09/03/2024 SATURDAY

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**DAILY NEWS ANALYSIS** 

POLITY

ECONOMICS

TECHNOLOGY

ECOLOGY

## INTERNAL SECURITY

# Army officer abducted from home in Manipur, rescued in a few hours

**CONTEXT:** A serving Junior Commissioned Officer of the Indian Army, abducted on Friday from his home in Thoubal district, was rescued the same evening after an hours-long search operation launched by security forces in the State amid the ongoing ethnic conflict in Manipur.



**SUMMARY:** Naib Subedar Konsam Kheda Singh, a Junior Commissioned Officer (JCO) of the Indian Army abducted from his home in Thoubal district but was rescued the same evening after a search operation by security forces. This incident is the latest in a series of targeted attacks on soldiers and their relatives since an ethnic conflict between the Meitei people and the Kuki-Zo people began last May. The conflict has led to tensions between the Army, the Manipur Police, and civilian groups, with each side accusing the other of taking sides. The Kuki-Zo people have demanded the removal of Manipur Police personnel from areas dominated by them, while the Meitei community has reportedly obstructed Army personnel from entering conflict areas.

**ISSUES:** Ever since the conflict, Army personnel posted for duty in the State have been met with resistance from civilian groups like the Meira Paibi (women's group of the Meitei community). Personnel of the Manipur Police have been resisted by the Kuki-Zo people of the State. Throughout last year, the Kuki-Zo people have insisted on removing Manipur Police personnel from areas like Moreh, which are dominated by their people, accusing it of taking the side of the Meitei community in the conflict. Meanwhile, there have also been instances where Army personnel — specifically from units of the Assam Rifles — were routinely stopped from going into areas of conflict by women of the Meitei community - Meira Paibis'; and of instances when the women were seen checking the Army personnel's IDs to identify their ethnicity.

## ECOLOGY AND ENVIRONMENT

# Meghalaya's Byrnihat most polluted 'city' in India

**CONTEXT:** According to data from the Centre for Research on Energy and Clean Air (CREA), the industrial town of Byrnihat in Meghalaya, located on the Assam border was identified as the most polluted "city" in India in February.

Ranking - Centre for Research on Energy and Clean Air (CREA)

Rank	Cities
01	Byrnihat, Meghalaya
02	Araria, Bihar
03	Hapur, Uttar Pradesh
04	Hanumangarh, Rajasthan
05	Nalbari,
12	Agartala, Tripura
19	Guwahati, Assam
28	Nagaon,

**SUMMARY:** Byrnihat in Meghalaya, located on the Assam border recorded an average PM 2.5 concentration of 183  $\mu$ g/m3 for the month of February. Byrnihat's PM 2.5 levels were nearly 1.8 times higher than those recorded in Delhi, the 14th most polluted city in India for February 2024 during the same period. Araria in Bihar that recorded a monthly average PM 2.5 concentration of around 60  $\mu$ g/m3 is the second-most polluted city. The data emphasise the pressing need for significantly bolstering air quality monitoring in the north-eastern States to track air pollution levels effectively.

#### **CLEANEST CITIES**

Sivasagar, Silchar, Aizawl, and Imphal recorded monthly average PM 2.5 concentrations below the NAAQS. Sivasagar was the second cleanest city in India, followed by Silchar. The cleanest was Satna in Madhya Pradesh and the third cleanest was Vijayapura in Karnataka. However, none of the cities complied with the WHO-safe guideline concentrations for PM 2.5.

These States, once renowned for their pristine environment, are now witnessing a concerning shift due to unregulated industrial operations, inadequate public transportation infrastructure, rampant construction lacking efficient pollution control measures, and other contributing factors. On the brighter side, there was a significant improvement in air quality in February with 36 cities falling into the 'good' category. This was 14 more than the 22 'good' urban centres in January.

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## INTERNATIONAL RELATIONS

# Centre warns against offers of jobs with Russian Army

**CONTEXT:** Indians, mainly from Punjab and Haryana were deceived into combat duties, enlisting them for training in arms and ammunition and are being prepared to be sent to Ukraine.

**SUMMARY:** The External Affairs Ministry of India has warned against offers for support jobs with the Russian Army made by unverified agents, stating that such offers are dangerous and risky. The External Affairs Ministry announced stern action initiated by the Central Bureau of Investigation (CBI) against agencies that duped Indian nationals into fighting for the Russian forces in the Russia-Ukraine conflict. The CBI conducted searches in several cities and found evidence of 35 people being sent abroad under false pretenses. The agency is targeting visa consultancy firms and agents involved in trafficking Indian nationals to Russia for employment opportunities, where they were trained in combat roles and deployed in the war zone. The victims' passports were taken away upon reaching Russia, and some were reportedly injured in the conflict.

# INTERNATIONAL RELATIONS

# Indian diplomat met 'Afghan authorities' in Kabul, says govt.

**CONTEXT:** J.P. Singh, a senior Indian diplomat in-charge of Pakistan, Afghanistan and Iran — PAI-related issues, met Taliban's Foreign Affairs in-charge Amir Khan Muttaqi.

SUMMARY: J.P. Singh, a senior Indian diplomat in-charge of Pakistan, Afghanistan and Iran — PAI-related issues, met Taliban's Foreign Affairs in-charge Amir Khan Muttaqi, where they discussed India's humanitarian and medical assistance to Afghanistan, the resumption of projects, and provision of consular services to Afghan students and patients. This engagement signals India's efforts to reconnect with Afghanistan after the Taliban's takeover in 2021. Mr. Singh had visited Kabul in 2022 as India had begun making the first moves to reconnect with Afghanistan, after the violent overthrow of the Ashraf Ghani government in 2021. That visit was followed by renewed delivery of humanitarian assistance to the country.



#### POLITY AND GOVERNANCE

# Centre tweaks PM solar 'free electricity' scheme

**CONTEXT:** The Union Government has revised the subsidy structure for the PM Surya Ghar Muft Bijli Yojana reducing the fiscal support up to 60 % of the installation costs for 1 kW - 3 kW solar systems from the originally envisaged to fully subsidize 1 kW - 3 kW solar systems for one crore households.

SUMMARY: The Union Government has revised the cost structure for the PM Surya Ghar Muft Bijli Yojana. The scheme was announced during the Budget fully subsidising the installation of 1 kW-3 kW solar systems in one crore households via tie-ups with renewable energy service companies. Under the revised guidelines, up to 60 % of the installation costs for 1 kW - 3 kW solar systems from the originally envisaged to fully subsidize 1 kW - 3 kW solar systems for one crore households. Currently a rooftop solar system costs about ₹50,000 per kW. A householder can either pay the balance or take a loan. A 3 kW-hour system can generate up to 300 units a month, depending on available sunshine and for this a maximum subsidy of up to ₹78,000 will be available. A vendor will appraise the site and then install the system along with an inverter and a smart meter that can switch between grid and solar supply. Operation and maintenance costs up to five years will be factored into the cost.

**REVISED GUIDELINES:** Households will have to pay 40 % of the installation costs for 1 kW - 3 kW solar systems, with a minimum contribution of ₹ 20,000. Consumers can access low-interest, collateral-free loan from 12 Public Sector Banks (PSBs) for installations at 1 % above the prevailing RBI repo rate. Eligibility is limited to houses with suitable roofs and existing grid connections. The scheme allows for net-metering, meaning excess solar power can be fed back into the grid, potentially reducing electricity bills. The subsidy for rooftop solar systems has been doubled, and the scheme aims to generate up to 300 units of free electricity per month for households.

# POLITY AND GOVERNANCE

# Two States unveil India's first critical mineral licence auctions

**CONTEXT:** In a first, two States — Karnataka and Rajasthan — have introduced auctions for exploration licences of critical and deep-seated minerals, while four others — Maharashtra, Madhya Pradesh, Chhattisgarh and Andhra Pradesh — are expected to follow suit soon.

**SUMMARY:** On March 6, Rajasthan and Karnataka notified auctions for exploration of critical and deep-seated minerals such as gold, copper and lithium. Andhra Pradesh, Chhattisgarh, Madhya Pradesh, and Maharashtra are in advanced stages to launch auction for exploration licences and expected to launch the auctions in next few days. Blocks were allotted for exploration were allocated to the States of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Odisha, Rajasthan, Telangana, Uttar Pradesh and Union Territories of Jammu & Kashmir and Ladakh. Karnataka had introduced the auction of one block each of gold, copper and lithium. While Rajasthan unveiled auction of three blocks — one each of rare earth element, rare metals and potash.

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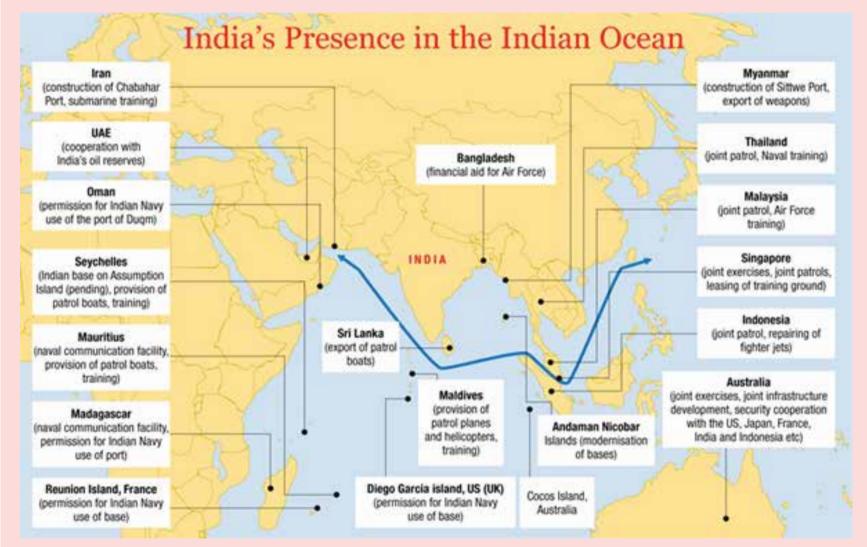
#### INTERNATIONAL RELATIONS

# Backed by BrahMos, Navy base on Minicoy Island to act as 'gatekeeper' in Arabian Sea

**CONTEXT:** The Indian Navy commissioned INS Jatayu at Minicoy Island, its second base in Lakshadweep after INS Dweeprakshak in Kavaratti and its first MH-60R multi-role helicopter squadron, INAS 334 'Seahawks,' at Kochi.

**SUMMARY:** The Indian Navy is enhancing its security infrastructure by establishing the INS Jatayu base on Minicoy Island in Lakshadweep. The base will feature radars, jetties, an airfield, and BrahMos supersonic cruise missiles, among other capabilities. This upgrade is part of a broader capability development plan aimed at strengthening India's security presence

near critical Sea Lanes of Communication (SLoC). The move is particularly significant in light of China's expanding naval footprint in the Indian Ocean. Additionally, new infrastructure was inaugurated at the Karwar naval base in Karnataka, including piers and residential towers. The enhanced surveillance and missile capabilities at Minicoy will bolster India's ability to respond to threats in the region. The development of Minicoy Island is seen as crucial for fortifying India's presence in the Arabian Sea and the Indian Ocean. Additionally, new infrastructure was inaugurated at the Karwar naval base in Karnataka.



**SINGIFICANCE:** New radar facilities at Minicoy will augment surveillance and coastal batteries of extended range BrahMos supersonic cruise missiles with a range of around 450 km will give huge flexibility in responding to threats. INS Baaz to the east in Andamans and now, INS Jatayu in the west at Minicoy will serve as the eyes and ears of the Navy. INS Jatayu with its proximity to the busy Nine Degree Channel, the approximately 200-km wide area between Minicoy and Kalpeni / Suheli Par islands of Lakshadweep is situated at the tip of India's Exclusive Economic Zone (EEZ) also serves as a deterrent against any future adversarial presence, making Jatayu a "formidable static aircraft carrier".

PROJECT SEABIRD: The Phase I construction of Karwar base under Project Seabird, which was completed in 2011, was designed to accommodate 10 ships. The Cabinet Committee on Security has since granted approval for Phase IIA of Project Seabird which will see the base expanded for berthing of 32 ships and submarines, along with 23 yard craft and include piers, providing a berthing space of more than 6 km. The centrepiece of Phase IIA works is an iconic Covered Dry Berth, standing at a height of 75 metres, taller than the Qutub Minar in Delhi.

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## POLITY AND GOVERNANCE

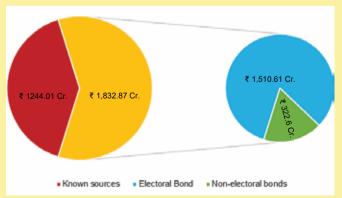
# **Dubious response**

**CONTEXT:** The State Bank of India (SBI) has requested an extension until the end of June 2024, citing difficulties in reconciling purchase and issuance information of political parties that received the Electoral Bond.

**SUMMARY:** A five-judge Bench of the Supreme Court of India unanimously struck down the Electoral Bond scheme as unconstitutional for violating the right to information under Article 19(1)(a) of the Constitution. According to the Supreme Court, the scheme, which was notified in 2018, facilitated anonymous political donations. The State Bank of India (SBI), the only bank authorized to issue these bonds, was directed to stop issuing them and provide details of political parties that received them by March 6.

ISSUES RAISED BY SBI: The State Bank of India (SBI) cited difficulties seeking time to reconcile two silos of information — one related to the purchase of the bonds and the other to the parties that were issued the bonds. The Supreme Court of India has merely directed the bank to release purchase and issuing information and not to pinpoint the link between donor and recipient. The State Bank of India stored data on the donors who were purchasing electoral bonds and their dates of purchase. The State Bank of India (SBI) stored the details of number of bonds issued in digital format, and not the KYC details of the purchasers, complicating the process of collecting this information. The State Bank of India (SBI) issued a unique alphanumeric code to each bond, which should make it relatively easy to gather details on the bonds' issue date and the denomination quickly through database queries. It should be possible to triangulate data on recipient parties and the issuing of bonds as these bonds have to be redeemed by political parties within 15 days.

ASSOCAITION OF DEMOCRATIC REFORM REPORTS: A report by the Association for Democratic Reforms (ADR) indicates that nearly 60% of funds received by political parties in India cannot be traced and are from "unknown" sources, including electoral bonds. Between 2004-05 and 2022-23, the country's six national parties collected ₹ 19,083.08 Cr. from such unknown sources. The BJP received the majority of these funds, with 76.39 % of its income from unknown sources in 2022-23, while the Congress received 17.19 %. At present, political parties are not required to reveal the names of individuals or organisations giving them less than ₹ 20,000. As a result, three-fifths of the funds received cannot be traced and are from 'unknown' sources.



**FIGURE:** Pie chart representation of share of contribution to the political parties.

The Association for Democratic Reforms (ADR) analysed audit reports and donations declared by political parties to the

Election Commission of India from 2004-05 to 2022-23. They found that the six national parties collected ₹19,083.08 Cr. during this period. In 2022-23, these parties declared ₹ 3,076.88 Cr. as income, with over 59 % (₹ 1,832.87 Cr.) coming from unknown sources. The majority of this income from unknown sources, amounting to ₹ 1,510.61 Cr (82.42 %), was from electoral bonds.

During 2022-23, the BJP declared ₹ 1,400.23 Cr. as its income from unknown sources. This is equivalent to 76.39 % of the total income from unknown sources declared by all national parties. The Congress came a distant second, claiming 17.19 % of the national pie and declaring ₹ 315.11 crore as its income from unknown sources. All other five national parties together have received only ₹ 432.63 Cr. from unknown sources. The other parties included in the ADR's analysis were the Communist Party of India (Marxist), the Bahujan Samaj Party (BSP), the Aam Aadmi Party, and the National People's Party.

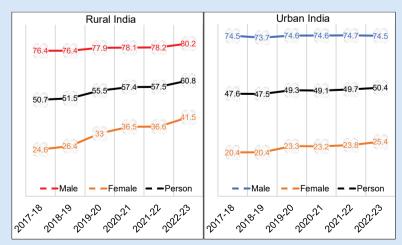
## **ECONOMICS AND DEVELOPMENT**

# India's suboptimal use of its labour power

**CONTEXT:** A vast majority of Indians earn the entirety of their incomes through labour as opposed to ownership of capital or land. Approximately, 90 % of the working Indian population earns its livelihood through informal employment that is characterised by little or no job security, no employment benefits, no social protection, and lower earnings. The informally employed are primarily concentrated among casual labourers and the self-employed, but exist even in some segments of those who are classified as regular wage or salaried workers.

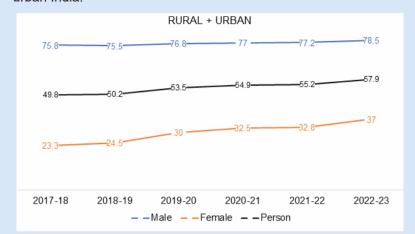
# PERIODIC LABOUR FORCE SURVEY:

The Labour Force Participation Rate (LFPR) has gone up steadily against the long-term trend towards decreasing LFPR over several decades since liberalisation driven largely by women in rural areas. The improvements in LFPR and the drop in the unemployment rate are largely driven by self-employment. The self-employed come in three categories — own-account workers, unpaid family workers, and employers who employ outside labour. The fraction of the self-employed who are employers has gone up marginally by less than one percentage point from 3.78 % in 2017-18 to 4.57 % in 2021-22, the bulk of the growth in self-employment has come from the rise of unpaid family workers, which has increased from 26 % to 31.4 % over the period.

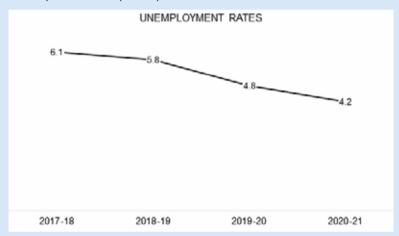


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**FIGURE:** (L) Line chart representation of the Labour Force Participation Rate (LFPR) in rural India. (R) Line chart representation of the Labour Force Participation Rate (LFPR) in urban India.



**FIGURE:** Line chart representation of the All-India Labour Force Participation Rate (LFPR).



**FIGURE:** Line chart representation of the All-India Unemployment Rates (LFPR).

The absolute number of workers in each employment type is increasing over the period of study, within the employed pool, the sharpest rise is seen in the proportion of unpaid family labour such as a helper in the family-run kirana store. The own-account workers constitute the largest chunk of the employed population at close to 35%. The proportion of other subcategories within the employed (regular wage/salaried employee, casual labour, employer, and own-account worker) has dropped between 2017-18 and 2021-22.

#### In terms of earnings

The All-India average real daily earnings increased by around ₹ 10 (in 2010 prices) between 2017-18 and 2021-22, about a 4 % increase. Both rural and urban daily earnings increased on an average between ₹ 10 to ₹ 14 (in 2010 prices). In general, the average earnings of wage and salaried workers are the highest among different categories of workers, followed by the self-employed and then the casual workers. The average daily earnings for both the salaried and the self-employed stagnated over the period, showing no increase in real terms. However, those in casual work saw an increase from ₹ 162 a day in 2017-18 to ₹ 196 a day in 2021-22, which is about a 20 % increase; this is the category that is responsible for the moderate increase in the

overall average earnings of the employed. Even with a 30-day work month, casual workers were making  $\ref{thmostate}$  6,000 a month at 2010 prices (or,  $\ref{thmostate}$  11,520 in 2021 prices), barely above the poverty line of  $\ref{thmostate}$  4,080 a month in rural areas and  $\ref{thmostate}$  5,000 a month in urban areas (poverty lines in 2011-12 prices).

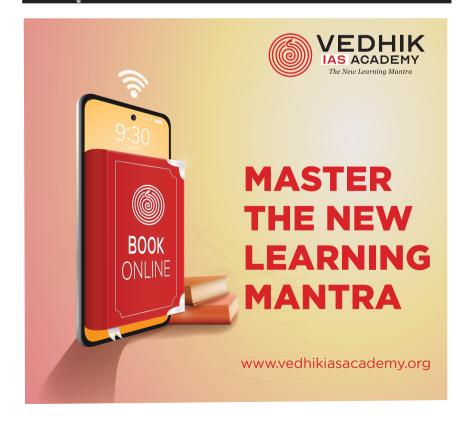
The self-employed category of work saw the highest growth in employment generation between 2017-18 and 2021-22. The subcategory of unpaid family workers saw the most growth in numbers. The employed (regular wage and salaried workers) did not see any real increase either in its share in total employment or in average earnings. In fact, the top 20 % of salaried workers saw a drop in their real daily average earnings over the period. Though casual workers as a category saw a slight decrease in its share of total employment, their average earnings experienced moderate growth.

## Phase of demographic dividend

Cumulatively, own-account workers, casual workers, and unpaid family workers form more than three quarters of the employed. More than three quarters of our working population is engaged in work which is typically of low productivity. India is in its period of demographic dividend, expected to peak in less than 20 years and exhaust in roughly another 30 to 35 years. The economy continues to utilise its labour capital in a suboptimal fashion by engaging a majority in low quality work in this golden period of reaping labour productivity. Given that the poorer sections tend to spend a greater fraction of their incomes, their stagnant earnings also do not augur well for the demand-side of the economy coming from consumer expenditure, given that the investment to GDP ratio has been steadily declining — thereby raising the spectre of a vicious cycle.



"Education is the ability to listen to almost anything without losing your temper or your self-confidence." - Robert Frost



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## ECONOMICS AND DEVELOPMENT

# German GDP forecast downgraded but demand for IT professionals stays high

**CONTEXT:** Robert Habeck, German Economy Minister slashed the domestic growth forecasts from 1.3 % down to just 0.2 %. The German Central Bank reported the economy of Germany shrinking by 0.3 % in the last quarter of 2023, predicting stress factors to lead to a decline in the first quarter of 2024 with Germany entering a technical recession.



**FIGURE:** Column chart representation of the growth rate of the real gross domestic product (GDP) from 2018 to 2028

**SUMMARY:** Germany is currently experiencing an economic downturn due to factors such as consumer restraint, high interest rates, price increases, government austerity measures, and a weak global economy. This has led to another winter recession, impacting sectors like manufacturing, trade, and construction the most. The construction sector, particularly the housing market, is in a severe recession, while manufacturing is facing weak incoming orders. Despite these challenges, Germany granted the most work visas to Indians in 2022, with 17,379 approved visas. This was made possible by the revised Skilled Immigration Act, which lowered entry barriers such as salary limits and German language requirements. Germany is also facing a critical shortage of skilled IT professionals, particularly in software development, and is reforming its immigration policies to address this shortage.

# **MERCHANDISE TRADING VOLUMES**

In the calendar year 2023, India's exports to Germany were worth U.S. \$9.7 billion, with organic chemicals (\$ 834 million), apparel (\$ 795 million), and articles of iron and steel (\$447 million) being the top exports. India's exports to Germany have hovered around the \$ 8 billion to \$ 9 billion mark in the last five years.

The trade between India and Germany is diverse, with 70 % of the exports are industrial. In CY 2023, India exported \$ 311 million worth of smartphones to Germany.

According to the International Monetary Fund's Economic Outlook, India's projected GDP growth for 2024 is 6.5% (the highest among emerging economies), compared to 0.5% for Germany (the lowest among advanced economies).

The lack of demand on the domestic and international fronts a major issue. Firms are reducing or postponing investments

due to this uncertainty. Consumers are hesitant due to higher inflation. In addition to external factors such as the tensions along the Red Sea trade route, that can impact or even halt their shipments, Germany has also been dealing with a lot of internal strife, such as the unending strikes.

## ECONOMICS AND DEVELOPMENT

# 'Food plate costs show vegetarian thali prices rose 7% in February'

**CONTEXT:** Vegetarian food plate prices rose 7 % in February, driven by a spurt in onion and tomato prices, even as non-vegetarian plate costs slid 9% from a year earlier.

# Thali economics

Crisil's monthly 'Roti Rice Rate' shows onion prices climbed 29% and tomato prices surged 38% YoY last month

- Rice and pulses, which account for 21% of home-cooked veg thali costs, rose 14% and 20%
- However, at ₹27.5, veg thali prices were at their lowest level since July 2023
- Non-veg thalis were 4% more expensive than in Jan. due to a 10% rise in broiler prices



**SUMMARY:** Onion prices rose by 29 % and tomato prices rose by 38 %. The cost of rice and pulses, which make up 21 % of a vegetarian meal increased by 14 % and 20 %, respectively. The cost of a vegetarian meal decreased by 2% from January levels to ₹ 27.5, the lowest since July 2023. Non-vegetarian meal costs increased by 4 % to ₹ 54, primarily due to a 10 % rise in broiler prices. This increase was attributed to the spread of bird flu in Andhra Pradesh and rising demand before Ramadan. Overall, the cost of a vegetarian meal decreased due to lower onion and potato prices, while tomato and pulse prices remained stable.





Head Office:

Vedhik IAS Academy

Mercy Estate,

MG Road, Ravipuram,

Ernakulam-682 015,

Corporate office:

Vedhik IAS Academy

Samkalp Bhawan, Plot No.15,

Sector 4, Rama Krishna Puram,

New Delhi, Delhi-110022

Regional office
Vedhik IAS Academy
202, Raheja Chambers, 12,
Museum Road. Bangalore 560001. Karnataka, India.

GCC Office:

Bobscoedu,

Bobsco Trading & Contracting Co. W. L. L
Office 22, Dream Tower 1,
Road: 2701, Adliya, Kingdom of Bahrain
www.bobscoedu.com