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GS 2: POLITY, GOVERNANCE, SOCIAL JUSTICE, INTERNATIONAL RELATIONS/INSTITUTIONS

1. India's voice must resonate in global AI conversations

Context: In a world where AI is increasingly at the centre of economic and geopolitical strategies, India must take an active role in shaping its future. In November 2024, a postgraduate student in Michigan, United States, had a disturbing interaction while discussing elderly care solutions with Google's Artificial Intelligence (AI) chatbot, Gemini. In this interconnected landscape, effective governance and safety mechanisms require a united international approach. For India, participating in global standard-setting on AI safety is not just an opportunity but an imperative. But India has not even established a national AI safety institute.

Key points

- **Overview:** The student complained, Google modified the chatbot, but the interaction — which could have prompted a more vulnerable individual, such as a depressive, to perhaps take drastic measures — should leave us all shaken and troubled.
- **AI's global impact:** AI is reshaping industries, economies, and geopolitics, transcending national borders with data, algorithms, and innovations flowing seamlessly across regions. In this interconnected landscape, effective governance and safety mechanisms require a unified international approach.
- **India's AI safety gap:** For India, participating in global standard-setting on AI safety is not just an opportunity but an imperative.
- **International Network of AI Safety Institutes:** In November 2024, the International Network of AI Safety Institutes was inaugurated in San Francisco, U.S., marking a pivotal moment in global efforts to regulate and secure the development of AI.
- **Importance of global collaboration:** By serving as a dedicated forum for international collaboration, the Network can unite technical expertise and policy innovation to address emerging risks and establish robust best practices in AI safety.
- **India's absence from global AI safety efforts:** The Network will go beyond fostering dialogue to play a pivotal role in developing and harmonising global standards.
- **The borderless nature of AI:** *AI's global impact and seamless operation* - AI transcends national borders, operating through the seamless flow of data, algorithms, and innovations across regions. Its global sweep means none of us is immune from its impact.
Need for collective action - Collective action is indispensable to address shared challenges, from ethical concerns to security risks.
Governance and standardization - Effective governance of this transformative technology requires a collaborative approach to establish unified standards that promote safety, accountability, and innovation.
- **Politics and technology:** *AI and geopolitics* - The intersection of AI and geopolitics is becoming ever more pronounced, as seen in recent proposals by the U.S. to impose export controls on advanced AI software.
India's position in global AI policies - India is the "non-China" for now, but there is no guarantee it will be exempt from such controls indefinitely.
AI and national security policies - India's engagement is particularly vital in a world where AI and geopolitics intersect, with nations enacting protective policies to secure technological advantages.
- **Leveraging India's strengths:** *India's AI potential* - India's vibrant AI ecosystem, fuelled by its robust IT sector and talent pool, makes it a critical player in the global AI dialogue.
Success in Digital Public Infrastructure (DPI) - India's experience in navigating the complexities of DPI initiatives such as Aadhaar and the Unified Payments Interface (UPI) has demonstrated how inclusive, interoperable, and scalable systems can transform lives, enabling economic growth and social inclusion at unprecedented levels.
Positioning India as a leader in AI governance - By engaging proactively, India can protect its interests, foster cross-border innovation, and position itself as a global leader in AI governance.
- **Conclusion:** The stakes are high, and the time to act is now. For India, embracing this responsibility is essential to navigating the opportunities and challenges of the AI revolution while ensuring a secure, inclusive, and prosperous future for all.

2. Technology and the challenge of equitable education

Context: In India, the 1990s and the early 2000s were a time of education activities on a mass scale. But results from the nationwide Annual Status of Education Report (ASER) surveys of that period indicated that while enrolment and infrastructure indicators showed a rush to schools, learning indicators pointed to no change. At the same time, computers, mobile phones, and digital technology were making waves. It was a time of many possibilities and promises with digital solutions and businesses. However, it was when the COVID-19 pandemic struck that the digital revolution hit the ground in rural India. This is reflected very well in ASER data.

Key points

- **Overview:** India lacks a road map in the field of education that allows the promise of technology to be harnessed for those who need it the most.
- **Rise in smartphone access:** In 2018, nearly 90% of rural households had simple mobile phones, while 36% had smartphones. By 2022, smartphone ownership had risen to 74%, and ASER 2024 data shows this has further grown to 84%.
- **Increase in smartphone ownership among children:** The percentage of children aged 14-16 years who own a smartphone has increased from 19% to 31% within a year.
- **Unclear data on mothers' phone ownership:** ASER data does not specify whether mothers of young children own smartphones, which is crucial for supporting early learning.
- **Pandemic-driven digital learning:** During the pandemic, smartphones were mainly used as carriers of texts, worksheets, and videos. Virtual training sessions also became common. Even after the pandemic, some digital skills remain, though new excitement now surrounds artificial intelligence (AI).
- **Digital education for underprivileged mothers:** Over 40% of mothers of schoolchildren have little or no schooling, while another 40% have only studied up to class 10. Educating mothers is a key investment that can accelerate children's education.
- **Future outlook:** ASER 2024 data suggests that smartphone availability is no longer a major constraint. As most rural households already have a smartphone, getting a second phone may become easier for many families soon.
- **No language barrier:** *Language barriers removed* - Language used to be a major impediment. It is not so anymore. Writing or dictation in local languages is now possible. Translation from one language to another is easy.

Learning tools - All the tools needed for learning are accessible, if you know what to access, where, and how.

Intelligent learning device - One place in a village — let us call it school — where questions of what, where, and how are answered by an intelligent device.

Education and profit motives - Every technological innovation, except those promoted as public goods, seeks a 'for-profit market'. Where profits cannot be made, innovations have limited use.

- **Conclusion:** The prediction that hardware and devices would become inexpensive has come true but the need for a higher order and bigger hardware is growing with the innovations of AI. As a country, India needs to come up with a road map that allows the promise of technology to be harnessed for the benefit of those who need it the most.

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3. Cabinet nod to rejig skilling initiatives with a combined scheme

Context: The Union government has decided to restructure its skilling initiatives, combining three of them into the Skill India Programme, a Central Sector scheme, with the Cabinet on Friday approving an outlay of ₹8,800 crore for a three-year period ending in 2025-26. The Pradhan Mantri Kaushal Vikas Yojana 4.0 (PMKVY 4.0), the Pradhan Mantri National Apprenticeship Promotion Scheme (PM-NAPS), and the Jan Shikshan Sansthan (JSS) Scheme will now become the three key components of the composite Skill India Programme.

Pradhan Mantri Kaushal Vikas Yojana (PMKVY)

- **Background:** Skill India Mission was launched by the government in 2015 under which the flagship scheme Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is run.
- **PMKVY 1.0:** *Launch* - India's largest Skill Certification Scheme - Pradhan Mantri Kaushal Vikas Yojana (PMKVY) - was launched on 15th July 2015 (World Youth Skills Day).
Aim - To encourage and promote skill development in the country by providing free short duration skill training and incentivizing this by providing monetary rewards to youth for skill certification.
Key Components - Short Term Training, Special Projects, Recognition of Prior Learning, Kaushal & Rozgar Mela, etc.
Outcome - In 2015-16, 19.85 lakh candidates were trained.
- **PMKVY 2.0:** PMKVY 2016-20 (PMKVY 2.0) was launched by scaling up both in terms of Sector and Geography and by greater alignment with other missions of the Government of India like Make in India, Digital India, Swachh Bharat, etc.
 - *Centrally Sponsored Centrally Managed (CSCM)* - This component was implemented by National Skill Development Corporation. 75% of the PMKVY 2016-20 funds and corresponding physical targets have been allocated under CSCM.
 - *Centrally Sponsored State Managed (CSSM)* - This component was implemented by State Governments through State Skill Development Missions (SSDMs). 25% of the PMKVY 2016-20 funds and corresponding physical targets have been allocated under CSSM.*Outcome* - More than 1.2 Crore youth have been trained/oriented through an improved standardized skilling ecosystem in the country under PMKVY 1.0 and PMKVY 2.0.
- **PMKVY 3.0:** *Coverage* - Launched in 717 districts, 28 States/eight UTs, PMKVY 3.0 is a step towards 'Atmanirbhar Bharat'.
Implementation - It will be implemented in a more decentralized structure with greater responsibilities and support from States/UTs and Districts.
Features - It envisages training of eight lakh candidates over a scheme period of 2020-2021 with an outlay of Rs. 948.90 crore. It will be more trainee- and learner-centric. The focus is on bridging the demand-supply gap by promoting skill development in areas of new-age and Industry 4.0 job roles.

4. Trump's Gaza plan

Context: By the 60s of the last centuries, colonisation had almost ended. With most countries in Asia and African continents getting back their independence from the shackles of the European colonial masters, it seemed that the concept of domination of a sovereign nation by a powerful country had finally come to an end. However, US President Donald Trump's latest assertion has reignited the fears of colonisation. Trump has shocked the world by suggesting the US could "take over" and "own" Gaza, resettling its population in the process.

Key points

- **Overview:** Trump's proposal has drawn severe condemnation, including from across the Middle East, close US allies, and the United Nations. The Western allies of the US have rejected the idea of displacing people from Gaza, while leaders in the Middle East have reaffirmed their position, advocating for Palestinian statehood.
- **Violation of Palestinian Sovereignty:** Gaza is recognized as Palestinian territory, and U.S. control would infringe upon Palestinian self-rule, potentially triggering territorial disputes.
- **Escalation of Regional Tensions:** The move could heighten tensions between Israel and Palestine, as well as provoke backlash from Arab nations and the broader international community, many of whom recognize Gaza as part of Palestine.
- **Uncertainty of Economic Stability:** While Trump's proposal aims to stabilize Gaza economically, its feasibility remains uncertain due to the region's complex political landscape, which could either facilitate peace or fuel further unrest.
- **Strengthening U.S.-Israel Ties:** The plan aligns with Israeli interests by ensuring Gaza poses no security threat while allowing Israel to distance itself from its instability.
- **Ethnic Displacement Concerns:** Suggestions of relocating Palestinians from Gaza could be perceived as ethnic cleansing, violating their right to self-determination and potentially sparking resistance movements.
- **Conclusion:** Trump's proposal to take over and develop Gaza is highly controversial, carrying significant geopolitical and humanitarian consequences. While it seeks to bring economic stability, it risks undermining Palestinian sovereignty, escalating regional tensions, and drawing international criticism. The historical complexities of Gaza's governance further complicate the feasibility of such a plan.

The Gaza Strip

- **Geographical Location:** The Gaza Strip lies along the eastern Mediterranean coast, bordered by Egypt to the southwest, Israel to the north and east, and the Mediterranean Sea to the west. It is strategically positioned at the crossroads of the Middle East.
- **High Population Density:** With over 2 million residents packed into approximately 140 square miles (360 square kilometres), Gaza is one of the most densely populated areas in the world.
- **Historical Significance:** In 1967, Israel captured Gaza from Egypt, initiating long-term military control, although Egypt had previously administered it. And after a long possession in 2005 Israel withdrew its settlers and controlled the borders airspace, and maritime access, leaving Gaza fragmented until 2007, when Hamas seized control Palestinian Authority's Fatah faction.

5. After tax relief in budget, RBI cuts key rate, first in five years, to spur growth

Context: The Union Cabinet on Friday cleared the new income-tax bill that is proposed to replace the existing six-decade old Income-tax Act it is likely to be introduced in Parliament on Monday. The new income tax bill is aimed to make the language and implementation of the income tax legislation simpler for taxpayers. The bill will include the recent changes in income tax rates, slabs and TDS (Tax Deducted Source) provisions will also be reflected in it.

Key points

- **Overview:** The Monetary Policy Committee (MPC) of Reserve Bank of India cut the repo rate to 6.25% from 6.5% (25 basis points (bps)) for the first time in 5 years (since 2020). After the Union Budget 2025-26 reduced personal income tax to spur consumption, this step aims to revive economic growth amid a slowdown.
- **Growth-Stimulating Budget:** The Union Budget 2025-26 introduced a personal income tax cut and revised TDS limits, increasing disposable income. The RBI's repo rate cut supports the government's tax reductions by lowering borrowing costs and sustaining demand.
- **Declining Inflation:** Consumer Price Index (CPI) eased to 5.22% in December 2024, a four-month low, down from 5.48% in November that provides room for monetary easing.
- **Market Liquidity Enhancement:** The RBI recently introduced measures to improve liquidity in the banking system by injecting Rs 1.5 trillion. Liquidity injection eased tight credit markets, while the repo rate cut ensured liquidity and lower rates to boost growth.
- **Global Economic Uncertainty:** The recent US tariffs in Canada, Mexico, and China sparked trade war fears, weakening the rupee to 87.29 per dollar and raising inflation risks. A repo rate cut could help cushion the impact of external shocks and support domestic growth.
- **Repo Rate:** Repo rate (Repurchase Agreement Rate) is the interest rate at which commercial banks borrow money from the central bank.
- **Implications of the Repo Rate Cut:**
 - Economic Growth* - Lower borrowing costs make it easier for businesses to expand and invest, leading to higher production and job creation.
 - Strengthening Financial Markets* - Banks may reduce interest rates on savings accounts and fixed deposits, making savings less attractive that may drive consumers toward stocks, mutual funds, or real estate.
 - Export Competitiveness* - A lower repo rate may cut investment returns, leading to capital outflows. This may weaken the currency, raising import costs but enhancing export competitiveness.
 - Inflation:* Increased spending due to rate cuts may push up prices and inflation over time, breaching the RBI inflation target (4% within a band of +/- 2%).
- **Conclusion:** The RBI's repo rate cut aims to boost economic growth by lowering borrowing costs. However, it may lead to inflationary pressures, challenging the 4% target set by RBI MPC. Balancing growth and price stability remains crucial, especially amid global uncertainties.

Q. Define potential GDP and explain its determinants. What are the factors that have been inhibiting India from realizing its potential GDP? (সম্ভাব্য জিডিপিৰ সংজ্ঞা দিয়া আৰু ইয়াৰ নিৰ্ণায়কসমূহ ব্যাখ্যা কৰা। ভাৰতক ইয়াৰ সম্ভাব্য জিডিপি উপলব্ধি কৰাত বাধা দিয়া কাৰকবোৰ কি কি?)