

GS III

SYLLABUS: ISSUES RELATING TO GROWTH.

CURRENT ACCOUNT DEFICIT

THE HINDU, PG.NO: 1.

News: "India's goods exports dip 1% in December; trade deficit narrows to three-month low."

"India's CAD reflects our heavy reliance on imports like crude oil and gold, but also underscore the untapped potential of our export sectors."

Factors affecting Current Account Deficit

Merchandise Trade Deficit:

- **Impact of oil prices:**
 - India is **third largest oil importer(2023)**. In 2018, India's CAD widened to 2.1% of GDP primarily due to surge in global crude oil prices.
- **Domestic economic growth and rising imports:**
 - During **2008-10 Indian economy expanded rapidly**, which increased demand for capital goods leading to CAD to 4% of GDP in 2011.
- **Gold imports:**
 - India is one of the largest importer of gold. Any reduction in import duties on gold will surge its imports widening CAD — **2024 August**.

Remittances or Private Transfers:

- India is **world's largest recipient of remittances**, their significant contribution in 2019, reduced CAD to 1% of GDP.

Services and Tourism exports:

- **During periods of 2005-10**, services exports from India's IT sector helped balance the CAD. Even merchandise trade deficits were high.

Foreign investments:

- **During period of 2014-16**, India became one of the top investment destination for FDI globally. Helped CAD to stand at 1% of GDP in 2015.

Exchange Rate depreciation:

- During **Taper Tantrum 2013**, Indian rupee depreciated significantly losing 15% of its value against USD. This widened CAD to almost 5% in 2013.

Geopolitical risks impact on exports:

- **Due to COVID-19**, India experienced **first CAD surplus in over a decade**, due to sharp drop in both Indian exports and imports in 2020.
- **Slowdown of major economies** Eg. China, USA etc.
- **Adoption of tariffs and non tariffs barriers** by countries adopting 'active industrial policies' after pandemic.
- **New trade walls like:** EU's Carbon Border Adjustment Mechanism and Deforestation rules.

"Trade Deficit should not be a matter of concern for a developing economy with high growth and to the extent there are no foreign exchange reserves issue."

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GS II

SYLLABUS: BILATERAL, REGIONAL AND GLOBAL GROUPINGS AND AGREEMENTS INVOLVING INDIA.

INDIA-CHINA

THE HINDU, PG.NO: 9.

News: The red flag as China's expansionist strategy rolls on."

Boarder Disputes reasons:

- **Sino-Indian War 1962** over disputed Himalayan borders.
- **No clear demarcation of LAC spanning 3,488km:**
 - **Doklam standoff 2017, Galwan Valley clash 2020.**
- **Creation of the two new counties in Hotan aimed at asserting control over disputed territories (Aksai Chin)** as part of cartographic aggression.
- **China continues to lay claim to Arunachal Pradesh**, a State that is an inalienable part of India.
- **Cabbage strategy or salami Slicing tactic:** Acquiring new territories at expense of its neighbours.
- **Growing Power imbalance:** Eg. China-Indian Ocean Region forum for marine disaster prevention and cooperation with Indian Ocean countries except India.
- **Geopolitical Interests:** Eg. India's closer ties with USA and allies; Neighbourhood first policy.

Trans boundary River issues:

- **Brahmaputra:** proposed Medog dam, with an annual capacity to generate 300 billion kilowatt-hours of electricity a year, is located on the lower reaches of the Yarlung Zangbo.

Security Concerns between Both Countries:

- **China-Pakistan Nexus under China-Pakistan Economic Corridor (CPEC)**, which passes through Pakistan-occupied Kashmir, raises sovereignty concerns for India.
- **String of Pearls:** China's strategy of developing ports and facilities in the Indian Ocean region is perceived by India as encirclement. Eg. **Hambantota** (Srilanka), **Gwadar** (Pakistan).
- **Quad Alliance:** India's engagement with the Quadrilateral Security Dialogue (India, US, Japan, Australia) is viewed cautiously by China.
- **Border Infrastructure:** India has accelerated infrastructure projects along the LAC, including the construction of the **Darbuk-Shyok-DBO road**.

Economic relations with China:

- **Rapid Growth in Bilateral Trade:** USD 3 billion in 2000 to USD 130 billion in 2022, making China one of India's largest trading partners — **MoC&I Trade Data 2022**.
- **India faces significant trade deficit:** as of USD 140 billion in 2022 — **MoC&I Trade Data 2022**.
 - **Indian exports to China:** stood at USD 20 billion in 2022.
 - **Indian imports from China:** stood at USD 120 billion in 2022.

Impacts on Indian Economy:

- **Pressure on Domestic Industries:** due to competition from cheap imports Eg. between 2015-20 due to Chinese imports captured 70% of the Indian market — **CAIT report 2021**.
- **Dependence on critical goods:** of total Indian imports from China:
 - **Pharmaceuticals (APIs)** account for 70%, solar components 80% — **MoC&I Trade Data 2022**.
 - **Electronics:** India imports 80% of its mobile phone components from China.

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- **Widening of Indian Current Account Deficit (CAD):** due to trade imbalances with China.
- **Supply chain vulnerabilities:** exposed by pandemic Eg. shortage of APIs and price hikes of medical supplies and electronics in 2020-21.
- **Job losses in manufacturing sector:** ~2 million jobs were lost in the textile and toy industries between 2015 and 2020—**FICCI 2021**.
- **India's R&D expenditure is 0.7% of GDP**, compared to China's 2.4%, affecting innovation.

Economic measures taken by India:

- **Atmanirbhar Bharat Abhiyan Rs. 20 lakh crore package:** to reduce dependence on imports by boosting domestic production.
- **Production-Linked Incentive (PLI) Schemes of Rs. 2 lakh crore in 14 sectors:** to encourage domestic manufacturing in electronics, pharmaceuticals, and textiles etc.
- **Imposition of Anti-Dumping Duties:** to protect domestic industries from unfair trade practices.
- **Amendment of FDI Regulations:** requiring prior government approval for investments from neighbouring countries.
- **Banning of Chinese Apps:** India banned nearly 300 Chinese apps, including TikTok and WeChat, citing data security risks.

Belt and Road Initiative impact on India:

- As of 2023, China had **invested over \$1 trillion in BRI projects** globally.
- BRI comprises the Silk Road Economic Belt (**land routes**) and 21st Century Maritime Silk Road (**sea routes**), covering **Asia, Africa, Europe, and beyond**.
- Its objectives include promoting regional integration, increasing trade, and stimulating economic growth through infrastructure development.

Role of BRI in India-China Relations:

- **Expansion of China's geopolitical influence** in areas that are traditionally under India's sphere of influence Eg. Investments of over 100 billion USD in South Asian and IOR regions—**WorldBank estimates 2020**.
- **Strategic encirclement of India ("String of Pearls"):** Gwadar (Pakistan), Hambantota (Sri Lanka), Chittagong (Bangladesh).
- **China-Pakistan Economic Corridor (CPEC):** a flagship BRI project passes through Pakistan-occupied Kashmir (PoK), which India claims as its territory.
- **India's strategic isolation in the region:** Countries like Nepal, Sri Lanka, Maldives, and Bangladesh have signed BRI agreements.

India's Opposition to BRI:

- "No country can accept a project that ignores its core concerns on **sovereignty and territorial integrity** (PoK)—MEA Spokesperson 2017.
- **Debt Trap Diplomacy** Eg. Sri Lanka leasing Hambantota Port to China on a 99-year lease due to inability to repay loans.
- **Balance of Power:** BRI could shift the regional balance of power in China's favour, undermining India's strategic interests.
- **India Prefers alternative Connectivity Initiatives:**
 - **INSTC**, connecting India with Central Asia and Europe through Iran and Russia.
 - **BIMSTEC:** Strengthening regional cooperation without including China.
- **BRI could exacerbate trade imbalances:** with Chinese goods flooding markets and undermining local industries.

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International Court of Justice (ICJ):

- **Principal Judicial organ of United Nations.**
- If both parties submit the case it can adjudicate Land and Maritime boundaries **including EEZ disputes**.
- All members of UN are **automatically parties to the ICJ. India is member of ICJ.**
- **ICJ decisions are legally binding on the parties involved in a case.**

Note: international law does not recognise territorial claims based solely on cartographic assertions.

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PYQs: CSE (M).

GS II 2017: 'China is using its economic relations and positive trade surplus as tools to develop potential military power status in Asia', In the light of this statement, discuss its impact on India as her neighbor.

GS II 2018: The China-Pakistan Economic Corridor (CPEC) is viewed as a cardinal subset of China's larger 'One Belt One Road' initiative. Give a brief description of CPEC and enumerate the reasons why India has distanced itself from the same.

GS III

SYLLABUS: ENVIRONMENTAL POLLUTION AND DEGRADATION.

GRAP

THE HINDU, PG.NO: 3.

News: "GRAP III, IV back in Delhi."

Graded Response Action Plan (GRAP)

- GRAP is an **emergency response mechanism** based on Delhi's Air Quality Index level.
- Plan is framed as per **Supreme Court's order of 2016**.
- GRAP is being **implemented by the CAQM**.
- Under GRAP NCR air quality has been classified as **four different stages:** Poor, Very Poor, Severe, Severe+.

Stage in GRAP:

Stage 1: 'Poor'
AQI: 201-300.

- **Strictly enforce NGT / Hon'ble SC's order** on overaged diesel / petrol vehicles and as per extant statutes.
- Implementing rules on **dust mitigation measures** in construction and demolition activities.
- Regular lifting of **Municipal Solid Waste, hazardous waste** etc.
- **intensify use of anti-smog guns, water sprinkling** and dust suppression measures.

Stage 2: 'Very Poor'
AQI: 301-400.

- **Ensure focused action** to reduce air pollution in **all identified hotspots in NCR**.
- **Strengthen remedial measures** for the sectors causing the most adverse air quality in each hotspot.
- Ensure water **sprinkling along with the use of dust suppressants** (at least every alternate day).

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Stage 3: 'Severe'
AQI: 401-450.

- **Strictly restrict** the use of **BS III petrol and BS IV diesel 4-wheelers in Delhi** and nearby districts like Gurugram, Faridabad, etc.
- Switch from **physical to online classes for children up to Class V.**
- **Strict ban** on the various categories of **dust generating/ air pollution.**

Stage 4: 'Severe +'
AQI: >450.

- **Only EVs, CNG, or BS-VI diesel registered outside Delhi may enter Delhi**, except for essentials or services.
- Switch from **physical to online classes up to Class XI.**
- **Emergency measures** include **closing colleges and educational institutions, and non-emergency commercial activities.**
- Permitting **vehicles to run on odd-even registration number** basis.

Commission on Air Quality Management in NCR (CAQM):

- **CAQM replaced the EPCA** (Environmental Pollution (Prevention and Control) Authority) and **established under the NCR & Adjoining Areas Act 2021.**
- **This body frames GRAP** (Graded Response Action Plan).
- CAQM is **constituted by Central Govt.** by notification in NCR and adjoining areas.
- Chairperson appointed by **Central govt.**
- **No powers to punish** violation activities related pollution.
- CAQM **can initiate stringent actions against officers** for not following its orders.

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SYLLABUS: LAWS FOR PROTECTION AND BETTERMENT OF THESE VULNERABLE SECTIONS.

POCSO ACT 2012

THE HINDU, PG.NO: 6.

News: "POCSO case against ex-CM of Karnataka can't be quashed."

"more than 2 lakh cases reported under POCSO Act between years of 2012-21" – **JALDI initiative report.**

About POCSO Act 2012

- **Aim:** intends to protect Children from Sexual Offences.

Provisions:

- **Definition of Child:** Any person below the age of 18.
- **Punishments:** ranging from minimum 3 years to life imprisonment.
- **Defines forms of sexual abuse:** penetrative, non-penetrative assaults etc.
- **Mandatory reporting** for cases related to child sexual abuse, failure of do so results in imprisonment.
- **Monitoring and implementation of Act:** done by National Commission for Protection of Child Rights and State Commission for protection of child Rights.

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New Amendments and Changes:

- **Child Welfare Committee** est. under **Juvenile Justice Act 2015**, responsible for dealing cases under POCSO Act.
- Defines **Child Pornography.**
- **Dedicated Centrally Sponsored Scheme** to setup Fast-track courts under offences of POCSO Act and mandates to **dispose cases within one year.**
- **Guidelines on school safety and security 2021:** establishing **accountability framework, Participation of all stakeholders** in awareness etc.
- in 2024, **Supreme Court** ruled that any act of **viewing or downloading, storing, and displaying child pornography material over internet** without actual possession or storage in any device is considered an '**Offence**' under **POCSO Act.**
- Court also suggested the **term 'child pornography'** understates the element of exploitation; the court has suggested the use of the term '**Child Sexual Exploitative and Abuse Material**' (**CSEAM**) instead.

Challenges of POCSO Act 2012:

- **Implementation hurdles:** rate of disposal of cases remains low. Eg. Delays in forensic testing etc.
- **Low conviction rates:** only 15% of cases end in convictions.
- **False Accusations:** Eg. Neighbours in Mumbai using POCSO Act to settle land disputes.
- **Determination of Age issue** Eg. Juvenile vs Child definitions.
- **Understaffing of women officers:** Act mandates record statement to be done by Woman Sub inspector.

Suggestions:

- Bringing CSEAM within **ambit of economic and organised crime.**
- **Holding social media platforms accountable:** 2024 SC judgment directed intermediaries to report such content to local police.
- **Establishing an institutional framework** with cutting edge technology to respond to reporting of CSEAM.
- **Details of individuals persecuted for searching or downloading CSEAM should be registered as sexual offenders** in national database and barred from employment sectors involving children.

Juvenile Justice Act 2015

- **In case of heinous crimes** (where minimum punishment of 7 years), Juveniles ages 16-18 are considered as Adults.
- **Juveniles age below 18** are treated as "children in conflict with law".
- **Parliamentary Standing Committee 2021** recommended **reducing Juvenile Delinquency age to 16 from 18.**

About National Commission for Protection of Child Rights (NCPCR)

- Established under **Commission for Protection of Child Rights (CPCR) Act 2005.**
- **Commission monitors the effective implementation of**
 - **POCSO Act 2012.**
 - **Juvenile Justice (Care and Protection of Children) Act 2015.**
 - **Right to Free and Compulsory Education (RTE) Act 2009.**
- **Chairperson and members** are appointed by the **Central Govt.**
- **Powers:**
 - **Quasi-judicial powers:** can summon individuals, require production of documents and conduct inquiries.
 - **Power to recommend and advice** the government on child welfare and protection measures.

Note: JALDI initiative: Justice Access and Lowering Delays in India .

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Thank you!