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SUMMARY***

11 APRIL 2024

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LIQUOR POLICY: ISSUES IN THE LIQUOR INDUSTRY

Syllabus: Government Policies and Interventions

Context: High taxes and excessive licensing in the liquor industry contribute to corruption and financial burdens on consumers.

Indian Constitution views alcohol as an undesirable evil to be regulated. The **Directive Principles of State Policy (Article 47)** encourage the prohibition of alcohol consumption, except for medicinal purposes, aiming to protect citizens' health. While not legally enforceable, these principles guide state action. Additionally, alcohol regulation falls under the **authority of state legislatures according to the Seventh Schedule**, allowing for varying laws across states, from prohibition to private sale.

Distribution of Power on Liquor Control in India:

1. **Central Government:**
 - i. Sets guidelines for **import duties on foreign liquor**.
 - ii. **Formulates national-level policies** regarding alcohol advertising and marketing.
2. **State Governments:**
 - i. **Liquor falls under the State List (List II) of the Seventh Schedule**.
 - ii. Impose state-specific excise duties and taxes on liquor sales.
 - iii. Issue licenses for liquor sales and distribution within the state.
 - iv. Set regulations on liquor sales, including permitted **operating hours for liquor stores and bars**.
 - v. Introduce prohibition laws in certain states (e.g., Gujarat and Bihar).
 - vi. Allow liquor sales through government-owned outlets (e.g., TASMAL in Tamil Nadu).
 - vii. Implement online liquor sales and home delivery services (e.g., Maharashtra and Delhi).

Approaches to alcohol policy vary across states:

1. **Revenue-Driven Policies:** States like Haryana and Delhi prioritize revenue from alcohol sales, leading to the widespread availability of liquor outlets.
2. **Socio-cultural Factors:** Gujarat maintains prohibition due to cultural and historical reasons while Bihar has prohibition due to socio-economic factors.
3. **Government Control for Safety:** Tamil Nadu regulates alcohol sales through its State Marketing Corporation to enhance safety, particularly in response to past hooch tragedies.

What is the Delhi liquor policy scam?

The Delhi Liquor Scam involves **allegations of corruption and favouritism** in the implementation of **Delhi's Excise Policy from 2021 to 2022**. The policy aimed to reform the liquor sector by **introducing private firms**, but accusations claim it favoured certain companies with waivers, fee reductions, and multiple licenses. The AAP government denies any wrongdoing, citing increased revenue similar to policies in Punjab. However, the policy faced obstacles, including **resistance from bureaucrats and the LG's directive to halt implementation, leading to its withdrawal**.

Issues with Alcohol Policies in India:

Issues	Examples
Revenue vs. Health Priorities	Revenue focus overshadows health concerns. Kerala's rollback of partial prohibition (2018) for financial reasons highlights conflict
Dependence of States on revenue from liquor sales	According to reports, it has been found that, in most states, around 15 to 30 per cent of the revenue comes from liquor . E.g., Karnataka, Uttar Pradesh, Punjab, and West Bengal heavily depend on excise duty from alcohol, contributing over 20% to their own tax revenue .
Inconsistent State Policies	Haryana's attempts at prohibition failed due to difficulties in controlling illegal distillation and bootlegging , leading to fatalities. Currently, there are five states (Bihar, Gujarat, Lakshadweep, Nagaland, and Mizoram) with total prohibition and some more with partial prohibition

Weak Enforcement of Regulations	For, Alcohol firms flout advertising bans with little government intervention, like during major events such as the cricket World Cup.
Exclusion from GST	States are reluctant to include alcohol in GST due to revenue concerns, preferring individual control over policies. Inclusion could simplify taxation and align it with other products.
Excessive Taxation	High domestic and customs duties exceeding 200% and 150% , respectively, burden consumers financially.
Impact on Health	Consumers opt for cheaper, lower-quality alcohol due to high taxes, increasing health risks, especially among lower-income groups.
	Hooch tragedies , where illicitly brewed alcohol leads to deaths or illness, occur periodically.
Government Monopoly in Sales	Current policies lead to government monopolies in liquor sales, potentially fostering corruption and hindering private businesses.

Actionable steps to address alcohol policy issues:

1. **Include Liquor in GST:** Simplify taxation by bringing liquor under [GST](#), similar to cigarettes, for a streamlined tax process.
2. **Encourage Private Distribution:** Transition from government monopolies to private liquor distribution, regulated for safety and age restrictions, to reduce corruption and promote business diversity.
3. **Reform Licensing Policies:** Simplify licensing procedures for liquor sales in public spaces to reduce bureaucratic obstacles and foster a healthier business environment.
4. **National Health-Focused Policy:** Develop a national alcohol policy prioritizing public health over revenue, aligned with the WHO's recommendation of minimizing alcohol consumption.
5. **Legislative Action on Advertising:** Enforce stricter regulations to ban alcohol advertising and control surrogate advertising by liquor companies.
6. **Balance Revenue and Health:** Find a balanced approach to alcohol policy that considers both revenue generation and public health impact without compromising either.
7. **Open Discussion:** Promote open, non-judgmental discussions about alcohol use, challenging traditional views and addressing religious perspectives to foster informed decision-making.

Ethical aspects of Alcohol use in India:

Ethical aspects of alcohol use include **promoting responsible consumption to mitigate social harm, respecting cultural sensitivities, addressing health risks**, minimizing environmental impact, ensuring economic equity, and complying with regulations.

Indian attitudes towards alcohol vary across different dimensions:

1. **Cultural Views:** Alcohol is perceived differently across Indian cultures. While some communities, particularly upper castes, view it negatively, associating it **with "tamasic" qualities**, others, like many tribal societies, accept it openly.
2. **Gender Dynamics:** Alcohol consumption by men often negatively impacts women, leading to social protests led by women against alcohol consumption in many communities.
3. **Alcohol and Religion:** Various religions in India have differing stances on alcohol. Islam forbids it, Christianity tends to be more permissive, and Hinduism does not explicitly prohibit it but emphasizes moderation.
4. **Medical View:** From a medical perspective, alcohol is recognized as harmful in India. It is associated with an increased risk of heart disease and can adversely affect liver health.

Thinker's View on Alcohol Use:

Ethical Thinker	View on Alcohol Use
Mahatma Gandhi	Strongly advocated for prohibition of alcohol , viewing it as harmful to individuals and society.
B.R. Ambedkar	Supported regulation and control of alcohol , emphasizing the need to address social and health issues.
Swami Vivekananda	Condemned excessive alcohol consumption , promoting spiritual and moral development as alternatives.

Mother Teresa	Opposed alcohol use due to its detrimental effects on individuals and families, advocating for sobriety.
Plato	Generally opposed to excessive drinking , seeing it as a threat to reason and self-control in society.
Aristotle	Acknowledged moderate alcohol consumption but warned against excess, emphasizing virtue and balance.

For [Why do some Indian states ban alcohol and its impacts?: Click Here](#)

Geographical aspects of Liquor in India:

How Liquor is Made:

1. **Distillation:** Most liquors are made through the process of distillation, where fermented grains, fruits, or vegetables are heated to vaporize the alcohol, which is then condensed back into liquid form.
2. **Fermentation:** Initially, raw materials like grains (for whiskey), grapes (for wine), or sugarcane (for rum) are fermented using yeast, which converts sugars into alcohol and carbon dioxide.
3. **Ageing:** Some liquors, like whiskey and brandy, are aged in wooden barrels to develop flavour and character. This ageing process can take several years, during which the liquor absorbs flavours from the wood.

Types of Liquor:

1. **Whiskey:** Made from fermented grains like barley, corn, rye, or wheat.
2. **Vodka:** Typically made from grains or potatoes and distilled to a high level of purity.
3. **Rum:** Made from sugarcane or molasses and aged in wooden barrels.
4. **Gin:** Distilled from grain and flavoured with botanicals like juniper berries, coriander, and citrus peels.
5. **Tequila:** Produced from the blue agave plant, primarily in Mexico.

Climate Conditions:

The climate conditions required for liquor production depend on the specific type of liquor being produced. For example, grapes used in wine **production thrive in temperate climates with well-defined seasons**, while sugarcane, used in rum production, grows in tropical climates.

States in India Ahead in Liquor Production: Maharashtra, Karnataka, Tamil Nadu, Punjab, and Kerala. Maharashtra is the leading state for wine production in India

Karnataka is the largest-selling state for liquor. India is the third largest market for alcoholic beverages in the world, after China and Russia.

Insta Links:

- [Alcohol Prohibition](#)

Facts for Prelims (FFP)

PRINCIPLES FOR HARMONIOUS CONSTRUCTION

Context: The Supreme Court, **while refusing to condone a 5659-day delay in an appeal**, outlined **eight principles** deciding an application for **condonation of delay**.

These include:

- the **public policy basis of limitation laws**,
- **the strict interpretation of Section 3 and liberal interpretation of Section 5 of the Limitation Act**,
- the balance between **substantial justice and adherence to limitation laws**,
- discretionary **power of courts to condone delays**,

- lack of **entitlement based on others' relief**,
- non-necessity to **consider case merits in delay condonation**,
- and **adherence to statutory provisions in deciding delay condonation applications**.

The **Doctrine of Harmonious Construction** is a legal principle used to **interpret statutes and resolve conflicts between laws or different parts of the same law**.

When there's **inconsistency between statutes or provisions**, the doctrine requires interpreting them in a way **that harmonizes their application**.

This ensures that all provisions are **given effect and the statute is understood as a whole**.

The principle assumes that **Parliament intends for all provisions to work together without contradiction**.

BILATERAL INVESTMENT TREATY

Context: The **Prime Minister's Office (PMO)** has directed the **commerce ministry to review the model text of bilateral investment treaties (BITs)** and **propose enhancements to facilitate business operations**.

- This move is **prompted by India's previous losses in international arbitration cases** against companies like **Vodafone and Cairn Energy over retrospective tax imposition**.
- **Model text of BIT:** Union Cabinet adopted new Model BIT text in 2015, which replaced Indian Model BIT, 1993.

BITs are **crucial for protecting and promoting investments between nations**, and they are a **focal point in India's negotiations** with countries like **the UK and the European Free Trade Association (EFTA)**.

PEACE CLAUSE IN WTO

Context: India has invoked **the peace clause at the WTO** for the **fifth consecutive time** for the **marketing year 2022-23, as it breached the prescribed subsidy limit for rice**.

- Despite **breaching the 10% domestic support ceiling**, there are **no immediate repercussions due to the peace clause**, which provides immunity until a permanent solution is found.
- India justifies its **actions as necessary to meet domestic food security needs**.

The **peace clause in the World Trade Organization (WTO)** refers to an **agreement that temporarily shields** developing countries from legal challenges for **breaching the domestic support limits on agricultural subsidies**. It was established during the **WTO's Bali Ministerial Conference in 2013**.

This clause allows **developing countries to provide subsidies beyond the prescribed limits** for certain agricultural products, **such as rice and wheat, without facing immediate repercussions**.

The peace clause provides **immunity until a permanent solution is found**, allowing **developing countries to support their domestic agricultural sectors** while negotiations continue on more permanent subsidy rules.

REPORTS IN NEWS

Report Title	Description
Towards Specific Commitments and Action in Response to AMR	Report Released by Global Leaders Group (GLG) on Antimicrobial Resistance (AMR)
	The report aims to inform the 2024 United Nations General Assembly High-level Meeting on AMR
	Recommendations: It includes convening an independent panel on AMR action by 2025 , expanding financing instruments, updating the 2015 Global Action Plan by Quad-ripartite organizations (FAO, UNEP, WHO, WOA) , and ensuring quality-assured surveillance data through global surveillance systems (GLASS, ANIMUSE and InFARM) .
	Target: Targets for 2030 include reducing bacterial AMR deaths by 10% and decreasing antimicrobial use in agri-food systems

<p>Space: The \$1.8 Trillion Opportunity for Global Economic Growth</p>	<p>The report has been released by the World Economic Forum (WEF)</p> <p>Key findings reveal the space economy’s projected growth to \$1.8 trillion by 2035 from \$630 billion in 2023. Five industries will drive over 60% of this growth, including supply chain, food and beverage, defence, retail, and digital communications. Decreasing launch costs (fell by over 10-fold over the last 20 years), commercial innovation and diversified investments are driving space prevalence.</p> <p>Recommendations include partnering with tech innovators, exploring a “space for non-space” approach, and enacting policies to foster collaboration across state-sponsored agencies.</p> <p>India’s space economy is currently valued at approximately \$8.4 billion, comprising 2-3% of the global space economy. The target is to reach \$44 billion by 2033, with 100% FDI allowed.</p> <p>Recent initiatives include Indian Space Policy 2023, Indian National Space Promotion and Authorization Centre (IN-SPACe); creation of New Space India Limited to facilitate private sector participation.</p>
<p>Global Unicorn Index 2024</p>	<p>Report released by Hurun Research Institute</p> <p>Findings: In 2023, India had 67 unicorn startups (68 in 2022), ranking third globally behind the USA and China. Indian founders have produced more offshore unicorns than any other country. India lacks unicorns in the Aerospace or SpaceTech sector. Factors behind the decline include a slowdown in India’s startup ecosystem due to insufficient investment.</p> <p>Unicorns are privately held, venture-capital-backed startups valued at \$1 billion or more. The term was coined by venture capitalist Aileen Lee in 2013</p>
<p>EIA’s report titled ‘More Chilling Than Ever’</p>	<p>The Environmental Investigation Agency (EIA) found that illegal trade in HFCs in Europe is driven by high profits and ongoing demand.</p> <p>HFCs, or Hydrofluorocarbons, are colourless and odourless gases composed of carbon, fluorine, and hydrogen. They are entirely human-made and primarily used in refrigeration, air-conditioning, insulating foams, and aerosol propellants. HFCs were developed as alternatives to ozone-depleting substances like chlorofluorocarbons (CFCs) and hydrochlorofluorocarbons (HCFCs). While they do not deplete the ozone layer, HFCs contribute to global greenhouse gas emissions and exacerbate climate change.</p>

DARK ENERGY SPECTROSCOPIC INSTRUMENT (DESI)

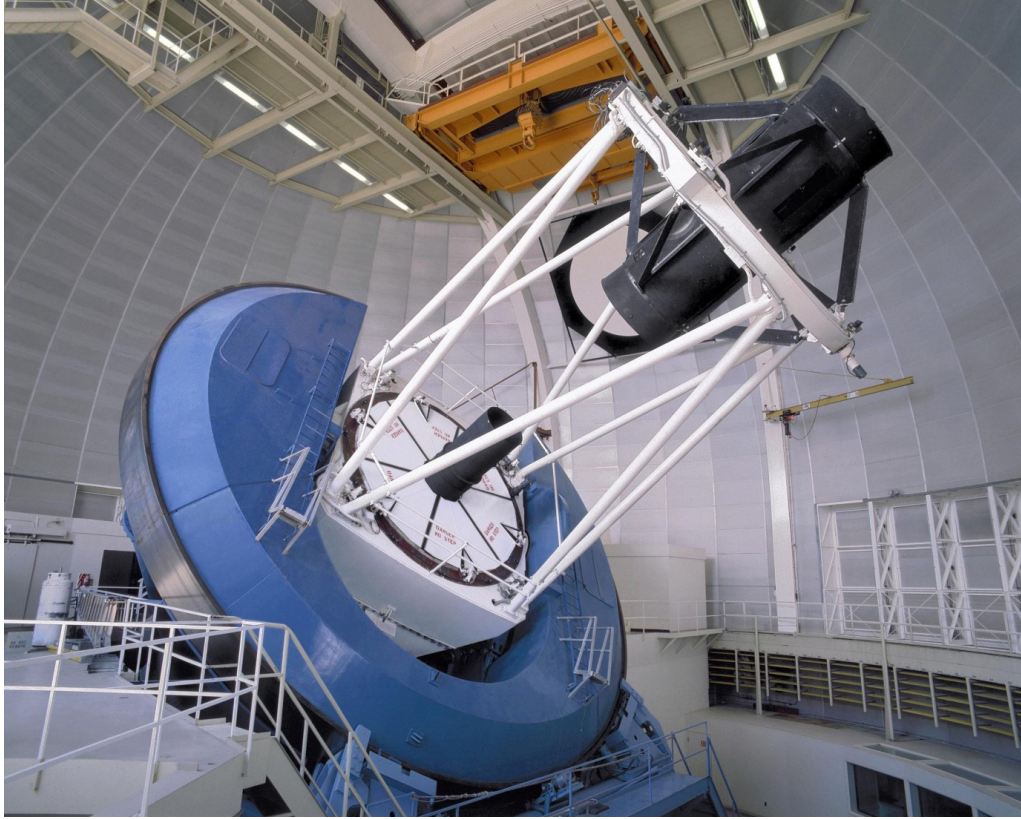
Context: DESI’s groundbreaking **project harnesses 5,000 robots to peer 11 billion years into the past**, revealing unprecedented insights into **our expanding universe**.

It found the most precise measurement of the universe expansion rate at a rate of **68.5 (±0.6)** kilometres per second per megaparsec (a million parsec; 1 parsec equals **3.2616** light years).

DESI made a huge 3D map to study dark energy’s impact over 11 billion years. In the Lambda CDM model, matter and dark energy affect the universe’s expansion differently: matter slows it, while dark energy speeds it up. Both [dark energy and dark matter](#) dominate the universe, comprising about 95% of it.

What is DESI?

DESI is a project aimed at **mapping the universe to study dark energy’s effects** over billions of years. It is the product of an international collaboration that brings together **researchers from more than 70 institutions (including from India)**. It is a **ground-based dark energy experiment**, located on **the Mayall 4-meter telescope at Kitt Peak National Observatory (USA)**



TSAT-1A

Context: Tata Advanced Systems Limited (TASL) announced the successful deployment of its **sub-metre optical satellite, TSAT-1A, into space.**

- The satellite, **assembled and tested in India**, was launched aboard **SpaceX's Falcon 9 rocket from the Kennedy Space Center in Florida.**
- **TSAT-1A will provide high-resolution optical satellite images** with enhanced collection capacity and dynamic range through its **multispectral and hyperspectral capabilities.**

GUJCOST

Context: The Gujarat Council on Science and Technology (GUJCOST) has been appointed as the **Nodal Centre for the Indian Space Research Organisation's (ISRO) 'Space Science and Technology Awareness Training (START)' programme.**

- This initiative, conceived by ISRO, **aims to provide introductory-level online training** in various areas of space **science research, such as planetary exploration, astronomy, and atmospheric science.**

The **Space Science and Technology Awareness Training (START)** is a **free, introductory online training program** for **undergraduate and postgraduate students** in India interested in space science and technology.

Mapping

BOTSWANA

Context: Botswana's President recently **made headlines by threatening to export 20,000 elephants to Germany** in response to Germany's proposal for stricter limits on the import of hunting trophies.

Botswana boasts the world's largest elephant population due to its stable government, sparse human population, and strict conservation policies. Conflict-driven poaching in neighbouring countries redirected elephants to Botswana's safer territory. However, this abundance of elephants has led to rising **human-animal conflicts**.

Botswana has responded by **donating elephants to other countries, lifting the ban on trophy hunting**, and capitalizing on hunting revenue.

What is Trophy Hunting?

Trophy hunting involves killing wild animals for their trophies, such as heads, hides, or other body parts, which are then **kept as souvenirs or displays**.

In India, **trophy hunting is banned**. The **Wildlife Protection Act of 1972** prohibits the hunting of wild animals, including for trophies.

About Botswana:

It is a landlocked country in Southern Africa, predominantly inhabited by the **Tswana ethnic group**. It borders South Africa, Namibia, and Zimbabwe, and is connected to Zambia via the **Kazungula Bridge**. It is one of the **world's most sparsely populated countries**. Botswana is known for its diamond industry, high standard of living, and impressive Human Development Index

Its landscape is **defined by the Kalahari Desert and the Okavango Delta**, which becomes a lush animal habitat during the seasonal floods. The **massive Central Kalahari Game Reserve**, with its **fossilized river valleys** and undulating grasslands, is home to numerous animals including giraffes, cheetahs, hyenas and wild dogs.

