

# 9 PM Current Affairs Weekly Compilation

For UPSC CSE mains examination



**4<sup>th</sup> Week**  
**July. 2024**

**Features :**

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

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## GS Paper 1

### Subject: Indian Society

**Topic- Role of Women and Women's Organization, Population and Associated Issues, Poverty and Developmental issues, Urbanization, their problems and their remedies.**

#### Urban Transformation in India

**Context-** About 50 crore people, or 36% of India's population, live in cities, with urbanization growing at 2% to 2.5% annually. The Budget stresses continuous investment in urban areas, identifying them as key growth centers. It offers substantial financial allocations and opportunities to foster planned development and city growth.

**What initiatives are announced in the budget to ensure sustainable urbanization?**

- 1) **The Pradhan Mantri Awas Yojana (Urban)** -It proposes to construct another one crore housing units in urban areas with an investment of ₹10 lakh crore. Which include substantial central assistance and interest subsidies for affordable loans.
- 2) **Industrial Workers-** It introduces rental housing projects with dormitory-style accommodation for industrial workers. These projects will be developed through public-private partnerships (PPP) with financial backing, including Viability Gap Funding (VGF) from both central and state governments.
- 3) **The Atal Mission for Rejuvenation and Urban Transformation (AMRUT)-** It allocates ₹8,000 crore for essential infrastructure such as water supply, sanitation, roads, and sewerage systems. It also promotes PPP models for infrastructure development with VGF support.
- 4) **Capex-**It allocates ₹11.11 lakh crore for infrastructure capital expenditure, which includes highways and urban infrastructure. It also offers states an interest-free loan of ₹1.50 lakh crore for infrastructure development.
- 5) **National Urban Digital Mission (NUDM)-** It introduces the NUDM with ₹1,150 crore for digitizing property and tax records using GIS mapping. This aims to enhance financial management for urban local bodies and property owners.
- 6) **Weekly Haats-** The Budget suggests creating 100 weekly street food hubs in some cities. States are urged to assist all cities in planning and setting up these hubs to meet local demands.

**Read More-** [Street Vendors Act](#)

7) **Solid Waste Management-**It is a major challenge for cities. The Budget plans to introduce bankable SWM projects with state governments and financial institutions. States and municipalities can use VGF for this. Cities like Indore have made SWM financially viable.

**How is city planning being addressed in the Budget?**

- 1) **Prioritization and Funding** -It prioritizes planned city development, allocating ₹25,653 crore as normal Financial Commission grants to municipalities. It also sets aside ₹500 crore for incubating new cities.
- 2) **Mobility and Economic Planning** -It focuses on creating effective mobility plans to connect cities with peri-urban and new areas. This will enhance economic and transit planning through orderly town planning schemes.
- 3) **Promotion of Electric Bus Systems-** ₹1,300 crore is allocated to promote electric bus systems in cities,

offering cost-effective and eco-friendly operations despite higher initial costs.

### The Need of Conducting India's Delayed Census

**Context-** The 2021 Census, initially set to start in 2020, is still on hold. Although it was expected to begin in October 2024, the recent Budget 2024-25 allocated only ₹1,309.46 crore for the Census, down from ₹3,768 crore in 2021-22, indicating possible delays.

Meanwhile, preparations like updating maps, pre-testing questionnaires, and training staff continue in the Census Directorates across States and Union Territories.

#### Why is conducting the Census a priority?

- 1) **Social Justice**-It is important because, due to the lack of one since 2011, many people have been unable to access various schemes, benefits, and services.
- 2) **Women Empowerment**-The enforcement of the Women's Reservation Act, which was enacted in 2023 to allocate 33% of seats in Parliament and Assemblies to women, depends on the completion of the Census.
- 3) **Delimitation of Constituencies** -The Constitution (Eighty-fourth Amendment) Act of 2001 requires that constituency boundaries be redrawn only after the first Census done after 2026.

Read More- [Delimitation Exercise](#)

4) **Caste-Based Census Debate**- There is increasing demand for a caste-based census to understand economic conditions of the marginalized communities better.

5) **Clarifications on NPR**- The draft NPR for the next Census adds new questions about "mother tongue," "place of parents' birth," and "last residence," which were not in the 2011 NPR. Some States and groups worry these questions could be used for the National Register of Citizens (NRC).

#### What should be the way forward?

- 1) **Funding and Planning for the 2021 Census**- It is essential to ensure adequate funding in the 2025-26 budget to conduct the postponed 2021 Census as early as 2026. This includes finishing the first phase in 2025, which covers house listing, the housing census, and updating the National Population Register (NPR).
- 2) **Census Preparation** -The ₹1,309.46 crore allocated can be used for early tasks such as defining enumeration areas, improving questionnaires, and training staff for a digital census.



## GS Paper 2

### Subject: Indian Polity

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

#### Right to be forgotten

**Context-** The Supreme Court will decide if the "right to be forgotten" is a fundamental right and how it fits with other constitutional rights. This comes after a Madras High Court ruling that ordered a legal portal Indian Kanoon to remove a judgment. The acquitted man claimed that the availability of this judgment in public domain prevented him from getting Australian citizenship.

#### What is the right to be forgotten?

**Definition-** The "right to be forgotten" allows individuals to remove outdated or irrelevant personal information from the internet.

**Global Precedent-** The CJEU (Court of Justice of the European Union) ruled in the "Google Spain case" that search engines must remove outdated or irrelevant data. This decision, based on Articles 7 and 8 of the EU Charter and Article 17 of the GDPR (General Data Protection Regulation), supports the right to control personal information, including for victims of "revenge porn."

A detailed article on **Data Security in India: Need and Challenges** can be [read here](#).

#### How is the right interpreted in India?

India lacks a specific law for the right to be forgotten. However, K.S. Puttaswamy v. Union of India case recognized the right to privacy, which includes elements of this right.

Justice S.K. Kaul, in the Puttaswamy case, mentioned that the right to be forgotten allows individuals to remove outdated or irrelevant personal data. However, it does not apply to all past information such as cases involving public interest, legal requirements, public health, research, and legal claims.

#### What are Judicial Precedents in India?

- 1) **Rajagopal vs. State of Tamil Nadu (1994)**- The Supreme Court recognized a "right to be let alone" but observed that it does not apply to public records such as court decisions.
- 2) **Dharamraj Bhanushankar Dave vs. State of Gujarat (2017)**- The Gujarat High Court declined to remove details of an acquittal from public records.
- 3) **[Name Redacted] vs. The Registrar General (2017)**- The Karnataka High Court kept a petitioner's name private in a sensitive annulment case.
- 4) In 2021, the **Delhi High Court** allowed the removal of search results for **Jorawar Singh Mundy**, an American law student acquitted in a drug case. The court did this to prevent harm to Mundy's social life and career.
- 5) In 2020, the **Orissa High Court** urged a wider discussion on the right to be forgotten, highlighting the practical and technological challenges.

## Issues of reservation in India

**Context:** The article discusses the history and issues of reservation in India. It covers the creamy layer concept in OBC reservations, controversies over certificate misuse, and the need for better scrutiny and sub-categorization to ensure fair distribution of reservation benefits.

For detailed information on **Reservation Judgements** read this article [here](#)

### What is the History of Reservation?

- 1. Constitutional Provisions:** Articles 15 and 16 guarantee equality and allow special provisions for socially and educationally backward classes, SCs, and STs.
- 2. Reservation Quotas:** SCs get 15%, STs get 7.5% in jobs, education, and PSUs.
- 3. OBC Reservation:** In 1990, Prime Minister V.P. Singh implemented 27% reservation for OBCs based on the Mandal Commission's recommendations.
- 4. Educational Institutions:** In 2005, reservations extended to educational institutions, including private ones.
- 5. EWS Reservation:** In 2019, 10% reservation was introduced for Economically Weaker Sections among the unreserved categories.

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

### What is Creamy Layer?

- 1. Supreme Court Ruling:** The Supreme Court upheld 27% OBC reservation in the Indra Sawhney case (1992) but capped total reservations at 50%.
- 2. Creamy Layer Exclusion:** Creamy layer exclusion was introduced to ensure equality. Criteria include parental income over ₹8 lakh annually, and positions held by parents in government or PSUs.

For detailed information on **Reservation Judgements** [read this article here](#)

### What are the Issues?

- 1. Certificate Misuse:** Allegations exist of obtaining NCL or EWS certificates through dubious means. This includes disability certificates for reserved jobs.
- 2. Avoiding Creamy Layer:** Strategies like gifting assets or taking early retirement are used to avoid creamy layer exclusion.
- 3. Concentration of Benefits:** The Rohini Commission found that 97% of reserved jobs and educational seats go to just 25% of OBC communities. Nearly 1,000 OBC communities have no representation.
- 4. Unfilled Reserved Seats:** 40-50% of seats reserved for OBC, SC, and ST remain unfilled in central government jobs.

### What Should be Done?

- 1. Improve Scrutiny:** Ensure only eligible applicants receive NCL, EWS, and disability certificates.
- 2. Fill Reserved Vacancies:** Address the 40-50% unfilled reserved seats for OBC, SC, and ST in central government jobs.
- 3. Sub-categorize OBC Reservations:** Implement sub-categorization to help the 1,000 OBC communities with zero representation.
- 4. Consider Creamy Layer for SC/ST:** Debate creamy layer exclusion for children of Group I/Class A officials in SC/ST categories.



**5. Engage Stakeholders:** Initiate discussions with all stakeholders to refine reservation policies and ensure benefits reach the most marginalized.

### Renewed political interest in the Indian Constitution

**Concern:** The article discusses the resurgence of interest in the Indian Constitution during elections. It warns against conflating the Constitution with specific policies like reservations. It emphasizes respecting the Constitution without deifying it and urges adherence to constitutional values in daily conduct.

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

#### Why is there renewed political interest in the Indian Constitution during the general election?

- 1. Central Role in Elections:** The Indian Constitution became a focal point during the elections, with opposition politicians showcasing pocketbook editions and the government celebrating its 75th anniversary on a grand scale.
- 2. Republican Concerns:** Indian republicans, who support constitutional values, felt marginalized as both the left and right often ignored constitutional norms.
- 3. Supreme Court Rulings:** The Supreme Court has sometimes sided with popular opinion over constitutional principles, increasing the urgency to uphold the Constitution.
- 4. Reservations Debate:** The Constitution was mistakenly equated with reservation policies, leading people to vote to preserve these policies, which could skew public perception.

#### What are the concerns related to conflating the Constitution with specific policies?

- 1. Misleading Voters:** Equating the Constitution with reservation policies can mislead voters. It simplifies a complex document into a single policy.
- 2. Ambedkar's Caution:** B.R. Ambedkar avoided embedding specific policies like socialism in the Constitution. He believed future generations should not be committed to specific policies.
- 3. Social Justice Goals:** Reservations are one method for achieving social justice, but not the only one. The Constitution supports exploring better methods.
- 4. Potential Division:** Those opposed to reservations might unnecessarily oppose the Constitution. This can create unnecessary divisions.
- 5. Historical Misinterpretation:** Figures like Ambedkar warned against hero worship. His ideas on constitutionalism are often ignored, emphasizing the need to focus on broader principles rather than specific policies.

#### What should be done?

- 1. Promote Constitutional Values:** Encourage adherence to the Constitution in daily conduct. Example: "Dharmo rakshati rakshitaah" emphasizes protecting constitutional values.
- 2. Respect, Don't Deify:** Treat the Constitution as a social contract, not a holy book. Example: Figures like Gandhi and Ambedkar were elevated but often forgotten in principle.
- 3. Respect Judicial Independence:** Remember the Chief Justice's warning about not deifying courts or judges, maintaining their role as public servants adhering to constitutional morality.

## Topic- Functions and Responsibilities of the Union and the States, Issues and Challenges Pertaining to the Federal Structure, Devolution of Powers and Finances up to Local Levels and Challenges Therein.

### Supreme Court allows states to tax mineral rights and mineral-bearing lands

**Context:** The article discusses a Supreme Court ruling that allows states to tax mineral rights and mineral-bearing lands. This decision strengthens states' legislative powers. However, there's concern it could lead to uneven mineral costs and increased industrial product prices.

For detailed information on **SC verdict on state's power to tax mining activities** [read this article here](#)

#### What Was the Supreme Court's Ruling?

1. The Supreme Court ruled 8:1 that states can tax mineral rights and mineral-bearing lands.
2. Chief Justice Dr. D.Y. Chandrachud found no limitation in the 1957 Act. The Court saw royalty as a contractual consideration, not a tax. States could tax mineral-bearing lands under Entry 49, a general power to tax lands.

#### Why Is This Ruling Significant?

- 1. Strengthens States' Power:** The ruling reinforces states' legislative authority to tax mineral rights and lands, protecting it from Parliament's interference. Previously, entry 50 in the State List allowed states to tax mineral rights but was thought to be limited by Parliament's law.
- 2. Clarifies Taxation Limits:** It clarifies that the Mines and Minerals (Development and Regulation) Act, 1957, does not limit states' taxation powers.
- 3. New Revenue Avenue:** States gain a new taxation avenue, aiding their ability to fund welfare schemes and services.
- 4. Royalty Clarification:** The Court determined that royalty is not a tax but a contractual consideration, allowing states more freedom in taxation.
- 5. Supports Fiscal Federalism:** This decision promotes fiscal federalism and state autonomy in financial matters.

#### What Are the Concerns About This Ruling?

- 1. Unhealthy Competition:** Justice B.V. Nagarathna's dissent warns of states entering unhealthy competition to derive revenue.
- 2. Increased Costs:** This could lead to uneven and uncoordinated spikes in mineral costs, affecting purchasers. Higher mineral costs may result in increased prices for industrial products.
- 3. Market Exploitation:** There is a risk of the national market being exploited for arbitrage.
- 4. Future Amendments:** The Centre might amend the law to limit or prohibit states from taxing mineral rights, potentially leaving mining activities untaxed.

## Concern with NITI Aayog

**Context:** The article discusses the criticism of NITI Aayog, a think tank led by India's Prime Minister, due to its limited advisory role and lack of resource distribution powers. It highlights concerns of state leaders about perceived favoritism and calls for restoring some Planning Commission responsibilities.

For detailed information on **Reforming the NITI Aayog** [read this article here](#)

### What is the Concern with NITI Aayog?

- 1. Advisory Role:** NITI Aayog is limited to an advisory role without the power to distribute resources, leading to dissatisfaction among state leaders.
- 2. Boycott by States:** Chief Ministers from Tamil Nadu, Kerala, Karnataka, Telangana, Punjab, Himachal Pradesh, and Jharkhand boycotted a meeting due to perceived unfair allocations in the Union Budget.
- 3. Walkout Incident:** West Bengal Chief Minister Mamata Banerjee walked out, highlighting the frustration with the think tank's limited role.
- 4. Comparison with Planning Commission:** Unlike the Planning Commission, NITI Aayog does not consult states on financial matters, reducing states' influence on fund allocation.
- 5. Political Favoritism:** Allegations that BJP-ruled states receive more investment projects, exemplified by Bihar and Andhra Pradesh's support for the NDA government.

### What Should be Done?

- 1. Enhance NITI Aayog's Role:** Re-envision NITI Aayog to include responsibilities for resource allocation, like the Planning Commission, to address state concerns about unfair treatment.
- 2. Promote Cooperative Federalism:** Restore some of the Planning Commission's consultation roles to involve states more in financial decisions, fostering cooperative federalism.
- 3. Avoid Political Bias:** Ensure that investment projects and budget allocations are not biased towards BJP-ruled states, addressing complaints from opposition-ruled states.

## States' Power to Tax Minerals

**Context-** The Supreme Court has delivered a landmark decision allowing states to tax minerals in addition to the royalties set by the central government. This long-standing case, unresolved for over 25 years, was decided with an 8:1 vote.

### What is the background?

- 1) Key Legal Questions-** Section 9 of the 1957 Act requires mining leaseholders to pay royalties to landowners for any minerals removed. The key questions were whether these royalties are considered a "tax" and whether the Centre or only the States can impose such charges.
- 2) Previous Supreme Court Ruling-** In the India Cement Ltd. v. State of Tamil Nadu case, the Supreme Court ruled that states can only collect royalties and cannot impose extra taxes on mining. The Court held that the Union government has overriding authority over mining regulation under Entry 54 of the Union List, so states cannot impose extra taxes on this matter.

### What is the difference between royalty and tax?

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- 1) Royalties are payments made by a mining company to a landowner for the right to extract minerals, while taxes are imposed by the government to fund public services.
- 2) The Court emphasized that taxes are set by law and can only be collected by public authorities, whereas royalties are paid directly to the landowner for giving up their rights to the minerals.

### What authority do states have to tax mining activities as per the recent judgement?

- 1) **State Authority to Tax Mineral Rights** -Entry 50 of the State List gives States the authority to tax mineral rights, but this is limited by any laws Parliament may pass on mineral development.
- 2) **Interpretations of Entry 50 and the 1957 Act** -The Centre argued that Entry 50 of the State List allowed Parliament to limit state taxes on mineral rights through laws like the 1957 Act. However, the Court found that royalties are not considered taxes and thus do not fall under Entry 50's definition of "taxes on mineral rights." So, the 1957 Act only gave states extra revenue from royalties and did not change their ability to tax mineral rights.
- 3) **Union and State Powers under Entry 54** -The Centre can regulate mining under Entry 54, but it cannot impose taxes, which is solely a state power. However, Parliament can impose limitations, including prohibitions, on State taxes and amend the 1957 Act to restrict State taxation.
- 4) **Taxation under Article 246 and Entry 49**- States can tax land with mines under Article 246 and Entry 49 of the State List. This means they can include mineral-bearing lands in their land taxes.

A detailed article on SC verdict on state's power to tax mining activities can be [read here](#).

### What may be the issues with this judgement?

- 1) **Mineral Development Goals** -Royalties under the 1957 Act are designed to fund mineral development. The Act limits states to collecting only these royalties. Allowing states to add extra taxes could hinder the Act's goal of boosting mineral development.
- 2) **Foster Unhealthy Competition**-If states could tax mineral rights, it might lead to unhealthy competition, causing chaotic and uneven increases in mineral prices. This could disrupt the national market and create chances for price manipulation.

## Topic- Statutory, Regulatory and various Quasi-judicial Bodies.

### India Needs a Legal Advisory Council (LAC)

**Context:** The article discusses the need for better legal advice for the Indian government. It suggests creating a Legal Advisory Council (LAC) similar to the Economic Advisory Council to help the Prime Minister handle legal issues more effectively, using the expertise of national law universities and legal experts.

### What Legal Issues Have Emerged Recently?

1. **Electoral Bonds:** The Supreme Court declared this scheme unconstitutional because it didn't balance the privacy of donors with the voters' right to information.
2. **Aadhaar Act:** If a proportionality test like the one in the K.S. Puttaswamy case were conducted earlier, legal challenges could have been avoided.
3. **Bharatiya Nyaya Samhita:** Transporters protested the harsh penalties for hit-and-run incidents, leading to amendments to the law after strikes.

### Why is a New Advisory Council Needed?

- 1. Inadequate Legal Handling:** The National Democratic Alliance faced electoral setbacks due to poor handling of legal issues, such as the unconstitutional ruling against the electoral bonds scheme.
- 2. Proactive Legal Analysis:** The proposed Legal Advisory Council (LAC) would analyze laws before enactment, unlike the Law Commission of India (LCI), which reacts to existing laws.
- 3. Limited LCI Effectiveness:** The LCI produced only four reports between 2020 and 2024, with only 50% of recommendations implemented.

### What Should be Done?

- 1. Establish a Legal Advisory Council (LAC):** Similar to the Economic Advisory Council, to provide proactive legal analysis and advice to the Prime Minister.
- 2. Utilize National Law Universities:** Harness their expertise in legal research to help draft laws that are both constitutionally viable and socially acceptable.
- 3. Anticipate Legal Challenges:** Conduct early legal assessments on new laws to prevent issues like those with the Aadhaar Act and electoral bonds.

## Subject: Governance

### Topic- Government Policies and Interventions for Development in various sectors and Issues arising out of their Design and Implementation.

#### India's Digital Personal Data Protection Act

**Context-**The Digital Personal Data Protection Act (DPDP Act) of 2023 is set to revolutionize how businesses handle personal data in India. This new legislation has raised concerns among sales teams and organizations about their traditional marketing and data collection practices.

Companies mostly gather large datasets of personal information to generate sales leads. Call centers then use this data to contact potential customers, leading to frequent interruptions from unsolicited sales calls and online ads. This data acquisition process sometimes raises ethical concerns.

#### What are the Key Provisions of the DPDP Act?

- 1) Legitimate Grounds for Data Processing** -Personal data must have a valid reason for processing, usually obtained through consent. This consent must be specific to the intended use of the data. Sharing or repurposing data without explicit consent is not allowed.
- 2) Rights of Data Principals**- Individuals have the right to access information about how their personal data is being processed. They can also inquire about sharing their data sets with others.
- c) Obligations of Data Fiduciaries**- Organizations must track all purposes for which personal data is used. They must show that they have obtained consent for any data transfers.
- d) Penalties:** Each breach of the DPDP Act can result in penalties up to ₹250 crore.

A detailed article on **Digital Personal Data Protection Bill, 2023** can be [read here](#).



### What will be the impact of this Act on Business Operations?

#### a) Sales and Marketing-

- A) Traditional "spray-and-pray" marketing approaches may become unsustainable.
- B) Businesses selling datasets of personal information will likely shut down.
- C) Storing pre-existing data without legitimate grounds becomes a violation.
- b) **Customer Verification Processes-** Updating KYC with alternate phone numbers can raise compliance issues. Businesses will have to redesign processes to avoid unnecessary collection of personal data.

### What should be the Way ahead?

- A) Organizations need to revise their operations to ensure compliance.
- B) Alternative marketing strategies that respect data privacy must be developed.

## Costs and Benefits of Hosting the Olympics

**Context** -India recently expressed interest in hosting the 2036 Olympics at the IOC Session. Economists suggest this interest might be driven more by national pride or political reasons rather than economic benefits. Given India's current spending on social programs, it's worth asking if the country should spend so much on hosting the Olympics.

### What are the financial implications of hosting the Olympics?

- 1) **High Costs and Financial Burdens** -Hosting the Olympics is very costly, with the Summer Games averaging over \$8 billion. History shows that host nations often face large financial burdens. For ex- Montreal's 1976 Olympics left a debt of over CAD\$1.5 billion, and Greece's 2004 Athens Games contributed to the country's debt crisis.
- 2) **Cost Overrun**-The London, Rio, and Tokyo Summer Olympics together cost over \$50 billion in 2022 terms, which was 185% more than the budgeted amounts. This does not include extra infrastructure costs.

**Read More-** [Celebrating Play and Learning](#)

### What are the arguments against hosting Olympic games by India?

- 1) **Cost Overruns vs. Olympic Expenses**- India is used to cost overruns. By the end of 2023, 580 major projects, each costing over ₹1,000 crore, had exceeded their budgets by 25%, reaching ₹25.84 trillion. However, this is still small compared to the cost overruns often seen with the Olympics.
- 2) **Challenges in Securing Private Sector Funding**- Most Olympic funding comes from the private sector, but in India, the government struggles to get companies to increase their spending. It's unclear if Indian companies will invest billions in hosting the Olympics without seeing direct benefits.
- 3) **Post-Event Venue Neglect** -Hosting a multi-city Olympics in India would require significant new infrastructure. However, past events like the post-2010 Commonwealth Games demonstrate that specialized sports venues are neglected once the event concludes.
- 4) **Limited Economic Impact** -The estimated economic gain (Hosting 2024 Olympic) of €11.1 billion translates to about €650 million per year, just 0.03% of France's 2023 GDP. The National Institute of Statistics and Economic Studies has stated there is no clear evidence that hosting major sporting events



benefits the host country's economy.

5) **Uncertain Costs of Hosting** - True cost of hosting the Olympics is often unclear. For ex-the Oxford Olympics Study 2016 found reliable cost data for only about two-thirds of the Games held since 1960.

6) **Lack of Appropriate Benefits of Olympic Infrastructure**- Despite the high costs and private investment required, the new infrastructure from hosting the Olympics may not be as useful as hoped. For ex- the 2016 Rio Olympics led to corruption, crumbling stadiums, and worsened the economic crisis.

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

### Cheaper Cancer Drugs

**Context**- The finance minister has in her budget speech announced customs duty exemptions for three cancer drugs-trastuzumab deruxtecan, osimertinib, and durvalumab. These drugs previously had a 10% duty. Approximately one lakh patients in India require trastuzumab deruxtecan, osimertinib, and durvalumab

Cancer cases in India are rising, with 14.6 lakh new cases in 2022, up from 14.2 lakh in 2021. Cancer deaths also increased to 8.08 lakh in 2022. Women have a higher cancer incidence rate (103.6 per 100,000) compared to men (94.1). Common cancers for men include lung, mouth, and prostate, while for women, they are breast, cervix, and ovary.

#### What are targeted cancer drugs?

- 1) **Purpose**: Attack only cancer cells, leaving normal cells unaffected.
- 2) **Function**: Target specific genetic changes in cancer cells that promote growth, division, and spread.
- 3) **Advantages**: Better outcomes and fewer side effects than traditional chemotherapy, which affects all cells indiscriminately.
- 4) **Immunotherapy**: -Trains the patient's immune system to identify and attack cancer cells, rather than targeting the cancer directly with drugs.

#### How do these three drugs work?

##### 1) Trastuzumab deruxtecan-

- A) It is an antibody-drug conjugate combining a lab-made protein with a drug. It treats cancers with the HER-2 receptor that have spread or cannot be surgically removed.
- B) It is a second-line treatment that is used when traditional therapies fail. It was approved for breast cancer in 2019 and for certain gastrointestinal cancers in 2021.
- C) It was the first drug in its class to receive "tissue-agnostic approval" from the FDA, meaning it can treat any cancer with the HER-2 receptor, regardless of its origin.
- D) Cost: The drug costs around Rs 1.6 lakh per vial.

##### 2) Osimertinib-

- A) **Usage**: Most used cancer drug in India.
- B) **Treatment**: For lung cancers with epidermal growth factor receptors (EGFR), involved in cancer development. It is effective for 25% to 30% of lung cancers in non-smoking women

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- C) **Function:** Blocks EGFR receptors on cancer cells, stopping cancer growth.
- D) **Application:** Prescribed after surgery or as a first-line treatment for metastatic cancer. Can be used until it stops working or causes severe toxicity.
- E) **Benefits:** Extends patient survival by 4 to 5 years compared to other treatments.
- F) **Cost:** The drug is expensive, costing ₹1.5 lakh for a strip of ten pills. It must be taken daily.

### 3) Durvalumab-

- A) **Type:** Immunotherapy treatment.
- B) **Usage:** Treats certain lung cancers, biliary tract cancers, bladder cancer, and liver cancer.
- C) **Function:** Binds to PD-L1 proteins on cancer cells, which helps the immune system recognize and kill these cells.
- D) **Benefits:** Studies show that patients on Durvalumab remain in remission longer and live longer.
- E) **Cost:** Sold as Imfinzi, it costs about ₹1.5 lakh per 10ml vial.

Read more- [Union Budget 2024-25- Analysis](#)

### What is the significance of the customs duty exemptions for three cancer drugs?

- 1) **Financial Relief:** The exemptions will reduce the financial burden on cancer patients and their families. It will make these drugs more accessible to Indian patients.
- 2) **Meet Additional Expenses:-** A ₹12,000 price drop would allow for more spending on nutrition, protein supplements, and other expenses like tests and scans.
- 3) **Efficacy-** They are targeted therapies that offer much better results than traditional therapies.

## Role of UDISE+ in the Indian Education System

**Context:** The article discusses India's vast education system, which includes around 15 lakh schools, 97 lakh teachers, and about 26.5 crore students. It explains the role of the UDISE+ platform in managing and securing student data, ensuring compliance with privacy laws, and the need for clear protocols to protect children's personal information.

### What is UDISE+ and APAAR?

**1. UDISE+ (Unified District Information System for Education Plus):** Launched in 2018 by the Ministry of Education, it collects real-time data on school infrastructure, teachers, student enrollment, and performance.

For detailed information on UDISE [read this article here](#)

**2. APAAR (Automated Permanent Academic Account Registry):** Introduced with the National Education Policy 2020, it provides a unique identifier for students, collecting academic records and personal information like Aadhaar numbers through voluntary consent.

For detailed information on **What is APAAR** [read this article here](#)

### What Role Does UDISE+ Play in the Indian Education System?

- 1. Data Collection and Management:** UDISE+ collects real-time information on school infrastructure, teachers, student enrollment, and academic performance.
- 2. Policy Formulation:** This data helps the Ministry of Education create outcome-based policies to enhance education quality.
- 3. Resource Allocation:** By improving resource distribution, UDISE+ ensures that schools receive necessary support.
- 4. Monitoring Programs**
- 5. Student Data Integration:** Linked with APAAR, it helps manage student admissions and reduce dropout rates.
- 6. Collaborations:** Works with DigiLocker and ed-tech companies to modernize education.

### What Legal Standards Apply?

- 1. Supreme Court's Three-Part Test:** State actions must have a legitimate interest, be necessary and proportionate, and be imposed by law.
- 2. Right to Privacy:** Recognized as a fundamental right in the 2018 Justice K.S. Puttaswamy case.
- 3. Digital Personal Data Protection Act, 2023:** Requires specific and voluntary consent for data collection and sharing.
- 4. Data Minimization:** Ensures only necessary data is collected.
- 5. Aadhaar Integration:** APAAR and UDISE+ must comply with privacy and security standards.

### What are the Operational Challenges?

- 1. Privacy and Consent:** There's limited guidance on obtaining verifiable parental consent for minors' data. Sharing children's data under UDISE+/APAAR may violate the Digital Personal Data Protection Act, 2023.
- 2. Data Security:** Protecting sensitive student data from theft and cyber breaches is a major concern.
- 3. Regulatory Updates:** The data-sharing policy for school education needs updating to reflect regulatory changes post the DPDP Act, 2023.
- 4. Identification of Actors:** There is a need to identify roles such as data fiduciary, data processor, and data principal for liability purposes.
- 5. Grievance Redressal:** There is no clear mechanism for grievance redressal related to data sharing and collection.
- 6. Standard Operating Procedures:** The absence of technical and legal protocols affects the management of data authenticity and stakeholder obligations.

## Subject: Social Justice

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

#### Challenges Faced by Older People in India

**Context:** The article discusses India's ageing population, highlighting the lack of adequate social security, pensions, and health care for older people. It contrasts this with East Asian countries, emphasizing the urgent need for better policies and support systems in India.

For detailed information on **Elderly Population in India** read [Article 1](#), [Article 2](#)

### What is the Current Demographic Trend in India?

- 1. Increasing Elderly Population:** The elderly population in India is expected to rise from 8.6% in 2011 to 20.8% by 2050.
- 2. Regional Differences:** States like Himachal Pradesh and Punjab have higher elderly populations than the national average.
- 3. Rapid Aging:** Aging in India and other Asian countries is happening much faster compared to Western countries, occurring in just 20-30 years.

### What are the Challenges Faced by Older People in India?

- 1. Health Issues:** According to the **Longitudinal Ageing Survey in India (LASI)**, many older adults suffer from multiple morbidities such as diabetes, hypertension, and cardiovascular conditions. Health issues vary based on location, socioeconomic status, and gender.
- 2. Financial Insecurity:** The **Helpage India Report 2024** reveals significant gaps in access to financial security and healthcare for older people across India, particularly affecting the middle classes not in government service. It shows that older people often rely on family support due to the lack of comprehensive social pensions and health insurance programs.
- 3. Inadequate Healthcare Access:** Programs like Ayushman Bharat are limited to those below the poverty line. Older adults face difficulties with long processing times and claim rejections in insurance schemes like CGHS and ESIS.
- 4. Lack of Social Security:** India lacks a universal public pension scheme. Existing pensions and health insurance schemes are mainly for those below the poverty line or in government service.
- 5. Changing Family Structures:** Rapid changes in family structures, with the spread of nuclear families, pose additional challenges for elderly care, especially in urban areas.

### What Needs to Change in Public Policy?

1. Public policy needs to address the inequalities older people face in accessing financial and healthcare services.
2. As India's population continues to age, it is crucial to develop better support systems for healthy aging, not only to improve the lives of the elderly but to ensure societal stability as the demographic landscape shifts.

## Subject: International Relations

### Topic- India and its Neighborhood- Relations

#### India's Strategic Challenges in the Face of China's Rise

**Context-** This article discusses the evolving strategic rivalry between India and China, focusing on the challenges India faces due to China's growing economic and military might. It emphasizes the need for India to develop a comprehensive strategy to address the power asymmetry and protect its interests.

#### What are the key aspects of the Sino-Indian strategic and economic asymmetry?

- 1) **Asymmetric Sino-Indian Rivalry-** The Sino-Indian rivalry is both strategic and asymmetric. China far surpasses India in economic development, military modernization, technology, and innovation, with a gap of 3 to 5 times in various indices.
- 2) **Economic Asymmetry-** China is India's largest trading partner, but this has led to a widening trade deficit for India. Additionally, China's growing trade relationships with India's neighbors complicate the economic relationship between the two countries.
- 3) **Nuclear Capabilities-** China is reportedly doubling its nuclear arsenal and upgrading its missile capabilities. As China closes the gap with the US, India finds it hard to match China's growing nuclear power. This rivalry impacts the Indo-Pakistan nuclear balance and India's efforts to achieve parity with China.
- 4) **Space Program-** China has a head start and more resources for its space program compared to India. Closing this gap will be challenging.
- 5) **Conventional Forces-** The material gaps between the Chinese and Indian forces are significant, with China's military budget nearly three times larger than India's. For ex- India's navy is about one-third the size of China's and will remain smaller even with future expansions.

Read More- [On Potential of India-China Relations: A China-India partnership, its vast global potential](#)

### What are the reasons behind territorial contestation between China and India?

- 1) **Challenges at the Line of Actual Control (LAC)-**The Line of Actual Control (LAC) is unclear and complex, causing frequent skirmishes and risks. Current confidence-building measures are weakening and failing to ensure peace. Until borders are clearly defined, conflicts and violations will likely continue.
- 2) **Factors Shaping PLA strategy along the LAC-**
  - A) Expansion of road and rail infrastructure in Tibet and Xinjiang for quick troop movement.
  - B) Improved support infrastructure (electricity, water, etc.) for troops.
  - C) A new joint theatre command enabling large-scale, integrated use of PLA forces. These developments enhance the PLA's ability to operate effectively in challenging conditions and respond swiftly to crises.
- 3) **PLA Tactics -**The PLA gradually asserts its claims, using Indian responses as reasons to escalate tensions. When standoffs reach a deadlock, they seek negotiations and disengagement. Their strategy is to achieve dominance without engaging in direct conflict.

### What should be the way forward?

- 1) **New Agreement-**A new agreement is needed to address flaws in current protocols, manage risk-taking behavior, adapt to new technologies, and handle modern military issues like disengagement and troop reduction.
- 2) **Addressing the Strategic Gap with China-**
  - A) The power asymmetry between China and India, which may shift depending on India's progress and China's trajectory.
  - B) India's timeline to catch up with China, particularly by 2035 and 2049, to avoid being outpaced.
  - C) Bridging the strategic gap requires political direction, economic reforms, military enhancements, and a clear security strategy. Efforts must be intensified to strengthen India's position.
- 3) **Defence Preparedness-**
  - A) Ramp up indigenous capacity for strategic intelligence, surveillance, and reconnaissance.
  - B) Strengthen strategic infrastructure along the Himalayas.
  - C) Develop life-sustaining troop infrastructure, including high-quality habitat, electricity, broadband, water, and oil pipelines.



- D) Identify and acquire weapon platforms suited for extreme terrain and climatic conditions.
- E) Maintain high readiness levels among border troops for quick response to border infractions.
- F) Create and position agile and effective reserves for timely deployment.

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

### India's Prime Minister's visit to Russia and its implications

**Context:** The article discusses Prime Minister Modi's visit to Russia and its implications. The visit signals India's support for Russia despite criticism from the U.S. and Europe. It highlights India's strategic choices, economic ties, and the geopolitical importance of maintaining a relationship with Russia.

For detailed information on **India-Russia Relations** [read this article here](#)

#### How did the U.S. and Europe react to India's Prime Minister's visit to Russia?

1. The U.S. and Europe reacted with criticism and disappointment to Prime Minister Modi's visit to Russia.
2. Ukraine's President Zelenskyy sharply criticized the visit.
3. The U.S. State Department, National Security Adviser, and U.S. Ambassador to India expressed their disappointment.
4. Despite these reactions, India emphasized its "freedom of choice" in foreign relations. India abstained from over 20 United Nations votes condemning Russia, including a recent vote on July 11 after a missile attack on a children's hospital.

#### How does this affect India's relations with other countries?

1. Modi's visit to Russia signals a priority for relations with Russia over a joint appearance with China's President at the SCO Summit.
2. This could affect India's relations with Indo-Pacific partners and its role in groups like Quad (India, Japan, Australia, U.S.) and AUKUS (Australia-U.K.-U.S.).
3. The U.S. has forged new partnerships like AUKUS and engaged "Quad Plus" countries, which may limit India's influence.
4. The visit underscores India's strategic autonomy, balancing its ties with Russia and Western countries.

#### What are the economic implications?

1. Trade between India and Russia grew by 66% to \$65 billion last year. India's imports of discounted Russian oil are a key factor in this trade growth.
2. Both countries are working on payment mechanisms to sustain this trade amid Western sanctions.
3. The joint statement mentioned cooperation in Russia's Far East, focusing on energy supplies and commodity exports.
4. The Chennai-Vladivostok maritime corridor aims to enhance trade routes.
5. Investments include Rosneft's \$23 billion stake in India's Vadinar refinery and Indian investments in Russian oil fields worth \$15 billion.
6. These economic ties help balance the trade deficit and support mutual investments.



### What is the strategic significance?

1. India's strategic autonomy was highlighted through this visit. The focus is on new connectivity routes like the North Sea trade route, avoiding reliance on Iran-led corridors.
2. Military hardware imports from Russia are decreasing, but economic strategies strengthen bilateral ties.
3. India's bet on the enduring relationship with Russia may be tested by future developments in the Ukraine war and global political changes.

**Way forward** -The visit underscores India's strategic positioning between major global powers. It shows India's willingness to maintain and strengthen its ties with Russia, balancing its relationships with Western countries and China, while navigating ongoing global conflicts and economic sanctions.

### Significance of India's PM Visit to Ukraine

**Context:** The article discusses Prime Minister Modi's planned visit to Ukraine, urging India to re-engage with European security. It highlights the impacts of the Ukraine war on India, emphasizing the need for India's strategic involvement in European peace and security efforts.

For detailed information on **Ukraine conflict and its implications for India** [read this article here](#)

### What is the Significance of PM Modi's Visit to Ukraine?

- 1. Re-engagement with European Security:** PM Modi's visit to Ukraine marks a strategic shift in India's approach towards European security, which has been neglected in recent decades.
- 2. Impact of Ukraine War:** The Ukraine war has put Europe at the top of India's international agenda, highlighting the need for a strategic approach rather than seeing it as a mere pressure point or moment of solidarity with Russia.
- 3. Economic and Security Interests:** The war has created multiple economic challenges for India and complicated its security landscape, especially with Beijing's growing ties with Moscow.
- 4. Broader Foreign Policy Shift:** Modi's planned trip to Kyiv and his recent visit to Moscow indicate a strategic move towards active global diplomacy, enhancing India's role in European peace and security efforts.

### What Are the Geopolitical Challenges Europe is Facing?

- 1. Internal Divisions:** Europe is divided on handling the Russian threat, with Finland and Sweden joining NATO while Hungary and Turkey pursue independent approaches.
- 2. US Relations:** The US is divided on its approach to Ukraine, with different factions within the Republican Party either wanting to escalate or de-escalate the conflict. Many in the US want Europe to take more responsibility for its defense.
- 3. China's Role:** Europe is torn between criticizing China for supporting Russia and seeking Beijing's help to restrain Moscow.
- 4. Need for Defense Capacity:** Europe must build its own defense capacity, which requires unity and seriousness of purpose. This is a long-term challenge given the current geopolitical environment.
- 5. Economic and Security Implications:** The war has introduced significant economic challenges and security uncertainties, impacting not only Europe but also countries like India.

### Why Should India Invest in Peace Efforts in Ukraine?

1. Despite skepticism about the effectiveness of India's role in peace efforts, it is beneficial for India to support these initiatives.
2. The conflict impacts India economically and strategically, especially considering India's historical ties with Russia and the emerging partnerships with Western countries.
3. A stable Europe can help prevent China from benefiting from conflicts between Russia and the West.

### Key Discussions at 2nd BIMSTEC Foreign Ministers' Retreat

**Context:** India hosted the 2nd BIMSTEC Foreign Ministers' Retreat in New Delhi to discuss cooperation in security, trade, and connectivity. The retreat prepared for the sixth summit. The event highlighted India's strategic focus on strengthening ties with its eastern neighbors.

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

### What Were the Key Discussions at the Retreat?

The retreat was divided into two parts:

#### A. First Session:

- 1. Assessment of Cooperation:** Participants reviewed the current state of regional cooperation within BIMSTEC.
- 2. Implementation of Outcomes:** India presented key outcomes from the 1st Retreat.
- 3. Centers of Excellence:** Ideas were shared for establishing centers focusing on Agriculture, Disaster Management, and Maritime Transport.
- 4. Health Initiatives:** India supported cancer research and e-visas for patients from BIMSTEC states; Sri Lanka proposed focusing on kidney disease.
- 5. Private Sector Involvement:** Highlighted the need for private sector participation in trade and promotion of young entrepreneurs.
- 6. Security Concerns:** Emphasized the importance of connectivity, cybersecurity, and countering trafficking of narcotics and illegal arms.

#### B. Second Session:

- 1. Country Expectations:** Discussed individual countries' expectations for the upcoming summit.
- 2. Resource Mapping:** Sri Lanka stressed the need to map mineral resources and integrate production stages.
- 3. Blue Economy:** Bangladesh highlighted cooperation in the Blue Economy and suggested banning fishing during breeding seasons.
- 4. Tourism and Culture:** Bhutan emphasized tourism and cultural exchanges.
- 5. Regional Synergy:** Nepal promoted a 'whole of the region' approach for a results-oriented forum.
- 6. Non-traditional Security:** Thailand and Myanmar discussed non-traditional security domains and combating online scams.

### What is the Significance of These Developments?

- 1. Strategic Positioning:** Enhances India's role in the Bay of Bengal, countering China's influence and strengthening regional stability.
- 2. Economic Access:** Provides the northeastern region with crucial sea access via Bangladesh and Myanmar.
- 3. Regional Cooperation:** Fosters collaboration in cancer research, e-visas, and combating illegal activities, improving overall regional health and security.
- 4. Indo-Pacific Presence:** Reinforces India's presence in the Indo-Pacific by aligning with ASEAN members, Myanmar, and Thailand.
- 5. Resource Management:** Encourages sustainable development through resource mapping and Blue Economy initiatives, such as Sri Lanka's mineral resource mapping and Bangladesh's focus on sustainable fishing.
- 6. Policy Milestone:** Marks a decade of India's "Act East" and "Neighbourhood First" policies, reflecting ongoing efforts to nurture regional collaboration.

## GS Paper 3

### Subject: Indian Economy

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

#### How has India lowered its fiscal deficit estimate to 4.9% of GDP

**Context:** The article discusses how Finance Minister Nirmala Sitharaman lowered India's fiscal deficit estimate to 4.9% of GDP for the current financial year. This was achieved through increased revenue receipts and controlled spending, with significant contributions from higher RBI dividends and reduced subsidies.

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

#### What is the current status of India's fiscal deficit?

- 1. Fiscal Deficit Estimate:** Reduced to 4.9% of GDP from 5.1%.
- 2. Absolute Terms:** Projected at ₹16.13 trillion, down from ₹16.85 trillion.
- 3. Future Target:** Fiscal deficit to be below 4.5% by FY26, with a declining central government debt to GDP ratio from FY27.

#### How has India lowered its fiscal deficit estimate to 4.9% of GDP for the current financial year?

- A. Revenue Receipts Growth:** Revenue receipts are projected to increase by 14.7%, reaching ₹31.29 trillion.
- a) **RBI Dividend:** A major boost came from the Reserve Bank of India's dividend, which was ₹2.11 trillion, a 141% increase from the previous year.
- B. Controlled Spending:** Total government expenditure is set at ₹48.21 trillion, marking an 8.5% rise from the previous year.
- a) **Capital Expenditure:** Maintained at ₹11.11 trillion, showing a focus on long-term investments.

b) **Reduced Subsidies:** Lower subsidy spending has been crucial.

1. **Fertilizer Subsidy:** Reduced by 13% to ₹1.64 trillion.

2. **Food and Petroleum Subsidies:** Also saw reductions from FY24 levels.

C. **Market Borrowing:** The gap between receipts and spending will be partly financed by borrowing ₹11.63 trillion from the market, slightly less than the ₹11.75 trillion projected earlier.

### What are the impacts of this change?

1. **Market Confidence:** The lowered fiscal deficit sends a strong signal of fiscal prudence to markets and rating agencies.

2. **Bond Yields:** Initially, government bond yields fell to 6.93% but later stabilized at 6.97%.

3. **Revenue Growth:** Higher revenue receipts, boosted by a ₹2.11 trillion RBI dividend, contribute positively to fiscal health.

4. **Future Fiscal Targets:** Commitment to reducing the deficit below 4.5% by FY26 ensures a stable economic outlook.

## Government's new announcements for the labor market

**Context:** The article discusses how government programs aimed at improving the labor market may not be effective. It suggests that policy improvements to create a better business environment are more impactful than direct interventions, like forced internship programs or fiscal subsidies.

For detailed information on **India's labor market** read [Article 1](#), [Article 2](#)

### What are the Government's new announcements for the labor market?

1. The government announced new programs to improve the labor market.

2. One key initiative is an internship program in the top 500 companies, aiming to process 10 million interns over five years. The program will provide ₹60,000 per intern per year, funded by the government and corporate social responsibility (CSR) contributions.

3. **Voluntary Participation:** Companies' involvement is voluntary.

4. **Centralized Portal:** Establishment of a centralized online portal for applications.

5. **Eligibility:** Numerous rules about applicant eligibility will be defined.

### What are the criticisms of this announcement?

1. **Limited Impact:** The program aims to process 10 million interns over five years, which is a small number compared to the needs of the Indian labor market.

2. **Voluntary Participation:** The sentence "Participation of companies is voluntary" highlights that companies already have internship programs and may find centralized portals and subsidy processes daunting.

3. **Potential Coercion:** Concerns arise that the voluntary nature might turn into coercion, deterring investment and leading to increased bureaucratic control.

4. **Inefficiency of Direct Intervention:** Direct fiscal interventions, like the Production-Linked Incentive (PLI) scheme, are costly. For instance, a 5% PLI on \$1 trillion exports would cost \$50 billion.

**5. Historical Context:** Economic growth from 1991 to 2011 was driven by policy improvements, reducing customs duties, and ensuring rule of law, rather than direct government intervention.

**Way forward** -Policymakers should focus on improving the environment for private investment. This involves reducing policy-related barriers and ensuring stable, long-term policies. Direct interventions, like the internship program or PLI, are less effective than creating conditions where private firms want to invest.

### Changes in India's tax regime for capital gains

**Context:** The article discusses changes in India's tax regime for capital gains. It explains that both short- and long-term capital gains tax rates have increased. The removal of indexation benefits for non-financial assets like property is criticized, suggesting it could lead to unfair taxation.

For detailed information on **Issues with India's capital gains tax regime** [read this article here](#)

#### What Changes Were Made to India's Tax Regime?

- 1. Short-Term Capital Gains Tax:** If an investor sells shares within a year, they now pay 20% tax instead of 15%.
- 2. Long-Term Capital Gains Tax:** Selling shares held for more than a year now incurs a 12.5% tax, up from 10%.
- 3. Removal of Indexation Benefits:** For non-financial assets like property, except those acquired before 2001.
- 4. Tax Rate Uniformity:** Aimed to simplify recall of tax rules across different asset classes.
- 5. Impact on Inflation Adjustment:** Ignoring inflation's compounding effect could lead to higher tax liabilities. Without indexation, a property's real value increase is not considered, leading to a higher tax bill.

#### What Are the Arguments for and Against the Changes?

##### Arguments For:

1. The tax hikes align with progressive taxation, targeting those who can afford to pay more.
2. Asset values have risen significantly, justifying higher taxes.
3. Reducing speculation in real estate could increase housing supply. For example, investors might shift from property to equities, addressing actual housing needs.

##### Arguments Against:

1. Removal of indexation for properties bought after 2001 is seen as unfair.
2. Indexation helps offset inflation, reflecting the real gain from asset sales. For example, a house bought for ₹1 crore 20 years ago, considering 6.5% average annual inflation, is now worth much less. Without indexation, tax bills become unreasonably high.
3. The policy change contradicts the expectation of stable tax rules.
4. Could lead to increased cash deals and black money usage.
5. Complicated tax avoidance strategies, like reinvesting in a transit house, reflect poorly on the tax system.

#### What Should be Done?



1. Reintroduce indexation benefits for all non-financial assets, not just for properties bought before 2001.
2. Address the issue of speculative investments in real estate through other measures.
3. Ensure tax policies are stable to maintain trust among investors.
4. Promote evenly applied levies within asset classes to adhere to the cardinal principle of taxation.

### Household sector savings are crucial for financing corporate investment

**Context:** The article discusses how household sector savings are crucial for financing corporate investment. It highlights that net financial savings of households have declined, which may constrain corporate investments. It also mentions the need for government support through fiscal consolidation.

For detailed information on **Issue with Indian household savings** [read this article here](#)

#### What is the Status of Saving in India?

- 1. Household Savings:** Household savings are essential for funding corporate investments. These savings have declined from 7.3% of GDP in 2021-22 to 5.2% in 2022-23, which is the lowest rate in the last five decades.
- 2. Corporate Sector:** The private corporate sector's savings rate has improved to 10.1% of GDP in the last eight years. However, this is still not enough for their investment needs.
- 3. Government Efforts:** The government has reduced its fiscal deficit from 13.1% of GDP in 2020-21 to 8.6% in 2023-24, aiming for further reductions to 4.5% by 2025-26. This fiscal consolidation helps free up resources for corporate investment.

#### Is Rising Household Indebtedness a Concern?

1. Concerns about rising household indebtedness are largely misplaced.
2. At least 25% of financial liabilities in 2022-23 were for investment purposes like housing and education loans.
3. In March 2023, households' financial assets were 2.7 times their liabilities, indicating a healthy balance sheet.
4. The debt servicing burden of Indian households declined from 6.9% in March 2021 to 6.7% in March 2023, one of the lowest in the world.

#### What are the Concerns Related to the Finances of Households?

- 1. Increased Financial Liabilities:** Liabilities rose from 3.8% to 5.7% of GDP, reducing net savings.
- 2. Rising Personal Loans:** Personal loans from banks grew by 28% in 2023-24, after a 21% rise in 2022-23.
- 3. Debt Servicing Burden:** Though lower than before, debt servicing still impacts future savings.
- 4. Volatile Physical Savings:** Savings in physical assets have been unpredictable, peaking at 70% of gross savings in 2022-23.



## SEBI's Proposed New Asset Class for Mutual Funds

**Context-** The Securities and Exchange Board of India (Sebi) has proposed a new asset class for mutual fund investors to bridge the gap between portfolio management schemes (PMS) and traditional mutual funds.

### What are the Key Features of the Proposed Asset Class?

- 1) **Investment Threshold-** The proposed minimum investment is ₹10 lakh, placing it between regular mutual funds and PMS, which requires a ₹50 lakh minimum.
- 2) **Fund Management Requirements-**
  - A) AMCs must appoint chief investment officers with at least 10 years of experience managing assets worth ₹5,000 crore or more.
  - B) Additional fund managers should have at least seven years of experience handling ₹3,000 crore or more.
  - C) The AMC itself must have been operational for at least three years with assets of ₹10,000 crore or more.
- 3) **Investment Options and Flexibility-**
  - A) These funds will offer systematic investment plans (SIPs), systematic withdrawal plans, and systematic transfer plans, like traditional mutual funds.
  - B) Fund managers will have the flexibility to use derivative strategies for purposes beyond hedging.
- 4) **Branding and Investor Awareness** -The new asset class will have a unique branding to stand out from low-risk mutual funds and ensure investor clarity.
- 5) **Redemption and Liquidity-**
  - A) More flexibility in tailoring redemption frequency to manage liquidity constraints.
  - B) Proposal to list units on stock exchanges, like exchange-traded funds (ETFs), for easier entry and exit.
- 6) **Investment Strategies-** This new class of funds will use "Long-Short" portfolios to benefit from both rising and falling share prices and may create "Inverse ETFs" that move opposite to a benchmark ETF.

**Read More-** [Changes made by India's Securities and Exchange Board \(SEBI\) for NRIs and OCIs](#)

### What is the significance of Proposed New Asset Class for Mutual Fund?

- 1) **Meeting Investor Needs-**It caters to investors with higher risk appetites and financial capacities by offering them regulated access to high-risk, high-return strategies.
- 2) **Combating Unauthorized Schemes-** It will minimize the attraction of unregistered and unauthorized entities that promise unrealistic returns by establishing a regulated environment.
- 3) **Investor Protection-** It offers a modicum of protection to investors who might otherwise be drawn to unregulated schemes.
- 4) **Market Gap Fulfillment-** It offers a regulated choice for investors looking for higher-risk strategies, filling a market gap.

**Conclusion-**Sebi's proposed new asset class for mutual funds represents a significant development in India's financial markets. However, if this new asset class becomes popular, Sebi and the exchanges will have to manage increased derivatives volumes and improve surveillance and margin systems.

## Financing Challenges of MSMEs in India

**Context-**The article discusses recent measures introduced in the Union Budget for Micro, Small, and Medium Enterprises (MSMEs) in India. It highlights the difficulties in implementing these measures, especially with invoice discounting and credit access.

The Global Alliance for Mass Entrepreneurship (2023) stressed that MSMEs are crucial for economic growth and job creation for the 90 million workers expected by 2030. In FY22, MSMEs contributed 35.4% to India's manufacturing output, and in FY24, they accounted for 45.7% of exports of MSME-specified products.

### What are the recent measures introduced in the Union Budget for Micro, Small, and Medium Enterprises (MSMEs)?

1) **Trade Receivables Discounting System (TReDS)**- The turnover limit for buyers on TReDS has been reduced from ₹500 crore to ₹250 crore. This will lead to the inclusion of 22 more central public sector enterprises and 7,000 additional companies.

2) **Credit Access for MSMEs**- Banks are urged to support MSMEs, including those with special mention accounts. This is supported by government-backed fund guarantee.

### What are the financing challenges faced by the MSMEs in India?

#### 1) Trade Receivables Discounting System (TReDS)-

A) A persistent issue is large firms delaying bill settlements to MSMEs.

B) MSMEs generally avoid filing complaints or legal actions against large buyers to enforce contracts.

C) The June 2024 Financial Stability Report reveals that invoices financed on TReDS grew by over 56% in 2022-23, with a 94% success rate. However, only 82,000 MSMEs are registered on TReDS out of 46.9 million firms on the Udyam portal.

#### 2) Credit Issues-

A) Bankers are concerned about conflicts with RBI staff and the risk of loans failing.

B) The high credit-deposit ratio (nearly 80%) may limit banks' ability to meet MSME needs.

C) Upcoming changes to the RBI's liquidity coverage ratio could affect credit growth plans.

3) **Credit Demand:** -CRISIL Ratings (June 2023) estimates the MSME sector needs over ₹100 trillion in debt, mainly for working capital. However, only 25% of this is obtained through formal channels, while informal sources charge high interest rates..

#### 4) Working Capital Issues-

A) Limited information and infrequent data make it difficult to assess MSME working capital needs.

B) High inventory-turnover ratios and limited creditor capacity make the problem worse.

5) **Regulatory Issues**- Building regulations hinder efforts to expand manufacturing capacity. A detailed article on MSMEs: Significance, Challenges and Solutions can be [read here](#).

6) **Technology and Awareness**- Building robust technological infrastructure and enhancing customer awareness are major challenges in implementing MSME-focused initiatives.

## Customs Duty Reforms

**Context-** In 2023, India started 45 anti-dumping investigations, imposed duties in 14 cases, and had 133 measures impacting 418 products. The government is now reducing Customs duty on about 50 products to boost competitiveness and will review the duty structure over the next six months. Customs duty has been cut or eliminated for items like mobile phones, leather, ferro-nickel, blister copper, solar cell equipment, and petroleum-exploration tools. Also, 25 critical minerals are now exempt from Customs duty.

### What is the current state of India's export and manufacturing in electronic goods?

India's mobile phone exports rose by over 40% to \$15.6 billion in 2023-24. However, the country still lags in manufacturing advanced components like lithium-ion cells and semiconductor chips, with most value added in China, South Korea, Japan, and Vietnam.

**Read More-** [WTO Reforms and India](#)

### How does this shift compare to India's previous trade policy approach?

This shift contrasts with India's earlier trade policy, which focused on protectionism and import substitution. Starting with the 2018 Union Budget, import tariffs were raised on over 40 items to protect domestic industries and create jobs. As a result, tariffs over 15% increased from 11.9% to 25.4% between 2010-11 and 2020-21

### What is the significance of tariff reduction?

- 1) India's average tariff decreased from 18.1% in 2022 to 17% in 2023(As per WTO Data). The review of Customs rates will further lower tariffs, align them with regional standards, and enhance competitiveness.
- 2) Customs duty reduction will increase domestic production in renewable energy, defense, and e-mobility.

**Way ahead-** Indian businesses should get ready for more global competition as lower tariffs are likely to boost competitiveness.

## Global Trade Trends and India's Trade Policy

**Context-**The 2024 Union Budget introduced positive trade policy measures-Reduction in some Customs duties Simplification of rules for utilizing free trade agreements (FTAs) Announcement of a comprehensive review of tariff rates in the next six months

The article emphasizes the importance of maintaining this momentum and reducing average applied most favoured nation (MFN) tariffs, especially on manufacturing sector inputs.

### What are the Global Trade Trends?

Recent reports from UNCTAD (July 2024) and WTO (April 2024) highlight several key trends

a) **Resilience of global trade-** Global trade has stayed resilient despite pandemics, conflicts, and trade policies. After a decline in 2020, it rebounded in 2021, peaked in 2022, dipped in early 2023, but improved later in 2023 and early 2024. Growth is expected to continue due to lower inflation and higher demand for manufactured goods.

b) **Performance of Preferential Trade Agreements (PTAs)-** Trade within PTAs has been more resilient. Last year, agreements like the US-Mexico-Canada Agreement, the EU, and the Regional Comprehensive Economic Partnership fared better than trade outside these agreements.

c) **Impact of geopolitical factors-** Trends show more friend-shoring, trade concentration, and longer global

value chains. While these trends are starting to soften, they still offer opportunities for emerging markets in Asia and Latin America.

d) **Realignment of global trade interdependence** US-China trade dependence has slightly decreased, while Brazil, Vietnam, and India have become more reliant on China. Russia has significantly reduced its trade dependence on the EU and increased its reliance on China.

e) **Sectoral Trends in Global Trade**- Traditional sectors like machinery and transport remain dynamic, while new high-tech sectors such as artificial intelligence and electric vehicles are experiencing high demand.

**Read More-** [India's New Foreign Trade Policy \(FTP\) and its significance](#)

### What should be the way forward?

1) **Tariff Rates Review**- India should align its manufacturing import tariffs with those of similar emerging economies like ASEAN and set a six-month timeline to do so. Lower tariffs will improve export competitiveness.

2) **Predictable Trade Policy** - A clear timeline for reducing tariffs will make trade more predictable, attract foreign investment, and support technology transfer.

3) **Deep Trade Agreements**- India should focus on including deeper provisions in its FTAs to enhance trade resilience. The strategy should address regional trade bloc tendencies and consider the implications of discriminatory trade policies like the US Inflation Reduction Act (IRA) and the EU Carbon Border Adjustment Mechanism (CBAM).

4) **Regional focus**- Acknowledge the challenges posed by US (IRA) and EU (CBAM) trade policies and explore opportunities with ASEAN to boost trade dynamics and integrate global value chains.

## New Focus of India's Fiscal Policy

**Context:** The article discusses India's shift to a new fiscal policy focused on reducing public debt as a percentage of GDP. It emphasizes sustainable public finances over the medium term, rather than just annual fiscal deficits, to ensure economic stability.

For detailed information **Fiscal Federalism in India** read [Article 1](#), [Article 2](#)

### What is the New Focus of India's Fiscal Policy?

1. **Shift in Focus:** India aims to move from controlling the annual fiscal deficit to reducing public debt as a percentage of GDP.

2. **Current Debt Levels:** India's public debt is around 58% of GDP, 18 percentage points higher than the ideal level.

3. **Approach to Debt Reduction:** The government plans to lower this ratio by achieving higher nominal GDP growth compared to borrowing costs and cutting the primary deficit.

4. **Historical Context:** India has relied on high growth to manage public debt but this approach may not be sustainable long-term.

### How Will This Impact the Economy?

1. **Debt Reduction Goal:** The government aims to reduce public debt from the current 58% of GDP.

2. **High Growth:** Historically, India has relied on high nominal GDP growth to manage debt.



- 3. Fiscal Management:** Both high growth and reduced government borrowing costs help lower debt.
- 4. Primary Deficit Cuts:** The government may need to cut its primary deficit to achieve debt reduction.

### What Are the Challenges?

- 1. Economic Growth and Borrowing Costs:** Effective debt reduction depends on maintaining a high nominal GDP growth rate compared to the cost of government borrowing. Historically, India has relied on high growth rates and relatively low interest rates to manage debt.
- 2. Fiscal Prudence:** The N.K. Singh committee highlighted that relying solely on high growth is not enough. Fiscal policy must also actively work to reduce the primary deficit.
- 3. Communication:** Shifting focus from annual deficit targets to a sustainable public debt ratio is complex and requires clear communication to the private sector.

### What Should be Done?

- 1. Shift Focus to Public Debt Ratio:** The government should prioritize reducing public debt as a percentage of GDP, currently around 58%, rather than focusing solely on the annual fiscal deficit.
- 2. Promote Economic Growth:** Ensure that nominal GDP growth exceeds the cost of government borrowing to naturally reduce the debt ratio. This is important as high growth historically helped India manage its debt.
- 3. Implement Fiscal Prudence:** Adopt policies to cut the primary deficit, as the N.K. Singh committee highlighted that relying solely on high growth is not sustainable for debt reduction.
- 4. Establish a Fiscal Council:** Create an independent body to provide transparent and credible public debt estimates, similar to the US Congressional Budget Office, to enhance the credibility of fiscal policy.
- 5. Improve Communication:** Clearly convey the new fiscal strategy to the private sector to maintain confidence and predictability in government budgeting.
- 6. Utilize Flexibility:** Use the escape clause in the Fiscal Responsibility and Budget Management law during economic crises to support the economy without rigid borrowing limits.

## Topic- Government Budgeting.

### Social Sector Allocations in Budget 2024

**Context-**The Budget 2024 continues the trend of previous years regarding social sector allocations, despite claiming to focus on youth, farmers, women, and the poor. The Economic Survey chapter "Social Sector: Benefits that Empower" suggests progress in welfare programs, but the budget allocations tell a different story.

### What are the allocations under various social sectors and employment schemes in the new budget?

#### 1) Education-

**A. School Education-** There has been a nominal increase of ₹5,000 crore in allocation, with higher estimated 'recoveries'. This indicates a rise in fees and self-financing schemes.

**B. Higher Education -**There was a minor increase of ₹3,000 crore in allocation, with a similar trend of higher estimated 'recoveries'.

**2) Health and Family Welfare -**There was a marginal increase of ₹1,500 crore compared to the previous year, raising concerns about the adequacy of funding for healthcare initiatives.



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A) **Food Subsidy:** There was almost no increase, despite the need to expand coverage to current population levels and address the anticipated rise in economic costs of food grains. The current PDS still relies on 2011 Census population figures.

B) **POSHAN Scheme (School Mid-Day Meal)** -There was a slight increase from ₹11,600 crore to ₹12,467 crore, but it remains below the actual expenditure of ₹12,681 crore in 2022-23.

C) **Saksham Anganwadi Scheme**-There was a marginal increase from ₹20,554 crore to ₹21,200 crore. However, there are no provisions for higher salaries for Anganwadi workers (unchanged since 2018), increased honorarium for mid-day meal cooks, or enhanced allocations for supplementary nutrition for children.

D) **Samarthya (Including PMMVY and Creche Schemes)**- The allocation was reduced to ₹2,517 crore from ₹2,582 crore. The PMMVY excludes at least half of eligible women, and the amount of ₹5,000 per pregnant woman has remained unchanged since 2017.

### 3) Rural Employment and Poverty Alleviation

A) **MGNREGA**-The allocation remains unchanged from the revised estimates (RE) of the previous year, impacting state implementation and work availability due to its demand-driven nature.

B) **The 'Prime Minister's Package for Employment and Skilling'**-It includes government-sponsored internships, incentives for EPFO enrolments to formalize jobs, and skill-development programs. This package totals ₹2 lakh crore over five years, largely reliant on industry response. However, budgetary allocations for these initiatives seem insufficient.

A detailed article on Budget 2024-25 can be [read here](#).

### 4) Social Security and Pensions

A) **National Social Assistance Programme (NSAP):** The budget remains unchanged at ₹9,652 crore, which is effectively a reduction in real terms considering inflation. There's no room for expanding coverage or adjusting pension amounts, as the central contribution of ₹200 per person per month has remained unchanged since 2009.

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

1) **Shift Towards Contributory Schemes and Privatization**-The government is cutting benefits arbitrarily, favoring contributory schemes like the Atal Pension Yojana. In education and health sectors, there's a clear trend towards privatization and prioritizing cost-effectiveness, as emphasized in the Economic Survey's new welfare strategy.

2) **Market Principles in Social Services** -This approach ignores the difficulties of using market principles in social services and doesn't account for the long-term economic benefits of enhancing human development outcomes.

3) **Private Sector in Employment** -The private sector is important for tackling the employment challenge and is mandated to allocate CSR funds towards this effort. However, this means CSR funds, originally intended for minimal societal contributions, are now required to subsidize their own wages.

## Agricultural Initiatives in the 2024-25 Union Budget

**Context** - Nearly two-thirds of India's population resides in rural areas, where agriculture employs 45.8% of the workforce as of 2022-23. Neglecting this crucial sector could hinder the realization of Viksit Bharat@2047 and economic stability. Despite agriculture's growth slowing from 4.7% in FY23 to 1.4% in FY24, there were high expectations for increased budgetary support. However, particularly in research and development, the budget fell short. Investing in agricultural research and development (R&D) has the potential to boost agricultural GDP growth, with estimated returns exceeding ten times the initial investment.

### What are the initiatives announced in the budget?

- 1) **Specific Initiatives:** Release of 109 high-yielding, climate-resilient varieties of 32 crops
- 2) **Natural Farming** -Budget plans to transition 10 million farmers to natural farming practices over two years, providing certification and branding support. Additionally, the budget proposes establishing 10,000 bio-input resource centers to further promote natural farming.
- 3) **Large Scale Vegetable Cluster**-The budget proposed a strategy for self-sufficiency in pulses and oilseeds production, reducing India's dependence on imports. It also suggested establishing large-scale vegetable clusters near major consumption centers to stabilize prices amid recent volatility in perishable good.
- 4) **Digital Public Infrastructure (DPI)**- This initiative involves digital crop surveys in 400 districts and registering 60 million farmers and their lands digitally. It also includes distributing Kisan Credit Cards to farmers in five states.

### What are the issues with budgetary allocation of Agriculture?

#### 1) Inadequate R & D Expenditure-

- A) **Department of Agricultural Research and Education (DARE) Funding**- It received Rs 99.4 billion, a slight increase of 0.7% from Rs 98.8 billion in FY24. However, this falls short of expectations and represents a decrease in real terms.
- B) **Agriculture Research Intensity (ARI)**- It decreased to 0.43% in 2022-23 from its peak of 0.75% in 2008-09 and is expected to decline further in FY25. This trend could impact food security and may lead to increased food inflation.

#### 2) Inadequate Allocation-

- A) In Rastriya Krishi Vikas Yojana, the budget allocation increased minimally from Rs 14,216 crore in 2023-24 to Rs 15,000 crore in 2024-25.
- B) National Mission on Natural Farming-The budget allocated is Rs 366 crore, down from Rs 459 crore allocated last year.
- C) PM-KISAN, saw no increase in allocation for 2024-25. This lack of adjustment for inflation over five years could lead rural households to question the effectiveness of non-indexed cash transfer schemes.
- 3) **Allocations for Agriculture and Allied Sectors** -The budget allocated Rs 1.52 trillion for agriculture and allied sectors. The Ministry of Agriculture and Farmers' Welfare received Rs 1.22 trillion (Budget Estimate), a mere 5% increase from Rs 1.16 trillion (Revised Estimate) in FY24, failing to keep up with inflation.

#### 4) Faulty Policies and Subsidies-

- A) Much of the support for the agriculture, food, and rural sectors has been directed towards welfare measures and subsidies, such as food and fertilizer subsidies. While these subsidies have boosted agriculture productivity, they have also contributed to soil fertility decline, groundwater depletion, and increased emissions of nitrous

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oxide and methane. These issues were recognized in the Economic Survey 2023-24. B) They have also encouraged unhealthy diets rich in sugar and carbohydrates rather than fiber and protein, impacting public health negatively.

**Read More-** [Revitalizing India's Agricultural Research and Development System](#)

5) **Lack of Clear Roadmap**-The budget for agriculture and allied sectors, covering research, fisheries, animal husbandry, and dairying, rose by 6%. However, addressing the policy challenge of reducing subsidies and increasing investments in agriculture was not outlined in the budget.

6) **Allocation Prioritization in Budget** -According to the International Food Policy Research Institute, the budget allocations prioritize crops like cereals and food grains based on calories and area. However, it provides little support for high value produce such as fruits, which are driving agricultural growth.

### Focus of the India's budget 2024-25

**Context:** This article discusses the first of Narendra Modi's third term. It emphasizes job creation, small business support, and fiscal responsibility. The budget includes skilling programs, collateral-free loans for MSMEs, and a focus on sustainable growth and energy security.

#### What is the focus of the India's budget 2024-25?

- 1. Job Creation:** The budget emphasizes creating jobs through employment and skilling incentives. It includes a national apprenticeship program and internships for 10 million youth in top-tier companies.
- 2. Support for Small Businesses:** The budget introduces a collateral-free loan scheme and government credit guarantees for small businesses. It also facilitates their access to export markets through e-commerce linkages, recognizing their significant role in value addition, exports, and employment.
- 3. Fiscal Responsibility:** The budget demonstrates fiscal restraint with conservative revenue assumptions. Half of the fiscal surplus from the Reserve Bank of India is used to reduce the deficit, emphasizing fiscal consolidation.
- 4. Taxation:** The budget increases the tax on capital gains. It proposes widening the direct tax net and raising the top tax tier for incomes above ₹1 crore. The import duty on gold is reduced from 15% to 6% to prevent duty leakage and smuggling.
- 5. Human Capital Investment:** The budget stresses the need for massive investment in human capital. Public funds are necessary for primary and secondary education, while higher education and skilling should be funded through student loans.
- 6. Innovation and Infrastructure:** Public-private partnerships are promoted for small modular nuclear reactors and the space economy. The budget also addresses India's transition away from fossil fuels, aiming for sustainable growth.

### Shift Towards Employment Generation

**Context** -The 2024 Budget speech represented a major shift, focusing mainly on employment. This change shows the government's recognition of the urgent job crisis that has been a key issue in recent political debates.

The article highlights that high youth unemployment is a serious threat to India's long-term growth, according to rating agencies. It stresses the need to tackle this issue for sustainable economic development.

**What are the announcements made in the recent budget to address the job crisis?**

1) **Employment package-** The proposed ₹2 lakh crore package aims to assist 4.1 crore youth over five years through three employment-linked schemes: two offer subsidies to hire new workers for at least a year, and the third encourages companies to increase their hiring beyond last year's levels.

2) **Skill-job mismatch-**

- A) Upgrading 1,000 industrial training institutes (ITIs)
- B) Collaborating with industry to design relevant courses
- C) The central government will cover most of the stipend costs for an ambitious internship program targeting 1 crore youth in 500 top companies. The firms can participate voluntarily and use their mandatory CSR funds to cover the remaining expenses.

**Read More-** [Present status of employment in India](#)

**What are the key factors contributing to the employment crisis?**

- a) Investor preference for capital-intensive investments
- b) Outdated labor laws acting as disincentives for large-scale employment
- c) Recent economic shocks impacting the informal sector include demonetization, GST implementation, and COVID-19 pandemic lockdowns.
- d) The government's past efforts to boost private investment have mainly been aimed at increasing production rather than creating jobs.

**Way ahead-**

- 1) Expedient filling of vacancies in government sectors.
- 2) Creating conditions to boost consumption, which would encourage private sector expansion and hiring.

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

**India's plans for energy transition**

**Context:** The article discusses India's plans for a balanced energy transition, including policies for green finance, renewable energy projects, thermal power, and industry regulations. It highlights initiatives to boost green energy, develop carbon markets, and support small businesses in adopting cleaner energy.

For detailed information on **Energy Transition In India** [read this article here](#)

**What are India's plans for energy transition?**

- 1. **Balanced Approach:** India aims to balance employment, growth, and environmental sustainability in its energy transition.
- 2. **Non-Fossil Power Goals:** The government targets 500 GW of installed non-fossil power capacity by 2030.
- 3. **Coal-Based Power:** To meet near-term demand, India plans to add about 80 GW of coal-based power generation capacity by 2032.
- 4. **Green Finance Taxonomy:** The finance ministry, with the Ministry of New and Renewable Energy



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(MNRE), will develop a taxonomy for climate finance. This will enhance the availability of capital for climate adaptation and mitigation.

**5. Support for Renewable Energy:** The taxonomy will support the development of the market for green bonds, funding renewable energy, battery storage, and sustainable technologies.

**6. Rooftop Solar Installation:** The PM Surya Ghar scheme will set up rooftop solar installations on 10 million houses.

**7. Customs Duty Exemptions:** The budget exempts customs duty on solar capital goods but does not exempt solar glass and copper interconnects.

**8. Advanced Thermal Plant:** An 800 MW advanced ultra-supercritical (AUSC) thermal plant will be developed by NTPC and Bhel.

**9. Pumped Storage Projects (PSP):** A policy for PSP will support electricity storage and smooth integration of renewable energy, maintaining grid stability.

**10. Hard-to-Abate Industries:** The government will move industries like steel and cement from energy efficiency targets to emission targets. The India carbon market (ICM) will launch in 2026, aiming to be the world's largest emissions trading system by 2030.

**11. Support for MSMEs:** Investment-grade energy audits and financial support will help traditional micro and small industries shift to cleaner energy, starting with 60 clusters and extending to 100 in the second phase.

### Critical mineral strategy

**Context-** The Ministry of Mines has auctioned more than 50 critical mineral blocks across four rounds. But there has been limited participation from mining firms due to the absence of a processing and refining industry. The Indian government has taken significant steps in the recent Budget to position India as a key manufacturing hub for advanced technologies, particularly in the electric vehicle (EV) and energy storage sectors.

Critical minerals like lithium, chromium, nickel etc. and rare earth elements are important for industries such as electronics, electric vehicles (EVs), renewable energy, defense, and high-tech telecommunications. The increasing sales of EVs are driving higher demand for batteries, which has been steadily rising in recent years.

#### What are the Key Budget Announcements?

1) **Customs Duty Removal-** Customs duties on 25 critical minerals, such as lithium, nickel, copper, and cobalt, have been removed to enhance domestic manufacturing of advanced technologies like electric vehicles (EVs) and energy storage systems.

Read More- [Lithium Reserves in India](#)

2) **Concessional Customs Duty Extension** -The concessional customs duty of 5% on lithium-ion cells has been extended until March 2026.

3) **Critical Mineral Mission (CMM)**-This has been launched to promote domestic production and recycling of critical minerals.

#### What has been the reaction and expectations of Indian Industry?

1) **Long-term Benefits-** Industry executives view these measures as positive for the 'Make in India' initiative. Benefits will materialize in the long term.

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- 2) **Short-term Concerns-** There are no additional incentives to support the EV ecosystem and encourage its greater adoption.
- 3) **Impact on Vehicle Costs:** -In the short term, removing duties on raw materials alone won't help the sector because it still imports cells.
- 4) **Policy Inconsistency:** - There was absence of FAME-III policy and special EV incentives in the Budget. As per experts, there should have been continuity of FAME policy to realize the government's vision for the electric vehicle sector.
- 5) **Need for Domestic Processing:** There is a necessity of developing domestic critical mineral processing and refining capabilities under CMM.

### Issue of illegal coal mining in India

**Context:** The article discusses the issue of illegal coal mining in India, highlighting recent worker deaths due to unsafe conditions. It explains that high coal demand, poverty, weak regulations, and political support contribute to the prevalence of illegal mining despite government efforts.

For detailed information on **Coming clean on coal** [read this article here](#)

#### What is the History of Coal Mining in India?

1. **Nationalization Phases:** Coal mining was nationalized in two phases: coking coal in 1971-72 and non-coking coal in 1973.
2. **Central Legislation:** The Coal Mines (Nationalization) Act, 1973, governs coal mining eligibility.
3. **State Responsibility:** Illegal mining is a law-and-order issue, making state governments responsible for addressing it.
4. **Persistent Issue:** Despite nationalization, illegal mining remains prevalent due to high coal demand and local economic dependence. For example, recent incidents include worker deaths in Gujarat, Jharkhand, and West Bengal, highlighting ongoing illegal mining activities.

#### Why is Illegal Coal Mining Common in India?

1. **High Coal Demand:** Coal meets 55% of India's energy needs, often outstripping legal supply, prompting illegal mining.
2. **Poverty and Unemployment:** Coal-rich areas often face poverty and unemployment, driving locals to illegal mining.
3. **Weak Regulations:** In remote areas, inadequate monitoring and resources lead to weak enforcement of mining regulations.
4. **Coal Mafias:** Illegal mining is often controlled by "coal mafias," supported by local authorities, as seen in multiple cases.
5. **Political Support:** Allegations suggest political leaders support illegal mining. For instance, in Assam, BJP leaders were accused of backing illegal operations.
6. **Economic Dependency:** Local economies depend on mining, making illegal operations lucrative once legal mines close.

#### What Makes Illegal Coal Mining Dangerous?

- 1. Lack of Safety Equipment:** Workers often lack helmets, masks, and other safety gear, leading to fatalities from toxic gas inhalation, as seen in the Surendranagar incident.
- 2. Structural Risks:** Illegal mines lack proper support, causing cave-ins and landslides, as occurred in Jharkhand and West Bengal.
- 3. Toxic Exposure:** Miners face high levels of toxic substances like lead and mercury, increasing health risks.
- 4. Untrained Workers:** Many workers are untrained, lacking emergency response skills.
- 5. Operator Negligence:** Exploitation and negligence by mine operators worsen the danger.

### Why Is It Hard to Stop Illegal Mining?

Stopping illegal mining is challenging because:

1. It's mainly a state issue, and the central government often passes responsibility to state authorities.
2. The complex legal framework governing mining creates bureaucratic challenges.
3. Economic dependence on mining in local communities perpetuates the cycle of illegal mining.

## Subject: Science & Technology

### Topic- Science and Technology- Developments and their Applications and Effects in Everyday Life.

#### Split verdict by the Supreme Court on the Genetically Modified (GM) mustard

**Context:** The article discusses a split verdict by the Supreme Court on allowing the environmental release of the Genetically Modified (GM) mustard variety DMH (Dhara Mustard Hybrid)-11. The judges disagreed on the GEAC's approval process. They directed the government to create a national policy on GM crops, involving experts and stakeholders.

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

#### What is the History of GM Mustard?

**2015:** Delhi University's Centre for Genetic Manipulation of Crop Plants (CGMCP) sought GEAC's approval for GM mustard.

**2016:** GEAC published a report and invited comments.

**2017:** GEAC recommended the environmental release of GM mustard.

**2018:** Ministry of Environment asked GEAC to re-examine the proposal.

**2022:** CGMCP urged the Minister for Environment to accept GEAC's recommendation, and the Centre approved the proposal in October.

**Environmentalist challenged the decision:** Environmentalist and the research and advocacy organisation Gene Campaign challenged the decision to approve the environmental release of GM mustard before the Supreme Court.

**2024:** On July 23, a two-judge Bench of the Supreme Court delivered a split verdict on the environmental release of Genetically Modified (GM) mustard.

For detailed information on **All About Commercialization of GM Mustard** [read this article here](#)

## What Did Justices B V Nagarathna and Sanjay Karol Disagree On?

### Justices B V Nagarathna:

1. She argued that the GEAC did not conduct required field tests and ignored the precautionary principle, thus violating public trust.
2. She highlighted that no long-term studies on the effects of GM mustard were conducted, which she saw as a failure to ensure environmental safety.

### Justices Sanjay Karol:

1. He believed the GEAC's process was thorough and supported scientific development.
2. He argued that field tests are necessary to assess the crop's impact on health and biodiversity.
3. He also noted that other government departments recommended the release of GM mustard and that honeybees did not avoid GM crops like genetically engineered canola.

## Hype around new weight loss and diabetes drugs like Ozempic

**Context:** The article discusses the hype around new weight loss and diabetes drugs like Ozempic, Saxenda, Wegovy, and Zepbound. These drugs promise significant weight loss and health benefits but are expensive, have potential side effects, and may not work for everyone. True health requires diet and exercise.

### What is the hype around new weight loss drugs?

- 1. Promising Results:** The new weight loss drugs, primarily GLP-1 receptor agonists, offer significant weight loss, between 15% and 24% of body weight, comparable to bariatric surgery results.
- 2. High Expectations:** They are marketed as a breakthrough in combating obesity and diabetes, offering protection against major health issues like heart disease.
- 3. Widespread Attention:** Major pharmaceutical companies like Novo Nordisk and Eli Lilly have seen their market capitalization soar, with Novo Nordisk's reaching over \$570 billion, surpassing the Danish economy.
- 4. Rising Demand:** Despite supply shortages, the demand for these drugs has surged, driven by societal pressures and the allure of easy weight loss, pushing drug prices higher and fueling a grey market.

### What are the major concerns related to these drugs?

- 1. Side Effects:** Users report severe nausea, vomiting, stomach paralysis, and depression. Some evidence links these drugs to thyroid cancer and pancreatitis in individuals with certain genetic histories.
- 2. Long-Term Risks:** Side effects may take up to a decade to fully emerge, creating uncertainty about long-term safety.
- 3. Shift in Focus:** Originally intended for diabetes, the emphasis has shifted to weight loss, raising concerns about the true intent of these drugs.
- 4. Economic Impact:** High demand and limited supply have driven up prices, making these drugs an aspirational luxury and creating a grey market.
- 5. Temporary Solutions:** Weight loss can plateau without diet and exercise. Studies show that weight can return after stopping the drugs.

**6. Body Image Issues:** These drugs may promote an unhealthy obsession with thinness, overlooking the complex causes of obesity like hormonal imbalances and mental health issues.

**Conclusion-** True health requires a balance of diet, exercise, and lifestyle changes. While these drugs can help those with morbid obesity, they are not a cure-all. They may lead to unrealistic expectations and an unhealthy focus on body image.

### Topic- Awareness in the fields of IT, Space, Computers, Robotics, Nano-technology, Bio-technology and issues relating to Intellectual Property Rights.

#### The Environmental Impact of Artificial Intelligence

**Context-** AI has the potential to transform climate change efforts. However, Google's annual environment report revealed a 13% increase in its emissions footprint in 2023 compared to the previous year. This rise was mainly attributed to increased electricity consumption in data centers and supply chains due to the growing deployment and usage of AI tools.

#### What are the reasons for higher energy consumption of AI models?

- 1) **Performing Complex Operation-** They perform more complex operations than simple search engines, even when addressing the same query. They process vast amounts of data while formulating appropriate responses, resulting in more electrical signals for data processing, storage, and retrieval.
- 2) **Heat Generation and Cooling Requirements** -The increased computational work generates more heat, requiring stronger cooling systems in data centers and increasing energy use.

#### What are the Environmental Impacts of Artificial Intelligence?

1) **Enhances Electricity Demand-** Data centers currently use 1% to 1.3% of global electricity, and this could increase to 1.5% to 3% by 2026, according to the International Energy Agency. In some countries, data centers use over 10% of national electricity. In Ireland, it's 18% due to tax incentives, while in the U.S., it ranges from 1.3% to 4.5%.

Read More- [European Union adopts first AI Law](#)

2) **Energy Intensive-** AI queries, like those to ChatGPT, use 10 to 33 times more energy than a regular Google search, with image-based searches being even more energy-intensive.

3) **Water Resource Concerns-** There are increasing concerns about water use for cooling data centers. For instance, a data center for OpenAI's GPT-4 in Iowa used 6% of the local water supply in July 2022.

#### What should be the way forward?

1) **Need for Sustainable Planning-** As India adopts AI technology, experts stress the need for careful planning to reduce environmental impacts. This means data centers should use efficient processes and minimize emissions.

2) **Benefits of AI in Emissions Reduction** - Studies suggest that widespread AI use in corporate and industrial practices could cut global emissions by 5-10% by 2030, according to Boston Consulting Group.

3) **Monitoring and Predicting-** AI can cut emissions by monitoring, predicting, and optimizing processes to reduce waste and inefficiencies.

## Machine Unlearning (MUL)

**Context:** The article discusses Machine Unlearning (MUL), a method to make AI systems forget incorrect or sensitive data. It explores different ways this can be implemented: privately by companies, publicly by governments, or internationally through global standards. MUL helps manage AI issues like bias and privacy breaches.

### What is Machine Unlearning (MUL)?

- 1. Machine Unlearning (MUL)** is a method to make AI systems selectively forget certain types of data, particularly false, discriminatory, outdated, or sensitive information.
- 2. Origin:** The concept was introduced by Cao and Yang in their work "Towards Making Systems Forget with Machine Unlearning."
- 3. Purpose:** MUL aims to address the complexities and risks involved with AI managing vast amounts of data, which can lead to privacy breaches, misinformation, and AI bias.
- 4. Application Example:** IBM is actively testing MUL models to achieve better accuracy, intelligibility, and cost-efficiency in deleting unnecessary or harmful data from AI systems.

### Why is MUL Important?

- 1. Complexity Management:** MUL helps in managing the overwhelming complexity of AI systems that process vast amounts of data, making it difficult to maintain data integrity.
- 2. Privacy and Bias Issues:** It addresses increases in AI bias, misinformation, and privacy breaches, which are particularly problematic during sensitive times like elections.
- 3. Cost and Efficiency:** Implementing MUL can be more cost-effective and efficient than deleting entire datasets and retraining AI models, which is costly and reduces accuracy, as discussed in IBM's tests on MUL models.

### How Can MUL be Implemented?

#### A. Private Approach:

1. Companies like IBM are testing MUL models to improve how quickly and accurately data can be deleted, while keeping costs low.
2. This approach is voluntary and allows companies to adapt their AI systems without government intervention.
3. However, it might be less feasible for smaller companies due to high costs and required expertise.

#### B. Public Approach:

1. Governments can legislate the use of MUL. For instance, the European Union's AI Act uses a soft-law approach to address data poisoning as a cybersecurity issue.
2. Governments could also develop their own MUL models to be used across different platforms, helping especially in developing countries by making such technology more accessible.

#### C. International Approach:

1. This involves creating international standards for MUL to ensure consistent practices across different countries.



2. This could help in managing the global implications of AI technology. However, geopolitical tensions could complicate this approach.

**Way forward**-MUL is still in early development, facing technical and regulatory challenges. Stakeholders need to address these issues to ensure that MUL can be effectively implemented to tackle the problems of generative AI and protect users' rights in the digital age.

### India's Strategy for AI Leadership

**Context:** The article discusses India's AI strategy. It highlights India's focus on creating local AI solutions and developing foundational AI models. Key efforts include investment in AI, supportive policies, upskilling, and incentives for hardware manufacturing, aiming to boost AI growth and global competitiveness.

For detailed information on **On National AI mission and Investing in Artificial Intelligence** [read this article here](#)

#### What is India's Strategy for AI Leadership?

- 1. Focus on Local AI Solutions:** Tailoring AI to address local needs, driving societal impact and economic growth.
- 2. Development of Foundational Models:** Investing in long-term AI capabilities for global competitiveness.
- 3. Significant Investment:** Public sector funding for GPUs and semiconductors, with private sector innovation.
- 4. Supportive Policies:** Laws like the Digital Personal Data Protection Act and frameworks like DEPA ensure data protection and privacy, facilitating a secure environment for AI development.
- 5. Manufacturing Initiatives:** PLI schemes boost local production of components, reducing import dependency. For example, PLI beneficiaries drove 82% of mobile phone exports in 2022-23.

#### What is the Role of India's AI Mission?

- 1. Enhancing Computational Capacity:** India's AI mission focuses on improving computational resources, crucial for AI development.
- 2. Fostering Innovation:** Establishing dedicated AI centers to drive innovation and create new AI applications.
- 3. Developing Open Datasets:** Creating extensive open datasets to support AI research and application development.
- 4. Upskilling the Workforce:** Training individuals to develop and manage AI technologies, ensuring a skilled workforce.
- 5. Financing Startups:** Providing financial support to AI startups, promoting innovation and growth in the AI sector.
- 6. Ensuring Safe AI Practices:** Implementing safe and trusted AI practices to build public trust in AI technologies.

For detailed information on **IndiaAI Mission** [read this article here](#)

#### How do AI capabilities impact the economy?

1. AI capabilities boost economic output and create new business opportunities.
2. The AI market in India is projected to grow from \$881 million in 2023 to \$7.8 billion by 2025.
3. The Indian Generative AI industry is expected to reach \$17 billion by 2030.
4. PLI schemes support local AI hardware production, reducing import dependency and attracting investment.
5. Since the PLI scheme's inception, foreign direct investment in large-scale electronics surged by 254%.
6. By 2025, AI is expected to drive 60% of the gross value added to India's GDP in sectors like industrial, automotive, healthcare, retail, and packaged consumer goods.

## Subject: Environment

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

#### India's Economic Survey criticize international climate change framework

**Context:** The article critiques the international climate change framework for its ineffectiveness and inequities. It discusses India's Economic Survey, which calls for focusing on adaptation and resilience rather than just mitigation. The article also criticizes developed countries for failing to meet emission targets and contributing to global inequities.

For detailed information on **Just Transition Framework** [read this article here](#)

#### Why is the Current Climate Framework Criticized?

1. **Targets Not Met:** The international framework has failed to achieve its climate targets. For instance, no targets set under this system have ever been met.
2. **Unfair Pressure on Developing Nations:** The focus on achieving the 1.5-degree Celsius target imposes undue pressure on developing countries. This pressure diverts resources from improving people's lives in these nations.
3. **Developed Countries' Failures:** Developed countries, especially the U.S., have not met emission reduction goals. In 2019, U.S. emissions were 6% higher than in 1990, and developed countries have not fulfilled their financial or technological commitments to developing nations.
4. **Inequitable International System:**
  - a) The system often perpetuates the dominance of the rich countries, as seen when the Kyoto Protocol was replaced by the Paris Agreement.
  - b) Scientific models used by the IPCC are criticized for disregarding historical responsibilities and future needs of developing nations.

#### What Alternatives Does the Economic Survey Propose?

1. The Economic Survey advocates for focusing on adaptation alongside mitigation. It suggests that since the 1.5-degree target will likely be breached, improving resilience and overall well-being is crucial.
2. It proposes incorporating lifestyle and behavioral changes to reduce greenhouse gas emissions.
3. The Survey argues that adaptation should receive equal importance as mitigation because climate impacts

are already unfolding.

4. It challenges the notion that achieving the 1.5-degree target at all costs is necessary, suggesting a warmer world could be more equitable and resilient.
5. The Survey also calls for a shift in India's energy transition strategy, emphasizing rapid development and adaptation over strict adherence to temperature targets.

### How Is India Addressing Climate Change?

1. India's Economic Survey emphasizes improving climate resilience in infrastructure projects.
2. The Central Vista redevelopment is a significant project, but it remains uncertain if it will be a leading model for climate-friendly buildings.
3. The Smart City plans, started nine years ago, include climate-proofing elements, but many cities are still struggling with sewage management.
4. New railway stations being built are expected to be better than existing ones but may not be the most climate-friendly.
5. India promotes Mission Life, focusing on lifestyle and behavioral changes, but it has not yet become a mass movement.
6. The Survey suggests that current efforts, like these, are not sufficiently fast or comprehensive in addressing climate change.

### Setting New Standards for Sustainable Olympic Games

**Context-** Paris will host the 33rd Olympic Games in 2024, making it the greenest Games ever. With the planet experiencing record temperatures, the Olympics is stressing the urgent need to tackle climate change. As the Earth warms and more areas become uninhabitable, hosting mega events like the Olympics will become increasingly unsustainable.

A report released on the opening day of the Olympics, "Three Years of Progress: A Review of Sustainability across the 2021-2024 Olympic Cycle," highlights that the past three years have seen rapid progress in sports and sustainability since Tokyo 2020. Almost every sports federation is now focusing on environmental sustainability.

#### What is Paris 2024's sustainability initiatives for the Olympic Games?

- 1) **Emission Reduction Goals-** Previous Olympics (Tokyo, Rio, London) emitted around 3.5 million tonnes of CO<sub>2</sub>. Paris 2024 aims to cut this in half, targeting 1.75 million tonnes.
- 2) **Sustainable Infrastructure-** 95% of Paris 2024 events will use existing buildings, minimizing new construction to reduce environmental impact.
- 3) **Energy Sources-** The Athletes' Village will use geothermal and solar energy, and stadiums will rely on the public electricity grid instead of diesel generators.
- 4) **Sustainable Practices-** Paris 2024 will focus on recycling, reusing, and reducing materials, including beds made from recycled cardboard like Tokyo's. They'll offer more plant-based and local foods and introduce 1,000 km of cycle lanes to encourage low-carbon living.

Read More- [India's Bid to host Olympics 2036](#)

#### What are the Challenges?

- 1) **Carbon Emissions from Air Travel**- There are concerns about carbon emissions from visitor air travel and the effectiveness of offsetting projects.
- 2) **Adaptation to Climate Realities**- Paris had to install 2,500 temporary cooling units for athletes due to extreme heat, instead of being AC-free as planned.

## World Mangrove Day

**Context**- July 26 is the International Day for Conservation of Mangrove Ecosystems, established by UNESCO in 2015. This day highlights the unique and vulnerable nature of mangroves and promotes their sustainable management and conservation.

Mangroves, often called 'sentinels of the coast,' offer numerous benefits. They protect shorelines, mitigate storm and cyclone impacts, support fish nurseries, sequester carbon and nutrients, maintain genetic diversity, and provide other ecological advantages.

India's mangrove area grew from 4,046 sq km in 1987 to 4,992 sq km in 2019, as reported by the Forest Survey of India. This progress is notable compared to the global decline of 3.4% in mangrove cover since 1996.

### What are the issues with mangrove conservation in India?

- 1) **Decline in Natural Coastal Wetlands** -The National Decadal Wetland Change Atlas reports a decline in natural coastal wetlands from 3.69 million hectares in 2006 to 3.62 million hectares in 2018.
- 2) **Loss of Intertidal Mudflats** -Intertidal mudflats, important for migratory birds and carbon storage, have been reduced due to mangrove plantations and other causes. Changing these mudflats to mangrove areas leads to a loss of their vital functions.
- 3) **Restoration Challenge**- Mangrove restoration usually involves planting propagules, a method popular after the 2004 Indian Ocean Tsunami. However, these efforts face low survival rates and may not tackle the root causes of mangrove loss.
- 4) **Accommodation Space** -Mangroves need space to adjust to rising sea levels and accumulating sediments. In cities like Mumbai, where development encroaches on mangroves, the lack of this space can hinder their ability to adapt to climate change.
- 5) **Threats to Mangroves** -Mangroves are threatened by over-harvesting, pollution, land conversion, and development.
- 6) **Impact of Climate Change** -Climate change affects mangroves with rising sea levels, higher temperatures, and more frequent storms. While warmer temperatures could promote growth, increased storms and sea level rise are major challenges.

Read More- [Coral Bleaching](#)

### What should be the way forward?

- 1) **Broadening Policy Targets**: Policy should focus on overall coastal ecosystem health, not just expanding mangrove cover. Mangroves are interconnected with mudflats, lagoons, and other ecosystems, so preserving these areas and supporting coastal communities is more meaningful.
- 2) **Incorporating Climate Risks** -Managing mangroves and coastal ecosystems must address climate risks and include adaptation strategies. Climate models should be designed as per local hydrological and ecological conditions.

- 3) **Expanding Restoration Tools** - Mangrove restoration should expand to include hydrological and sediment restoration, along with combined grey-green solutions.
- 4) **Integrating Sector Plans**- Sector plans for water, disaster management, fisheries, and tourism must consider the needs of mangroves and coastal ecosystems.
- 5) **Assessing Ecosystem Values:** Coastal resilience should be based on understanding the value of ecosystems and involve everyone in society. The new National Coastal Mission may lead to these changes.

### Proposed amendments to India's Air Rules, 1982

**Context:** The article discusses proposed amendments to India's Air (Prevention and Control of Pollution) Rules, 1982, aimed at reducing air pollution. These changes will increase operational costs and oversight for industries, involve public feedback, and replace imprisonment with penalties for violations.

For detailed information on **AIR (Prevention and Control of Pollution) ACT, 1981** [read this article here](#)

#### What are the Proposed Changes to Air Pollution Rules?

1. The MoEFCC is introducing a **new chapter on adjudicating officers to grant quasi-judicial powers to bureaucrats** in state and central government's environment and pollution control departments.
2. This new chapter outlines conditions for their appointment, procedures for conducting inquiries, issuing penalties, and the factors to consider before imposing penalties.
3. Amendments under the Jan Vishwas (Amendment and Provisions) Act affect multiple laws, including the Air (Prevention and Control of Pollution) Act, Environment (Protection) Act, and Public Liability Insurance Act.
4. The changes include new sections like Section 39A and Section 16 of the EP Act, which did not exist before.
5. Section 53 of the Air Act is amended to detail the process for holding inquiries and imposing penalties by adjudicating officers.
6. Imprisonment for first-time violations will be replaced with monetary penalties to ease business operations.
7. Violators will face fines of Rs 10,000 and additional daily fines up to Rs 5,000 for continuous violations.
8. If penalties are not paid within 90 days, violators may face fines up to twice the penalty amount or imprisonment of up to three years.
9. Adjudicating officers will direct state pollution control boards or committees to initiate criminal proceedings if penalties remain unpaid.
10. Penalty amounts will be credited to the central government's Environmental Protection Fund.

#### How Will These Changes Affect Businesses?

1. Stricter oversight will be imposed, leading to higher compliance costs, especially for smaller companies. For example, businesses found violating the rules will face fines of Rs 10,000, with additional daily fines of Rs 5,000 for ongoing violations.
2. Imprisonment will be replaced by monetary penalties, aiming to ease business operations but still adding financial burdens.
3. Companies must also adhere to enhanced disclosure requirements for the Environmental Protection Fund.
4. The need for strict adherence to these new rules may affect the profitability of businesses as they adjust to



the new regulations.

5. Experts believe these changes, while costly, will create robust deterrents against pollution and benefit long-term environmental goals.

### How Can the Public Contribute?

1. The government has made these proposed amendments available in the public domain and is inviting comments and feedback from the public and interested parties.
2. Individuals can submit their objections or suggestions regarding the draft notification within 60 days from its issue date of July 24.

### Problems with the Extended Producer Responsibility (EPR) system

**Context:** The article discusses India's plastic waste issue, highlighting that only a quarter of the 4 million tonnes generated annually is recycled. Problems with the Extended Producer Responsibility (EPR) system, including fraudulent certificates and hacking, have led to an audit and system overhaul by the CPCB.

For detailed information on **the global plastics problem** [read this article here](#)

### How does the Extended Producer Responsibility (EPR) system work?

1. The Extended Producer Responsibility (EPR) system mandates that packagers, importers, and large industrial users of plastic packaging collect and recycle plastic waste.
2. These entities must register with the Central Pollution Control Board (CPCB).
3. Recyclers collect and recycle plastic waste, issuing certificates for each tonne recycled.

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

### What issues have arisen with the EPR system?

1. In 2022-23, the Central Pollution Control Board (CPCB) estimated 3.7 million tonnes of recycling certificates were generated.
2. Approximately 600,000 of these certificates were fraudulent.
3. Hackers stole and sold thousands of certificates, causing significant issues.

### What actions has the CPCB taken in response?

1. The CPCB commissioned an audit of nearly 800 firms, representing almost a fourth of the 2,300 registered recyclers.
3. This audit was aimed at identifying and addressing fraudulent activities within the EPR system.
4. The CPCB overhauled the security features of the EPR trading platform to prevent further fraud.
5. This security overhaul delayed the process of filing returns for 2023-24 by several months.
6. The CPCB aims to resolve these issues, considering them "teething problems" associated with implementing a large-scale electronic system.

## Subject: Internal Security

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

#### Commemoration of 25th Anniversary of Kargil War

**Context-** On July 26, the 25th anniversary of the Kargil War, Prime Minister honored the heroes who showed immense bravery despite the challenging Himalayan terrain. PM Highlighted that India not only won the war but also demonstrated "truth, restraint and strength."

#### What are the distinctive facets of Kargil War?

- 1) **First Post-Cold War Conflict** -In the post-Cold War era, this was the first time two neighboring nuclear states fought a limited but intense war over territory.
- 2) **Nuclear Restraint**-Both sides displayed nuclear restraint and avoided a destructive escalation.
- 3) **Strategic Decision**- Prime Minister Atal Bihari Vajpayee's decision to remove intruders without crossing the Line of Control reassured the global community of India's limited military objective.
- 4) **Media Impact**- This was India's first televised war, boosting public awareness and nationalism. Captain Vikram Batra's "Yeh Dil Mange More" became a memorable rallying cry.

#### What are major omissions and inadequacies of Kargil War?

- 1) **Inter-Service Cooperation**-There was a lack of inter-service cooperation, especially between the Army and the Air Force.
- 2) **Intelligence Failure:** - The covert intrusion by Pakistani troops is attributed to insufficient timely intelligence. Some sources blame the RAW (Research and Analysis Wing) for the failure.

#### What are the Post-Kargil Reforms undertaken by the then government?

- 1) **Kargil Review Committee (KRC)**- Established on July 29, 1999, it submitted its report by mid-December 1999.
- 2) **Group of Ministers (GoM)**- Formed on April 17, 2000, to review the national security system. It established four Task Forces to focus on intelligence, internal security, border management, and defense management.
- 3) **Task Forces (TFs)**- Led by external experts from outside the government, it submitted its findings by September 2000. The reports were presented to Parliament and made available to the public in redacted versions.

**Read More-** [National Security Strategy of India](#)

#### What were the Challenges in Implementation?

- 1) **Incomplete Implementation**- The Vajpayee government's focus shifted due to other major events, such as 9/11 and the December 2000 Parliament attack. This left the implementation of the GOM TF recommendations unfinished.
- 2) **Subsequent Security Lapses**- Just a decade after the Kargil War, India faced terror attacks again: in Mumbai in November 2008 and in Galwan in June 2020.

#### What should be the way forward?

- 1) There is a need to learn from the Kargil War, implement broad national security reforms, and avoid politicizing security issues.

2) The current government should build on the foundations set by the previous administrations by focusing on transparency, parliamentary discussions, and a non-partisan approach to national security.

## Subject: Disaster Management

### Topic- Disaster and Disaster Management

#### Urban Flooding and Building Safety

**Context-** A tragic accident at an IAS coaching center in New Delhi killed three students due to basement flooding. This incident highlights the growing issue of local urban flooding that is aggravated by human errors. As India urbanizes and land values rise, buildings are often used for different purposes than originally planned. In mixed-use buildings, basements are frequently turned into income sources. This can lead to unsafe practices. Basements have limited access and ventilation, making them prone to flooding. Water collects there first, creating hazards for occupants.

#### What are the regulations regarding usage of basement?

- 1) Rules prohibit using basements for living spaces, offices, or residences. However, they can be used for storage, parking, and utilities like electrical equipment and generators.
- 2) The Delhi Master Plan 2021 requires coaching centers to get approval from fire authorities and other relevant bodies before using basements.

#### What are the reasons behind this tragic incident?

- 1) **Permits and Notifications-** It's unclear if the IAS coaching Centre had the proper permits or notified authorities about basement changes. In India, people often avoid reporting such changes to bypass bureaucratic hassles and potential bribes.
- 2) **Issues with Civic Infrastructure-** The incident at the coaching centers reveals problems with inadequate infrastructure. A burst stormwater drain flooded the basement, highlighting a common issue in many cities where routine flooding is caused by poor land use and construction practices. For ex- in 2015, Chennai's inadequate infrastructure caused basement flooding that damaged electrical equipment and disrupted businesses.

#### What are the common flooding issues in Indian cities?

1. **Outdated Drainage Systems:** Many cities, including Delhi and Mumbai, have old drainage systems that cannot handle heavy rainfall. For example, parts of Delhi were submerged multiple times this year.
2. **Poor Urban Planning:** Urban planning often ignores local hydrology, worsening flood impacts. Cities like Pune and Mumbai have struggled with ineffective planning.
3. **Climate Change:** Climate change increases the intensity of extreme weather events. Cities like Mumbai and Pune experienced nearly 45% more rainfall than usual. This exacerbates flooding and damage in these cities.

Read More- [Urban Flooding in India-Causes, Impacts and Remedies](#)

#### What should be the way forward?

- 1) **Flood-Resilient Building Design-**

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- A) Ensuring no water entry up to 1-1.5 meters above road level
- B) Using concrete, non-porous compound walls
- C) Installing flood-barrier gates
- D) Implementing non-return valves on plumbing lines.

**2. Climate Action Plans:** Mumbai and Pune have plans for climate adaptation. Mumbai's plan includes collaboration with industry, academia, and civil society, but implementation is slow.

**3. Inconsistent Drain Improvement:** Stormwater drain projects in cities like Mumbai and Pune have progressed unevenly, indicating a need for more consistent efforts.

**4. Advanced Warning Systems:** Buenos Aires uses 30,000 sensors in stormwater drains to issue early flood warnings, demonstrating a proactive approach that Indian cities could adopt.