and promote agricultural practices that improve water and nutrient efficiency.
- 2) **Water-Efficient Crop Development-**There is a need to develop water-efficient crop varieties, especially paddy and wheat, with shorter growth cycles to improve agricultural outcomes.

**Revitalizing India's Agricultural Research and Development System**

**Context-** Today, Indian agriculture faces new challenges: achieving higher yields with fewer nutrients, less water, and reduced labor, all while dealing with climate change and extreme weather events. The article highlights the need to enhance investment in research and development in Agriculture.

**What are the challenges faced by India's Agricultural Research and Development System?**

1) **Lack of Adequate Funds-**

A) IARI had a budget of Rs 710 crore last fiscal year. A large portion, Rs 540 crore, went to salaries and pensions, and Rs 98 crore to administrative expenses. This leaves limited funds for crucial areas like research, breeding, and acquiring modern equipment such as DNA sequencers and high-throughput screening tools.

B) Due to the paucity of dedicated funds, they are not able to attract specialized talent in genome editing, blockchain, and artificial intelligence for agriculture.

2) **Old Institutional Design-**The challenge lies in revitalizing the public agricultural research system, including ICAR institutes and state agricultural universities, which were largely established during the 1960s and 1970s.

3) **Comprehensive Research Approach** -ICAR has many institutes dedicated to specific crops and animals such as soybean, cotton, grapes, and camels. However, these institutes prioritize individual crops or animals rather than adopting a comprehensive research approach that fits diverse agro-climatic zones.

4) **Lack of Protection-** The absence of adequate intellectual property rights protection has contributed to the decline in cotton production and the stagnation of oilseeds production.

**Read More-** [Challenges Facing Indian Agriculture](#)

**What should be the way forward?**

1) **One Time Fund-**A one-time fund of Rs 5,000 crore is needed to upgrade infrastructure and modernize research facilities at ICAR institutes and state agricultural universities. This should be coupled with organizational restructuring and reforms.

2) **Enhancing Institutional Autonomy** -These institutions should have the freedom to hire top talent and generate funds. This could be through partnerships with private entities, sponsored research, or earning royalties on seeds and technologies.

3) **Prioritizing Agricultural Research** - The upcoming budget should prioritize agricultural research in both the public and private sectors, alongside providing greater intellectual property protection for breeders and technology developers.

## India's challenges with agricultural exports and post-harvest losses

**Context:** The article discusses India's challenges with agricultural exports and post-harvest losses. It highlights initiatives by the Indian Railways to reduce these losses by improving the transportation of perishables, which benefits farmers' incomes and reduces environmental impact.

For detailed information on **Challenges facing agriculture exports from India** [read this article here](#)

### What are India's Main Challenges in Agricultural Exports?

- 1. Low Productivity:** India ranks second in agricultural production but only eighth in exports, holding a mere 2.4% share in global agricultural exports.
- 2. Quality Standards:** Failure to meet international quality benchmarks impedes the competitiveness of Indian agricultural goods.
- 3. Supply Chain Inefficiencies:** Issues such as inadequate transportation networks and poor infrastructure lead to substantial losses.
- 4. Post-Harvest Losses:** Annually, India incurs approximately ₹1,52,790 crore in losses, with significant percentages lost in perishables commodity.

### How Significant are Post-Harvest Losses?

- 1. Perishable Commodities:** Major losses occur in perishables like eggs (22%), fruits (19%), and vegetables (18%).
- 2. Export Stage Losses:** About 19% of food is lost during the export process, particularly at the trade partner stage.
- 3. Impact on Farmers:** Small and marginal farmers, who make up 86% of the farming population, suffer income losses due to these inefficiencies.

### What Role Does the Indian Railways Play?

- 1. Freight Transport:** In the fiscal year 2022, 75% of the Indian Railways' revenue came from freight transport, which includes essential commodities such as agricultural produce.
  - 2. Connecting Regions:** It efficiently connects urban centers and rural areas, crucial for the movement of goods.
  - 3. Kisan Rail:** This initiative aims to connect regions with surplus perishable production to major consumption areas, significantly reducing post-harvest losses and increasing farmer incomes.
- Case Study:** Grape growers in Nashik benefited notably from Kisan Rail, achieving a net profit of ₹5,000 per quintal by transporting approximately 22,000 quintals.
- 4. Environmental Benefits:** Rail transport generates up to 80% less carbon dioxide compared to road transport, making it a more sustainable option.

For detailed information on **Railway Reforms** [read this article here](#)

### What are the Opportunities for Improvement?

- 1. Specialized Wagons:** Investment in specialized wagons for temperature-controlled transport can enhance the safety and efficiency of perishable goods transport.
- 2. Rail-Side Facilities:** Establishing facilities next to railways for safe cargo handling can minimize spoilage and contamination risks.



**3. Systems-Based Approach:** Adopting a systems-based approach across various transport modes and geographies can streamline operations.

**4. Public-Private Partnerships:** The private sector can help strengthen rail infrastructure and operational efficiency through collaborations.

**5. Reducing Carbon Emissions:** Prioritizing railways over roadways for transporting perishables can significantly lower environmental impact.

### The green revolution in maize

**News:** Revolution in maize cultivation in India has dramatically increased maize production, transforming it into a crucial component of the agricultural and industrial sectors.

From 1999-2000 to 2023-24, India's maize production tripled from 11.5 million tonnes to over 35 million tonnes, with per-hectare yields rising from 1.8 to 3.3 tonnes. This growth was achieved without the same level of public attention as wheat and rice.

#### What is the significance of Maize Cultivation?

**Feed for Poultry and Livestock:** Approximately 60% of India's maize is used as feed for poultry and livestock. Maize, providing essential carbohydrates, forms a significant part of broiler and egg-layer feed, indirectly consumed by households through chicken, eggs, and milk.

**Industrial Applications:** Around 14-15% of maize is used industrially, particularly for its high starch content, which is utilized in textile, paper, pharmaceutical, food, and beverage industries.

**Ethanol Production:** Maize is increasingly used as a feedstock for ethanol production, particularly during the off-season for sugarcane. The development of waxy maize hybrids with high amylopectin starch content, such as IARI's AQWH-4, has enhanced its suitability for ethanol production.

#### What are the developments that have happened in this field?

**Waxy Maize Hybrid:** IARI developed India's first waxy maize hybrid with high amylopectin content, improving starch recovery and fermentation rates for ethanol production. This hybrid, with a potential yield of 8.8 tonnes per hectare, is poised for official release and commercial cultivation.

**Collaboration with Distilleries:** IARI has partnered with the Uttar Pradesh Distillers' Association for field trials of the waxy maize hybrid, promoting its cultivation for ethanol production, which could significantly increase ethanol yields.

**CIMMYT's DH Facility:** CIMMYT established a maize doubled haploid (DH) facility in Karnataka, accelerating the breeding process by producing genetically pure inbred lines. This facility has already produced over 29,000 DH lines, enhancing the efficiency of maize breeding.

**Hybrid Breeding:** Unlike self-pollinating crops like wheat and rice, maize's cross-pollinating nature makes it amenable to hybrid breeding. The private sector has played a pivotal role in developing and promoting hybrid maize varieties, with over 80% of India's maize area planted with private sector-bred hybrids.

**Collaboration with CIMMYT:** CIMMYT shares its improved inbred lines with both public sector institutions and private seed companies, fostering innovation and improving maize yields. Major private seed companies involved include Mahyco, Shriram Bio seed, and Advanta Seeds.

#### What more can be done?

**Enhancing Yields and Resilience:** Continued research through collaborations between public institutions and the private sector is essential. It will further enhance maize yields and resilience against climate change and

pests.

**Policy Support and Incentives:** Government policies should support the cultivation of high-yielding and industrially significant maize varieties. It ensures that farmers benefit from improved technologies and market opportunities.

**Sustainable Practices:** Promoting sustainable farming practices and efficient resource use will be crucial in maintaining and enhancing maize production without compromising environmental health.

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

### Challenges in India's Energy Sector

**Context-** India's goal of achieving net zero emissions by 2070 faces many challenges in the energy sector. Tackling these issues requires a combination of technological innovation, policy changes, international collaboration, and strategic planning.

Electricity generation in India accounts for 70% of coal use, with coal-based power making up 75% of total electricity generation.

#### What are the challenges in India's energy sector?

##### 1) Solar Power:

A) Solar electricity generation is limited to sunlight hours, resulting in a utilization rate of only 18-20% per year, compared to 80% for coal-fired plants. Thus, a 1 MW coal power plant is equivalent to 4 MW of solar capacity in terms of asset creation.

B) Initial investment for solar is 4 to 5 times higher than for coal-based plants. This creates a challenge in securing long-term climate finance at low interest rates.

C) Large-scale land requirements for solar installations.

D) Solar and wind power are not available continuously.

2) **Nuclear Power:** There are issues related to cost overruns and delayed project completions.

3) **Carbon Capture and Energy Efficiency-** Carbon capture and storage (CCUS) are currently costly, and there are few uses for it. Additionally, the storage capacity for CO<sub>2</sub> is limited.

4) **Energy Efficiency:** Energy efficiency has been effectively implemented in India. However, these gains are incremental, as the country needs to grow economically to meet human development goals and support its rising aspirational class.

##### 5) Oil and Gas Substitution -

A) **Electric Vehicles:** It can reduce petroleum consumption. However, heavy-duty trucks, shipping, and airplanes can't rely on electricity due to the need for large battery capacity. Further, transitioning two-wheelers, three-wheelers, and cars to electric will also raise electricity demand, stressing the power system.

B) **Green Hydrogen:** It needs renewable electricity from water splitting, but it's currently very expensive.

6) **Geopolitical Considerations-** Rising demand for battery storage will lead to more lithium imports. This will be creating energy security concerns for India because it relies heavily on lithium, mainly controlled by China.

#### What should be the way forward?

1) **Climate Financing-** A fair way to raise funds from the Global North is to implement an annual fee of \$1 per tonne of carbon dioxide for each country, starting from 1990.



Read More- [Climate Change Negotiations after Bonn Climate Meet – Challenges and Way Forward](#)

2) **Solar energy sector Reforms-**

A) Policy incentives for rooftop installations in homes, industries, roadside areas, and water bodies can help minimize land requirements.

B) To maintain a continuous power supply, use battery storage, pumped hydro plants, flexible coal and nuclear operations, and import electricity from neighboring countries like Nepal and Bhutan.

3) **Nuclear Energy Sector-** Policy measures are needed to improve management efficiency and ensure timely project delivery.

4) **Capacity Building-** As a strong energy system with decentralized networks evolves, there is a need for skilled workforce. This requires capacity building at both central and state levels.

5) **Policy Implementation:** The budget should streamline the energy market, include petroleum products in the goods and services tax, eliminate dual pricing of natural gas, and establish market-based pricing etc.

**Topic- Effects of Liberalization on the Economy, Changes in Industrial Policy and their Effects on Industrial Growth.**

**Electronics Manufacturing Revolution**

**Context-** India's electronics production has reached approximately \$115 billion in FY24, growing nearly fourfold over the past decade and projected to multiply fivefold in the next five years. To secure its position in global markets, capital goods play a crucial role. Like the steam engine in the Industrial Revolution, advanced capital goods are essential for modern manufacturing, enabling efficient production of high-quality electronics at scale.

**What steps can be taken to boost India's capital goods for a global electronics revolution?**

1) **Bolstering Manufacturing Infrastructure-**

A) Establishing a dedicated center with a budget of at least ₹1,000 crore for capital goods innovation at the Central Manufacturing Technology Institute (CMTI) is needed. By collaborating with industry and academia, CMTI can lead innovation efforts, improve production efficiency, and enhance the competitiveness of Indian manufacturers.

B) Prioritize the development and acquisition of advanced manufacturing technologies with dedicated funds for capital goods, including second-hand equipment.

C) Embrace eco-friendly technologies and sustainable manufacturing practices to enhance global competitiveness.

2) **Fostering R & D-**

A) Promoting a robust R&D ecosystem will help develop indigenous technologies that meet global standards and set new benchmarks in quality and efficiency.

B) Invest in education and training to equip the workforce with essential technical and soft skills for innovation and problem-solving.

C) Promote strong collaboration between industry and academia to align research with industry needs and develop breakthrough technologies.

Read More- [National policy on Electronics 2019](#)

### 3) Government Policies and Programmes-

A) Government policies should incentivize R&D, improve ease of doing business, and maintain a stable regulatory environment to support growth in the capital-goods industry.

B) Implement government programs to attract skilled diaspora and foreign experts.

### 4) Leveraging Digital Technology-

A) Integrate digital technologies such as AI, IoT, and big data to optimize manufacturing processes for efficiency and cost-effectiveness.

B) Address technology and skill gaps in the electronics sector through joint ventures with global firms for skills and technology transfer.

C) Create a plan to move from essential equipment to cutting-edge technologies, with the goal of positioning India as a hub for advanced capital goods.

5) **Lower Cost of Capital** -Lowering the cost of capital can help Indian manufacturers invest more in technology and innovation, enhancing their global competitiveness.

## Subject: Environment

### Topic- Conservation, Environmental Pollution and Degradation, Environmental Impact Assessment.

#### Balancing Development and Sustainability

**Context-** India has low per-capita carbon emissions (~2.5 tons) compared to the global average of 6.3 tons. As the world's fifth-largest economy currently, India is poised to become the third largest by 2030, with its energy demands projected to grow 1.5 times faster than the global average over the next three decades.

#### What are the issues with global climate pledges and strategies?

1) **Criticism of The Economic Survey**-It criticizes global climate pledges for being too small in scale, often given as loans rather than grants, and prioritizing profit over environmental improvement. Recent discussions at COP29 also revealed reluctance among developed countries to commit to binding contributions.

2) **Optimal Strategies** -Climate adaptation adjusts to climate change impacts, while climate mitigation aims to reduce its causes. However, there isn't enough focus on whether these strategies are truly optimal.

3) **Sustainability Oversights and Emissions Comparison** -Climate advocates often ignore simple sustainable practices such as plant-based diets, efficient farming, reduced consumption, and assessing energy-intensive technologies. While the developed world evaluates progress per capita in various areas, it doesn't consistently use this method to compare emissions.

#### What should be the way forward?

1) **Embracing Natural Living Practices** -There is a need to adopt a lifestyle aligned with nature rather than solely prioritizing industrial methods. Many Indians already practice sustainability by using cloth for cleaning, choosing leaf plates instead of plastic, employing water-based toilet cleaning systems, and reusing household items.

2) **Embracing Sustainable Living Practices** -It is important to adopt sustainable strategies such as plant-based eating, efficient farming, reduced consumption, minimizing the use of disposable products like toilet paper, and critically evaluating energy-intensive technologies.

3) **Sustainability and Mission LiFE** -India should not adopt unsustainable, energy-intensive practices like developed nations. Sustainability stems from traditional values that emphasize the impact of small actions. Mission LiFE, initiated by India at COP-26, highlights individual responsibility in the global climate agenda.

**Read More-** [Mission LiFE](#)

4) **Excessive Consumption and Waste** -There is a need to dig deeper and investigate the roots of excessive consumption and the habit of wastefully discarding usable items.

### Challenges with Current Tree Planting Efforts

**Context:** The article discusses the problems with tree planting programs, highlighting that while they are popular for tackling climate issues, they often lack proper community involvement and long-term care. It also notes India's challenges and efforts in forest restoration and meeting international climate commitments.

For detailed information on **UN World Restoration Flagships** [read this article here](#)

#### What is the Initiative Taken for the Ecosystem Restoration?

**1. Decade of Ecosystem Restoration (2021-2030):** The UN aims to restore 350 million hectares of degraded land to enhance ecosystem services and sequester 13-26 gigatons of greenhouse gases.

**2. Van Mahotsava in India:** Launched in 1950 by K.M. Munshi, this annual tree-planting festival occurs in the first week of July, promoting forest growth and engaging public participation.

#### 3. Global Tree Planting Initiatives:

a. The **"One Trillion Trees Initiative"** by the World Economic Forum aims to massively increase global tree cover.

b. The **"Great Green Wall"** of China, aimed at reducing desertification.

c. Pakistan's **"10 Billion Tree Tsunami"**, a large-scale national reforestation initiative.

d. The **"Bonn Challenge"**, which has a target of restoring 150 million hectares by 2020 and 350 million hectares by 2030.

#### What Are the Challenges with Current Tree Planting Efforts?

**1. Limited Community Participation:** Many tree planting initiatives, like glamorous drives and campaigns, suffer from inadequate involvement of local communities, which is crucial for the long-term success of these projects.

**2. Inadequate Post-Planting Care:** There is a lack of ongoing maintenance and monitoring of tree growth, which is vital for the survival and ecological integration of newly planted trees.

**3. Promotion of Monoculture:** Some initiatives focus on planting single species of trees, which can be less effective for biodiversity and carbon sequestration compared to diverse plantings.

**4. Ecological Neglect:** Research by Joseph Veldman and colleagues found that planting trees in inappropriate locations, such as grasslands and animal habitats, can damage existing ecosystems and increase wildfire risks.

**5. Misclassification of Lands:** William Bond and his team criticized the practice of labeling grasslands as deforested or degraded, which can lead to misguided restoration efforts that overlook the ecological value of

these areas.

**6. Increased Wildfire Risk:** Introducing trees into grassland areas can increase the likelihood and intensity of wildfires, posing greater ecological risks.

### What Are India's Specific Challenges and Achievements?

#### A. India's Challenges:

1. Nearly 10 million hectares of India's forests are affected by encroachment.
2. Approximately 275 million people rely on forests for their basic needs and livelihood.
3. Since independence, about 5.7 million hectares of forest land have been repurposed for non-forestry uses.
4. India faces the daunting task of restoring 26 million hectares of degraded forests by 2030.

#### B. India's Achievements:

1. India is recognized as the only G20 country to meet its commitments under the Paris Agreement.
2. The country has created an additional carbon sink capable of absorbing 1.97 billion tonnes of CO2 equivalent.
3. These statements were confirmed by Prime Minister Narendra Modi and Union Minister Ashwini Kumar Choubey in recent official addresses.

### What Should be Done?

1. Adequate finances, community participation, and technical considerations are crucial.
2. Public awareness and incentivized community participation can help create resilient forests.

## Subject: Internal Security

**Topic- Challenges to Internal Security through Communication Networks, Role of Media and Social Networking Sites in Internal Security Challenges, Basics of Cyber Security; Money-Laundering and its prevention.**

### Global IT Outages

**Context-** The flawed security update outage recently led to losses totaling tens of billions of dollars, affecting banks, hospitals, airlines, ports, stock exchanges, and numerous other businesses. The outage was caused by a flawed security update pushed out by cybersecurity provider CrowdStrike. This update was automatically installed on many Windows computers, especially those linked to Microsoft Cloud (Azure).

### What are the issues highlighted by this incident?

- 1) **Cyber Emergencies-** This incident acts as a "Dry Run" for future cyber-attacks. It highlights the importance of improved contingency planning to minimize the impact of such disasters or cyber threats going forward.
- 2) **Vulnerabilities of Operating System Monoculture** -Windows' widespread adoption in corporate settings offers standardization benefits but increases vulnerability on a scale. It highlighted the risks of operating system monoculture and the concentration of market share in Cloud and cybersecurity services. These factors make large organizations attractive targets for cyber-attacks.

3) **Limited User Control Over OS Updates** -Office computers and laptops restrict users from making OS changes, as updates are automatically pushed out by IT departments. Even users who are knowledgeable about these updates couldn't prevent the flawed one from being installed.

#### What should be the way forward?

1) **Enhancing IT Resilience**- The Crowdstrike incident could motivate global companies to enhance their IT system resilience and disaster-recovery protocols. They should reconsider their reliance on single-platform solutions and implement safeguards against future disruptions.

2) **Enhanced Disaster-Recovery Practices** -Insurance companies impacted by the financial losses should advocate for reviews of disaster-recovery practices among their clients.

3) **Optimizing Update Rollouts**- Phased rollouts of updates could help catch bugs before widespread implementation.

### Google's cybersecurity capabilities, especially after Microsoft's Azure outage

**Context:** The article discusses a major outage in Microsoft's Azure due to a cybersecurity issue, highlighting the importance of cybersecurity. Google plans to acquire Wiz, a cybersecurity startup, for \$26 billion to enhance its cloud services. This move faces antitrust scrutiny due to Google's market dominance.

For detailed information on **Microsoft Update Flaw Causes Global Disruption** [read this article](#) [hear](#)

#### Why is Cybersecurity Important?

1. **Impact of Failures:** Microsoft's Azure outage, due to a cybersecurity issue, halted operations for airlines, media houses, and banks globally, including in India.

2. **Global Dependency:** Many sectors rely heavily on secure and stable technology infrastructure.

3. **Frequent Breaches:** Almost 85% of the world's largest organizations report at least one major breach annually, with over 50% reporting more than two.

#### What is Google Planning?

1. **Acquisition of Wiz:** Google plans to acquire Wiz, a cybersecurity startup, for about \$26 billion to strengthen its cloud services.

2. **Enhancing Cybersecurity:** This move aims to improve Google's cybersecurity capabilities, especially after Microsoft's Azure outage highlighted the importance of robust cyber defense.

3. **Competitive Edge:** Google Cloud, led by Thomas Kurian, lags behind Amazon and Microsoft. Acquiring Wiz could help it compete more effectively.

4. **Antitrust Scrutiny:** The acquisition faces regulatory scrutiny from bodies like the US Federal Trade Commission and the European Commission, due to Google's dominant market position.

#### What Strategies Does Google Use?

1. **Strategic Planning:** Google combines strategic planning with regulatory compliance, ensuring its acquisitions align with its long-term goals.

2. **Early Engagement:** Google engages proactively with regulators before deals are publicly announced, addressing potential concerns early on.

3. **Public Vision:** Google shares its vision for acquisitions, emphasizing benefits to innovation and user



experience. This approach helps generate trust and mitigate backlash.

**4. Concessions:** Google agrees to concessions to gain approval, like not using Fitbit's health data for advertising during its 2021 acquisition.

**5. Data and AI Integration:** Google enhances its products by integrating data and AI from acquired companies, demonstrated by the DeepMind acquisition in 2015.

**6. Complementary Targets:** Google targets companies that complement its operations, such as YouTube and Android, which have become market leaders and spurred innovation.

**7. Regulatory Filings:** Google meticulously prepares regulatory filings for its acquisitions to ensure compliance with antitrust laws.

### What Are the Antitrust Concerns?

**1. Regulatory Scrutiny:** Google's acquisition of Wiz faces scrutiny from the US Federal Trade Commission, Department of Justice, and the European Commission. The regulatory environment varies by region. The EU has strict antitrust rules, while the US is becoming more stringent.

**2. Market Dominance:** Google's dominance in search, online advertising, and mobile operating systems raises concerns about stifling competition.

**3. Past Issues:** Google has faced fines from the EU for anti-competitive practices in Android and search operations.

**4. Data Privacy:** Acquisitions involving valuable data, like Fitbit, raise concerns about data privacy and market dominance.

**5. Consumer Impact:** Regulators worry mergers might harm consumers by reducing competition, raising prices, or limiting innovation, as seen in the DoubleClick buy-out.

## Topic- Security Challenges and their Management in Border Areas

### Reason for the increase in terrorist activities in Jammu

**Context:** The article discusses the increase in terrorist activities in the Jammu division of Jammu and Kashmir, analyzing Pakistan's motives and suggesting strategies for India to counter these threats effectively. It emphasizes the need for robust diplomacy, timely elections, and focused military operations to stabilize the region.

For detailed information on **Challenges in Reducing Tensions in the J&K Region** [read this article here](#)

### Why is Pakistan Focusing on Jammu?

**1. Terrain Advantage:** Jammu's challenging terrain, including jungles, heights, and rocky grounds like Pir Panjal and Kishtwar ranges, offers natural hideouts for terrorists.

**2. Proximity to Borders:** Jammu is close to the Line of Control (LoC) and the international border, making it easier for terrorists to infiltrate and escape back after operations.

**3. Maintaining Relevance:** Post the abrogation of Article 370 in August 2019, focusing on Jammu helps Pakistan re-establish its influence in the region.

**4. Disturbing Elections:** By targeting Jammu, Pakistan aims to disrupt the upcoming assembly elections, attempting to destabilize the region and challenge India's governance.

### How Can India Respond?

- 1. Enhanced Diplomacy:** India should intensify diplomatic efforts to communicate the risks of Pakistan's actions in J&K to the international community. The goal is to prevent the reactivation of a proxy war.
- 2. Conduct Elections:** Holding Lok Sabha and assembly elections in J&K showcases India's commitment to democracy, even under threat. Previous successful elections in 1996 and 2002 during high-threat periods serve as precedents.
- 3. Military Operations:** Deploy additional forces for a focused military response. Operations should target disrupting terrorist logistics and hideouts, particularly in the Pir Panjal South region, as well as employing technology and intelligence effectively.

### What Role Should Other Entities Play?

- 1. International Community:** Major global powers need to pressurize Pakistan's political and military leadership to halt their destabilizing activities in J&K.
- 2. Indian Media:** The media is advised to maintain patience and not pressure the government or the military, recognizing that counter-proxy warfare is a long-term commitment with inevitable ups and downs.
- 3. Local Authorities and Police:** Coordination between the army and J&K Police is crucial for effective ground operations and intelligence sharing.

## Subject: Disaster Management

### Topic- Disaster and Disaster Management.

#### Parametric Insurance

**Context:** The article discusses the need for parametric insurance to cover losses from extreme weather events. Parametric insurance provides payouts based on predefined weather conditions without physical damage assessment. This approach helps in quickly supporting affected populations and reducing financial burdens.

#### What is parametric insurance, and how is it different from indemnity-based insurance?

**Parametric insurance** makes payouts based on predefined weather conditions like rain levels or wind speeds, allowing quicker responses without physical damage assessment. For instance, Morocco received \$275 million after a 6.8 earthquake in 2023.

In contrast, **indemnity-based insurance** requires physical assessment to verify losses, which can be difficult in large-scale disasters, particularly for disadvantaged communities.

#### How is Parametric Insurance Used in India?

- India uses parametric policies for crop insurance. Pradhan Mantri Fasal Bima Yojana verifies loss; the Weather Based Crop Insurance Scheme uses threshold limits.
- Nagaland:** Purchased parametric insurance for extreme rainfall in 2021, with the policy details based on weather data for precise locations.
- Kerala:** The Co-operative Milk Marketing Federation uses it for dairy farmers to cover heat stress.

**4. Non-profits and Micro-finance Institutions in India:** Implement daily payouts for workers affected by excessive heat.

#### How can parametric insurance be improved?

- 1. Experience Sharing:** Governments should share lessons and strategies to refine parametric insurance models.
- 2. Transparent Bidding:** Implement transparent bidding processes for premium rates to foster competition and lower costs.
- 3. Retail Payout System:** Develop a widespread payout system, leveraging technology like India's Aadhaar-based payment system for efficient distribution.
- 4. Encourage Household Premiums:** Motivate households, especially in poorer regions, to participate in premium payment schemes for long-term resilience.

### Multi-dimensional Impact of Heat Stress

**Context-** According to the ILO study in 2019, heat stress is expected to decrease total global working hours by 2.2% and reduce global GDP by US\$2,400 billion by 2030. Agricultural and construction workers are predicted to be the most affected, accounting for 60% and 19% of the working hours lost due to heat stress in 2030, respectively.

The Asia-Pacific regions, including India, are set to experience significant GDP losses due to heat stress, with a projected 2.3% decrease by 2030. India's annual temperatures are rising steadily, and by 2030, an estimated 160-200 million people may face deadly heat waves each year.

#### What are the multi-dimensional impacts of heat wave?

- 1) Physiological Effects-** The body needs to maintain a core temperature around 37°C for normal physiological functions (IPCC). Temperatures above 38°C can impair cognitive and physical abilities.
- 2) Health Risks-** Main effects of heat exposure include heat stroke, heat cramps, cardiovascular disease, acute kidney injury, and physical injuries. Women working in heat-exposed sectors are at risk of pregnancy-related complications.
- 3) Productivity Impact-** Excessive heat makes it difficult to work, reducing productivity. Workers may need to operate at a slower pace. For ex-a study in West Bengal shows 1°C temperature increase leads to 2% productivity decrease for female brickmaking workers
- 4) Sustainable Development-** Heat stress is expected to hinder the achievement of various Sustainable Development Goals.
- 5) Gender Disparities-** Heat stress can worsen gender inequalities in the workforce, especially impacting women engaged in subsistence agriculture.
- 6) Food Security-** Reduced working hours for small-scale and subsistence farmers could harm household food security.

#### What should be the way forward?

- 1) 'Preparation of Action Plan – Prevention and Management of Heat Wave'-** These guidelines assist officials in creating heatwave action plans for urban and rural areas, emphasizing public education, hydration, work schedules management, and access to medical facilities.

Read More-[Heat Action Plans](#)

## 9 PM Compilation July [Third Week] 2024

- 2) **International Labor Conference Recommendations** -Urgent measures are needed to ensure worker safety and health, focusing on both mental and physical well-being in safe working environments.
- 3) **Stakeholder Collaboration**-Governments, employers, and workers must implement protective measures for vulnerable individuals. This includes developing infrastructure and improving early warning systems for extreme weather events.
- 4) **Occupational Safety and Health**- There is a need to improve the implementation of international labor standards and ensure suitable working conditions for those affected by heat stress.
- 5) **Workplace Measures**- Adjust work hours, ensure regular breaks, provide access to drinking water, and offer training on recognizing and managing heat stress.
- 6) **Regulatory and Legislative Actions**-There is a need to implement measures for heat-sensitive occupations and enforce construction standards to protect indoor workers.
- 7) **Green Jobs**- Promote green employment as a solution to climate challenges, focusing on jobs that protect the environment while boosting economic and social well-being.