

ECONOMY

Context: Factors that can assist India in rising out of its current recession, GDP growth in India, and GDP calculation methods.

In News, why?

- In the second quarter (Q2) of 2023–24, which ran from July to September, India's Gross Domestic Product (GDP) increased by 7.6%, according to the most recent data from the Ministry of Statistics and Programme Implementation (MoSPI).
- In Q2, India's economy saw a decrease in the agricultural sector, an increase in manufacturing, and a slowdown in the services sector.

What Role Does This Growth Data Play?

- This degree of economic development not only surpasses all market predictions, but it is also fairly impressive.
- The GDP estimate for the entire fiscal year has been revised upward in a rush of adjustments following the latest quarterly GDP increase.
- Though originally sounding bullish in comparison to other experts, it seems that India's central bank predicted the country's GDP growth rate for the fiscal year properly.
- Now that other experts have updated their estimates to match the bank's 6.5% forecast, it appears that the Reserve Bank of India (RBI) made a precise prognosis.
- This also means that RBI is unlikely to cut interest rates sooner than expected. Had the growth rate been below market expectations, the probability of a rate cut would have heightened.
- It is also noteworthy that it was exactly three years ago — when MoSPI announced the Q2 GDP data for 2020-21 — that India went into a technical recession. The upside surprise on growth has given hope that India's economic recovery is now gathering momentum.

REAL GROSS VALUE ADDED

	2019	2020	2021	2022	2023
GVA Total	4.23	-5.12	9.33	5.41	7.42
Agriculture, forestry and fishing	5.32	4.32	4.84	2.49	1.22
Industry	-2.14	3.24	8.11	-0.55	13.18
Mining and quarrying	-5.8	-8.06	10.63	-0.12	9.97
Manufacturing	-3.57	9.01	6.55	-3.83	13.91
Electricity, gas, water supply and other utility services	1.96	-3.93	10.8	5.96	10.06
Construction	1.09	-4.88	10.75	5.66	13.28
Services	7.43	-11.09	11.07	9.35	5.8
Trade, hotels, transport, communication and broadcasting services	6.44	-18.42	13.12	15.63	4.26
Financial services, real estate and professional services	8.38	-5.07	7.05	7.06	6.02
Public administration, defence and other services	7.04	-12.24	16.81	5.59	7.56

Base Year 2011-12

Y-o-Y% change

(All data for Q2)

Which Different Methods Are Used to Measure Economic Growth?

Two Methods for Estimating Economic Growth:

- **GDP:** It entails analyzing consumer spending trends (the expenditure side). Gross Value Added (GVA) can be used to calculate GDP by deducting government subsidies and adding indirect taxes.
- **GVA:** It concentrates on the economy's income sector. The value of a sector's output less the value of its intermediary inputs is its gross value added, as stated by the RBI. Labour and capital are the two main inputs of production from which this "value added" is extracted.

Differences between the Two Approaches:

- Known as a discrepancy, the difference between the two approaches has generated debate, most notably around the release of first-quarter GDP figures.

- GVA figures are frequently thought to be more trustworthy for a detailed examination of quarterly economic patterns, whereas GDP (expenditure statistics) is favoured for evaluating annual trends.

What Actions Are Required to Strengthen India's Growth Rate?

- Increasing Investment and Consumption: These two factors account for over 70% of India's GDP and are the primary drivers of domestic demand.
- The government can keep enacting changes that lower interest rates, bad loans, regulatory obstacles, and policy uncertainty in order to boost investment.
- The government can encourage job creation, rural development, income growth, inflation control, and credit availability in order to boost consumption.
- Improving Manufacturing and Exports: India can diversify its economy and become more integrated into the global market by leveraging these two important sources of value addition, employment, and foreign demand.
- The government can keep implementing programs like the national infrastructure pipeline, the production-linked incentive scheme, and the Atmanirbhar Bharat package to boost manufacturing and exports.
- Investing in social services and human capital is crucial to raising the standard of living and productivity of India's sizable and youthful population.
- The government can keep carrying out initiatives that improve education, health, skills, nutrition, water, sanitation, energy, housing, and healthcare in order to invest in human capital and social services.
- Sustaining economic growth and adjusting to different shocks and uncertainties require maintaining macroeconomic stability and resilience.
- The government can carry on implementing responsible fiscal and monetary policies that strike a balance between growth and inflation goals in order to preserve macroeconomic stability and resilience.

Conclusion:

The Indian Economy has faced and overcome recession in past and the same is expected in future. Banks have a critical role in cushioning the impact of a recession and their resilience is vital to the economic recovery

GOVERNANCE

Context: Impact of exit polls on the result of elections.

In News, why?

- The results of the exit polls for the following five states were recently made public: Mizoram, Madhya Pradesh, Telangana, Rajasthan, and Chhattisgarh.
- In several recent elections, exit polls produced inconsistent findings and were therefore unreliable.

How Do Exit Polls Work?

- Voters are surveyed during an election as they leave a polling place, a practice known as exit polls.
- The intent is to compile voting behaviour data as well as demographic information.
- Prior to the official results being published, these surveys offer preliminary outcomes predictions.
- In 1957, during the second Lok Sabha elections, the Indian Institute of Public Opinion conducted an exit poll.

How Can Exit Poll Accuracy Be Judged?

- Sample Techniques: The accuracy and dependability of the sample techniques employed in exit interviews are critical. Results from a representative and well-designed sample are more likely to be correct.
- Good, or accurate, opinion polls often meet two requirements: a big and diversified sample size, and a well-designed questionnaire free of obvious bias.
- Structured Questionnaire: Surveys, such as exit polls, gather information by conducting in-person or telephone interviews with a large number of respondents using a structured questionnaire.
- "Without a structured questionnaire, the data can neither be collected coherently nor be analyzed systematically to arrive at vote share estimates," states the Centre for the Study of Developing Societies.
- Demographic Representation: It is crucial to make sure that the group being questioned is demographically representative of all voters. Prediction accuracy may be impacted by the overrepresentation or underrepresentation of particular groups.
- Although having a high sample size is beneficial, what really counts is how well the sample represents the whole population.

What are the objections against the exit poll?

- Exit polls may spark controversy if it is thought that the organization conducting them is biased.
- The selection, formulation, and timing of the survey questions, as well as the characteristics of the sample selected, can have an impact.
- Opponents said that rather than only representing popular emotion or opinions, many opinion and exit polls are driven and supported by their rivals, which could skew voters' decisions in a drawn-out election.

How is India's Exit Poll Regulation Handled?

- In all States, between the hour set for the start of the first phase of the poll and thirty minutes after the last phase's poll close, Section 126A of the Representation of the People Act, 1951 forbids conducting exit polls and disseminating the results through print or electronic media during the specified period.
- The Election Commission is in charge of overseeing the application of exit polls. Exit polls can only be done within a certain time frame, according to the ECI. This window of time begins when the polls finish and concludes thirty minutes after the last booth closes.
- On the day of voting or during the voting session, exit polls are not permitted.
- In accordance with Article 324 of the Constitution, the Election Commission released instructions that forbade news outlets and newspapers from disseminating the findings of exit polls and pre-election surveys.
- The EC also required media outlets to reveal the sample size of voters, the specifics of the polling process, the margin of error, and the history of the polling firm in addition to the exit and opinion poll findings.
- This means that until the last round of voting is over, exit polls cannot be published.
- The ECI forbids exit polls from being published and mandates that any media outlet that conducts one must register with the commission

The Way Ahead**Transparency and Methodological Rigor:**

- Stress the significance of transparency in the exit polling process.
- Information regarding sample techniques, questionnaire design, and respondent selection procedures should be made public by polling organizations.

Reforms in Regulation:

- Election officials, the media, and polling companies working together can produce improved standards that handle new issues and guarantee accuracy and fairness when reporting exit poll findings.

Cooperation with Election Supervisors:

- Encourage tighter cooperation between election officials and polling companies. Election commissioners can share information on voter demographics, offer advice on reducing any disturbances from exit polls, and offer insightful analysis of the voting process.

PRELIM FACTS**1. Reservation policy in India**

Context: Reservations were put in place in the Indian constitution, immediately after independence, as a means to recognize the historical injustice meted out to the people belonging to backward groups and to implement provisions by which they would have better access to resources and opportunities.

Reservations in India were introduced:

- To rectify the past and historical injustice against the backward classes in India.
- To ensure that equal representation can be seen from people belonging to all castes in the services under the state and center.
- To provide an equal platform for everyone irrespective of their caste.
- To promote and advance the backward classes.
- The Mandal Commission or the second Socially and Educationally Backward Classes Commission, was established in India in 1979 with a mandate to "identify the socially or educationally backward classes" of India.
- The Jarnail Singh case refers to a significant legal decision in India regarding the reservation benefits for Scheduled Castes (SC) and Scheduled Tribes (ST) in promotions. In this case, the Supreme Court of India confirmed the exclusion of the "creamy layer" from availing reservation benefits in promotions
- At present, there is no reservation in Civil Posts and Services under the Government of India and admission to Central Educational Institutions for Minority Communities declared by the Central Government under Section 2(c) of National Commission for Minorities Act, 1992.
- However, Central Government carved out a sub quota of 4.5% for minorities, as defined under Section 2(c) of National Commission for Minorities Act, 1992.

2. Double Humped Camels

Context: The Army recently deployed double-humped camels for logistical support to the troops in eastern Ladakh.

About the Double Humped Camels:

- Double Humped Camels or Bactrian camels, have two humps on their backs where they store fat.
- Scientific Name: Camelus bactrianus

Distribution:

- They are native to the harsh and arid regions of Central Asia.
- They occupy habitats in Central Asia from Afghanistan to China, primarily up into the Mongolian steppes and the Gobi desert.

- A small population of Bactrian camels exists in the Nubra Valley of Ladakh.

➤ **Features:**

- They are up to 10 feet (3.0 m) long and weigh 590-1000 kg.
- They are smaller and slenderer than the one-humped dromedary camels found in Africa and the Middle East.
- Their fur colour varies from beige to dark brown.
- They have thick, woolly coats that provide warmth during the cold months and insulation from the desert heat, and they shed this for the summer months.
- Lifespan: 50 years
- They typically live in herds of 6-20 members, although they can occasionally be solitary or in groups of up to 30 individuals.
- Diet: They are omnivores but are primarily herbivores that constantly graze on grasses.

3. Climate Club

Context: Recently, the Climate Club was formally launched at the 28th Conference of Parties (COP28) to the United Nations Framework Convention on Climate Change.

➤ **About the Climate Club:**

- It is led by Germany and Chile, the Club has garnered support from 36 member countries including Kenya, the European Union, Switzerland and others
- It aims to make decarbonisation of industries successful for climate and businesses, through ambitious policies, alignment of methodologies and standards and improving finance and assistance for emerging and developed economies.

➤ **The activities of the club are divided into three key pillars: -**

- Pillar 1: Advancing ambitious and transparent climate change mitigation policies.
- Pillar 2: Transforming industries
- Pillar 3: Boosting international cooperation and partnership
- Two co-chairs will be elected for two-year terms for the Club. Currently, Germany and Chile serve as the co-chairs.
- A body of members will determine the scope and approve the work programme, budget and amendments.
- Furthermore, a steering group will be formed to support the body of members when the Club reaches 40 members.
- A secretariat will be formed to implement the work program.
- Currently, the Organisation for Economic Co-operation and Development and International Energy Agency are the joint interim heads of secretariat

4. International Social Security Association

Context: Recently, the Employees' State Insurance Corporation (ESIC) bagged the "International Social Security Association's ISSA Vision Zero 2023" Award in the recently held 23rd World Congress on Safety and Health at Work in Sydney, Australia.

➤ **About the International Social Security Association:**

- It is the principal international institution bringing together social security agencies and organisations of the world.
- **Aim:** To promote dynamic social security as the social dimension in a globalising world by supporting excellence in social security administration.
- It was founded in 1927 under the auspices of the International Labour Organization.
- It has over 320 member institutions from over 160 countries.
- Headquarters: Geneva (at the International Labour Office).
- It provides access to information, expert advice, business standards, practical guidelines and platforms for members to build and promote dynamic social security systems worldwide.
- The vision of dynamic social security provides a framework for the ISSA's actions.

➤ **Key facts about the Employees' State Insurance Corporation**

- It is a statutory corporate body set up under the ESI Act 1948.
- It is responsible for the administration of the ESI Scheme.
- Headquarter: New Delhi

➤ **Composition**

- Chairman: The Union Minister of Labour
- The Central Government appoints a Director General as the Chief Executive Officer of ESIC.
- The ESIC comprises members representing crucial interest groups, including employers, employees, the Central and State Governments, representatives of the Parliament and the medical profession.
- Standing Committee: It is constituted from among the members of the ESIC, which acts as an executive body.

- The Standing Committee has the power to administer the affairs of the ESIC and perform functions of the ESIC under its overall control and superintendence.
- The Secretary, Ministry of Labour, is the Chairman of the Standing Committee.
- The Director General of the ESIC is also an ex-officio member of the Standing Committee.
- The other members of the Standing Committee are nominated and elected among the members of the ESIC.
- The nominated members include the following: 3 members of the Central and State Governments, 3 members representing employers and employees, and 1 member representing Parliament and the medical profession.

5.Global Drought Snapshot report

Context: According to the report, 'Global Drought Snapshot,' launched by the UN Convention to Combat Desertification (UNCCD) at the outset of COP28 climate talks in the UAE, mentioned that drought causes more economic loss and affects more sectors of societies.

Key points of the report:

➤ **Agriculture and forests**

- 70% cereal crops were damaged by drought in the Mediterranean, 2016–2018.
- 33% loss of grazing land in South Africa due to drought
- Five consecutive rainfall season failures in the Horn of Africa, caused the region's worst drought in 40 years, contributing to reduced agricultural productivity, food insecurity and high food prices.
- Africa's drought-related economic losses in the past 50 years at \$70 billion.

➤ **Water conditions**

- 75% reduction of cargo capacity of some vessels on the Rhine due to low river levels in 2022, leading to severe delays in shipping arrivals and departures
- 5 million people in southern China affected by record-low water levels in the Yangtze River due to drought and prolonged heat

➤ **Social dimensions**

- 85% of people affected by droughts live in low-or middle-income countries.
- 2 million people in the Central American Dry Corridor needing food aid after five years of drought, heatwaves and unpredictable rainfall.

➤ **Key facts about the UN Convention to Combat Desertification (UNCCD)**

- It is one of three Conventions originated at the 1992 Earth Summit in Rio de Janeiro. (The other two address climate change (UNFCCC) and biodiversity (UNCBD).
- It is the only legally binding framework set up to address desertification and the effects of drought.
- There are 197 Parties to the Convention, including 196 country Parties and the European Union.
- The Convention – based on the principles of participation, partnership and decentralisation – is a multilateral commitment to mitigate the impact of land degradation, and protect our land so we can provide food, water, shelter and economic opportunity to all people.
- Parties to the Convention meet in Conferences of the Parties (COPs) every two years, as well as in technical meetings throughout the year, to advance the aims and ambitions of the Convention and achieve progress in its implementation.

ANSWER WRITING

Q. What do you understand by this quote: "Integrity is doing the right thing, even when no one is watching?" - C.S. Lewis

Introduction

The quote "Integrity is doing the right thing, even when no one is watching" by C.S. Lewis encapsulates a fundamental principle of moral character and ethics. At its core, it emphasizes that true integrity is not dependent on external oversight or the fear of consequences, but rather on an individual's inner sense of right and wrong.

What this quote means is as follows:

- **Doing the Right Thing:** The quotation emphasizes that maintaining integrity requires continuously making morally righteous choices and acts. It is about what is morally and ethically right, not about what is easy, quick, or popular.
- **Even When No One Is Watching:** It highlights that upholding moral principles at all times—not just in the face of public scrutiny or in the possibility of rewards or penalties—is what integrity is all about. To be truly honest, one must uphold their morals in the face of accountability or witnesses.
- **Internal Compass:** According to the phrase, honesty is a fundamental trait. It is an expression of one's own ideals and ideas. It's about doing morally because it's what you think is right, not because you're afraid of other people external judgement or punishment.

- **Trustworthiness:** A person gains credibility when they behave honourably on a regular basis. No matter what the situation, others can rely on them because they always act with a strong moral compass.
- **Character Development:** This quotation exhorts people to develop a solid moral foundation. It serves as a reminder that even when no one is looking, the things we do still have an impact on who we are and how we develop as people.

Conclusion

This quotation highlights the value of moral inner strength and steadfast adherence to moral standards. It exhorts us to preserve integrity because it's the proper thing to do, not so that we can gain favour. When true integrity is put to the test in the absence of outside oversight, it defines moral behaviour and virtue.

MCQs

- Consider the following statements regarding 'double-humped camels'
 - They are native to the harsh and arid regions of Central Asia.
 - They are not found in India.
 - They are herbivorous and survive mostly on grasses.

How many of the statements given above are not correct?

a) Only one **b) Only two**
c) All three d) None
- Consider the following statements regarding 'Climate Club'
 - It is led by the European Union and United Arab Emirates with the support of 36 members.
 - Two co-chairs will be elected for two-year terms for the Club.
 - Currently, the Organization for Economic Co-operation and Development and the International Energy Agency are the joint interim heads of the secretariat.

How many of the statements given above are correct?

a) Only one **b) Only two**
c) All three d) None
- Consider the following statements regarding 'International Social Security Association'
 - It is the principal international institution bringing together social security agencies and organisations of the world.
 - It was founded in 1950 under the United Nations.
 - It is headquartered in Berlin, Germany.

How many of the statements given above are correct?

a) Only one b) Only two
c) All three d) None
- Which one of the following institutes/organizations releases the 'Global Drought Snapshot Report' ?
 - World Economic Forum (WEF)
 - National Drought Mitigation Center (NDMC)
 - World Resources Institute (WRI)
 - d) UN Convention to Combat Desertification (UNCCD)**
- Consider the following statements:
 - Goods and services tax (GST) is applicable on 'supply' of goods or services as against the old concept on the manufacture of goods.
 - Goods and services tax (GST) is based on the principle of destination-based consumption taxation as against the previous principle of origin-based taxation. Which of the statements given above is/are correct?
 - 1 only b) 2 only
 - c) Both 1 and 2** d) Neither 1 nor 2
 - The State of Food and Agriculture 2023 was released by:
 - World Food Programme
 - Action Against Hunger
 - c) Food and Agriculture Organization**
 - Food First
 - Regarding the river Cauvery, consider the following statements:
 - It is known as 'Ponni' in Tamil.
 - Lakshmantirtha is one of its left bank tributaries.

Which of the statements given above is/are correct?

 - a) 1 only** b) 2 only
 - c) Both 1 and 2 d) Neither 1 nor 2
 - Consider the following statements regarding 'Mount Marapi'
 - It is located on the Island of Hawaii in the U.S. state of Hawaii in the Pacific Ocean.
 - Its name means Mountain of peace.
 - With no eruption since the 19th century, this volcano is one of the extinct volcanoes of Hawaiian island.

How many statements mentioned above are correct?

 - Only one b) Only two
 - c) All three **d) None**
 - Consider the following statements
 - It lies in the Alipurduar sub-division of the Jalpaiguri district of West Bengal.
 - Its northern boundary runs along the international border with Bhutan.
 - The fragile "Terai Ecosystem" constitutes a part of this reserve.
 - Two rivers, namely the River Raidak and the River Jayanti, flow near this tiger reserve.

The above-mentioned statements refer to which one of the following Tiger Reserve?

 - Sundarbans National Park and Tiger Reserve
 - b) Buxa Tiger Reserve**
 - Nameri Tiger Reserve
 - Orang National Park & Tiger Reserve
 - Recently, 'Abelmoschus Odishae' was in the news. It is a species of
 - Olive Ridley Turtle b) Horseshoe crabs
 - c) Wild Okra** d) Mushroom