



## **DAILY CURRENT AFFAIRS 12-06-2024**

### **GS-1**

1. Pandit Rajeev Taranath

### **GS-2**

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3. Sticky Inflation
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## **Pandit Rajeev Taranath**

**Syllabus: GS-1; Art and Culture**

### **Context**

- *Pandit Rajeev Taranath, the renowned sarod maestro, passed away due to age-related illness at the age of 92 in Mysuru.*



### **About**

- *Taranath, a luminary in the realm of **Hindustani classical music**, breathed his last at a private hospital where he had been receiving treatment for the past several days.*
- *Born on October 17, 1932, Taranath's contributions to music are celebrated globally.*
- *A prodigious talent, he gave his first public singing performance at the age of nine and sang for Akashvani Radio before he turned twenty.*
- *He later taught English literature at Aden University in the 1980s and served as the head of the Indian music programme at the California Institute of the Arts from 1995 to 2005.*
- *A distinguished disciple of the great sarod maestro Ustad Ali Akbar Khan, Taranath also received guidance from Pandit Ravi Shankar and Srimati Annapurna Devi.*

- *He earned numerous accolades, including the **Padma Shri in 2019** and the **Sangeet Natak Akademi award in 2000**.*

## **PM Kisan**

### **Syllabus: GS-2; Government policies and Interventions**

#### **Context**

- *Prime Minister Narendra Modi sanctioned release of the 17th installment amount of the PM Kisan Nidhi program. The Prime Minister authorised release of the 17th installment of the PM Kisan benefit of around ₹20, 000 crore which will reach 9.3 crore farmers.*

#### **What is PM Kisan Samman Nidhi Scheme?**

- *The scheme provides income assistance to **all landholding farmer families** in the country for financial requirements in agricultural and allied activity inputs as well as residential necessities.*
- *Pradhan Mantri Kisan Samman Nidhi is an initiative by the government of India that give farmers up to ₹6,000 (US\$72) per year as minimum income support.*
- *The initiative was announced by Piyush Goyal during the 2019 Interim Union Budget of India on 1 February 2019.*
- *Ministry of Agriculture and Farmers Welfare has awarded the top-performing states, and districts under PM Kisan Samman Nidhi Yojana.*
- *In addition to PMKISAN, individuals can explore a wide range of government schemes aimed at providing financial assistance and support to farmers and other beneficiaries.*
- *Websites like PM Yojana offer detailed insights into such schemes, empowering citizens with valuable information to avail themselves of these benefits.*
- *It is based on the criteria such as correction of data, addressing farmer grievances, and timely physical verification exercise.*

**INTERIM BUDGET 2019-20**

**Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)**

Direct income support of ₹6,000 p.a for farmers, effective 01.12.2018

To benefit 12 cr small and marginal farmer families having cultivable land upto 2 ha

Direct transfer into the bank accounts in three equal instalments

First installment upto 31.03.2019, to be paid this year itself

₹75,000 cr in outlay for 2019-20 and ₹20,000 cr in RE 2018-19

The infographic features a farmer in a turban and yellow shirt standing next to a red tractor. It includes icons for a money bag, a family, a bank building, and a coin. The text is presented in a clean, sans-serif font on a light green background.

## Sticky Inflation

**Syllabus: GS-3: Indian Economy –Inflation.**

**Context:**

- *Sticky inflation: Why is RBI refusing to cut interest rates?*

**Background:**

- *On June 7, the Reserve Bank of India (RBI) released its bi-monthly monetary policy review.*
- *The RBI decided to keep the repo rate unchanged for the eighth consecutive time.*
- *Repo rate: The interest rate at which the RBI lends money to commercial banks.*

**Impact of changing the repo rate:**

- **Lower repo rate:** *Encourages economic activity by making borrowing cheaper for banks and customers.*
- **Higher repo rate:** *Discourages economic activity by making borrowing more expensive.*

- *Changes in the repo rate affect the EMIs (Equated Monthly Installments) you pay for loans like car, home, or business loans.*

### Goals of RBI's Monetary Policy:

- **Primary Goal:** *Maintain price stability in the economy.*
- *Ensure prices do not fluctuate excessively.*
- *Measured by the retail inflation rate (rate of price rise for average consumers).*
- **Target inflation rate is 4%**, *balancing incentives for producers and maintaining purchasing power for consumers.*
- **Secondary Goal:** *Promote economic growth.*
- *Boost economic activity when needed, such as **aftershocks like the Covid pandemic.***
- *Cut the repo rate to make **borrowing cheaper, encouraging spending.***
- **Raise the repo rate** *when inflation exceeds the 4% target to reduce credit-fuelled consumption and encourage saving.*

### Reasons Why the RBI is Not Cutting Interest Rates

#### Gradual Decline in Inflation:

- *Despite high repo rates, **retail inflation has not consistently hit the 4% target since January 2021.***
- *Recent inflation rates (early 2024) have been around 5%, showing a slow decline.*
- *The RBI is concerned about the persistent or "**sticky**" nature of inflation.*

#### Sustainable Inflation Target:

- *The RBI aims for **inflation to stay around 4%** on a durable basis, not just briefly touch it.*
- **Temporary reductions in inflation** *are not sufficient for the RBI to cut the repo rate.*

#### Strong Economic Growth:

- *India's GDP growth has been robust, with forecasts raised from 7% to 7.2% for the current financial year.*
- *Consistent growth above 7% suggests that the high repo rates are not hindering economic expansion.*

#### Fiscal Policy Considerations:

- **Upcoming Union Budget** *and its implications on fiscal deficit are factors.*
- **Higher fiscal deficits** *could impact inflation and interest rates, influencing RBI's decisions on the repo rate.*

### Overview of Sticky inflation

- *Sticky inflation has delayed **hopes for early rate cuts.***
- *Experts predict the RBI may start reducing the repo rate from December.*
- *Economists expect a gradual rate cut cycle, with potential reductions of 75–100 basis points.*

### About Sticky Inflation

- *Persistent inflation where **prices don't adjust quickly** to supply and demand changes.*

### Features of Sticky Inflation

#### Characteristics:

- *Prices for certain goods and services remain high and slow to decrease.*
- *Major contributors include rising wages and costs for consumer goods and services.*

#### Key Factors:

- *Medical services, education, and housing significantly impact sticky inflation.*
- *Leads to reduced consumer purchasing power and housing affordability issues.*

#### Challenges:

- *Difficult for central banks to control without risking recession.*

#### Central Bank Response:

- *Usually involves raising interest rates.*
- *Rapid rate hikes can trigger a recession, while insufficient hikes can perpetuate rising prices.*

## **Global Plastic Treaty**

### Syllabus: GS-3: Environmental Pollution control.

#### Context:

- *Ongoing discussions in the Intergovernmental Negotiating Committee (INC-4) of the **United Nations Environment Agency (UNEA)** for a global treaty on plastic pollution prompt considerations for a fair transition for informal waste workers.*

#### What is the Global Plastic Treaty?

- **Initiated in 2021:** *Aims to combat global plastic pollution.*
- *Established at the 5th UN Environment Assembly in Nairobi, Kenya.*
- **Key Advocacy:** *The International Alliance of Waste Pickers is crucial in promoting the inclusion of informal waste pickers in treaty discussions for sustainable and equitable waste management.*

#### **Goals:**

- *The treaty focuses on the entire lifecycle of plastics, from production and design to consumption, use, and waste management.*
- **Key goals include:**
  - *Setting binding timelines to reduce plastic production.*
  - *Eliminating wasteful or unnecessary plastic uses.*
  - *Banning harmful plastic chemicals.*
  - *Establishing global recycling targets.*
  - *Addressing plastic pollution throughout all environments, including marine ecosystems.*

#### **What are Plastics?**

- *Materials that can be shaped when soft and then hardened to maintain form.*
- *Polymers with many repeating units.*
- **Categories:**
  - **Thermoplastics:** *Can be melted and reshaped multiple times.*
  - **Thermosets:** *Become rigid when heated and cannot be remelted.*

## **Groundwater is heating up**

**Syllabus: GS-3: Climate change and its impact on ground water resource.**

#### **Context:**

- *The Hindu published an editorial titled 'Groundwater is heating up, threatening life below and above the surface'.*

#### **Groundwater Importance:**



- Groundwater is the **largest reservoir** of usable freshwater, **making up 97% of it**.
- It exists in voids between grains and cracks within rocks.
- We see it in springs, caves, or when pumped up for use.
- Groundwater **supports ecosystems** and is crucial for people.

#### Climate Change Impact:

- Groundwater, though underground, is **not protected from climate change**.
- The atmosphere heating up is causing **more heat to penetrate underground**.
- **Evidence of subsurface warming** is found in borehole temperature measurements.

#### Future Predictions:

- International scientists have **modelled future groundwater warming**.
- Under a scenario of a 2.7°C rise in global atmospheric temperature, **groundwater will warm by an average of 2.1°C by 2100**.
- **Warming varies by region** and is delayed by decades compared to surface temperatures.

#### Positive Impact of Warmer Groundwater:

- Despite being less significant than ocean warming, warmer groundwater still holds considerable energy.
- This stored heat, accessible a few meters below the surface, **can be harnessed to warm homes sustainably using geothermal heat pumps**.
- These pumps use renewable energy sources like electricity from renewable sources, **which is gaining popularity in Europe**.

#### Negative Impact of Warmer Groundwater:

- Warmer groundwater poses a threat to **underground ecosystems** and the plants and animals that rely on it for survival.
- Even slight temperature changes can **disrupt these ecosystems**.
- Some regions, **like parts of Russia and Australia**, have already experienced significant groundwater temperature increases.
- Warmer groundwater **flowing into rivers and lakes** can raise their temperatures, making them unsuitable for certain species, potentially leading to mass fish deaths.
- Warm waters **also hold less oxygen**, exacerbating the issue.

#### Impact on Species:

- Cold water species like **Atlantic salmon** rely on **cool groundwater** discharge for breeding, so warming groundwater could disrupt their breeding cycles.

#### Practice Question



*Q. How does groundwater warming due to climate change affect water quality, industries, and ecosystems globally? Discuss strategies to mitigate its impacts and the need for localized research. (15 marks, 250 words)*