



Yojna IAS

योजना है तो सफलता है

MAY-JUNE 2023

WEEKLY CURRENT AFFAIRS

YOJNA IAS WEEKLY CURRENT AFFAIRS

29/5/2023 TO 4/6/2023

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CURRENT AFFAIRS

MAY-JUNE 2023

RECEP TAYYIP ERDOGAN RE-ELECTED AS THE PRESIDENT OF TÜRKİYE

This article covers “Daily Current Affairs” and the topic details “Recep Tayyip Erdogan Re-Elected As The President of Türkiye”. The topic “Recep Tayyip Erdogan Re-Elected As The President of Türkiye” has relevance in the International relations section for the UPSC CSE exam.

Relevance:

For prelims:

Who is Recep Tayyip Erdogan?

Location of Türkiye?

For Mains:

GS 2: International relations

Importance of India-Türkiye relations?

Challenges in India-Türkiye relations?

Measures to be taken to address the challenges?

Why in the news?

The Prime Minister, Shri Narendra Modi has congratulated Recep Tayyip Erdogan on re-election as the President of Türkiye.

Who is Recep Tayyip Erdogan?

Recep Tayyip Erdogan is a Turkish politician who has been serving as the President of Turkey since 2014.

Location of Turkiye:

Republic of Turkiye, is a transcontinental country located mainly on the Anatolian Peninsula in Western Asia, with a smaller portion in Southeastern Europe. It shares borders with several countries, including Greece, Bulgaria, Georgia, Armenia, Iran, Iraq, and Syria, and has coastlines along the Mediterranean and Black Seas.

Importance of India-Turkiye relations:

- **Strategic Partnership:** India and Turkey share a strategic partnership based on historical and cultural ties. Strengthening bilateral relations can enhance cooperation in areas such as counterterrorism, defense, and regional stability.
- **Economic Cooperation:** Turkey is a major economy with diverse sectors, including manufacturing, construction, and tourism. Expanding economic cooperation with Turkey can provide India access to new markets, investment opportunities, and technological advancements.
- **Energy Security:** Turkey serves as a crucial transit point for energy pipelines, connecting Europe and Asia. Strengthening ties with Turkey can enhance India's energy security by exploring potential collaborations in oil and gas exploration, transportation, and renewable energy sectors.
- **Cultural Exchanges:** India and Turkey share a rich cultural heritage with historical connections through trade and cultural interactions. Promoting cultural exchanges, tourism, and people-to-people contacts can deepen mutual understanding and foster stronger diplomatic ties.
- **Regional Stability:** Both India and Turkey are important regional actors, and their cooperation can contribute to regional stability. Collaborating on issues like counterterrorism, peacekeeping, and promoting dialogue among regional powers can help address common challenges in the region.
- **Multilateral Forums:** India and Turkey are members of various international forums like the G20, United Nations, and Organization of Islamic Cooperation (OIC). Strengthening bilateral relations can facilitate coordination and collaboration on global issues of mutual interest, including climate change, trade, and multilateral reforms.

Challenges in India-Turkiye relations:

- **Kashmir Issue:** Turkey has been vocal in its support for Pakistan on the Kashmir issue, often making statements that are seen as interfering in India's internal matters. This has strained relations between the two countries and hindered cooperation on other fronts.
- **Regional Conflicts:** Turkey's involvement in regional conflicts, such as its military interventions in Syria and Libya, has created differences in approach between India and Turkey. India has favored diplomatic solutions and non-interference, while Turkey's actions have sometimes been seen as destabilizing.
- **Divergent Priorities:** India and Turkey have different geopolitical priorities. India's focus lies more in its immediate neighborhood, while Turkey's interests extend across the Middle East and Europe. This divergence can make it challenging to align on regional and global issues.
- **Support for Non-State Actors:** Turkey has been accused of supporting non-state actors in various conflicts, which can create concerns for India's security interests. Turkey's alleged support for

groups that India views as terrorist organizations, such as the Kurdistan Workers' Party (PKK), can strain bilateral relations.

- **Trade Imbalances:** Despite the potential for economic cooperation, trade between India and Turkey has been characterized by a significant trade imbalance in favor of Turkey. Addressing this imbalance and creating a more balanced trade relationship can be a challenge for both countries.

Measures to be taken to address the challenges:

- **Diplomatic Engagement:** Regular high-level diplomatic engagements and dialogue between India and Turkey can help bridge differences and enhance understanding.
- **Constructive Communication:** Promoting open and constructive communication channels is crucial. Both countries should strive to address concerns through diplomatic channels rather than making public statements that can escalate tensions.
- **Focus on Common Interests:** Identifying and focusing on areas of common interest can foster collaboration and build trust. Both countries can explore opportunities in trade, investment, energy, and cultural exchanges, emphasizing the mutual benefits and potential for long-term cooperation.
- **Confidence-Building Measures:** Confidence-building measures, such as cultural exchanges, educational programs, and people-to-people contacts, can foster better understanding and goodwill between the two nations.
- **Counterterrorism Cooperation:** Strengthening cooperation in counterterrorism can help address concerns regarding support for non-state actors. Sharing intelligence, exchanging best practices, and collaborating on counterterrorism initiatives can enhance mutual security and build trust.
- **Regional Dialogue:** Engaging in regional dialogue platforms can provide opportunities for India and Turkey to address regional issues and find common ground. This can include forums like the United Nations, G20, or regional organizations where both countries are members.
- **Economic Engagement:** Efforts should be made to address the trade imbalance and expand economic cooperation. Exploring avenues for investment, joint ventures, and technology transfer can create win-win situations, leading to a more balanced and mutually beneficial trade relationship.
- **Track II Diplomacy:** Encouraging Track II diplomacy initiatives, involving academic institutions, think tanks, and civil society organizations, can facilitate discussions and provide alternative perspectives on sensitive issues.

Source:

PIB

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1927975>

Q.1 Which of the following statements accurately describes the geographical location of Turkey (Tukiye)?

- (a) Turkey is a landlocked country located in Central Asia.
- (b) Turkey is a transcontinental country located in both Western Asia and Southeastern Europe.
- (c) Turkey is an island nation located in the Mediterranean Sea.
- (d) Turkey is a country located in the Indian subcontinent.

Answer: (b)

Q.2 Which of the following accurately identifies the neighboring countries of Turkiye?

- (a) Greece, Iran, Russia, Bulgaria
- (b) Iraq, Ukraine, Georgia, Syria
- (c) Armenia, Lebanon, Cyprus, Jordan
- (d) Azerbaijan, Egypt, Hungary, Serbia

Answer: (a)

Q.3 “Discuss the evolving dynamics and challenges in India-Turkey relations, and analyze the potential areas of cooperation for fostering a mutually beneficial partnership between the two countries.”(15 marks)

5G

This article covers “Daily Current Affairs” and the topic details “5G”. The topic “5G” has relevance in the Technology section for the UPSC CSE exam.

Relevance of India-Singapore Relations.

For Prelims:

What is 5g technology?

For Mains:

GS 3: Technology

Advantages of 5G for India?

Challenges for India?

Solutions for the challenges?

Why in the news?

The Prime Minister, Shri Narendra Modi has praised the activation of 2,00,000th 5G site of India at Gangotri and dedication of Char Dham fiber connectivity project.

What is 5g technology?

5G technology is the next generation of wireless communication that offers faster speeds, lower latency, and greater capacity compared to its predecessors. In India, the total band spectrum for 5G is divided into three main categories: low band (sub-1 GHz), mid-band (1-6 GHz), and high band (above 6 GHz). Low band provides wider coverage but limited speeds, mid-band offers a balance between coverage and capacity, while high band offers ultra-fast speeds with limited coverage. The Indian government has allocated spectrum in various bands, including 700 MHz, 3.5 GHz, and 26 GHz, to facilitate the deployment of 5G networks and enable advanced applications like autonomous vehicles, smart cities, and Internet of Things (IoT) devices.

Advantages of 5G for India?

- **Faster Speeds:** 5G offers significantly faster download and upload speeds compared to previous generations. This enables faster access to data, streaming high-quality content, and seamless video calls, benefiting individuals and businesses alike.
- **Low Latency:** 5G technology reduces latency, which is the time taken for data to travel from the sender to the receiver. This low latency enables real-time interactions, making it ideal for applications like online gaming, remote surgeries, and autonomous vehicles.
- **Enhanced Connectivity:** 5G provides greater capacity, allowing more devices to connect simultaneously. This supports the growing number of Internet of Things (IoT) devices, leading to advancements in smart cities, healthcare, agriculture, and industrial automation.
- **Improved Productivity:** With faster and more reliable connections, businesses can enhance their productivity through efficient cloud computing, seamless remote collaborations, and faster data transfers.
- **Innovation and Economic Growth:** 5G opens up possibilities for innovation and entrepreneurship by enabling technologies like augmented reality (AR), virtual reality (VR), and artificial intelligence (AI). This can lead to new services, industries, and job opportunities, driving economic growth in India.

Challenges for India?

- **Infrastructure Development:** India requires significant investments in building the necessary infrastructure for 5G, including the deployment of a dense network of base stations and fiber optic cables. The cost of infrastructure development and the challenges of acquiring land and permissions can pose hurdles.
- **Spectrum Availability:** Spectrum allocation is crucial for 5G deployment. India needs to ensure sufficient and harmonized spectrum is available across different bands to support the requirements of 5G networks. Spectrum auctions, regulatory frameworks, and coordination with different stakeholders are essential for efficient spectrum allocation.
- **Affordability and Accessibility:** Ensuring affordable access to 5G services for all sections of

society is a challenge in a country as diverse and economically varied as India. Bridging the digital divide and making 5G services accessible to rural and remote areas will require focused efforts.

- **Backhaul Connectivity:** 5G networks require robust backhaul connectivity to handle the increased data traffic. India needs to strengthen its backhaul infrastructure, including fiber optic networks, to support the high-speed and low-latency requirements of 5G.
- **Security and Privacy:** With the increased reliance on digital connectivity, ensuring the security and privacy of 5G networks becomes critical. India needs to develop robust cybersecurity measures, establish standards, and promote best practices to safeguard against potential threats and vulnerabilities.
- **Skill Development:** The successful implementation of 5G requires a skilled workforce with expertise in areas like network design, deployment, and management. India needs to focus on skill development programs to bridge the gap and equip professionals with the necessary knowledge and skills.

Solutions for the challenges?

- **Infrastructure Development:**
 - Encourage public-private partnerships to attract investments for infrastructure development.
 - Streamline regulatory processes and provide incentives to expedite the deployment of base stations and fiber optic cables.
 - Promote the sharing of infrastructure among telecom operators to reduce costs and accelerate deployment.
- **Spectrum Availability:**
 - Conduct timely and transparent spectrum auctions to ensure sufficient and harmonized spectrum availability.
 - Encourage spectrum sharing and trading to optimize spectrum utilization.
 - Foster collaboration between government agencies, telecom operators, and industry stakeholders to identify and allocate spectrum efficiently.
- **Affordability and Accessibility:**
 - Implement policies and initiatives to bridge the digital divide and provide affordable access to 5G services in rural and remote areas.
 - Promote competition among telecom operators to drive down prices and increase affordability.
 - Foster innovation in affordable 5G-enabled devices to make them accessible to a wider population.
- **Backhaul Connectivity:**

- Focus on expanding fiber optic networks and accelerating the deployment of high-capacity backhaul infrastructure.
- Encourage the use of alternative technologies like satellite-based backhaul solutions in remote areas.
- Facilitate collaboration between telecom operators and internet service providers to share and optimize backhaul infrastructure.
- **Security and Privacy:**
 - Establish robust cybersecurity regulations and frameworks to ensure the security and privacy of 5G networks.
 - Promote collaboration between government agencies, industry stakeholders, and security experts to develop best practices and standards for 5G security.
 - Invest in research and development of advanced security technologies to mitigate potential threats.

Q.1 Which of the following statements regarding 5G technology is/are correct?

1. 5G offers faster speeds, lower latency, and greater capacity compared to previous generations.
2. 5G technology primarily operates on the low band spectrum below 1 GHz.
3. The implementation of 5G does not require significant investments in infrastructure development and spectrum availability.
4. 5G technology does not pose any security and privacy concerns.

Select the correct answer using the code below:

- (a) 1 and 2 only
- (b) 1, 3, and 4 only
- (c) 2 and 3 only
- (d) 1, 2, and 3 only

Answer:(a)

Q.2 Which of the following statements accurately describe the advantages of 5G technology?

1. 5G provides faster download and upload speeds, enabling quick access to data and high-quality streaming.
2. The low latency of 5G allows for real-time interactions and is beneficial for applications like online gaming and autonomous vehicles.

3. 5G's enhanced connectivity and capacity support the growth of Internet of Things (IoT) devices and advancements in smart cities and industrial automation.
4. 5G offers affordable access to high-speed internet services, bridging the digital divide in rural and remote areas.

Select the correct answer using the code below:

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1, 3, and 4 only
- (d) 1, 2, 3, and 4

Answer:(d)

Q.3 Discuss the potential impact of 5G technology on India's socio-economic development. Highlight the sectors that stand to benefit the most and explain the challenges that need to be addressed for effective implementation and utilization of 5G.

INDIA-EUROPEAN FTA

This article covers "Daily Current Affairs" and the topic details "India-European FTA". The topic "India-European FTA" has relevance in the International relations and Multilateral Agreements section for the UPSC CSE exam

Relevance of India-European FTA:

For Prelims:

What is India-European FTA?

For mains:

GS 2: International Relations, Multilateral Agreements

Benefits for India of the FTA?

Concerns of India regarding the FTA?

Way Forward?

Why in the news?

India and the European Union (EU) concluded the fourth round of talks for a comprehensive free

trade agreement in Brussels, a move aimed at further strengthening economic ties between the two sides. The next round of the talks is planned for 12-16 June here.

What is India-European FTA?

The India-Europe Free Trade Agreement (FTA) refers to negotiations aimed at establishing a comprehensive trade agreement between India and the countries of the European Union (EU). The objective of the FTA is to enhance economic cooperation, promote trade and investment, and remove trade barriers between India and the EU member states.

Benefits for India of the FTA:

- **Increased trade:** The FTA aims to boost bilateral trade between India and the EU by eliminating or reducing tariffs, quotas, and other trade barriers. This can lead to an expansion of market access for Indian exporters and European businesses, facilitating increased trade flows and a broader range of goods and services being exchanged.
- **Economic growth:** The FTA has the potential to stimulate economic growth in both India and the EU. By promoting trade and investment, it can create new business opportunities, attract foreign direct investment, and contribute to job creation and economic development in both regions.
- **Market access:** The FTA seeks to enhance market access for goods and services between India and the EU. This can provide Indian exporters with better access to the large European market, while European businesses can benefit from improved access to the growing Indian market. It can lead to increased export opportunities, diversification of trade, and the development of new supply chains.
- **Regulatory cooperation:** The FTA includes provisions for regulatory cooperation and harmonization of standards between India and the EU. This can simplify trade procedures, reduce non-tariff barriers, and enhance regulatory transparency and predictability, making it easier for businesses to navigate the trade environment and promote mutual recognition of standards and certifications.
- **Intellectual property rights protection:** The FTA aims to strengthen intellectual property rights (IPR) protection and enforcement. This can benefit both Indian and European businesses by providing a more robust framework for the protection of patents, copyrights, trademarks, and other forms of intellectual property, fostering innovation and technology transfer.

Concerns of India regarding the FTA:

- **Market access for agriculture:** India has raised concerns regarding market access for agricultural products, particularly in relation to subsidies provided by European countries to their farmers. India has emphasized the need for fair and equitable market access that does not disproportionately impact Indian farmers or lead to the flooding of the domestic market with subsidized European agricultural products.
- **Non-tariff barriers:** India has expressed concerns about non-tariff barriers (NTBs) imposed by the EU, which can hinder Indian exports. These barriers include stringent sanitary and phytosanitary measures, technical regulations, and conformity assessment procedures. India has sought greater transparency, simplification, and predictability in these areas to ensure a level playing field for Indian exporters.

- **Services trade:** India has emphasized the importance of facilitating services trade, particularly in sectors such as information technology (IT), software, and professional services. India seeks greater market access and the removal of barriers that limit the movement of skilled professionals, recognition of Indian qualifications, and the liberalization of modes of service supply.
- **Intellectual property rights (IPR) issues:** India has raised concerns about the EU's demands for stronger IPR protection, particularly in the pharmaceutical sector. India has emphasized the importance of striking a balance between IPR protection and access to affordable medicines, highlighting the role of Indian generic drug manufacturers in providing affordable healthcare solutions.
- **Investment and government procurement:** India has called for balanced provisions related to investment protection and dispute settlement mechanisms. Concerns have been raised about the potential impact of investor-state dispute settlement (ISDS) provisions on India's regulatory autonomy and the need to safeguard public policy objectives. India has also sought enhanced access to EU government procurement markets.
- **Differential treatment:** India has advocated for differential treatment considering its status as a developing country. India has emphasized the need for flexibility in the implementation of commitments, including longer transition periods, to accommodate the specific needs and challenges faced by its domestic industries.
- **Services and goods balance:** India has highlighted the need for a balanced outcome that addresses the concerns of both goods and services sectors. India aims to ensure that the FTA benefits not only the manufacturing and goods-exporting sectors but also the services sector, which is a significant contributor to India's GDP and employment.

Way forward:

- **Active engagement in negotiations:** India should continue actively participating in the FTA negotiations, ensuring its concerns are effectively communicated and addressed. This includes maintaining open channels of communication, conducting thorough impact assessments, and actively advocating for India's interests during negotiations.
- **Strengthening domestic industries:** India can focus on strengthening its domestic industries to enhance competitiveness and minimize the negative impact of the FTA.
- **Promoting diversification:** India should explore opportunities to diversify its export basket and markets. By diversifying its exports, India can reduce its dependence on a few specific sectors and markets, mitigating potential risks associated with the FTA.
- **Addressing agricultural concerns:** India can work towards ensuring fair market access for its agricultural products. This includes negotiating measures that safeguard the interests of Indian farmers, addressing subsidies and non-tariff barriers, and promoting sustainable agricultural practices. Additionally, investing in technology, infrastructure, and supply chain management can enhance the competitiveness of the Indian agricultural sector.
- **Balancing intellectual property rights:** India can strike a balance between intellectual property rights (IPR) protection and public health concerns. Strengthening its generic pharmaceutical industry, promoting research and development in the healthcare sector, and encouraging innovation can help address concerns related to IPR while ensuring access to affordable medicines.

for its citizens.

- **Enhancing services trade:** India should focus on maximizing the benefits of services trade through the FTA. This can involve promoting the mobility of skilled professionals, encouraging mutual recognition of qualifications, and facilitating technology transfer and knowledge sharing. Strengthening the services sector, particularly in IT, software, and professional services, can enhance India's competitiveness in the global market.
- **Capacity building and support:** India can invest in capacity building initiatives to help its industries adapt to the changing trade dynamics. This includes providing training, technical assistance, and access to information and resources to enable Indian businesses to leverage the opportunities presented by the FTA. Supporting small and medium enterprises (SMEs) and promoting entrepreneurship can also contribute to inclusive growth and job creation.
- **Strengthening regional and bilateral ties:** India can explore opportunities for strengthening regional and bilateral ties with European countries outside the FTA framework. This can involve pursuing separate trade agreements or partnerships that cater to specific sectors or areas of mutual interest. Strengthening bilateral economic cooperation can provide alternative avenues for trade and investment.
- **Continuous monitoring and evaluation:** India should establish mechanisms to monitor and evaluate the impact of the FTA on various sectors of the economy. Regular assessments can help identify challenges, make necessary adjustments, and ensure that the FTA remains aligned with India's long-term economic and developmental goals.

Source:

<https://economictimes.indiatimes.com/news/economy/foreign-trade/india-eu-conclude-another-round-of-talks-for-proposed-trade-agreement/articleshow/98774447.cms?from=mdr>

Q.1 Which of the following statements regarding the India-European Free Trade Agreement (FTA) is/are correct?

1. The India-European FTA is a comprehensive agreement aimed at promoting trade and investment between India and European Union (EU) member countries.
2. Negotiations for the India-European FTA began in 2007 but have not yet concluded.
3. The FTA aims to eliminate or reduce tariffs on goods, liberalize services trade, and establish rules and regulations for trade facilitation.
4. The India-European FTA covers only trade in goods and does not include provisions related to intellectual property rights or investment.

Select the correct option using the codes below:

- (a) 1 and 2 only
- (b) 1,2 and 3 only
- (c) 1,2,3 and 4

(d) None of the above

Answer:(b)

Q.2 Which of the following statements regarding the India-European Free Trade Agreement (FTA) raises concerns for India?

1. The India-European FTA is expected to result in a surge of low-cost imports, posing a threat to domestic industries, particularly in sectors such as textiles and agriculture.
2. The FTA negotiations have faced challenges due to disagreements over intellectual property rights and data protection regulations between India and the European Union (EU).
3. The India-European FTA negotiations have reached a deadlock, leading to a halt in discussions

Select the correct option using the codes below:

- (a) 1 and 2 only
- (b) 2 and 3 only
- (c) 1 and 3 only
- (d) 1,2 and 3 only

Answer:(a)

Q.3 “Discuss the potential benefits and challenges of the India-European Union Free Trade Agreement (FTA) and its implications for India’s economy. Analyze the key sectors that may be positively or negatively affected by the FTA and suggest strategies to maximize the benefits while minimizing the challenges.”

(15 marks)

WORLD’S LARGEST GRAIN STORAGE PLAN IN COOPERATIVE SECTOR

This article covers “Daily Current Affairs” and the topic details “World’s Largest Grain Storage Plan in the Cooperative Sector”. The topic “World’s Largest Grain Storage Plan in the Cooperative Sector” has relevance in the Food Management section of the UPSC CSE exam.

Relevance:

For Prelims:

What is the Plan?

For Mains:

GS 3: Food Management

Benefits of the Plan

Challenges in Food Storage for India?

Solutions for the challenges?

Why in the news?

The Union Cabinet chaired by the Prime Minister Shri Narendra Modi approved the constitution and empowerment of an Inter Ministerial Committee (IMC) for facilitation of the “World’s Largest Grain Storage Plan in Cooperative Sector” by convergence of various schemes of the Ministry of Agriculture and Farmers Welfare, Ministry of Consumer Affairs, Food and Public Distribution and Ministry of Food Processing Industries.

The Plan would be implemented by utilizing the available outlays provided under the identified schemes of the respective Ministries. Following schemes have been identified for convergence under the Plan:

1. Ministry of Agriculture and Farmers Welfare:
 - Agriculture Infrastructure Fund (AIF),
 - Agricultural Marketing Infrastructure Scheme (AMI),
 - Mission for Integrated Development of Horticulture (MIDH),
 - Sub Mission on Agricultural Mechanization (SMAM)
2. Ministry of Consumer Affairs, Food and Public Distribution:
 - Allocation of food grains under the National Food Security Act,
 - Procurement operations at Minimum Support Price

Benefits of the Plan:

1. The plan is multi-pronged – it aims to address not just the shortage of agricultural storage infrastructure in the country by facilitating establishment of godowns at the level of Primary Agricultural Credit Societies(PACS), but would also enable PACS to undertake various other activities, viz:
 - Functioning as Procurement centres for State Agencies/ Food Corporation of India (FCI);
 - Serving as Fair Price Shops (FPS);
 - Setting up custom hiring centers;
 - Setting up common processing units, including assaying, sorting, grading units for agricultural produce, etc.
2. Further, creation of decentralized storage capacity at the local level would reduce food grain

wastage and strengthen food security of the country.

3. By providing various options to the farmers, it would prevent distress sale of crops, thus enabling the farmers to realize better prices for their produce.
4. It would hugely reduce the cost incurred in transportation of food grains to procurement centers and again transporting the stocks back from warehouses to FPS.
5. Through 'whole-of-Government' approach, the Plan would strengthen PACS by enabling them to diversify their business activities, thus enhancing the incomes of the farmer members as well.

Importance of Food Storage in India:

- **Food security:** India has a large population that heavily relies on agriculture for its food supply. Food storage helps bridge the gap between food production and consumption by storing surplus produce during peak seasons for distribution during lean periods. It ensures a consistent food supply throughout the year, reducing the risk of food shortages and addressing the issue of food insecurity.
- **Minimizing food waste:** Efficient food storage practices help minimize post-harvest losses and food waste. This reduces the amount of food that goes to waste, which is not only ethically responsible but also has environmental and economic benefits.
- **Price stabilization:** Adequate food storage facilities enable the government and market participants to manage the supply and demand dynamics of food commodities. During times of surplus, food can be stored to prevent prices from plummeting, and during periods of scarcity, stored food can be released to stabilize prices. This contributes to a more stable and predictable market, benefiting both producers and consumers.
- **Market access and value addition:** Food storage facilities facilitate better market access for farmers, particularly small-scale producers. With access to storage, farmers can store their produce and sell it at more favorable prices during off-seasons or when market conditions are more favorable. Additionally, proper storage enables value addition activities such as processing and packaging, leading to better market opportunities and increased income for farmers.
- **Supporting agricultural value chains:** Effective food storage is critical for maintaining the quality and shelf life of perishable agricultural commodities, such as fruits, vegetables, and dairy products. By preserving the quality and freshness of these products, storage facilities support the development of robust agricultural value chains. This, in turn, encourages investments in agri-businesses, processing industries, and export opportunities, driving economic growth and rural development.
- **Mitigating the impact of natural disasters:** India is prone to natural disasters like floods, cyclones, and droughts, which can severely affect food production and availability. Adequate food storage infrastructure acts as a buffer during such crises by ensuring that essential food supplies are available for distribution to affected areas, minimizing the impact of these disasters on food security.

Challenges in Food Storage for India?

- **Inadequate infrastructure:** The lack of proper storage facilities, such as warehouses, cold stor-

age, and refrigeration, is a significant challenge. Many regions in India suffer from a shortage of storage infrastructure, especially in rural areas.

- **Post-harvest losses:** India experiences high post-harvest losses due to inefficient storage practices. Improper handling, lack of modern technologies, and limited access to storage facilities lead to spoilage, pest infestation, and deterioration of food quality.
- **Insufficient cold chain facilities:** The absence of a well-developed cold chain infrastructure is a significant challenge for perishable commodities like fruits, vegetables, and dairy products. A robust cold chain system is necessary to maintain the quality and extend the shelf life of these items.
- **Seasonal variations:** India has distinct seasonal variations in food production, resulting in a surplus of certain crops during harvest seasons. However, the lack of proper storage and distribution channels leads to wastage and price fluctuations.
- **Poor transportation and logistics:** Inadequate transportation infrastructure, including inadequate road networks and inefficient logistics systems, pose challenges in moving food efficiently from farms to storage facilities and distribution centers. This often leads to delays, increased costs, and spoilage.
- **Pests and rodents:** Insects, rodents, and pests pose a constant threat to stored food. Without effective pest control measures and proper storage conditions, food can be damaged, leading to losses and quality degradation.
- **Limited financial resources:** Many farmers and small-scale food businesses in India lack the financial resources to invest in modern storage technologies and facilities. This limits their ability to store food properly and efficiently.
- **Lack of awareness and training:** There is a need for improved awareness and training among farmers, food producers, and stakeholders regarding proper storage techniques, pest management, and post-harvest handling practices.

Solutions for the challenges?

- **Improve storage infrastructure:** The government and private sector can invest in building and upgrading storage infrastructure, including warehouses, cold storage facilities, and refrigeration units. This will enhance the capacity to store perishable and non-perishable food items.
- **Promote cold chain development:** Developing a robust cold chain infrastructure is crucial for preserving the quality and extending the shelf life of perishable commodities. Investments should be made in establishing cold storage facilities, refrigerated transport, and other components of the cold chain to ensure proper temperature control from farm to fork.
- **Enhance post-harvest handling practices:** Educating farmers and food producers on proper post-harvest handling techniques is essential. This includes training on grading, sorting, packaging, and storage practices to minimize losses and maintain food quality.
- **Strengthen transportation networks:** Improving transportation infrastructure, including roads, rail networks, and logistics systems, will enable efficient movement of food from farms to storage facilities and distribution centers. This will reduce delays, minimize spoilage, and ensure

timely delivery of food to the market.

- **Implement integrated pest management:** Effective pest control measures should be adopted throughout the food storage chain. This includes regular monitoring, use of appropriate pesticides and repellents, maintaining cleanliness and hygiene, and employing pest management techniques to prevent infestation and damage to stored food.
- **Encourage private sector participation:** The involvement of the private sector in food storage infrastructure development and management can bring in expertise, technology, and investments. Public-private partnerships can help bridge the gap between demand and supply of storage facilities.
- **Facilitate access to finance:** Providing financial support, subsidies, and credit facilities to farmers, small-scale food businesses, and storage facility operators can help them invest in modern storage technologies and facilities. This will enable them to store food properly and efficiently.
- **Promote research and innovation:** Continued research and innovation in food storage technologies, packaging materials, and preservation methods are essential. This can lead to the development of cost-effective and sustainable solutions tailored to Indian conditions.

Source:

<https://pib.gov.in/PressReleasePage.aspx?PRID=1928599>

Q.1 Which of the following statements regarding food storage in India is/are correct?

1. Inadequate infrastructure, including a shortage of storage facilities, is a significant challenge for food storage in India.
2. India has a well-developed cold chain infrastructure that ensures the proper preservation of perishable food items.
3. The lack of awareness and training among farmers and stakeholders is not a significant challenge in food storage practices.

Select the correct option:

- (a) 1 only
- (b) 1 and 2 only
- (c) 1,2 and 3 only
- (d) None of the above

Answer: (a)

Q.2 Which of the following statements regarding the Public Distribution System (PDS) in India:

1. A) The PDS aims to provide subsidized food grains to eligible beneficiaries.
2. B) The distribution of food grains through the PDS is managed by the Central Government in collaboration with the State Governments.
3. C) The PDS covers only rice and wheat, and does not include other essential commodities.
4. D) The identification of eligible beneficiaries under the PDS is done through the Aadhaar-based biometric authentication system.

Select the option that represents the incorrect statement:

- (a) A
- (b) B
- (c) C
- (d) D

Answer: (c)

Q.3 “Discuss the challenges faced by India in ensuring efficient food storage and its impact on food security and agricultural development. Suggest measures to address these challenges and enhance food storage infrastructure in the country.”

FISCAL DEFICIT

This article covers “Daily Current Affairs” and the topic details “Fiscal Deficit”. The topic “Fiscal Deficit” has relevance in the Economy section of the UPSC CSE exam.

Relevance:

For Prelims:

What is Fiscal Deficit?

For Mains:

GS 3: Economy

Causes of Fiscal Deficit?

Impact of High Fiscal Deficit?

Why in the news?

India's Financial Year 23 fiscal deficit narrows to 6.4% of the GDP, meets budgeted target

What is Fiscal Deficit?

Fiscal deficit refers to the difference between a government's total expenditures and its total revenue (excluding borrowing) during a particular fiscal year. It represents the amount of money the government needs to borrow to meet its expenditure requirements when its expenses exceed its revenue.

Fiscal Deficit = Total Expenditure (Revenue Expenditure + Capital Expenditure) – (Revenue Receipts + Recoveries of Loans + Other Capital Receipts (all Revenue and Capital Receipts except loans taken))

In simpler terms, the fiscal deficit indicates the extent to which a government needs to rely on borrowing to fund its spending commitments. It is an essential measure of a government's fiscal health and indicates the extent to which a government is spending more than it is earning through tax revenues and other sources

Fiscal deficit is typically expressed as a percentage of a country's Gross Domestic Product (GDP). It is an important indicator of a government's fiscal prudence and can have significant implications for the overall economy.

Causes of Fiscal Deficit?

- **Insufficient revenue generation:** One of the primary causes of fiscal deficits is when a government fails to generate enough revenue to cover its expenditure commitments. This can occur due to factors such as low tax compliance, tax evasion, inefficient tax administration, narrow tax base, or an economic slowdown leading to reduced tax collections.
- **High expenditure commitments:** Governments may face fiscal deficits if their expenditure commitments are high relative to their revenue. This can result from various factors, including high spending on social welfare programs, subsidies, defense, infrastructure development, public sector salaries, and pensions. Unplanned or uncontrolled spending can contribute to a widening fiscal deficit.
- **Economic downturns and recessions:** During periods of economic downturns or recessions, governments may experience decreased tax revenues due to reduced economic activity. At the same time, they may face increased spending pressures due to countercyclical measures, such as stimulus packages, unemployment benefits, and support to struggling sectors. These factors can contribute to fiscal deficits.
- **Interest payments on past borrowings:** Governments that have accumulated significant debt in the past may have to allocate a substantial portion of their budget to service the interest payments on that debt. High interest payments can put strain on government finances and contribute to fiscal deficits, particularly if revenue generation is insufficient to cover these expenses.
- **Structural issues and inefficiencies:** Structural issues within the economy, such as a large informal sector, tax leakages, or inefficiencies in public spending, can contribute to fiscal deficits. Inefficient use of resources, misallocation of funds, corruption, and poor governance can result

in wasteful expenditures and inadequate revenue generation, leading to fiscal imbalances.

- **Demographic factors and social obligations:** Demographic factors, such as an aging population or a high dependency ratio, can put pressure on government finances. Increased healthcare and pension expenditures can strain the budget, especially if revenue generation does not keep pace with these obligations. Social obligations, such as education, healthcare, and poverty alleviation, can also contribute to fiscal deficits if funding is inadequate.
- **External shocks and emergencies:** External shocks, such as natural disasters, global economic crises, or geopolitical events, can have significant fiscal implications. Governments may need to increase spending for disaster relief, rehabilitation, or economic stabilization, which can lead to fiscal deficits if additional revenue sources are not available.

Impact of High Fiscal Deficit?

- **Increased Government Borrowing:** A high fiscal deficit indicates that the government needs to borrow more money to finance its expenditures. This can lead to an increase in government debt and interest payments, putting upward pressure on interest rates.
- **Economic Instability:** A persistent and high fiscal deficit can create macroeconomic instability. It can lead to inflationary pressures as the government injects more money into the economy through borrowing, increasing the money supply. This can erode purchasing power and reduce the value of the domestic currency. Inflation can have adverse effects on investment, savings, and overall economic growth.
- **Reduced Private Investment:** A high fiscal deficit can lead to higher interest rates and reduced availability of credit in the economy. This can discourage private investment as businesses face higher borrowing costs. Reduced private investment can hinder economic growth, limit job creation, and hamper productivity improvements.
- **Crowding Out Effect:** When the government needs to borrow extensively to cover the fiscal deficit, it competes with the private sector for available funds in the financial market. This can lead to a crowding out effect, where private businesses and individuals find it more difficult to access credit or face higher borrowing costs. Crowding out can hinder private investment and economic growth.
- **Pressure on Exchange Rates:** A high fiscal deficit can put pressure on the exchange rate of a country's currency. If the deficit is financed through borrowing from external sources, it can increase external debt and raise concerns among foreign investors. This can lead to a depreciation of the domestic currency, making imports more expensive and potentially increasing inflationary pressures.
- **Rating Downgrades and Investor Confidence:** Persistently high fiscal deficits can erode investor confidence and lead to rating downgrades by credit rating agencies. Lower credit ratings can increase borrowing costs for the government and limit access to international capital markets. It can also deter foreign direct investment (FDI) and other forms of foreign investment, impacting overall economic growth.

Measures to reel in a high Fiscal Deficit?

- **Expenditure Rationalization:** Review and prioritize government expenditure to identify areas

where spending can be reduced or optimized without compromising essential services. This can involve cutting down on non-essential expenditures, subsidies, and wasteful expenses.

- **Public Sector Reforms:** Undertake reforms to improve the efficiency and effectiveness of public sector organizations. This can include measures such as reducing bureaucracy, streamlining government agencies, and improving public procurement practices to reduce inefficiencies and control expenditure.
- **Subsidy Reforms:** Assess and reform existing subsidy programs to ensure that they are targeted to those who truly need them. Consider reducing subsidies for sectors that are not economically viable or have minimal social impact. Implement mechanisms to provide direct benefits to the intended beneficiaries instead of generalized subsidies.
- **Tax Reforms:** Evaluate the tax structure to identify areas for improvement and revenue enhancement. This can involve measures such as broadening the tax base, reducing tax evasion and avoidance, simplifying tax procedures, and exploring the possibility of introducing new taxes or adjusting tax rates to generate additional revenue.
- **Fiscal Discipline:** Implement strict fiscal discipline measures to control expenditure and enforce budgetary discipline. This can include introducing expenditure ceilings, improving financial management practices, and enhancing monitoring and control mechanisms to ensure adherence to budgetary targets.
- **Public Asset Management:** Optimize the utilization of public assets and explore avenues for monetization or divestment of non-strategic assets. This can help generate revenue and reduce the need for excessive borrowing to finance the fiscal deficit.
- **Debt Management:** Develop effective debt management strategies to optimize borrowing costs and minimize the burden of interest payments. This can involve refinancing high-cost debts, negotiating favorable borrowing terms, and exploring options for debt restructuring or rescheduling.
- **Economic Growth and Revenue Enhancement:** Focus on policies and measures that promote economic growth and increase revenue generation. This can include initiatives to attract investments, support entrepreneurship, boost exports, and stimulate economic activity, which can lead to higher tax revenues and reduce the fiscal deficit.

Source:

<https://economictimes.indiatimes.com/news/economy/indicators/indias-fy23-fiscal-deficit-narrows-to-6-4-meets-budgeted-target/articleshow/100647258.cms>

Q.1 Consider the following statements regarding fiscal deficit in India:

- 1: Fiscal deficit represents the excess of government expenditure over its total revenue and is equal to borrowing.
- 2: A low fiscal deficit can lead to inflationary pressures in the economy.

- 3: The Fiscal Responsibility and Budget Management (FRBM) Act, 2003 aims to bring down the fiscal deficit to a sustainable level.

Select the correct statement(s) from the options given below:

- (a) 1 only
- (b) 1 and 2 only
- (c) 1 and 3 only
- (d) 1,2 and 3

Answer:(c)

Q.2 What is the potential impact of a high fiscal deficit on an economy?

- (a) It can lead to inflationary pressures and erode the purchasing power of the currency.
- (b) It encourages private investment and stimulates economic growth.
- (c) It reduces the burden of public debt and improves credit ratings.
- (d) It has no significant impact on the overall economy.

Answer: (a)

Q.3 Examine the concept of fiscal deficit and its implications on the economy of a country. Discuss the factors contributing to the fiscal deficit and suggest measures to effectively manage it.

INDO GERMAN RELATIONS

This article covers “Daily Current Affairs” and the topic details “Indo German Relations”. The topic “Indo German Relations” has relevance in the International relations section of the UPSC CSE exam.

Relevance:

For Prelims:

Facts about Indo German Relations

For Mains:

GS 2: International relations

State of Indo German Relations?

Challenges in Indo German Relations?

Measures to be taken to address the challenges?

Why in the news?

Raksha Mantri Shri Rajnath Singh to hold bilateral talks with his German counterpart in New Delhi on 5th & 6th June 2023

Facts about Indo German Relations:

- **Historical Ties:** India and Germany have a history of diplomatic relations dating back to 1951.
- **Economic Cooperation:** Germany is India's largest trading partner in the European Union (EU), and India is one of Germany's most important economic partners in Asia.
- **Strategic Partnership:** In 2000, India and Germany established a strategic partnership to deepen collaboration in various areas, including political dialogue, defense, education, and scientific research.
- **Scientific Collaboration:** Germany and India engage in robust scientific and technological cooperation such as, Indo-German Science and Technology Center (IGSTC), The German Research Foundation (DFG) and the Department of Biotechnology (DBT) of India have jointly funded several research projects, Max Planck-India Mobility Initiative etc.
- **Multilateral Cooperation:** India and Germany cooperate closely in multilateral forums such as the United Nations, G20, and World Trade Organization (WTO) to address global challenges and promote international peace and security.

State of Indo German Relations?

- The two countries have established a strategic partnership and have been working together in various fields, including trade and investment, technology collaboration, scientific research, and cultural exchanges.
- Germany is an important economic partner for India, and bilateral trade and investment have been steadily increasing. Both countries have recognized the potential for collaboration in sectors such as manufacturing, automotive, renewable energy, and information technology. Efforts have been made to address trade imbalances and non-tariff barriers to further enhance economic cooperation.
- Scientific collaboration and research exchanges between India and Germany have been active, with joint projects and academic partnerships in fields like biotechnology, renewable energy, space technology, and others. The Indo-German Science and Technology Center and other initiatives have facilitated research collaboration and knowledge sharing.
- Cultural exchanges and people-to-people ties have also been fostered, contributing to a deeper understanding and appreciation of each other's cultures. The presence of a large Indian diaspora in Germany further strengthens the interpersonal and cultural connections between the two nations.

Challenges in Indo German Relations?

- **Trade Imbalance:** India has been facing a trade imbalance with Germany, with the trade defi-

cit in favor of Germany. India's exports to Germany, particularly in manufactured goods, have not been able to match the level of imports from Germany. Addressing this trade imbalance and enhancing market access for Indian goods in the German market remains a challenge.

- **Non-Tariff Barriers:** Non-tariff barriers, such as technical standards, regulations, and certification requirements, pose challenges for Indian exporters seeking to access the German market. Meeting these requirements can be costly and time-consuming for Indian businesses, creating barriers to trade.
- **Market Access and Investment Protection:** India seeks greater market access for its products and services in Germany, particularly in sectors such as agriculture, pharmaceuticals, and information technology. Additionally, ensuring a conducive and transparent investment environment, along with protection for Indian investments in Germany, is crucial for fostering bilateral economic ties.
- **Intellectual Property Rights (IPR) Protection:** India and Germany have had differences regarding intellectual property rights protection, particularly in the pharmaceutical and technology sectors. The issues surrounding patent laws, compulsory licensing, and data exclusivity have been points of contention and require ongoing dialogue and resolution.
- **Skilled Workforce:** India faces challenges in meeting the skilled workforce requirements of German companies operating in India or seeking collaborations. Bridging the skill gap and aligning vocational training and educational programs with German industry requirements can enhance the bilateral relationship.
- **Visa and Immigration Policies:** Simplifying visa procedures and promoting easier movement of professionals, students, and researchers between India and Germany can facilitate greater academic and research collaborations, as well as foster people-to-people exchanges.
- **Cultural Understanding and Language Barrier:** Cultural differences and language barriers can sometimes impede effective communication and understanding between Indian and German stakeholders. Promoting cultural exchanges, language training programs, and intercultural dialogues can help overcome these challenges and foster a deeper understanding between the two nations.
- **Global and Regional Priorities:** As India and Germany have their own distinct global and regional priorities, finding common ground and aligning positions on various international issues, such as climate change, security, and trade policies, can be challenging. Consistent dialogue, mutual understanding, and coordination are essential to navigate these differences effectively.

Measures to be taken to address the challenges?

- **Enhancing Trade Facilitation:** Both countries can work towards simplifying customs procedures, reducing non-tariff barriers, and harmonizing technical standards and regulations. Regular dialogues and consultations between trade officials can help identify and address specific trade-related challenges.
- **Market Diversification:** India can explore opportunities to diversify its exports to Germany by promoting value-added products and services. This can involve identifying niche markets, conducting market research, and leveraging India's strengths in sectors like IT, pharmaceuticals,

textiles, and agriculture.

- **Investment Promotion and Protection:** Both countries should continue to promote and protect bilateral investments through transparent and stable investment frameworks. India can work on improving ease of doing business, providing attractive incentives, and creating a favorable business environment to attract more German investments.
- **Intellectual Property Rights (IPR) Cooperation:** India and Germany can strengthen their cooperation in the field of intellectual property rights by sharing best practices, exchanging information, and engaging in collaborative research and development projects. Resolving differences and addressing concerns related to IPR protection can contribute to a more conducive environment for innovation and technology transfer.
- **Skill Development and Education Collaboration:** India and Germany can foster collaboration in vocational training and skill development programs to meet the requirements of German industries operating in India. Promoting student exchanges, joint research projects, and academic collaborations can further strengthen educational ties and bridge the skill gap.
- **People-to-People Exchanges:** Encouraging cultural exchanges, promoting tourism, and facilitating easier visa procedures can foster greater understanding and closer ties between the people of India and Germany. Language training programs and intercultural dialogues can help overcome language barriers and promote effective communication.
- **Strategic Partnerships:** India and Germany can explore opportunities to collaborate on global and regional issues of mutual interest, such as climate change, sustainable development, counterterrorism, and multilateralism. Regular high-level dialogues and joint initiatives can help align positions and enhance cooperation on these shared priorities.
- **Sector-specific Cooperation:** Both countries can identify specific sectors where collaboration can yield mutual benefits, such as renewable energy, automotive, biotechnology, and space research. Joint research projects, technology transfers, and knowledge sharing can be encouraged in these sectors.

Source:

<https://pib.gov.in/PressReleaseDetail.aspx?PRID=1929565>

Q.1 Which of the following statements regarding Indo-German relations is/are correct?

1. Germany is India's largest trading partner in the European Union.
2. Indo-German Science and Technology Center (IGSTC) promotes bilateral research collaboration between India and Germany.
3. India has a trade surplus with Germany due to its strong manufacturing sector.
4. The Max Planck-India Mobility Initiative aims to facilitate research collaborations between Indian and German universities.

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 1, 2, and 3 only
- (c) 1, 2, and 4 only
- (d) 1, 2, 3, and 4

Answer: (a)

Q.2 Which of the following areas have witnessed significant collaboration between India and Germany?

1. Renewable Energy
2. Defense and Security
3. Cultural Exchanges
4. Agriculture and Food Processing

Select the correct answer using the code given below:

- (a) 1 and 2 only
- (b) 1, 2, and 3 only
- (c) 1, 3, and 4 only
- (d) 1, 2, 3, and 4

Answer: (a)

Q.3 India and Germany share a multifaceted relationship encompassing various domains. Discuss the key areas of cooperation and challenges in Indo-German relations. Also, analyze the significance of this relationship for both countries and its implications on the global stage.