01/04/2024 Monday

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DAILY NEWS ANALYSIS

POLITY

ECONOMICS

TECHNOLOGY

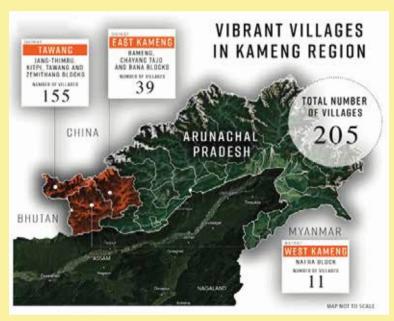
ECOLOGY

INTERNAL SECURITY

Army boosting infrastructure, connectivity along LAC in Arunachal

CONTEXT: The Army classifies Tawang district as part of the Kameng area, while the remaining part of the State is considered separate and was earlier referred to as the Rest of Arunachal Pradesh (RALP). While the Tawang and Kameng areas are under the Army's IV Corps, headquartered at Tezpur, RALP is under the III Corps, which is based at Dimapur.

Vibrant Villages Programme (VVP)



The Centre launched Vibrant Villages Programme (VVP) as a Centrally-sponsored scheme on February 15, 2023, with an outlay of ₹ 4,800 Cr. for the financial years 2022-23 to 2025-26 for the development of 2,967 villages in the border States of Arunachal Pradesh, Himachal Pradesh, Sikkim, Uttarakhand, and the Union Territory of Ladakh. Union Home Minister Amit Shah formally launched the VVP in Kibithu on April 10, 2023, inaugurating nine micro hydel projects of the State government and 14 infrastructure projects for the Indo-Tibetan Border Police (ITBP).

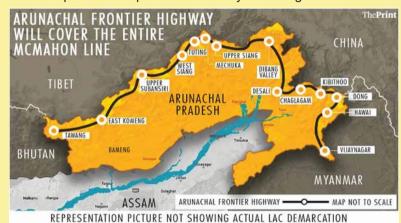
Kibithu experiment

The Army established Kibithu Bakery in 2022 with the help of the Pune-based Aseem Foundation, through funds under Operation Sadbhavna, a social welfare scheme spanning the areas of environment, education, and skilling. The Army has allocated ₹15 Cr under Operation Sadbhavna for developmental projects and outreach activities in the forward areas in III Corps area for 2022-23. The Universal Service Obligation Fund (USOF) was established with the fundamental objective of providing access to "basic telegraph services" to people in remote and rural areas at affordable and

reasonable prices. As connectivity improves, efforts are on to promote tourism. Under the Seema Darshan project, the State government, with support from the Army, has approved 12 tourist circuits, including two foreign tourist ones, beyond the Kameng area. Religious tourism to Kepang La, Pasang Sonam Tso Lake, and Taksang Gompa is also being showcased and promoted, adding that passes for trekking are also being facilitated.

Breaking bread

The topography of Arunachal is like a wheel, the flat plateau as the hub with mountains and valleys jutting outwards like spokes. It means for travel between valleys, one must come back to the plains. Approximately, 92 % of 2,400-km trans-Arunachal highway constructed along the border is completed and expected to be completed this year. The work on 1,800-km-long frontier highway, starting from Bomdila in Arunachal's west, pass through Nafra, Huri and Monigong villages, and end in Vijayanagar, near the Indo-Myanmar border has commenced, filling a critical void facilitating inter-valley movement. Three key bridges across the Lohit River is expected to improve connectivity in the region.



The Army's artillery guns — M777 Ultra-Light Howitzers and 105mm Indian Field Guns — are deployed close to the LAC. The M777s, with a range of over 30 km, weigh just four tonnes and can be airlifted underslung on Chinooks, giving significant manoeuvrability in terms of long-range firepower between the valleys. Over the last few years, a range of new-generation equipment ranging from SIG-716 rifles, Negev light machine guns, Sako TRG-42 sniper rifles, tactical drones, sensors and other weapons and equipment have been inducted here.



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POLITY & GOVERNANCE

The ART of India's HIV/AIDS response

CONTEXT: On April 1, 2004, the Centre had launched Free Antiretroviral Therapy (ART), for Persons living with HIV (PLHIV), a decision which has proven one of the successful and a key intervention in the fight against HIV/AIDS.

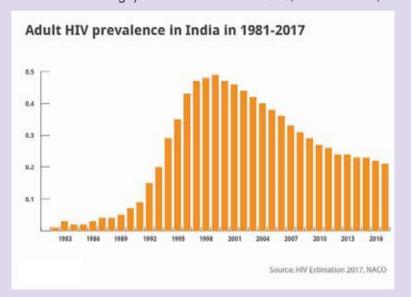
In the early 1980s, HIV/AIDS emerged as a deadly disease, leading to fear, stigma, and discrimination. The first antiretroviral drug, AZT (zidovudine), was approved by the US FDA in 1987, followed by three more drugs in 1988. In 1995, protease inhibitors, a new class of antiretroviral drugs, were introduced. However, access to these medicines was limited for most of the world's population, except in some high-income countries.

The evolution to free ART

The UN General Assembly Millennium Summit issued the declaration to stop and reverse the spread of HIV. The Global Fund to Fight AIDS, Tuberculosis, and Malaria was established in 2002 to promote universal access to HIV prevention, treatment, care, and support services. In 2004, India had an estimated 5.1 million people living with HIV/AIDS, with a population prevalence of 0.4%. However, very few of them were receiving antiretroviral therapy (ART). By the end of 2004, only 7,000 people living with HIV were on ART in India.

The key barrier to ART was high cost and unaffordability for individuals, and geographical access to treatment. The cost of Highly Active Antiretroviral Therapy (HAART), a combination of three or more anti-retroviral drugs, \$ 10,000 a year had become available starting in 1996. People infected with HIV were stigmatised and lost their lives while health-care providers felt helpless due to non-availability / non-affordability of ARTs. The Anti-Retroviral Therapy (ART) for any adult living with HIV was made free, with free ART made available for children as well since November 2006.

In two decades of free ART initiative, the facilities offering ART have expanded from less than 10 to around 700 ART centres — 1,264 Link ART centres have provided, and are providing, free ART drugs to approximately 1.8 million PLHIV on treatment. India's share in PLHIV globally had come down to 6.3 % (from around 10 % two decades ago). As of the end of 2023, of all PLHIV, an



estimated 82 % knew their HIV status, 72 % were on ART and 68 % were virally suppressed. The annual new HIV infections in India have declined by 48 % against the global average of 31 % (the baseline year of 2010). The annual AIDS-related mortalities have declined by 82 % against the global average of 47 % (the baseline year of 2010).

Patient-centric approach to services

Many complementary initiatives - provision of free diagnostic facilities; attention on prevention of parent to child transmission of HIV (PPTCT) services; prevention, diagnosis and management of opportunistic infections including management of co-infections such as tuberculosis (TB) have contributed to halting the HIV epidemic.

The ART eligibility criteria were relaxed — from those having a CD4 count less than 200 cells/mm3 (in 2004), to that less than 350 cells/mm3 (in 2011), and then to less than 500 cells/mm3 (in 2016). And, finally, there was the 'Treat All' approach from 2017, which ensures that ART is initiated, irrespective of CD4 count. This has been a true universalisation and has contributed to reduced virus transmission, both at the individual and the community levels. This is supplemented by free of cost viral load testing for all PLHIV on treatment. The programme also adopted a patient-centric approach by providing two to three months of medicines to stable PLHIV which minimises the number of patient visits to the ART centres, reducing travel time and costs for the patients.

This approach also increases adherence to treatment besides decongesting ART centres by reducing the average daily OPD, giving health-care workers more time to attend to other patients. India continued to add newer and more potent drugs to the programme, as and when those became available. For example, Dolutegravir (DTG), a new drug with superior virological efficacy and minimal adverse effects was introduced in 2020. In 2021, India adopted a policy of rapid ART initiation in which a person was started on ART within seven days of HIV diagnosis, and in some cases, even the same day.

The ongoing and fifth phase of India's National AIDS Control programme aims to (by 2025) reduce the annual new HIV infections by 80 %, reduce AIDS-related mortalities by 80% and eliminate vertical transmission of HIV and syphilis.

The National AIDS Control Programme (NACP) Phase V calls for the attainment of ambitious targets of 95-95-95 by 2025, where 95 % of all people living with HIV know their HIV status; 95 % of all people diagnosed with HIV infection receive sustained antiretroviral therapy (ART), and 95 % of all people receiving antiretroviral therapy achieve viral suppression by 2025.

Crossing the hurdles

There are a number of challenges yet to be tackled. First, the delayed enrolment to the ART facilities is the biggest challenge to the national programme. In India, patients presenting with CD4 count <200 to ART centres constitute almost a third of total foot fall. Second, after starting on ART and continuing, the patient starts feeling well. But the moment this happens, they start missing doses and miss medicines for months or completely drop out. This results in the development of resistance as well. This 'loss to follow up' needs to be addressed. Third, the sustained supply and availability of ART needs to be ensured by the national programme, in every geography of the country and more so for tough terrain, hilly and remote areas. Fourth, there is a need to focus on the private sector engagement in care of PLHIV. Fifth, there is a need for constant

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training and capacity building of staff as science keeps evolving and should be focused more on hands-on training. Sixth, there is a need to focus on strengthening integration with other programmes such as hepatitis, non-communicable diseases (diabetes and hypertension) and mental health as PLHIV are living normal but have other health conditions that need to be addressed. Seventh, a focused approach needs to be adopted to reduce preventable mortality that includes systematic death reviews and availability of advanced diagnostics.

The free ART initiative in India succeeded, inter alia, due to the political will and constant support of successive governments; sustained and sufficient funding, regular programme reviews and field-based monitoring, a series of complementary initiatives; community and stakeholder engagements and participation; people-centric modifications in the service delivery; bridging the policy intentions to implementation gaps, and continuous expansion of services to cover more people living with HIV.

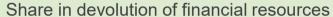
ECONOMICS AND DEVELOPMENT

The Finance Commission and public finance in Kerala

CONTEXT: Kerala, had filed a suit in the Supreme Court of India against the Centre's decision on the net borrowing ceiling of States.

In the post-COVID-19 pandemic fiscal strategy, the fiscal deficit to GDP is envisaged as 3.5% for States, with 0.5 % tied to power sector reforms and the general government public debt to GDP at 60 % and central government debt at 40 %.

The outstanding liabilities of Kerala are 36.9 % of GSDP as per 2024-25 (BE). However, the roll-over risk is not there as around 16 % debt of Kerala has a maturity period within 2025. As of now, Telangana has a long-term debt maturity profile, with refinancing of debt of about 39.9 % to be done only by 2063 as compared to 14.7% for Kerala.



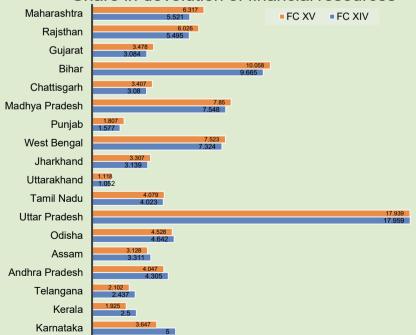


FIGURE: Bar chart representation of shareable pool of taxes among States.



FIGURE: Column chart representation of amount received by each State for every one Rupee contributed by the States.

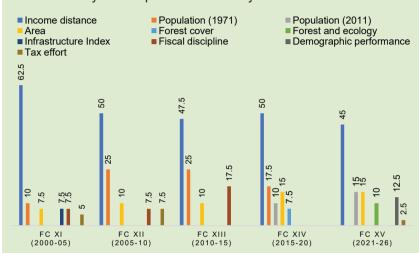


FIGURE: Column chart representation of weightages of parameters used for tax devolution by the Finance Commission.

Revenue stability is indeed the basis of public expenditure design. In Kerala, own tax revenue constitutes 48% of total revenue and own non-tax revenue (including lotteries) at about 12%. The Comptroller and Auditor General of India (CAG) recently published data on the fiscal projections and the actuals realised according to November 2023 figures. The fiscal marksmanship (percentage of Actuals by Budget Estimates) ratio is only 57.23% for tax revenue in Kerala, as in November 2023. However, the fiscal marksmanship of Goods and Services Tax (GST) this fiscal year (56.30%) is higher than the corresponding period in the previous year (54.21%), as in the CAG report.

Share of devolution and Grants in recommended transfers

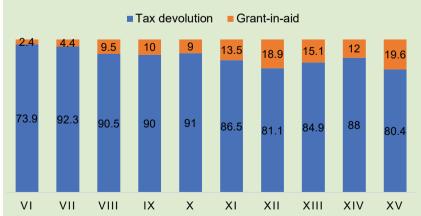


FIGURE: Column chart representation of Share of devolution and Grants in recommended transfers

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Volatility as a matter of concern

Against these concerns, increasing the tax effort by strengthening the digital infrastructure in public finance is paramount. Higher public debt has to be continuously linked to higher gross capital formation in physical, digital and social infrastructure.

Continuity of food security measures is significant in times of war and crisis when food inflation is mounting due to supply chain disruptions and energy price volatility. Fiscal policy is important to contain inflation. The Kerala government announced support to tackle inflation in the last Budget as well.

Looking ahead

Investing in a green resilient and knowledge-based economy is crucial for sustainable economic development of the State. A "State adaptation communication" is required by the State with appropriate Budget allocations. Judicious bargaining with the Finance Commission relating to magnitude and criteria (with weightage decisions) is key to ensuring the progressivity of fiscal transfers to the State. There needs to be a negotiation with the Sixteenth Finance Commission for specific-purpose transfers to tackle State-specific issues such as demographic transition, inward and outward migration and climate change crisis.

Fiscal transfer based on the advancement of gender budgeting (including the care economy infrastructure) in the State is critical to redress gender inequalities. This is significant to increase economic growth through increased labour force participation of women. Gender budgeting and gender inequalities are inversely related, and the State has a positive role to play in gender-aware human capital formation. Budget credibility is all that is crucial before the election cycle.

Adequate emphasis on fiscal marksmanship is important to maintain the trust of voters. Fiscal austerity measures through expenditure compression are not an option right now before the State as austerity measures can affect the human capital formation and sustained economic growth recovery.

ECOLOGY AND ENVIRONMENT

Compounding crises

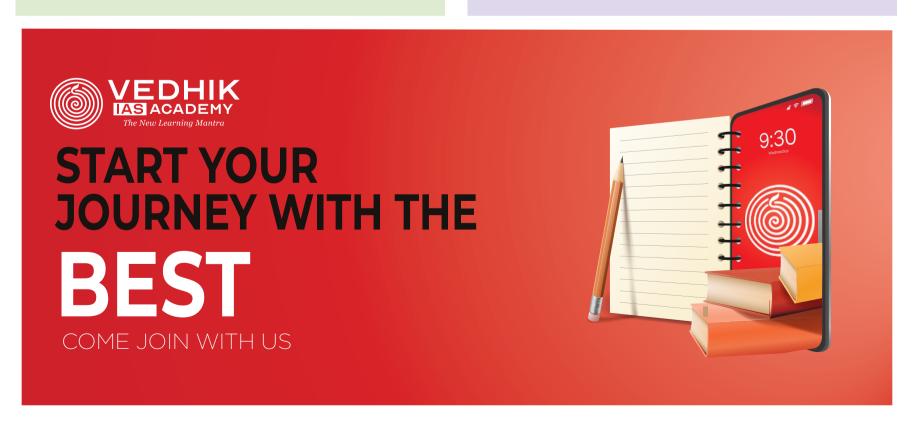
CONTEXT: There is only enough water to fill 23 % of the holding capacity in all of South India's reservoirs, nine percentage points lower than the rolling decadal average.

The monsoon season is influenced by various factors, including El Niño events, which can make them more erratic. In 2014-16, there was an El Niño event, and currently, there is an ongoing event, which is among the five strongest in recorded history. Meteorologists recorded 2023 as the warmest year on record and predicted that 2024 would be even warmer. A team led by the U.K. Meteorological Office also predicted a 93% chance that every year until 2026 will set new temperature records.

While some policies and forecasting have improved, preparedness and implementation of these policies on the ground have not. Other factors, including unplanned urban growth, over-extraction of groundwater, low water reuse efficiency, insufficient community involvement, and encroachment and/or degradation of catchment areas, persist.

Climate change is expected to have a more severe impact on low- and middle-income countries like India by creating simultaneous crises. This includes changing the way weather events occur and increasing the likelihood of them happening together, such as droughts and disease outbreaks. These impacts are expected to worsen socio-economic conditions, especially among marginalized groups.

The water crises is not only standalone issues but also exacerbate other problems. A region facing a water crisis after just one year of insufficient rainfall indicates that governments may not be learning from past experiences or are neglecting them, despite the significant deficit. It emphasizes that governments and policymakers need to understand that current and future crises will not solely be due to water scarcity or climate change, but also the result of inadequate response and planning.





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ECONOMICS AND DEVELOPMENT

Tamil Nadu accounts for 30% of India's electronics exports

On the cutting edge

The data for the charts were sourced from the National Import-Export Record for Yearly Analysis of Trade, and the Ministry of Commerce and Industry



Chart 1: The chart shows the year-wise electronic goods exported from Tamil Nadu in \$ billion

8

7.4

4

2

1.7

1.9

FY18

FY19

FY20

FY21

FY22

FY23

FY24

(till Jan.)

Chart 2: The chart shows the year-wise exports of electronic goods of the top five States in India in \$ billion 7.4

Tamil Nadu

Karnataka

3.6

U.P.

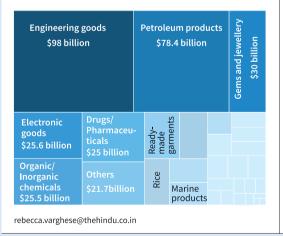
Gujarat

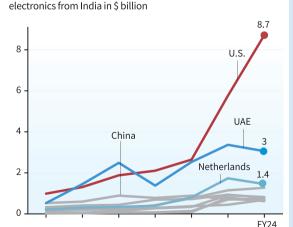
Maharashtra

FY18 FY19 FY20 FY21 FY22 FY23 (till Jan.)

Chart 4: The chart shows the year-wise top 10 importers of

Chart 3: The chart shows the commodity-wise share in total exports from India for FY24 (till February) in \$ billion





Tamil Nadu, India's largest exporter of electronic goods in FY23. accounted for 30 % of all electronic goods exports from India in FY24. Exports of electronic goods from Gujarat and Maharashtra, the other States in the top five list, have stagnated in recent years. The share of the electronic goods sector in India's overall exports has more than doubled — mostly due to the rise in Tamil Nadu's contribution - in recent years. Between April 2023 and January 2024, Tamil Nadu exported electronic goods worth more than \$ 7.4 billion, close to four times its volume in FY22.

Tamil Nadu's exports in FY24 were higher than the combined exports of Uttar Pradesh and Karnataka, the second and third biggest exporters of electronic goods, respectively during the same period.

At the core of this rise is the surge in exports of smartphones, which currently forms close to 40 % of India's electronics exports. In the last two fiscal years, close to 40 % of smartphones in India were sent out from just one district, Kancheepuram, located in the north-eastern part of Tamil Nadu. Most of these electronic goods, mostly dominated by mobile phones, were exported to the United States, followed by the United Arab Emirates, and the Netherlands.

In this period, India's exports were dominated by engineering goods (\$98 billion), followed by petroleum products (\$ 78 billion), gems and jewellery (\$30 billion), and electronics goods (\$ 25 billion). In FY18, however, exports of electronic goods were not even in the top 10 most exported commodities and had an export value of just \$0.8 billion.

Biggest markets

(till Feb.)

The U.S. and the UAE are the biggest markets for India's electronic goods exports. In FY24 (till February),

the U.S. imported close to 35 % of India's electronic goods exports worth \$ 8.7 billion, followed by the UAE at \$ 3 billion (12 %). The share of the Netherlands and the U.K. stood at about 5 % each.

Since FY21, the U.S. has remained the primary destination for India's electronics exports. Its share in India's electronics exports has surged in recent years. From just around 15-20 % between FY18 and FY22, the U.S.'s share surged to 24-34 % in the latest two financial years.

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POLITY AND GOVERNANCE

President Murmu confers Bharat Ratna on L.K. Advani

CONTEXT: President Droupadi Murmu conferred Bharat Ratna on BJP stalwart and former Deputy Prime Minister L.K. Advani at his residence in Delhi on Sunday.



The ceremony was attended by Vice-President Jagdeep Dhankhar, Prime Minister Narendra Modi, Defence Minister Rajnath Singh, Home Minister Amit Shah and the family members of Mr. Advani. The Rashtrapati Bhavan described Mr. Advani as a doyen of Indian politics and said that he has served the nation with unwavering dedication and distinction for over seven decades.

ART AND CULTURE

A record 60 traditional products from across India granted GI tag

CONTEXT: Over 60 products from across India, including Banaras Thandai, have been given the Geographical Indication (GI) tag. This is the first time that such a large number of products have been given the GI tag at one go, adding that more States were coming forward and filing applications to get a GI tag for their traditional products.

Six traditional crafts from Assam — Asharikandi terracotta craft, Pani Meteka craft, Sarthebari metal craft, Jaapi (bamboo headgear), Mishing handloom products, and Bihu dhol — have bagged the GI tag.

Thirteen other products from Assam have been given the tag, including the Bodo Dokhona, the traditional attire of Bodo women; and Bodo Eri silk, referred to as the fabric of peace or ahimsa (non-violence), which comes from the silkworm Samia ricini that feeds mostly on the leaves of the castor plant (Ricinus communis), and cassava. Bodo Jwmgra (a traditional scarf), Bodo Gamsa (traditional dress of Bodo men), Bodo Thorkha (a musical instrument), and Bodo Sifung (a long flute) are also on the list.

The famous Banaras Thandai, a drink made by blending milk with a mix of nuts, seeds and spices, also got the tag. The drink was first introduced centuries ago as an offering to the Shri Kashi Vishwanath deity on the occasion of Mahashivaratri, Rangbhari Ekadasi, and Holi. The Banaras Tabla, Banaras Shehnai, Banaras Lal Bharwamirch, and Banaras Lal Peda are among the products that walked away with GI tags in this region.

The Tripura region secured two tags — one for the Pachra-Rignai, which is a traditional dress worn on special occasions, and the other for the Matabari Peda, a sweet preparation. Meghalaya Garo Textile weaving, which is linked to socio-cultural and religious rituals, Meghalaya Lyrnai Pottery, and Meghalaya Chubitchi also secured the tag.

INTERNATIONAL RELATIONS

Philippines boosts maritime security as China tension rises

CONTEXT: Philippine President Ferdinand Marcos Jr. has ordered his government to strengthen its coordination on maritime security to confront "a range of serious challenges" to territorial integrity and peace, as a dispute with China escalates.



The order, does not mention China but follows a series of confrontations and mutual accusations over a disputed area of the South China Sea. Beijing claims almost all of the South China Sea, a conduit for more than \$3 trillion of annual ship-borne commerce. China's claims overlap those of the Philippines, Vietnam, Indonesia, Malaysia and Brunei. The Permanent Court of Arbitration in 2016 said China's claims had no legal basis. The latest flare-up occurred last weekend, when China used water cannon to disrupt a Philippine resupply mission to the Second Thomas Shoal.



"Education is the ability to listen to almost anything without losing your temper or your self-confidence." - Robert Frost