

# DAILY CURRENT AFFAIRS

27<sup>th</sup> December, 2023

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554



S.NO.	ΤΟΡΙΟ		
1.	YOUTH UNEMPLOYMENT IN INDIA		
2.	TUBERCULOSIS IN INDIA		
3.	PRELIMS POINTERS		
	YOUTH UNEMPLOYMEN	Γ IN INDIA	
SOURC	CE: <u>THE HINDU</u>		
WHY	IN NEWS?		
$\succ$	The <b>issue of youth</b> unemployment in India has garnered rer	newed attention, <b>sparked by recent events like</b>	
	the breach in Parliament.		
	Despite official data indicating an <b>overall decline in unemployment rates</b> , <b>concerns persist, particularly</b>		
	regarding highly educated youth.		
	persistent challenge in the Indian labour market.		
	As the country grapples with the complex dynamics of edu	• • •	
	the spotlight on rising youth unemployment underscores t	he need for comprehensive strategies to	
	address this long-standing issue.		
YOUT	TH UNEMPLOYMENT IN INDIA:		
$\checkmark$	Overview:		
	<ul> <li>In 1932, M Visvesvaraya highlighted the issue of u</li> </ul>	nemployment among the educated in India.	
	<ul> <li>Recent events, such as the Parliament breach,</li> </ul>		
	have reignited concerns about youth	Indian Unemployment Steady,	
	unemployment.	But Youth Suffers	
	<ul> <li>The youth unemployment rate refers to those in</li> </ul>	Average unemployment rate in India (2019-2023)	
	the workforce wh <mark>o</mark> are aged 15 to 2 <mark>4 ye</mark> ars and	25% Unemployment	
	without a job, but a <mark>ctively</mark> seeking o <mark>ne</mark> .	by age group Sep-Dec '22 15-19 y/o 53.5%	
	Generally, youth unemployment rates <b>are higher</b>	20% 15-19 % 53.5% 20-24 y/o 44.9% 25-29 y/o 12.9%	
	than the adult unemployment rates, and India is	15%	
	no exception: youth unemployment in India is	10%	
	significantly <b>higher than the national</b>	-m hallower	
	unemployment rate.	5%	
	<ul> <li>Despite official data indicating a decline in the</li> <li>Despite official data indicating a decline in the</li> </ul>	0%	
	overall unemployment rate from 6.1% in 2017-18	2019 2020 2021 2022 '23	
$\triangleright$	to 3.2% in 2022-23, significant challenges persist. Demographic Dividend:	* week of March 19 Source: Centre for Monitoring Indian Economy	
	✓ India is home to more than 600 million people age	d between 18 and 35, with 65% under the age	
	of 35.	a between 18 and 55, with 65% under the age	
	<ul> <li>India's demographic dividend is expected to persist</li> </ul>	t at least until 2055–56 and will peak around	
	2041, when the share of the working-age populati	•	
$\succ$	Economic Opportunity:	,	
	<ul> <li>The demographic dividend presents a significant ed</li> </ul>	conomic opportunity, especially for	
	accelerating growth in the manufacturing sector, V		
	been to shift the mindset of the youth from being	jobseekers to job creators.	
	✓ Automation and groundbreaking advancements in	technology are fundamentally changing the	
	nature of work in more ways than one can think.		
	53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar,New Delhi -110060		
w	ww.tathastuics.com 9560300770, 9560	0300554 enquiry@tathastuics.com	



Trends such as demographic transitions and technological changes such as Industry 4.0, Web **3.0**, extended reality technology and AI are bringing immense possibilities that will forever change lives.

**Global Youth Unemployment Scenario:** 

IATHAST

- From 2000 until 2019, youth unemployment fluctuated between 13 and 15.5 percent, before it rose above 18 percent in 2020 during the Covid-19 pandemic.
- ✓ The world region with the **highest youth unemployment rate has been the Arab World** for the past two decades, while East Asia and the Pacific has generally had the lowest rate.
- ✓ Apart from the sharp rise in 2020, the most notable increase came in 2009 as a result of the Great Recession; while this increase can be observed on a global scale, its impact on youth unemployment was more severely felt in more advanced economies in Europe and North America.

#### Indian Context:

- In 2022, the estimated youth unemployment rate in India was at 23.22 percent.
- ✓ According to the source, the data are **ILO estimates**. For the past decade, India's youth unemployment rate has been hovering around the 22 percent mark.

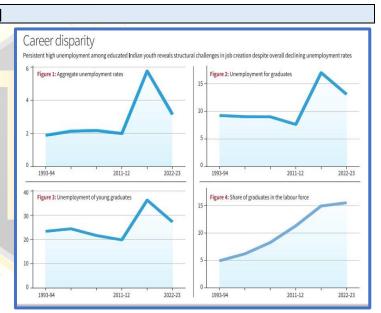
#### Periodic Labour Force Survey (PLFS): [source: PIB]

#### $\geq$ Introduction to PLFS:

- ✓ Launched by the National Sample Survey Office (NSSO) in April 2017.
- Aims to provide frequent labor force data, emphasizing key employment and unemployment indicators.

#### **Objectives of PLFS:** $\triangleright$

- Estimate employment and unemployment indicators in a short three-month interval for urban areas in the 'Current Weekly Status.'
- Provide annual estimates for both rural and urban areas in both 'Usual Status' (ps+ss) and CWS.



- Key Highlights of Annual Reports and Survey Periods:
  - ✓ Five annual reports released for survey periods: July 2017-June 2018 to July 2021-June 2022.
  - ✓ Sixth Annual Report covers data collected during July 2022-June 2023.

#### Age Specific Labour Force Participation Rate:

- ✓ Increasing Trend in Labour Force Participation Rate (LFPR) for persons of age 15 years and above.
- ✓ In rural areas, LFPR increased from 50.7% in 2017-18 to 60.8% in 2022-23 while for urban areas it increased from 47.6% to 50.4%.
- LFPR for male in India increased from 75.8% in 2017-18 to 78.5% in 2022-23 and corresponding increase in LFPR for female was from 23.3% to 37.0%.
- $\geq$ Age Specific Worker Population Ratio (ASWFPR):
  - ✓ Increasing Trend in Worker Population Ratio (WPR) for persons of age 15 years and above.
  - $\checkmark$ In rural areas, WPR increased from 48.1% in 2017-18 to 59.4% in 2022-23 while for urban areas it increased from 43.9% to 47.7%.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

#### www.tathastuics.com

#### 9560300770, 9560300554



✓ WPR for male in India increased from 71.2% in 2017-18 to 76.0% in 2022-23 and corresponding increase in WPR for female was from 22.0% to 35.9%.

#### UNEMPLOYMENT CHALLENGES PERSIST AMONG EDUCATED YOUTH IN INDIA:

#### High Graduate Unemployment:

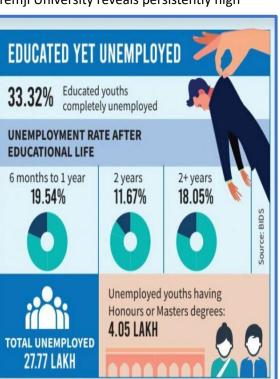
- The State of Working India 2023 report by Azim Premji University reveals persistently high unemployment rates among educated youth, particularly graduates under 25,
  - reaching a significant 42.3%.

#### Education Disparities:

 The report highlights a doubling of the unemployment rate for graduates under 25 compared to youth with only higher secondary education in the same age group, raising concerns about education-toemployment transitions.

#### Job Nature Concerns:

- While graduates eventually find jobs, the report questions the nature of these jobs, emphasizing the importance of matching skills and aspirations with employment opportunities.
- Changing Work Dynamics:
  - The document underscores shift in India's work landscape, with an increase in salaried workers and a decrease in casual labor.



- However, concerns arise regarding the contribution of manufacturing jobs to the economy.
- Widening Gender Employment Gap:
  - ✓ Gender norms continue to influence women's employment decisions, with a U-shaped relationship between a husband's income and the likelihood of the wife working.
  - Distress-led self-employment among women has risen post-COVID.
- Impact of Economic Distress:
  - ✓ The rise in self-employment is linked to economic distress, with a drop in real earnings.
  - ✓ The report analyzes the changing dynamics of female employment rates and the overall impact on self-employment.

#### Job Creation Challenges:

While between 2004 and 2019, there was a surge in annual creation of salaried jobs, the report notes a decline in job creation in regular wages due to the economic slowdown and the disruptive impact of the COVID-19 pandemic.

#### Intergenerational and Caste Dynamics:

- ✓ Gender norms are influenced by intergenerational factors, with the presence of employed mothers-in-law positively impacting daughters-in-law's employment.
- ✓ The report also points out the under-representation of SC and ST owners in businesses, particularly in firms with more than 20 workers.
- Gender Wage Disparities:
  - ✓ Analysis indicates gender wage disparities among SC and ST women workers compared to those from the general category in salaried work.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554



#### GOVERNMENT INITIATIVES TO ADDRESS YOUTH UNEMPLOYMENT:

Scheme/Program Name	Objectives
Atmanirbhar Bharat Rojgar Yojana (ABRY)	<ul> <li>Incentivize employers for creating new employment, provide social security benefits, and restore loss of employment during the Covid-19 pandemic.</li> </ul>
Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)	<ul> <li>✓ Incentivize employers for the creation of new employment opportunities.</li> <li>✓ Beneficiaries registered until March 31, 2019, continue to receive benefits for three years from the date of registration.</li> </ul>
National Career Service (NCS) Project	<ul> <li>Transform the National Employment Service to provide career-related services like job matching, career counseling, vocational guidance, information on skill development courses, apprenticeship, internships, etc.</li> </ul>
Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	<ul> <li>Provide at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer for unskilled manual work.</li> </ul>
Aajeevika - National Rural Livelihoods Mission (NRLM)	<ul> <li>Create efficient institutional platforms for rural poor, enabling them to increase household income through sustainable livelihood enhancements and improved access to financial services.</li> </ul>
Pt. Deen Dayal Upadhyaya Grameen Kaushlya Yojana (DDU-GKY)	<ul> <li>Provide placement-linked skill development for rural poor youth in the age group of 15-35 years under the National Rural Livelihoods Mission.</li> </ul>
Rural Self Employment and Training Institutes (RSETIs)	<ul> <li>✓ Impart training and skill upgrading to rural youth geared towards entrepreneurship development.</li> <li>✓ Managed by banks with cooperation from the Government of India and State Governments.</li> </ul>
PM- SVANidhi Scheme	<ul> <li>Provide collateral-free working capital loans to street vendors in urban areas to resume businesses affected by the Covid-19 lockdown.</li> </ul>
Deendayal Antyodaya Yojana - National Urban Livelihoods Mission (DAY-NULM)	<ul> <li>Reduce poverty and vulnerability of urban poor households by enabling access to gainful self-employment and skilled wage employment opportunities.</li> </ul>
Prime Minister's Employment Generation Programme (PMEGP)	<ul> <li>Generate self-employment opportunities by establishing micro-enterprises in the non-farm sector, aiding traditional artisans and unemployed youth.</li> </ul>
Pradhan Mantri MUDRA Yojana (PMMY)	<ul> <li>Provide loans up to 10 lakh to non-corporate, non-farm small/micro enterprises through three products: 'Shishu,'</li> <li>'Kishore,' and 'Tarun.'</li> </ul>

www.tathastuics.com

9560300770, 9560300554

## Institute of Civil Services

	E Institute of CIVII Services		
	Pradhan Mantri Kaushal Vikas Yojana (PMKVY)	<ul> <li>Enable Indian youth to take up industry-relevant skill training for better livelihoods.</li> </ul>	
	Production-Linked Incentive (PLI) Scheme	<ul> <li>Create national manufacturing champions, generate jobs, and boost production in 14 key sectors over the next 5 years.</li> </ul>	
	PM GatiShakti - National Master Plan for Multi-Modal Connectivity	<ul> <li>Provide multimodal connectivity infrastructure to various economic zones for economic growth and sustainable development.</li> <li>Driven by 7 engines: Railways, Roads, Ports, Waterways, Airports, Mass Transport, and Logistics Infrastructure.</li> </ul>	
WAY	FORWARD FOR EMPLOYMENT G	ENERATION IN INDIA:	
$\triangleright$	Comprehensive National Employment Policy:		
	<ul> <li>Urgent need for a comprehensive National Employment Policy similar to the National Education</li> </ul>		
	Policy.		
	<ul> <li>A policy document to pr</li> </ul>	ovide guiding principles, action agenda, and resource allocation.	
$\triangleright$	Reform of Factor Markets:		
		ts are largely unreformed in India.	
		our markets to increase land supply and enhance labor flexibility for	
$\triangleright$	Devolution of Power to Local Be	odies:	
		and local bodies for effective job creation initiatives.	
	-	crucial for improving labour market information, skill-building, and	
	implementing market-fr		
$\triangleright$	Agile Education and Skilling Eco	·	
ŕ		of responsive skilling and educational institutions.	
		ligning with skill-demand trends for quick translation into relevant	
	courses and certificatio		
$\triangleright$	Universal Income Support Syste		
		rsical subsidy system with cash-based universal or targeted income	
	support systems.		
		ransfer to various subsidies, creating new markets and enhancing labour	

- mobility.
- > Focus on High Employment Elasticity Sectors:
  - $\checkmark$   $\;$  Prioritize support for sectors with high employment elasticity.
  - ✓ Examples include construction, real estate, logistics, transport, apparel, leather products, furniture, education, healthcare, and app-based services.
- Scale Up Apprenticeship and Fixed Period Job Contracts:
  - $\checkmark$  Significantly increase apprenticeship opportunities.
  - Legislate in favour of fixed-term job contracts with portable social security benefits to reduce bias towards capital-intensive investments.
- > Legislative Support for Job Creation:
  - ✓ Enable employers to offer fixed-term contracts with supportive legislation.
  - ✓ Formalize employment contracts, creating millions of jobs and reducing the bias towards capitalintensive investments.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

#### www.tathastuics.com

9560300770, 9560300554



#### **TUBERCULOSIS IN INDIA**

#### SOURCE: THE HINDU

#### WHY IN NEWS?

- India's battle against tuberculosis (TB) has gained significant attention due to recent advancements in TB treatment approaches.
- The country, which bears 27% of the global TB burden, has been actively addressing challenges in TB care and treatment.
- Studies conducted in India and globally have explored new drug regimens for TB treatment.
- Promising results suggest the possibility of reducing the treatment duration from six to four months, a groundbreaking development.

#### UNDERSTANDING TUBERCULOSIS (TB):

IATHASTU nstitute of Civil Services

- > Tuberculosis (TB):
  - ✓ Infectious disease affecting the lungs or other organs caused by the bacterium Mycobacterium tuberculosis.
    Tuberculosis
  - It can be latent (inactive) or active, leading to TB disease.
- Stages of TB:
  - ✓ Primary Infection: Initial exposure to the bacterium.
  - Latent TB Infection (LTBI): Bacterium is dormant; no symptoms.
  - Active TB Disease: Bacterium becomes active, causing symptoms and being contagious.
- > Types of TB:
  - ✓ *Pulmonary TB:* Affects the lungs (most common).
  - Extrapulmonary TB: Affects organs other than the lungs.
  - Systemic Miliary TB: Spreads throughout the body, impacting various organs.
- Transmission and Spread:
  - ✓ Spread through the air when a person with active TB coughs, sneezes, talks, or laughs.
  - ✓ Contagious only in the active stage; latent TB is not contagious.
  - ✓ Most infections result in latent TB, with the bacterium becoming active if the immune system weakens.
- Signs and Symptoms:
  - ✓ Inactive TB: No symptoms, positive skin or blood test.
  - ✓ Active TB: Cough (lasting > two weeks), chest pain, coughing up blood, fatigue, weight loss, chills, fever, night sweats.
- Diagnosis and Tests:
  - ✓ Screening tests include Mantoux tuberculin skin test (TST) and interferon gamma release assay (IGRA).
  - ✓ Additional tests for active infection: sputum and lung fluid analysis, chest X-ray, CT scans.

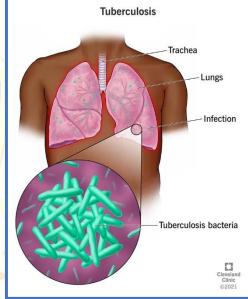
#### TB IN INDIA: KEY HIGHLIGHTS FROM GLOBAL TB REPORT 2023

- India's TB Burden:
  - ✓ India accounts for 27% of global TB cases, maintaining the highest incidence worldwide.
  - ✓ Despite positive strides, the goal of **TB elimination by 2025 faces challenges**.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554





#### Mortality Data Revision:

- Sudden drop in TB mortality noted in 2023 report due to revised data source (Sample Registration System).
- India's TB mortality reduced from 4.94
   lakhs (2021) to 3.31 lakhs (2022).
- ✓ Global mortality contribution by India decreased from 36% to 26% in 2022.

#### Reporting Trends:

- Increase in reporting of TB cases in India, surpassing pre-pandemic levels with 24.2 lakh cases in 2022.
- Positive trend despite the global decline in TB reporting during the pandemic.

#### > TB Incidence in India:

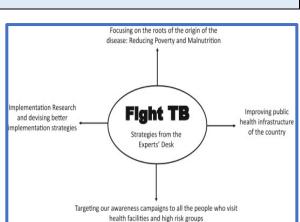
- Nearly 28.2 lakh people contracted TB in India in 2022, translating to one new case every 11 seconds.
- India's contribution to the global burden slightly reduced from 28% to 27%.
- National TB Prevalence Survey:
  - India was the only country to complete a National TB prevalence survey since 2019, contributing to estimates.
- TB Treatment Coverage:
  - ✓ India achieved a 19% increase in TB treatment coverage, surpassing 80%.
  - ✓ One of the four high-burden countries with over 80% treatment coverage.
- Target for TB Elimination:
  - India's target: Eliminate TB by 2025, with a goal of no more than 44 new cases per lakh population.
  - ✓ Challenges in achieving the target as the 2023 report indicates 199 cases per lakh population.

#### CURRENT CHALLENGES IN TUBERCULOSIS CONTROL IN INDIA:

- High Mortality Rate:
  - Two deaths occur every three minutes from TB in India.
  - Challenges include poor primary health-care infrastructure, unregulated private healthcare, and spreading HIV infection.

#### Misconceptions and Transmission Sources:

- Misconception persists that TB is a disease of the poor, mainly in slums.
- Affluent individuals are at risk due to asymptomatic carriers, emphasizing the need for awareness.

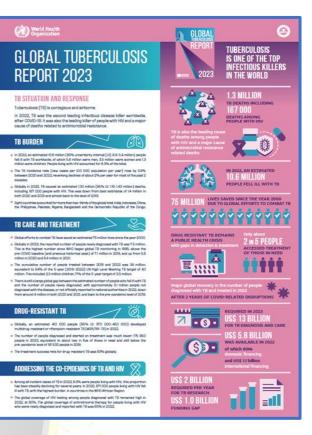


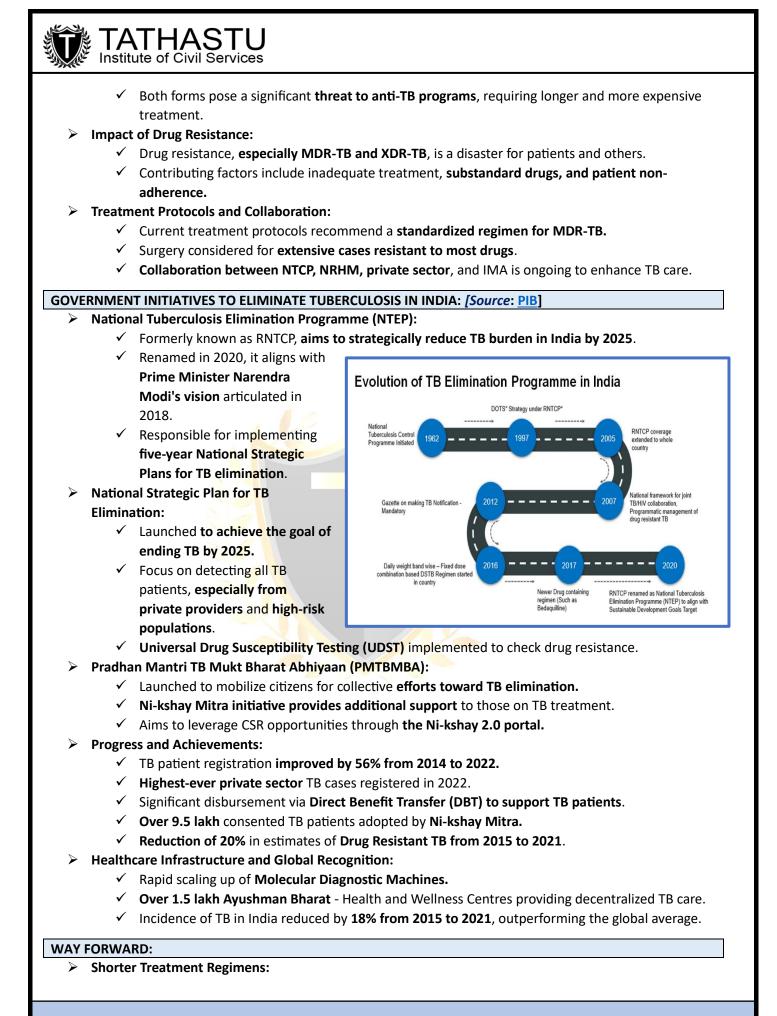
- ✓ Unpasteurized milk or dairy products from raw milk can be a potential source of TB transmission.
- Multidrug-Resistant Tuberculosis (MDR-TB) and Extensively Drug-Resistant TB (XDR-TB):
  - ✓ MDR-TB strains resistant to Isoniazid and Rifampicin; XDR-TB resistant to additional drugs.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

#### www.tathastuics.com

#### 9560300770, 9560300554





53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554



- ✓ Adopt innovative approaches, such as four-month drug regimens, for more effective TB treatment, especially in children.
- ✓ Integrate recent global studies, like the SHINE trial, into national guidelines to reduce the treatment duration.

#### > Integration of New Approaches:

- ✓ Collaborate with global and local researchers to identify safe, effective, and implementable drug combinations for TB treatment.
- Align national guidelines with World Health Organization (WHO) recommendations, embracing advancements in TB care.

#### Political Commitment and Innovation:

- ✓ Leverage India's growing political commitment to prioritize TB eradication efforts.
- ✓ Encourage policymakers to adopt innovative approaches, including efficient drug combinations, to enhance treatment outcomes.

#### Cost Considerations:

- Mitigate costs through negotiations between stakeholders and drug manufacturers, drawing lessons from successful global experiences.
- Lower drug prices to facilitate the widespread adoption of newer, shorter-duration, and less toxic drug combinations.

#### Active Screening and Case Detection:

- Implement active screening and case detection strategies to promptly identify and treat TB cases.
- Emphasize the urgency of early intervention and treatment, aligning with the vision of being TBfree ahead of global targets.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060



### **PRELIMS POINTERS:**

ΤΟΡΙϹ	DISCRIPTION	
INS Imphal	WHY IN NEWS?	
	INS Imphal, a Project 15B stealth guided missile destroyer, commissioned into	
	the Indian Navy at Mumbai Naval Dockyard on December 26, 2023.	
	Described as a shining example of 'Aatmanirbharta' in defence, INS Imphal	
	reflects India's commitment to self-reliance in national security.	
	FEATURES OF INS IMPHAL	
	Class and Type:	
	<ul> <li>Project 15B stealth guided missile destroyer.</li> </ul>	
	Commissioning:	
	🖝 Commissioned on December 26,	
	2023, at Mumbai Naval Dockyard.	
	Dimensions:	
	<ul> <li>Length: 163 meters.</li> </ul>	
	Breadth: 17 meters.     INDIAN NAVY GETS NEW MISSILE	
	<ul> <li>Displacement: 7,400 tonnes.</li> </ul>	
	Propulsion:	
	Powered by four Gas Turbines in a Combined Gas & Gas configuration.	
	<ul> <li>Capable of speeds exceeding 30 knots.</li> </ul>	
	✤ Stealth Features:	
	Enhanced stealth features to reduce Radar Cross Section.	
	<ul> <li>Efficient hull shaping, full beam superstructure design, plated masts, and</li> </ul>	
	radar transparent material on exposed decks.	
	✤ Armament:	
	<ul> <li>Equipped with state-of-the-art weapons and sensors.</li> </ul>	
	<ul> <li>Surface-to-Surface Missiles.</li> </ul>	
	<ul> <li>Surface-to-Air Missiles.</li> </ul>	
	<ul> <li>Anti-Submarine Warfare (ASW) rocket launchers.</li> </ul>	
	<ul> <li>Torpedo launchers.</li> </ul>	
	INS Visakhapatnam	
	<ul> <li>PROJECT 15B AND VISAKHAPATNAM CLASS:</li> <li>♦ Project 15B involves the construction of</li> <li>INS Mormugao</li> <li>INS Mormugao</li> <li>INS Surat</li> </ul>	
	four Visakhapatnam class stealth-guided	
	missile destroyers.	
	missile destroyers.	
	ACKGROUND AND PREVIOUS CLASSES:	
	Kolkata class destroyers preceded Visakhapatnam class, with INS Kolkata, INS	
	Kochi, and INS Chennai commissioned under Project 15A.	
	Delhi class destroyers, commissioned between 1997 and 2001 under Project 15,	
	preceded the Kolkata class.	
KUDANKULAM	WHY IN NEWS?	
NUCLEAR	India and Russia signed significant agreements related to the construction of	
	future power-generating units at the Kudankulam nuclear power plant.	
POWER PLANT		

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554



# Institute of Civil Services

	External Affairs Minister S. Jaishankar, during his visit to Russia, announced the	
	signing of these "very important" agreements.	
	KUDANKULAM NUCLEAR POWER PLANT OVERVIEW	
	<ul> <li>Location:</li> <li>Kudankulam Nuclear Power Plant (KNPP) is located in Tamil Nadu's Tirunelveli district, 650km south of</li> </ul>	
	Chennai.	
	<ul> <li>Capacity and Phases:</li> <li>Upon completion, the plant will have six units with a combined capacity of 6,000 MW by 2027.</li> </ul>	
	<ul> <li>Phase One: Two 1,000 MW units commissioned in 2013 and 2016.</li> </ul>	
	<ul> <li>Phases Two and Three: Additional four units under construction,</li> </ul>	
	<ul> <li>Cost and Delays:         <ul> <li>The total project cost for all six units is Rs1.11tn (\$16.3bn).</li> <li>Delays were experienced due to local protests and safety concerns.</li> </ul> </li> <li>Technology and Safety:         <ul> <li>KNPP uses VVER-1000 type reactors, marking India's first use of imported PWR technology.</li> <li>Safety features include AES- 92 with active and passive measures, ensuring operational reliability.</li> </ul> </li> <li>All six units expected to be operational by 2027, with unit-wise commissioning.</li> <li>TVS-2M nuclear fuel batches received in June 2027.</li> </ul>	
INDIA'S FISCAL DEFICIT CONCERNS	<ul> <li>WHY IN NEWS?</li> <li>India's fiscal deficit, targeted at 5.9% of GDP, is at risk of exceeding this goal and could potentially reach 6%.</li> <li>Despite buoyant tax collections, the fiscal deficit is under pressure, with concerns that it might surpass the 5.9% target.</li> <li>The shortfall in disinvestment outcomes is a significant factor contributing to the fiscal concerns.</li> </ul>	
	UNDERSTANDING FISCAL DEFICIT	
53/1, Upper	Ground Floor, Bada Bazar Road, Old Rajinder Nagar,New Delhi -110060	

www.tathastuics.com

9560300770, 9560300554



- A fiscal deficit arises when a government's spending exceeds its total income.
- It represents the difference between the government's total expenditure and its total income.
- ✤ Calculation:
  - Fiscal deficit can be calculated as an absolute amount or as a percentage of the country's Gross Domestic Product (GDP).
- Income and Expenditure Components:
  - Total income considered for fiscal deficit calculation includes taxes and other

The fiscal deficit road map (as a % of GDP)

	Years	Budget estimates	Actual
	2017-18	3.2	3.5
129	2018-19	3.3	3.4
	2019-20	3.3	4.6
	2020-21	3.5	9.2
	2021-22	6.8	6.7
es Mai	2022-23	6.4	-
	2023-24	5.9	-

revenues, excluding money borrowed by the government.

- ✤ Significance:
  - Fiscal deficit indicates that a government is spending beyond its available resources.
  - It often results in the government resorting to borrowings to cover the shortfall.
- Fiscal Responsibility and Budget Management (FRBM) Act:
  - Enacted in 2003, the FRBM Act aims to ensure intergenerational equity, long-term macroeconomic stability, coordination of fiscal and monetary policies, and transparency.
  - It sets a key target of limiting the Fiscal Deficit to 3% of GDP, although target dates have been extended through amendments.
- 15th Finance Commission Recommendations:
  - The commission suggests reducing the Union Government's fiscal deficit to 4% of GDP by 2025-26.
  - For State Governments, recommended fiscal deficit limits are 4% (2021-22), 3.5% (2022-23), and 3% (2023-26) of Gross State Domestic Product (GSDP).

#### HARMFUL IMPACTS OF HIGH FISCAL DEFICIT

- Crowding-out effect, reducing private sector financing.
- Higher Interest Rates due to increased government borrowing.
- Inflationary pressures resulting from increased money supply.
- Possibility of falling into a Debt Trap and external dependence.

#### PRIMARY DEFICIT

- Primary Deficit is the difference between the fiscal deficit (total income total expenditure of the government) of the current year and the interest paid on the borrowings of the previous year.
- It indicates the borrowing requirements of the government for the purposes, excluding the interest payment
- Primary Deficit = Fiscal Deficit Interest Payment

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554

### Institute of Civil Services

WHY IN NEWS? PLACES IN **50% Drop in Shipping:** Trade via the **Panama Canal has decreased by over 50% NEWS** due to drought conditions along the 51-mile stretch. PANAMA Shift to Suez Canal: Ships traveling from Asia to the US are compelled to use CANAL the Suez Canal, adding six days to their journey compared to the Panama Canal. REASON Dry Rainy Season: Decades-Long Dry Spell: Panama is experiencing its driest rainy season in decades, raising concerns about **prolonged bottlenecks at the canal**. • Potential Implications: The extended dry spell may exacerbate canal challenges, impacting global shipping routes. **PROJECTED CANAL TRAFFIC:** Significant Reduction: The number of Very Large Gas Carriers transiting the Panama Canal is anticipated to nearly halve by February 2024. Possible Zero Transits: Concerns are emerging that transits through the canal might drop to zero by January, posing challenges to global trade routes. PANAMA CANAL OVERVIEW Geographical Significance: Strategic Waterway: The Panama Canal is a vital artificial waterway connecting the Atlantic © WorldAtlas.com and Pacific oceans, situated across the Panama Isthmus of Panama. Global Importance: Considered one of the world's two most strategic artificial Colombia waterways, alongside the Suez Canal. PANAMA acific Ocear ••• Dimensions: Length: Spanning approximately 80 kilometers, the canal plays a crucial role in facilitating maritime trade and navigation. Historical Construction: U.S. Involvement: Constructed by the United States, the canal project took place between 1904 and 1914. • Official Opening: The canal was officially opened on August 15, 1914, marking a significant achievement in engineering and maritime history. Sovereignty Transition: Transfer to Panama: The oversight and administration of the Panama

 Transfer to Panama: The oversight and administration of the Panama Canal were transferred from the United States to the Republic of Panama in 1999.

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554



	<ul> <li>Current Ownership: Presently owned and administered by the</li> </ul>	
	Republic of Panama, signifying Panama's control over this crucial	
	waterway.	
	WHY IN NEWS?	
VEER BAL	<ul> <li>In January 2022, the Central Government declared December 26 as 'Veer Bal</li> </ul>	
DIWAS	Diwas' to commemorate the martyrdom of Guru Gobind Singh's younger sons.	
	Diwas to commemorate the martyroom of Gara Gobina Singh's younger sons.	
	HISTORICAL SIGNIFICANCE	
	✤ Chamkaur battle:	
	Sikhs annually observe Shaheedi Jor Mela or Shaheedi Sabha in	
	Punjab's Chamkaur Sahib and	
	Fatehgarh Sahib to honor the	
	supreme sacrifice made by	
	Guru Gobind Singh's family	
	during the historic battle of	
	Chamkaur in December 1704.	
	Guru Gobind Singh's younger           Veer Bal Diwas	
	sons, Sahibzada Zorawar Singh JI. With supreme courage they stood against the brutal Mughal rule and chose JI. With supreme courage they stood against the brutal Mughal rule and chose	
	and Sahibzada Fateh Singh, matyrdom, refusing to convert. Their unmatched valor will continue to inspire generations to come	
	along with their grandmother	
	and two elder brothers, were	
	martyred during this period.	
	Attack on Anandpur Sahib:	
	<ul> <li>Guru Gobind Singh's raising of an army and the establishment of the</li> </ul>	
	Khalsa in 1699 raised concerns among neighboring kings and the	
	Mughals.	
	The hill kings and Mughals, led by Bheem Chand and Raja Hari Chand,	
	attacked Anandpur Sahib in 1704, violating agreements and besieging	
	the city.	
	Battle of Sarsa and Chamkaur Sahib:	
	<ul> <li>The battle ensued near the river Sarsa, leading to the separation of</li> <li>Curry Cohing Singh's family members in different directions</li> </ul>	
	Guru Gobind Singh's family members in different directions.	
	<ul> <li>Guru Gobind Singh and his followers faced a siege at Chamkaur Sahib,</li> <li>where a small number of Silks confronted a massive Muschel and hill</li> </ul>	
	where a small number of Sikhs confronted a massive Mughal and hill kings' army	
	kings' army.	
	Martyrdom of Sahibzade and Mata Gujari:	
	<ul> <li>Sahibzada Ajit Singh and Sahibzada Jujhar Singh sacrificed their lives in the battle at Chamkaur on December 22</li> </ul>	
	the battle at Chamkaur <b>on December 22.</b>	
	<ul> <li>Sahibzada Zorawar Singh and Sahibzada Fateh Singh, along with Mata</li> <li>Guiari, wore imprisoned faced bardshing, and wore eventually.</li> </ul>	
	Gujari, were imprisoned, faced hardships, and were eventually martyred for refusing to convert to Islam	
	martyred for refusing to convert to Islam.	
	<ul> <li>Legacy and Observance:</li> <li>The observance of Veer Bal Divise on December 26 is a tribute to the</li> </ul>	
	<ul> <li>The observance of Veer Bal Diwas on December 26 is a tribute to the courage and sacrifice of Guru Gobind Singh's younger sons,</li> </ul>	
	symbolizing the resilience of the Sikh community.	
	symbolizing the resilience of the sixh community.	

53/1, Upper Ground Floor, Bada Bazar Road, Old Rajinder Nagar, New Delhi -110060

www.tathastuics.com

9560300770, 9560300554