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Rural poverty declines sharply in FY24 at 4.86%: SBI research

Context: A recent research report by the State Bank of India (SBI) has highlighted a significant reduction in rural and urban poverty in India.

Key Findings:

- **Rural Poverty Decline:** Rural poverty has fallen to 4.86% in 2023-24, down from 25.7% in 2011-12. This is mainly due to government support and higher consumption among the poorest decile.
- **Urban Poverty Reduction:** Urban poverty decreased to 4.09% from 13.7% in 2011-12.
- **Impact of Government Programs:** Government initiatives, especially Direct Benefit Transfers (DBT), rural infrastructure development, and farmer income programs, have been key drivers of poverty reduction.
- **Consumption Inequality Decline:** Consumption inequality in both rural and urban areas has improved compared to the previous year.
- **Food Price Impact:** Fluctuations in food prices significantly affect overall consumption, particularly in rural areas where food expenditure is high.

Implications of the Findings:

- **Positive Trend in Poverty Reduction:** These findings suggest that overall poverty could decrease to 4-4.5%, with minimal extreme poverty.
- **Government Programs and Infrastructure Development:** The government's role in bridging the rural-urban income gap through infrastructure and welfare programs has been crucial.
- **Food Inflation's Role:** Food inflation impacts consumption in rural, lower-income states more than in high-income areas, damping demand.
- **Economic Disparities:** The study also highlights lower savings rates in states like Uttar Pradesh and Bihar, linked to high outward migration, while high-income states show better savings rates.

What is the Concern?

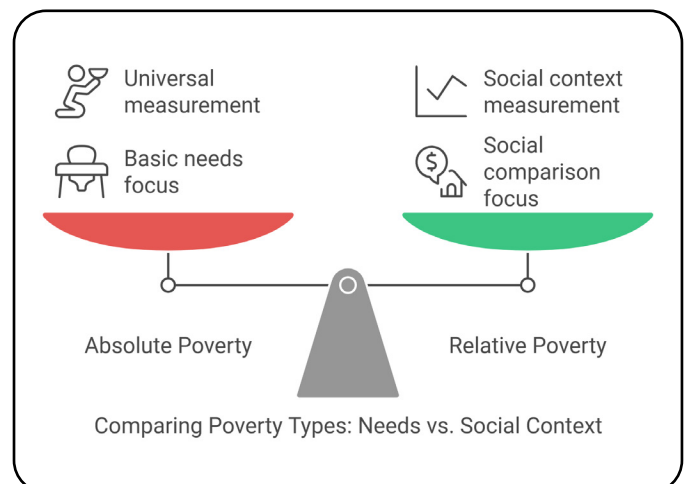
- **Rural-Urban Divide:** Despite poverty reduction, disparities in income and access to resources between rural and urban areas remain.
- **Potential Revisions:** Poverty estimates may change when the 2021 census is completed and the new rural-

urban population share is available.

- **Vulnerability to Food Inflation:** Rural areas are more affected by rising food prices, impacting their consumption patterns.
- **Sustainability of Government Programs:** The effectiveness and long-term sustainability of government programs are concerns, as these initiatives must continue to adapt to changing economic conditions.

Poverty:

- Poverty refers to the state in which individuals or communities lack the financial resources and essentials necessary for a minimum standard of living. The World Bank defines it as a condition of deprivation in well-being, encompassing low income, poor health, education, limited access to clean water, and a lack of capacity to improve one's life.



Types of Poverty:

- **Absolute Poverty:** Refers to a condition where household income is insufficient to meet basic living standards, including food, shelter, and housing. Absolute poverty can be measured across countries and over time. The World Bank updated the poverty line in 2022 to \$2.15 per day.
- **Relative Poverty:** Defined from a social perspective, relative poverty measures how individuals or households compare to the living standards of the surrounding population. It is often measured as the proportion of people living below a certain percentage of the median income.

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Scholarship Portal Launched Under PM Yashasvi Yojana in Punjab

Context: The Punjab government has launched a scholarship portal for students from the Other Backward Classes (OBC), Economically Backward Classes (EBC), and Denotified Tribes (DNT) categories under the Pradhan Mantri Young Achievers Scholarship Award Scheme (PM-YASHASVI) by the Ministry of Social Justice and Empowerment. This initiative aims to provide educational empowerment to students from economically backward and disadvantaged sections.

Objective of the Scheme:

- The primary objective of the Pradhan Mantri Yashasvi Yojana is to offer financial assistance to students from socially and economically weaker sections to help them overcome barriers in their education and pursue higher education. The scheme seeks to pave the way for a better future for these students by empowering them through education.

Selection Process:

- Under the scheme, students are selected through the Yashasvi Entrance Test (YET), which is conducted by the National Testing Agency (NTA). This entrance test plays a vital role in determining the eligible students for the scholarship.

Eligibility Criteria

- The scheme is available to students from the following categories:
 - » Other Backward Classes (OBC)
 - » Economically Backward Classes (EBC)
 - » Denotified Tribes (DNT)
- In addition, the family's total annual income should be up to ₹2.5 lakh to qualify for the scheme.

Schemes Included:

- The PM-Yashasvi scheme also subsumes older schemes like the Dr. Ambedkar Post-Matric and Pre-Matric Scholarships, thus offering a more comprehensive approach to educational support for students from disadvantaged backgrounds.

Sub-Schemes:

- **Pre-Matric Scholarship (Class 9-10):** A scholarship of ₹4,000 will be given to students whose family income

is below ₹2.5 lakh.

- **Post-Matric Scholarship (Post-Secondary Education):** Scholarships ranging from ₹5,000 to ₹20,000 will be provided, depending on the type of course pursued by the student.

Additional Facilities:

- The scheme will provide high-quality education at schools and colleges, as well as the construction of hostels for OBC category students. These additional facilities aim to offer a better educational environment, ensuring that students can pursue their studies without facing logistical barriers.

Conclusion:

The PM-Yashasvi scheme is a significant step toward making education more accessible to students from underprivileged sections in Punjab. By reducing financial barriers, it will encourage students to excel academically and ensure a bright future for them.

First India-Malaysia Security Dialogue

Context: The first-ever India-Malaysia Security Dialogue was co-chaired by India's National Security Adviser Ajit Doval and Malaysia's National Security Council Director General, Raja Dato Nushirwan Bin Zainal Abidin, on January 7, 2025. This dialogue marks a significant milestone in bilateral security cooperation, addressing shared global and regional challenges, including counter-terrorism, maritime security, and strategic issues.

Focus Areas of the dialogue:

- The dialogue centered on strengthening cooperation in counter-terrorism and deradicalisation, acknowledging the rising threat of terrorism in the region.
- Both nations committed to collaborative measures to combat this menace. Securing maritime routes and enhancing maritime security, critical for trade and regional stability, also featured prominently.
- This security dialogue is expected to bolster defense, economic, and technological cooperation, significantly contributing to regional peace and stability.

About India-Malaysia Relations:

- Diplomatic relations between India and Malaysia

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were established in 1957. Over the years, ties have strengthened across trade, defense, and cultural sectors.

- **Economic Ties:** In FY 2023-24, bilateral trade reached \$20.01 billion, making Malaysia India's 16th largest trading partner. Key initiatives like the Malaysia-India Comprehensive Economic Cooperation Agreement (MICECA), trade in local currencies, and central bank partnerships have enhanced these ties.
- **Oil Palm Diplomacy:** Malaysia supplies a substantial portion of India's palm oil imports, amounting to three million metric tonnes annually. It also supports India's National Mission on Edible Oils through R&D and seed supplies.
- **Defense Cooperation:** Joint ventures, procurement, and training underscore defense ties. The Malaysia-India Defence Cooperation Committee (MIDCOM) holds annual meetings, and Hindustan Aeronautics Limited (HAL) established its first regional office in Kuala Lumpur in 2023.
- **People-to-People Connect:** Malaysia is home to over two million people of Indian origin, fostering cultural, social, and economic bonds.

Malaysia's food security.

- **Defense Geopolitics:** Malaysia's decision to select South Korea's FA-50 jets over India's Tejas highlights challenges in defense deals.
- **Political Tensions:** Disagreements over issues like Kashmir and the Citizenship Amendment Act have caused friction.
- **Extradition Issues:** Malaysia's refusal to extradite Zakir Naik has heightened tensions.
- **China Relations:** Malaysia's quiet diplomacy with China poses challenges for India, particularly in the South China Sea.
- **Labor Exploitation:** Concerns about the treatment of Indian migrant workers in Malaysia persist.

India's Initiatives to Strengthen Relations:

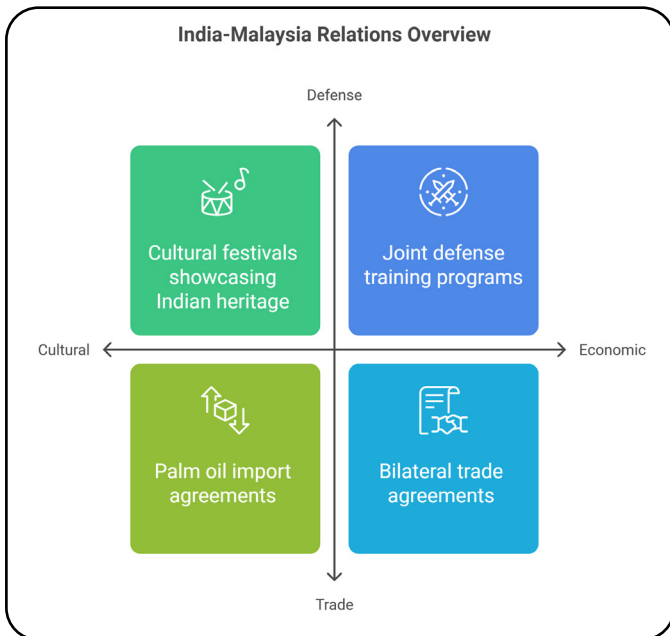
- **Technical and Economic Cooperation (ITEC):** India allocates 100 annual seats for Malaysian nationals, promoting educational exchanges.
- **MICECA:** The platform strengthens bilateral economic cooperation.
- **Cultural Diplomacy:** The Netaji Subhash Chandra Bose Indian Cultural Centre in Kuala Lumpur fosters Indian cultural exchange.
- **Financial Connectivity:** India's UPI payment system is accepted in Malaysia, modernizing financial transactions.

Bharatpol Portal

Context: Union Home Minister Amit Shah recently launched the Bharatpol portal in New Delhi. This initiative is designed to provide a robust mechanism for law enforcement agencies to track fugitives who have fled abroad. The portal is part of a broader effort to strengthen India's legal and law enforcement frameworks, which also includes the introduction of three new criminal laws.

About the Platform:

- The Bharatpol portal is a technological platform developed by the Central Bureau of Investigation (CBI). Its primary purpose is to connect Indian law enforcement agencies with INTERPOL, enabling real-time data sharing, issuance of Red Corner Notices, and enhanced communication with global law enforcement bodies.



Challenges in India-Malaysia Relations:

- **Weak Economic Cooperation:** Bilateral trade remains modest compared to Malaysia-China trade ties, while India's export restrictions have affected

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- The portal is aimed at improving crime control measures and assisting in tracking criminals who may have fled India to evade justice.

The platform integrates five key modules:

- **Connect:** Facilitates the integration of Indian law enforcement agencies with INTERPOL's National Central Bureau (NCB).
- **INTERPOL Notices:** Allows for the issuance of Red Corner Notices and other alerts globally.
- **References:** Facilitates international cooperation in investigations by enabling the sharing of references and assistance requests.
- **Broadcast:** Ensures immediate communication and swift responses to international requests for assistance.
- **Resources:** Supports the exchange of documents and training materials, fostering capacity-building initiatives for law enforcement agencies.

Benefits of Bharatpol and New Criminal Laws:

- **Faster Investigations:** By connecting Indian agencies to a global network, the portal facilitates quicker responses to data requests.
- **Efficient Criminal Tracking:** The portal aids in tracking fugitives who have fled India and evaded justice, helping ensure accountability.
- **International Collaboration:** It fosters greater cooperation between Indian and global law enforcement agencies, ensuring timely assistance in criminal investigations.
- **Crime Prevention:** The portal's access to 19 different

INTERPOL databases helps officers analyze crime patterns, leading to the development of more effective crime prevention strategies.

About Fugitive Economic Offender (FEO):

- A Fugitive Economic Offender (FEO) is an individual who meets the following criteria as outlined in the Fugitive Economic Offenders Act, 2018:
 - » **Committed a Scheduled Crime:** The person must have committed an economic crime involving ₹100 crore or more. These crimes typically include financial fraud, money laundering, or other serious economic offenses.
 - » **Fled the Country or Refused to Return:** The person must have fled India to evade legal action or refused to return to face criminal charges. This indicates an attempt to avoid prosecution by remaining outside India.

About the Fugitive Economic Offenders Act, 2018

- The Fugitive Economic Offenders Act, 2018 is specifically designed to address economic crimes, particularly those involving individuals who have fled India to evade prosecution.
- The law enables authorities to confiscate the assets of individuals involved in economic crimes that exceed ₹100 crore and who either refuse to return or have fled the country.
- The Act aims to ensure that such offenders face justice, even if they attempt to avoid prosecution by remaining abroad.

Power Packed News

V Narayanan new ISRO Chairman

- V Narayanan has been appointed as the Chairman of the Indian Space Research Organisation (ISRO) and Secretary of the Department of Space.
- V Narayanan will take charge on January 14, replacing current president S Somnath.
- Currently, he is the Director of ISRO's Liquid Propulsion Systems Centre (LPSC) in Valiamala, Kerala.
- He is a rocket and spacecraft propulsion expert and joined ISRO in 1984.
- S Somanath is the tenth Chairman of ISRO and has been in the position since January 14, 2022.



India's GDP growth rate 2024-25

- According to the Ministry of Statistics, India's GDP growth rate is estimated to be 6.4% in the financial year 2024-25, up

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from 8.2% in 2023-24.

- Nominal GDP has registered a growth of 9.7%.
- Agriculture and allied sector is expected to grow by 3.8%, while the rate for the construction sector is 8.6%.
- Financial, real estate, and professional services are projected to grow by 7.3%.
- Private final consumption expenditure (PFCE) at constant prices is also seen growing by 7.3%.

Organic fisheries cluster in Sikkim

- Union Minister Ranjan Singh inaugurated India's first organic fisheries cluster in Soreng district of Sikkim.
- The organic fisheries cluster aims to boost farmers' income and sustainability in aquaculture.
- The cluster will produce antibiotic, chemical, and pesticide-free fish.
- Key projects worth Rs 50 crore under the Pradhan Mantri Matsya Sampada Yojana were also inaugurated.
- The organic fisheries system will reduce environmental pollution and preserve the ecosystem.

Bahadur Singh Sagoo new AFI president

- Asian Games gold medallist Bahadur Singh Sagoo has been elected as the President of the Athletics Federation of India (AFI).
- He replaced Adile Sumariwala, who was the president since 2012, at the Annual General Meeting held in Chandigarh.
- Sandeep Mehta has become the new secretary of the federation.
- The bronze level Continental Tour Athletics event led by AFI will be held in Bhubaneswar.



Cashless Treatment Scheme

- Road Transport Minister Nitin Gadkari has announced a cashless treatment scheme for road accident victims. Under this scheme, medical expenses up to seven days immediately after the accident or up to a maximum of Rs 1.5 lakh will be covered.
- The scheme will be implemented across the country and was initially launched in select states. It will be mandatory to report the accident to the police within 24 hours.
- Additional protection has been provided to the family of the victim in hit-and-run cases. In case of death, the family of the deceased will be given a compensation of Rs 2 lakh.
- Expressing concern over the poor state of road safety, Road Transport Minister Gadkari said that in 2024, 1.8 lakh people died in road accidents in India. Out of these, 30,000 people died because of not wearing helmets. 66% of the victims of fatal accidents were between 18 and 34 years old.
- Gadkari also cited lack of driving training as a major reason and said there is a shortage of about 22 lakh trained drivers in the country. To address this problem, the government has decided to open more driving training centres under the new policy.
- Efforts will also be made to improve faulty entry and exit points near schools and colleges.
- He stressed the need to improve road design and traffic management to reduce accidents.



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