



VEDHIK

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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Oil climbs close to \$116 as EU weighs embargo on Russia

European Union Foreign Ministers are split on oil sanctions

REUTERS

LONDON

Oil rose towards \$116 a barrel on Tuesday, adding to a 7% surge the previous day, supported by supply risks from a potential European Union oil embargo on Russia and concern about attacks on Saudi oil facilities.

European Union Foreign Ministers are split on whether to join the United States in banning Russian oil. Some countries, including Germany, say the bloc is too dependent on Russia's fossil fuels to withstand such a step.

"It is still not clear whether this will really happen," wrote Carsten Fritsch of Commerzbank in a report, adding: "a decision of this



kind requires unanimity".

Brent crude rose 13 cents, or 0.1%, to \$115.75 a barrel by 1326 GMT. U.S. West Texas Intermediate crude added 11 cents, or 0.1%, to \$112.23. Both contracts had settled up more than 7% on Monday. Oil was pressured by a stronger U.S. dollar, which gained after comments from

U.S. Federal Reserve Chair Jerome Powell on Monday that flagged a more aggressive tightening of monetary policy than previously anticipated.

A stronger dollar makes crude more expensive for holders of other currencies and tends to weigh on the appetite for risk.

"The word 'transitory' regarding inflation is a distant memory, chiefly due to rising commodity prices," said Tamas Varga of broker PVM. "Central banks, led by the Federal Reserve, stand ready to increase the cost of borrowing significantly."

Brent hit \$139 a barrel, the highest since 2008, earlier this month.

J&K Budget: Opposition slams ‘taxation without representation’

Restore the legislative Assembly, say MPs during a debate in the Rajya Sabha

SPECIAL CORRESPONDENT
NEW DELHI

The Rajya Sabha debated the J&K Budget on Tuesday at a time when there is not a single representative from the union territory (UT) forcing many Opposition members to quote American lawyer James Otis who said “taxation without representation is tyranny”. The Opposition urged the Narendra Modi-led government to ensure that at least the next Budget is debated by the elected representatives of the former State.

Debating ‘The Jammu and Kashmir Appropriation Bill, 2022’, the Opposition pointed out that three years after dilution of the Article 370 and the J&K Reorganisation Bill was passed, there is no ‘normalcy’ in the former State. Finance Minister Nirmala Sitharman will reply to the debate on Wednesday.

Congress member Vivek Tankha initiated the debate. He is a Kashmiri Pandit who was elected from the Upper House from Madhya Pradesh. “People from all parts of the country discuss the Budget. But Jammu and



Keeping accounts: The Rajya Sabha during the second part of Budget session in New Delhi on Tuesday. ■PTI

Kashmir people will not participate in the discussion. Besides the four members from Jammu & Kashmir are also not there in the House to discuss the Budget as there is no [legislative] Assembly there,” he said.

He pointed out that in nearly six years now democracy has been suspended in the former State since it has either been under Governor’s rule or President’s rule. “Jammu and Kashmir and Ladakh are part of the country. Crores of people live there. They have aspirations and a vision. If we pass the Budget without listening to the aspirations of the people then you can imagine

their pain,” he said and called for restoring the legislative Assembly there.

TMC MP Nadimul Haque said the high allocation for the police and security forces clearly shows that J&K has been converted into a “police state”. “Contrary to the ruling party’s claim, J&K is very very far from normalcy as we know it,” he said.

RJD MP Manoj K Jha said mainstream of Kashmir has been killed in the last three years. He also spoke about the recent film *Kashmir Files* which the BJP and the government have gone out of the way to promote. “The wounds can heal only through conciliation not by

pouring acid on them,” he said.

Given the rhetoric from the ruling party on Kashmiri Pandits in the recent days, Shiv Sena MP Priyanka Chaturvedi said her question on how many Kashmiri Pandits have returned in the last seven years that this government has been in power remained unanswered.

Senior Congress leader Jairam Ramesh steering away from the political debate posed technical questions pointing out clumsy jugglery.

He asked, “The GST revenue is projected to double in one year. This is impressive but unprecedented. What gives Finance Minister and the formulators of this Budget confidence that the GST revenue will double in one year which has not happened anywhere? The expenditure figure of ₹1,40,000 crore has not been clearly explained. He said the major source of revenue receipt is based on sale of state PSUs which are already in dire straits, so the assumptions that these units will sell is premature.

Needed, an Indian Legislative Service

A common service can help strengthen the many legislative bodies in India, from the panchayat level to Parliament



VINOD BHANU

The appointment of Dr. P.P.K. Ramacharyulu as the Secretary-General of the Upper House by M. Venkaiah Naidu, Chairman of the Rajya Sabha, on September 1, 2021, was news that drew much attention. Ramacharyulu was the first-ever Rajya Sabha secretariat staff who rose to become the Secretary-General of the Upper House. A precedent – appointing the Secretary-General from ‘outside’ or bureaucracy, often retired – very hard to unfollow was made possible by the Chairman. It was both a well-deserving signal for long-serving staff of the Parliament secretariat and course correction to restore the legitimacy of their long-time demand. However, it was a fleeting gesture – Ramacharyulu was replaced, bizarrely, by a former bureaucrat, P.C. Mody, in less than three months. It is said that the Chairman had given in to political pressures.

Since the first Parliament in 1952, 11 Secretaries-General had served in the Rajya Sabha before Ramacharyulu. Except for some of the lateral entry staff, who could become Secretaries-General, all the others were parachuted from the civil services or other services from time to time.

In the first Parliament, the Rajya Sabha opted for the first Secretary (General) S.N. Mukherjee, a civil servant, despite India having a legacy of the Legislative Assembly

Department (Secretariat) attached to the Central Legislative Assembly since 1929. However, S.N. Mukherjee’s appointment as Secretary (General) could be justified as he had served in the Constituent Assembly Secretariat as Joint Secretary and chief draftsman of the Constitution. S.S. Bahlerao joined the Rajya Sabha Secretariat as Deputy Secretary in 1958 and rose to become the third Secretary (General) in 1976. Before his Rajya Sabha stint, he had served as Assistant Secretary in the erstwhile Hyderabad Legislative Assembly and as Secretary in the Maharashtra Legislative Assembly.

Similarly, Sudarshan Agarwal joined the Rajya Sabha as Deputy Secretary and became the fourth Secretary-General in 1981. Since 1993, all the Secretaries-General of the Rajya Sabha were from the civil service till the appointment of Ramacharyulu as the 12th Secretary-General. The appointment of P.C. Mody, a retired IRS officer as the 13th Secretary-General in the Upper House was for the first time.

Independent of the executive

Article 98 of the Constitution provides the scope of separate secretariats for the two Houses of Parliament. The principle, hence, laid in the Article is that the secretariats should be independent of the executive government. In the Constituent Assembly, R.K. Sidhwa, an eminent member, emphasised the need for an independent secretariat. He cited an illustration: “When the Speaker’s secretariat wanted pencils for the members, the executive refused to give them.” It figuratively marked the significance of an independent secretariat. A separate secretariat marks a feature of a functioning



V.V. KRISHNAN

parliamentary democracy.

The Secretary-General, with the rank equivalent to the Cabinet Secretary, is the third most key functionary of the Rajya Sabha after the Chairman and the Deputy Chairman. The Secretary-General also enjoys certain privileges such as freedom from arrest, immunity from criminal proceedings, and any obstruction and breach of their rights would amount to contempt of the House. The Secretaries-General of both the Houses are mandated with many parliamentary and administrative responsibilities. One of the prerequisites that demand the post of the Secretary-General is unfailing knowledge and vast experience of parliamentary procedures, practices and precedents. Most of the civil servants lack precisely this aspect of expertise.

In the Lok Sabha

Unlike the Rajya Sabha, the Lok Sabha had nine of its staff (including the lateral-entry officers) raised to become Secretaries-General to date. The first Secretary (General) of the Lok Sabha, M.N. Kaul (1952-64), was Secretary to the Constituent Assembly Secretariat (1947-50) and the Provisional Parliament (1950-52). S.L. Shakhdar (1964-77), the second Secretary-General of the Lok Sabha, who was the Secretary of the De-

partment of Parliamentary Affairs in 1949, was later appointed as the OSD to M.N. Kaul, and succeeded Kaul as the Secretary (General) of the Lok Sabha subsequently. The nine Secretaries-General (from the Secretariat) were Avtar Singh Rikhy, Subhash Kashyap, C.K. Jain, R.C. Bhardwaj, G.C. Malhotra, P.D.T. Achary, S. Bal Shekar, P. Sreedharan and P.K. Grover. The precedent of promoting the senior-most secretary to the post of Secretary-General of the Lok Sabha has met with pause and resumption. Also, some of them got the Secretary-General position after their retirement.

Constituting a breach

Serving civil servants or those who are retired come with long-held baggage and the clout of their past career. When civil servants are hired to the post of Secretary-General, this not only dishonours the purpose of ensuring the independence of the Secretariat but also leads to a conflict of interests. It breaches the principle of separation of power. The officials mandated with exercising one area of power may not expect to exercise the others.

In a parliamentary polity, one of the roles of Parliament is to watch over the executive’s administrative behaviour. In other words, Parliament has all the reasons for its surveillance of administration. Parliament must have the technical and human resource competency that is on a par with the executive to be an effective body for providing meaningful scrutiny and to make the executive accountable. A strong Parliament means a more answerable executive. However, the bureaucracy persistently does not allow Parli-

ment to be a competent and robust legislative institution.

An all-India service is a must

There are thousands of legislative bodies in India, ranging from the panchayat, block panchayat, zila parishad, municipal corporations to State legislatures and Union Parliament at the national level. Despite these mammoth law-making bodies, they lack their own common public recruiting and training agency at the national level. Parliament and State legislative secretariats recruit their pool of bureaucrats separately. Ensuring competent and robust legislative institutions demands having qualified and well-trained staff in place. The growth of modern government and expansion of governmental activities require a matching development and laborious legislative exercise. Creating a common all-India service cadre – an Indian Legislative Service – is a must. A common service can build a combined and experienced legislative staff cadre, enabling them to serve from across local bodies to Union Parliament. The Rajya Sabha can, under Article 312, pass a resolution to this effect, in national interest, to create an all-India service common to both the Union and the States, and enables Parliament to create such a service by law.

In the United Kingdom, the Clerk of the House of Commons has always been appointed from the legislative staff pool created to serve Parliament. It is high time that India adapts and adopts such democratic institutional practices.

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A blow to equitable access to essential medicines

The 'compromise outcome' at the WTO could see India and South Africa losing their lead theme in the COVID-19 fight



BISWAJIT DHAR &
K.M. GOPAKUMAR

At the height of the COVID-19 pandemic in October 2020 and in the midst of concerns over the availability of affordable vaccines, medicines and other medical products, India and South Africa had tabled a proposal in the World Trade Organization (WTO) seeking a temporary waiver on these products from certain obligations under the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) (<https://bit.ly/3D2C7A3>).

A timeline

Their contention was that the application and enforcement of intellectual property rights (IPRs) were "hindering or potentially hindering timely provisioning of affordable medical products to the patients". They, therefore, argued that "rapid scaling up of manufacturing globally" was "an obvious crucial solution to address the timely availability and affordability of medical products to all countries in need", and for doing so, IPRs must be waived for at least three years. By submitting their proposal, India and South Africa had, thus, taken a firm position that when lives are at stake, these products should be treated as global public goods.

Nearly 18 months later, 164 members of the WTO could not find common ground on the "waiver proposal" even as 63 developing countries have become co-sponsors of the proposal and another 44 countries lent support from the floor. Initially, all advanced countries opposed the proposal, but after the Biden Administration took office, the United States (U.S.) backed the waiver,

but only for vaccines. The stance of the advanced countries is hardly surprising as they have always put the interests of pharmaceutical companies ahead of the lives of the ordinary citizens in many countries who are yet to be fully vaccinated. As of today, only 14% of people in low-income countries have received at least one vaccine dose. What is worse, the recent surge of infections in China is a strong warning to the global community that the threat from COVID-19 still remains.

The EU 'solution'

In this complex situation, when one of the consistent opponents of the "waiver proposal", namely, the European Union (EU), announces that the differences over the proposal had been resolved, there is considerable interest in the details. This interest becomes even greater when it is revealed that India and South Africa, the movers of the "waiver proposal", are among the four countries that found a "compromise outcome". The U.S. is the fourth WTO member of the "Quad" proposing the way forward.

The EU, which has unveiled the "solution", states that this is a "compromise outcome" that will now be "put ... forward for [WTO] members' consideration". Interestingly, the "compromise outcome" adopts the approach that the EU has been proposing all along – namely, granting compulsory licences to enhance vaccine production.

While opposing the concept of "waiver" of application and enforcement of IPRs, the EU had proposed in a submission in June 2021 that "[c]ompulsory licences are a perfectly legitimate tool that governments may wish to use in the context of a pandemic" (<https://bit.ly/3tscWUo>). It is, therefore, surprising to find that three of the four "Quad" members, who have been supporting the waiver proposal (the U.S. had extended limited support), have diluted their

GETTY IMAGES/STOCKPHOTO



stand and have accepted the EU's proposal as the "compromise outcome".

On licences

Generally, patent laws, including that of India's, allow for the grant of compulsory licences if patent holders charge high prices on the proprietary medicines in exercise of their monopoly rights. Moreover, such licences can usually be granted if efforts in obtaining voluntary licences from the patent holders have failed. The "Quad" proposal states there that in case of a medical urgency, as is the case now, this condition will be waived. In other words, there is no requirement to make efforts to obtain voluntary licences with the patent holders before granting compulsory licences on the patented products. The "Quad" solution also provides that WTO members would be able to issue compulsory licences even if they do not currently have the provisions to issue them under their national patent laws. Compulsory licences can even be granted using executive orders, emergency decrees, and judicial or administrative orders.

The compulsory licensing system that the "Quad" has proposed contains considerable details, the implications of which need to be understood. The "Quad" solution can be used only by an "eligible member", defined as a "developing country member" of the WTO that "had exported less than 10 percent of world exports of COVID-19 vaccine doses in 2021". The eligibility criteria, therefore, im-

plies that the least developed countries are excluded. This means that Bangladesh, which is still a least developed country, but has a growing pharmaceutical industry, is also excluded.

The eligibility condition seems to have been introduced to limit China's expansion in the global vaccine market. According to the WTO, this was 33.7%, as on January 31, 2022, but the reality is that China is not one of the countries that would benefit from the "Quad" solution. China has developed several home-grown vaccines and hence does not need compulsory licences to expand its production base. At the current juncture, India does not have to be concerned with the export restriction clause, as its share in global exports of vaccines was 2.4% as on January 31 (<https://bit.ly/3L6o5Ag>).

While introducing the above-mentioned export restriction, the "Quad" solution proposes to waive the obligation under Article 31(f) of the TRIPS Agreement. Article 31(f) provides that the compulsory licences issued by any WTO member must be used "predominantly for the supply of the domestic market". The "Quad" solution states that the export restriction in 31(f) was removed as there was a "long standing request from the waiver proponents that want to be free to export any proportion of the COVID-19 vaccine". But while they have proposed removal of Article 31(f), the "Quad" solution includes a more stringent export restriction in the form of the eligibility criteria mentioned above.

The "Quad" solution is a severely truncated version of the "waiver proposal" in terms of product coverage, as only vaccines are included. The proponents of the "waiver proposal" sought to include not only medicines, vaccines, and medical equipment but also the methods and the means of manufacturing the products necessary for the prevention, treatment, or

containment of COVID-19 (<https://bit.ly/3tqEvNL>).

Further conditions

Further, the "Quad" has introduced additional conditions to using the compulsory licences, some of which are well beyond the developing country obligations under the TRIPS Agreement. For instance, the proposed condition of listing all patents covered under the compulsory licences is not a requirement under the TRIPS Agreement. Similarly, there is no obligation to notify the details of licensee, the quantity and export destination under the TRIPS provisions, but the Quad text proposes mandatory notification.

However, compulsory licences may not result in the outcome that the waiver proponents were aiming for. According to the EU, when compulsory licences are granted, the "patent holder receives adequate remuneration", but "[t]ransfer of know-how is not ensured" (<https://bit.ly/3ip48bs>). This plain admission by the EU about the demerits of compulsory licences would make it difficult to scale up production of COVID-19 vaccines, medicines, and medical devices in the developing world, thus constraining their availability at affordable prices.

Finally, it must be said that by accepting the "compromise outcome", India and South Africa could jeopardise their high moral ground which they had gained through their attempt to make medicines and medical products necessary for COVID-19 treatment or containment as global public goods. Consequently, the global community would lose an important opportunity to ensure that vaccines and medicines are accessible to all.

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EXPLAINER

The National Land Monetisation Corporation

Why has the NLMC been set up by the Union government? How will it generate revenue and employment?

DIKSHA MUNJAL

The story so far: The Union Cabinet on March 9 approved the creation of the National Land Monetisation Corporation (NLMC), the Special Purpose Vehicle (SPV) that Finance Minister Nirmala Sitharaman had announced in the Union Budget 2021-22, to carry out monetisation of government and surplus land holdings of public sector undertakings (PSU).

What is the NLMC and what will it do? The National Land Monetisation Corporation will be a firm, fully owned by the government, to carry out the monetisation of government and public sector assets in the form of surplus, unused or underused land assets. It will fall under the administrative jurisdiction of the Ministry of Finance and will be set up with an initial authorised share capital of ₹5,000 crore and a paid-up capital of ₹150 crore.

Apart from monetising underutilised or unused land parcels of Central Public Sector Enterprises (CPSEs), the Corporation will also facilitate the monetisation of assets belonging to PSUs that have ceased operations or are in line for a strategic disinvestment, with the aim of unlocking the value of these land holdings.

The surplus land and building assets of such enterprises are expected to be transferred to the NLMC, which will then hold, manage and monetise them.

According to an official statement released after a recent Cabinet meeting chaired by Prime Minister Narendra Modi, the setting of the NLMC “will speed up the closure process of the CPSEs and smoothen the strategic disinvestment process.”

The statement said it “will also enable productive utilisation of these under-utilised assets” by setting in motion private sector investments, new economic activities such as industrialisation, boosting the local economy by generating employment and generating financial resources for potential economic and social infrastructure.

Besides managing and monetising, the NLMC will act as an advisory body and support other government entities and CPSEs in identifying their surplus non-core assets and monetising them in an efficient and professional manner, maximising the

scope of value realisation.

What does monetisation mean?

When the government monetises its assets, it essentially means that it is transferring the revenue rights of the asset (could be idle land, infrastructure, PSU) to a private player for a specified period of time. In such a transaction, the government gets in return an upfront payment from the private entity, regular share of the revenue generated from the asset, a promise of steady investment into the asset, and the title rights to the monetised asset.

There are multiple ways to monetise government assets; in the case of land monetisation of certain spaces like offices, it can be done through a Real Estate Investment Trust (REIT) – a company that owns and operates a land asset and sometimes, funds income-producing real estate. Assets of the government can also be monetised through the Public Private Partnerships (PPP) model.

There are different reasons why the government monetises its assets. One of them is to create new sources of revenue. The economy has already been hit due to the coronavirus pandemic and revenues are essential to fulfil the Narendra Modi government’s target of achieving a \$5 trillion economy.

Monetisation is also done to unlock the potential of unused or underused assets by involving institutional investors or private players.

Thirdly, it is also done to generate resources or capital for future asset creation, such as using the money generated from monetisation to create new infrastructure projects.

How will the NLMC function?

The firm will hire professionals from the private sector with a merit based approach, similar to other specialised government companies like the National investment and infrastructure Fund (NIIF) and Invest India. This is because asset monetisation of real estate requires expertise in valuation of property, market research, investment banking, land management, legal diligence and other related skill sets.

The NLMC will undertake monetisation as an agency function and is expected to act as

a directory of best practices in land monetisation.

How much land is currently available for monetisation?

According to the Economic Survey 2021-2022, as of now, CPSEs have put nearly 3,400 acres of land on the table for potential monetisation. They have referred this land to the Department of Investment and Public Asset Management (DIPAM).

As per the survey, monetisation of non-core assets of PSUs such as MTNL, BSNL, BPCL, B&R, BEML, HMT Ltd, Instrumentation Ltd etc are at different stages. In March 2020, for instance, BSNL had identified a total of ₹24,980 crore worth of properties for monetisation. The Railways and Defence Ministries, meanwhile, have the largest amount of government land in the country. The Railways have over 11 lakh acres of land available out of which 1.25 lakh acres is vacant. The Defence Ministry has in its possession 17.95 lakh acres of land. Out of this, around 1.6 lakh acres fall inside the 62 military cantonments while over 16 lakh acres are outside the cantonment boundaries.

What are the possible challenges for NLMC?

The performance and productivity of the NLMC will also depend on the government’s performance on its disinvestment targets. In FY 2021-22, the government has just been able to raise ₹12,423.67 crore so far through various forms of disinvestment. In the budget 2021-22, the government had initially set a disinvestment target of ₹1.75 lakh crore which was later brought down to ₹78,000 crore. The Life Insurance Corporation IPO, which was supposed to raise ₹60,000 crore is now shrouded in uncertainty owing to the Russia-Ukraine crisis making stock markets volatile. If the IPO does not hit the markets by the end of March, the government would be missing its disinvestment targets by a wide margin.

The procedure to find a bidder for state-owned carrier Air India also took a considerable amount of time and negotiations before the Tata Group came in.

Besides, the process of asset monetisation does not end when the government transfers revenue rights to private players, identifying



profitable revenue streams for the monetised land assets, ensuring adequate investment by the private player and setting up a dispute-resolution mechanism are also important tasks. Posing as another potential challenge would be the use of Public Private Partnerships (PPPs) as a monetisation model. For instance, the results of the Centre’s PPP initiative launched in 2020 for the Railways were not encouraging.

It had invited private parties to run 150 trains of the Indian Railways but when bids were thrown open, nine clusters of trains saw no bidders while there were only two interested bidders for three clusters. Even for these three clusters, IRCTC – the Railways’ own firm, was the single serious bidder. The presence of just a few serious bidders would also give rise to the possibility of a less competitive space, meaning a few private entities might create a monopoly or duopoly in operating surplus government land. For instance, questions were raised when the government removed the cap on the number of airports a single entity could bid for, resulting in the Adani Group taking possession of six city airports for ₹2,440 crore from the Airports Authority of India.

A view of the BSNL building in Bengaluru. ■ 81



Shaping policy: Parliamentary panel had pointed to delays in release of the vital indicator for policymaking. ■ G. SRIBHARATH

Employment data to be released faster: Centre

‘Will align it with GDP data in long run’

SPECIAL CORRESPONDENT
NEW DELHI

The government will aim to release employment data within five months of conducting the relevant surveys and strive to align these releases with GDP data in the long run, the Statistics Ministry told a Parliamentary panel that questioned the significant delay in the release of ‘one of the most important socio-economic indicators’ for policymaking.

Urging the Statistics Ministry to reduce the time lags in releasing the reports based on the Periodic Labour Force Survey (PLFS), the Standing Committee on Finance chaired by the BJP’s Jayant Sinha had pointed out that annual as well as quarterly findings from the Survey introduced in 2017, had been plagued by delays.

PLFS delays flagged

For instance, while the annual PLFS report for 2019-20 was released in July 2021, the quarterly report for July to September 2020 was released in August 2021.

Conceding the need to reduce the delays, G.P. Samanta, Secretary, Statistics and Programme Implementation Ministry, said that efforts were underway to use better technology and curb

From 9 months, in one stroke, it will be challenging to go to two months

these delays.

“From current nine months’ time lag, maybe in one stroke, it will be challenging to go to two months. But in a phased manner, nine months or seven months, we will improve this in the near future,” Mr. Samanta told the panel, noting that timeliness was as critical as the quality of data to ensure its utility as a policymaking tool.

“We can just reduce the nine months’ lag to at least four or five months in the beginning. Then... in the long run, align it with the GDP frequency, it will be good enough,” he added. As of now, the PLFS data had been released till March 2021, and data for the next quarter was expected in 15 days, Mr. Samanta said.

Responding to MPs’ queries about the global benchmark and whether it takes a year for the employment data to be released, the Secretary said: “Definitely not. The benchmark varies from country to country, between maybe two months to five months. We are trying to achieve that benchmark.”

Fitch cuts India's FY23 growth forecast to 8.5% from 10.3%

Rating firm raises inflation forecast, says it could surpass 7% on higher fuel prices

SPECIAL CORRESPONDENT
NEW DELHI

Fitch Ratings on Tuesday lowered its 2022-23 growth forecast for India to 8.5%, from 10.3%, citing sharply higher energy prices that would spur inflation beyond 7% as the country's oil companies passed on the higher prices to retail consumers.

"Global inflation is back with a vengeance after an absence of at least two decades," said Brian Coulton, Chief Economist, Fitch Ratings. "This is starting to feel like an inflation regime-change moment," he added.

The rating firm also raised its inflation forecast.

"We now see inflation



Pump to pocket: Higher energy prices will spur inflation as refiners pass on the high prices to consumers. ■ K. MURALI KUMAR

strengthening further, peaking above 7% in 3Q22, before gradually easing. We expect inflation to remain elevated throughout the forecast horizon, at 6.1% annual average in 2021 and 5% in 2022," the

agency said.

Noting that India's GDP growth had been very strong in the September to December quarter, Fitch raised its growth projection for 2021-22 to 8.7%, from 8.1% earlier.

"Indian GDP is more than 6% above its pre-pandemic level, though it is still well below its implied pre-pandemic trend," Fitch said.

'Normalisation shallow'
Emphasising that India's monetary policy normalisation had been shallow till now, with the central bank prioritising the economic recovery over tackling inflation 'amid a still-large output gap', Fitch said it still expects the repo rate to rise to 4.75% by this December, from the present 4% level.

"The reverse repo rate... is likely to be increased by a larger amount," the credit rating agency said.

Govt. raises minimum support price for jute

‘New MSP ₹250 higher over last year’

SPECIAL CORRESPONDENT
COIMBATORE

The Cabinet Committee on Economic Affairs on Tuesday approved the Minimum Support Price (MSP) for raw jute for the 2022-2023 season.

According to an official release, the MSP of raw jute (TDN₃ equivalent to TD₅ grade) has been fixed at ₹4,750 a quintal for 2022-2023 season, which is ₹250 higher than the previous season. “This would ensure a return of 60.5% over All India weighted average cost of production,” the government said.

The announced price is in line with the principle of



fixing the MSP at a level of at least 1.5 times of the all-India weighted average cost of production as announced in the FY19 Budget and is based on the recommendations of the Commission for Agricultural Costs and Prices. It assures a minimum of 50% as margin of profit, the government added.

Solar OEMs flag capacity, seek govt. intervention

AISIA warns of huge Chinese imports

SPECIAL CORRESPONDENT

MUMBAI

The All India Solar Industries Association (AISIA) has urged the Centre to intervene amid concerns that solar equipment making units were operating at 30% capacity due to massive imports by traders from China.

In a letter to Power Minister R.K. Singh, the representative association for domestic solar equipment makers said: “Having been hopeful of revival for the last decade and survived strong headwinds, we are passing through even more difficult times where our survival is at stake and without a robust local ‘Make in India’ so-



lar manufacturing, the security of India’s energy sector is in peril.”

“For domestic manufacturing to... establish itself, it is imperative that there are structural safeguards and tariff-based barriers besides production incentives for 4-5 years,” it said.

EXPLAINER

Understanding hypersonic weapons

How are these manoeuvrable weapons different from traditional missiles? Does India have a hypersonic weapons system?

DINAKAR PERI

The story so far: On Saturday, the Russian Defence Ministry spokesperson Major General Igor Konashenkov said the “Kinzhal aviation missile system with hypersonic aeroballistic missiles destroyed a large underground warehouse containing missiles and aviation ammunition in the village of Deliatyn in the Ivano-Frankivsk region.” On Monday, U.S. President Joe Biden confirmed that Russia used hypersonic missiles in its offensive in Ukraine.

What are hypersonic weapons? They are manoeuvrable weapons that can fly at speeds of at least Mach 5, five times the speed of sound. The speed of sound is Mach 1, and speeds above Mach 5 are supersonic and speeds above Mach 5 are hypersonic. Hypersonic weapons travel within the atmosphere and can manoeuvre midway which combined with their high speeds make their detection and interception extremely difficult. This means that radars and air defences cannot detect them till they are very close and have only little time to react.

Hypersonic missiles are a new class of threat because they are capable both of manoeuvring and of flying faster than 5,000 kilometres per hour, which would

enable such missiles to penetrate most missile defences and to further compress the timelines for response by a nation under attack, says a 2017 book *Hypersonic Missile Nonproliferation* published by RAND Corporation.

What is the status of Russian, Chinese and U.S. programmes? According to Russian news agency TASS, the Kinzhal air-launched hypersonic missile system was unveiled by Russian President Vladimir Putin on March 1 and has an operating range of over 2,000 km. The basic carrier of the missile is the MiG-31K fighter jet as well as the Tu-22M3 bomber.

Last October, top U.S. military officer Gen. Mark Milley, Chairman of the joint chiefs of staff confirmed that China had conducted a test of a hypersonic weapon which he termed as “close to a Sputnik moment” and was “very concerning”, referring to the event in 1957 when the Soviet Union put the first satellite in space. Earlier in the month, *The Financial Times* had reported that China tested a nuclear-capable hypersonic missile in August that circled the globe before speeding towards its target, demonstrating an advanced space capability that caught U.S. intelligence by surprise. However, China has denied that it was nuclear capable. This has put the



A MiG-31 jet with a Kinzhal missile • AP

spotlight on the global development of hypersonic weapons by several countries, especially the advancements made by China and Russia. In addition to the Chinese test, in early October, Russia announced that it had successfully test launched a Tsirkon hypersonic cruise missile from a Severodvinsk submarine deployed in the Barents Sea which hit a target 350 kms away.

The U.S. has tested hypersonic weapons for decades. The first vehicle to exceed Mach 5 was a two-stage rocket launched in 1949 which reached a speed of Mach 6.7, under Project Bumper. While the U.S. has active hypersonic development programmes, the Congressional Research Service (CRS) memo said it was lagging behind China and Russia because “most U.S. hypersonic weapons, in contrast to those in Russia and China, are not being designed for use with a nuclear

warhead.” The U.S. is now looking to accelerate its own programmes, though it is unlikely to field an operational system before 2023. The Pentagon’s budget request for hypersonic research for financial year 2022 is \$3.8 billion, up from \$3.2 billion it requested a year earlier. The Missile Defence Agency additionally requested \$247.9 million for hypersonic defence.

However, as stated by the U.S. Principal Director for Hypersonics Mike White, the Department of Defence has not yet made a decision to acquire hypersonic weapons and is instead developing prototypes to assist in the evaluation of potential weapon system concepts and mission sets.

Debunking some of the claims surrounding hypersonic weapons, Physicists David Wright and Cameron Tracy wrote in the *Scientific American* dated August 1, 2021 stating their studies indicate that hypersonic weapons “may have advantages in certain scenarios, but by no means do they constitute a revolution.” “Many of the claims about them are exaggerated or simply false. And yet the widespread perception that hypersonic weapons are a game-changer has increased tensions among the U.S., Russia and China, driving a new arms race and escalating the chances of conflict,” they wrote. The U.S. has six

hypersonic programmes, divided among the Air Force, Army and Navy, according to them.

What is the status in other countries?

The CRS Memo noted that although the United States, Russia, and China possess the most advanced hypersonic weapons programmes, a number of other countries – including Australia, India, France, Germany, and Japan – are also developing hypersonic weapons technology. India operates approximately 12 hypersonic wind tunnels and is capable of testing speeds of up to Mach 13, according to CRS. “Reportedly, India is also developing an indigenous, dual-capable hypersonic cruise missile as part of its Hypersonic Technology Demonstrator Vehicle (HSTDV) programme and successfully tested a Mach 6 scramjet in June 2019 and September 2020,” the memo stated. This test was carried out by the Defence Research and Development Organisation (DRDO) and demonstrated the scramjet engine technology, a major breakthrough. In a scramjet engine, air goes inside the engine at supersonic speed and comes out at hypersonic speeds. A hypersonic version of the BrahMos supersonic cruise missile is also under development.

THE GIST

- Hypersonic weapons travel within the atmosphere and can manoeuvre midway which combined with their high speeds make their detection and interception extremely difficult.
- In August, China tested a nuclear-capable hypersonic missile that circled the globe, demonstrating an advanced space capability. Russia was able to launch a Tsirkon hypersonic cruise missile from a submarine which hit a target 350 kms away. While the U.S. also has active hypersonic development programmes, it is lagging behind China and Russia.
- India operates approximately 12 hypersonic wind tunnels and is capable of testing speeds of up to Mach 13.

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D	Post-independence consolidation and reorganization within the country;
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H	Effects of globalization on Indian society;
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J	Social empowerment, communalism, regionalism & secularism
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