



NEWS ANALYSIS

13 SEPTEMBER 2024

Today's prelims practice Question

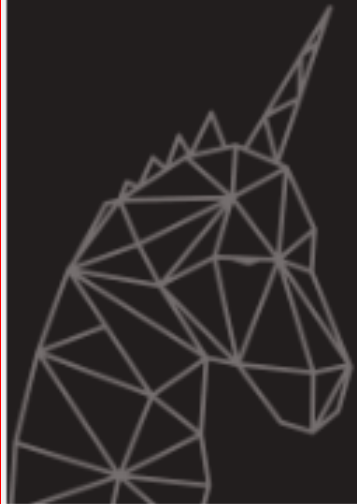
Q)The term 'Unicorn Company' often seen news means

- a) Privatization of any loss-making state-owned company
- b) Privately held start-up company valued at over US\$1 billion
- c) A public sector company merged with another public sector company
- d) Foreign multinational company with monopoly

Explanation



“ A unicorn is a startup company founded after 2003 which has a current valuation of more than \$1 billion ”



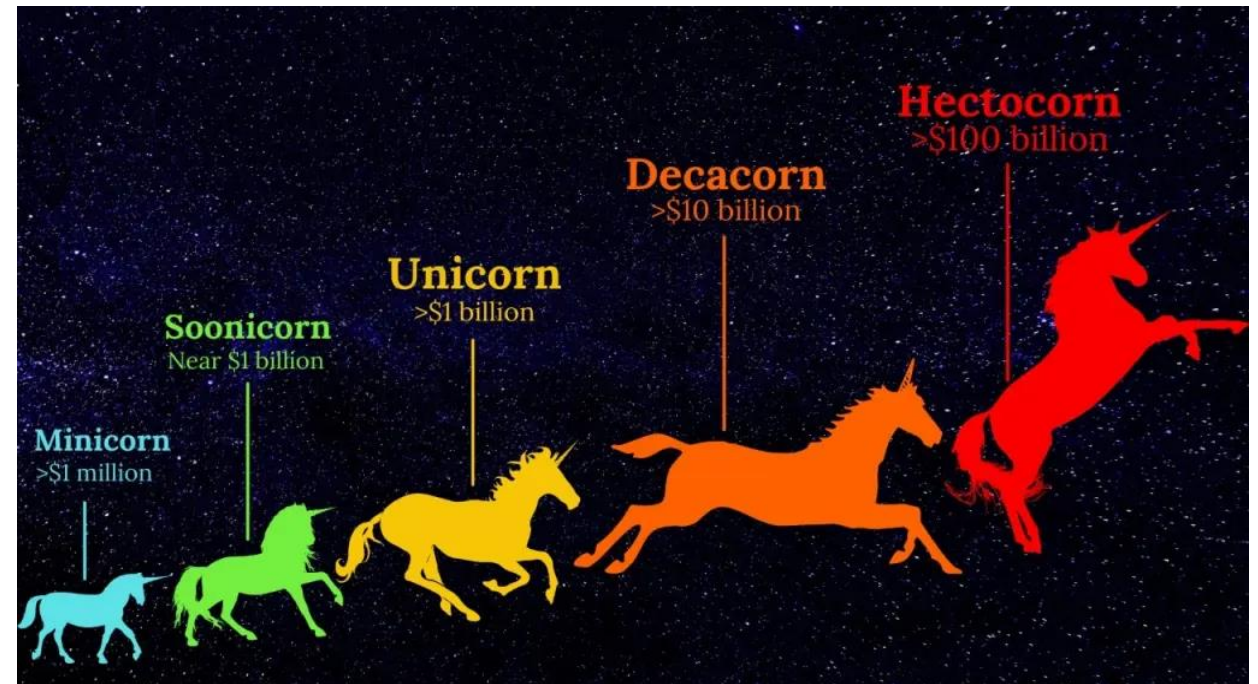
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Today's Prelims Practice Question

Q)Which of the following Indian cities name recently changed as Sri Vijaya Puram by the Union Government?

- A. Kavaratti**
- B. Port Blair**
- C. Indore**
- D. Bhubaneswar**

Crumbling infrastructure and the solution

The shock of crumbling infrastructure and the solution

Reports on the collapse of a series of under-construction bridges in Bihar have highlighted the issues of quality control and project implementation in infrastructure in India. In some instances, these have been megaprojects. The number of such incidents where bridges have collapsed could be 10 or even more. The infrastructure sector has been one of the key drivers of the Indian economy. The government's aim of making India a developed nation by 2047 is linked to improvements in its infrastructure sector. Steps to advance India's infrastructure have taken shape in the form of the PM Gati Shakti National Master Plan (NMP), the National Logistics Policy and the Smart Cities Mission among others. Further, the government increased its capital expenditure allocation to ₹1.1 lakh crore (3.4% of GDP) in Budget 2024, indicating the government's commitment towards infrastructure development.

The challenges within

However, the sector still struggles with certain issues and challenges. One of the most common issues faced by most projects, particularly those that are government-sponsored, are time delays and cost overruns. A report by the Ministry of Statistics and Programme Implementation reveals that as many as 431 infrastructure development projects, each with investments of ₹50 crore or more, suffered a cost overrun of ₹4.82 lakh crore, as of December 2023. Moreover, the percentage of delayed projects hit a three-year low in March this year. Out of 779 projects delayed, 36% were running behind schedule for a period between 25 to 60 months, 26% for one to 12 months, 23% for 13 to 24 months, and 15% for over 60 months averaging a three-year delay.

Any industrial or commercial activity in India requires multiple clearances from the time of conception to the commissioning of the project. The implementation status of most of the projects points to gaps in project management practices, especially in urban infrastructure projects, including a lack of comprehensive planning and



Akshay Kumar Sharma

a former Secretary, Government of India and was the CEO and MD of the Delhi Municipal Industrial Development Corporation (DIMDC) Limited

As a key driver of the Indian economy, the infrastructure sector cannot be subject to failures; having a robust programme management system is important

management by urban local bodies, and a lack of capacity of local self government institutions. All this results in an additional expenditure burden on the government, crowds out funding for more deserving projects and increases procurement costs. It has also been observed that sufficient attention, time and expertise are not devoted during the project planning stage. Therefore, building our experience in project management is crucial for India to continue on its high-growth trajectory in years ahead. While organisations are realising the need for structured project management, many are looking at short-term programmes to enhance the skill sets of their existing project teams.

Traditional practices need an overhaul

Traditional project management practices require an overhaul to integrate modern tools and techniques that involve real-time data management and then crunching that data. An enabling policy framework should consider global best standards on project management and prescribe procedures/guidelines for effective project execution in public sector and public-private partnership projects.

Various countries have adopted multi-pronged approaches to address these issues. In the United Kingdom, the Infrastructure and Projects Authority has a special emphasis on the processes involved for project completion. China, Saudi Arabia and a few other countries have set up similar agencies for end-to-end project deliveries.

Under PM Gati Shakti, the National Master Plan has been launched to break the silos in which government ministries/departments work to bring all stakeholders to work on an integrated platform. This initiative has set benchmarks for all departments to achieve the proposed targets and deadlines. PM Gati Shakti is being demonstrated through a GIS-based ERP portal wherein the objective is to monitor real-time progress. This will provide not only visual depiction of the National Master Plan but will also

integrate, through application programming interface, real-time progress of various departments. However, the quality of projects during implementation and the integrity of the team overseeing the projects will also be critical.

To address these challenges, a holistic "Program Management Approach" is needed. This approach was adopted in the industrial corridors development projects, beginning with the Shendra-Bidkin in Aurangabad, Maharashtra. This involved a disciplined and systematic coordination of human resources, time, money, and information to plan and deliver multiple projects in a unified manner. It is typically employed when the mission involves significant resource expenditure and requires the integration of diverse activities (as in Shendra-Bidkin, with over nine packages taken up simultaneously).

Set up an agency

Programme management relies on well-defined and proven business delivery processes and tools to achieve the overall mission objectives within specified time and budget constraints. This can only be achieved if we are able to develop an industry-ready workforce. Setting up an agency to conduct professional courses in project management along the lines of The Institute of Chartered Accountants of India and chartered engineers in various other countries, will help in developing professional ethics and responsibilities in project execution, monitoring and oversight.

The government has allocated a substantial budget of taxpayers' money for infrastructure projects. As India moves ahead to become a global powerhouse, it is crucial to prevent time and cost overruns as well as the repeated failure of under-construction projects. Implementing a robust programme management system is essential to achieving this goal. Such a system will bring much-needed efficiency to create future-ready infrastructure, paving the way for an affluent and safe future for Indian citizens.

- Recent reports on the collapse of several **under-construction bridges in Bihar** underscore significant quality control and project implementation issues within **India's infrastructure sector**.
- The government aims to transform India into a **developed nation by 2047**, emphasizing infrastructure improvements through initiatives such as the **PM Gati Shakti National Master Plan** and the **Smart Cities Mission**.

- ❑ Despite increasing **capital expenditure to Rs 11.11 lakh crore in Budget 2024**, the sector faces persistent challenges, including time delays and cost overruns.

Project Delays and Cost Overruns

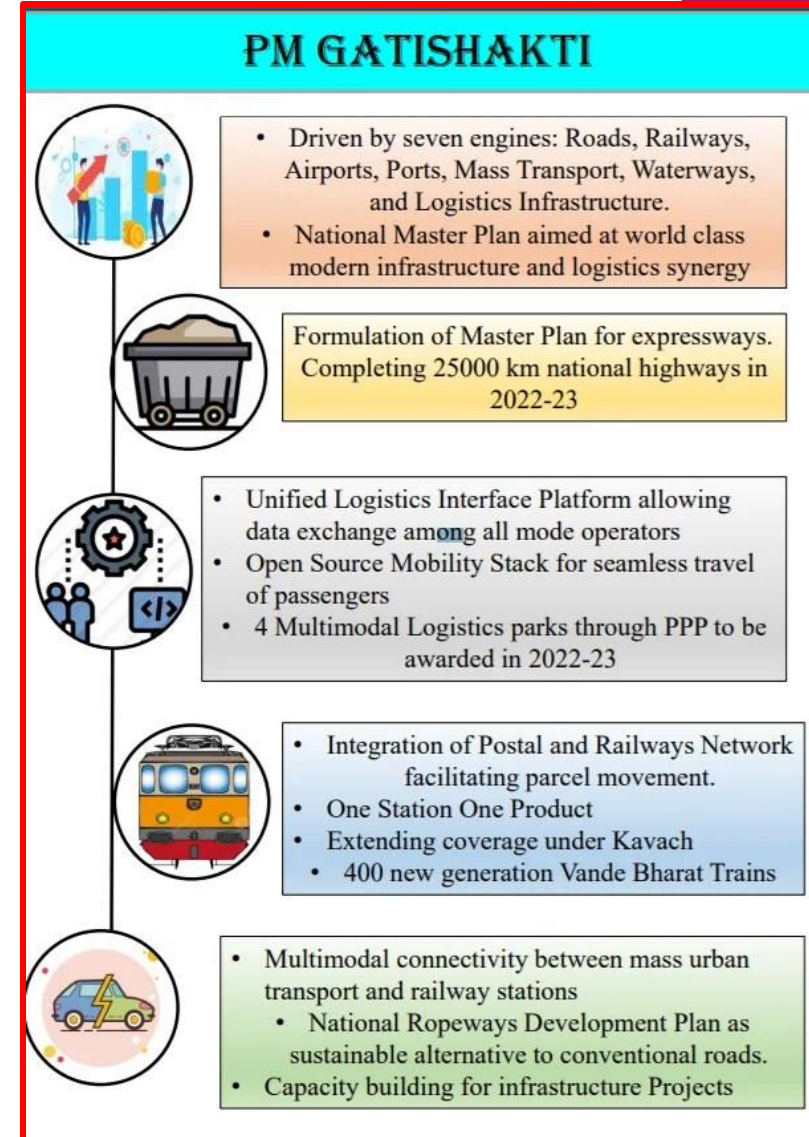
- ❑ As of December 2023, 431 infrastructure projects with investments of Rs 150 crore or more experienced cost overruns totaling Rs 4.82 lakh crore, highlighting **severe financial inefficiencies**.
- ❑ Out of 779 delayed projects, **36% were behind schedule by 25 to 60 months**, with 23% delayed by 13 to 24 months and 15% by over 60 months, indicating a systemic issue in **timely project completion**.
- ❑ These delays and cost overruns impose additional financial burdens on the government, diverting funds from other critical projects and inflating procurement costs, thereby **hindering overall infrastructure growth**.

Six Pillars of Gati Shakti Plan

- 1. Comprehensiveness (tech led holistic planning)**
- 2. Prioritization of work (no haphazard decisions)**
- 3. Optimization (laying the groundwork before the project is started)**
- 4. Synchronization**
- 5. Analytical**
- 6. Dynamic**

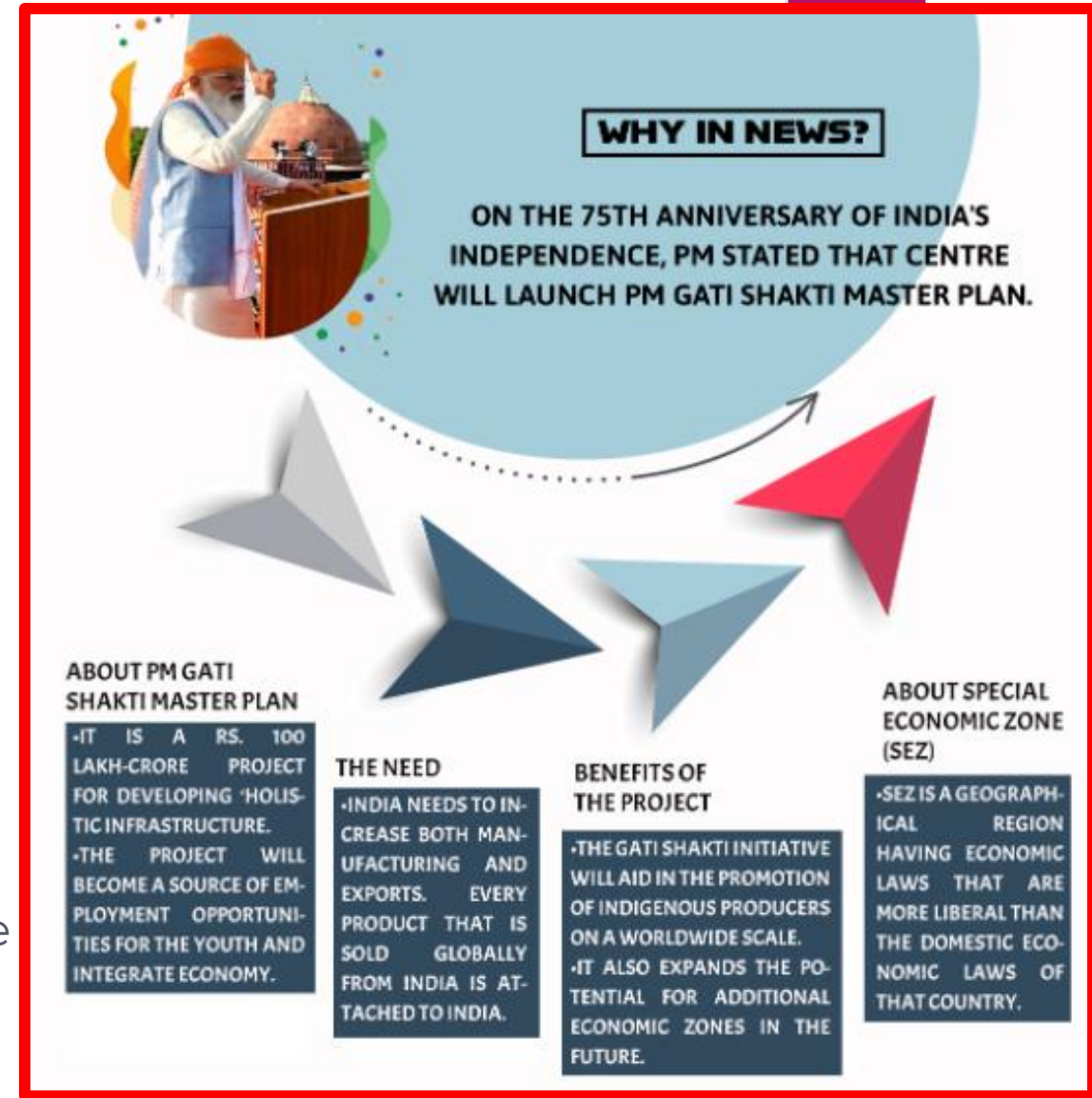
Gaps in Project Management

- ❑ The current project management practices reveal **gaps in planning and execution**, especially in urban infrastructure, where there is often insufficient capacity and oversight by **local self-government institutions**.
- ❑ **Inadequate planning** during the project conception stage results in increased expenditures and inefficiencies. Effective project management and planning are essential for managing large-scale infrastructure projects.
- ❑ **Modernizing project management practices** with real-time data management and global best practices is crucial for improving the efficiency and effectiveness of infrastructure projects.



Program Management Approach

- ❑ **The Shendra-Bidkin industrial corridor** in Maharashtra exemplifies the effective use of a **Program Management Approach**, coordinating multiple projects to optimize resource use and achieve unified objectives.
- ❑ **Establishing an agency to conduct professional courses** in project management, akin to the Institute of Chartered Accountants of India, will enhance project execution standards and develop a skilled workforce.
- ❑ With substantial taxpayer funding allocated for infrastructure, it is imperative to implement **robust program management systems** to prevent project failures and ensure efficient use of resources for future-ready infrastructure.



United Nations Reforms



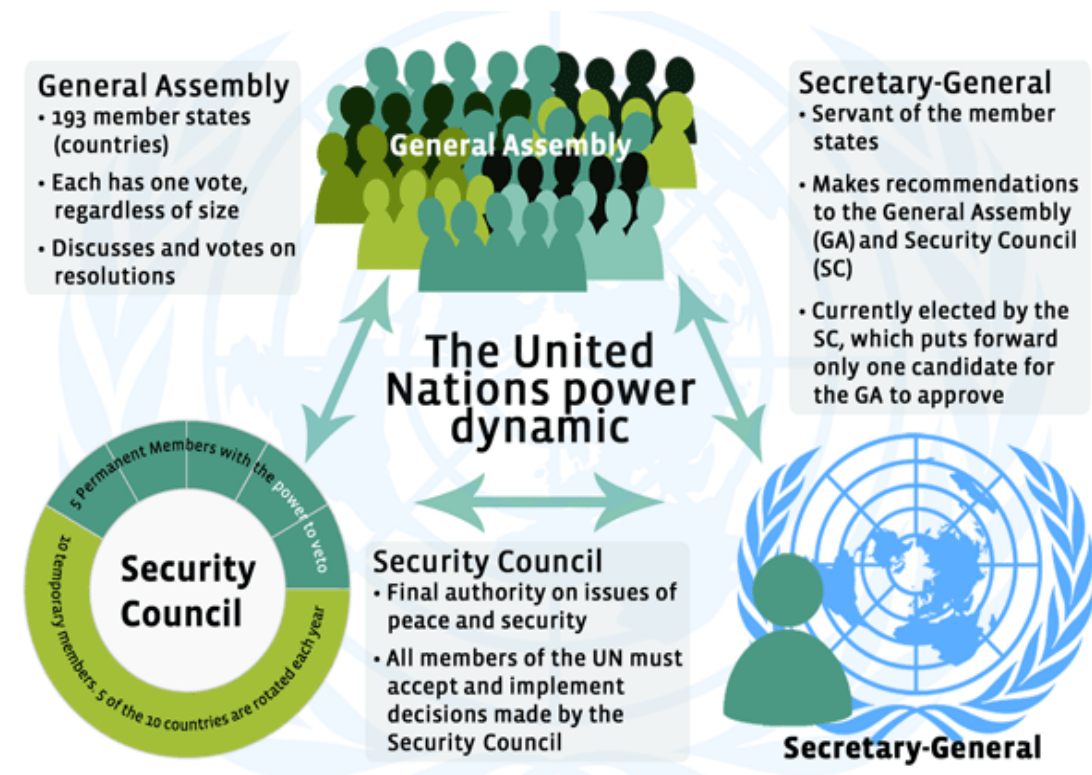
- ❑ Prime Minister Narendra Modi is set to address the United Nations' special global summit, **"The UN Summit of the Future,"** in New York.
- ❑ The summit aims to forge a **new international consensus for a better future.** Amid this, concerns are growing about the **effectiveness of the UN** in addressing contemporary global challenges, highlighting the need for significant reform within the organization.

UN's Ineffectiveness and Calls for Reform

- ❑ **The UN, established in 1945** with an initial membership of 50 countries, is increasingly perceived as ineffective in dealing with modern challenges.
- ❑ The organization struggles with geopolitical tensions and wars, failing to live up to its foundational goals as articulated by early figures like **Dag Hammarskjöld**.
- ❑ UN Secretary-General António Guterres has emphasized the necessity of **reforming the UN's outdated multilateral system**, framing it as a choice between reform or rupture.
- ❑ The UN's foundations were influenced by early **20th-century Western intellectuals** who favored **Anglo-Saxon dominance**, shaping the institution's original framework. This mindset persists in various forms, affecting the UN's adaptability and inclusiveness.



- ❑ The UN is struggling to address conflicts such as those in **Ukraine and Gaza and to enforce Sustainable Development Goals (SDGs)** due to internal inefficiencies and geopolitical conflicts. The WTO's dispute resolution mechanism is also stalled due to US vetoes.
- ❑ India's Permanent Representative to the UN, Ruchira Kamboj, has criticized the **UN Security Council's ineffectiveness** in resolving ongoing conflicts, questioning the UN's capacity to provide solutions to pressing global issues.
- ❑ India's External Affairs Minister, S. Jaishankar, has highlighted the reluctance of permanent **Security Council** members to alter the rules that would diminish their power, underscoring a major barrier to meaningful reform.



Future of the UN and India's Role

- ❑ The UN's current structure is viewed as **outdated**, with many non-English-speaking countries gaining influence but struggling to effect meaningful change within the organization.
- ❑ Prime Minister Modi may use the summit to advocate for a more **prominent role for emerging powers like India** within the UN framework, emphasizing the need for reform to better reflect global power dynamics.
- ❑ Modi's address could include discussions on the need for greater representation and effectiveness in UN operations, aligning with **India's broader push for reform in international institutions.**

THE G4 CASE

By 1992, India, Brazil, Germany, and Japan staked their claims demanding inclusion as permanent members

India has been part of UN since inception, has the world's second-largest population, is the world's largest democracy and has contributed maximum peacekeepers to UN

Brazil is the largest country in Latin America (unrepresented continent) and fifth largest in the world

Brazil

Japan and Germany are one of the largest financial donors to the UN

Besides G4 countries, South Africa (largest economy in African continent) is also a claimant, as the continent remains unrepresented on high table of permanent members

Germany

The roadblock is that Articles 108 and 109 of the United Nations Charter grant P5 veto over any amendments to the Charter, requiring them to approve of any modifications to the UNSC veto power, that they themselves hold

Japan

So even if one member of P5 doesn't agree to any reform, the UNSC cannot be reformed

Project Strawberry

WHAT IS OPENAI O1, THE AI MODEL THAT 'THINKS' BEFORE IT ANSWERS?

BIJIN JOSE
NEW DELHI, SEPTEMBER 13

OPENAI, the world's premier artificial intelligence research organisation, on Thursday released its latest AI model. The new OpenAI o1 is the first in a planned series of "reasoning" models that have been designed to solve more complex tasks and problems in science, coding, and maths.

The model is part of the organisation's secretive Project Strawberry, which is expected to feature autonomous Internet research and dramatically improve AI reasoning capabilities.

How does the new model work?

According to OpenAI, o1 is designed to "think" more carefully about queries before answering — like how humans do while solving a complex problem. The organisation has trained the model to learn how to approach problems from different perspectives, check its output, and learn from its mistakes. This is a big leap forward in AI technology, OpenAI said.

OpenAI o1 is an early version and is yet to be equipped with other features such as browsing the web or managing files and images. The next update of this model is expected to perform similarly to PhD students on challenging benchmark tasks in physics, chemistry, and biology.

What about the safety of the model?

OpenAI said to make o1 safe to use, it has created a new way of training, which

helps the model to understand and follow safety rules better by using its problem-solving skills.

The organisation has tested how well the model follows safety rules, even when users try to trick the AI into breaking them (known as AI jailbreaking). The company said that in one of its toughest tests, the earlier version of the AI model scored 22 out of 100, and the new version scored 84.

OpenAI has improved its safety efforts by working closely with the United Kingdom and the United States governments and their AI safety teams. It has also been given early access to a version of the model to safety groups for research.

How can it impact jobs and research?

Since the new model can solve complex problems, it may impact jobs that could include tasks such as software development, data analysis, coding, mathematical modelling, etc. Reasoning is an intellectual task, and automating it would likely reduce the need for human involvement in some routine coding and troubleshooting in industries such as IT, finance, and engineering.

When it comes to researchers, o1 can be an assistant in fields like physics, chemistry, biology, and healthcare as it can speed up problem-solving. The model's ability to generate formulae and analyse large datasets makes it a helpful tool for researchers looking for breakthroughs.

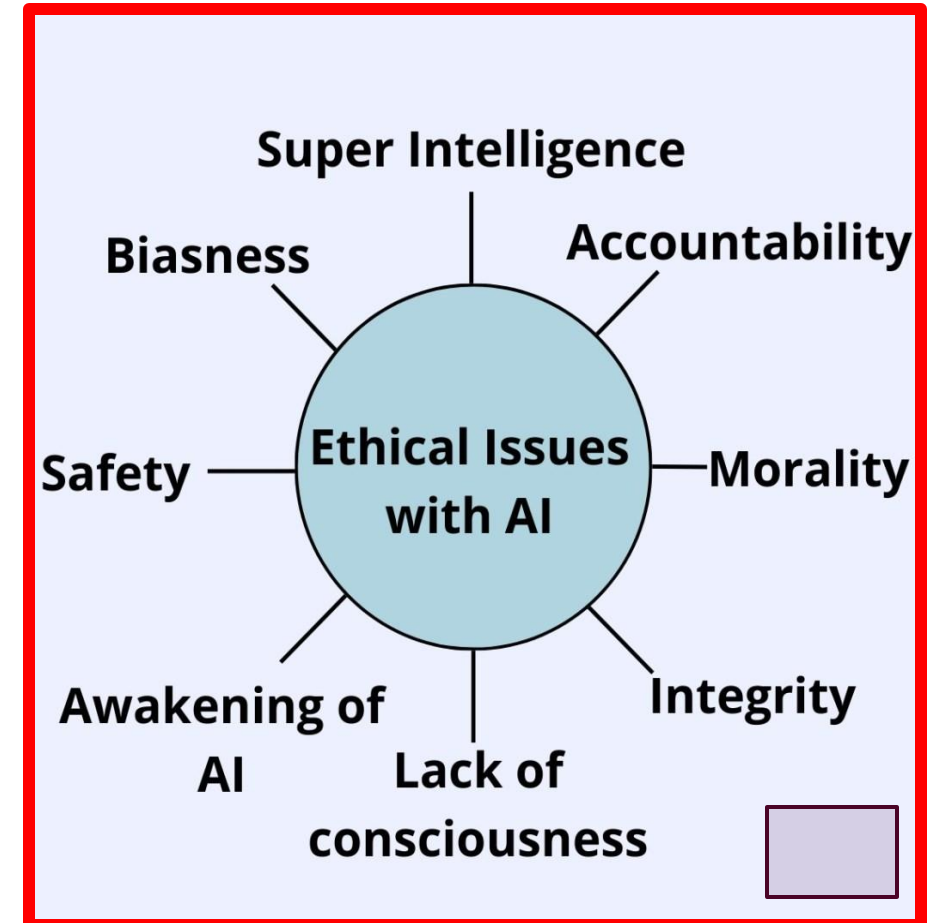
OpenAI o1 is a big step forward in AI's handling of tasks that are traditionally managed by highly skilled professionals.

- ❑ OpenAI has launched new AI models named **o1** and **o1-mini**.
- ❑ The o1 model is part of **OpenAI's secretive Project Strawberry**, focusing on enhancing AI's reasoning abilities.
- ❑ It is designed to **tackle complex tasks in science, coding, and mathematics**, the o1 model represents a significant leap in AI capabilities.

- ❑ The o1 model is engineered to approach problems more thoughtfully, **mimicking human-like problem-solving**.
- ❑ It evaluates queries from multiple perspectives, checks its outputs, and learns from errors.
- ❑ Although the new models lack the ability to browse the web or process uploaded files and images like the **GPT-4o model**, they can refine their **“thinking process”** by trying new strategies and recognising mistakes.

Performance:

- ❑ In a mathematics contest, the **o1 model solved 83% of problems**, a major improvement over earlier versions that solved only 13%.
- ❑ In coding tasks, it outperformed 89% of participants.

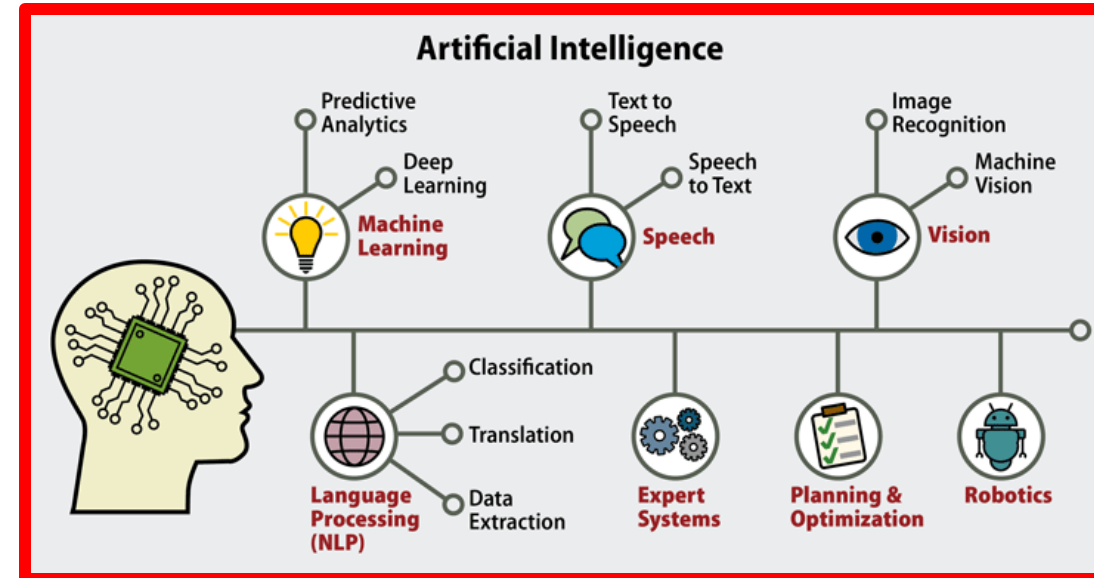


Availability and Access:

- ❑ **Available in ChatGPT** for Plus and Team subscribers, with a weekly message limit (30 for o1-preview and 50 for o1-mini).
- ❑ OpenAI plans to expand availability and introduce a feature for automatic model selection based on user prompts.

Differences Between o1 and o1-mini

- ❑ **o1 Model:** It offers advanced reasoning and problem-solving abilities. It is suitable for complex tasks and applications requiring deep problem-solving capabilities.
- ❑ **o1-mini Model:** It is smaller, faster, and more cost-effective version of the o1 model. It is 80% cheaper than the o1 model. It is designed for efficiency in coding tasks and applications where extensive world knowledge is less critical.



Q) Critically examine the performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005. What are the various issues that need addressing to improve the performance of MGNREGA? (250 words)

Government owes labourers Rs 10.8 cr in MGNREGA wages

As many as 1,38,556 persons have not been paid their wages since October; administration attributes the delay to 'technical problem'

ARPITHA I @ Shivamogga

EVEN though Rural Development and Panchayat Raj (RDPR) Minister K S Eshwarappa hails from Shivamogga, MGNREGA job card holders are yet to be paid a due of Rs 10.88 crore since October. The reason has been attributed to 'technical problem'.

The MGNREGA is a flagship programme of the UPA government introduced in 2006 that intended to address poverty and increase purchasing capacity among rural folk. The scheme gave scope for equality, creating jobs for unemployed and also aimed at development.

According to data obtained from the zilla panchayat, Rs 8.55 crore is pending for material purchase. Including both materials and labour wage for the last three months, Rs 19.35 crore payment is pending. For the year 2019-20, a total of 80,936 households and 1,38,556 persons were provided employment under the MGNREGA scheme. A total of 1,149 families have completed 100 days.

ZP CEO Vaishali M L told



The New Indian Express that it has been communicated that payment is due because of the technical problem and the funds will be released soon. Payment was regular before. This is for the 'first time' that payment is delayed, she said.

In a District Development Coordination and Monitoring Committee (DDCMC) or Disha meeting that was held three weeks back,

B H Mallikarjuna Hakre, Sagar taluk panchayat president brought to the notice of the administration that grants for

MGNREGA workers pay was not released since October. He said that delay in supply of materials can be handled but delay in payment can not be handled. MP B Y Raghavendra had assured of releasing the funds from state government for MGNREGA scheme and later the state government would seek funds from centre for this issue.

K T Gangadhar, Karnataka Rajya Raitha Sangha leader, said, "Not paying agriculture labours at a time of crisis is barbarism."

Approach

- ❑ Introduce MGNREGA 2005
- ❑ Performance of MGNREGA so far
- ❑ Write Challenges in the implementation of MGNREGA
- ❑ Conclude the answer by mentioning a way forward to better implement MGNREGA



The MGNREGA was launched in 2006 in order to provide at least 100 days of guaranteed employment to rural households. It is the largest scheme run by the Ministry of Rural Development (MoRD).

Performance of MGNREGA fared so far?


- It is a labour programme meant to strengthen participatory democracy through community works. It is a legislative mechanism to strengthen the constitutional principle of the right to life.
- It has helped in increasing rural household income.
- It has not only helped in increasing groundwater table in the last one decade, but also agriculture productivity, mainly cereals and vegetables and fodders.
- The water conservation measures, including farm ponds and dug wells, have made a difference to the lives of the poor.

According to a study conducted by New Delhi-based Institute of Economic Growth.

- **There has been an 11 per cent increase in rural household income,**
- **5 per cent increase in cereal productivity and**
- **32 per cent increase in vegetable productivity,**

Challenges to MGNREGA

- ❑ **Insufficient Budget Allocation:** The funds have dried up in many States due to lack of sanctions from the Central government which hampers the work in peak season
- ❑ **Corruption and Irregularities:** Funds that reach the beneficiaries are very little compared to the actual funds allocated for the welfare schemes.
- ❑ **Discrimination:** Frequent cases of discrimination against the women and people from the backwards groups are reported from several regions of the country and a vast number goes unreported.

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- ❑ **Non-payment of Unemployment Allowance:** There is a huge pendency in the number of unemployment allowances being shown in the Management Information System (MIS).
 - ❑ **Lack of Awareness:** People, especially women, are not fully aware of this scheme and its provisions leading to uninformed choices or inability to get the benefits of the scheme.
 - ❑ **Poor Infrastructure Building:** Improper surveillance and lack of timely resources result in the poor quality assets.

Way forward

- **Adequate allocation of Budget funds**
- **Timely payment for workers**
- **Complete decentralisation of the implementation**



Thank you

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