



FORTUNE WEEKLY DIGEST



- > UNION BUDGET 2024-25
- > ECONOMIC SURVEY 2023-24



> Ballistic Missile Defence System

> US Election Process

21<sup>st</sup> JULY - 27<sup>th</sup> JULY, 2024

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## EDITOR'S NOTE

As UPSC aspirants, it is essential to stay updated on current affairs to excel in the examination. This **Fortune Weekly Digest (ForWarD)** brings you the latest news and developments from around the world, carefully curated and analyzed to help you prepare for the Civil Services (Main) Examination.

We understand that time is precious, and we have made sure to present the information in a concise and easy-to-understand manner.

The magazine is divided into different sections. Mains relevant topics have been covered in detail with a UPSC previous year question perspective. The jot downs are examples and interesting facts to enrich your answer writing. Cherrypicks has some key words from the week, helpful again in answer writing and essay. We have also included essay topics and sample questions to help you gauge your preparation.

We have designed this magazine to best supplement the daily current affairs notes we have launched by the name of **FIND (Fortune IAS News Daily)** and **FINDER (Fortune IAS News Daily Explainer)** and the **Fortune Prelims Precise** monthly compilation. This magazine will be explained in detail and your queries addressed in a live class we conduct.

At a time when there is no dearth of current affairs materials, our hope is help you get a one-stop solution for all your current affairs needs.

This magazine is a work in progress and your feedback will be appreciated.

We hope that this magazine will serve as a valuable resource for your exam preparation and contribute to your success in the UPSC examination.

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**FIRST ATTEMPT TOPPERS FROM  
OUR PRELIMS CUM MAINS BATCH**

**KASTURI SHA**  
AIR 68

**MANJIMA P**  
AIR 235

**FABI RASHEED**  
AIR 71

**SWATHI S BABU**  
AIR 522

**OORMILA J S**  
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# BALLISTIC MISSILE DEFENCE SYSTEM OF INDIA

*Syllabus: GS III - Defence*

## PYQ MAPPING

**Q)** How is the S-400 air defence system technically superior to any other system presently available in the world? (2021)

## WHY IN NEWS

Recently, the Defence Research & Development Organisation (DRDO) successfully flight-tested the Phase-II Ballistic Missile Defence (BMD) system.

## INTRODUCTION

- The Defence Research & Development Organisation (DRDO) successfully flight-tested the **Phase-II Ballistic Missile Defence (BMD) system** demonstrating the indigenous capability to defend against ballistic missiles of **5,000 km class**.
- Phase 1 of the BMD, which can intercept ballistic missiles with a range of 2,000 km, has already been deployed.



## SHORT TAKES

### Ballistic vs Cruise

#### Ballistic missiles:

- These missiles are unguided, rocket-powered weapons that follow a high, arching trajectory before descending toward their target.
- Example: Prithvi I, Prithvi II, Agni I, Agni II and Dhanush
- Ballistic missile defence systems (BMDs) can intercept ballistic missiles at any stage of their flight, from shortly after launch to just before detonation.
- India's BMD shield is a two-layered system that can intercept ballistic missiles from a range of around 30 km to 5,000 km.

#### Cruise missiles:

- Cruise missiles are guided, jet or propeller-driven projectiles that can fly at low altitudes, follow a flexible path, and are capable of precision strikes.
- Cruise missiles are guided towards their target using a navigation system.
- Example: Brahmos (supersonic), Nirbhay (subsonic)



## INDIA'S BMD PROGRAMME

- India's Ballistic Missile Defence (BMD) Programme** is a strategic initiative that began in 1999 to protect India from missile threats, especially from Pakistan.
- The program's main goal is to strengthen India's defence capabilities against potential nuclear attacks, which is especially important because India has a **"No First Use"** nuclear policy.
- Consists of Two phases



## PHASE 1:

- Phase 1 completed in 2012 and since deployed can intercept ballistic missiles with a range of 2,000 km and consists of:
  - Prithvi Air Defence (PAD)** missile for exo-atmospheric ranges (50-80 km)
  - Advanced Area Defence (AAD)** missile for endo-atmospheric ranges (15-30 km).

### » Exo-atmospheric Interception (Tier 1)

- Interceptor:** **Prithvi Air Defence (PAD)** / Pradyumna Ballistic Missile Interceptor
- Altitude:** Above 50 km (Exo-atmospheric region)
- Objective:** To intercept and neutralise incoming ballistic missiles outside the Earth's atmosphere.
- Key Features:**
  - Missile:** PAD is equipped with a two-stage rocket, with the first stage being solid-fueled and the second stage being liquid-fueled.
  - Guidance:** Uses a combination of inertial navigation system and active radar homing in the terminal phase for high accuracy.
  - Capability:** Capable of intercepting missiles with a range of up to 2,000 km.

### » Endo-atmospheric Interception (Tier 2)

- Interceptor:** **Advanced Air Defence (AAD)** / Ashvin Advanced Air Defence Interceptor
- Altitude:** Below 50 km (Endo-atmospheric region)
- Objective:** To intercept and destroy incoming ballistic missiles within the Earth's atmosphere.
- Key Features:**
  - Missile:** AAD is a single-stage solid-fueled missile.
  - Guidance:** Uses a combination of inertial navigation system and active radar homing in the terminal phase.
  - Capability:** Designed to engage ballistic missiles at altitudes of 15-30 km.

### » Components Supporting Both Tiers

- Radar Systems:**
  - Long Range Tracking Radars (LRTR):** Provide early detection and tracking of incoming missiles.
  - Multi-Function Fire Control Radars (MFCR):** Guide the interceptor missiles to their targets.
- Launch Platforms:** Mobile launchers that can be quickly deployed and repositioned.
- Command and Control Systems:** Centralised control for detection, tracking, interception decisions, and coordination of interceptors.

## PHASE II: Consists of two missiles, AD-1 and AD-2

- The maiden test of the Phase-II BMD was carried out in November 2022.
  - DRDO successfully tested a long-range interceptor missile (**AD-1**).

### » Advanced Defence-1 (AD-1):

- Role:** AD-1 is a long-range interceptor missile designed for both **low exo-atmospheric and endo-atmospheric** interception of long-range ballistic missiles as well as aircraft.
- Altitude:** Designed to intercept missiles within the Earth's atmosphere (below 50 km).
- Technology:** Dual-stage propulsion, advanced radar homing and infrared seekers, better handling of countermeasures and multiple targets.
- Originally designed to intercept **medium-range ballistic missiles** (MRBMs) with a range of 1,000–3,000 km, AD-1 can now intercept missiles from as far away as 5,000 km.

### » Advanced Defence-2 (AD-2):

- Role:** Exo-atmospheric interceptor with extended range.
- Altitude:** Designed to intercept missiles at higher altitudes (up to 150 km).
- Technology:** Advanced dual-stage propulsion, improved guidance systems, and enhanced seeker technology.
- Designed to intercept **intermediate-range ballistic missiles** (IRBMs) with a range of 3,000–5,500 km.

## **Phase II - Flight test of AD endo-atmospheric missile**

- o The Target Missile was launched from (Land-Based Communication) **LC-IV Dhamra** at **1620 hrs** mimicking adversary ballistic missile, which was detected by weapon system radars deployed on land and sea and activated the Air Defence (AD) interceptor system
- o The **Phase-II AD endo-atmospheric missile** was launched from **LC-III** at Integrated Test Range, Chandipur at **1624 hrs**.
- o The Phase-II system can intercept ballistic missiles with a range of up to **5,000 km**, enhancing India's strategic defence.
- o The Phase-II missile is a two-stage, solid-propelled, ground-launched system designed for endo to low exo-atmospheric interception.
- o The test demonstrated a network-centric warfare weapon system, including long-range sensors, low-latency communication, and advanced interceptor missiles.

## **SIGNIFICANCE OF BALLISTIC MISSILE SYSTEM**

### **Protection Against Missile Threats:**

- o India faces potential ballistic missile threats from neighbouring countries.
- o A robust BMD system provides a protective shield against these threats, enhancing national security.
- o Protects critical national assets, such as military bases, key infrastructure, and urban centres, from ballistic missile attacks.
- o Ensures the safety of civilian populations by intercepting missiles that could potentially cause mass casualties and destruction.

### **Technological Advancement:**

- o **Indigenous Development:** Demonstrates India's capabilities in developing advanced defence technologies, including radar systems, interceptors, and command and control systems.
- o **Boosting Defence R&D:** Stimulates growth in the defence research and development sector, fostering innovation and technological progress.
- o **Global Positioning:** Positions India as a significant player in global missile defence technology, contributing to international collaborations and partnerships.

### **Military Strategy**

- o **Layered Defence:** Integrates with other military strategies to provide a comprehensive defence against a range of missile threats, including short-range, medium-range, and long-range missiles.
- o **Strategic Autonomy:** Reduces dependency on foreign defence systems and strengthens India's strategic autonomy.

### **Diplomatic and Strategic Influence**

- o **Strengthening Alliances:** Demonstrates India's commitment to defence and security, which can strengthen strategic alliances and partnerships with other nations.
- o **Influence in Regional Security:** Enhances India's influence in regional security dynamics by showcasing advanced defence capabilities and contributing to regional stability.

### **Economic and Industrial Impact:**

- o **Defence Industry Growth:** Stimulates growth in the domestic defence industry, including the production and development of high-tech components and systems.
- o **Job Creation:** Creates employment opportunities in the defence sector and related industries, contributing to economic growth.

## CHALLENGES ASSOCIATED

### ● Technological complexity:

- The system integrates specialised technologies like interceptor missiles, tracking radars and command centres.
- Technical issues faced in developing key interception missiles like the AAD exemplify the sophisticated technological barriers.

### ● Simultaneous Multi-vector threats:

- India faces likely threats from multiple geographies simultaneously.
- Providing 360-degree missile defence with current systems against synchronised attacks is still an operational challenge.

### ● Resource and Cost implications:

- The substantial investments required to place a strain on budgets and skill allocations.
- Balancing the allocation of resources between offensive and defensive capabilities is a challenge for India.

### ● Technology access issues:

- Despite external partnerships, India's indigenous missile defence relies considerably on technology transfer and access to controlled items.
- Export control regimes affect technology availability due to global non-proliferation norms.

## WAY FORWARD

### ✧ Continuous Research and Development:

- **Innovation:** Invest in R&D to develop next-generation technologies for interceptors, radars, and guidance systems.
- **Upgrades:** Continuously upgrade existing systems to keep pace with evolving missile technologies and countermeasures.
- **Artificial Intelligence (AI):** Leverage AI for improved threat detection, tracking, and decision-making.
- **Advanced Sensors:** Incorporate next-generation sensors and radar systems for better tracking and accuracy.

### ✧ Command and Control:

- **Integration:** Improve integration of BMD systems with other defence components for seamless operation.
- **Real-time Coordination:** Strengthen real-time coordination and communication between different command centres and defence agencies.

### ✧ Regional Cooperation:

- **Alliances:** Strengthen alliances and partnerships with other nations to share technology,

intelligence, and best practices.

- **Diplomacy:** Engage in diplomatic efforts to manage regional security dynamics and mitigate potential arms races.

### ✧ Budget Planning:

- **Long-term Investment:** Ensure sustained investment in BMD technology and infrastructure through long-term financial planning.

### ✧ Public-Private Partnerships:

- **Industry Collaboration:** Foster collaboration with private sector partners to leverage additional expertise and resources.
- **Innovation Incentives:** Provide incentives for private sector innovation and contribution to BMD development.

### ✧ Global Collaboration:

- **Joint Ventures:** Explore joint ventures and collaborations with other countries and international defence organisations.
- **Technology Sharing:** Engage in technology sharing agreements to benefit from global advancements and expertise.

## CONCLUSION

By embracing continuous technological innovation, enhancing operational effectiveness, fostering strategic and diplomatic collaborations, and ensuring robust financial and resource management, India can advance its Ballistic Missile Defence program to provide a formidable shield against evolving threats and reinforce its national security.

## SAMPLE QUESTION

**Q)** How has India's Ballistic Missile Defence (BMD) system evolved from its initial Phase 1 development to the more advanced Phase 2, and what are the key technological and strategic advancements achieved in this progression? **(10 marks)(150 words)**

# REASONABLE ACCESS-DISABILITY RIGHTS

*Syllabus: GS II - Welfare scheme for vulnerable sections*

## PYQ MAPPING

**Q)** Does the Rights of Persons with Disabilities Act, 2016 ensure effective mechanisms for empowerment and inclusion of the intended beneficiaries in the society? Discuss **(2017)**

**Q)** The Rights of Persons with Disabilities Act, 2016 remains only a legal document without intense sensitisation of government functionaries and citizens regarding disability. Comment. **(2022)**

## WHY IN NEWS

The principle of reasonable accommodations, outlined in the Rights of Persons with Disabilities (RPwD) Act, 2016, requires adjustments to ensure equal rights for persons with disabilities. The focus is on how institutions must implement these changes unless they can prove it would cause an undue burden, highlighting ongoing debates about accessibility and institutional obligations.

## INTRODUCTION

Reasonable access is crucial for upholding disability rights, ensuring that individuals with disabilities can fully engage in all aspects of society. This principle, embedded in frameworks like the Convention on the Rights of Persons with Disabilities (CRPD) and various national legislations, mandates the removal of barriers to ensure inclusivity in education, employment, and public services. Addressing these needs is vital for fostering inclusivity and equality.

## SHORT TAKES

- **Reasonable accommodation:** It is a modification or adjustment made to a job, environment, or process to enable a person with a disability to participate equally. It's about removing barriers and creating equal opportunities for individuals with disabilities.

For example, providing assistive technology, modifying work schedules, or making physical changes to a building.

- **Convention on the Rights of Persons with Disabilities (CRPD):** International human rights treaty of the UN that aims to promote, protect, and ensure the full and equal enjoyment of human rights for individuals with disabilities. Became effective from 2008 and has been ratified by 191 countries, including India on October 1, 2007.

## Rights of Person with Disabilities (RPwD) Act, 2016

The Indian government enacted the Rights of Persons with Disabilities (RPwD) Act, 2016, to ensure inclusion and empowerment of individuals with disabilities by emphasising non-discrimination, accessibility, and equality in education, work, and social security.

## DISABLED IN INDIA

- ➔ **Person with Disability:** An individual with a **long-term physical, mental, intellectual, or sensory impairment** that, when **interacting with barriers**, restricts their full and effective participation in society on an equal basis with others
  - **Barrier:** Any factor (communicational, cultural, economic, environmental, institutional, political, social, attitudinal, or structural) that obstructs the full participation of persons with disabilities in society.
- ➔ **Person with Benchmark Disability:** An individual with **at least 40% of a specified disability**, whether or not the disability is defined in measurable terms, as certified by an authorised certifying authority.
- ➔ The Act expands the definition of disability to **include 21 conditions**, aiming to promote the rights and dignity

of people with disabilities and align with the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD).

→ The 21 disabilities are given below:-

- ♦ Blindness
- ♦ Mental Illness
- ♦ Speech and Language disability
- ♦ Low-vision
- ♦ Autism Spectrum Disorder
- ♦ Thalassaemia
- ♦ Leprosy Cured persons
- ♦ Cerebral Palsy
- ♦ Haemophilia
- ♦ Hearing Impairment (deaf and hard of hearing)
- ♦ Muscular Dystrophy
- ♦ Sickle Cell disease
- ♦ Locomotor Disability
- ♦ Chronic Neurological conditions
- ♦ Multiple Disabilities including deafblindness
- ♦ Dwarfism
- ♦ Specific Learning Disabilities
- ♦ Acid Attack victim
- ♦ Intellectual Disability
- ♦ Multiple Sclerosis
- ♦ Parkinson's disease

## FEATURES OF THE ACT

- 👁️ **Equality and Non-Discrimination:** Prohibits discrimination in employment, education, and public services, ensuring equal opportunities and legal protection.
- 👁️ **Women and Children:** Mandates special measures for the protection and empowerment of women and children with disabilities.
- 👁️ **Community Life:** Promotes the right to live in the community with equal choices and access to support services.
- 👁️ **Accessibility in Voting:** Ensures accessible polling stations and materials for independent voting.
- 👁️ **Duty of Educational Institutions:** Requires inclusive education and reasonable accommodations for students with disabilities.
- 👁️ **Reservation:** Mandates 4% job reservation in government roles and 5% in higher education for persons with benchmark disabilities.
- 👁️ **Incentives for Private Sector:** Encourages private employers to hire persons with disabilities through various incentives.
- 👁️ **Sporting Activities:** Promotes inclusion in sports with access to facilities and participation opportunities.
- 👁️ **Research and Development:** Encourages research to improve accessibility, assistive technologies, and quality of life.

### Department of Empowerment of Persons with Disabilities - DEPwD

- ☀️ In 2016, the Department of Empowerment of Persons with Disabilities under the Ministry of Social Justice and Empowerment was renamed from 'Viklangjan Sashaktikaran Vibhag' to '**Divyangjan Sashaktikaran Vibhag**'.
- ☀️ The term 'divyang' meaning '**divine body**' was introduced to replace 'viklang' or 'disabled' when referring to persons with disabilities.

### National Trust for Welfare

- ☀️ **About:** A statutory body under the Ministry of Social Justice and Empowerment, Government of India, was established under the "**National Trust for the Welfare of Persons with Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities**" Act of 1999.
- ☀️ **Objectives:** Enable independent living within communities, ensure equal opportunities and rights, support registered organisations in providing services, and establish procedures for appointing guardians and trustees for persons with disabilities





## DISABILITY STATISTICS

- ♣ **Global:** According to WHO data, around **15 percent of the world's population**, or estimated 1 billion people, live with disabilities.
  - 80 percent of persons with disabilities live in developing countries, according to the UN Development Programme.
- ♣ **India:**
  - **Census Data:** According to the 2011 Census, 2.68 crore Indians, or 2.21% of the population, have disabilities, with 1.50 crore men and 1.18 crore women.
  - **NFHS-5 (2019-21) Data:** 4.52% of the Indian population has a disability
    - Locomotor disabilities constitute the largest share (44.70%) of disabilities, followed by mental and speech impairments.

## MULTI-DIMENSIONAL CHALLENGES THEY FACE IN INDIA

- 🌀 **Accessibility Barriers:** Limited access to physical infrastructure, such as ramps, elevators, and accessible public transport, hinders mobility and independence.
- 🌀 **Educational Inequality:** Lack of inclusive education facilities and resources restricts opportunities for quality education and skill development.
- 🌀 **Employment Discrimination:** Persistent biases and inadequate workplace accommodations lead to lower employment rates and limited career advancement.
- 🌀 **Healthcare Obstacles:** Inadequate healthcare services, including a shortage of specialised care and accessible medical facilities, affects the quality of life.
- 🌀 **Social Stigma:** Prevalent social attitudes and misconceptions contribute to marginalisation and exclusion from mainstream activities.
- 🌀 **Legal and Bureaucratic Hurdles:** Complex procedures and lack of awareness about disability rights impede access to benefits and services.
- 🌀 **Economic Disparity:** Higher poverty rates among persons with disabilities due to limited employment opportunities and additional costs associated with disability.
- 🌀 **Assistive Technology Access:** High costs and limited availability of assistive devices and technologies affect daily functioning and independence.
- 🌀 **Lack of Policy Implementation:** Gaps in the effective implementation and monitoring of disability rights laws and policies lead to insufficient support and resources.
- 🌀 **Emergency and Disaster Preparedness:** Inadequate planning and resources for emergency situations make it difficult for persons with disabilities to receive timely assistance.
- 🌀 **Misconception of Productivity:** There's a prevalent belief that PwDs are less productive, leading to resistance in providing accommodations.
- 🌀 **Underutilised National Fund:** Despite legal provisions, the National Fund for PwDs remains underutilised with a restricted scope and limited coverage.

## GOVERNMENT SCHEMES

- ☀ **SPARK Project:**
  - **Project Collaboration:** The SPARK project is a collaborative initiative involving the ILO, International Fund for Agricultural Development (IFAD), and the Women's Development Corporation in Maharashtra.
  - **Role of Disability Inclusion Facilitators (DIFs):**

Persons with disabilities are trained as DIFs, who then lead efforts in their communities to promote disability inclusion.

- **Mainstreaming Women with Disabilities:** DIFs identify women with disabilities and integrate them into existing self-help groups to support their social and economic

development.

#### ☀️ **Unique Disability ID (UDID) card:**

- o The UDID sub-scheme aims to create a **National Database for Persons with Disabilities** by issuing disability certificates and Unique Disability Identity cards through competent medical authorities designated by State Governments/ Union Territories.
- o The project seeks to enhance transparency and efficiency in delivering government benefits to persons with disabilities.

#### ☀️ **Accessible India Campaign (Sugamya Bharat Abhiyan)**

- o Launched by DEPwD on December 3, 2015,

the campaign aims to **eliminate obstacles in indoor and outdoor facilities** (schools, medical facilities, workplaces) and enhance transportation accessibility (air travel, buses, taxis, trains) for PwDs, benefiting everyone in society.

#### o **Aims:**

- Enhancing proportion of **accessible and usable public documents** and websites that meet internationally recognized accessibility standards
- Enhancing the pool of **sign language interpreters**
- Enhancing the proportion of **daily captioning** and sign-language interpretation of **public television news programmes**

### WAY FORWARD

- ✳️ **Urban-Rural Disparities:** Addressing the greater challenges faced by disabled individuals in rural areas compared to their urban counterparts, including limited access to education and employment.
- ✳️ **Disability Sensitisation in Schools:** Activists advocate for introducing disability sensitisation education at the school level to normalise disability from an early age and build empathy.
- ✳️ **Need for a Positive Ecosystem:** Creating an environment where institutions view accommodations as both a legal obligation and a business opportunity is crucial.
- ✳️ **Robust Legal Framework:** Ensuring that strong legal frameworks support the employment of persons with disabilities, providing clear guidelines and protections
- ✳️ **Inclusion in Developmental Schemes:** Ensuring that developmental schemes include persons with disabilities and do not view them merely as objects of charity.
- ✳️ **Agency and Participation:** Recognizing and empowering persons with disabilities as active participants in decision-making processes, rather than passive recipients of aid.
- ✳️ **State's Role:** The government has a responsibility to establish a supportive ecosystem for PwDs by mandating and incentivizing accessibility.
- ✳️ **Continuous Funding:** The government should designate the National Fund as a separate line item in the annual budget to ensure a consistent flow of funds.
- ✳️ **Bottom-Up Approach:** Implementing a bottom-up approach to disability inclusion to create productive pathways out of poverty and integrate persons with disabilities as active members of society and the economy.
- ✳️ **Private Sector Engagement:** Actively engaging the private sector to build confidence among companies in hiring and retaining employees with disabilities.

### CONCLUSION

To address the challenges, a comprehensive approach is needed, including improved accessibility, inclusive education, and equitable employment. Tackling social stigma, enhancing healthcare services, and ensuring effective policy implementation are crucial. By overcoming these barriers, India can better uphold the rights and dignity of persons with disabilities and foster a truly equitable environment.

### SAMPLE QUESTION

**Q)** Analyse the effectiveness of international conventions and national legislations in promoting the rights and inclusion of persons with disabilities. How can these frameworks be improved to address existing gaps? **(10 marks)(150 words)**

## SPECIAL TOPIC

# UNION BUDGET 2024-25 ANALYSIS

*Syllabus: GS III - Indian Economy*

The Finance Minister Nirmala Sitharaman presented the Union Budget for 2024-25 on July 23, 2024. The budget outlines India's financial and economic strategies for the upcoming fiscal year, focusing on fostering sustainable growth, enhancing infrastructure, supporting innovation, and promoting social welfare.

## KEY HIGHLIGHTS OF THE BUDGET

### ➔ Expenditure:

- o India's total budget for the financial year 2024-25 is ₹48,20,512 crore
- o This is 8.5% higher than the actual expenditure in 2023-24.
- o Interest payments account for 24% of the total expenditure, and 37% of revenue receipts.

### ➔ Receipts:

- o The receipts (other than borrowings) in 2024-25 are estimated to be Rs 32,07,200 crore, 15% higher than the receipts in 2023-24.
- o Tax revenue, which forms a major part of the receipts, is also expected to increase by 11% over the receipts in 2023-24.

### ➔ GDP:

- o The government has estimated a nominal GDP growth rate of 10.5% in 2024-25 (i.e., real growth plus inflation).

### ➔ Deficits:

- o Revenue deficit in 2024-25 is targeted at 1.8% of GDP.
  - This is lower than the actual revenue deficit of 2.6% of GDP in 2023-24.
- o Fiscal deficit in 2024-25 is targeted at 4.9% of GDP, which is lower than the actual fiscal deficit of 5.6% of GDP in 2023-24.

## TYPE OF ESTIMATES

### Budget Estimates (BE):

- » These are the **financial projections and allocations planned for the upcoming fiscal year**.
- » They are prepared before the start of the fiscal year and include expected revenues and planned expenditures.
- » To outline the government's financial plan and priorities for the year, guiding policy implementation and resource allocation.

### Revised Estimates (RE):

- » These are **updated projections** made during the fiscal year, typically mid-year, reflecting any changes or new information that has arisen since the Budget Estimates were made.
- » They provide a more accurate picture of expected revenues and expenditures based on the financial performance to date.
- » **Purpose:** To adjust for deviations from the initial budget due to unforeseen economic conditions, policy changes, or other factors.

### Actuals:

- » These are the actual financial results at the end of the fiscal year, showing the real revenues collected and expenditures made.
- » Purpose is to provide a factual record of the government's financial performance for the year, used for future planning and accountability.

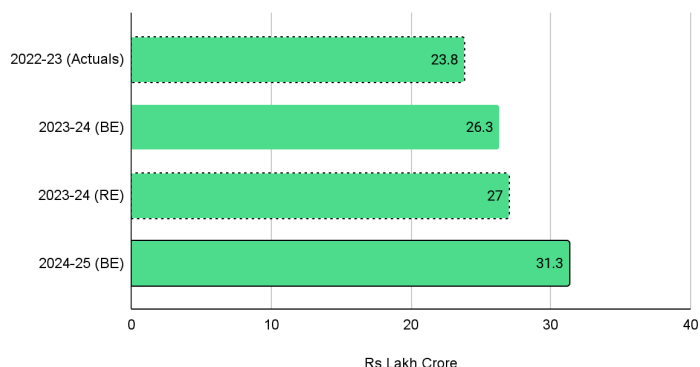
For example:

The **Budget document for 2023-24**, which was presented in February, 2023 will contain:

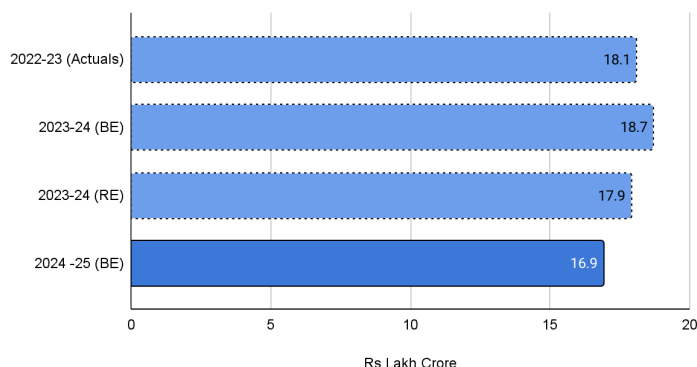
- » **Budget Estimates (BE) for 2023-24:** These are the initial projections for the upcoming financial year.
- » **Actuals for 2021-22:** These are the final figures for the previous year, providing a historical perspective.
- » **Revised Estimates (RE) for 2022-23:** These are updated projections for the current financial year based on actual performance.

## RECEIPTS

### Revenue Receipts

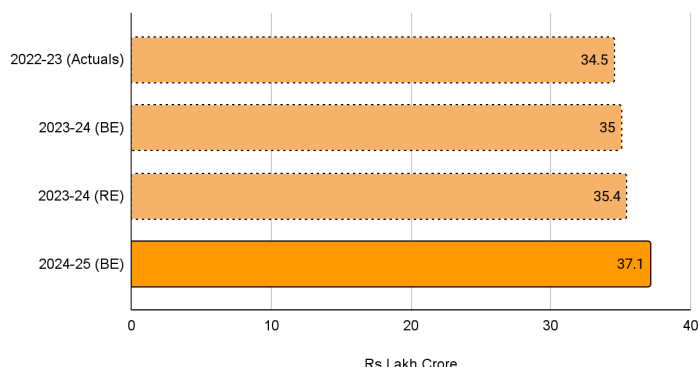


### Capital Receipts

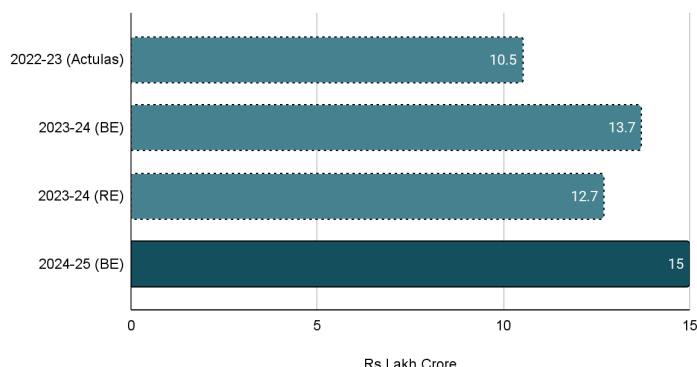


## EXPENDITURE

### Revenue Expenditure

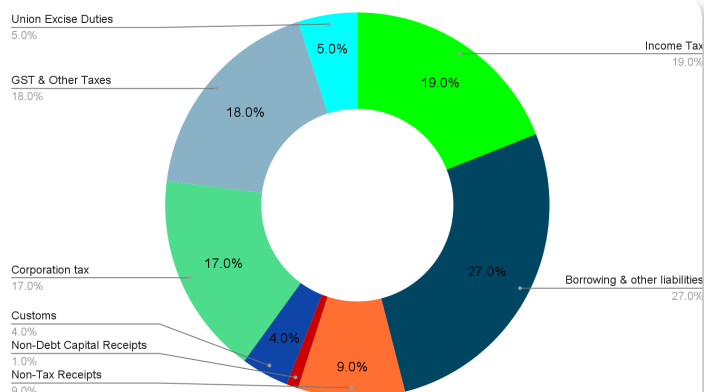


### Effective Capital Expenditure

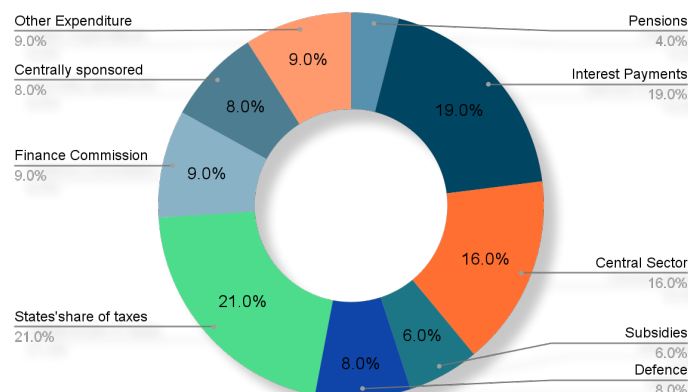




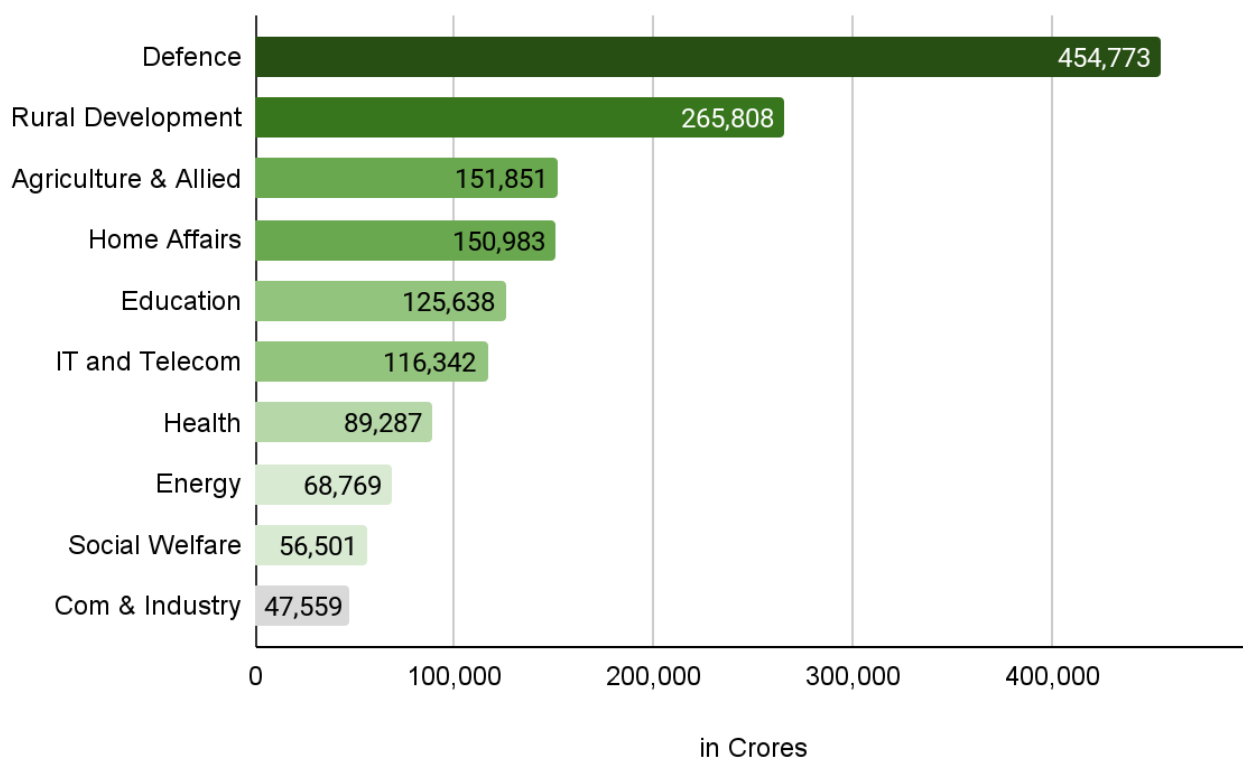
## RUPEES COMES FROM



## RUPEES GOES TO



## EXPENDITURE OF MAJOR SECTORS



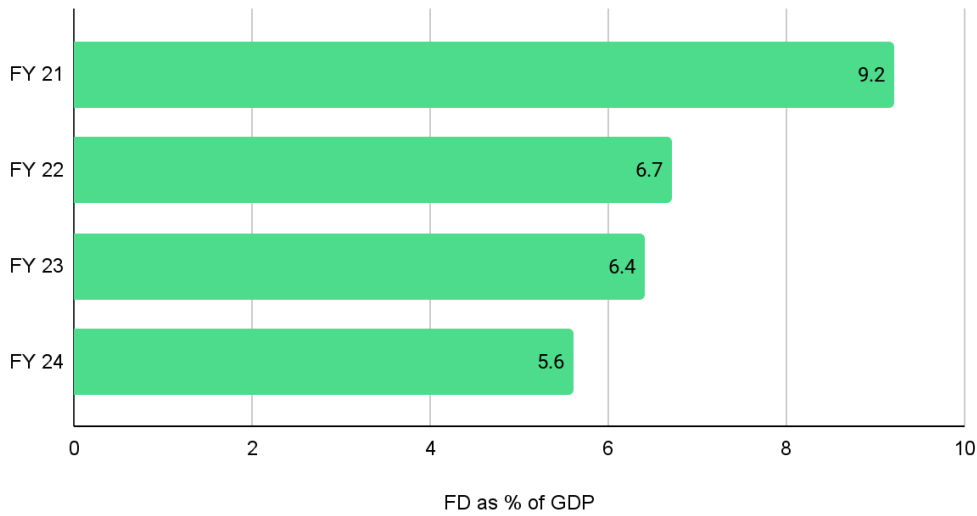
## ALLOCATION TO MAJOR SCHEMES (IN RS. CRORE)

	2023-24 (BE)	2024-25 (BE)
MGNREGA	60,000	86,000
R&D	840	12,00
Nuclear Power Project	442	2,228
PLI for Pharmaceutical Industry	1,200	2,143
Semiconductors & Display Manufacturing	3,000	6,903
Solar Power Grid	4,970	10,000
Direct Benefit Transfer - LPG	180	1,500
Lines of Credit under IDEA Scheme	1,300	3,849

## ANALYSIS

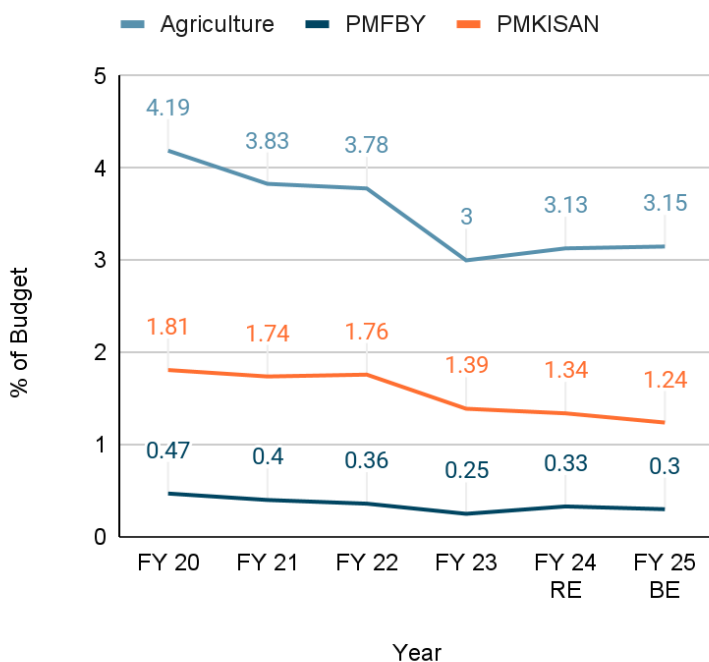
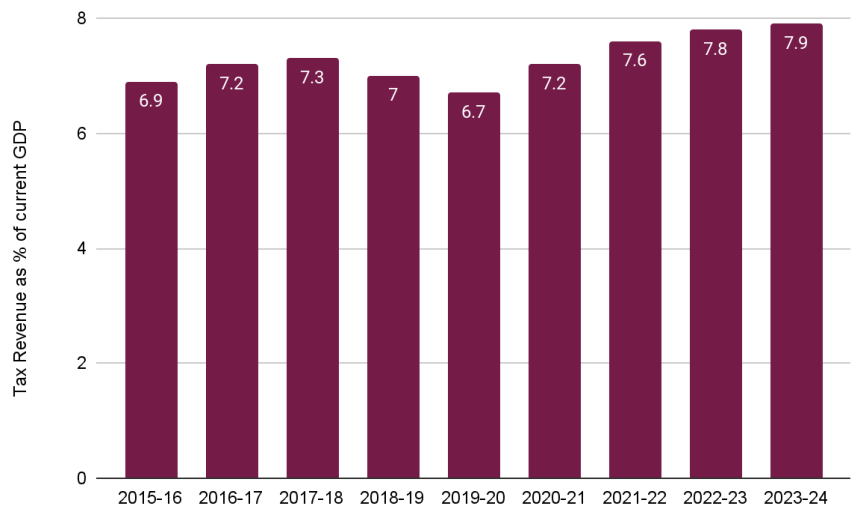
- Improvement in Fiscal Deficit**

**Decreasing Fiscal Deficit as % of GDP**



- Tax share in GDP stagnates**

- o The Centre's net tax revenue (not including transfer to the States) as a share of GDP at current prices has stagnated. It continues to remain below the 8% mark as shown in the graph



- Allocation to the Agriculture stagnates:**

- o In Financial Year 25 BE, allocation remained stagnant around 3.1% of the total budget. Allocation to the flagship schemes such as PMFBY (PM Fasal Bhima Yojana) and PM KISAN declined in

- **Defence outlay down; science allocation up**

- o In FY25BE, defence expenditure as a share of total Budget declined to 9.43%, the lowest in at least nine years.
- o In fact, defence expenditure in absolute terms has also declined. Allocations to the Department of Space have stagnated, while the Science and Technology ministry's share in total Budget has improved slightly to 0.17%

Year	Defence	Dept. of Science	Science & Tech
FY 20	11.86	0.48	0.2
FY 21	9.69	0.27	0.14
FY 22	9.66	0.33	0.14
FY 23	9.52	0.24	0.11
FY 24 RE	10.15	0.25	0.11
FY 25 BE	9.43	0.27	0.17

- **Social spending declines**

- o In FY25BE, allocations for various social sectors such as health, rural development and education as a share of total budget either stagnated or declined, with the social welfare sector being the only exception. Allocation for social welfare improved to 1.17% of the total budget in FY25BE.

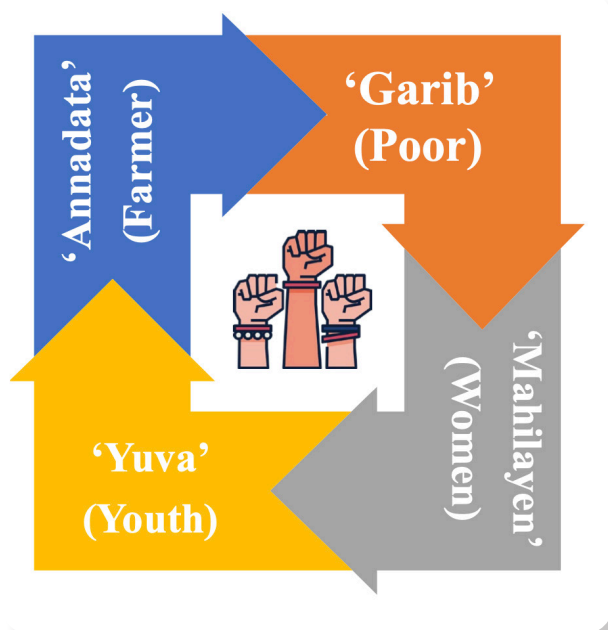
Year	Rural Dvpt.	Health	Higher Education	School Education	Social Welfare
FY 20	5.3	2.36	1.37	1.96	1.66
FY 21	6.1	2.28	0.92	1.48	1.07
FY 22	6.03	2.22	0.88	1.23	1.07
FY 23	5.69	1.75	0.92	1.4	0.97
FY 24 RE	5.32	1.76	1.27	1.61	1.04
FY 25 BE	5.51	1.85	0.99	1.51	1.17

## ROADMAP TO VIKSIT BHARAT

### BUDGET THEME



### FOCUS ON 4 MAJOR CASTE



### PRIORITY AREAS IN PURSUIT OF VIKSIT BHARAT

1. Productivity and Resilience in Agriculture
2. Employment & Skilling
3. Inclusive Human Resource Development and Social Justice
4. Manufacturing & Services
5. Urban Development
6. Energy Security
7. Infrastructure
8. Innovation, Research & Development
9. Next Generation Reforms



## 1. Productivity and Resilience in Agriculture

### Transforming Agriculture Research:

- ➔ Comprehensive review of the agriculture research setup to bring focus on raising productivity and developing climate resilient varieties.
- ➔ **Atmanirbharta**
  - o For oil seeds such as mustard, groundnut, sesame, soyabean and sunflower
- ➔ **Release of new varieties:**
  - o 109 new high-yielding and climate resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
- ➔ **Vegetable production & supply chain:**
  - o Promotion of FPOs, cooperatives & start-ups for vegetable supply chains for collection, storage, and marketing.
- ➔ **National Cooperation Policy:**
  - o For systematic, orderly and all-round development of the cooperative sector
- ➔ **Natural Farming:**
  - o 1 crore farmers across the country will be initiated into natural farming, supported by certification and branding in the next 2 years.
  - o 10,000 need-based bio-input resource centres to be established.
- ➔ **Shrimp Production & Export**
  - o Financing for Shrimp farming, processing and export will be facilitated through **NABARD**.
  - o Financial support for setting up a network of **Nucleus Breeding Centres for Shrimp Broodstocks**.
- ➔ **Digital Public Infrastructure for Agriculture(DPI)**
  - o Government, in partnership with the states, will facilitate the DPI for coverage of farmers and their lands in 3 years. .
  - o Digital crop survey for Kharif using the DPI will be taken up in 400 districts.
  - o Details of 6 crore farmers and their lands will be brought into the farmer and land registries.
  - o Issuance of **Jan Samarth** based Kisan Credit Cards will be enabled in 5 states.

## 2. Employment and Skilling

- ➔ The Indian government has announced a package of 5 schemes for employment and skilling, allocating Rs 1.48 lakh crore for education, employment, and skills.
- ➔ The schemes aim to support first-time employment, job creation in manufacturing, employer support, skilling, and internships.
  - o **Scheme A - First Timers:**
    - » One-month wage to new entrants in all formal sectors in 3 instalments up to ₹15,000 .
    - » Expected to benefit 210 lakh youth
  - o **Scheme B - Job Creation in Manufacturing:**
    - » Linked to first time employees
    - » Incentive to both employee & employer for EPFO contributions in the specified scales for the first 4 years.
    - » Subsidy would have to be refunded by the employer if the employment to the first timer ends within **12**

#### months of recruitment.

- » Expected to benefit 30 lakh youth
- o **Scheme C - Support to Employers**
  - » Government will reimburse EPFO contributions of employers up to ₹3000 per month for 2 years for all new hires.
  - » Cover all additional employment within a salary of Rs. 1 lakh per month in all sectors.
  - » New employees under this Part need not be new entrants to EPFO
  - » Expected to generate 50 lakh jobs
- o **4th Scheme - Skilling Programme**
  - » 20 lakh youth will be skilled over a 5-year period.
  - » 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.
  - » Course content & design aligned as per skill needs of industry.
- o **5th scheme**
  - » A comprehensive scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years (participation of companies is voluntary).
  - » 12-month Prime Minister's Internship with monthly allowance of Rs 5000.
- o **Facilitate higher participation of women** in the workforce through setting up of working women hostels in collaboration with industry, and establishing creches.
- o **Model Skill Loan Scheme:** Revised to facilitate loans up to Rs.7.5 lakh with a guarantee from a government promoted Fund.
- o **Educational Support:**
  - » Financial support for loans upto ₹10 lakh for higher education in domestic institutions.
  - » Direct E-vouchers to 1 lakh students every year.
  - » Annual interest subvention of 3%

### 3. Inclusive Human Resource Development and Social Justice

- ➔ **Purvodaya: Vikas bhi Virasat bhi**
  - o Plan for culturally rich states in the Eastern parts covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh for generation of economic opportunities to attain Viksit Bharat.
  - o **Amritsar Kolkata Industrial Corridor** with development of an industrial node at Gaya.
- ➔ **Pradhan Mantri Janjatiya Unnat Gram Abhiyan:**
  - o Improving the socio-economic condition of tribal communities covering 63,000 villages benefitting 5 crore tribal people.
- ➔ **Andhra Pradesh Reorganisation Act:**
  - o Financial support of ₹15,000 crores will be arranged in FY 24-25.
  - o **Completion of Polavaram Irrigation Project** ensuring food security of the nation.
  - o Essential infrastructure such as water, power, railways and roads in Kopparthy node on the Visakhapatnam-Chennai Industrial Corridor and Orvakal node on Hyderabad-Bengaluru Industrial Corridor.
- ➔ Allocation of more than ₹3 lakh crore for schemes benefitting women and girls.
- ➔ More than 100 branches of **India Post Payment Bank** will be set up in the NorthEast region.

## 4. Manufacturing & Services

- ➔ **Credit Guarantee Scheme for MSMEs in the Manufacturing Sector:**
  - For facilitating term loans to MSMEs for purchase of machinery and equipment without collateral or third-party guarantee, a credit guarantee scheme will be introduced.
  - **Credit Support to MSMEs during Stress Period**
- ➔ **New assessment model for MSME credit:**
  - Public sector banks will develop their own capabilities to assess MSMEs for credit, rather than depending on external evaluations.
- ➔ **Mandatory onboarding in TReDS:**
  - **TReDS, or Trade Receivables Discounting System:**
    - It is an online platform that allows small and medium-sized enterprises (MSMEs) to auction their trade receivables through online bidding by financiers, such as banks.
  - Turnover threshold of buyers for mandatory on boarding on the TReDS (**Trade Receivables Discounting System**) platform to be reduced from Rs.500 crore to Rs.250 crore.
- ➔ **Mudra Loans:**
  - The limit was enhanced to ₹ 20 lakh from the current ₹ 10 lakh under the 'Tarun' category, for entrepreneurs who have availed and paid loans previously.
- ➔ **MSME Units for Food Irradiation, Quality & Safety Testing:**
  - Financial support to set up 50 multi-product food irradiation units in the MSME sector.
- ➔ **Internship Opportunities:**
  - Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years.
  - Allowance of ₹5,000 per month along with a one-time assistance of ₹6,000 through the CSR funds.
- ➔ **Twelve industrial parks under the National Industrial Corridor Development Programme:**
  - Investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector, by better using town planning schemes.
- ➔ Rental housing with dormitory type accommodation for industrial workers in PPP mode with **VGF(Viability Gap Funding)** support.
- ➔ **Critical Mineral Mission:** To be set up for domestic production, recycling of critical minerals, and overseas acquisition of critical mineral assets.
- ➔ Strengthening of the tribunal and appellate tribunals to speed up insolvency resolution and additional tribunals to be established.

## 5. Urban Development

- ➔ **Stamp Duty:**
  - Encouraging states to lower stamp duties for properties purchased by women.
- ➔ **Street Markets:**
  - Envisioning a new scheme to develop 100 weekly 'haats' or street food hubs in select cities for next 5 years.
- ➔ **Transit Oriented Development:**
  - Transit Oriented Development plans for 14 large cities with a population above 30 lakh
- ➔ **Water Management:**

- o Promote water supply, sewage treatment and solid waste management projects and services for 100 large cities through bankable projects.

#### → **PM Awas Yojana Urban 2.0**

- o Needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹10 lakh crore

#### → **Cities as Growth Hubs:**

- o Working with states, the government will facilitate development of 'Cities as Growth Hubs'.
  - » This will be achieved through economic and transit planning, and orderly development of peri-urban areas utilising town planning schemes.

## **6. Energy Security**

#### → **Initiatives with private sector in Nuclear Energy**

- o Setting up Bharat Small Reactors
- o R&D of Bharat Small Modular Reactor and newer technologies for nuclear energy

#### → **Pumped Storage Policy:**

- o For electricity storage and facilitation of smooth integration of the growing share of renewable energy.

#### → **Energy Audit:**

- o Financial support for shifting of micro and small industries to cleaner forms of energy
- o Facilitate investment grade energy audit in 60 clusters, next phase expands to 100 clusters.

#### → **AUSC (Advanced Ultra Supercritical (AUSC) technology) Thermal Power Plants**

- o A joint venture between NTPC and BHEL will set up a full scale 800 MW commercial plant.

#### → **PM Surya Ghar Muft Bijli Yojana:**

- o 1 crore Households obtain free electricity
  - » Up to 300 Units every month
  - » 1.28 crore Registrations and 14 lakh applications so far.

## **7. Infrastructure**

- Provision of ₹11,11,111 crore for infrastructure (3.4% of GDP).

- ₹1.5 lakh crore to states as long term interest free loans to support resource allocation.

- **Phase IV of PMGSY** (PM Gram Sadak Yojana) will be launched to provide all weather connectivity to 25,000 rural habitations.

#### → **IRRIGATION AND FLOOD MITIGATION:**

- o Financial support for projects with estimated cost of ₹11,500 crore such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes
- o Assistance for flood management and related projects in Assam, Sikkim & Uttarakhand
- o Assistance for reconstruction and rehabilitation in Himachal Pradesh

#### → **TOURISM**

- o Development of **Vishnupad Temple Corridor** and **Mahabodhi Temple Corridor** modelled on Kashi Vishwanath Temple Corridor



- o Comprehensive development initiative for **Rajgir** will be undertaken which holds religious significance for Hindus, Buddhists and Jains.
- o The development of **Nalanda** as a tourist centre besides reviving Nalanda University to its glorious stature.
- o Assistance to development of **Odisha's** scenic beauty, temples, monuments, craftsmanship, wildlife sanctuaries, natural landscapes and pristine beaches making it an ultimate tourism destination.

## 8. Innovation Research & Development

- ➔ Operationalization of the **Anusandhan National Research Fund** for basic research and prototype development.
- ➔ Private sector-driven **research and innovation** at commercial scale with a financing pool of ₹1 lakh crore.
- ➔ **Space Economy:** Budget has allocated Rs. 1000 crore for a venture capital fund to boost the space sector. This fund aims to support startups and businesses working in the space industry..

## 9. Next Generation Reforms

- ➔ **Rural & Urban land related actions:**
  - o Land records in urban areas will be digitised with GIS mapping
  - o **Unique Land Parcel Identification Number (ULPIN)** or **Bhu-Aadhaar** for all lands.
  - o Digitization of cadastral maps
  - o Survey of map sub-divisions as per current ownership
  - o Establishment of land registry
  - o Linkages to the farmers' registries
- ➔ **Taxonomy for climate finance:** Enhancing the availability of capital for climate adaptation and mitigation related investments
- ➔ **FDI and Overseas Investments:** Simplified to facilitate FDIs and promote opportunities for using Indian Rupee as a currency for overseas investments.
- ➔ **NPS Vatsalya:** A new pension scheme that allows parents or guardians to open a National Pension System (NPS) account for their children. It's a way for parents to start saving for their child's retirement from a young age.
- ➔ Improvement of data governance, collection, processing and management of data and statistics.
- ➔ **New Pension Scheme (NPS):** A solution that addresses the relevant issues, protects the common citizen and maintains fiscal prudence will be formed.
- ➔ **Jan Viswas Bill 2.0:** Government is working on Jan Viswas Bill 2.0 for enhancing ease of doing business. It's likely to build upon the success of the initial Jan Viswas Bill, which decriminalised several minor offences to reduce bureaucratic hurdles for businesses.

## TAX PROPOSALS

### INDIRECT TAX

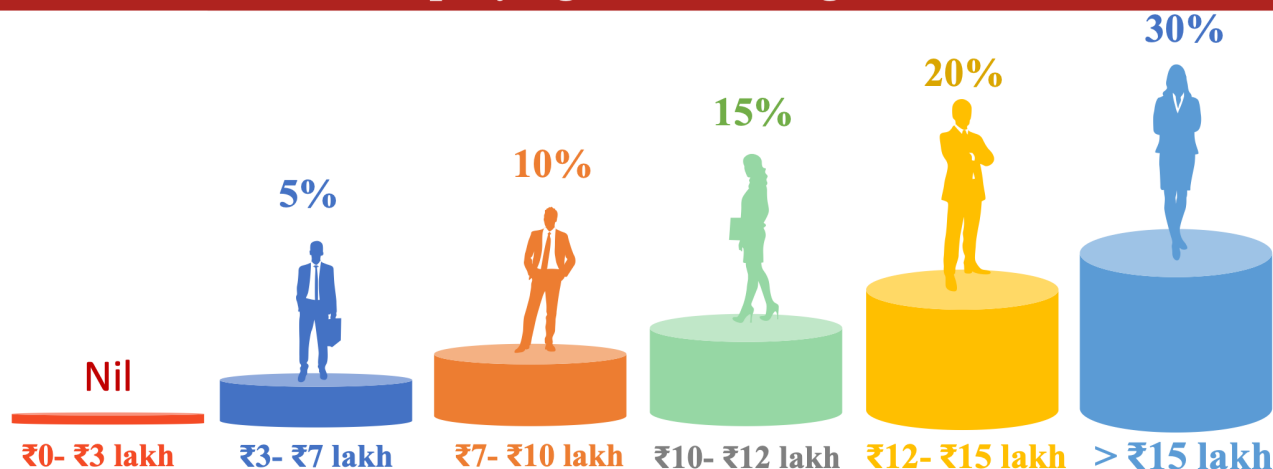
- ➔ GST Simplification and expansion to the remaining sectors.
- ➔ Reduction in Custom duties to support domestic manufacturing, promote export competitiveness
- ➔ Sector specific **Basic Custom Duty (BCD)** proposals
  - » **Change in Custom Duties and its Beneficiaries**
    - **Fully exempted cancer medicines** from custom duties (Trastuzumab, Deruxtecan, Osimertinib and Durvalumab) → **Affordable Medicines**
    - **Reduce BCD to 15% on Mobile phone**, Mobile PCBA and charger → **Mobile industry**
    - Reduce custom duty on gold and silver to 6% and platinum to 6.4% → **Domestic value addition**
    - **Reduce BCD on shrimp and fish feed to 5%** → **Enhance competitiveness in marine exports**
    - Exempted more capital goods for manufacturing of solar cells & panels → **Support energy transition**
    - Fully exempt custom duties on 25 critical minerals → **Boost to strategic sectors**

### DIRECT TAX

- ➔ Simplification of IT Act, Tax Reassessment, Capital Gains Taxation
  - » **Income tax Act, 1961** to be made concise and easy to read
  - » **Rationalisation of capital gains tax**
    - Short term gains of financial assets to attract 20% tax rate
    - Long term gains on all financial and nonfinancial assets to attract a tax rate of 12.5%
    - Increase in limit of exemption of capital gains on financial assets to ₹1.25 lakh per year
  - » **Employment and Investment**
    - Abolish ANGEL tax for all classes of investors.
    - Simpler tax regime to operate domestic cruise
    - Provide for safe harbour rates for foreign mining companies (Selling raw diamonds)
    - Corporate tax rate on foreign companies was reduced from 40% to 35%.
  - » **Direct Tax Vivad Se Vishwas Scheme, 2024:** The scheme will be introduced for settlement of tax related disputes.
    - It provides for leniency in payment of disputed interest or penalty on the tax amount.
  - » **Equalisation levy:** Equalisation levy of 2% of the proceeds received by a non-resident e-commerce operator for supply of goods or services will not be applicable from August 1, 2024.
  - » **Disclosure of foreign assets:** The Black Money Act, 2015 has penalties for not declaring assets held abroad.
    - This will not apply to movable assets up to Rs 20 lakh.
  - » **Immunity from benami transactions:**
    - The Prohibition of Benami Property Transactions Act, 1988 makes the benamidar and the beneficial owner equally culpable.
    - In order to encourage a benamidar to turn approver, provision is being made to provide immunity.

## SIMPLIFYING NEW TAX REGIMES

### Simplifying New Tax Regime



- ➔ Standard Deduction for salaried employees increased from ₹50,000 to ₹75,000.
- ➔ Deduction on family pension for pensioners increased from ₹15,000 to ₹25,000.

## GLOSSARY

### Natural Farming:

- o It is a chemical-free farming system rooted in Indian tradition enriched with modern understanding of ecology, resource recycling and on-farm resource optimization.
- o It is largely based on on-farm biomass recycling with major stress on biomass mulching, use of on-farm cow dung-urine formulations; maintaining soil aeration and exclusion of all synthetic chemical inputs.
- o It is expected to reduce dependency on purchased inputs.
- o It is considered as a cost-effective farming practice with scope for increasing employment and rural development.

### Digital Public Infrastructure (DPI) for agriculture:

- o It is an initiative that aims to digitise the farm sector to improve efficiency and competitiveness.
- o The digitization of agricultural lands under DPI will allow the government to maintain comprehensive and accurate records of farming land across the country.

### JanSamarth Portal:

- o It is a digital initiative by the Government of India that connects 14 credit-linked government schemes on a single platform.
- o The portal's goal is to promote inclusive growth and development by providing beneficiaries with the right government benefits.

### TReDS, or Trade Receivables Discounting System:

- o It is an online platform that allows small and medium-sized enterprises (MSMEs) to auction their trade receivables through online bidding by financiers, such as banks.
- o It allows MSMEs to auction their trade receivables to multiple financiers through online bidding, which can help them get financing at competitive rates.
- o TReDS also allows MSME sellers to discount invoices raised against large corporations, which can help reduce their working capital needs.

### MUDRA Loans:

- o It stands for Micro Units Development & Refinance Agency Ltd., is a financial institution set up by the Government.
- o It provides funding to the non-corporate small business sector through various last-mile financial institutions like Banks, Non-Banking Financial Companies (NBFCs) and Micro Finance Institutions (MFIs).
- o MUDRA does not lend directly to micro-entrepreneurs/individuals but is a fund of funds, providing money to the financial institutions.
- o Three Products:
  - **Shishu:** Covering loans up to Rs. 50,000.
  - **Kishore:** Covering loans above Rs. 50,000 and up to Rs. 5 lakh.
  - **Tarun:** Covering loans above Rs. 5 lakh and up to Rs. 10 lakh.
- o Loans under this scheme are collateral-free loans.

### Viability Gap Funding (VGF) Scheme

- o It aims at supporting infrastructure projects that are economically justified but fall marginally short of financial viability.
- o Support under this scheme is available only for infrastructure projects where private sector sponsors are selected through a process of competitive bidding.

### Pumped storage policy

- o It is a set of guidelines that promote the development of pumped storage projects (PSPs).
- o The goal of these policies is to facilitate the integration of renewable energy with the grid and provide an affordable way to store and generate electricity.
- o PSPs store energy by moving water between reservoirs at different elevations.
- o These projects involve **storing excess electricity during off-peak hours** by pumping water to a higher reservoir and then releasing it to generate electricity during peak demand periods.
- o This helps balance the grid, especially when integrating large amounts of renewable energy.

### Advanced Ultra Supercritical (AUSC) technology:

- o It is a thermal power plant technology that can generate electricity more efficiently and with less environmental pollution than other thermal power plants.
- o AUSC plants can be 41–42% efficient, compared to 38% for subcritical sets and supercritical sets.

### Angel Tax:

- o It is the income tax levied on the **excess amount raised by unlisted companies** (shares are not traded on any public stock exchange) through the issue of shares in off-market transactions if they exceed the fair market value of the company.
- o This excess is considered income and taxed at the rate of 30.9%.
- o Fair market value (FMV) is the price of an asset when the buyer and seller have reasonable knowledge of it and are willing to trade without pressure.

### Capital Gain tax:

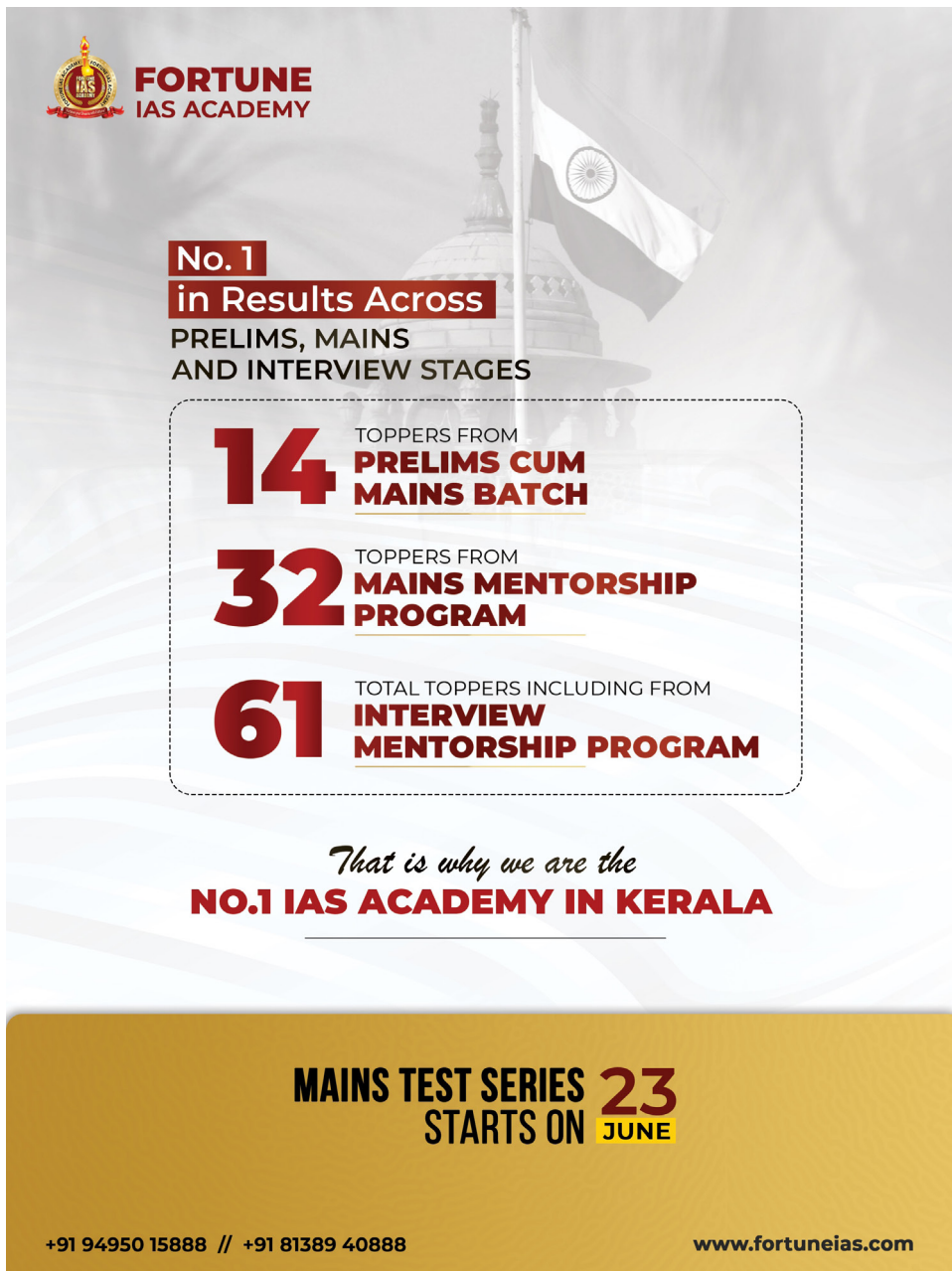
- o It's a tax on gains made from the sale of an asset that has increased in value over a holding period.
- o **Long-Term Capital Gains (LTCG):** This applies to assets held over a specified period.
  - **12 months:** For listed equity shares and equity-oriented mutual funds.
  - **24 months:** For all other assets, including real estate, gold, jewellery, bonds, and debentures.
- o **Short-Term Capital Gains (STCG):** They are the profits made from the sale of an asset that has been held for a




period shorter than the specified holding period. This holding period varies depending on the asset type

**Equalisation Levy:**

- o It is a tax imposed by India on foreign companies providing online services or e-commerce to Indian users. It aims to ensure fair taxation for digital businesses.
- o The levy applies only if the annual payment to a non-resident service provider exceeds Rs. 1,00,000 in a financial year.
- o It is a direct tax.
- o Specified services includes:
  - Online Advertisement
  - Provide digital advertising space or any other facility for the purpose of online advertisement.
  - Any other service may be notified by the Central Government on this behalf.



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# US ELECTION PROCESS - COMPARISON WITH INDIA

*Syllabus: GS II - Governance*

## PYQ MAPPING

**Q)** To enhance the quality of democracy in India the Election Commission of India has proposed electoral reforms in 2016. What are the suggested reforms and how far are they significant to make democracy successful? (2017)

**Q)** 'Simultaneous election to the Lok Sabha and the State Assemblies will limit the amount of time and money spent in electioneering but it will reduce the government's accountability to the people' Discuss (2017)

## SHORT TAKES

- **Super PACs (Political Action Committees):** They are independent organisations that can raise and spend unlimited amounts of money to influence elections, as long as they do not coordinate directly with candidates or political parties. They often focus on advertising and advocacy to support or oppose candidates, making them a significant player in U.S. election campaigns.
- **Delegates:** They are individuals chosen to represent their state or territory at a political party's national convention. The main role of delegates is to cast votes on behalf of their state's voters to nominate the party's candidate for the presidency. Delegates are chosen during the Primary Elections and Caucus. Delegates represent the preferences of voters and help to select each party's candidate for the general election.

## WHY IN NEWS?

The 2024 US presidential election is making headlines with notable developments. President Joe Biden and former President Donald Trump secured their parties' nominations, but Biden then ended his campaign after a poor debate performance with Trump.

Vice President Kamala Harris announced her candidacy for the Democratic nomination, while Trump remains the Republican frontrunner.

## INTRODUCTION

The U.S. Presidential elections and Indian elections represent two of the largest democratic processes in the world, each with its unique methods and traditions. In the U.S., the focus is on a series of state primaries and caucuses leading to a national convention, while India conducts a general election involving a complex multi-phase voting process across diverse regions. Comparing these systems highlights differences in voter engagement, party strategies, and the overall democratic process in these two major democracies.

## TYPE OF GOVERNMENTS

### Presidential Form

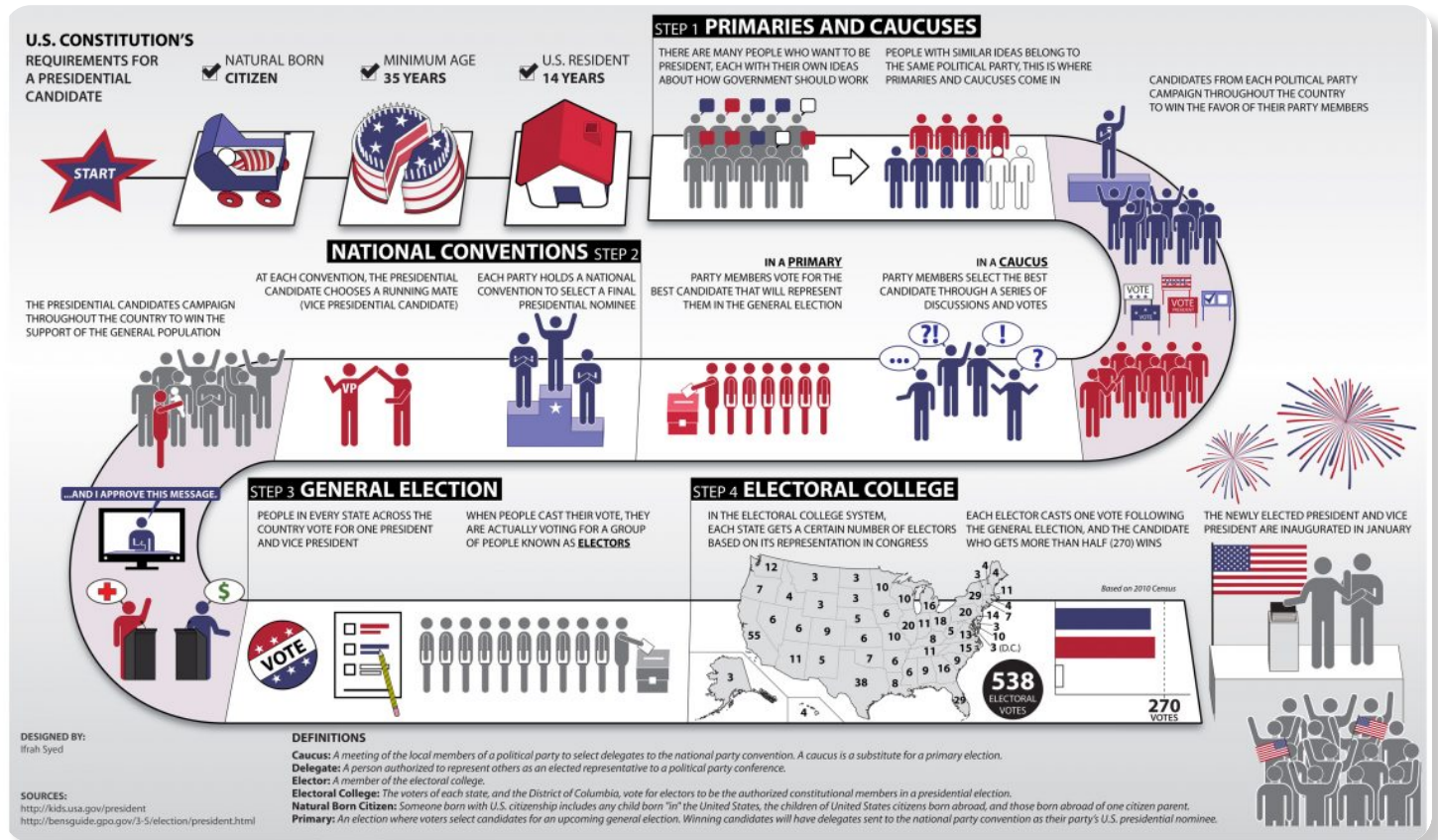
- o **Leadership:** The president leads the executive branch, separate from the legislative branch.
- o **Election:** The president is elected independently of the legislature.
- o **Characteristics:** The President, elected directly by voters for a fixed term, acts as both head of state and government with significant executive powers. The system maintains a clear separation of powers among the executive, legislative, and judicial branches, and the President cannot be removed by a vote of no confidence.
- o **Challenges:** Potential issues include personalization of power, corruption, cronyism, and weakened institutional structures.

### Parliamentary Form

- o **Leadership :** The executive branch derives its legitimacy from and is accountable to the legislature or parliament, and the Prime Minister, as head of government, leads the majority party or coalition.
- o **Election and Removal:** The Prime Minister is elected by the legislature and must maintain its support to stay in office; the legislature can remove the Prime Minister through a vote of "no confidence."
- o **System Characteristics:** The system is dynamic and flexible, often involving minimum winning coalitions, minimally sized cabinets, and oversized minority coalitions.
- o **Challenges:** It can face instability due to frequent changes in leadership or coalition dynamics, potentially leading to short-lived administrations.

## US PRESIDENTIAL ELECTION PROCESS

The U.S. presidential election involves primaries and caucuses, where delegates are chosen. These delegates nominate candidates at national conventions. After general election campaigns, voters choose electors for the Electoral College, which elects the president. Congress certifies the results, and the president is inaugurated on January 20th.



- ➔ **Presidential General Election:** Every four years, U.S. citizens participate in the general election to vote for the president and vice president.
- ➔ **Presidential Candidates:** Major political parties select their presidential and vice-presidential candidates at their national conventions, and these candidates appear on the general election ballot.
  - o Candidates from minor political parties and independents may not hold a national convention but can still appear on state ballots if they meet specific eligibility requirements, such as gathering a certain number of petition signatures in each state.
  - o **Constitutional requirements:** According to the U.S. Constitution, presidential candidates must
    - Be a natural-born citizen of the United States
    - Be at least 35 years old
    - Have lived in the United States for at least 14 years
- ➔ **Registering as a candidate:** To run for federal office, an individual must register with the Federal Election Commission (FEC) and file financial reports once they raise or spend more than \$5,000 in contributions or expenditures.
  - o Federal candidates are required to establish a principal campaign committee, which handles contributions and expenditures for the campaign
- ➔ **Caucuses and Primaries**
  - o **Caucuses:** Caucuses are **party-run meetings** held at the county, district, or precinct level in the months leading up to a presidential election. Participants may vote by secret ballot or gather in groups based on their candidate preference, with undecided individuals forming their own group. Delegates are awarded to candidates based on the support each receives from the caucus participants.
  - o **Primaries:** Most **states conduct** primaries 6-9 months before a presidential election. In these primaries, usually voters cast their preferences

anonymously using secret ballots. The results are used to allocate delegates to the candidates who receive the most votes.

- **Open Primaries:** Any registered voter can participate, regardless of party affiliation.
- **Closed Primaries:** Only registered party members can vote.

#### ➔ Types of Delegates:

- **Pledged or bound delegates:** These delegates are obligated to support the candidate they were assigned based on the outcomes of the primary or caucus process.
- **Unpledged delegates or superdelegates:** These delegates are free to support any presidential candidate of their choice.
- ➔ **National Conventions:** To secure the presidential nomination, a candidate needs to win a majority of delegates through state primaries and caucuses, with delegates attending the national convention to vote for their chosen candidate.
  - If no candidate secures a majority, delegates at the convention vote in additional rounds to select the nominee, who then announces their vice-presidential running mate.

➔ **General Election Campaign:** The nominees campaign nationwide to win the support of voters through debates, rallies, and advertisements.

➔ **Voting :** Registered citizens can vote in the presidential general election, even if they did not participate in their state's primary elections. Voters can choose any presidential candidate, regardless of their party affiliation or previous voting history.

➔ **Election Day:** Citizens vote for their preferred candidate on the first Tuesday after the first Monday in November.

- However, depending on the state, voting options may also include absentee ballots, mail-in ballots, and early voting.
- On Election Day, when voters cast their ballots for president, they are technically voting for the slate of electors pledged to their chosen candidate.

➔ **Electoral College:** Electors from each state cast votes based on the state's popular vote. A majority of 270 electoral votes is required to win the presidency.

➔ **Inauguration:** The elected president is inaugurated on January 20th of the following year, taking the oath of office and officially beginning their term.

## COMPARISON WITH INDIAN ELECTIONS

Aspect	US Elections	Indian Elections
<b>System</b>	Presidential system with a winner-takes-all approach	Parliamentary system with proportional representation
<b>Candidate Selection</b>	Primaries and caucuses leading to a national convention	Multi-phase general elections with party-based contests
<b>Campaign Financing</b>	Influence of Super PACs, private donations, and corporate funding.	Use of electoral bonds, party funding, and limits on individual donations
<b>Election Administration</b>	Managed by state governments and federal oversight	Managed by the Election Commission of India with extensive logistics
<b>Voting Method</b>	Secret ballot at polling stations	Secret ballot at polling stations and sometimes extended voting phases
<b>Election Frequency</b>	Presidential elections every 4 years	General elections every 5 years; state and local elections on different schedules
<b>Major Parties</b>	Two main parties: Democrats and Republicans	Multiple parties with major national parties (e.g., BJP, Congress) and regional parties
<b>Voter Registration</b>	Generally requires registration; varies by state	Centralised voter registration, managed by the Election Commission of India (ECI), automatically includes citizens aged 18 and above through periodic online and door-to-door updates.



## CONCLUSION

The U.S. and India, though both representative democracies, have distinct electoral systems: the U.S. uses a presidential, winner-takes-all system, while India has a parliamentary system emphasising proportional representation. Both face challenges with transparency and money in politics, with issues like electoral bonds in India and Super PACs in the U.S. highlighting the need for electoral reforms.

### SAMPLE QUESTION

**Q)** Analyse the impact of electoral systems on political stability and governance in the U.S. and India. How do the differences in election processes influence the effectiveness and responsiveness of democratic institutions in these countries? **(10 marks)(150 words)**



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# ECONOMIC SURVEY 2023-24

*Syllabus: GS III - Indian Economy*

## PYQ MAPPING

**Q)** Do you agree that the Indian economy has recently experienced V- shapes recovery? Give reasons in support of your answer **(2021)**

**Q)** “Economic growth in the recent past has been led by an increase in labour productivity.” Explain this statement. Suggest the growth pattern that will lead to creation of more jobs without compromising labour productivity **(2022)**

## SHORT TAKES

- **Foreign Direct Investment(FDI):** It is when a company or individual invests in a business in another country, typically by establishing operations or acquiring assets, and involves long-term interest and control.
- **Micro, Small, and Medium Enterprises (MSMEs):** They are defined by their investment and turnover limits: micro enterprises have investments up to ₹1 crore and turnovers up to ₹5 crore, small enterprises have investments up to ₹10 crore and turnovers up to ₹50 crore, and medium enterprises have investments up to ₹50 crore and turnovers up to ₹250 crore.
- **ODF Plus Status :** An ODF Plus village is one which has sustained its Open Defecation Free status along with implementing either solid or liquid waste management systems

## WHY IN NEWS

Union Finance Minister Nirmala Sitharaman tabled the Economic Survey of India 2023-24 in Parliament on July 22. The survey highlights a positive outlook for India's financial sector but warns of potential vulnerabilities, noting a shift from banking dominance to a greater role for capital markets.

## INTRODUCTION

The Economic Survey is an official report card on the government's financial performance and the state of the economy during the year ending March 31. It also provides an outlook on future policy changes. It is usually released by the Ministry of Finance a day before the Union Budget is tabled. The Economic Survey for 2023-24 distinguishes itself by offering a more realistic assessment of the challenges facing India's economic growth.



## HIGHLIGHTS OF ECONOMIC SURVEY 2023-24

- ➔ **Growth Rate:** India's GDP growth is projected at 6.5% to 7% for FY 2024-25, lower than the 8.2% estimated for the previous year, amid global challenges affecting exports.
- ➔ **Moderation of Inflation:** Despite global challenges, India's retail inflation eased from 6.7% in FY23 to 5.4% in FY24.
  - o India's retail inflation is measured by the **Consumer Price Index (CPI)**.
- ➔ **Sectoral Composition: Agriculture, industry, and services** contributed 17.7%, 27.6%, and 54.7% respectively to India's overall GVA in FY24.
  - o Gross Value Added (GVA) is the measure of the value of goods and services produced in an area, industry, or sector of an economy, which accounts for the **output minus the value of intermediate consumption**.
- ➔ **Strong Tax Revenue Growth:** Gross tax revenue (**GTR**) is estimated to be 13.4% in FY24, with growth in direct taxes by 15.8% and indirect taxes by 10.6%.
  - o **GTR** is the **total amount of money collected by the government from taxes** before deducting any refunds or allowances.
  - o **Net tax revenue**, on the other hand, is GTR minus any tax refunds or rebates. It represents the final income generated for the government from taxation

- ➔ **Dominance of Direct Taxes:** Direct taxes account for 55% of total tax revenue, while indirect taxes contribute 45%.
  - **Direct taxes** are levied directly on the income or profits of an individual or a company. The taxpayer is responsible for paying the tax to the government. Example, Income Tax, Corporation tax, Capital Gains Tax etc
  - **Indirect taxes** are levied on the production or sale of goods and services. These taxes are typically included in the price of the product or service and are collected by the seller on behalf of the government. Example, GST, Excise, Customs duty etc.
- ➔ **GST Growth:** A 12.7% year on year growth in GST collection reflects improved tax compliance.
- ➔ **Increased Government Capex:** Government Capital expenditure surged by 28.2% to ₹9.5 lakh crore in FY24, significantly boosting economic growth.
  - **Capital expenditure** is the money spent by a business or government on acquiring or upgrading physical assets like buildings, machinery, or equipment.
- ➔ **RBI Monetary Policy:** The Reserve Bank of India tightened monetary policy by increasing repo rates by a cumulative 250 basis points to combat inflationary pressures in 2022 and has since remained largely stable since.
  - **Monetary Policy Stance:** The RBI maintained a steady policy repo rate at 6.5% throughout FY24, striking a balance between growth and inflation control.
- ➔ **Reduced NPAs: Gross Non-Performing Assets (GNPA)** ratio has declined to a 12-year low of 2.8%.
  - **GNPA** refers to loans or advances that are overdue and have not been repaid by the borrower for a specified period, typically 90 days or more, indicating a higher risk of default.
  - **Gross** indicates that no provisions for potential losses on these loans have been made yet.
- ➔ **GFCF as Growth Driver: Gross Fixed Capital Formation (GFCF)** is a measure of the net increase in physical assets within an economy over a given period, accounting for investments in infrastructure, machinery, and equipment, minus disposals. It indicates the level of investment in the economy's productive capacity.
  - GFCF by private non-financial corporations **surged by 19.8%** in FY23, with indications of continued momentum in FY24.
- ➔ **Fiscal Consolidation:** India has successfully reduced its fiscal deficit to **5.6% of GDP** in FY24 from 6.4% in FY23, defying the global trend.
  - **Fiscal deficit** is the **difference between a government's total expenditures and its total revenues**, excluding borrowing, indicating the amount of borrowing needed to cover the gap.
- ➔ **Reduced Current Account Deficit:** The current account deficit (CAD) **narrowed** to 0.7% of GDP from 2.0% in the previous year.
  - CAD is the **difference** between a country's imports and exports of both goods and services.
- ➔ **Improved State Finances:** State governments have shown fiscal discipline, with a gross fiscal deficit 8.6% lower than budgeted.
- ➔ **Strong Services Exports:** Services exports have continued to grow, reaching a new high of USD 341.1 billion, with IT and business services leading the way
- ➔ **Trade Balance:** Overall trade (merchandise and services) recorded a marginal growth of 0.15%, while imports declined by 4.9%.
- ➔ **Remittance Growth:** **Net private transfers** refer to the total value of financial transfers, such as **remittances** or



## Climate Change and India

### How Mission LIFE can help tackle Climate Change

- Mission LIFE believes that many small, consistent, and pro-planet actions by individuals will collectively work to make a substantial difference
- Mission LIFE offers a list of 75 LIFE Actions for individuals, to live more sustainably
- Mission LIFE promotes circular economy, reuse of waste products, mindful consumption instead of overconsumption, eating local plant-based cuisines with a low ecological footprint, and saving water and energy



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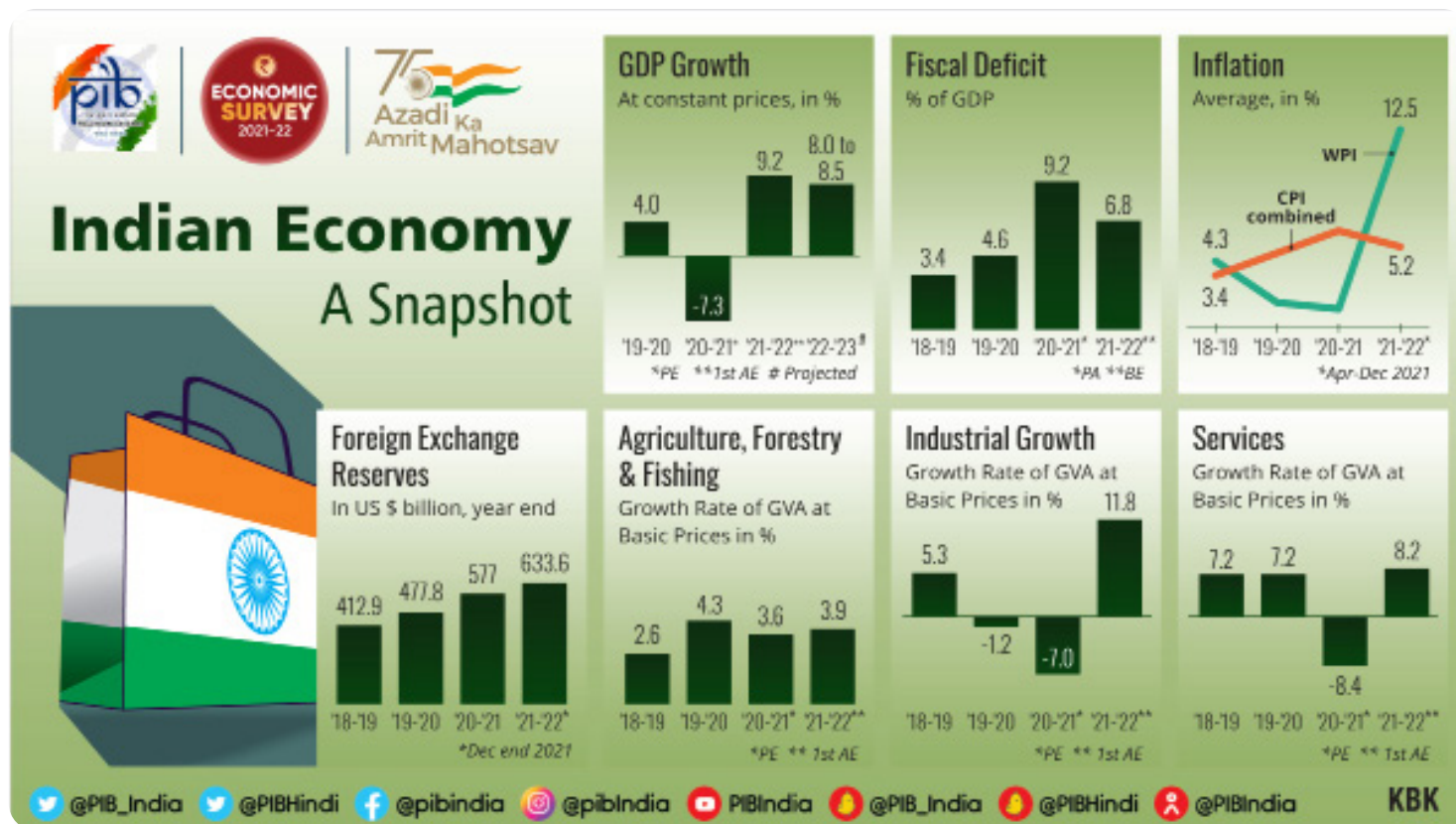
private donations, coming into a country from abroad minus the transfers sent out of the country.

o Net private transfers, primarily remittances, surged to **USD 106.6 billion**.

➔ **Low External Debt:** The **external debt to GDP ratio** is a measure of a country's total external debt compared to its Gross Domestic Product (GDP), **indicating the proportion of the nation's debt owed to foreign creditors relative to its economic output**.

o India's **external debt-to-GDP ratio at 18.7%** indicates a comfortable debt position.

➔ **Strong Forex Reserves:** Ample foreign exchange reserves, covering 97.4% of total debt, provide a robust external position.



➔ **Empowerment through Schemes:** Initiatives like PM Ujjwala(PMUJ), Swachh Bharat, Jan Dhan Yojana(PMJDY), and PM Awas Yojana(PMAY) have improved lives of the underprivileged.

o As on 2023, there are about 9.59 crore PM Ujjwala beneficiaries, out of which 8.41 crore have taken at least one refill during 2022-23.

• A total of 5.43 lakh LPG connections have been released to migrant households under Ujjwala 2.0.

o The Swachh Bharat Mission (Grameen) Phase II has reached a major milestone, with 75% of the country's villages now achieving ODF Plus status.

o As on November 2023, a total of 51.04 crore PMJDY accounts have been opened having a deposit balance of Rs. 2,08,855 crore.

• A total of 4.30 crore PMJDY accounts have zero balance, as the scheme does not require maintaining a minimum balance.

o PMAY-Urban has sanctioned a total of 1.18 Crore houses, 1.14 Crore houses have been grounded for construction, and 83.67 lakh houses have been completed.

• PMAY-Gramin has sanctioned 2.94 crore houses and 2.62 crore houses have been completed, significantly improving the living conditions of millions of rural families

➔ **Targeted Delivery:** The focus on **last-mile service delivery** aims to ensure that benefits reach the most vulnerable by addressing the final step in the distribution process, where goods or services are delivered from a central hub directly to the end consumer or recipient.

- ➔ **DBT Efficiency:** **Direct Benefit Transfer (DBT)** is a government scheme where subsidies or benefits are transferred directly into the bank accounts of eligible beneficiaries, reducing intermediaries and ensuring that financial aid reaches the intended recipients efficiently.
  - o DBT has improved fiscal efficiency, with **Rs. 36.9 lakh crore transferred** since inception.
- ➔ **Expanded Healthcare Coverage:** The **Ayushman Bharat Card**, part of India's Pradhan Mantri Jan Arogya Yojana, launched on September 23, 2018, provides health insurance coverage of up to Rs. 5 lakhs for poor families
  - o Over 34.7 crore Ayushman Bharat cards have been generated, covering 7.37 crore hospital admissions.
- ➔ **Mental Health Focus:** The government has included 22 mental disorders under Ayushman Bharat- PMJAY
  - o This has led to 1.35 lakh hospital admissions from 2021-22 to 2023-24 and Rs 120.19 crore was authorised for mental disorder treatments
  - o The scheme reduces the financial burden on individuals and families, promoting better mental health outcomes.
- ➔ **Early Childhood Development:** The 'Poshan Bhi Padhai Bhi' program that aims to create a universal, high-quality preschool network at Anganwadi Centres was launched last year.
  - o As on June, 2024 a total of 11,364 State Level Master Trainers (Child Development Project Officers, Supervisors and Additional Resource Persons) and 1877 Anganwadi Workers have been trained under this scheme.
- ➔ **Climate Change Policy:** The Economic Survey 2023-24 advocates for developing countries to **tailor climate change solutions to their local context**, rejecting the universal applicability of Western strategies..
  - o **Unique Sustainable Practices:** The Survey emphasises that **India's traditional practices are already aligned with sustainable development** and that Western criticisms often overlook this unique approach.
    - **Example: Efficient Land Use:** Using crops for livestock feed reduces land for human consumption; switching to inedible feed can alleviate global hunger.
    - **Traditional Housing Benefits:** Western nucleated housing is inefficient and resource-heavy; multi-generational homes use local materials and efficient designs, promoting sustainability.

## KEY CHALLENGES IDENTIFIED

- |  |   |
|--|---|
| <p>▼ <b>Global Headwinds Affecting Foreign Direct Investment(FDI):</b></p> <ul style="list-style-type: none"> <li>o <b>High Interest Rates:</b> Increased borrowing costs in developed economies reduce investor appetite for riskier investments in developing countries like India.</li> <li>o <b>Increased Opportunity Cost:</b> The higher returns available in developed markets due to elevated interest rates make investments in developing nations like India less attractive.</li> <li>o <b>Competitive Industrial Policies:</b> Developed countries are offering substantial subsidies to encourage domestic investment, making it difficult for countries like India to compete for FDI</li> <li>o <b>Geopolitical Tensions:</b> Ongoing geopolitical uncertainties create an environment of instability, deterring investors seeking stable and predictable markets.</li> <li>o <b>Economic Slowdown:</b> A potential global economic slowdown could further dampen investor sentiment and reduce FDI flows.</li> </ul> | <p>▼ <b>China Challenge</b></p> <ul style="list-style-type: none"> <li>o <b>Overdependence on Chinese Imports:</b> India's reliance on China for key imports, particularly in the renewable energy sector, poses a significant vulnerability.</li> <li>o <b>Stagnation in Low-Skill Manufacturing:</b> China's continued dominance in low-skill manufacturing hinders India's efforts to occupy this industrial space.</li> </ul> <p>▼ <b>AI Threat:</b> AI advancements pose a significant risk to the future of telecommunications and internet-based business process outsourcing (BPO) sectors.</p> <p>▼ <b>Lacklustre Response to Tax Incentives:</b> Despite tax cuts by the Union government in September 2019 aimed at boosting capital formation, the corporate sector's response has been lacklustre, with profit before taxes nearly quadrupling from FY20 to FY23 while hiring and compensation growth remained stagnant.</p> <p>▼ <b>Urgent Need for Job Creation:</b> Indian economy requires creating nearly <b>78.5 lakh non-farm jobs annually until 2030</b> to address the burgeoning labour</p> |
|--|---|



force effectively.

### ▼ **Data Deficiency in India:**

- o **Lack of Comprehensive Employment Data:** India faces a critical gap in employment data, hindering accurate analysis of the labour market situation across sectors.
- o **Impact on Policy Making:** The absence of reliable

employment data hampers effective policy formulation and implementation to address unemployment challenges.

- ▼ **Lifestyle Challenges:** Modern lifestyles characterised by excessive social media consumption, sedentary behaviour, and unhealthy diets are negatively impacting public health, productivity, and overall economic growth.

## RECOMMENDED SOLUTIONS

### ☀ **Job Creation by the Private Sector:**

- o Encourage the private sector to create jobs, leveraging its excess profits and reducing government intervention in the economy.

### ☀ **Lifestyle Changes by the Private Sector:**

- o Embrace traditional Indian lifestyles and practices that promote health and environmental harmony, capitalising on global market potential.

### ☀ **Farm Sector as the Savior:**

- o Focus on enhancing agricultural practices and policies to increase value addition, boost farmers' income, and create opportunities in food processing and exports.

### ☀ **Removing Regulatory Bottlenecks:**

- o Simplify and reduce the Licensing, Inspection, and Compliance requirements, particularly for Medium, Small, and Micro Enterprises (MSMEs).

### ☀ **Building State Capacity:**

- o Invest in strengthening state capacity to sustain and accelerate economic progress through effective and pragmatic approaches.

## CONCLUSION

India's economic landscape has witnessed significant strides, marked by robust growth, macroeconomic stability, and inclusive development. The government's strategic interventions, coupled with the private sector's dynamism, have propelled the nation towards a promising future. However, sustaining this momentum requires continuous policy refinements and addressing emerging challenges, such as unemployment and income inequality.

### SAMPLE QUESTION

**Q)** Discuss the influence of artificial intelligence, protectionism, and supply concerns on India's services and manufacturing sectors as per the Economic Survey. What strategies can mitigate these challenges and promote sustainable growth?(10 M)(150 W)

## ETHICS - CASE STUDY

**Q)** As the District Development Commissioner (DDC) in a region with high rates of child malnutrition, you have recently been receiving complaints about the poor quality of food provided under the Midday Meal Scheme. Upon investigating, you found that many of the meals served do not meet the required calorie standards. Some vendors deliberately supply subpar food for higher profit, while others lack proper knowledge about the nutritional content of their food. There is also a general lack of awareness about calorie content among both children and teachers.

- a. Analyse the problem and explain various repercussions of it.
- b. Also explain what steps you can take in order to effectively resolve this problem.

## ETHICS - EXAMPLES

1. **Ethics in Public Administration:** An internal note by Goa police highlights concerns about alcoholism and drug abuse among personnel, with reports of officers consuming intoxicants and gambling during duty hours. District Superintendents of Police are directed to conduct monthly surprise visits and compile lists of offenders for action.
2. **Integrity:** Sasikanth Senthil, a first-time MP from Tamil Nadu's Tiruvallur, grew up learning about caste discrimination, which inspired his journey from a Karnataka IAS officer to a politician after resigning in protest against certain government policies.
3. **Environmental, Business Ethics:** In 2023, the CPCB found over 600,000 fake pollution-trading certificates from audits at four plastic-recycling companies in Gujarat, Maharashtra, and Karnataka. The actual number of fake certificates could be much higher, impacting the recycling targets of the 18,000 companies under the Extended Producer Responsibility scheme.
4. **Corporate Governance:** Technopark CEO Sanjeev Nair urged IT firms to employ differently-abled individuals as part of their CSR initiatives, emphasising that this inclusion could generate goodwill and benefit businesses. He noted that integrating even one person with a disability could significantly enhance organisational culture with minimal adjustments.
5. **Consumerism:** Promotions and raises often lead to lifestyle creep, where increased income results in higher spending and reduced savings. Experts explain that this phenomenon is driven by greater spending power, relative deprivation, emotional spending, and hedonic adaptation, making it hard to revert to previous spending habits.
6. **Educational Values:** A recent Lancet article highlights the ongoing issue of suicide and limited government interest despite psychiatrists' recommendations. The National Suicide Prevention Strategy, launched in November 2022, includes integrating a mental well-being curriculum in all educational institutions within eight years and developing responsible media reporting guidelines.
7. **Workplace Ethics:** Kerala's judicial officers can now address grievances through a new happiness committee led by High Court judge C.S. Dias. This initiative was announced by Acting Chief Justice Mohammed Mushtaq, amid rising discontent over the High Court's recent demand for explanations from officers who took significant leave in the past two years.
8. **Sportsmanship:** Japan's Ryuju Nagayama refused to shake hands with Spain's Francisco Garrigos in Olympics in the men's under-60kg judo competition, leading to controversy over Nagayama's unsportsmanlike behaviour, while Garrigos earned praise for his respectful conduct.



## MODEL ESSAY

*"Violence is the last refuge of the incompetent"*

### Introduction

- Quote by Isaac Asimov
- Meaning: Violence is often employed by those lacking the ability to resolve conflicts peacefully or effectively.
- Incompetence, often manifested in poor problem-solving and emotional regulation, can be a precursor to violent behaviour.

### Reasons to resort to violence

- **Power and Control:** Desire to dominate or maintain power-Seen in dictatorships and oppressive regimes
- **Frustration and Injustice:** Feeling marginalised or oppressed leads to believe that violence is the only way to achieve change or justice-Seen in revolutions and civil unrest.
- **Ideological Extremism:** Adherence to extreme ideologies justifying violence-Seen in terrorism.
- **Economic Disparity:** Inequality and poverty creating violence-Seen in high-crime areas and gang activity.

### Examples

- **Genghis Khan:** Brutal military tactics, vast empire built through force.
- **Adolf Hitler:** Nazi leader, responsible for the Holocaust.
- **Joseph Stalin:** Soviet dictator, used terror to maintain power, leading to millions of deaths.
- **Leaders of Terrorist Organizations:** Osama bin Laden, Ayman al-Zawahiri, used violence for political goals.
- **Warlords and Insurgents:** Employ violence to maintain control and achieve goals.

### Counterproductivity of Violence

- **Creation of New Enemies:** Perpetuates a cycle of hostility and retaliation.
- **Escalation of Conflict:** Use of force can escalate conflicts, hindering peaceful resolutions.
- **Damage to Social Fabric:** Erodes trust,

cooperation, and social cohesion.

- **Economic Setbacks:** Disrupts economic activities, leading to job losses and poverty-overall decline in a region's prosperity.
- **Psychological Trauma:** Inflicts deep psychological wounds, leaving lasting scars.

### Way Forward

- **Strengthening Conflict Resolution Mechanisms:** Eg: Community mediation centres, in Singapore, which help prevent conflict.
- **Promoting Education and Awareness:** Develops empathy, critical thinking, and peaceful conflict resolution. Eg: Rwanda, successfully focused on reconciliation and forgiveness after 1994 genocide
- **Enhancing Global Governance:** Strengthening international institutions and cooperation to address root causes of conflict, such as inequality and injustice. Eg: UN SDG 16- Peace, Justice and Strong Institutions
- **Addressing Root Causes :** Tackling poverty, inequality, and discrimination. Eg: Scandinavian model of welfare states, which emphasises social equality

### Conclusion

- Violence is a symptom of incompetence, not a solution.
- Emphasise the importance of peaceful conflict resolution
- Need to advocate for a global shift towards non-violent problem-solving approaches.

### Sample Quotes

- *The difficulty lies not so much in developing new ideas as in escaping from old ones- John Maynard Keynes*
- *The only limit to our realisation of tomorrow is our doubts of today - Franklin D. Roosevelt*
- *It is not in the stars to hold our destiny but in ourselves- William Shakespeare*

## MAINS JOT DOWN



### GS- III - CYBERCRIME

- ➔ Over ₹2,400 crore was saved in more than 7.6 lakh cyber crime cases due to **'Citizen Financial Cyber Fraud Reporting and Management System'**
  - It is launched by the **Ministry of Home Affairs** for immediate reporting of online financial frauds and to stop siphoning off funds by the fraudsters.



### GS- II - LOCAL SELF GOVERNANCE

- ➔ **Kanichar panchayat in Kannur**, Kerala selected by the Kerala State Disaster Management Authority (KSDMA), will be the **first local body in the country to house a resilience centre at grama panchayat-level**.
- ➔ The programme titled **'living labs'** intends to help vulnerable grama panchayats evolve into resilient communities.
- ➔ The project will also ensure the overall resilience of the community, including financial, social, and environmental resilience.
- ➔ A resilience centre will be set up for the smooth implementation of the 'living lab' approach with a dedicated resilience officer who will have to work closely with the panchayat, District Disaster Management Authority (DDMA), KSDMA and Kerala Climate Change Adaptation Mission.



### GS- III - GROWTH & DEVELOPMENT

- ➔ Kerala to launch **entrepreneurship index**.
  - Kerala's Minister for Industries announced that the state would launch an **entrepreneurship index** to highlight the investment potential and industry status of all 14 districts in Kerala.
  - The index will rank districts based on investment, identify which district leads in each sector, and highlight the job opportunities they offer.



### GS- II - HEALTH

- ➔ Government has launched a new online vaccination portal for childhood vaccination called **U-WIN Portal**.
- ➔ Captures every vaccination event for **pregnant women** and **children up to the age of six years** under Universal Immunization Programme.
- ➔ It will also locate the nearest vaccination centre, register all births, child's birth weight etc. Also allows the government to study micro-trends across areas.



### GS- II - INDIAN CONSTITUTION

- ➔ The Supreme Court emphasised the **need to balance railway infrastructure** development in Haldwani, Uttarakhand, with the **fundamental right to shelter** nearly 50,000 people accused of illegally encroaching on railway land.
- ➔ It is a fundamental right, which springs from the **right to residence under Article 19 (1) (e) and the right to life under Article 21**.



### GS- I - GEO-PHYSICAL PHENOMENA

- The **ILO (International Labour Organisation)** study estimated that “**Heat stress**” is projected to reduce total working hours worldwide by 2.2 percent and global GDP by US\$2,400 billion in 2030.
- Agricultural and construction workers are expected to be the worst affected, accounting for 60 percent and 19 percent, respectively of working hours lost to heat stress in 2030”.



### GS- III - CONSERVATION

- **300 artificial reef modules** were deployed off the coast of **Rameshwaram (Tamil Nadu)**.
- Artificial Reefs are technology interventions used to rehabilitate or improve coral reef natural habitats, increase productivity and manage aquatic resources including habitat enhancement.
- **Department of Fisheries** is promoting it **under Pradhan Mantri Matsya Sampada Yojana** for rejuvenating coastal fisheries and improving fishing potential.



### GS- II - ISSUES RELATED TO WOMEN

- The **World Economic Forum** released the 18th edition of its annual **Global Gender Gap Report for 2024**, comprehensively benchmarking gender parity across 146 economies worldwide.
- **India** ranked **129 out of 146 economies**, with a decline in the education sector being one of the reasons for India’s rank slipping a couple of places this year.



### GS- II - INTERNATIONAL RELATIONS

- **Nepal, Sri Lanka, Seychelles** secure more funds under Budget allocation for the Ministry of External Affairs.
- Nepal secured an allocation of ₹700 crore and Sri Lanka received ₹245 crore.
- The Seychelles, which had an allocation of ₹10 crore, got a boost with the infusion of ₹30 crore.
- Bhutan, the largest recipient of the annual allocation under the MEA, has seen a dip in funding by ₹332.02 crore.
  - Total funding for Bhutan this year stands at ₹2,068.56 crore.



### GS- III - ENVIRONMENT

- The **Food and Agriculture Organization (FAO)** released the **State of the World’s Forests 2024 Report**.
- India ranked **3rd** for average annual net gain in forest area from 2010- 2020.
- Deforestation Rate declined to 10.2 million hectare (ha) per year in 2015–2020 from 15.8 million ha per year in 1990–2000.
- Non-Timber Forest Products support the livelihoods of about 275 million people in India.

## CHERRYPICKS OF THE WEEK

### MERCOSUR

- It is **Southern Common Market** (MERCOSUR for its Spanish initials) in latin america.
- It was established by Argentina, Brazil, Paraguay and Uruguay in 1991, and subsequently joined by Venezuela and Bolivia.
- Venezuela has been suspended since December 1, 2016.
- Objective is to facilitate the free movement of goods, services, capital and people among the four member countries.
- India has a Preferential Trade Agreement with MERCOSUR.

### BENELUX

- It is the economic union of **Belgium**, the **Netherlands**, and **Luxembourg**, with the objective of bringing about total economic integration by ensuring free circulation of persons, goods, capital, and services; by following a coordinated policy in the economic, financial, and social fields; and by pursuing a common policy with regard to foreign trade.

### BLUE SCREEN OF DEATH

- It is also known as a **stop error or blue screen error**, is a critical system error in Microsoft Windows operating systems.
- It occurs when the system encounters a severe issue that it cannot recover from without losing data, forcing the computer to stop running and restart.

### TRANSFER PRICING

- According to the I-T Department, "**transfer pricing generally refers to prices of transactions between associated enterprises which may take place under conditions differing from those taking place between independent enterprises**"
- It refers to the "value attached to transfers of goods, services, and technology between related entities, and between unrelated parties that are controlled by a common entity".

### ARM'S LENGTH PRICE

- The Section 92F(ii) of the Income Tax Act, 1961 defines arm's length price as "a price which is applied or proposed to be applied in a transaction between persons other than associated enterprises, in uncontrolled conditions".
- In other words, Arm's Length Price demonstrates the price that should have been charged between related parties had those parties were not related to each other.



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