08/09/2023 FRIDAY

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**DAILY NEWS ANALYSIS** 

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## INTERNATIONAL RELATIONS

# DELHI MAY TURN VENUE FOR DIALOGUE ON REVIVING THE BLACK SEA GRAIN INITIATIVE

**CONTEXT:** In the backdrop of the G20 Summit, United Nations Secretary General is on a mission to revive the Black Sea Grain Initiative (BSI or BSGI). The deal that facilitates export of grain from Russia and Ukraine lapsed in July.

**BACKGROUND:** The BSI, which was signed to avert massive shortages of wheat, sunflower oil, and other commodities due to the Ukraine conflict, lapsed on July 17 after Russia refused to renew the deal citing "unkept promises" by Western countries.

STORY SO FAR: Leaders from Turkey, Russia, the European Union, and the United Nations are gathering in Delhi for the G-20 Summit to negotiate a compromise aimed at restarting grain exports from blockaded Ukrainian ports. The UN, led by Secretary-General Guterres, is actively engaged in the effort, seeking to grant Russia increased access to financial markets in exchange for assurances that it won't threaten or attack Ukrainian ships and ports. Turkish President Erdogan, fresh from his Russia visit, is expected to further discussions in Delhi, while Turkey and the UN have developed a new package of proposals for Russia's consideration in reviving agreements reached in Istanbul in July 2022.

**SIGNIFICANCE:** The BSGI consists of two agreements, one signed by Russia, Ukraine, Turkey, and the UN for the resumption of exports of grains, other foodstuffs, and fertilizers, including ammonia, through a "safe maritime humanitarian corridor" from three key Ukrainian ports — **Chornomorsk, Odesa, and Yuzhny/Pivdennyi**. The other is an MoU between Russia and the UN on promoting Russian food products and fertilizers in the world markets. Without the agreements, food inflation worldwide, particularly in African countries, is set to soar, given that both Russia and Ukraine combined represent 21.9% of the global exports of barley, maize, and wheat.

# INTERNATIONAL RELATIONS

# AFRICAN UNION TO JOIN G-20, AS SHERPAS REACH A DEAL

**CONTEXT:** The African Union (AU) is set to join the G-20 as negotiators agreed on clearing its membership. This was agreed in the discussions at the Sherpa meeting at a resort on the outskirts of Delhi.

This will mean the 55-member AU will join the European Union as the only two regional bodies in the G-20.

**BACKGROUND:** Efforts are underway to incorporate the African Union into the G-20, potentially leading to a rebranding as the G-21. Indian officials view this development as a means to solidify the significant impact of the Indian Presidency's efforts in integrating the aspirations of the Global South into this economic alliance, leaving a lasting legacy.

STORY SO FAR: Negotiations at the G-20 summit in Delhi have paused as Sherpas, personal representatives of G-20 leaders, move discussions to the summit venue. The talks will continue until a draft declaration is agreed upon. So far, no G 20 summit has ended without a joint declaration. Indian officials aim to avoid a summit without a joint statement, focusing on resolving disagreements, particularly a contentious paragraph related to geopolitical issues. Disputes also persist over climate financing, debt restructuring, and carbon emission reduction deadlines. China opposes many Indian proposals, leading to ongoing confrontations. However, there is agreement among G-20 members to include the African Union in the group, with both China and Russia expressing support for this move.

**SIGNIFICANCE:** Delhi summit, high light the evolving nature of the G- 20 Forum with the imminent inclusion of African Union amongst the challenges and opportunities it presents for India's international diplomacy and cooperation. This also emphasises India's role in a evolving multi polar world in advocating for the interests of the Global South within this influential forum, while holding its ground amongst other world powers.

# ECONOMICS AND DEVELOPMENT

# 'FOOD PROCESSING SECTOR TO GENERATE 9 MILLION JOBS BY 2024'

**CONTEXT:** India's food processing sector is expected to generate 9 million jobs by 2024, and by 2030 India's household consumption would quadruple, making it the world's fifth-largest consumer of food and food technology.

The food processing sector had attracted \$4.18 billion in foreign direct investments (2014-2020). The sector significantly contributes to India's economy, accounting for 13 % of exports

and 6 % of industrial investment. With a market size of \$1.3 billion, the thriving Indian gourmet food sector sustains an impressive 20 % CAGR. India's food processing sector was aiming to double its GDP contribution from 8 % to 20 % by 2030.



"If you invest more in your education, then you are likely to get more interest in it." –Benjamin Franklin 

### **ECONOMICS AND DEVELOPMENT**

# IMPACT OF RBI'S LENDING GUIDELINES

**CONTEXT:** On August 18, the Reserve Bank of India (RBI) issued guidelines enabling a borrower to transition from a floating interest rate-based loan to one with a fixed interest rate. The endeavour was to address borrowers' grievances pertaining to the elongation of loan tenure and/or an increase in the EMI amount in the event of an increase in the benchmark interest rate. Fixed interest rates are those that do not change during the tenure of the loan. On the other hand, floating interest rates are subject to market dynamics and the base rate — therefore, the risk differentiation.

## **RBI's lending guidelines**

- 1. Allow the borrowers the option to switch over to a fixed (interest) rate mechanism for their loans from floating rates with the option to choose between enhancement of the EMI or elongation of the tenure or a combination of both.
- 2. Lender must also transparently communicate to the borrower all relevant charges alongside service charges or administrative costs associated with the transition.
- 3. Makes the lender responsible to communicate clearly, at the time of loan sanction, the impact emanating from the change in regime (floating to fixed), such as the change in EMI and/or tenure of the loan or both.
- 4. Lending entities needs to provide borrowers, through appropriate channels, a statement at the end of each quarter enumerating the principal and interest recovered till date, EMI amount, number of EMIs left and annualised rate of interest/ Annual Percentage Rate (APR) for the entire tenure of the loan.

### Difference between a fixed and floating interest rate

Lenders argue that even if the floating interest rate were to rise by up to 2.5 percentage points, the borrower would be able to save more money when it is below the fixed rate. It has been widely argued that their preference for the floating rate-based regime is to better adjust their positions as per the evolving market dynamics. The advantages are transmitted onto the borrower's savings pool, but the opposite also holds true in a rising benchmark rate regime.

However, the fixed rate-based regime endows a borrower with greater certainty and security. This also helps in better planning and structuring of individual budgets. Thus, prospective borrowers should note broader evolving economic dynamics and accordingly decide the tenure they seek.



### ECONOMICS AND DEVELOPMENT

# 'AT G-20, JAPAN BACKS INDIA, NOT CHINA, AS BRIDGE TO GLOBAL SOUTH'

**CONTEXT:** Japan perceives a competition for leadership between India and China in the Global South. Japan views that it is in its interest and that of G7 that India assumes a prominent role in the "Global South", rather than China.

**BACKGROUND:** Amidst the G-20 Summit in Delhi, Japan has actively supported India as a bridge to the "Global South" in contrast to China. Tokyo sees a competition for leadership in this region between India and China. Tokyo emphasizes India's role as more aligned with the interests of Japan and the G-7. They are keen on fostering closer ties with India to address global challenges and bridge divides with the G-11 countries in the G-20. This strategic approach seeks common ground on issues like transparency, sustainable investments, debt crises, and climate financing while highlighting the growing divide between India and China in multilateral forums.

STORY SO FAR: The recent G-20 Summit held in India has highlighted Japan's strategic support for India as a bridge to the "Global South," positioning India as a key player in the region compared to China. Japan perceives a rivalry for leadership in the "Global South" between India and China and believes that India's role aligns better with the interests of Japan and the G-7 countries. Prime Minister Fumio Kishida of Japan had even invited Prime Minister Narendra Modi to the G-7 meeting earlier in the year, emphasizing the importance of collaboration between India and the G-7 to address various global issues.

Japan's approach is to foster cooperation based on shared interests and common ground rather than dividing on values. Key focus areas include transparency and sustainability in investments, addressing debt crises, and climate financing, all of which are expected to influence G-20 outcomes.

Notably, the lead-up to the G-20 Summit highlighted a growing divide between India and China on multilateral and global matters. This divergence coincided with deteriorating relations between the two countries, particularly concerning the ongoing Line of Actual Control (LAC) conflict. Issues such as climate change, which were once areas of cooperation between India and China, have now faded from their bilateral agenda. Additionally, India has increasingly pointed to China's lending practices under the Belt and Road Initiative as a contributing factor to debt crises in the developing world.

**SIGNIFICANCE:** Overall, Japan's backing of India as a bridge to the "Global South" reflects a broader geopolitical shift, with Asian countries seeking to enhance their influence in global governance, including within the G-20, which has traditionally been Western-dominated. Despite challenges and broken communication channels between India and China, the competition for influence in the "Global South" remains a critical aspect of international relations. The Chinese President staying away from Delhi G20 Summit is also an Indicator of this interplay in international relations.

— 08/09/2023 Friday — \_\_\_\_\_\_ September —

#### INTERNAL SECURITY

# CENTRE TO STOP SITES FROM WEAVING 'DARK PATTERNS' TO MISLEAD BUYERS

**CONTEXT:** The Centre has sought public comments on the draft guidelines for prevention and regulation of "dark patterns" on the Internet, particularly in e-commerce platforms. The guidelines include ways to prevent and regulate false urgency, basket sneaking, confirm shaming, forced action, subscription trap and more such "dark patterns".

Dark patterns have been a prominent feature of many apps and websites over the course of the Internet's growth, and regulators around the world have started taking steps to limit them. In the European Union, for example, users complained that Amazon's Prime service was difficult to unsubscribe online, as the firm would redirect users through a series of pages seeking to retain them. After talks with the European Commission, the company agreed last June to simplify the process.

### 'Misleading users'

The draft guidelines have defined dark patterns as "any practices or deceptive design patterns using user interface or user experience interactions on any platform; designed to mislead or trick users to do something they originally did not intend or want to do; by subverting or impairing the consumer autonomy, decision making or choice; amounting to misleading advertisement or unfair trade practice or violation of consumer rights."

Some of the different types of dark patterns, defined by the Ministry, are "false urgency", meaning falsely stating or implying a sense of urgency; "basket sneaking", meaning inclusion of additional items at the time of checkout without the consent of the user; and "confirm shaming", or using a phrase, video, audio or any other means to create a sense of fear or shame or ridicule or guilt in the mind of the user.

The dark patterns include "forced action", which forces a user into taking an action that would require the user to buy additional goods; "subscription trap", or the process of making cancellation of a paid subscription impossible or complex; "interface interference", the design element that manipulates the user interface; and "bait and switch", the practice of advertising a particular outcome based on the user's action. "Drip pricing" is another such practice whereby elements of prices are not revealed upfront and "disguised advertisement" and nagging have been defined by the Ministry in the guidelines.

## **INTERNATIONAL RELATIONS**

# **RESTORING ORDER**

**CONTEXT:** The 10 member ASEAN nations have finally asked the Military rulers in Myanmar to end the ongoing violence inside the country and implement the Five Point Consensus that was reached between the two sides aimed at addressing post-coup crisis in the country.

**BACKGROUND:** Myanmar has experienced security and economic

## ECONOMICS AND DEVELOPMENT

# 'ONIONS, TOMATOES, SPICES FIRED UP THALI COSTS IN AUGUST'

**CONTEXT:** The cost of a vegetarian thali rose 24% year-on-year while a non-vegetarian thali's cost rose by a slower pace of 13% in August.

# Pricier plate

A surge in tomato prices, which extended into most of August, pushed up the cost of a vegetarian thali by 24% YoY



- A sharp dip in tomato prices in the final week helped cool the increase in thali costs in the month's last week to 10% for vegetarians
- Compared with July, there was a ₹0.3 drop in non-veg thali costs to ₹67.3, while vegetarian thalis became ₹0.2 less expensive at ₹33.8 in August

While a bulk of the 24% rise in vegetarian meal costs was attributed to tomato prices, which almost tripled in August to hit ₹102 per kilogram (kg) before a sharp dip in the curry essential's prices in the last week helped cool the surge in plate costs. During the final week of August, the extent of increase in thali costs eased to 10% for vegetarians and 6% for non-vegetarians.

Compared with July, there was a ₹0.3 drop in non-veg meal costs to ₹67.3 in August, while vegetarian meals became ₹0.2 less expensive to cost ₹33.8.

The meal costs could see some pull back in September as tomato retail price has halved month-on-month to ₹51 per kg. Also, the cost of a 14.2 kg LPG cylinder, which was ₹1,103 in August, has been brought down to ₹903 per cylinder from September.

challenges since the military's coup in February 2021. This has led to a civil war and widespread humanitarian crises. The 10 member ASEAN's recent condemnation of the junta's ongoing violence and the failure to implement the Five-Point Consensus reflects international concerns over the situation, as well as Myanmar's isolation on the global stage.

Story So Far: ASEAN has taken a commendable step by condemning Myanmar's junta for ongoing violence and failure to implement the Five-Point Consensus. Since the coup in February 2021, Myanmar has experienced security and economic turmoil. While ASEAN initially treaded carefully, its recent statement, issued after the Jakarta summit, demonstrates a tougher stance. It strongly condemned violence, urged an end to attacks on civilians, and denied Myanmar the 2026 chairmanship. The military, under growing pressure, now faces a challenge from a National Unity Government aligned with ethnic separatist groups. Despite war crimes allegations and humanitarian crises, a legitimate regime restoration remains the only viable solution.

— 08/09/2023 FRIDAY — \_\_\_\_\_\_ SEPTEMBER —



# VEDHIK IAS ACADEMY The Steve Learning Musere

### **ECOLOGY AND ENVIRONMENT**

# CROCODILES ATTACK IN BHITARKANIKA

**CONTEXT:** Crocodiles live in the Bhitarkanika mangrove ecosystem, spread over 145 km2, is dotted with innumerable creeks and mudflats preying on the fish and crabs. The Brahmani and the 365-km-long Baitarani rivers meet the Bay of Bengal near Bhitarkanika. But during the monsoon, when rivers flood, they are pushed into smaller waterbodies. The government prohibits entry of visitors to Bhitarkanika between May 1 and July 31, the breeding season, which coincides with the rainy season, crocodiles become aggressive, to protect their hatchlings.

Estuarine crocodile (crocodylus porosus) is identified in the Red List of threatened species by the International Union for Conservation of Nature. In 2019, it was listed as 'lower risk, least concern', meaning its population is stable, but still needed tracking in the changing status of the biodiversity that it is a part of. It is, however, listed in India under the Wildlife Protection Act, 1972, in Schedule I, meaning it is one of the 62 reptiles that receive topmost protection.

In 1974, when the United Nations Development Programme and the Food and Agriculture Organization teamed up with the State Forest and Environment Department to launch a programme that saw the population of estuarine crocodile to increase from just about 90 crocodiles in Bhitarkanika to around 1000 in 1995. In 2009, there were 1,484 crocodiles in the park and their relative density was already 13.5 per km of water, surpassing the target of 3.5 per km of water.

The increasing human-crocodile conflicts could be attributed to overpopulation of the species in Bhitarkanika National Park. There were 72 instances of attacks on humans in 32 years, from 1975 to 2007, while there were 57 in the 15 years between 2004 and 2018. The State Forest and Environment Department has put the deaths caused by crocodiles from 2010-11 to date at 40.

The research paper says August is when human-crocodile conflict peaks. As per a forest department official, crocodiles would, until a few years ago, undertake upward migration (from the coast to the landmass) from 5 km to 10 km. Now they migrate from 17 km to 23 km towards the mainland during heavy rainfall. Villagers say floating river waste gets stuck in the barbed barricades of the bathing enclosures, attracting snakes, an additional danger. They don't understand how to live without the river.

### INTERNATIONAL RELATIONS

# **BUILDING CONSENSUS**

**CONTEXT:** India is Hosting the G20 summit in New Delhi as the culmination of its presidency which it had inherited from December 2022. The success of the G-20 summits hinges on a truce among fractious parties

**BACKGROUND:** India's hosting of the G-20 Summit amid global challenges, including economic uncertainties in a post COVID world, the Ukraine conflict, and tensions with China along its border, underscores the country's efforts to prioritise global south issues, foster consensus, and democratise the summit process.

SIGINIFICANCE OF INDIA'S EFFORT: India's role as the host of the G-20 Summit carries immense significance, given the challenges it has faced during its presidency. Amidst global economic uncertainties and the Ukraine conflict, India has valiantly worked to maintain the vitality of the G-20, an influential forum for global economic cooperation. Prime Minister Modi's strategic approach of not taking sides in the Ukraine conflict and prioritising issues relevant to the global south, such as food security, energy, and multilateral reform, demonstrates India's commitment to inclusivity and cooperation.

Internally within the country, the Indian G-20 presidency has been marked by a distinct effort to "democratise" the process by holding 220 meetings across 60 Indian cities, which, though colossally expensive, has ensured a showcasing of India's diversity. India has hosted many meetings within Kashmir too highlighting its territorial integrity and determination to uphold its sovereignty especially when there is an attempt to alter its boundaries unilaterally.

Furthermore, India's advocacy for the African Union's inclusion in the G-20 and its efforts to "democratise" the summit process through extensive domestic consultations underscore its dedication to fostering diversity and representing the interests of the developing world. As India's G-20 moment unfolds, its legacy will depend on its ability to bridge differences among member nations and foster a consensus that promotes a vision of global unity encapsulated in "One Earth, One Family, One Future."

**Conclusion:** India's presidency showcases its determination to shape the G-20 into a more equitable and effective global platform for economic cooperation.



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#### INTERNATIONAL RELATIONS

# FINDING SEOUL IN THE INDO-PACIFIC

**CONTEXT:** In an Historic Camp David Summit in August this year the leaders of the United States, Japan and South Korea began a new strategic partnership among three traditional allies. The outcome of the South Korea-Japan-U.S. trilateral meeting gives New Delhi and Seoul a unique opportunity to enhance their strategic partnership.

BACKGROUND: The Camp David summit in August, featuring the United States, Japan, and South Korea (ROK), marked a significant development in their strategic partnership. India and ROK, celebrating 50 years of diplomatic ties, have an opportunity to enhance their relations within the Indo-Pacific framework, capitalising on ROK's evolving strategic stance and regional geopolitical dynamics.

### SIGNIFICANCE OF CAMP DAVID MEET.

The Camp David summit involving South Korea, Japan, and the U.S. holds immense regional significance:

**Repaired Relations:** It signifies a vital repair in South Korea-Japan relations, driven by a recognition of evolving regional security dynamics. This could contribute to a strengthened U.S.-led alliance structure in East Asia, aligning with AUKUS, the Quad, and CHIP 4 Alliance.

**New Indo-Pacific Direction:** The summit offers the potential for South Korea to chart a fresh strategic course in the Indo-Pacific, fostering improved ties with Tokyo, aligning with the American perspective on China, and enhancing engagement in the Indo-Pacific region.

**Changing China Approach:** South Korea's shift from avoiding offence to China indicates a strategic revaluation. This new perspective acknowledges that economic ties with China shouldn't inhibit responses to China's growing military presence in the region.

**Desire to Join the Quad:** South Korea's eagerness to join the Quad highlights its interest in active participation in regional security initiatives. The Camp David summit may pave the way for South Korea's potential application for Quad Plus

membership.

**Foreign Policy Enthusiasm:** Under President Yoon Suk Yeol's leadership, South Korea aims to become a "global pivotal state," emphasising engagement with the U.S. and Japan, support for Ukraine, recognition of the China challenge, and a larger role in the Indo-Pacific.

This geopolitical context offers a unique opportunity for India and South Korea to strengthen their strategic partnership in their 50th year of diplomatic relations. Both nations share concerns about China's rise and unilateral actions, making South Korea an essential Indo-Pacific ally for India, especially as India deepens its ties with the U.S. amid increasing concerns about Chinese intentions and power.

### **DEFENCE AND NUCLEAR REACTORS AS FOCUS AREAS.**

India and South Korea can enhance their strategic partnership in several key areas. Diplomatically, they should establish an annual summit at the Foreign Ministers' level and initiate a 2+2 dialogue. Reciprocal visits by Prime Minister Narendra Modi and President Yoon Suk Yeol would further strengthen ties. Both nations could ambitiously explore a South Korea-Japan-India-U.S. initiative on Critical and Emerging Technology (iCET), similar to the India-U.S. iCET agreement. Defence cooperation holds potential, with South Korea's willingness to align with India's 'Make in India' program. Examples include the K9 Vaira self-propelled howitzer and co-production of South Korean K2 Black Panther tanks in India. Additionally, collaboration on Korean-built civilian nuclear reactors could address India's clean energy needs, provided Seoul is open to working within India's liability law and assurances.

#### CONCLUSION

South Korea, alongside the U.S., Japan, and Australia, can play a unique role in supporting India's Indo-Pacific interests with its evolving strategic outlook.

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## DISASTER MANAGEMENT

# **HEAT INDEX AND ITS IMPORTANCE**

**CONTEXT:** Earlier in August, Iran recorded a scorching heat index of 700 C in the coastal part of the country. In July, U.S.-based weather observer Colin McCarthy reported that the Persian Gulf Airport recorded a heat index of 66.70 C.

**Heat index:** Heat index, also known as apparent temperature, is a measure of how the temperature feels to humans. A heat index value of 670 C or above can be extremely dangerous for people and animals who have direct and prolonged exposure.

Calculating the heat index: Dr. Steadman's study considers a "typical adult human of either sex, with a height of 1.7 metres and a weight of 67 kg." Dew point, which is the temperature at which gas is transformed into a liquid state, is an important factor in the calculation of heat index. In terms of atmospheric moisture, it's the temperature at which air cannot hold any more water vapour, and droplets of water begin to form. Dr. Steadman used 140 C as the dew point in his calculations. Some countries have developed their own corresponding indices to measure heat index instead of using the one developed by Dr. Steadman. Relative humidity is an important factor that determines heat index, along with air temperature.

**Important to measure the heat index:** Hot air can hold more moisture than cold air. Therefore, when temperature rises, the

air's capacity to hold moisture also increases, thus affecting the apparent temperature or heat index. Humidity is typically higher during heat waves — which is why the heat index at the time is usually higher than just the temperature because humid air can feel hotter to humans.

Impact of high humidity upon the human body: High humidity can lead to heat stress, meaning the body is unable to get rid of excess heat. Humans usually maintain a core temperature in the range of 36.1 to 37.20 C. When the body is unable to get rid of excess heat, the heart rate increases due to a rise in core temperature, leading to heat-related exhaustion and rashes, among other symptoms. It can also be fatal if not addressed promptly. At high temperatures, the human body can lose excess heat through perspiration and cool itself. But when humidity is high as well, it is difficult to sweat and then for that sweat to evaporate because the air around is already saturated with moisture. This makes it difficult for the body to lose heat. On the other hand, if the humidity is low, evaporation of sweat is easier, thus making the apparent temperature feel close to the actual air temperature. This is why a measure of heat index is more useful than just the temperature to gauge the impact of heat on humans.

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