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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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# India to join Biden's new trade initiative for Indo-Pacific region

U.S. says framework will strengthen economic ties, but won't be a free trade deal

SUHASINI HAIDAR  
NEW DELHI

India signalled its readiness to be part of a new economic initiative led by the U.S. for the region, as Prime Minister Narendra Modi joined U.S. President Joe Biden, Japanese Prime Minister Fumio Kishida and leaders of 10 countries, who participated virtually, for the launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) in Tokyo on Monday. The negotiations for the IPEF, which will begin on Tuesday, are expected to centre around four main pillars, including trade, supply chain resiliency, clean energy and decarbonisation, and taxes and anti-corruption measures. The grouping, which includes seven out of 10 members of the Association of South East Asian Nations (ASEAN), all four Quad countries, and New Zealand, represents about 40% of global GDP.

"India will work together with [other IPEF countries] to build an inclusive and flexible Indo-Pacific Economic Framework," Mr. Modi said at the launch of the new initiative, that comes three years after India walked out of the 15-nation RCEP (Regional Comprehensive Economic Partnership).

"I believe that resilient



**Collective move:** Prime Minister Narendra Modi, U.S. President Joe Biden and Japanese premier Fumio Kishida, participating at the IPEF launch event in Tokyo on Monday. ■AP

supply chains must be based on three-pillar foundation of trust, transparency and timeliness and I am sure that this framework will make these pillars strong and lead to peace and prosperity in the Indo-Pacific region," he added.

U.S. officials made it clear that the IPEF would not be a "free trade agreement", nor are countries expected to discuss reducing tariffs or increasing market access. In that sense, the IPEF would not seek to replace the 11-nation CPTPP (Trans-Pacific Partnership) that the U.S. quit in 2017, or the RCEP, which China, and all of the other IPEF countries (minus the U.S.) are a part of. Three

ASEAN countries considered closer to China – Myanmar, Cambodia and Laos – are not members of the IPEF, however.

Briefing the media, U.S. Commerce Secretary Gina Raimondo said that the U.S. would seek to attract businesses investing in China away towards IPEF. "I would say, especially as businesses are beginning to increasingly look for alternatives to China, the countries in the Indo-Pacific Framework will be more reliable partners for U.S. businesses."

US Trade Representative (USTR) Katherine Tai also said that the IPEF would be different from the original Trans-Pacific partnership as

the U.S. was "unable to deliver on the plan", indicating hurdles in the U.S. Congress, where any trade concessions are seen in an increasingly unfavourable light.

U.S. National Security Advisor Jake Sullivan also said that the IPEF was intended to boost U.S. manufacturing. "The Indo-Pacific Economic Framework, or IPEF, is part of President Biden's commitment to putting American families and workers at the centre of our economic and foreign policy, while strengthening our ties with allies and partners for the purpose of increasing shared prosperity," Mr. Sullivan said.

# India to join Biden's new trade initiative

Details of the framework on the four pillars are still to be fleshed out, and government officials said India will keenly watch the progress in negotiations on the IPEF. One of the IPEF's roles in the Indo-Pacific, said documents and a fact sheet released after the launch, will be to set and follow standards for the digital economy and cross-border data flows and data localisation, areas where India has had some strong differences with the U.S. and allies, especially after it tabled a data protection Bill that makes data localisation mandatory. The framework also seeks to counter inflation through more resilient supply chains, promoting more commitments from every member country on clean

energy and decarbonisation, and commitments on a "fair economy" though effective tax regimes that tackle money laundering and bribery and corruption, the documents said.

"With today's launch, partner countries will begin discussions focusing on strengthening economic cooperation and achieving shared goals," the Ministry of External Affairs' statement said, underlining the fact that the IPEF's contours are still to be formally agreed upon. The IPEF plan follows a U.S. plan for a "Blue Dot Network" to certify infrastructure projects against a set of criteria and standards, that was launched by the U.S., Japan and Australia in 2019.

# World may have lost 11.2 crore jobs: ILO

## Gender gap in India's data finds mention in report

**A.M. JIGEESH**

NEW DELHI

The “world of work” is being buffeted by multiple crises, says the ninth edition of the International Labour Organisation (ILO) Monitor. The report says that after significant gains during the last quarter of 2021, the number of hours worked globally dropped in the first quarter of 2022, to 3.8% below the employment situation before the pandemic. About 11.2 crore jobs might have lost between this period, according to the report.

The gender gap in India's employment scenario is mentioned in the report on the “world of work”. The report said both India and lower-middle-income countries excluding India experienced a deterioration of the gender gap in work hours in the second quarter of 2020. “However, because the initial level of hours worked by women in India was very low, the reduction

in hours worked by women in India has only a weak influence on the aggregate for lower-middle-income countries. In contrast, the reduction in hours worked by men in India has a large impact on the aggregates,” the report mentions.

Explaining the data, an ILO official told *The Hindu* that for every 100 women at work prior to the pandemic, 12.3 women would have lost their job as an average through the entire period considered by the report. The official added that, in contrast, for every 100 men, the equivalent figure would have been 7.5. “Hence, the pandemic seems to have exacerbated the already substantial gender imbalances in employment participation in the country,” the official said.

### Global factors

The fresh lockdowns in China, the conflict between Ukraine and Russia, and the global rise in the prices of food and fuel are cited as the main reasons for the findings.

CONTINUED ON ► PAGE 10

# U.S. to defend Taiwan against China: Biden

AGENCE FRANCE-PRESSE  
REUTERS  
TOKYO

U.S. President Joe Biden said on Monday he would be willing to use force to defend Taiwan against Chinese aggression. The comment seemed to stretch the limits of the ambiguous U.S. policy towards the self-ruled island.

While Washington is required by law to provide Taiwan with the means to defend itself, it has long followed a policy of “strategic ambiguity” on whether it would intervene militarily to protect Taiwan in the event of a Chinese attack.

After Mr. Biden made the remark at a news conference with Japanese Prime Minister Fumio Kishida in Tokyo, an aide said the President’s statement represented no change in the long-standing American stance to the island that China claims as its own.

A reporter asked Mr. Biden if the U.S. would defend Taiwan if it were attacked. “Yes. That’s the commitment we made,” he answered. “We agree with a one-China policy. We’ve signed on to it and all the intended agreements made from there. But the idea that, that it (Taiwan) can be taken by force, just taken by force, is just not, is just not appropriate.”

# U.S. to defend Taiwan against China: Biden

Mr. Biden added it was his expectation that such an event would not happen or be attempted.

The White House later said Mr. Biden was not diverging from the official “One China” policy, which includes the commitment to “provide Taiwan with the military means to defend itself”. “Our policy has not changed,” the official said.

Mr. Biden’s comments were met with defiance in Beijing, with Foreign Ministry spokesman Wang Wenbin telling reporters, “Taiwan is an inalienable part of

China’s territory”.

“The Taiwan issue is a purely internal affair for China,” he said. “On issues touching on China’s core interests of sovereignty and territorial integrity, China has no room for compromise or concession.”

Mr. Biden made a similar comment in October, saying “Yes, we have a commitment to do that” when asked if the U.S. would come to the defence of Taiwan. At that time, a White House spokesperson said Mr. Biden was not announcing any change in United States policy.

# Centre reconstitutes Inter-State Council

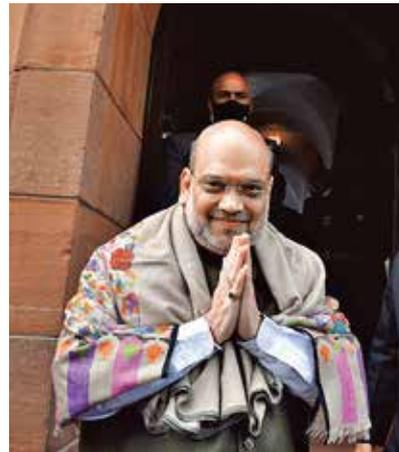
## Amit Shah to be chief of committee

**PRESS TRUST OF INDIA**  
NEW DELHI

The Inter-State Council, which works to promote and support cooperative federalism in the country, has been reconstituted with Prime Minister Narendra Modi as Chairman and Chief Ministers of all States and six Union Ministers as members.

Ten Union Ministers will be the permanent invitees to the Inter-State Council, according to an official notification.

The government has also reconstituted the standing committee of the Inter-State Council with Union Home Minister Amit Shah as Chairman. The Union Ministers who were made members of the council are: Rajnath Singh, Amit Shah, Nirmala Sitharaman, Narendra Singh Tomar, Virendra Kumar, Hardeep Singh Puri, Nitin Gadkari, S. Jaishankar, Arjun Munda, Piyush Goyal, Dhamendra Pradhan, Pral-



Amit Shah

had Joshi, Ashwini Vaishnaw, Gajendra Singh Shekhawat, Kiren Rijiju and Bhupender Yadav.

The Chief Ministers of Andhra Pradesh, Assam, Bihar, Gujarat, Maharashtra, Odisha, Punjab and Uttar Pradesh are also members of the standing committee of the Inter-State Council.

It will have continuous consultations and process matters for consideration of the council, process all matters pertaining to centre-state relations before they are taken up in the council.

# Traders with advance log-in facility at NSE under CBI lens

Agency seizes vast amount of data during recent searches

**SPECIAL CORRESPONDENT**  
NEW DELHI

Several trading members who had co-location and “advance” log-in facility to access the National Stock Exchange (NSE) data feed have come under the scanner of the Central Bureau of Investigation (CBI), which had conducted searches at more than 10 locations last week.

It is learnt that during the searches, the agency has seized voluminous data pertaining to the transactions during the check period. It had earlier collected the related documents from the Securities and Exchange Board of India (SEBI), which

has been dealing with the co-location cases.

In May 2018, the agency registered a case alleging that Delhi-based broker firm OPG Securities, owned by Sanjay Gupta, and some others used an algorithmic software during 2010-14. The accused also took advantage of the then co-location facility to gain faster data access through the exchange’s secondary server.

The software had been developed by accused Ajay Narottam Shah based on the exchange’s trade data collected in 2005-06 for some research work. The data was shared with Infotech Finan-

cial Services Private Limited and Mr. Shah despite the fact that the company used to supply algorithmic trading software to the brokers in the NSE.

Last month, the CBI filed a chargesheet against the former NSE managing director, Chitra Ramkrishna, and its former group operating officer, Anand Subramanian. While Mr. Subramanian was arrested in February, the agency subsequently arrested Ms. Ramkrishna after several rounds of questioning. The Income-Tax Department also searched their premises in Chennai and Mumbai.

# Why vaccine mandates are essential

The court's view that the States' vaccine mandates are disproportionate could undermine community interest



TANISHK GOYAL  
& RISHABH NARAIN SINGH

The recent Supreme Court verdict upholding the government's current vaccination policy deserves to be lauded. The court, however, held that restrictions imposed by States and Union Territories on unvaccinated individuals cannot be said to be proportionate as they sought to invade an individual's bodily integrity and personal autonomy under Article 21 of the Constitution. The court used the test of proportionality to scrutinise these vaccine mandates. The proportionality test is a standard of review that is invoked to keep a check on the infringement of bodily integrity and privacy of an individual by the state.

## Misinterpreting proportionality

At the outset, the proportionality test requires any state action which purports to infringe on individual privacy and autonomy to satisfy the following conditions. One, the state action should be sanctioned by law; two, the proposed action should have a legitimate state aim; and three, the extent of interference by the proposed state action should be proportionate to the need for such interference. This essentially means that there should not exist any other less restrictive measure which can be employed to achieve the same legitimate state aim.

To the extent that the vaccine mandates of the States require partial or full vaccination of individuals as a precondition for accessing public spaces, services, or using public transportation, they can fully withstand the contours of the proportionality test, especially at a time when the state interest is as compelling as that of preventing the transmission of COVID-19 and the number of deaths. This has been illustrated forthwith.

First, the competency of the States to legislate and take effective measures on issues concerning 'public health' flows from Entry 6 of the State List of Schedule VII of the Con-



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stitution. The Disaster Management Act of 2005 and the Epidemic Diseases Act of 1897 empower the States to undertake effective measures to mitigate the harms caused during a medical emergency. As such, the States' actions have legislative backing.

Second, the legitimate aim of the state is unequivocally illustrated by the fact that inoculations can go a long way in preventing serious illness and reducing deaths in persons infected with COVID-19. In this regard, the Indian Council of Medical Research said that 92% of COVID-19 deaths in India this year occurred in unvaccinated individuals. Any vaccine mandate which nudges individuals to get inoculated in order to prevent deaths or further mutations of the virus has a legitimate state aim.

Third, the extent of interference exercised by the state with the privacy and bodily autonomy of an individual in making vaccination an essential precondition for availing of certain services cannot be said to be disproportionate. While we acknowledge that the third prong of the proportionality test requires the court to make a value judgment in terms of what measures may or may not qualify as disproportionate, we would be remiss here if we lost sight of the fact that any less restrictive measure would have failed to achieve mass inoculation, which lies in the vanguard of our battle against the pandemic.

## Safeguard community interest

The imposition of vaccine mandates to safeguard community interests of the society is not unprecedented. In 1905, the U.S. Supreme Court in *Jacobson v. Massachusetts* held that the city of Cambridge in Massachusetts could punish citizens who re-

jected smallpox vaccinations. In 1901, a smallpox outbreak raged across the Northeast and Cambridge, and the state responded by mandating that all adults obtain smallpox vaccinations or face a \$5 fine. In 1902, Pastor Henning Jacobson refused to get vaccinated and pay the fee, claiming that he and his son had been harmed by prior immunisation. Jacobson contended in the State court that the legislation violated both the Massachusetts and Federal Constitutions. His claims were denied by State courts, including the Massachusetts Supreme Judicial Court. Jacobson argued before the Supreme Court that "compulsion to introduce disease into a healthy system is a violation of liberty." The Supreme Court dismissed Jacobson's arguments and said: "A community has the right to protect itself against an epidemic of disease which threatens the safety of its members." This ruling was soon fortified when a separate issue of vaccinations – state laws requiring children to be vaccinated prior to attending public school – came up in *Zucht v. King* in 1922. Justice Louis Brandeis and a unanimous court held that *Jacobson* had already established that a state may exercise its police power to provide for compulsory vaccination.

In India, Justice John Marshall Harlan's sentiments on community interest being prioritised over individual interests were echoed by the Supreme Court in *Asha Ranjan v. State of Bihar* (2017). In that case, the court essentially laid down a hierarchy for a situation when two fundamental rights under the same umbrella are pitched against each other. It observed that the community interest cannot be sacrificed at the al-

ter of individual interests especially in a situation where a fear psychosis is running through the community.

It is puzzling to note here that despite acknowledging the argument on community interest in paragraph 49 of the judgment and addressing the need to limit individual liberty in such cases, the Supreme Court still went on to declare vaccine mandates to be disproportionate until the time infection rates remain low. This will inevitably have a direct bearing on India's ability to equip itself and its citizens for further mutations of the virus, if any, in the times to come.

The arguments in opposition to vaccine mandates could have the potential to be sustained if it had not been proved that vaccines are medically essential to prevent severe illness and reduce deaths among infected persons. Should the virus mutate further, the presence of a class of unvaccinated persons would have wide-ranging ramifications for an already overburdened healthcare system.

Being a signatory to the International Covenant on Economic, Social and Cultural Rights, India is bound to take all possible measures to progressively realise the enjoyment of "highest attainable standard of physical and mental health" of its citizens under Article 12 thereof. In this regard, it is only befitting that the state expedites inoculations at a time when infection rates are relatively low. This will not only alleviate the burden on the healthcare system during more difficult times, but will also ensure that the state's healthcare policies are proactive and not merely reactionary.

As for bodily integrity and personal autonomy of an individual under Article 21 of the Constitution, we would be remiss if we did not acknowledge the fact that such autonomy proceeds on the guarantee of life itself. In such a scenario, it becomes essential for the state to first safeguard the life and health of its citizens before individuals' decisional autonomies, even if that requires the state to take aid of its constitutionally recognised police powers.

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# All hands on deck

After Centre's duty cut, States must do the same with their taxes

The Union government's decision on Saturday to cut the excise duty on petrol and diesel by ₹8 and ₹6, respectively, is a belated acknowledgement that April's multi-year highs in inflation were spurred in significant measure by high fuel prices. Coming more than six months after its last duty reduction – on Deepavali eve – the latest cut is a welcome step to ease the burgeoning cost burden on producers and consumers. With the price of the Indian basket of crude oil having risen by more than 33% since November, and with a bulk of the surge coming in the wake of the Ukraine war in February, state-run oil marketing companies had raised retail fuel prices sharply over a 16-day period starting March 22. Largely as a result of the higher fuel prices and quickening food costs, inflation based on the Consumer Price Index accelerated to a 95-month high of 7.8% last month, while wholesale price gains soared to a multi-decade high of 15.1%. S&P Global's April PMI surveys showed that both services and manufacturing companies had in fact flagged the surging input costs as a potential dampener of demand. A desperate RBI decided to stop waiting for Government intervention to cool the supply-side factors fanning inflation and opted instead to raise interest rates earlier this month.

The extent of concern about the inaction on the part of the Government was reflected at the Monetary Policy Committee's two-day meeting earlier this month where a member observed: "Government supply-side action can also reduce future rate rises, output sacrifice and borrowing costs. Both central and State taxes are buoyant... giving them space to cut taxes on fuels." Now that the Centre has acted to ease some of the inflationary pressure emanating from the high excise duty component in fuel prices, the onus is on the States to sink their political differences over the Government's past approach to taxing fuels and help reduce the burden on the common man by paring their respective State taxes as well. With the war in Europe showing no immediate signs of easing, the economic fallout, particularly on global energy and food costs, remains highly uncertain and continues to point to the rising risks of faster inflation coupled with slower growth. In such a volatile scenario, fiscal measures that help cool price pressures and leave an extra rupee or two in the consumer's pocket can only aid to undergird vital consumption demand in the economy. Ultimately, all States must realise that the best way to safeguard their revenue interests would be to ensure that the growth momentum in the economy as a whole remains well supported. This is a moment that calls for all hands on deck. The sooner policy-makers at the different levels of government, and of all political hues, realise this and act in concert, the better.

# Heatwaves could worsen inflation pressures, affect growth, says Moody's

'Rule changes can only temper prices'

**SPECIAL CORRESPONDENT**  
NEW DELHI

Moody's Investors Service said on Monday that the prolonged heatwaves seen in India this summer were credit negative as they would exacerbate inflation pressures and challenges to growth. The agency added that the ban on wheat exports would hurt growth and reflected a missed opportunity to capture the global market.

Noting that New Delhi experienced its fifth heatwave since March on May 15, Moody's pointed out that such waves usually occurred in May and June. "The prolonged high temperatures, which are affecting much of the northwest of the country, will curb wheat production and could lead to extended power outages, exacerbating already high inflation and hurting growth, a credit negative," the global rating firm said in a comment on India's sovereign rating.

## 'Coal stocks decline'

Expressing concern about India's coal stocks, which had declined 23% to just 7.8 days' worth by mid-May, Moody's warned of prolonged power outages in industrial and agricultural production if this persisted, leading to significant cuts to output and weighing further on India's economic growth - 'particularly if the heatwaves continue beyond June'.

Inflation, it noted, will only be partially alleviated by measures such as the central bank's policy rate hikes, cap on power prices in exchanges, and the wheat export ban. "Given the pro-



minence of cereals and food more generally in India's consumption, elevated food prices could add to social risks if they persist," it emphasised.

While the ban on wheat exports - prompted by a 5.4% downward revision in production estimates for the year - would partially offset inflationary pressures, it would also hurt exports and subsequently growth, said Moody's, which has rated India Baa3 - reflecting the lowest investment grade - with a stable outlook.

"The ban comes at a time when India - the world's second-largest wheat producer - could have been capitalising on the global output gap from wheat following the Russia-Ukraine military conflict. Global wheat prices have jumped 47% since the conflict began in late February," it pointed out.

"Over the longer term, India's highly negative credit exposure to physical climate risks - which contributes to the country's highly negative environmental risk issuer profile score and credit impact score - means its economic growth will likely become more volatile as it faces increasing, and more extreme, incidences of climate-related shocks," the note concluded.

## EXPLAINER

# The cryptocurrency price fall

Is inflation the only reason why cryptocurrencies like Bitcoin had such a steep downward movement?

## THE GIST

■ Bitcoin, one of the most dominant cryptocurrencies, is down more than 50% from an all-time high price of \$68,000, which it achieved last November. The prices of almost all cryptocurrencies have seen a similar steep downward movement over the last month. Volatile price movements aren't new to the cryptocurrency world but this time the plunge seems to have revealed new insights and vulnerabilities of the market.

■ The inflation which has come about due to the war in Ukraine and the subsequent disruptions to the global supply chain is one of the main reasons for this downward trend.

■ The Bitcoin value also got impacted by the fate of a stablecoin called TerraUSD. On May 23, TerraUSD was trading below seven cents and had tried selling its Bitcoin reserves to keep its cryptocurrency peg intact. That, among other things, could have played a part in the Bitcoin value slide.

SRIRAM SRINIVASAN

**The story so far:** Bitcoin, the most dominant cryptocurrency around, is down more than 50% from an all-time high price of \$68,000, which it achieved just last November. It has, in fact, lost a fourth of its value in the last 30 days. Bitcoin isn't alone. The prices of almost all cryptocurrencies have seen a similar steep downward movement over the last month. Volatile price movements aren't new to the cryptocurrency world but this time the plunge seems to have revealed new insights and vulnerabilities of the market.

### Is the Bitcoin price fluctuation a new phenomenon?

It isn't. Its history is filled with many instances of big price falls and big price rises within a short period of time. Last year, after hitting a new peak of over \$63,000 in April, its value more than halved by June. China's crackdown on cryptocurrency mining operations was seen as the main reason for this fall. The April price it reached was itself a massive eight to nine times of its year-ago value. So steep was the climb. The new peak in November followed.

### Cryptocurrencies, which are perceived amongst the riskier investments, are weighed down in such an environment where investors want safety more than anything else

Over the years, speculators have flooded in to take advantage of such volatility. It should be noted that the downside risks come swift and steep. At the same time, this inherent volatility effectively rules it out as a medium of exchange which is something that researchers have repeatedly pointed out. All these and the fact that cryptocurrencies are designed to bypass the official monetary mechanism of any country make most governments wary of them.

### What's new about this phase of the cryptocurrency price fall?

The context is, of course, new. This big sell-off phase has come about at a time when the war in Ukraine and the subsequent

disruptions to the global supply chain have resulted in record-high inflation throughout the world. Inflation in the U.K., for instance, is at its highest levels in 40 years. To tackle such conditions, many central banks have gone in for interest rate hikes. Early this month, the U.S. Federal Reserve increased its benchmark interest rate by half a percentage point, the biggest hike in 22 years.

"These aren't normal times," said the 2022 Midyear Economic Outlook report of Morgan Stanley. "Persistent inflation, supply chain constraints, the continuing pandemic and war in Ukraine signal a significant slowdown in global GDP growth this year but not a worldwide recession."

Cryptocurrencies, which are perceived amongst the riskier investments, are weighed down in such an environment where investors want safety more than anything else. Cryptocurrencies, interestingly, were promoted as those that could weather these storms. A recent article in *The New York Times* said, "Bitcoin was conceived more than a decade ago as 'digital gold,' a long-term store of value that would resist broader economic trends and provide a hedge against inflation. But Bitcoin's crashing price over the last month shows that vision is a long way from reality. Instead, traders are increasingly treating the cryptocurrency like just another speculative tech investment." It has in recent times behaved more in the lines of the technology stocks at Nasdaq and less like gold, which is seen as a store of value. But a vulnerability in the cryptocurrency ecosystem also played its part in the recent price crash.

### What vulnerability was revealed during this crash?

The Bitcoin value also got impacted by what's essentially a sub-story in the entire episode – the fate of a stablecoin called TerraUSD. Stablecoins are a type of cryptocurrency that seek to hold their value steady, even if the Bitcoins of the world have a rocky journey. This, they do by pegging to a currency such as the dollar. TerraUSD's idea was to maintain a value of \$1.

The way it maintains its peg is through an algorithmic solution, wherein if it drops below \$1, a trader is encouraged to receive a



'sister' token called Luna at a discounted price in exchange. The TerraUSD, for which Luna was exchanged, then goes out of circulation. The supply falls, and the peg to \$1 is achieved again. That's how it works in theory. What happened in reality is that the peg was lost, and the investors began to pull out, and both the stablecoins had a free fall.

On May 23, TerraUSD was trading below seven cents (it was 99 cents on May 9, a day before the fall began). Luna was trading at \$0.0002044, very close to zero. The Luna Foundation Guard, which backs the Terra ecosystem, had tried selling its Bitcoin reserves to keep its cryptocurrency peg intact. That, among other things, could also have played a part in the Bitcoin value slide.

### How are governments reacting to this?

Governments are reacting by talking about

regulating stablecoins. *CNBC* quoted a U.K. government spokesperson as saying that "The government has been clear that certain stablecoins are not suitable for payment purposes as they share characteristics with unbacked cryptoassets." The U.K., the report said, is planning to "bring stablecoins within the scope of electronic payments regulation."

U.S. Treasury Secretary Janet Yellen was quoted as saying in a Congressional hearing, "I wouldn't characterise it at this scale as a real threat to financial stability but they're growing very rapidly."

While the crypto market seems to have stabilised after the big fall early this month, the future course of the prices is anybody's guess. The global inflation risk has still not gone away, nor is the Federal Reserve monetary tightening over.

# India to be the leader of green hydrogen: Puri

Delegation led by Piyush Goyal at Davos

**KALLOL BHATTACHERJEE**  
NEW DELHI

India will emerge as the leader of green hydrogen, Minister of Petroleum and Natural Gas Hardeep Singh Puri said on Monday. Mr. Puri made the remarks while attending the World Economic Forum at Davos, Switzerland, where he is part of the Indian delegation led by Commerce and Industry Minister Piyush Goyal.

“India is moving faster than any other country towards a green transition. We are taking advantage of the current energy crisis to accelerate this transition,” Mr. Puri said at a breakfast interaction with members of the Indian diaspora. He said the current government had moved fast on vaccine production, adding, “Whatever vaccine manufacturing capacity India had earlier almost got dismantled during 2004-2014 [UPA government].”

The Davos event is taking place in the backdrop of the Russia-Ukraine crisis, which marks return of war to Europe after several decades.

The Minister’s comments reflect the commitments that India has been making on the sustainable energy front as Western economies are keen to reduce dependence on Russian energy supply. Prime Minister Narendra Modi has been high-



Hardeep Singh Puri

lighting India’s green hydrogen potential.

This year marks the 25th anniversary since India began to appear at the World Economic Forum at Davos. To mark the special moment, the India Lounge at Davos has six sessions covering, digital economy, energy transformation and building unicorns. One of the sessions will include the opportunity for infrastructure asset monetisation pegged at \$80 billion.

Apart from Mr. Puri, Mr. Goyal and Health Minister Mansukh Mandaviya, the delegation includes Chief Ministers and senior Ministers of Madhya Pradesh, Tamil Nadu, Telangana, Andhra Pradesh, Maharashtra and Karnataka.

Mr. Goyal met Alexander R. Wynaendts, chairman-elect, Deutsche Bank. “Discussed how the financial institution can further complement the government’s sustainable growth agenda,” Mr. Goyal said.

## EXPLAINER

# The devastation in Dima Hasao and its after-effects

How important is the railway line, which straddles the tertiary mountain range between the Brahmaputra and Barak River basins, for trade and travel?

RAHUL KARMAKAR

**The story so far:** Disaster struck Dima Hasao, central Assam's hill district, in mid-May after incessant heavy rainfall. The 170 km railway line connecting Lumding in the Brahmaputra Valley's Hojai district and Badarpur in the Barak Valley's Karimganj district was severely affected. The Assam government and Railway Ministry's assessments said the district suffered a loss of more than ₹1,000 crore, but ecologists say the damage could be irreversibly higher.

### How severe has the rain been in Assam?

Assam is used to floods, sometimes even four times a year, resultant landslides and erosion. But the pre-monsoon showers this year have been particularly severe on Dima Hasao, one of three hill districts in the State. Landslips have claimed four lives and damaged roads. The impact has been most severe on the arterial railway, which was breached at 58 locations leaving the track hanging in several places. The New Hailong station catering to district headquarters Hailong bore the brunt of nature's fury when a passenger train, whose passengers were evacuated in time, was almost buried in mud. The disruption of train services, unlikely to be



Train carriages are seen toppled, following a landslide at Dima Hasao on May 16. •AFP

restored soon, has cut off the flood-hit Barak Valley, parts of Manipur, Mizoram and Tripura.

### Why is the railway in focus post-disaster?

Dima Hasao straddles the Barail, a tertiary mountain range between the Brahmaputra and Barak River basins. The district is on the Dauki fault (the prone-to-earthquakes geological fractures between two blocks of rocks) straddling Bangladesh and parts of the northeast. British engineers were said to have factored in the fragility of the hills to build the railway line over 16 years by

1899. The end result was an engineering marvel 221 km long over several bridges and through 37 tunnels, laid along the safer sections of the hills. A project to convert the metre gauge track to broad gauge was undertaken in 1996 but the work was completed only by March 2015 because of geotechnical constraints and extremist groups. The broad-gauge track was realigned to be straighter, but a 2009-10 audit report revealed that the project had been undertaken without proper planning and visualisation of the soil strata behaviour.

Citing an engineering and geology expert, the report gave the example of the disaster-prone Tunnel 10 on the realigned track that was pegged 8 meters below the bed of a nearby stream. Retired railway officials admitted that faulty experiments and the "greed" of a few not only made the track vulnerable to the forces of nature but also escalated the cost of the project from ₹1,677 crore to ₹5,500 crore. The Commissioner of Railway Safety had in July 2015 observed that the track was unsafe for passengers after nine derailments and the sinking of the track in 14 sections four months after the route was opened for goods trains.

### Is only the railway at fault?

There is a general consensus that other

factors have contributed to the situation Dima Hasao is in today. Roads in the district, specifically the four-lane Saurashtra-Silchar (largest Barak Valley town) East-West Corridor, have been realigned or deviated from the old ones that were planned around rivers and largely weathered the conditions. Locals said the arterial roads build over the past 20 years often cave in and get washed away by floods or blocked by landslides. Shortened cycles of jhum or shifting cultivation on the hill slopes and unregulated mining have accentuated the "man-made disaster", as former MLA from the district Samarjit Hailongbar wrote in a letter to Assam Chief Minister Himanta Biswa Sarma. "...massive extraction of river stone, illegal mining of coal and smuggling of forest timber... has led to the disaster. These activities have increased water current besides weakening either side of riverbanks such as Jatinga, Mahur, Langting and other rivers along with other streams and tributaries," he wrote, holding the chief of the autonomous district council responsible.

### How vital are the rail and highway through Dima Hasao?

Meghalaya aside, Dima Hasao is the geographical link to a vast region

comprising southern Assam's Barak Valley, parts of Manipur, Mizoram and Tripura. This region has an alternative, less disaster-prone highway through Meghalaya linking the country beyond and may not thus be impacted by any damage to the four-lane highway through Dima Hasao, once it is completed. But the Lumding-Badarpur railway line has been the lifeline for this region since goods trains started operating in March 2015.

Moreover, this track is vital for India's Look East policy that envisages shipping goods to and from Bangladesh's Chittagong port via Tripura's border points at Akhaura and Sabroom, the last railway station near the Feni River that serves as the India-Bangladesh border. The Dima Hasao line also links the ambitious 111 km Jiribam-Imphal railway project in Manipur being built on similar, landslide-prone terrain. There are plans to extend the Jiribam-Imphal line, which will have India's tallest railway bridge and the longest railway tunnel, to Myanmar and beyond. Such plans seem distant with Tripura and Mizoram indicating they cannot always rely on the rail connectivity through Dima Hasao. The two States have approached the Ministry of External Affairs for bringing fuels and essentials through Bangladesh, preferably on a long-term basis.

## THE GIST

■ Disaster has struck Dima Hasao after incessant heavy rainfall which severely affected the 170 km railway line connecting Lumding in the Brahmaputra Valley's Hojai district and Badarpur in the Barak Valley's Karimganj district.

■ Dima Hasao is the geographical link to a vast region comprising southern Assam's Barak Valley, parts of Manipur, Mizoram and Tripura. Moreover, the railway track is vital for shipping goods to and from Bangladesh's Chittagong port via Tripura's border points.

■ A project to convert the metre gauge track to broad gauge, completed in 2015, came under scrutiny through a 2009-10 audit report which revealed that the project had been undertaken without proper planning.

### 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 <sup>th</sup> century such as industrial revolution, world wars, re-drawing 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
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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
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M	Indigenization of technology and developing new technology;
N	Developments and their applications and effects in everyday life;
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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.
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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.