

**DAILY
CURRENT
AFFAIRS
ANALYSIS**

LAKSHYA ACADEMY®

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1 – About the Coastal Aquaculture Authority (Amendment) Bill, 2023:

GS II

Parliament related issues

- The Indian Parliament's two Houses have both given their approval to the Coastal Aquaculture Authority (Amendment) Bill, 2023.
- **Registration:**
 - The Coastal Aquaculture Authority Act registration shall take precedence and be recognised as a valid licence under the CRZ Notification, according to the Amendment Bill.
 - The possible requirement for numerous agencies to obtain CRZ certifications will be avoided by millions of small, marginal aquaculture operators.
- **Exemptions:**
 - The Coastal Regulation Zone (CRZ)'s No Development Zone (NDZ) is particularly exempt under the CAA Act from development requirements.
- **The defence of punishments:**
 - The primary Act stipulates up to three years in prison for coastal aquaculture operations that operate without registration.
 - According to the premise of decriminalising civil violations, the amendment bill replaces them with suitable civil instruments, such as penalties.
- **Aquaculture in general:**
 - The Amendment Bill proposes extending the definition of coastal aquaculture to cover all activities covered by the Act.
 - Prawn farming predominated among coastal aquaculture activities in 2005.
 - Some of the more modern environmentally friendly coastal aquaculture techniques that can be applied in coastal regions, primarily within CRZs, include the following:

- caging culture
- cultivation of seaweed
- marine ornamental fish farming,
- pearl oyster culture, etc.

- **Putting an end to administrative issues:**
 - The Amended Act has satisfactorily addressed a number of murky administrative concerns, such as the Member Secretary of the CAA's authority and the Authority's regular functioning in the absence of the Chairperson.
 - The Amendments expressly grant the Authority the power to establish Committees, which may consist of experts, interested parties, and members of the public, for the purpose of carrying out its tasks.

- **Scientific breakthroughs:**
 - The government intends to construct facilities that produce genetically improved, disease-free stocks for use in coastal aquaculture.
 - The government also seeks to outlaw the use of antibiotics and other pharmacologically active substances in coastal aquaculture.

- **Regulations for emissions:**
 - Additionally, it forbids coastal aquaculture in any area that is sensitive to geomorphology.

- **Significance of the changes:**
 - Furthermore, these operations could result in substantial financial advantages and create a huge number of new jobs for coastal fishing communities.
 - The government intends to promote the simplicity of doing business in coastal aquaculture.

- **Source → *The Hindu***

2 – Details of the Saansad Adarsh Gram Yojana:

GS II

Parliament related issues

- Over the past five years, 1782 Gramme Panchayats have been adopted by the Saansad Adarsh Gramme Yojana (SAGY).
- **Regarding the strategy:**
 - A programme for rural development with a strong emphasis on village development is called the Sansad Adarsh Gramme Yojana.
 - The programme was launched in 2014.
- **SAGY's main objectives are:**
 - to begin the procedures that will aid in the full development of the identified Gramme Panchayats.
 - to considerably improve everyone's level of living and quality of life through
 - updated facilities and services
 - greater efficiency
 - more advanced stages of human development
 - better employment opportunities
 - fewer differences
 - access to rights and entitlements
 - further social activism
 - improving social capital
- **Important features include:**
 - A Gramme Panchayat would be the basic unit.
 - In the plains, there will be between 3000-5000 people, and in the difficult, steep, tribal terrain, there will be between 1000 and 3000 people.
 - According to the MP, one Gramme Panchayat will be discussed straight away, while two others will be discussed a little later.
 - The Rajya Sabha MP must choose a Gramme Panchayat from a rural district in the State from which he or she is elected, and the Lok Sabha MP must choose a Gramme Panchayat from within his or her own district.
- **Source → The Hindu**

3 – All about China's deflation:

GS II

International Issues

- China's consumer prices decreased in July for the first time in more than two years. In contrast, the most pressing problem in the rest of the world recently has been inflation.
- **What is deflation?**
 - Deflation is the general term for a drop in an economy's prices for products and services.
 - In the past, inflation and deflation were terms used to indicate changes in the money supply rather than an increase or drop in prices.
 - A rise in the money supply was expected to lead to higher prices in the wider economy, while a fall in the money supply was expected to lead to lower prices.
- **Concerns:**
 - The hallmark of deflation is a drop in demand for goods and services, which can slow down economic growth.
 - The demand for goods and services among consumers drives economic growth.
- **Postponing purchases:**
 - Buyers may delay making purchases in response to declining prices in the hope of further price drops.
 - This could ultimately lower economic demand.
- **Detrimental to business:**
 - It is believed that an economy needs a certain level of inflation in order to fully utilise its resources.
 - Deflation may lead to company losses and slower growth if costs are unchanged.
 - Credit arrangements that are inconsistent:
 - Due to the fact that borrowers will really have to pay lenders more money, credit arrangements may also be impacted.

- **When worry about deflation is unjustified:**
- **Rapid economic growth:**
 - Historically, deflation has happened in many economies, including the US and China, during times of rapid economic growth.
 - Even Japan, which has through years of persistent deflation, had an improvement in real per capita income levels at that time.
 - Occasionally, deflation results when the growth in the supply of goods and services outpaces the rate of expansion in the money supply.
- **Unrepeatable occurrence:**
 - During economic crises, people may temporarily spend less because they are being more cautious.
- **Resource distribution:**
 - A drop in the official price indicators can occasionally be a sign that resources are being distributed differently.
 - Spending may increase on some items while declining on those whose prices are represented by official metrics.
- **This does not require delaying purchases:**
 - Contrary to popular opinion, customers do not need to postpone purchases during periods of low inflation.
 - Pricing determines consumer demand for goods and services, as opposed to customer demand driving pricing.
 - The arrow of causation points from consumer demand to pricing rather than the other way around.
 - Deflation need not lead to long-term company losses because businesses can adjust their input costs in reaction to the prices that customers are willing to pay for their goods and services.
- **Why has China's inflation decreased?**
 - Deflation is happening in China at a time when the central bank is keeping interest rates low to boost demand in the economy.
 - Several central banks have begun tightening policy as a result of the Covid-19 outbreak in an effort to stop excessive inflation.

- Instead of a lack of liquidity, it's plausible that something more fundamental is to blame for China's deflation.
- The property sector, which contributes to a chunk of China's GDP, was already in chaos before the outbreak.
- To achieve a seamless economic transition, Chinese policymakers have been active.
- Credit booms, such as the one in China, have the potential to cause resource misallocation and culminate in a bust that lowers prices in general.
- *Source → The Hindu*

4 – Details of Federal fund hike:

GS III

Economy related issues

- The target federal funds rate was recently raised to 5.25–5.5% at a meeting of the Federal Open Market Committee.
- **Important details:**
 - By doing so, the rate is elevated above levels from 2001 and reaches a 21-year high.
 - The decision was made with a 2% inflation target in mind.
 - Despite the rise in interest rates, employment levels have increased.
- **About the federal funds rate:**
 - The federal funds rate is crucial to the economy as it affects bank lending rates.
 - After the global financial crisis, rates were low until 2015.
 - However, the outbreak made rates drop to 0.05%.
 - Since March 2022, the rate has been steadily increasing, raising concerns about the global economy's ability to withstand a sudden increase of more than 450 basis points in a single year.
 - The Federal Reserve makes market interventions by buying or selling bonds in order to keep interest rates within the targeted range.

- **Consequences for the globe:**

- The global economy is still recuperating from the epidemic, in contrast to the American economy, and is still struggling with growing debt payment problems.
- Because advanced country central banks have significantly increased their balance sheets since the global financial crisis, interest rates have fallen to pitifully low levels.
- Because agents can now borrow money in dollars and invest in emerging markets to benefit from higher interest margins in developing countries, carry trade has become simpler as a result.
- Between 2011 and 2016, the external debt stocks of low- and middle-income countries doubled to reach 181.1% of their GDP.
- By 2020, it was greater than 200% of their GDP.
- The low worldwide interest rates allowed non-financial companies in emerging countries to borrow money at low costs.
- Around \$5.14 trillion of the \$13 trillion in total outstanding dollar debt held by non-financial foreign companies comes from emerging markets and developing countries.
- These businesses could face serious problems as a result of unhedged dollar debts due to increased interest rates and currency depreciation.

- **Impact on businesses:**

- Governments continue to be major borrowers, but the amount of private non-guaranteed (PNG) debt that businesses in the global economy are taking on has increased significantly.
- As interest rates rise in wealthy countries, foreign investors may stop purchasing government securities in developing economies, which would devalue the local currency and increase borrowing costs.
- This situation makes debt repayment issues for developing countries worse since, unlike in India, foreigners are heavily involved in the market for government assets.
- The poorest countries who borrow through the International Development Association (IDA) pay off their debt with 10% of export income, which is the greatest percentage since 2000, according to the World Bank's most recent debt report.
- Objectives related to climate change are impacted by financial constraints.

- **Moving forward:**

- To eliminate its imbalances, the global financial system must be changed.
- The American monetary policy appears to be only concerned with domestic matters.
- It neglects to consider the wider picture of an unstable global economy that is hampered by failing health and educational systems on the one hand and climatic vulnerabilities and unforeseen weather disasters on the other.
- Increased contingency funding for impoverished nations and the expansion of affordable long-term development financing are needed to meet the growing concerns about the debt of emerging countries.

- *Source → The Hindu*

5 – About the Robot Bandicoot:

GS III

Science and Technology related issues

- In this situation, robot "Bandicoot" technology eliminates the need for hand scavenging.
- **About:**
 - The major goal of Bandicoot was to liberate the manual scavengers, who regularly risk their lives trying to clear clogs from drains without using any protective gear.
 - Over 300 people have died in manholes in India over the last three years.
- **History:**
 - A group of engineering students in Kerala created Team Genrobotics, a robotics organisation, in 2015.
- **In relation to Bandicoot:**
 - The semi-automatic robot has an attachment that can open the manhole covers using a magnet, saving workers from having to lift the heavy lids.
 - A camera is also built in to be used for operating screen manhole monitoring.

- **Governmental initiatives:**

- According to the 2013 Manual Scavenging Act, every local authority and other organisation must use the appropriate technological tool to clean septic tanks and sewers.
- Government must promote the use of modern technologies through subsidies, rewards, and other initiatives.
- Employers are obligated to provide the safety gear, tools, and precautions described in the Rules.
- In India, there has never been a death related to sanitation labour.
- Professionals must perform all sanitary work.
- In the sanitation sector, no employees have direct contact with human waste.
- A better awareness among those in need of sanitation services (people and institutions) to engage registered and qualified sanitation personnel
- Emergency response sanitation units (ERSUs) must be improved and outfitted if mechanised sanitation services are to be provided in a safe manner.
- Providing machines for cleaning activities and giving sanitation workers the authority to run their own enterprises.
- To formalise sewer septic tank workers, the plan also offers occupational training, safety gear, and an increase of health insurance.

- *Source → The Hindu*

6 – About the Management Of Ground Water:

GS I

Water Conservation

- The minister of state for Jal Shakti briefed the Lok Sabha on ground water management.
- **Central Ground Water Authority:**
- The Central Ground Water Authority (CGWA) was founded under the Environment (Protection) Act of 1986 with the intention of regulating and controlling ground water use by the country's companies, mining activities, infrastructure projects, etc.
- **Ordinary Building Codes:**
- The Model Building Bye Laws (MBBL) 2016 published by the Ministry of Housing and Urban Affairs address rainwater harvesting.

- **The Jal Shakti Campaign:**

- JSA was founded in 2019 with the primary objective of effectively harvesting monsoon rainfall through the creation of artificial recharge structures, watershed management, recharge and reuse structures, extensive afforestation, and awareness-raising initiatives, among other things.

- **Amrit Sarovar Mission:**

- The Mission intends to rejuvenate 75 water bodies in each district of the country as part of Azadi ka Amrit Mahotsav.

- **Atal Bhujal's initiative:**

- Together with Atal Bhujal Yojana, the World Bank is aiming to enhance groundwater demand side management.
- The Ground Water Management and Regulation (GWM&R) system is currently being implemented by the nation's Central Ground Water Board (CGWB).

- **Important projects included by the plan include:**

- The national aquifer mapping system, or NAQUIM
- Frequent monitoring of ground water quality and quantity
- An evaluation of the dynamic ground water resources carried out in collaboration with the States and UTs.
- In many States and UTs, ground water withdrawal is restricted and monitored.
- Putting into place a few test recharge plans in select water-stressed locations,
- Strengthening the scientific community in order to prepare for new technologies, etc.

- **NAQUIM:**

- To define and characterise aquifers and develop ground water management plans, the National Aquifer Mapping and Management Programme (NAQUIM) was established.
- The programme has covered the entire country's mappable area, or around 25 lakh sq km.

- **Source → The Hindu**