



VEDHIK

DAILY NEWS ANALYSIS

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FOREWORD

We, at Team Vedhik is happy to introduce a new initiative - "Vedhik - Daily News Analysis (DNA)_The Hindu" compilations to help you with UPSC Civil Services Examination preparation. We believe this initiative - "Vedhik - Daily News Analysis (DNA)_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 Ha-meed 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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Total loss: Smoke billows from the Iskenderun Port in quake-hit Turkey as people walk past collapsed buildings. GETTY IMAGES

Quake deaths pass 6,000 as Turkey, Syria seek survivors

Associated Press

NURDAG

Search teams and emergency aid from around the world poured into Turkey and Syria on Tuesday as rescuers working in freezing temperatures dug – sometimes with their bare hands – through the remains of buildings flattened by a magnitude 7.8 earthquake. The death toll soared above 6,200 and was still expected to rise.

With the damage spread over a wide area, the mas-

sive relief operation often struggled to reach devastated towns, and voices that had been crying out from the rubble fell silent.

Monday's quake cut a swath of destruction that stretched hundreds of miles across southeastern Turkey and neighbouring Syria, toppling thousands of buildings and heaping more misery on a region shaped by Syria's 12-year civil war and refugee crisis.

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Quake deaths pass 6,000 in Turkey, Syria

More than 8,000 people have been pulled from the debris in Turkey alone, and some 3,80,000 have taken refuge in government shelters or hotels, said Turkish Vice-President Fuat Oktay. They huddled in shopping malls, stadiums, mosques and community centres, while others spent the night outside in blankets, gathering around fires.

Many took to social media to plead for assistance for loved ones believed to be trapped under the rubble – and Turkey's state-run *Anadolu Agency* quoted Interior Ministry officials as saying all calls were being “collected meticulously” and the information relayed to search teams.

Turkish President Recep Tayyip Erdogan said 13 million of the country's 85 million were affected in some way – and declared a state of emergency in 10 provinces in order to manage the response.

The affected area in Syria is divided between government-controlled territory and the country's last opposition-held enclave, which is surrounded by Russian-backed government forces.

The rebel-held enclave is packed with some 4 million people displaced from other parts of the country by the war. Many live in buildings that were damaged by military bombardments.

A polycrisis that is depleting Pakistan's resilience

Pakistan is no stranger to crises. In fact, any reading of Pakistan's history will inform the reader that right from 1947, it was the 'refugee crisis' that came into the picture immediately following Partition and Independence. As many as 14 million people crossed the West Pakistan/India border, with Pakistan having to deal with this development having non-existent infrastructure. There was concern and fear by leaders in both independent countries, that Pakistan would 'not survive', and that it might even 'return to the fold'. But despite an extraordinary and tumultuous first few years, Pakistan has continued to survive and exist. Since 1947, Pakistan has gone through scores of crises and near collapses, ranging from multiple political and constitutional crises, and also those around terrorism.

Crises and 'resilience'

Apart from a few good years, Pakistan's economy has been in a state of a perpetual crisis, dependent on the largesse and beneficence of donors, international financial institutions and charity from so-called 'friendly countries'. It has become a cliché that Pakistan is always in crisis, and it is the supposed 'resilience' (a derogatory and condescending term) which the people of Pakistan have, which sees them and the country through. However, a little after a month into the new new year, there have been multiple crises, all at the same time. To begin with, Pakistan, yet again, is facing an economic crisis, albeit one which is quite unprecedented when compared to the past. Just a few days ago, the Financial Times, in a particularly hard-hitting editorial, suggested that Pakistan 'is on the brink' of default and financial catastrophe, with a Sri Lankan-type situation staring it in the face. This at a time when a delegation from the International Monetary Fund (IMF) is in Islamabad to hammer out an agreement with the battered Government of Pakistan led by Prime Minister Shehbaz Sharif. Mr. Sharif himself has said, over the last few days, that the conditions being imposed by the IMF to release a mere \$1.1 billion were severely harsh and 'beyond imagination'.

That this is Pakistan's 23rd agreement with the



S. Akbar Zaidi

is a political economist and heads the IBA, Karachi

The country could be staring at its worst crisis in decades as it faces political and economic destabilisation and even the return of terror

IMF is itself cause for grave concern.

A financial abyss, political troubles

Inflation stands at 28%, the highest in almost five decades, the Pakistani rupee has lost 17% of its value in seven days, edging closer to PKR 300 for one U.S. dollar. Foreign exchange reserves stand near \$3 billion only – not even enough for a month's imports – and falling every few weeks. There does not seem to be any way of reversing this trend, easily and quickly. With severe import restrictions and constraints and the inability to pay in foreign currency, economists have already declared Pakistan to be in 'partial default'.

While there have been many situations and crises related to the economy in the past, such as at the time of Pakistan's nuclear tests in 1998, the macroeconomy has never looked this precarious now than even during the global financial crisis of 2008, or in the last five decades. The one time there was a possibility of a default was when 9/11 happened (2001) and Pakistan's economy had to be rescued and bailed out, receiving huge amounts of aid and rent for its supposed premium geopolitical location next to Afghanistan as a base for American designs and military ambitions in the region. At that time Pakistan was ruled by a military dictator, General Pervez Musharraf, and there was apparent political 'stability' with the military in complete control. This is not the case today.

While the economic crisis has only been made worse due to misgovernance and ineptitude enveloped in hubris over the last four years, there was until a few months ago a sense of political stability of sorts. Now, there is total political confrontation between the Shehbaz Sharif-led multi-party coalition, the Pakistan Democratic Movement, and the ousted and belligerent former Prime Minister, Imran Khan. Mr. Khan not only upset the political status quo which continued to survive since 2018 (when elections were last held), but has dissolved two (out of four) provincial assemblies which his party controlled. Hence, 67% of Pakistan's population faces a situation of no longer having an elected government, and the two provinces are being run by caretaker governments. Mr. Khan has also

become the most vocal and vociferous critic of senior members of the Pakistan Army, singling out the former Chief of the Army Staff, General Qamar Javed Bajwa, who Mr. Khan accuses of conspiring to have him removed from office. In addition, the courts are yet to pronounce their verdicts on cases which could possibly see Mr. Khan disqualified and barred from contesting elections, a possibility which has made Mr. Khan announce that he will start a jail *bharo* (court arrest) campaign. Instability and uncertainty dominate at every level.

The terror shadow

If political and economic destabilisation were bad enough after many years of an apparent peace, one sees the return of terrorism to Pakistan. The case, on January 30, where a suicide bomber killed over a 100 worshippers in a mosque in Peshawar, accounts for one of the most serious incidents on a single day in over more than two decades of terrorism. The fact that there is little clarity which faction of the Taliban (or the Tehrik-e-Taliban Pakistan (TTP)) was behind this makes things far worse. In the past, such acts have been dealt with through a decisive response, but with the Chief of Army Staff, General Syed Asim Munir, leaving for a five-day tour to the United Kingdom (on defence-related issues, between February 5 and 9) soon after the blast, questions have been raised about the resolve and response to end terrorism in Pakistan.

Pakistan has become a dysfunctional state where its elites have revealed their incompetence and hubris in failing to address fundamental and day-to-day issues of a public nature. Amassing wealth through privilege and being unresponsive to the needs of the citizens, they continue to rule whether under the façade of a democracy or through extended periods of military dictatorship. The absence of any sort of political opposition or alternative, particularly in the form of progressive political parties and groups, or even spontaneous civic action demonstrating anger, is Pakistan's biggest crisis. The label of being 'resilient' is fading.

The views expressed are personal

India, Russia continue discussion to evolve a payment mechanism

The countries deliberate on payments in third currencies and sourcing from India as potential solutions to disruptions due to Western sanctions

Dinakar Peri

NEW DELHI

With bilateral payments still not streamlined against the backdrop of Western sanctions, especially for defence deals, India and Russia are set to hold bilateral financial meetings under the framework of the Inter-Governmental Commission in the second half of February as part of ongoing efforts to iron out a mechanism, officials aware of the development said.

"We have agreed on a mechanism and we are fine-tuning it, continuous discussions are on. Enhancing bilateral trade and sourcing from India is one of the discussions, as also payments in third currencies," an official source said.

Another major issue is transportation, with the challenge of finding cargo carriers – and their insurance – outside the purview of sanctions. Defence sources have expressed concerns regarding this since the beginning of the war in Ukraine. Insurance and reinsurance are under discussion, as well as efforts to avoid cargo ships under sanctions, the source said. On this, diplomatic sources stated that, increasingly, most of the



New avenues: Denis Alipov speaking at a forum on India-Russia strategic partnership, in New Delhi on Monday. ANI

shipping being used is Russian.

'Banks too cautious'

Speaking at a seminar on Monday, Russian envoy in India Denis Alipov said that vostro accounts have been opened, the mechanism of rupee-rouble trade has been established, and it is now a matter for the banks to use it.

"Many Indian banks are overcautious. Using this mechanism would not invite any secondary restrictions from the U.S. if that is the fear. But still, banks want to be on the safe side," Mr. Alipov said, adding that it would take some time for the knowledge that it is not detrimental for Indian banks to sink in, after which a positive expansion of this mechanism would be seen.

Budget documents pre-

sented last week show that the Indian Air Force has returned close to ₹2,370 crore from the Budget Estimates to the Revised Estimates for 2022-23. Official sources said that this was meant for payments to Russia as part of committed liabilities, which could not be completed. Payments for several other defence deals are held up as well, official sources said.

With Russia being shut out of the global SWIFT system for money transfers, India and Russia have agreed to conduct payments through the rupee-rouble arrangement. However, this has led to an accumulation of Indian rupees in Russian banks, given the large volume of payments. This is where both sides are discussing ways to enhance Russian sourcing from India.

A quick reset

India and Canada are looking at the big picture as they put behind discord

As India ramps up its international outreach in the year of its G-20 presidency, better ties with Canada are clearly on the agenda for the government, with the External Affairs Minister, S Jaishankar, hosting Canadian Foreign Minister Melanie Joly for bilateral talks in New Delhi. This visit of Ms. Joly, who will be in Delhi again for the G-20 Foreign Minister's Meeting in March, and later again to accompany Canadian Prime Minister Justin Trudeau for the G-20 summit, will be followed by several other Ministers for other G-20 meetings. Another reason for the acceleration in relations is Canada's deteriorating ties with China. In November, Canada announced its new Indo-Pacific Strategy that marked out China as an "increasingly disruptive global power", while referring to India as a "critical partner" with shared traditions of democracy and pluralism. In addition, Canada's search for new markets to diversify its considerable economic engagement with China coincides with India's push to conclude free trade agreements with many countries. While officials have been working to announce an "Early Progress Trade Agreement" this year, they are also hopeful of securing a Comprehensive Economic Partnership Agreement soon. The flurry in bilateral activity is in contrast to past developments, especially after Mr. Trudeau's disastrous India visit in 2018, and his criticism of the Modi government's handling of the farmers' agitation in 2020-21 that led to the cancellation of diplomatic activity. The ties began to be reset after he met Mr. Modi on the sidelines of the G-7 summit in Germany last year.

Several issues remain to be sorted out – New Delhi has continued to express concerns over the resurgence of Khalistani separatism and calls for a "referendum" amid the Sikh community in Canada as well as incidents of vandalism and violence targeting the Indian community there. In addition, Canadian pronouncements on developments in India, including on rights and freedoms can always set off diplomatic landmines. This has been a running thread in bilateral ties, which have seen many ups and downs over the past decades, despite a massive Indian diaspora population and student links. Canada was among the first countries associated with India's nuclear programme, but the relationship ruptured after India's nuclear tests in 1974. When ties began to improve in the 1980s, it was Indian anger over Canadian shelter to separatist Khalistani groups behind the 1985 bombing of an Air India flight and the prolonged trial. Relations were restored in 2010, with the visit of Prime Minister Manmohan Singh to Canada, and an agreement on civil nuclear cooperation, and Mr. Modi in 2015. But they flagged after 2018. This year, timing and intent seem on course for a leap in ties which could bring strategic and economic gains, provided both sides also focus on side-stepping the possible political pitfalls along the way.

The saga of a 'spy' balloon in U.S. airspace

What are spy balloons and what are they capable of? When did the Chinese balloon enter U.S. airspace? How did both governments react? Has China been accused of similar incidents before? How did Beijing respond after the balloon was shot down?

EXPLAINER

Sumeda

The story so far:

Last week, the U.S. shot down a Chinese 'spy' balloon, days after the surveillance device was first spotted over American airspace, bringing the dramatic saga to a climax and dealing yet another blow to the already strained diplomatic relation between the two sides.

What happened?

Reports of a massive white orb, believed to be the size of three school buses, floating high above the U.S. State of Montana captured global attention earlier this month. Ending speculations, American defence and military officials confirmed that the reconnaissance balloon had travelled from China, entered the air defence zone north of the Aleutian Islands on January 28, subsequently moved over land across Alaska and into Canadian airspace and crossed back into the U.S. over Idaho. President Joe Biden was briefed on the matter and the military considered shooting down the balloon which Pentagon believed was a Chinese surveillance tool carrying sensors and equipment to collect information about military and other strategic sites like Montana, which is home to one of the nation's three nuclear missile silo fields. Though the Pentagon acknowledged that the balloon was unarmed, it decided against aerial action at the time due to risks for those on the ground owing to its massive size and altitude. As a precautionary measure, the U.S. Federal Aviation Administration paused aerial activity at three airports. As the news of the 'spy' balloon traversing American skies caused a sensation, the Chinese Foreign Ministry acknowledged that the balloon was from China after initial reluctance, but rejected claims of spying. It insisted that the balloon was an errant civilian airship used mainly for meteorological research that went off course due to winds. "The Chinese side regrets the unintended entry of



the airship into US airspace due to force majeure. The Chinese side will continue communicating with the US side and properly handle this unexpected situation caused by force majeure," the statement said. Beijing also expressed "regret" over

the incident and insisted that it respects the sovereignty of other countries.

How was the balloon shot down?

Long before the shoot down, U.S. officials took steps to protect against the balloon's

collection of sensitive information, mitigating its intelligence value to the Chinese. Ahead of the mission, NASA assessed the debris field based on the trajectory of the balloon, weather and estimated payload of sensors. Multiple fighters and refuelling aircraft, including F-15s and tanker aircraft, were part of the mission. But it was an F-22 Raptor fighter jet that took off from an air force base in Virginia that took down the balloon by firing a short-range AIM-9X Sidewinder missile. As per reports, debris was strewn across 11 km, with most landing in shallow water. After the mission was complete, the U.S. informed China of its action. The downing of the balloon by a missile drew a strong reaction from China which insisted that the flyer was an accident and criticised U.S. for an "obvious overreaction". The shoot down of the balloon has "seriously impacted and damaged" relations between the two countries, the Chinese Foreign Ministry said.

What are spy balloons?

Spy balloons are high-altitude surveillance tools that usually operate at 80,000-120,000 feet – well above the cruising altitude of commercial aircraft – to gather intelligence and carry out other military missions. Typically, a spy balloon is equipped with cameras and imaging devices suspended beneath the gas-filled white object to capture things of interest. Unlike satellites, balloons are economically viable. Due to their proximity to the Earth's surface, they can widely scan an area from close quarters and capture clearer, high-resolution images of the target. The disadvantage is that these are not directly steered, but can be roughly guided by changing altitudes to catch different wind currents, as per a study by the Air Force's Airpower Research Institute. They are also a relatively easy target.

Taiwan has accused the Peoples Liberation Army (PLA) of using spy balloons in the past. A similar sighting was reported over Andaman and Nicobar Islands in January last year. There has, however, been no official confirmation or evidence that establishes its link with China.

THE GIST

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The 30 crore missing voters are mostly young, urban, or migrants

With a voter turnout of 67.1% in the 2019 Lok Sabha polls, India ranked 74th among the 162 countries analysed

DATA POINT

Agencies

India has witnessed a more than four-fold increase in the number of electors since 1962 to over 94.5 crore this year, but almost one-third of them stayed away from exercising their franchise in the last Lok Sabha polls. This has prompted the Election Commission of India (ECI) to walk the extra mile to bring them to the polling booths. Amid talks of taking the voter turnout to 75%, the ECI has recognised that people from urban areas, young voters, and migrants formed a big part of the 30 crore missing voters in the last Lok Sabha election. In order to woo these demographics, the ECI has taken a multi-pronged approach ranging from conducting awareness campaigns to introducing remote voting systems.

In November 2022, Chief Election Commissioner Rajiv Kumar participated in an awareness rally in Pune and requested voters in urban areas as well as young electors to increase their participation in the election process. During the Gujarat and Himachal Pradesh Assembly elections in December, the ECI rued the fact that the "voter turnout figure was dampened by urban apathy." Quoting figures, the ECI stated that "major cities in Gujarat have recorded not only a decline in voting percentage as compared to the 2017 elections, but have also voted much less than the State average in 2022."

To address the issue of migrants missing from the election process, the ECI announced in December that it has developed a prototype for a Multi-Constituency Remote Electronic Voting Machine which would enable remote voting by migrant voters. Remote Electronic Voting Machines can handle multiple constituencies from a single remote polling booth.

Chart 1 shows the number of

electors and the voter turnout in the past 15 Lok Sabha elections. From 21.63 crore electors in 1962, the count increased to 91.05 crore in 2019. The total number of voters on January 1 this year was 94,50,25,694 (94.5 crore). The voter turnout has increased significantly in recent years and crossed the 65% mark in the last two general elections. But 35% still remain absent from the process.

As the ECI said, urban apathy is a major factor. **Table 2** lists the three parliamentary constituencies from select States which recorded the lowest voter turnout in the 2019 general elections. Nearly all the constituencies listed are in the capital districts of the respective States or part of other urban centres. For instance, in Karnataka, the constituencies – Bangalore south, Bangalore central and Bangalore north – recorded the three lowest voter turnouts in the State in the last general election. All three seats are in the capital city. This pattern can be observed in the other States listed as well.

Chart 3 shows the number of electors registered for the most recent parliamentary/presidential elections in select countries. Only the top 10 countries are depicted. The ECI has a big task on hand given that India's number of registered voters is almost four times that of the U.S., the second country on the list. India's voter base exceeds the combined numbers of the U.S., Indonesia, Brazil, Russia, Pakistan and Japan.

India, with a voter turnout of 67.1% in the last Lok Sabha elections, ranked 74th among the 162 countries whose data were compared (**Chart 4**). Only the vote shares in the most recent elections conducted in these countries were considered. India's vote share lagged behind the turnouts recorded in Bangladesh (80%), Brazil (79.2%) and Sri Lanka (75%), but surpassed the turnouts in Russia (51%), Pakistan (50%) and Nepal (61%).

Getting inked

The tables and charts were sourced from the Election Commission of India and the International Institute for Democracy and Electoral Assistance



Chart 1

Chart shows the number of electors and the voter turnout in the past 15 Lok Sabha elections

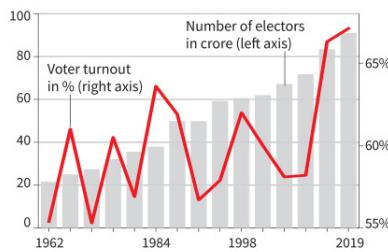


Chart 3

Chart shows the number of electors registered (in crore) for the most recent parliamentary/presidential elections in select countries

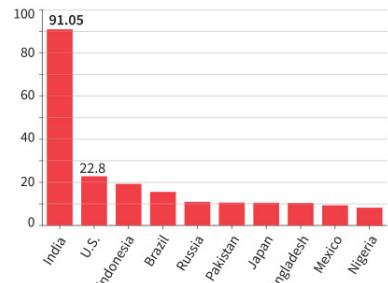


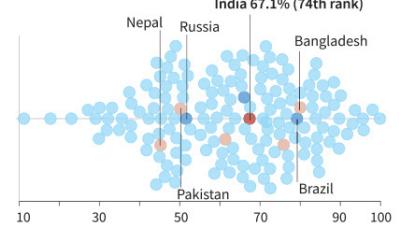
Table 2

The three parliamentary seats from select States which recorded the lowest voter turnout in the 2019 elections

State	Constituency
West Bengal	Kolkata Uttar, Kolkata Dakshin, Howrah
Uttar Pradesh	Phulpur, Kanpur, Allahabad
Telangana	Hyderabad, Secunderabad, Malkajgiri
Tamil Nadu	Chennai south, Chennai central, Sripurumbudur
Rajasthan	Karauli-Dholpur, Bharatpur, Bikaner
Odisha	Bhubaneswar, Aska, Berhampur
Maharashtra	Kalyan, Thane, Puna
M.P.	Bhind, Gwalior, Rewa
Karnataka	Bangalore south, Bangalore central, Bangalore north
Kerala	Thiruvananthapuram, Pathanamthitta, Mavelikkara
Haryana	Faridabad, Gurgaon, Karnal
A.P.	Visakhapatnam, Araku, Srikakulam
Gujarat	Amreli, Porbandar, Surendranagar

Chart 4

The chart shows voter turnout % of countries in their latest elections



SC declines to take up pleas against elevating lawyer

Bench says it cannot give a judicial direction to the collegium on Victoria Gowri's appointment; she takes oath as Additional Judge in Madras HC

Krishnadas Rajagopal

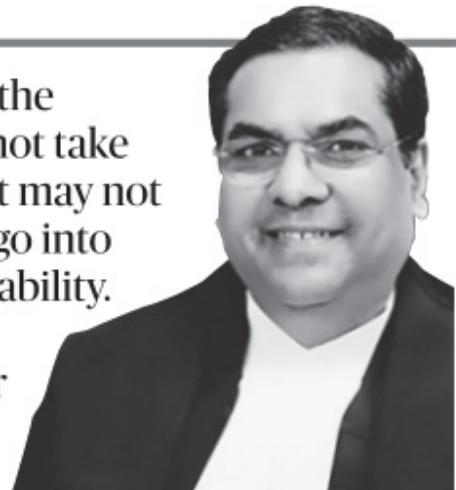
NEW DELHI

The Supreme Court on Tuesday declined to entertain petitions challenging the appointment of advocate Victoria Gowri as an Additional Judge of the Madras High Court even as the lawyer took oath of office in a ceremony held almost simultaneously with the top court's hearing.

"We have a fairly robust scrutiny process. Let us not interfere with that... Assuming that the collegium did not take everything into account may not be proper... We cannot go into the question of her suitability. We cannot direct the collegium to reconsider.

Assuming that the collegium did not take everything into account may not be proper... We cannot go into the question of her suitability. We cannot direct the collegium to reconsider

JUSTICE SANJIV KHANNA



This is the case of an Additional Judge. Her confirmation as a Permanent Judge is further down... So, we will see. I don't think we will be able to pass any orders at this stage," Justice Sanjiv Khanna addressed the petitioners.

The court hearing before a Special Bench of Justices Khanna and B.R. Gavai began at 10.25 a.m.

while the oath-taking ceremony at the Madras High Court was scheduled at 10.35 a.m.

Initially, the petitioners said their lawyers were summoned to the courtroom of Chief Justice of India D.Y. Chandrachud for a hearing at 9.15 a.m.

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SC not to take up pleas against elevating lawyer

However, after a wait of over half an hour, senior advocates Raju Ramachandran and Anand Grover, for petitioners Anna Mathew and senior advocate R. Vaigai, were asked to go to court seven, where Justice Khanna presides, for a hearing at 10.30 a.m.

Towards the end of the 25-minute hearing, the top court Bench said it cannot give a judicial direction to the Supreme Court Collegium to reconsider its January 17 recommendation, based on which the government notified the appointment of Ms. Gowri as an Additional High Court Judge on Monday.

Mr. Ramachandran submitted that the decision-making process had been “affected and even stymied by necessary information about her not being placed before the Collegium”.

The Supreme Court declined to intervene only a day after the Chief Justice of India made a rare statement in open court that the Collegium was considering the “developments” raised in a letter addressed to it by a group of 21 Madras High Court lawyers on February 1.

He said the tweets of Ms. Gowri indicate a “mindset not in tune with the Constitution”.

Fiscal consolidation in the context of the Budget

The Budget for 2023-24 has attempted to address the aspirations of different segments of society. It is a good effort in a difficult situation. But how far do the Budget provisions go to meet the two fundamental goals of growth and stability? The two must go together for sustained growth over the medium term, which will be the answer to many of India's socioeconomic problems.

Budgetary support to growth
Growth is affected by the size of government expenditure and its revenue and capital components. Government expenditure is budgeted to grow at 7.5% while nominal GDP growth is estimated to fall from 15.4% in 2022-23 to 10.5% in 2023-24. Thus, the total expenditure relative to GDP is shown to fall from 15.3% in 2022-23 (RE) to 14.9% in 2023-24 (BE). The composition of government expenditure, however, would be growth positive.

Increase in the Centre's capital expenditure is budgeted at 37% while that in revenue expenditure is only 1.2%. According to estimates by the Reserve Bank of India (2019, 2020), the multiplier associated with central government capital expenditure is 2.45, while that for revenue expenditure is 0.45. Investment expenditure by central public sector undertakings (PSUs) is budgeted to fall by 0.2% points.

However, State capital expenditures may increase as a result of central grants to the States meant for capital asset creation amounting to 1.2% of GDP, augmentation of States' fiscal deficit to GDP ratio to 3.5%, and the facility of 50 years of interest-free loans for creating capital assets in 2023-24.

It is difficult to ascertain the extent to which States might utilise these facilities. Growth may



C. Rangarajan

is former Chairman, Prime Minister's Economic Advisory Council and former Governor, Reserve Bank of India



D.K. Srivastava

is Chief Policy Adviser, EY India and former Director, Madras School of Economics

A stronger fiscal consolidation road map is needed over the medium term

also be stimulated indirectly due to an increase in private disposable incomes following tax slab adjustments applicable to the new income tax regime. Real growth in 2023-24 may be a little above 6%.

External conditions as reason

According to the Fiscal Responsibility and Budget Management (FRBM) Act, as amended in 2018, the Centre is mandated to take appropriate steps to limit its fiscal deficit to 3% of GDP by March 31, 2021 although this is an operational target. The mandated target pertains to the Centre's debt-GDP ratio which is to be brought down to 40%. If there is a deviation from the fiscal deficit-GDP ratio of 3%, the Centre is required to state the reasons. In the medium-term fiscal policy cum Fiscal Policy Strategy Statement (MTPS), the Centre has attributed the deviation of the budgeted 5.9% fiscal deficit-GDP ratio to external economic conditions. For this reason, the Centre has also not provided the medium-term GDP growth forecasts.

Furthermore, the Centre has also not indicated the year by which it envisages reaching a fiscal deficit level of 3% of GDP. Instead, it has indicated that a level of 4.5% of GDP would be reached by 2025-26, calling for a steeper adjustment of 0.7% points each in the next two years. It might require another two to three years for reaching a level of 3%. However, even by this time, the mandated debt-GDP ratio of 40% would not be reached. The Centre's debt-GDP level net of liabilities on account of investment in special securities of states under the National Social Security Fund (NSSF), is budgeted to increase from 55.7% in 2022-23 (RE) to 56.1% in 2023-24 (BE). This increase is expected as the primary deficit to GDP ratio is indicated at 2.3% in 2023-24.

The MTPS statement does not indicate the year by which the government aims to reach the mandated debt-GDP target of 40%. One implication of the high level of Centre's debt-GDP ratio is for interest payments relative to revenue receipts, which is budgeted at 41% in 2023-24. This reduces, significantly, the space for primary expenditure in the Centre's budget.

Private investment

For raising growth in the medium term, augmentation of private investment relative to GDP needs to be ensured. This requires that enough investible resources are left for the private sector after the public sector's pre-emptive claim on these resources. At present, total investible resources, consisting of financial savings of the household sector amounting to about 8% of GDP and net foreign capital inflows amounting to 2.5% of GDP, may be estimated at 10.5% of GDP. The central and State fiscal deficits considered together may amount to 9.4% of GDP in 2023-24. This implies that only 1.1% is available for the private sector and the non-government public sector.

Investment of the Centre's PSUs themselves amount to 1.1% of GDP in 2023-24, leaving little scope for State PSUs and the private sector. This is not amenable to creating an environment for interest rate reduction. In fact, trying to borrow beyond the available investible resources by the government can only lead to inflation. We know the dilemma faced by the government. Any further reduction in the fiscal deficit will cut expenditures which may not be appreciated. We need, however, a stronger fiscal consolidation road map over the medium term.

The views expressed are personal

What has the Union Budget allocated to minorities?

Which are the most affected schemes under the Ministry of Minority Affairs? How much has education suffered? How have Nai Manzil and USTTAD fared?

Ziya Us Salam

The story so far:

The Union Budget for 2023-24 came with a reduction of 38% in funds for the Ministry of Minority Affairs. The fund crunch is likely to impact spheres of madrasas besides general school education, higher research and local development in areas of minority concentration.

Which schemes are affected?

The worst affected scheme under the all-encompassing fund crunch is the Education Scheme for Madrasas which suffered a whopping 93% cut in allocation, down to ₹10 crore from the ₹160 crore in the previous financial year. The allocation of ₹160 crore was itself a comedown from ₹174 crore in the previous fiscal year. The total allocation

for minorities' educational uplift was slashed to ₹1,689 crore from ₹2,515 crore last year with schemes for research as well as pre-matric scholarships experiencing a fund withdrawal or downsizing.

The allocation for research schemes for minorities, including Muslims, Christians, Sikhs, Jains, Buddhists and Parsis was reduced by a little more than 50%, down from ₹41 crore last year to ₹20 crore this year. On the same lines, the government hugely cut the funds for pre-matric scholarships for minorities, down from ₹1,425 crore last year to ₹433 crore in the upcoming financial year. Completing the picture for fund-strapped schemes was the Pradhan Mantri Jan Vikas Karyakram (PMJYK). The allocation for PMJYK came down from ₹1,650 crore to ₹600 crore this year. The scheme aims to provide socio-economic infrastructure and

elementary amenities in minority concentrated areas. It was said to be a key part of the government's Sabka Saath, Sabka Vikas initiative. The latest Budgetary setback comes on the heels of the scrapping of the Maulana Azad National Fellowships for higher education.

Why was Nai Udaan grounded?

The Nai Udaan Scheme meant to help minority students prepare for the Union Public Service Commission examinations was grounded. It was argued that the scheme overlaps with other similar affirmative plans of the government.

The decision to cut funds for socio-economic and educational uplift of minorities has cast a shadow far and wide. For instance, the Scheme for Leadership Development of Minority Women which received ₹2.5 crore last year is now down to ₹10 lakh as per the

new Budget. The Hamari Dharohar Scheme for conservation of minorities' culture and heritage which got ₹2 crore earlier, is now down to only ₹10 lakh. The worst sufferer was the Skill Development Initiative among minorities. It received ₹235 crore in 2022-23 but is now down to merely ₹10 lakh. The funds for Nai Manzil, an integrated educational and livelihood scheme, were brought to just ₹10 lakh from the earlier ₹46 crore. For the Upgrading the Skills and Training in Traditional Arts/Crafts for Development scheme (USTTAD), the monetary allocation was slashed to ₹10 lakh in comparison to the ₹47 crore in 2022-23. The loan subsidy to minorities to study abroad under the Padho Pardesh Scheme also stood withdrawn.

What has the government said?

The decision to scrap various scholarships followed by significant cut in budgetary expenditure for minorities resulted in several protests with many students from economically poor backgrounds pleading for continuation of the affirmative action. This reduction in overall expenditure came shortly after Prime Minister Narendra Modi made an appeal to the cadre of the BJP to build bonds with Pasmanda and Bohra Muslims to make sure nobody was left behind in the nation's progress. The Budget failed to follow up his words with action.

THE GIST

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▼ The worst affected scheme under the all-encompassing fund crunch was the Education Scheme for Madrasas which suffered a whopping 93% cut in allocation, down to ₹10 crore from the ₹160 crore in the previous financial year.

▼ Another scheme which suffered the most was the Skill Development Initiative among minorities. It received ₹235 crore in 2022-23 but is now down to merely ₹10 lakh.

Sitharaman signals readiness to review 28% GST on cement

Govt. will cope with whatever fresh shocks that may emerge due to global developments, says FM; she cites manner in which Centre coped with sudden jump in fertilizer prices in 2021 as example

The Hindu Bureau
NEW DELHI

The Centre will consider reviewing the 28% Goods and Services Tax levied on cement, Union Finance Minister Nirmala Sitharaman said on Tuesday, and assured that the government will cope with any fresh shocks that may emerge from global factors.

“Is there a buffer in the Budget? Buffer or no buffer, we have to face the situation as it arises,” Ms. Sitharaman said at an interaction with industrialists.



Burden of cost: Despite no extra provisions for fertilizer subsidy, high cost of imports was not passed on to farmers, says the FM. PTI

“We did so in the case of fertilizer prices in 2021 which rose out of nowhere. But we didn’t let the farmers down, we imported as

much and more, and also didn’t shift the burden on the farmers. It was not that I had a provision... for that already,” she pointed out.

Responding to a suggestion by infrastructure sector veteran Vinayak Chatterjee to consider cutting the 28% GST levied on cement, which he termed “a bit unnatural” as it is used by non-bulk individual buyers who are unable to avail input tax credits, Ms. Sitharaman acknowledged there was room to review.

“On the GST, the end user in non-bulk cases... I see your point. Let’s see. I will have the fitment committee look into it and then, if necessary, take it to the [GST] Council,” the Finance Minister replied.

‘Oil still needed while world transitions to clean energy systems’

‘We can’t unplug current system before we have built the new one,’ says COP-28 president-designate, pushing for investment in decarbonisation

Jacob Koshy
NEW DELHI

Despite the impressive growth of wind and solar power, renewable energy by itself will not be sufficient, particularly to transition industries that are entirely dependent on fossil fuel, according to Sultan Al Jaber, the president-designate of the next UN summit on climate change.

This year’s Conference of Parties (COP-28) of the UN Framework Convention on Climate Change will be hosted by the UAE, which holds one of the world’s largest oil and gas reserves.

Mr. Jaber is the UAE’s Minister for Industry and chief executive of the Abu Dhabi National Oil Company.

Carbon footprint

Speaking at the ongoing India Energy Week in Bengaluru on Tuesday, he pushed for more invest-



We need to get more concessional finance to vulnerable communities around the world to lower risk, attract more private finance

SULTAN AL JABER
COP-28 president-designate

ment in minimising the carbon footprint of hydrocarbons.

“Without a breakthrough in battery storage, we must invest heavily in carbon capture, nuclear power, and the hydrogen value chain. But spending on these fundamental enablers of decarbonisation is less than 5% of what is spent on renewables. This must change. And when it comes to change, this also applies to the oil and gas industry. The world still needs hydrocarbons and will need them to bridge from the current energy system to the new one. We cannot unplug the current

energy system before we have built the new one,” Mr. Al Jaber said.

He said that the world’s energy transition must be inclusive and deliver a fair deal to the Global South, a term for developing countries that includes both India and the UAE.

“We need to get more concessional finance to vulnerable communities around the world to lower risk, attract more private finance and turn billions into trillions,” Mr. Al Jaber said.

The COP-28 is slated to be held at Expo City Dubai between November 30 and December 12.

LWE-related violence down by 76% in 2022 from cases in 2010, says Shah

The Hindu Bureau
NEW DELHI

Union Home Minister Amit Shah on Tuesday said that violence related to Left-wing Extremism (LWE) had come down by 76% in 2022 as compared to 2010, owing to the Centre's three-pronged strategy – a resolute approach to curb extremist violence, better coordination with the affected States and development through public participation.

Mr. Shah, while chairing the meeting of the Parlia-

mentary Consultative Committee on LWE, said that for the first time in four decades, the number of deaths of civilians and security forces was under 100 last year.

The Home Minister said the number of civilian and security personnel killed in LWE incidents declined to 98 in 2022 from 1,005 in 2010. The number of districts affected dropped from 90 to 45. Sharing details of the measures taken by the Ministry of Home Affairs (MHA), he said since 2019, the armed forc-

es had established 175 new camps to plug the security vacuum in the LWE-infested zones.

Mr. Shah said that as a result of the efforts, success had been achieved against the LWE outfits in difficult areas such as Buddha Pahad (Jharkhand) and Chakarbandha (Bihar).

The Border Security Force's air wing has been strengthened with the induction of new pilots and engineers and the Home Ministry has taken initiatives to choke the funding

to banned outfits, Mr. Shah said. Stating that the Centre had made efforts to improve coordination with the governments in the affected States without any party or ideology-related bias, the Minister said funds were provided to the State police forces for modernisation and assistance related to construction of fortified police stations.

Construction of 17,462 km of roadways had been sanctioned to improve road connectivity, of which work on about 11,811 km had been completed.

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.