

**DAILY
CURRENT
AFFAIRS
ANALYSIS**



LAKSHYA ACADEMY®

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1 – About Rise in global debt:

GS III

Indian Economy

- **Context:**

- According to a recent research, global debt reached an unprecedented peak of \$307 trillion during the second quarter.

- **Important information:**

- About \$100 trillion more has been borrowed globally in the past ten years.
- The percentage of global debt to GDP has begun to rise once more, reaching 336% after falling rather sharply for seven straight quarters.

- **World debt: what is it?**

- The term "global debt" describes the borrowings made by people, corporations, and governments alike.

- **Government borrowing reasons:**

- When taxes and other sources of income are insufficient to cover a government's expenses, borrowing is used to cover those costs.
- Governments have the ability to borrow money in order to cover interest on loans made in the past to pay for expenses.

- **Reasons for private sector borrowing:**

- The primary purpose of private sector borrowing is investment.

- **How come it's rising?**

- Over 80% of the increase in global debt during the first half of this year has come from developed nations including the United States, the United Kingdom, Japan, and France.
 - The three emerging market economies with the highest debt growth are China, India, and Brazil.
 - This occurred in the midst of rising interest rates, which was predicted to have a negative impact on the demand for loans.
 - It is reasonable to anticipate an increase in debt levels over time, as the amount of money in circulation increases annually in most countries worldwide.
 - When more savings are allocated to investments, even a little increase in the overall quantity of savings in an economy might result in higher debt levels.
- **Global debt falling relative to GDP:**
 - Prior to 2023, there has been a decline in the amount of global debt relative to GDP for seven straight quarters.
 - The rise in price inflation has been blamed for the fall in global debt as a percentage of GDP, arguing that it has assisted countries in inflating away debt denominated in their respective native currencies.
 - The phenomena known as "inflating away of debt" occurs when a nation's central bank utilises recently generated money, either directly or indirectly, to buy government bonds on the open market in order to pay off outstanding debt.
 - However, the issuance of new currency raises prices, which in turn places an indirect tax on the overall economy in order to pay down the government's debt.
- **Worries:**
 - Hasty borrowing combined with exorbitant interest rates:
 - Growing levels of global debt typically raise questions about how long such debt can be sustained.
 - This is especially true for government debt, which has a tendency to increase quickly as a result of politicians borrowing carelessly to finance populist policies.
 - Additionally, governments with high debt loads find it difficult to service their outstanding debt when central banks hike interest rates.
- **Defaults and the ballooning of debt:**
 - Growing interest rates have the potential to put governments under more strain and compel them to either completely default on their debt or inflate it away.
 - A number of governments will never be able to pay off their debt in full, and the only way these governments can keep themselves afloat is by inflating away their debt.

- **Insufficient infrastructure:**
- Additionally, the research issues a warning, stating that the unmanageable levels of domestic debt cannot be handled by the international financial system.
- **Growing personal debt:**
- In general, concerns over the sustainability of private debt are also raised by fast increasing debt levels.
- This is because lending that isn't supported by real savings is associated with unsustainable booms that lead to economic catastrophes.
- The global financial crisis of 2008 serves as the most recent illustration of this.
- An economic boom driven by the United States preceded the crisis. Federal Reserve's loose lending guidelines.
- *Source → The Hindu*

2 – Pacific lamprey:

GS II

Education related issues

- **Context:**
- The fish without a jaw have weathered four major extinctions.
- Important information:
- **Call:**
- The *Entosphenus tridentatus*, or Pacific lamprey
- **Its residence:**
- Aquatic and marine environments found in the North Pacific.
- Within the Ordovician period (485 million to 444 million years ago), a group of extinct fish with no jaws originated about 450 million years ago, including lampreys.
- Around 40 species of living lampreys can be found all around the world.

- The skeletons of Pacific lamprey fish are completely composed of cartilage, and they have no bones.
- *Source* → *The Hindu*

3 –Plants are flowering in Antarctica:

GS I

Geography related issues

- **Context:**
- Two flowering plants in Antarctica are growing more quickly than they have in the past due to climate change.
- **Important information:**
- Between 2009 and 2019, researchers saw a five-fold increase in one plant species' growth and a ten-fold increase in another.
- The warmer temperature is probably to blame for this development, as it is enabling the plants to benefit from the milder weather.
- Antarctica typically experiences year-round intense cold.
- On an island within the frigid continent named Signy Island, scientists have been researching these plants.
- **Elements affecting their expansion:**
- warm weather
- seals with fur trampling on them,
- **Worries:**
- This is a little alarming because the predominant vegetation types in Antarctica, mosses and lichens, may soon be outcompeted by these quickly spreading plants.
- Additionally, non-native plants may be able to grow there because to the warmer weather, which could pose a threat to the fragile Antarctic ecology.
- *Source* → *The Hindu*

4 - Sikh migration to Canada:

GS II

International issues

- **Context:**

- The Sikh diaspora in Canada came under scrutiny once more as a result of the tensions between India and Canada.

- **Important information:**

- Sikhs make up 2.1% of Canada's population, according to the census conducted in 2021.
- Outside of India, the largest Sikh population resides in Canada.
- Migration of Sikhs to Canada dates back more than a century.

- **When Sikhs started moving abroad:**

- Due to their involvement in the British Empire's armed forces, Sikhs started to immigrate abroad in the late 19th century.
- The Sikhs dispersed to every region the Empire touched, particularly East Africa and the Far East (China, Singapore, Fiji, and Malaysia).
- Beginning with Queen Victoria's Diamond Jubilee in 1897, Sikhs migrated to Canada.
- Kesur Singh, who served as a Risaldar Major in the British India Army's 25th Cavalry, Frontier Force, is credited with being the nation's first Sikh settlers in 1965.
- He travelled with Chinese and Japanese soldiers from the Hong Kong Regiment to celebrate the jubilee, and he was one of the first Sikh soldiers to arrive in Vancouver.
- The early 1900s, however, were the catalyst for the first wave of Sikh immigration to Canada.
- The majority of the Sikh immigrants came to Canada as labourers, working in manufacturing in Ontario and forestry in British Columbia.

- **The migration's termination:**

- Despite having no trouble finding employment, the migrants faced animosity because of the belief that they were displacing locals from their positions.
- Prejudices based on race and culture also affected the Sikhs.
- As public pressure increased, the Canadian government ultimately implemented strict rules to halt migration.

- It required Asian immigrants to have \$200, which was deemed significant enough to be a distinguishing factor, and to have travelled nonstop from their home country to Canada.
- Consequently, following 1908, the number of Indian immigrants entering Canada fell sharply, from 2,500 in 1907–08 to just a few dozen annually.
- **What happened with Komagata Maru:**
 - The Komagata Maru incident happened around this period.
 - A Japanese steamer called the Komagata Maru made landfall on Vancouver's coast in 1914.
 - The majority of the 376 South Asian passengers on board were Sikhs.
 - After being held for around two months inside the ship, the immigrants were led out of Canadian territorial seas and the ship was returned to Asia.
- **Canadian policy is being loosened:**
 - The conclusion of World War II led to a relaxation of Canadian immigration laws.
 - There were three primary causes for it.
 - First, after joining the UN and adopting a resolution opposing racial discrimination, as well as joining a multiracial Commonwealth of equal partners, Canada found it increasingly challenging to uphold immigration laws and practises based on race.
 - Second, labourers were needed as Canada's economy began to grow after World War II.
 - Third, there was a decrease in European immigration, and the Canadian government resorted to importing human capital from third-world nations.
 - The culmination of these causes was the Canadian government's 1967 implementation of the "points system," which abolished any preference for any one race and made skill the only criterion for admitting non-dependent relatives into the nation.
- *Source → The Hindu*

5 - Goa's new beach shack policy:

GS II

Government Policies and Interventions

- **Context:**

- The "Goa State Shack Policy 2023-2026," which permits the construction of beach shacks, deck beds, and umbrellas along beach sections for the next three tourism seasons, was recently approved by the Goa government.

- **Definition of beach shacks:**

- The most common materials used to construct beach shacks are bamboo, wooden poles, and thatched palm fronds.
- These days, both domestic and foreign visitors to Goa find these to be a popular attraction.
- Temporary buildings known as "beach shacks" are restaurants and bars with sun lounges on the sand and service personnel to assist patrons.

- **The updated shack rules:**

- During the busiest travel season, unemployed Goans are permitted to run "temporary" shacks on the seaside thanks to the shack policy.
- Shading must be done by law by the conclusion of the tourist season.
- There is a proposal for a "Digital Coast" along the beaches, where POS (point of sale) devices will be given to shack allottees to enable customers to make digital purchases.

- **Source** → *The Hindu*