



**UPSC
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DAILY CURRENT AFFAIRS

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SOURCES



Table of Contents

1. Poverty debate in numbers.....	2
2. The Growth Story.....	3
3. Warmer nights, rising humidity: Why heatwaves are becoming more deadly.....	4
4. Journey to 2047.....	5
5. A brewing conflict over a sacred flower.....	6
6. At WTO, India defers response to queries on WFP rice export.....	6
7. April core sector output rises 6.2% as electricity, steel buoy.....	7
8. Govt cuts windfall tax on petroleum crude.....	7
9. BCGCL Floats Tender for Coal Gasification Project at Odisha.....	8
10. RBI's VRR auction sees huge response yet again.....	8
Daily Quiz.....	10
Solutions.....	12



GS II

1. Poverty debate in numbers

Source: IE, Page 13

Prelims: HCES Factsheet, Uniform Reference Period (URP) and Mixed Reference Period (MRP)

Mains: Issues relating to Poverty and Hunger.

News: The article "Poverty debates in numbers" discusses the recent release of the Household Consumption Expenditure Survey (HCES) factsheet, which has generated discussions about trends in poverty reduction in India.

Key Issues in Poverty Measurement:

1. **Poverty Estimation Methods:** Differences arise from reference periods (30-day, 365-day, 7-day), poverty lines, and price indexes.
2. **Data Collection Changes:** The transition from single-visit to multiple-visits and the use of three distinct questionnaires affect data comparability over time.
3. **Survey Reference Periods:** The adoption of Uniform Reference Period (URP), Mixed Reference Period (MRP), and Modified Mixed Reference Period (MMRP) for consumption data.

Historical Context and Methodological Shifts:

1. **Lakdawala and Tendulkar Committees:** Initially used calorie intake-based poverty lines (Lakdawala), later shifted away from this approach (Tendulkar).
2. **Rangarajan Committee:** Suggested poverty lines based on normative levels of various needs, leading to higher estimates compared to the Tendulkar Committee.
3. **NSSO's Methodological Adjustments:** Adoption of MMRP in 2011-12 to improve consumption reporting accuracy.

Recent Findings and Comparisons:

1. **SBI Research and NITI Aayog:** Reported significant reductions in poverty rates, though methodological issues in updating poverty lines may lead to underestimation.
2. **Rangarajan and Mahendra Dev:** Used CPI to update MMRP-based poverty lines, showing a substantial decline in poverty from 2011-12 to 2022-23.
3. **International Poverty Line Analysis:** Estimates by Surjit Bhalla and Karan Bhasin using the \$1.90 global poverty line adjusted for inflation.
4. **Temporal Comparability Challenges:** New data collection methods and the adoption of MMRP impact the ability to compare poverty estimates over different periods accurately.



GS III

2. The Growth Story

Source: IE, Page 12

Prelims: Data and Facts regarding NSO Report

Mains: Indian Economy and issues relating to Planning,

News: The article provides an optimistic account of India's economic growth for the financial year 2023-24, surpassing initial projections by various bodies, including the Reserve Bank of India (RBI) and the National Statistical Office (NSO).

Economic Growth Overview

- India's economy grew at 8.2% in the financial year 2023-24, surpassing projections by the RBI, NSO, and private forecasters.
- The fourth-quarter growth was 7.8%, up from an earlier estimate of 5.9%, boosting the overall growth estimate.
- Real GDP growth rose from 7% in 2022-23 to 8.2% in 2023-24, while nominal GDP growth fell from 14.2% to 9.6%.

Sectoral Performance

- **Agriculture:** Grew by 0.6% in the fourth quarter, reflecting the impact of an unfavorable monsoon.
- **Manufacturing:** Performed better than agriculture but showed a decline from the highs of the second and third quarters.
- **Construction:** Remained healthy, with cement production and steel consumption growing by 9.1% and 13.6% respectively.
- **Trade, Hotels, Transport, and Communication:** Slowed down, affecting a large section of the informal workforce.

Divergence and Impact of Taxes

- Value added by the entire economy decreased from 8.3% in the first quarter to 6.3% in the fourth quarter.
- Divergence between GDP and GVA estimates indicates the impact of higher tax collections and/or lower subsidy outgo.
- Net taxes grew by 31.2% in the third quarter and 22.2% in the fourth quarter.

Future Prospects and Influencing Factors

- Leading economic indicators suggest continued growth momentum in the current financial year.
- RBI's recent study estimates a 7.5% growth rate for the first quarter of the current financial year.
- Future economic performance will depend on factors such as rural demand, private consumption, investment, the monsoon, the Union budget, and fiscal and monetary policies.



3. Warmer nights, rising humidity: Why heatwaves are becoming more deadly

Source: IE, Page 19

Prelims: Urban Heat Island Effect, Heat Waves

Mains: Disaster and Disaster Management.

News: The article talks about recent ongoing heatwaves in India that have claimed many lives.

Studies and Findings

- A study by IIT Bhubaneswar analyzed nighttime temperatures across 141 Indian cities from 2003-2020, finding an increase with a mean rate of $0.52 \pm 0.19^\circ\text{C}$ per decade.
- The study published in Nature attributed a 60% enhancement in warming in Indian cities to urbanization alone.
- Another study by the Centre for Science and Environment found the difference between day and night temperatures in urban areas has decreased over time, indicating reduced nighttime cooling.
- The reduction in nighttime cooling was observed in all cities except Kolkata, with a significant decrease from the 2001-10 decade to the 2014-23 period.

Increasing Heatwaves and Their Impact

- Large parts of India are experiencing severe heat waves with record-breaking temperatures.
- Recent heat waves have resulted in fatalities in states like Delhi, Bihar, Odisha, and Gujarat.
- Urban areas are particularly affected due to urbanization and declining green cover, leading to warmer and more humid conditions.
- Higher nighttime temperatures intensify heat waves, disproportionately affecting the poor who lack relief from heat fatigue.

Urban Heat Island Effect

- The Intergovernmental Panel on Climate Change (IPCC) notes the urban heat island effect causes cities to be significantly warmer than surrounding areas, especially at night, reducing adaptive capacity.
- Concrete structures in cities absorb and re-emit heat more than natural features, causing higher temperatures in urban areas compared to greener surroundings.
- This phenomenon is termed the urban heat island effect, where urbanization correlates with increased nighttime temperatures.

Health Implications

- The rise in temperatures and humidity, coupled with warmer nights, makes summers more deadly by disrupting the body's temperature regulation.
- High humidity impedes the evaporation of sweat, leading to ineffective cooling and increased health risks.
- According to Dr. Dileep Mavalankar, the body's response to heat by sweating leads to reduced blood flow to organs, causing dehydration, salt imbalances, and potential organ malfunction.
- Prolonged exposure to high temperatures can affect brain function, potentially leading to heat strokes and other serious health issues.
- A 2017 study in Science Advances linked the rise in summer mean temperatures in India to a 14.6% increase in heat-related mortality events of more than 100 people from 1960-2009.



Editorials, Opinions and Ideas

4. Journey to 2047

Source: IE, Page 12

India aims to become a developed country by 2047, marking its 100th year of Independence. However, the path to development requires clarity.

India's Current Status:

- India's per capita income, at \$2,500 (IMF, April 2024), indicates a significant gap to bridge for achieving developed status by 2047.
- Developed countries are typically characterized by a high per capita income, currently set at \$13,845 by international financial organizations.
- Achieving the desired per capita income level necessitates a consistent annual real growth rate of six to seven per cent.

Challenges

- **Investment Requirements:** A growth rate of seven percent requires a 35 percent Gross Fixed Capital Formation (GFCF) rate of GDP, prompting the need for increased private investment.
- **Job Creation:** Technological advancements, particularly AI and machine learning, pose challenges to employment absorption, requiring a balance between technological adoption and job creation.

Strategies:

- **Export Focus:** India must focus on enhancing both service and merchandise exports to sustain growth, despite changing global trade dynamics and rising protectionism.
- **Multi-Dimensional Approach:** India's growth strategy should encompass various sectors, including exports, services, manufacturing, and agriculture, with an emphasis on identifying and prioritizing sunrise industries.
- **Inclusive Growth:** Growth must be equitable, ensuring benefits reach all sections of society. Efforts to reduce poverty, improve healthcare, and enhance education are crucial for sustainable development.

Conclusion:

India's development strategy should be comprehensive, focusing on increasing investment rates, promoting key sectors, embracing new technologies, and fostering employment-friendly growth. Job creation stands as a significant challenge in this pursuit.



InBrief

5. A brewing conflict over a sacred flower

Source: The Hindu, Page 9

Mahua Flower

- The flowers of the Mahua tree (*Madhuca longifolia*) are fermented to produce an alcoholic drink known as Mahua.
- This traditional liquor is crafted by tribal men and women across various parts of India, including West Bengal, Odisha, Chhattisgarh, Jharkhand, Bihar, northern and central regions, Maharashtra, Gujarat, Telangana, Tamil Nadu, and Kerala.
- Mahua holds a sacred place among the tribal communities of India.

Koya tribal group

- They live in forests, plains, and valleys along the Godavari River in Andhra Pradesh, Telangana, Chhattisgarh, and Odisha.
- They are believed to have migrated from Bastar in northern India to central India.
- The Koya speak Koyi, a Dravidian language related to Gondi and influenced by Telugu.
- Originally, the Koya were pastoralists and practiced shifting cultivation.
- They grow crops like Jowar, Ragi, Bajra, and other millets.
- Their main festivals are Vijji Pandum (seed sowing festival) and Kondala Kolupu (festival for the hill deities).
- They perform a lively and colorful dance called Permakok (Bison horn dance) during festivals.

6. At WTO, India defers response to queries on WFP rice export

Source: The Hindu, page 11

World Food Program

- The WFP is a branch of the United Nations dedicated to eradicating hunger and promoting food security globally.
- Located in Rome, Italy established in 1961,
- The WFP's work aligns with Sustainable Development Goal 2, which aims to end hunger, achieve food security, improve nutrition, and promote sustainable agriculture by 2030.
- The WFP operates in over 120 countries, providing food assistance during emergencies and working with communities to enhance nutrition and build resilience.
- It is funded by voluntary donations from governments, corporations, and private donors.
- Awarded the Nobel Peace Prize in 2020.
- The WFP releases the "Global Report on Food Crisis," which details the extent of acute hunger worldwide.



7. April core sector output rises 6.2% as electricity, steel buoy

Source: The Hindu, Page 8

Core Sectors:

- They include Coal, Crude Oil, Natural Gas, Refinery Products, Fertilizer, Steel, Cement, and Electricity.
- Together, they make up 40.27% of the items in the Index of Industrial Production (IIP).
- Refinery Products have the highest weightage, followed by Electricity, Steel, Coal, Crude Oil, Natural Gas, Cement, and Fertilizers.

Index of Industrial Production (IIP):

- It's a measure of how much industrial products are being made over time.
- The Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, publishes monthly reports.
- It tracks the growth rate of industry groups, categorized broadly under Mining, Manufacturing, and Electricity, and by Use-based sectors: Basic Goods, Capital Goods, and Intermediate Goods.
- The base year for IIP calculations is 2011-2012.

Significance of IIP:

- Government bodies such as the Ministry of Finance and the Reserve Bank of India use IIP data to make policies.
- IIP plays a crucial role in estimating quarterly and advanced GDP (Gross Domestic Product) figures.

8. Govt cuts windfall tax on petroleum crude

Source: IE, Page 15

Windfall Tax

- Windfall taxes are imposed on profits a company earns from external, often unexpected events, such as the energy price rise due to the Russia-Ukraine conflict.
- These profits are not a result of the company's actions, like investment strategies or business expansions.
- A windfall is defined as an "unearned, unanticipated gain in income through no additional effort or expense."
- Governments usually levy a one-off tax retrospectively, in addition to the normal tax rates, known as a windfall tax.
- Windfall taxes are often discussed in the context of the oil market, where price fluctuations can lead to erratic profits.



Rationale:

- To redistribute unexpected gains when high prices benefit producers at the expense of consumers.
- To fund social welfare programs.
- To provide an additional revenue stream for the government.

9. BCGCL Floats Tender for Coal Gasification Project at Odisha

Source: PIB

Coal Gasification

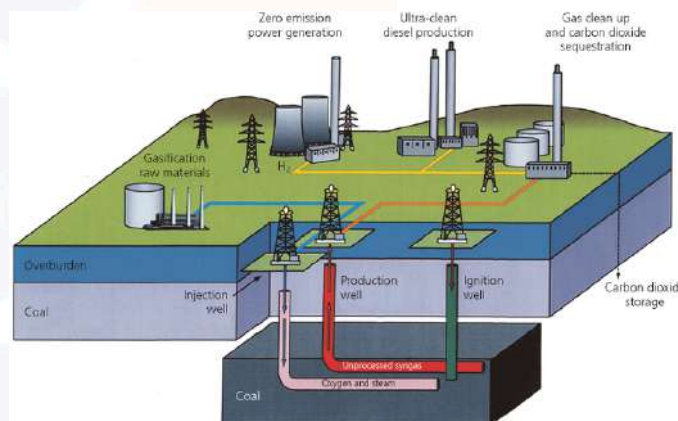
- Coal gasification is the process of converting coal into syngas, a mixture mainly composed of carbon monoxide (CO), hydrogen (H₂), carbon dioxide (CO₂), methane (CH₄), and water vapor (H₂O).
- This is achieved using coal, water, air, and/or oxygen.

Process:

- During gasification, coal is exposed to oxygen and steam under high pressure and heat.
- The oxygen and water molecules oxidize the coal, producing syngas.

Advantages:

- **Pollution Reduction:** Helps address local pollution problems by being a cleaner alternative to traditional coal burning.
- **Energy Independence:** Reduces reliance on imports of natural gas, methanol, ammonia, and other essential products.
- **Environmental Benefits:** Has the potential to lower carbon emissions and promote sustainable practices, supporting India's commitments to a greener future.



10. RBI's VRR auction sees huge response yet again

Source: The Hindu, Page 11

News:

Variable Rate Repo

- A Variable Rate Repo (VRR) is a monetary policy tool used by central banks to manage liquidity in the financial system.
- It involves repurchase agreements where the interest rate is determined through an auction process, rather than being fixed.



- **Auction-Based variable Rate Repo (VRR):** The interest rate is decided through an auction where banks and financial institutions bid for the repo transaction.

Applications:

- **Short-Term Liquidity:** Primarily used for short-term liquidity adjustments.
- **Crisis Management:** Can be used during financial crises to ensure adequate liquidity in the banking system.
- **Interest Rate Signaling:** Provides signals about the central bank's stance on interest rates and monetary policy.



Daily Quiz

1. Which of the following statements about the Koya tribal group is true?

- They primarily inhabit the Himalayan region in northern India.
- Their language, Koyi, is closely related to Sanskrit.
- Their main festivals include Diwali and Holi.
- They perform a dance called Permakok, which is associated with water deities.

2. Which of the following statements about the World Food Program (WFP) is correct?

- The WFP is a branch of the World Health Organization.
- It was established in New York City in 1950.
- It operates in over 120 countries, providing food assistance during emergencies and working with communities to enhance nutrition and build resilience.
- The WFP is funded solely by government donations.

3. Consider the following statements about the Index of Industrial Production (IIP)

- The Index of Industrial Production (IIP) measures the volume of production of agricultural products.
- The Central Statistical Organization (CSO) is responsible for publishing IIP reports on a quarterly basis.
- IIP data is utilized by government bodies such as the Ministry of Finance and the Reserve Bank of India for policy-making and estimating GDP figures.

How many of the above statements are correct ?

- Only one
- Only two
- All of the above
- None of the above

4. Consider the following statements about Coal Gasification:

- Coal gasification involves converting coal into syngas, a mixture primarily composed of carbon monoxide, hydrogen, carbon dioxide, methane, and water vapor.
- The process of coal gasification utilizes coal, water, air, and/or oxygen.
- During gasification, coal undergoes oxidation in the presence of oxygen and steam, resulting in the production of syngas.
- Advantages of coal gasification include pollution reduction, energy independence, and environmental benefits.

How many of the above statements are true?

- Only one
- Only two
- Only three
- All of the above

5. Consider the following statements about Windfall Tax:

- Windfall taxes are imposed on profits a company earns from external, often unexpected events, such as the energy price rise due to the Russia-Ukraine conflict.
- These profits are a result of the company's actions, like investment strategies or business expansions.
- A windfall is defined as an "unearned, unanticipated gain in income through no additional effort or expense."

How many of the above statements are incorrect ?

- Only one
- Only two
- All of the above
- None of the above



6. Which of the following statements correctly describes the Household Consumption Expenditure Survey (HCES) in India?

1. The HCES is conducted by the National Statistical Office (NSO) every five years.
2. It provides data on the consumption patterns of households, including expenditure on food, education, and healthcare.
3. The survey is used to revise the base year for the calculation of the Consumer Price Index (CPI).
4. The HCES data is crucial for estimating poverty and inequality levels in the country.

Select the correct option using the code given below:

- A. 1 and 3 only
- B. 2, 3, and 4 only
- C. 1, 2, and 4 only
- D. 1, 2, 3, and 4

7. The National Statistical Office (NSO) conducts a household survey to collect data on consumption expenditure, which is used to estimate poverty in India. Consider the following statements regarding the Survey Reference Periods used in various surveys in India:

1. The Uniform Reference Period (URP) uses a recall period of 30 days for most consumption items.
2. The Mixed Reference Period (MRP) uses a recall period of 365 days for less frequent consumption items and 30 days for frequently consumed items.
3. The Modified Mixed Reference Period (MMRP) uses a recall period of 7 days for frequently consumed items and 365 days for less frequent items.

Which of the above given statements is/are correct?

- A. Only 2
- B. Only 1
- C. 1 and 2 only
- D. 1, 2 and 3

8. Which of the following statements accurately describes an effect of the Urban Heat Island (UHI) effect?

- A. The UHI effect reduces the need for heating in urban areas during winter, thereby lowering overall energy consumption.
- B. The UHI effect leads to an increase in nighttime temperatures in urban areas, which can disrupt local flora and fauna.
- C. The UHI effect helps in reducing greenhouse gas emissions by promoting the use of solar energy in urban areas.
- D. The UHI effect improves water quality in urban areas by reducing the temperature of runoff water entering local water bodies.

9. Which of the following statements about Gross Fixed Capital Formation (GFCF) is not correct?

- A. GFCF measures the value of acquisitions of new or existing fixed assets by the business sector, governments, and households.
- B. GFCF is an indicator of the net investment in an economy, excluding depreciation.
- C. GFCF includes investments in machinery, equipment, and infrastructure but excludes investments in human capital.
- D. High GFCF generally indicates a higher level of economic development and productive capacity within an economy.

10. Which of the following statements about Variable Rate Repo (VRR) is not correct?

- A. Variable Rate Repo is a tool used by central banks to control liquidity in the banking system.
- B. In a Variable Rate Repo, the interest rate is fixed and determined by the central bank.
- C. Banks bid for funds at different interest rates during a Variable Rate Repo auction.
- D. VRR allows banks to manage short-term liquidity needs more effectively compared to fixed-rate repos.



Solutions

Answer 1: D

Solution:

- The correct statement about the Koya tribe is that they perform a dance called Permakok, which is associated with water deities.
- Option A is incorrect as the Koya tribal group primarily inhabits forests, plains, and valleys along the Godavari River in Andhra Pradesh, Telangana, Chhattisgarh, and Odisha, which are located in central and southern India, not the Himalayan region in northern India .
- Option B is incorrect as their language, Koyi, is a Dravidian language related to Gondi and influenced by Telugu, not closely related to Sanskrit .
- Option C is incorrect as their main festivals are Vijji Pandum (seed sowing festival) and Kondala Kolupu (festival for the hill deities), not Diwali and Holi.

Hence, option D is correct.

Answer 2: C

Solution:

- Option C is correct. The WFP operates in over 120 countries, providing food assistance during emergencies and working with communities to enhance nutrition and build resilience.
- Option A is incorrect because the WFP is not a branch of the World Health Organization, but rather a branch of the United Nations.
- Option B is incorrect because the WFP was established in Rome, Italy in 1961, not in New York City in 1950.
- Option D is incorrect because the WFP is funded by voluntary donations from governments, corporations, and private

donors, not solely by government donations.

Hence, option C is correct.

Answer 3: A

Solution:

- Statement 3 is correct .
- Statement 1 is incorrect: It's a measure of how much industrial products are being made over time.
- Statement 2 is incorrect: The Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, publishes monthly reports, not quarterly.

Hence, option A is correct.

Answer 4: D

Solution:

- Statement 1 is correct, Coal gasification indeed involves converting coal into syngas, which is composed of carbon monoxide, hydrogen, carbon dioxide, methane, and water vapor.
- Statement 2 is True: The process of coal gasification utilizes coal, water, air, and/or oxygen to generate syngas.
- Statement 3 is correct: During gasification, coal undergoes oxidation in the presence of oxygen and steam, leading to the production of syngas as mentioned.
- Statement 4 is True.: Advantages of coal gasification include pollution reduction, energy independence, and environmental benefits.

Hence, option D is correct.

Answer 5: A

Solution:



- Statement 1 is correct: Windfall taxes are imposed on profits a company earns from external, often unexpected events, such as the energy price rise due to the Russia-Ukraine conflict."
- Statement 2 is incorrect: "These profits are a result of the company's actions, like investment strategies or business expansions."
- Statement 3 is correct: "A windfall is defined as an 'unearned, unanticipated gain in income through no additional effort or expense.'"

Hence, option A is correct.

Answer 6: D

Solution:

- Statement 1 is correct: The Household Consumption Expenditure Survey (HCES) is typically conducted by the National Statistical Office (NSO) every five years to collect detailed information on household consumption expenditure.
- Statement 2 is correct: The survey provides comprehensive data on the consumption patterns of households, including expenditure on various categories such as food, education, healthcare, housing, and more.
- Statement 3 is correct: The data collected from the HCES is used to revise the base year for the calculation of the Consumer Price Index (CPI), which is crucial for measuring inflation.
- Statement 4 is correct: HCES data is essential for estimating poverty and inequality levels in the country, helping policymakers design targeted welfare programs.

Hence, option D is correct.

Answer 7: C

Solution:

- Statement 1 is correct: The Uniform Reference Period (URP) uses a 30-day recall period for most consumption items to collect data on household consumption.
- Statement 2 is correct: The Mixed Reference Period (MRP) uses a 365-day recall period for less frequently consumed items (such as clothing, footwear, durable goods) and a 30-day recall period for frequently consumed items (such as food).
- Statement 3 is incorrect: The Modified Mixed Reference Period (MMRP) uses a recall period of 365 days for less frequent consumption items and 7 days for frequently consumed items to reduce recall bias and improve accuracy.

Hence, option C is correct.

Answer 8: B

Solution:

- The UHI effect leads to an increase in nighttime temperatures in urban areas, which can disrupt local flora and fauna: Elevated nighttime temperatures are a significant consequence of the UHI effect. This can disrupt the natural cycles of local plants and animals, affecting their growth, behavior, and survival.

Hence, option B is correct.

Answer 9: B

Solution:

- GFCF measures the value of acquisitions of new or existing fixed assets by the business sector, governments, and households, reflecting investment in physical assets.
- GFCF is actually an indicator of the gross investment in an economy, including



depreciation. It measures total investment in fixed assets without subtracting the depreciation of existing assets.

Hence, option B is correct.

Answer 10: B

Solution:

- In a Variable Rate Repo, the interest rate is not fixed. Instead, it is determined through an auction process where banks bid for funds at different interest rates.

Hence, option B is correct.





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