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DAILY NEWS ANALYSIS

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FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Daily Current Affairs_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Daily Current Affairs_The Hindu" would help students, especially beginners save time and streamline their preparations with regard to Current Affairs. A content page and an Appendix has been added segregating and mapping the content to the syllabus.

It is an appreciable efforts by Vedhik IAS Academy helping aspirants of UPSC Civil Services Examinations. I would like to express my sincere gratitude to Dr. Babu Sebastian, former VC - MG University in extending all support to this endeavour. Finally I also extend my thanks to thank Ms. Shilpa Sasidharan and Mr. Shahul Hameed for their assistance in the preparing the compilations.

We welcome your valuable comments so that further improvement may be made in the forthcoming material. We look forward to feedback, comments and suggestions on how to improve and add value for students. Every care has been taken to avoid typing errors and if any reader comes across any such error, the authors shall feel obliged if they are informed at their Email ID.

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Jain group seeks govt's nod to travel to Pakistan

Jain group seeks Centre's nod to travel to Pakistan

Members want to visit restored shrines

SUHASINI HAIDAR
NEW DELHI

As India-Pakistan tensions and the land border closure post-COVID hold up all religious pilgrimages between the two countries, a group of 22 members of the Jain faith have appealed to the Union Home Ministry to allow them to go to Pakistan to visit a shrine that has been restored after decades.

The group, led by Jalandhar-based activist Sunil Jain, who heads the World Jain-Muslim Interfaith Harmony Council, received visas to travel to Lahore on February 21. The visas will expire on March 7, unless they re-

ceive clearances from the Home Ministry and the Immigration Department to travel via the Atari-Wagah border in Punjab.

Among the shrines they hope to see is a temple in Gujranwala, which was until

SPECIAL

recently being used as the office of Deputy Superintendent of Police, and another shrine in Lahore that was attacked and damaged in the riots that followed the demolition of the Babri Masjid in Ayodhya in 1992.

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Both shrines are among a number of temples being restored by the Imran Khan government after the Pakistan Supreme Court ordered that they be reconstructed and handed over to the minorities welfare board.

The group also received a special visa for a *Maharaj*, or special cook, who is able to prepare food according to the strict Jain customs which prohibit onions, garlic, root vegetables and other items, Mr. Jain said. The members include Jains from Delhi, Mumbai, Maharashtra, Punjab and Uttar Pradesh.

"What could be more frustrating than this," Mr. Jain told *The Hindu*, who has made two fruitless visits to the Atari checkpost and come to Delhi to try and meet officials who could help. "When we finally received the visas from Pakistan, we were so happy we could visit our sacred shrines, which are just a few dozen kilometres away across the border, only to find that we are being stopped by our side," he said.

Both the Home Ministry and the Ministry of External Affairs declined to comment on whether the case would be resolved before their visas run out. As *The Hindu* had reported a few weeks ago, religious pilgrimages between India and Pakistan, mandated under a 1974 protocol, have been reduced in the past few years due to tensions.

Despite India opening up travel and flights with many countries, the land borders with Pakistan have not yet been reopened, although as a special gesture, India and

Pakistan have allowed truck convoys carrying wheat as humanitarian aid for Afghanistan recently.

A proposal forwarded by the Pakistan government to New Delhi to allow Hindu, Sikh and Muslim pilgrims from both sides to take flights has also run into red tape, after the Ministry of External Affairs said the permission could only follow once India and Pakistan open talks to renegotiate the 1974 protocol.

The Imran Khan government has refused to hold talks with India and suspended trade ties after the Modi government's decision to change the status of Jammu and Kashmir in 2019.

The only option open for the Jain group is to fly to Pakistan via a third country like the UAE or Qatar, which is prohibitively expensive. "It is the poor and the devout who are being hit the most by these restrictions," Mr. Jain said, admitting that his hopes of visiting Pakistan appeared to be dimming with each passing day. Mr. Jain, who visited Pakistan once in 2006, is particularly keen on visiting the home his family abandoned in Sialkot during the Partition, after which they moved to Allahabad. Years later, a friend of his grandfather visited the family in Allahabad, and promised him a big welcome there.

No Jains live in Pakistan today, as most of this small community moved to India during Partition, and those that remained are believed to have emigrated to other countries or converted locally given the pressures they faced from the majority Islamic population.

UNGA asks Russia to pull back troops from Ukraine

UN General Assembly asks Russia to pull back troops

India abstains from voting on resolution

SRIRAM LAKSHMAN
WASHINGTON DC

India, once again, abstained as the United Nations General Assembly (UNGA) voted 141-5 (35 abstentions) to condemn Russia's invasion of Ukraine, calling upon Moscow to unconditionally withdraw its troops.

Voting on the resolution occurred after representatives of more than 120 countries, territories and associations, made remarks over two days at a special emergency session of the UNGA.

The session was con-

vened after a similar resolution failed to pass the UN Security Council (UNSC) on Friday when Russia exercised its veto.

The resolution, co-sponsored by 96 countries, condemns the February 24 "special military operation" [invasion] by Russia. It says no territories acquired through force will be recognised and calls for Russia to "immediately, completely and unconditionally" withdraw from Ukraine.

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In its explanation of the vote statement, India's Permanent Representative to the UN, T. S. Tirumurti said that the "safe and uninterrupted passage" of Indian nationals, especially students, was India's "foremost priority". Calling for an "immediate ceasefire" and humanitarian access to conflict areas, Mr. Tirumurti said that India hoped the second round of talks between Russia and Ukraine would yield positive results.

Russia's actions have left India in an uncomfortable position as it attempts to balance its interests with both Moscow and the West. Given its experiences in its own neighbourhood, with China and Pakistan, India is also wary of the implications of not condemning one country unilaterally attempting to change the borders it shares with another.

"India urges that all Member States demonstrate their commitment to the principles of the UN Charter, to international law and respect for sovereignty and territorial integrity of all states," Mr. Tirumurti said on Wednesday.

A number of countries in India's neighbourhood supported the resolution – Bhutan, Nepal, and the Maldives, for instance. Afghanistan, currently run by a militant organisation

(the Taliban), and Myanmar, currently ruled by a junta, also voted in favour of it. Bangladesh, Pakistan and Sri Lanka, like India, abstained. China also abstained.

The United Arab Emirates, which had abstained from the UNSC vote, voted for the resolution in the General Assembly. Its representative said that countries "identify diplomatic off ramps" to end the conflict.

India found mention in the speeches of other countries.

The representative of Russian ally Belarus, a country bordering Russia and Ukraine and run by an autocrat, mentioned racism faced by Indian students in his speech. "On the 26th of February, Polish border guards beat up and turned back into Ukraine a group of around 100 Indian students who then were kindly placed in a refugee camp in Romania," the representative said.

Introducing the draft resolution, Ukraine's representative, Sergiy Kyslytsya, said Ukraine regretted that an Indian student had been killed by Russian shelling in Kharkiv, and offered his condolences to the family of the deceased, Naveen S.G. of Karnataka.

(With inputs from Suhasingh Haidar in New Delhi)

EXPLAINER

The Russian invasion is making the global chip shortage situation worse

Will the crisis further deepen as the war escalates? How will the world cope with the colossal shortage?

JOHN XAVIER

The story so far: In October, Intel's chief executive Pat Gelsinger, ahead of the company's third quarter earnings, said he expects the chip shortage to extend until at least 2023. The company's rival, AMD, was a bit more optimistic. At last year's Code Conference, CEO Lisa Su said the situation will likely remain "tight", and would gradually get better in 2022 as more production capacity opens up.

The two CEOs predicted the supply of chips based on the pandemic's effect on a component that has become a life-line for most gadgets we use every day. Now, the ongoing conflict between Russia and Ukraine is worsening the global chip shortage crisis.

How did the shortage crisis begin? After reaching its peak in 2011, the laptop market growth slowed down with the rise of alternatives such as smartphones and tablets. Then, the pandemic hit. People switched to work from home, children connected to schools through laptops, and get-togethers happened over video calls. This shift led to a surge in demand for laptops and tablets.

The stay-at-home rules also made several people pick up console-based gaming. According to a report by data analytics firm NPD Group, overall total consumer spending on video gaming in the U.S. totalled \$13.3 billion in the September ending quarter of 2021, an



increase of 7% when compared to the same period in 2020, and the highest third quarter spend in history.

These devices in high demand run on thumbnail-sized semiconductor piece (or pieces some time), performing various functions on a single device. And manufacturers produce them as 200mm or 300mm wafers. These are further split into tiny chips.

While the larger wafers are expensive and mostly used for advanced equipment, the devices that were in high demand needed smaller diameter wafers. But the manufacturing equipment required to make them were in short supply even before the pandemic began. That's because the industry was moving in the direction of 5G, which required the expensive wafers.

But high consumer demand for low-end products, coupled with large orders from tech firms choked chip makers whose factories were also closed during lockdowns. As the industry

gradually tried to pull itself out of the supply crunch, logistical complexities exacerbated the problem. And then cost of moving containers across the world drove up the price of the core component used in most electronic devices and automobiles.

Why is the Russian invasion impacting chip shortage?

According to a report by Moody's Analytics, Ukraine supplies rare gases used to produce semiconductor fab lasers, and Russia exports rare metals like palladium to make semiconductors. This combination is required to build chips that power a range of devices, from automobiles to smartphones.

Palladium is often used as an alternative to gold in making various devices as the metal is highly malleable and resistant to corrosion. The rare metal is considered to be softer than gold, but is still much harder and durable than the yellow metal. This quality of palladium gives it more protection against an impact and a greater resistance to denting. So, automobile makers, electronics manufacturers and biomedical device producers prefer the silvery-white metal.

Russia and South Africa are the two largest producers of palladium. In 2021, Russia supplied 2.35 million ounces (66 million grams) of palladium, according to precious metals refiner Heraeus. The silvery-white market would move into a severe deficit without those supplies,

pushing the price up. While platinum and rhodium could be substituted for palladium, Russia is also a leading producer of the other platinum group metals.

Palladium is used in nearly all electronic devices, and the metal is a key to make chips and circuit boards. It is used to make multi-layer ceramic capacitors (MLCCs), which are important to make smartphone screens, stereo systems, and power circuit breakers.

As Russia's invasion into Ukraine escalates, the country is getting hit by Western sanctions. This could disrupt the country's exports, leaving the semiconductor firms fewer options to source raw materials to make chip sets.

How are businesses and governments adapting to these changes?

The global semiconductor market is projected to grow by 8.8% to US\$ 601 billion, driven by a double-digit growth of the sensors and logic category, according to data from World Semiconductor Trade Statistics (WSTS).

And with the recent trends in electric mobility, automotive safety, and Internet of Things (IoT), the demand for semiconductor is only going to grow. But this growth is coming at a time when products are being built on global supply chains. So, businesses are investing their offshoring plans. They are considering 'reshoring' as an option to be shielded from global supply chain disruptions.

"Reshoring production can create improvements that may help in the event of a shortage. For one, it is much easier to control production aspects like quality and control processes for onshore manufacturing. There are also fewer governmental restrictions when production is held onshore. There are also benefits for the local community when manufacturing is done locally," according to a research paper titled by California Polytechnic State University.

Intel, one of the few companies that both designs and makes its own chips, announced last month, \$20 billion for two new chip fabrication facilities in the state of Ohio. The company plans to invest \$100 billion over the next decade, and build eight more fab factories in the state.

At the other end of the spectrum is government support to provide a conducive environment for businesses to set up facilities to build semiconductor factories. India recently cleared a \$76,000-crore scheme to incentivise companies to design and make semiconductors.

The U.S. government is looking to pass the CHIPS Act, a law that would provide semiconductor firms with \$52 billion in subsidies to advance chip making in the country.

While business strategies and government policies could help in solving the chip crunch in the long-run, the current semiconductor shortage is here to stay with us in the near-term.

THE GIST

■ Ukraine supplies rare gases used to produce semiconductor fab lasers, and Russia exports palladium to make semiconductors. Thus, contribution from both countries is required to build chips that power automobiles and smartphones.

■ As Russia invaded Ukraine, it got hit by various Western sanctions. This could disrupt the country's exports, leaving the semiconductor firms fewer options to source raw materials to make chip sets.

■ Though various government policies can help to solve the chip crunch in the long-run, the current semiconductor shortage is here to stay with us in the near future.

Biden slams Putin, outlines fight against inflation in U.S.

Won't send troops to Ukraine, he says at SOTU address

SRIRAM LAKSHMAN WASHINGTON

U.S. President Joe Biden on Tuesday delivered his first State of the Union (SOTU) address, using it to criticise Russian President Vladimir Putin and show support to Ukrainians. On the domestic front, he pushed his legislative agenda and outlined plans to fight inflation.

"He [Mr. Putin] thought he could roll in Ukraine and the world would roll over. Instead, he met with a wall of strength he never anticipated or imagined. He met Ukrainian people," Mr. Biden said, as he asked everyone to stand in solidarity with Ukraine. The country's ambassador to the U.S. was a special guest of First Lady Jill Biden for the address.

Mr. Biden said he had spent months building coalitions in Europe and elsewhere - a veiled reference presumably to the retrenchment of the U.S. from multilateralism during the Donald Trump presidency.

"Putin is now isolated from the world more than he has ever been," Mr. Biden said. He warned Russian oligarchs that the U.S. was going to go after their "ill-begotten" wealth, announcing



Joe Biden

a Justice Department task-force for this purpose. He also announced that U.S. airspace would be closed to Russian flights.

Ukrainian President Volodymyr Zelensky had asked Mr. Biden to send a strong and "useful" message about the invasion of his country by Russia, CNN reported.

While he outlined the types of assistance that was being provided to Ukraine, Mr. Biden reiterated that American troops would not fight in Ukraine but support NATO countries, in the event that Mr. Putin would send his army further west.

Both China and Afghanistan barely received any mention - a sign of the changing preoccupations of American foreign policy and its current focus on Russia.

On the domestic front,

Mr. Biden outlined a plan to keep inflation under check by lowering prescription drug costs and childcare costs, investing in manufacturing within America.

The President also used his speech to push his legislative agenda - asking Congress to pass Bills related to innovation and hiking the minimum wage among others.

He called for resources for police, to train them better.

"We should all agree the answer is not to defund the police, it's to fund the police," he said, to applause. He talked about the progress made with fighting COVID-19 - no masks were required in the House chamber during the speech. However, Mr. Biden also made clear that the fight against COVID-19 was not over and that unity was required.

"So stop looking at COVID-19 as a partisan dividing line. See it for what it is: a god-awful disease. Let's stop seeing each other as enemies. Let's start seeing each other for who we are: fellow Americans."

Mr. Biden's poll ratings are at a low - from the late thirties to the early forties (percentage terms).

A negation of the individual and a collective moral decay

Handing down the death sentence in a cursory manner and the ensuing public silence are cause for concern



ARJUN JOSHI & SURABHI VAYA

Last week, a little over 13 years after the blasts in 2008 (in July) in Ahmedabad, Gujarat, the designated court to conduct a speedy trial decided the fate of 78 of the accused people. The Sessions Court building turned into a fortress on the day of the verdict. Unlike other days, people were frisked before they were allowed on the court premises. But in this seeming silence and secrecy, on a video-conference link, 49 people were convicted. When those adjudged guilty were asked if they had anything to say, most spoke with fondness about their family members; many recounted their clean jail records and educational qualifications; some pleaded innocence. Many broke down and begged for mercy.

Within a week, the court sentenced 38 of 49 people to death. In a judgment that was 7,015 pages long, written entirely in Gujarati, the court perfunctorily read out the names of convicts, almost like a school roll call – to “...tie a noose around the neck and hang the convict until he is dead...” – making it one of the most jarring cases in the history of independent India of the use of discretion to sentence citizens to death.

According to a report by Project 39A at the National Law University, Delhi, a total of 488 prisoners in India (as of 2021) were on death row, which is an increase of nearly 21% from 2020. In one fell swoop, the unprecedented verdict of the court in Ahmedabad has now added a near 10% increase to this number; it is also a reflection of the growing trend of trial courts to cursorily hand down the death sentence.

Degree of retributive justice

Debates on the death sentence often focus on its efficacy or constitutionality. But even the liberal critique sidesteps the central issue: the death sentence grants the state the monopoly of violence. This monopoly is justified by claiming that such a step prevents crime or that it is a measure of long-due justice. But at its core, death as a punishment for the ‘rarest of rare’ crimes is the highest measure of retributive justice in criminal law, based entirely on discretion.

Fundamentally, ‘rarest of rare’ is a standard that allows a court of law to use public sentiment as a judicially reliable standard in handing out the death sentence. India’s carceral criminal jurisprudence requires a court to calculate proportionality between crime and punishment. But here is a sentence that goes beyond the confines of these calculations to deprive a person of their life – committing an act whose central value itself is immeasurable.

Justice P.N. Bhagwati pointed to



GETTY IMAGES/ISTOCKPHOTO

this in his dissent from the majority Supreme Court view, in *Bachan Singh vs State of Punjab* (1980). In a remark that discretion is a poor substitute for principle, he held that any standard setting to explain when an institution can kill someone defeats the moral imperative to do no harm. Thus, instead of lifting the moral atmosphere of society, the ‘rarest of rare’ standard gives an institution the power to bracket people as those who deserve to live imprisoned and those who deserve to be institutionally killed. The impossibility of reform, the heinous nature of the crime, the shock to the public conscience, none of these things sufficiently justify the right of a fallible institution to take someone’s life.

The harm of this loose standard is on full display in this verdict under discussion. After the verdict is delivered in any criminal trial, lawyers make what are called ‘mitigating arguments’ – essentially to contextualise the convict as an individual and not as the accused.

In this case, first, the court orally convicted ‘en masse’ several of the accused instead of declaring the charges proved against them separately. That is, out of the 78 accused, 49 were convicted, but the

point of calling it ‘en masse’ is because it was done in groups based on charges, and not for each accused; consequently, not indicating the individual roles of the accused. It then directed the defence to commence sentencing arguments without access to the lengthy written judgment that contained specific findings of the court. By depriving the defence of the verdict, the court crippled even the possibility of making a proper mitigation argument. In a bizarre turn of events, the prosecution argued that the defendants should argue for mitigation before it would even disclose which convicts it intended to seek the death sentence. The role attributed to each of the accused was different. By equating them for mitigation purposes (individual circumstances were unaccounted for and context and circumstances were considered to be the same) and handing down a mass death sentence, the court has only opened the door for greater misuse of a questionable power to end a life without any oversight.

Evidence of humanity

Mitigation turns usual court proceedings on their head. Unlike other trial stages where a court adjudicates between competing legal identities of an accused, the complainant, etc., in mitigation, the court hears evidence of a person’s humanity. Do they play cricket? Do their neighbours like them? Do they feel remorse or empathy for the people they affected? What if

they are innocent? How should they feel contrition then? Do they demonstrate the possibility of readjusting to life outside prison if they are ever released? It allows discretionary sentencing to don a veneer of compassion when both outcomes – incarceration or death – are fundamentally inhuman. Hearing mitigating circumstances requires – however temporarily – for the trappings of distance and formality to be stripped away so that a court may see a person instead of a convict. As the keeper of public conscience, the court’s decision to ignore all reasons to let someone live says more about our collective bloodlust than the 38 people we keep pretending are not one of us. It relies on a remarkably craven view of human potential.

Maybe calling it the death ‘penalty’ itself is problematic. It is not a levy on delayed tax filings or a moment in a football match. Such a permanent sentence requires us to assume that our institutions are infallible and user-proof. To cast this as a simple ‘penalty’ ignores what it truly does – and did in this case; it negates the individual for the final time.

Arjun Joshi is a lawyer practising at the High Court of Gujarat. He assisted in defending eight of the accused in the bomb blasts, (of whom six were sentenced to death and two were acquitted). Surabhi Vaya is a law student who assisted with the sentencing arguments of six convicts in the 2008 Ahmedabad blast case, and who were sentenced to death. The views expressed are personal

Lines and roles

The time may have come for clarifying the role and functions of Governors

Signs of a confrontation between Raj Bhavan and the elected government in a State are not infrequent in the country. The onus often appears to be on the Chief Ministers to avert a constitutional crisis, as evidenced by Pinarayi Vijayan trying to buy peace with a miffed Governor, Arif Mohammed Khan, rather than pursue a confrontational course, over several issues in recent times. One way of seeing these developments is to attribute them to the appointment of those who have been politically active in the recent past as Governors and the partisan role they play as agents of the Centre. However, the problems may have to do with the way they understand their own powers. Constrained by the 'aid and advice' clause in their routine functioning, some Governors seem to be using the discretionary space available to them to keep regimes on tenterhooks. A Constitution Bench of the Supreme Court laid down in 1974 that the President and Governor shall "exercise their formal constitutional powers only upon and in accordance with the advice of their Ministers save in a few well-known exceptional situations" – "situations" also illustratively listed. Yet, there is the extraordinary situation of some Governors not acting upon requests to grant clemency or assent to Bills; and, in one instance in Tamil Nadu, a reluctance to reserve for the President's consideration a Bill that expressly requires Presidential assent because of obvious conflict with a central law.

Much of the conflict arises due to the Constitution itself. It fixes no time-frame for the Governors to act, and contains, in Article 163, an unusual power to choose what is in their discretion and what is not, with the courts being barred from inquiring into whether any advice and, if so, what advice was given. The Sarkaria Commission on Centre-State relations recommended no change in this scheme, but it is time it is revisited. While as the 'lynchpin' of the constitutional apparatus, Governors indeed have a duty to defend the Constitution and encourage or caution the elected regime, the impression that Governors are not obliged to heed Cabinet advice persists in some areas. At a time when regional political forces are actively seeking to be heard by the Centre, it may be time that the provisions relating to the Governor's role are amended. Identifying areas of discretion, fixing a time-frame for them to act, and making it explicit that they are obliged to go by Cabinet advice on dealing with Bills can be considered. Regarding Bills, it is clear that the Constituent Assembly passed the provision for Governors to return Bills for reconsideration only on the express assurance that they have no discretion at all. In addition, as suggested by the M.M. Punchhi Commission, ending the practice of burdening Governors with the office of Chancellor in universities should also be considered.

Losing steam

Latest GDP numbers reflect a faltering recovery even as Ukraine crisis heightens risks

The latest national income estimates for 2021-22 released by the NSO have pared growth hopes from 9.2% to 8.9%, compared to the 6.6% contraction in 2020-21. GDP growth (October- December 2021 quarter) Q3 is pegged at 5.4%, compared to the 0.7% recorded in the same quarter of 2020, when the economy returned to the growth zone after two quarters of sharp contraction. The headline Q3 growth number was expected to moderate from the 20.3% and 8.5% recorded in the first two, but not as much as it has. GVA, projected to rise 8.3% for the full year, compared to the 4.8% contraction in 2020-21, recorded only 4.7% growth in Q3. The overall trajectory is a tad disheartening, with little comfort to glean even when the numbers are spliced. Construction sector GVA actually contracted 2.8% in Q3, when infrastructure spending push was expected to be reviving its fortunes. Manufacturing recorded a mere 0.2% increase in a quarter that included India's annual festive boom, possibly indicating that smaller firms remain hobbled. The largely contact-intensive segment of trade, hospitality, transport, communication and services related to broadcasting also continued to languish well below pre-pandemic levels.

That sectors critical for jobs are still in trouble is also reflected in private consumption staying below pre-pandemic levels. The resurgence of retail inflation past 6% in January, with the overhang of a sharp retail fuel price spike after the Assembly polls, could cripple consumption further. Core sectors' output growth in January and persistent manufacturing job losses in February (indicated by the PMI), suggest these pieces of the recovery puzzle will not be fixed in a hurry. It also means that the 4.8% growth assumption for Q4, built into the 8.9% growth calculations for this year, may be too optimistic. These portents are far from comforting, even in a business-as-usual scenario for an economy that had recorded several quarters of moderating growth before the COVID-19 pandemic tipped it over. India may have coped better with the Omicron variant, but external risk factors have risen dramatically. Large central banks' moves to tighten liquidity faster than expected, in the face of soaring inflation driven by runaway oil prices, have roiled financial markets. The uncharted implications arising from the Ukraine crisis only add to the challenge. Apart from gearing up to pre-empt imported inflation spikes, the Government needs to extend greater policy support, preferably going beyond credit guarantee offers, to sectors still in the doldrums. It also needs to exert greater energy to ensure its grand infrastructure spending plans get off the ground faster to have a salutary effect on the economy. The multi-layered uncertainties ahead necessitate that policy makers cut no slack, either in action or reaction.

'Agri-tech saw ₹6,600-cr. PE funding in four years'

Bain report cites 50% annual growth

SPECIAL CORRESPONDENT
NEW DELHI

Private equity investments in the Indian agri-tech space grew more than 50% annually to aggregate approximately ₹6,600 crore till 2020, according to a new report by Bain & Company and the Confederation of Indian Industry (CII).

Titled 'Innovation in India's Rural Economy: Disruptive Business Models are Stimulating Inclusive Growth in Agriculture and Rural Finance', the report showed that India's rural economy contributed close to half of the nation's overall GDP in 2019-2020.

"Two-thirds of India's population participated in its rural economy in the past two years, and agriculture – the largest sub-sector within the rural economy, had the highest share of output,



contributing approximately 37% of the total rural GDP," the authors said.

They noted that the agriculture sector had been growing at a compound annual rate of 11% since 2015. It has also witnessed the highest disruption in terms of smartphone and Internet penetration. This ecosystem is now at an inflection point, and companies that address inefficiencies across the value chain will have explosive growth, they pointed out.

February manufacturing PMI signals uptick in output, orders

Margin worries continue to spur job losses, says IHS Markit

SPECIAL CORRESPONDENT
NEW DELHI

India's manufacturing sector saw an expansion in output and new orders in February as per the IHS Markit Purchasing Managers' Index (PMI), which rose to 54.9 from 54 in January. A PMI reading above 50 indicates expansion in activity levels.

February marks the eighth month in a row that the sector has expanded, with the PMI staying above the long-run average of 53.6.

Favourable demand conditions led to an uptick in business optimism to the highest level since last October, although it is still below the long-term average.



However, despite the pickup in demand and input price inflation dropping to a six-month low, employment in the sector decreased, although the job shedding was the lowest in three months.

The survey of purchasing managers from 400 manufacturing units was based on

interviews conducted between February 10 and 22. Thus it does not incorporate the impact of Russia's invasion of Ukraine last week.

Cost pressures

The uptick in orders helped shed finished goods' stocks, but producers remained fretful about threats to growth and profit margins, noted Shreeya Patel, economist at IHS Markit.

"Cost pressures remained elevated as a result of shortages while delivery times lengthened once again. However, a key threat to manufacturers comes from only marginal increases in selling prices," she observed.

'FMCG consumption slows in urban markets'

Inflation impacts purchases: NielsenIQ

PRESS TRUST OF INDIA
NEW DELHI

The Indian FMCG industry witnessed a consumption slowdown in urban markets and degrowth in rural areas in 2021 as the sector was hit hard by higher inflation levels forcing companies to go for successive price increases, according to data analytics firm NielsenIQ.

In 2021, the FMCG industry had to go for double-digit price growth in three consecutive quarters to protect its margins, which converted into a price-driven growth of 17.5% in comparison to a year ago in 2020.

Even in the October-December (Q4/2021) quarter, the FMCG industry has witnessed a consumption degrowth of 2.6% due to infla-



tionary pressure and other macroeconomic factors, said the FMCG Snapshot released by NielsenIQ's Retail Intelligence team on Wednesday.

"Higher inflation levels during 2021 have led to three consecutive quarters with double-digit price increase resulting in consumption slowdown in urban markets, and consumption degrowth in rural markets," it said.

Trade deficit widens to \$21 bn again as imports climb 35%

Cumulative exports near \$400 bn target, gold imports regain momentum

SPECIAL CORRESPONDENT
NEW DELHI

India's merchandise exports rose 22.3% to \$33.81 billion in February, while imports shot up 35% to surpass \$55 billion, widening the trade deficit to \$21.2 billion, as per preliminary foreign trade estimates.

The trade deficit, which shrank to about \$17 billion in January, had earlier hit a record \$22.9 billion in November 2021, and had averaged \$21.7 billion between September and December.

February's deficit was more than twice as wide as the pre-pandemic level of February 2020. Fertiliser imports surged more than sevenfold last month to touch



Steady showing: Merchandise exports rose 22.3% from a year earlier to \$33.81 billion last month, as per estimates. ■ REUTERS

\$1.6 billion, while coal imports more than doubled to \$2.8 billion.

Gold imports, at \$4.68 billion, were 11.5% lower than February 2021, but almost doubled from January's \$2.4 billion, a level that had con-

tributed to narrowing the fiscal deficit that month.

"A rebound in oil and gold demand amid the waning of the third wave, along with rising global commodity prices fanned by escalating geopolitical tensions, boost-

ed imports and bloated the merchandise trade deficit," commented Aditi Nayar, chief economist at ICRA.

'War to set March deficit'

"Interestingly, non-oil, non-gold imports moderated on a sequential basis, even as the pace of year-on-year growth rose in February relative to January," she noted, adding that the merchandise deficit in March would be determined by the duration of the Russia-Ukraine conflict and the impact on commodity and crude oil prices.

Cumulative outbound trade for 2021-22 appears on track to cross the \$400 billion target, having surpassed \$374 billion by February.

EXPLAINER

IPCC sounds another climate warning

How will the world recover from the ecological catastrophe caused due to rising world temperature ?

G. ANANTHAKRISHNAN

THE GIST

■ The scientific assessment is that between 3.3 and 3.6 billion people live in areas that are highly vulnerable to climate change. This includes people living along coastlines that are threatened by cyclones and floods.

■ Currently, between 3% and 14% of the entire world's population face a very high risk of extinction at even 1.5° C, with devastating losses at higher temperatures.

■ Climate Resilient Development is the answer to these problems as it would help to reduce greenhouse gas emissions, and will raise sufficient climate finance.

The story so far: On February 27, the Intergovernmental Panel on Climate Change (IPCC) issued a major report that reviewed the scientific evidence on natural, ecological, social and economic spheres, concluding that climate change has already produced irreversible losses and damage to land, coastal and marine ecosystems.

This new report, which assesses the prospects for the planet if global average surface temperature exceeds 1.5°C from the pre-industrial era, warns of severe consequences to food supply, human health, biodiversity loss and integrity of the natural environment, if carbon emissions from human activity are not sharply reduced, and governments lack the political will to review their policies.

What are the key features of the report?

Using the time-frames of near-term, mid-term and long-term effects of climate change caused by average temperature exceeding 1.5°C, Working Group II proposes urgent actions that the world's leaders must take. The WG II report titled "Impacts, Adaptation and Vulnerability" is among three specialist publications that contribute to the overall Assessment Report 6 of the IPCC due in September 2022. One report was published last year.

The scientific assessment is that between 3.3 and 3.6 billion people "live in contexts that are highly vulnerable to climate change."

This includes people living along coastlines that are threatened by rising sea levels and extreme weather events such as cyclones and floods. Clearly, India has several populous coastal cities, including Mumbai and Chennai, which play an important role in manufacturing, exports and services, and the IPCC's assessment points to the need for a policy review to help them adapt.

The IPCC's conclusions are classified as having 'very high confidence' to 'low confidence' based on the strength of the evidence. One area where the data inspires

'high confidence' is human pressures on habitat. "Globally, and even within protected areas, unsustainable use of natural resources, habitat fragmentation, and ecosystem damage by pollutants increase ecosystem vulnerability to climate change," it says. Taken as a whole, less than 15% of the world's land, 21% of the freshwater and 8% of the ocean are protected.

What are the threats?

Food production as a fundamental determinant of human well-being and progress faces a climate threat. On this, the scientists contrast agricultural development contributing to food security with "unsustainable agricultural expansion, driven in part by unbalanced diets" as a stressor that increases ecosystem and human vulnerability, leading to competition for land and water.

The prognosis for a 2°C (or worse) warmer world is severe and the report says that with higher global warming level in the mid-term (from 2041-60), food security risks due to climate change "will be more severe, leading to malnutrition and micronutrient deficiencies, concentrated in Sub-Saharan Africa, South Asia, Central and South America and Small Islands."

There are adaptation options, however, which should form part of inclusive policy. These include raising food output through cultivar improvements, agroforestry, community-based adaptation, farm and landscape diversification, and urban agriculture.

Applying the principles of agroecology (a holistic approach using ecological and social concepts for sustainable agriculture), ecosystem-based management in fisheries and aquaculture, and use of natural processes can improve food security, nutrition, health, livelihoods, biodiversity, sustainability and ecosystem services, the IPCC report argues.

In the current situation, between 3% and 14% of all species on earth face a very high risk of extinction at even 1.5°C, with devastating losses at higher temperatures. This too will have an impact through ecological catastrophes.

Are there any policy prescriptions?

Sounding a warning, the report says that between 2010-2020, human mortality from floods, droughts and storms was 15 times higher in highly vulnerable regions, compared to regions with very low vulnerability. South Asia is a hotspot, as it has among the largest absolute numbers of people displaced by extreme weather, along with South East Asia and East Asia, followed by sub-Saharan Africa.

There are pointers for India. Heavy rainfall has increased in most of the Indian subcontinent, and Chennai, along with Chittagong, Dhaka and Mumbai, as well as the Gangetic Plain and the Delhi - Lahore corridor are seen as future migration hotspots.

Some possible remedial measures are Heat Health Action Plans that include early warning and response systems for extreme heat. Water-borne and food-borne disease threats in populous settings can be met by improving access to potable water, reducing exposure of water and sanitation systems to flooding and extreme weather events, as well as improved early warning systems.

The IPCC calls for mainstreaming of adaptation actions into institutional budget and policy planning, creating statutory processes, monitoring and evaluation frameworks and recovery measures during disasters. Moreover, introducing "behavioural incentives and economic instruments that address market failures, such as climate risk disclosure, inclusive and deliberative processes strengthen adaptation actions by public and private actors," it says.

What options exist for climate resilient development?

In the IPCC's assessment, the window of opportunity to keep the rise in temperature to below 1.5°C is narrowing. There already exists a consensus that under existing pledges by governments who signed the Paris Agreement, this goal is impossible, and the average temperature could rise as high as 3°C, with catastrophic consequences.

Climate Resilient Development is the answer, and it would align all pathways towards sharp cuts in greenhouse gas



Climate collapse: In this photo taken on September 14, 2019 a man stands next to a home built close to the sea during the high tide in Mumbai. © AFP

emissions, institution of measures to absorb much of the stock of CO2 in the atmosphere, and raise sufficient climate finance for adaptation.

Here, the IPCC says the global trend of urbanisation offers an immediate, critical opportunity to advance climate resilient development. Coastal cities and settlements play an especially important role.

What cannot work, however, is energy-intensive and market-led urbanisation. Neither would weak and misaligned finance, as well as a misplaced focus on grey infrastructure, rather than ecological and social approaches. Wrong policies in areas such as housing could, in fact, lock in maladaptation, particularly affecting poor communities. Poor land use policies, siloed approaches to health, ecological and social planning also affect resilient development. The rest of the current decade is crucial in steering the world towards a low carbon pathway, the report adds.

General Studies Paper I	
A	History of Indian culture will cover the salient aspects of art forms, literature and architecture from ancient to modern times;
B	Modern Indian history from about the middle of the eighteenth century until the present-significant events, personalities, issues;
C	Freedom struggle-its various stages and important contributors / contributions from different parts of the country;
D	Post-independence consolidation and reorganization within the country;
E	History of the world will include events from 18 th century such as industrial revolution, world wars, re-drawal of national boundaries, colonization, decolonization,
F	Political philosophies like communism, capitalism, socialism etc.-their forms and effect on the society
G	Salient features of Indian Society, Diversity of India;
H	Effects of globalization on Indian society;
I	Role of women and women's organization;
J	Social empowerment, communalism, regionalism & secularism
K	Salient features of world's physical geography;
L	Geographical features and their location- changes in critical geographical features (including water bodies and ice-caps) and in flora and fauna and the effects of such changes;
M	Important Geophysical phenomena such as earthquakes, Tsunami, Volcanic activity, cyclone etc.
N	Distribution of key natural resources across the world (including South Asia and the Indian subcontinent);
O	Factors responsible for the location of primary, secondary, and tertiary sector industries in various parts of the world (including India);
P	Population and associated issues;
Q	Urbanization, their problems and their remedies
General Studies Paper II	
A	India and its neighbourhood- relations;
B	Important International institutions, agencies and fora- their structure, mandate;
C	Effect of policies and politics of developed and developing countries on India's interests;
D	Bilateral, regional and global groupings and agreements involving India and/or affecting India's interests.
E	Indian Constitution, historical underpinnings, evolution, features, amendments, significant provisions and basic structure;
F	Comparison of the Indian Constitutional scheme with other countries;
G	Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein; Inclusive growth and issues arising from it;
H	Parliament and State Legislatures - structure, functioning, conduct of business, powers & privileges and issues arising out of these;
I	Structure, organization and functioning of the executive and the judiciary, Ministries and Departments;

J	Separation of powers between various organs dispute redressal mechanisms and institutions;
K	Appointment to various Constitutional posts, powers, functions and responsibilities of various Constitutional bodies;
L	Statutory, regulatory and various quasi-judicial bodies;
M	Mechanisms, laws, institutions and bodies constituted for the protection and betterment of these vulnerable sections;
N	Salient features of the Representation of People's Act;
O	Important aspects of governance, transparency and accountability, e-governance- applications, models, successes, limitations, and potential;
P	Citizens charters, transparency & accountability and institutional and other measures;
Q	Issues relating to poverty and hunger,
R	Welfare schemes for vulnerable sections of the population by the Centre and States, Performance of these schemes;
S	Issues relating to development and management of social sector / services relating to education and human resources;
T	Issues relating to development and management of social sector / services relating to health
General Studies Paper III	
A	Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment;
B	Effects of liberalization on the economy, changes in industrial policy and their effects on industrial growth;
C	Inclusive growth and issues arising from it;
D	Infrastructure Energy, Ports, Roads, Airports, Railways etc. Government budgeting;
E	Land reforms in India
F	Major crops, cropping patterns in various parts of the country, different types of irrigation and irrigation systems;
G	Storage, transport and marketing of agricultural produce and issues and related constraints;
H	e-technology in the aid of farmers; Technology Missions; Economics of Animal-Rearing.
I	Issues of buffer stocks and food security, Public Distribution System- objectives, functioning, limitations, revamping;
J	Food processing and related industries in India – scope and significance, location, upstream and downstream requirements, supply chain management;
K	Issues related to direct and indirect farm subsidies and minimum support prices
L	Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology;
M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
O	Issues relating to intellectual property rights
P	Conservation, environmental pollution and degradation, environmental impact assessment
Q	Disaster and disaster management
R	Challenges to internal security through communication networks, role of media and social networking sites in internal security challenges, basics of cyber security;
S	Money-laundering and its prevention;

T	Various forces and their mandate;
U	Security challenges and their management in border areas;
V	Linkages of organized crime with terrorism;
W	Role of external state and non-state actors in creating challenges to internal security;
X	Linkages between development and spread of extremism.
General Studies Paper IV	
A	Ethics and Human Interface: Essence, determinants and consequences of Ethics in human actions;
B	Dimensions of ethics;
C	Ethics in private and public relationships. Human Values - lessons from the lives and teachings of great leaders, reformers and administrators;
D	Role of family, society and educational institutions in inculcating values.
E	Attitude: Content, structure, function; its influence and relation with thought and behaviour;
F	Moral and political attitudes;
G	Social influence and persuasion.
H	Aptitude and foundational values for Civil Service , integrity, impartiality and non-partisanship, objectivity, dedication to public service, empathy, tolerance and compassion towards the weaker sections.
I	Emotional intelligence-concepts, and their utilities and application in administration and governance.
J	Contributions of moral thinkers and philosophers from India and world.
K	Public/Civil service values and Ethics in Public administration: Status and problems;
L	Ethical concerns and dilemmas in government and private institutions;
M	Laws, rules, regulations and conscience as
N	sources of ethical guidance;
O	Accountability and ethical governance; strengthening of ethical and moral values in governance; ethical issues in international relations and funding;
P	Corporate governance.
Q	Probity in Governance: Concept of public service;
R	Philosophical basis of governance and probity;
S	Information sharing and transparency in government, Right to Information, Codes of Ethics, Codes of Conduct, Citizen's Charters, Work culture, Quality of service delivery, Utilization of public funds, challenges of corruption.
T	Case Studies on above issues.