

**DAILY
CURRENT
AFFAIRS
ANALYSIS**



LAKSHYA ACADEMY®

20 JULY 2023

1 - Empty Nest Syndrome:

GS II

Health related issues

- **Context:**

- Empty Nest Syndrome is a result of young people nowadays spreading their wings and leaving their families to look for possibilities for higher education and employment.

- **Regarding the Syndrome:**

- When their houses are silent and empty, parents go through a difficult emotional experience that often comprises of a complex blend of pride, desire, and loneliness.
- Dorothy Canfield first used the term "Empty Nest" in 1914.
- It's usual for parents' children to feel sad and empty after leaving the house.
- They also feel sad and alone when they have more free time than they anticipated.

Source → The Hindu

2 – About K Kamaraj:

GS I

Modern Indian History

- **Context:**

- Recently, Kumaraswami Kamaraj's 120th birthday was honoured.

- **The political life:**

- After Jawaharlal Nehru's death, Kamaraj oversaw the Indian National Congress and led it through some challenging periods.

- He never held the position of prime minister, but his influence on Lal Bahadur Shastri and Indira Gandhi's decision was significant.
- Between 1954 to 1963, he served twice as the chief minister of Madras State (modern-day Tamil Nadu).
- Kamaraj gained Jawaharlal Nehru's respect and esteem by turning Madras into one of India's most industrialised states.
- In 1976, posthumously, he was awarded the Bharat Ratna, India's highest civilian distinction.
- The day is commemorated as "Education Development Day" in all of Tamil Nadu's educational institutions.

- **Education-related activity:**

- He reversed Rajaji's caste-based Modified Scheme of Elementary Education, and 6,000 state schools that had been closed for "financial reasons" were reopened as a result.
- He added 12,000 more schools to the system under his control and made education up to Class 11 free and required.
- In 1962, up to 85% of the state's residents could access free public education.
- The "mid-day meal scheme" that is today so well-liked can be credited to Kaka Kamaraj.

- **About the K Kamaraj Plan:**

- When Nehru became unwell, Kamaraj devised a strategy to reinvigorate the party and fortify the administration.
- He argued that government employees should leave their positions as ministers and go to work for an organisation, while those who work for the organisation should go into the government.
- Notably, he intended to step down from his role as chief minister and join the party in order to counter the DMK's growing threat.
- The All India Congress Committee approved the Kamaraj Plan on August 10, 1963.
- Nehru accepted the resignations of six Union Ministers as well as the chief ministers of Madras, Orissa, Uttar Pradesh, Madhya Pradesh, Bihar, and Kashmir after receiving resignation letters from all chief ministers and union ministers.

- **Following years:**

- Under Indira Gandhi, the Congress shifted away from Kamaraj's idea of shared leadership and reaching consensus in favour of a high command that was centred on its leaders.
- The group eventually fell apart in 1969 due to conflicts between Indira's supporters and the Old Guard or Syndicate.
- In the Madras state assembly elections of 1967, the DMK party soundly trounced the Congress, while Kamraj came in last.

- The Congress government in Madras was unable to control the anti-Hindi movement that shook the state in 1965 or the food shortages of 1965–1966 without Kamaraj's leadership as chief minister.

Source → The Hindu

3 - Local Currency Settlement System:

GS III

Indian Economy

- **Context:**

- A framework was agreed upon by India and the UAE in order to encourage the usage of both the rupee and the UAE dirham (AED) in cross-border trade.

- **Important information:**

- The Local Currency Settlement System would be implemented as part of the MoU on developing a framework for the use of local currencies for transactions between India and the UAE. This would encourage the use of the INR (Indian Rupee) and AED (UAE Dirham) on a bilateral basis.
- Both current account transactions and all authorised capital account transactions are covered by the MoU.

- **Concerning the framework and its importance:**

- A Local Currency Settlement System (LCSS) is anticipated to be implemented as part of the framework for the use of local currencies for transactions between India and the UAE.
- With the LCSS in place, exporters and importers would be able to invoice in their own local currencies and make payments in that manner, which would aid in the development of the INR-AED foreign exchange market.
- This agreement would also encourage cross-border trade and remittances.
- The most likely scenario is that India will use this technique to pay for UAE imports, including crude oil, that are currently paid for in US dollars.
- The UAE was India's fourth-largest crude supplier and the third-largest oil importer in the world.

- **The action's outcome is:**

- In FY23, it was projected that trade between India and the UAE would total \$85 billion.
- In order to prevent losses for Indian exporters, India is working to build a method to hedge currency rate risks in the trade based on the rupee.
- India decided to sign the agreement with the UAE as part of a determined attempt to internationalise the rupee in an effort to reduce demand for dollars and protect the local economy from external shocks.
- Payments made by importers in rupees will be accepted; they will be credited to the correspondent bank's unique account for the partner nation.
- From the remaining monies in the designated special account, exporters will be compensated.
- To make using the e-BRC (electronic bank realisation certificate) easier, the Central Bank is also creating a Standard Operating Procedure that will be adopted by all banks.

- **In relation to the rupee's globalisation:**

- It covers the process of turning the Indian rupee into a widely used currency, just like with the US dollar, the Euro, the Japanese yen, etc.
- The process of using the rupee more frequently in foreign trade is known as internationalisation.
- Once the rupee has been utilised for capital account operations, it entails encouraging its usage for import and export trade as well as other current account activity.
- In each of these transactions, both foreigners and Indian people were involved.
- The rupee needs to be internationalised.
- Strong swap and FX markets are necessary for currency internationalisation, as well as expanded currency settlement opening.
- It will demand unfettered international money transfers as well as complete currency convertibility on the capital account.
- India currently only permits full convertibility for the current account.

- **What are the global reserve currencies?**

- The top four reserve currencies in the world right now are the US dollar, the Euro, the Japanese yen, and the pound sterling.
- The yuan has only occasionally become the official currency of China.

Source → The Hindu

4 - Hwasong-18:

GS III

Science and Technology

- **Context:**

- The most recent Hwasong-18 intercontinental ballistic missile was tested by North Korea.

- **Details on the Hwasong-18 ICBM:**

- The Hwasong-18 is an ICBM with solid fuel.
- The Hwasong-18's solid propellants enable speedier missile deployment.
- Solid propellants accelerate and ignite more quickly during takeoff.

- **Concerning ICBMs:**

- ICBMs are ballistic missiles with a range of more than 5,500 km and the ability to deliver nuclear warheads.
- Nations that possess ICBMs include:
 - The only nations known to possess land-based ICBMs are North Korea, Russia, the United States, France, the United Kingdom, China, India, and Israel.
 - Indian ICBM Agni-V.

Source → The Hindu

5 - Comprehensive and Progressive Agreement for Trans-Pacific Partnership:

GS II

International Relations

- **Context:**

- The British government has now formally ratified the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), which would allow Britain to join a sizable Indo-Pacific economic bloc.

- **Under the CPTPP:**

- **The CPTPP, a historic deal, was completed in 2018 and lowers trade barriers between 11 nations, including:**

- Australians, Bruneians, Canadians, Chileans, Filipinos, Japanese, Malaysians, New Zealanders, Peruvians, Singaporeans, and Vietnamese nationals.

- **Aspects of the agreement:**

- According to the accord, nations must firmly commit to abolishing or drastically lowering tariffs while also opening their markets to investments and services.
- Additionally, it has rules defending foreign companies, intellectual property rights, and competitiveness.
- The CPTPP is a line of protection against Chinese hegemony.

- **Significance:**

- The UK will decrease its export tariffs to the Asia-Pacific area.
- With the UK included, the trading bloc's GDP will total 12 trillion pounds and it will represent 15% of global commerce.

- **Challenges:**

- It will be difficult for the CPTTP and other agreements to make up for the financial losses incurred by leaving the largest trade bloc and the largest economy in the world—the EU—which has 27 members right now.
- Long-term productivity in the UK is expected to decline by 4% as a result of Brexit.
- The UK and ten of the other CPTTP countries already have trade agreements in place, therefore the eventual economic impact is only expected to boost GDP by 0.08% yearly.

Source → The Hindu

6 - Black Sea grain deal:

GS II

International Relations

- **Context:**
- While Russia has not yet agreed to extend the agreement, it is due to expire.
- **Grain deal near the Black Sea:**
- Ukraine is a major contributor to the UN's food aid programmes and one of the world's top exporters of foodgrains including wheat and maize.
- Russia's invasion of the nation and blockade of its ports caused food prices to rise, creating concerns about food security in the world's poorer countries.
- The Black Sea Grain Initiative, which would permit cargo ships to transit to and from three Ukrainian ports, was approved by Russia in 2022 as a result of discussions between the UN and Turkey.
- It took 310 nautical miles and three nautical miles to safely traverse the Black Sea.
- There have been two contract extensions.
- Ukraine was able to export 16.8 million tonnes of grain in 2022–2023 thanks to the Black Sea Grain Initiative, although 39% of the wheat actually travelled by land to Eastern Europe.
- The majority of Ukraine's markets were in Asia and North Africa before the conflict; today, partly because of the ease of shipping, they are in Europe.

Source → The Hindu