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Date - 24 September 2021

Inflation in a time of low income and reduced demand (GS 3, Economics, The Hindu, Indian Express, PIB)

During the period of high inflation people consume less, essentially if their income is not increasing or reducing. It will be very difficult for them to manage the Essentials like food and shelter in the same amount as earlier. It affects their standard of living. The aggregate demand during the period of high inflation comes down. It pulls down the aggregate supply as producers would not be interested Producing more in case of low demand. In this case they would be firing people out of the job. Unemployment will increase. It further Decreases the aggregate demand as people are losing their jobs. Hence the GDP goes down when Unemployment rate goes up.

Covid and Inflation: In case of covid-19 the inflation was high due to short supply/production as there was stringent lockdown across the country. The reduction in production/supply resulted in unemployment and that's why reduced demand. Now if inflation prevails in a time of low income

(unemployment) and reduced demand, the economy faces a vicious cycle of inflation and low growth.

Hence cost push inflation would be more difficult to manage than demand pull inflation. Here the solution is to boost the production activity and get it to the pre-covid level at least. Government needs to put money in the economy to increase aggregate demand and incentivize the production activity in many ways such as lowering the taxes, giving subsidies, providing cheap loans, interest subvention, moratorium on repayment, etc.

Measuring Inflation during lock down: Inflation measurement: Inflation is generally measured as weighted average percentage increment in the price of commodities kept in a basket. Data availability is core in calculating Inflation as you can calculate the increment in the prices for any month only if you have the data of prices of the same month of the previous year. Last year (2020) the data on production and prices for the months April to July could not be collected due to stringent lockdown. The current data on prices for April to July 2021 cannot be compared with prices for the same months of 2020. Hence if we look into inflation for said months, It would not be reflecting the actual picture.

Concerns: The inflation for the month of June in respect of wholesale price index (WPI) has been above 10% and consumer price index (CPI) crossed the 6% mark, which was above the Reserve Bank of India (RBI)'s tolerance band. The target band of inflation for RBI is kept as $4 \pm 2\%$ of CPI(combined), Means the RBI should control the inflation between 2 to 6% but trying to keep it around 4%. consumer price index (CPI) and wholesale price index (WPI) are baskets of commodities in which price increment is

measured. The basket of WPI has the commodities with respect to the producers, hence inflation of WPI is for producers. The basket of CPI has the commodities which generally a consumer consumes so the CPI inflation is for the consumer. Consumers are also categorised as urban consumers and rural consumers because the basket of consumption of urban consumers will be different from the basket of consumption of rural consumers. accordingly it is called CPI Urban and CPI rural. CPI combined is also measured by taking the average of CPI Urban and CPI rural.

For the calculation of inflation for a month, the average percentage increment in the prices of commodities kept in any of the said basket is taken by comparing the prices for the same month of the previous year. For example if you are calculating the inflation for the month of July 2021 , you need to calculate the average percentage increment of prices by comparing with the prices for July 2020. It is called “year on year inflation” (YOY). Now supposedly in this example only if you could not collect the data of prices for the month of July 2020 then it is going to be very difficult to calculate inflation for the month of July 2021. This is what happened for the months of April to July 2020 due to stringent lockdown. The government Agencies responsible for the measurement of inflation could not manage the data during lockdown periods. Now if we have the inflation figure for the month of April to July 2021 it raises concerns whether the inflation figure is showing the actual picture. At the same time the weightage of the commodities kept in the basket of CPI would not be reflecting the actual weightage of consumption by people because of the reduced income and demand. We have witnessed the reduction in the consumption of essential items like food and fuel. The weightage of commodities taken in the basket reflects the weightage of consumption during normal days but not for the days of Covid and lockdown.

This also raises concerns whether figures of CPI or WPI are reflecting the actual effect of inflation.

Way forward: This is the time when the government needs to put money in the economy and lower the direct taxes so as to increase aggregate demand. It needs to incentivize the production activity in every possible ways such as lowering the indirect taxes, giving subsidies, providing cheap loans, interest subvention, moratorium on repayment, etc.

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Swarn Singh

A climate change narrative that India can steer (GS-III, Environment-Biodiversity and Disaster Management)



CONTEXT: In a speech on September 8, R.K. Singh, Union Power Minister for New and Renewable Energy stated, “Environment is something we are trustees of and have to leave behind a better environment for our children and great grandchildren.”

INTRODUCTION: Nationally determined contributions (NDCs) are at the central place of the Paris Agreement. The Paris Agreement requires each Party to prepare, communicate and maintain successive NDCs, it intends to achieve and to outline, communicate their post-2020 climate actions, known as their NDCs.

Recent Initiatives of the Government of India w.r.t. its INDCs :-

- Revisiting national missions, creating new missions and enhancing targets etc.

Mitigation Initiatives

- The target of Renewable Energy(175 GW) & National Solar Mission from 20 to 100 GW
- Kochi Airport- now, worlds' first airport powered by solar energy
- Solar powered toll plazas
- Delhi Metro & other MRTS
- National Smart Grid Mission & Green Energy Corridor for efficient transmission & distribution network 25
- Swachh Bharat Mission
- 100 smart cities
- Atal Mission for Rejuvenation And Urban Transformation, urban renewal of 500 cities

- The Zero Effect, Zero Defect policy- to enhance energy & resource efficiency.
- Launching of Green Highways Policy– to develop 140,000 km long tree-line along the highways
- Faster Adoption and Manufacturing of hybrid electric vehicles (FAME) as another one.
- Country's 1st passenger vehicle fuel-efficiency standards finalized
- National Air Quality Index launched.

26 Adaptation Strategies

- Paramparagat KrishiVikasYojana – organic farming
- P.M. Krishi Sinchayee Yojana – efficient irrigation.
- Neeranchal – watershed development. • Namami Gange
- NICRA- The National Initiative on Climate Resilient Agriculture
- Bureau for Water Use Efficiency
- Lifestyle & culture of sustainability

27 Climate Finance Policies

- NationalAdaptation Fund
- Reduction in fossil fuel subsidies.
- The Coal Cess is increased from INR 50 to INR 200 per ton.
- The Tax free infrastructure bonds are introduced for renewable energy

According to a recent report, by the Ministry of Earth Sciences (MoES) “Assessment of Climate Change over the Indian Region” , India has warmed up 0.7° C during 1901-2018.

The decade 2010-2019 is claimed as the hottest, with a mean temperature of 0.36° C higher than average.

MoES reports– India to experience 4.4° C rise by the end of the century.

The meeting of Glasgow COP 26 provides New Delhi an opportunity to update its INDCs to meet the targets.

India has also suffered 2/10 most expensive climate disasters in the last 2 years:- For Ex.

- Super-cyclone “**Cyclone Amphan** “ (2020)
- In early 2021, India suffered two more cyclones: **Cyclone Tauktae** (the west coast) and **Cyclone Yaas** hitting the east.

India's rising IDPs

According to the Internal Displacement Monitoring Centre, India's Internally Displaced Populations (IDPs) are increasing because of the damage in climatic events.

- The people of Uttarakhand started *deserting* their houses after the Kedarnath floods in 2013 due to heavy precipitation. Upto 2050, rainfall may rise by 6% and temperature by 1.6° C.
- India lost about 235 km square to coastal erosion due to sea-level rise, erosion and natural disasters such as tropical cyclones between 1990-2016.

- In coastal areas, about 3.6 million out of 170 million were *displaced* between 2008-2018.
- Due to **Cyclone Amphan**, 3.9 million were *displaced* in 2020.
- India's Deccan has witnessed 8 out of 17 **severe droughts** since 1876 in the 21st century (2000-2003; 2015-2018).

For Example-

- In Maharashtra as well as Karnataka, numerous families *deserted* homes in 2019 due to an acute water crisis.
- *Hatkarwadi*, a village in Beed district of Maharashtra, hardly had 10-15 families left out of 2,000 people earlier.

Good policies, weak practices

India held the top 10 position for the second year in a row in 2020's Climate Change Performance Index (CCPI). The country got credit under all of

CCPI's performance fields *except renewable energy*. India vowed to work with COP21 by signing the Paris Agreement to limit global warming and submitted the NDCs with a goal of reducing emissions intensity of GDP by 33%-35% and developing green energy resources to 40% of the installed electric power capacity by 2030.

International Solar Alliance (ISA), India + France — a coalition of about 120 countries with solar rich resources— aiming at mobilising USD1 trillion in investments for the deployment of solar energy at affordable prices by 2030.

In spite of leading ISA, India's performance is least in renewable energy.

- India can achieve the 2° C target of COP15 Copenhagen in 2009, as calculated by Experts, with the risks of falling short.
- According to India's carbon emission trajectory, India is to achieve only half of the pledged carbon sink by 2030.
- To achieve the Paris Agreement's NDC target, India needs to produce 25-30 million hectares of forest cover by 2030 — a third of current Indian forestation and trees.
- It seems India has over-promised on policies and goals as it becomes difficult to deliver.

TO CONCLUDE-

India is expected to be the most populated country by 2027, overtaking China, contributing significantly to the global climate through its consumption pattern.

Being one of the observer states of the **Climate Vulnerable Forum (CVF)** and an influential member of COP26, India has the ability to improve its global positioning by leading a favourable climate goal aspiration for the world to follow. It has the opportunity to not only save itself from further climate disasters but also be a leader in the path to climate change prevention.

By,

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Ancient cuneiform clay tablet : A significant feature of Mesopotamian Culture (GS Paper I art and Culture)

Context: Ancient cuneiform clay tablets are a significant feature of Sumerian culture which had evolved during 3500 BC in the regions of Iraq. This tablet is part of a section of a Sumerian poem from the Epic of Gilgamesh. This is the world's oldest known script and it is the evidence of world's oldest known literature of the Sumerian culture. Hobby Lobby, a store of United States is now going to return it to Iraq's museum.

What is Hobby Lobby

Hobby Lobby is a company in America which owns a chain of craft and art stores. Its head office is in Oklahoma City, Oklahoma, United States. Its CEO is David Green (3 Aug 1972–). It was founded by David Green.

Cuneiform Clay Tablet

Cuneiform is a logo-syllabic script that had been used during Mesopotamian /Sumerian culture (3500 BC). It is the world's oldest script which is deciphered. Although Indus people also were aware of the script but those script could not be deciphered. Script is a type of design which is plotted on the surface to express the language to write several languages of the Ancient Near East. The script was in active use from the early Bronze Age until the beginning of the Common Era.

A clay tablet of 3,500-year-old origin from Iraq (Oldest Mesopotamia) was discovered in the ruins of the library of Iraq. This tablet might be related to an ancient Mesopotamian king, then looted from an Iraqi museum 30 years ago. Recently it was decided to return it back to Iraq.

The cuneiform clay tablet was discovered in 1853 as part of a 12-tablet collection during the excavation of Mesopotamian culture and then it was illegally imported into the United States in 2003. A company of America Hobby Lobby purchased it

Later on when archaeologists investigated this tablet, they came to know that it was the Gilgamesh Dream tablet and might be related with Sumerian poems from the Epic of Gilgamesh. As claimed by western archaeologist that It was one of the world's oldest works on literature and it is the world's oldest religious text. But it is not correct. We should not ignore the literature of Indus people.

In a decision of the local Civil court of New York on Thursday at the Smithsonian's National Museum of the American Indian with officials from Iraq, it was verdicted to return this antiquity to Iraq

Farreed Yasseen, the Iraqi ambassador to the United States, was fighting for it for a long time and since this antiquity is related to ancient culture of Iraq and looted by foreigners , it definitely impacts the emotions of Iraqi people .

Infact , Iraqi culture has been the witness of one of the world's oldest cultures and to preserve the cultural heritage of Iraq is the moral duty of UNESCO and other international agencies. This is thought from across the world. "Artifacts are still being stolen, they are being smuggled out." Therefore this is the big movement for the Iraq to get his antiquity back

By Dr Anshul Bajpai

Swarn Singh

Art on Migrant Workers of Lockdown Period (GS paper I Art and Culture)

Context

Raju Baraiya , an eminent artist of Baroda showed the condition of migrant workers during the lockdown period through his artwork . The first nationwide lockdown was announced in March 2020 and within a few weeks many

migrant workers , working in metroes like Delhi, Mumbai started to migrate to their hometown or native places without any proper means of transportation In his art work it is shown that how migrant workers felt unsettled looking at the images and news reports of migrants walking to their villages.

Artwork entitled Social distancing

The title of his artwork was Social distancing. In his canvass he painted the picture of migrants who migrated from Surat, their working place to Amreli (Gujarat). He painted their plight on his canvases. Raju Baraiya compared these migrant workers with the heroes of Indian History. He represented them as INDIAN HEROES in front of the media . He presented his art work at Delhi's Art District XIII gallery. Baraiya has won the award in the Glenfiddich (Scotland)'Emerging Artist of the Year 2019

About Raju Baraiya

Raju Bariya was Born in Amreli (Gujarat) He had completed his Diploma in Painting from The Faculty of Fine Arts, M.S. University of Baroda, Vadodara. . He did his Post Diploma in Painting from the Faculty of Fine Arts, M.S University of Baroda. He has participated in several group shows including: '*Artist at Glenfiddich*' International Residency Program in Dufftown, Scotland in 2019. He won the award '*The Emerging Artist of The year*' by the Glenfiddich Artist in Residency in Scotland in 2019.

Artworks on Migrant workers

Indian cinema has also pictersied the pathetic conditions of migrant workers during the lockdown period. How those workers of Bihar , UP and other regions of India had to travel to reach their respected home without any proper means of transportation. Many of them died because of hunger and. Many of them were killed in road accidents and in train accidents . Because of the sudden lockdown , these migrants had to suffer a lot . The 1232 km movie of Vinod Kapri had picturised very well about the pathetic conditions of migrant workers

Pravasi: A Migrant's Tale is another interesting movie, shown Plight of Migrant Workers. This movie is directed by Vivek Upaddhyay and in this Movie Vivek has done outstanding performance

Vivek has won 'Nirmal Pandey Smriti Film Festival' in Mumbai. This film has been an eye opener for our government also . In this movie it has been shown that How much the government was prepared before announcing nationwide lockdown. Stories inspire us and something meaningful at the same time light hearted is liked by all.

Other Artwork on Migrant workers

Jatin Das, India's famous contemporary artist, also painted the plight of migrant workers during lockdown through his artwork.

Nationwide lockdown during 2020 was an important incident of Indian History which compelled migration on such a large scale after independence. This migration had taught us lesson that left significant impacts on our social life as well as economical life. Many artists whether, film maker, whether painter

whether musician , all of them have realised the pathetic conditions of migrant workers during lockdown period and in their Art works , artisans have shown it

By Dr Anshul Bajpai

Swarn Singh

Blue Flag Certification GS-3: Conservation, Environmental Pollution & Degradation

CONTEXT

Two more beaches in India have been awarded 'Blue Flag' certification, an international eco-level tag, taking the total number of such beaches in the country to 10. **Foundation for Environment Education (FEE), Denmark has awarded the Blue Flag Certification to Kovalam (Tamil Nadu) and Eden (Puducherry)**, taking the total number of **such beaches in the country to 10**. Foundation for Environment Education in Denmark (FEE) which accords the globally recognized eco-label – Blue Flag certification, has also given re-certification for eight nominated beaches Shivrajpur- Gujarat, Ghoghla-Diu, Kasarkod and Padubidri-Karnataka, Kappad-Kerala, Rushikonda- Andhra Pradesh, Golden-Odisha and Radhanagar- Andaman and Nicobar, which were awarded the Blue Flag certificate last year.

KOVALAM BEACH



EDEN BEACH



ABOUT BLUE FLAG CERTIFICATION

- It is an **Globally recognised eco-label** that is accorded based on 33 criterias. These criterias are divided into 4 major category namely,
 - Environmental education and information
 - Bathing water quality
 - Environmental management
 - Conservation and safety services in the beaches
- Blue Flag beaches are considered one of the cleanest beaches of the world. It is an **eco-tourism model endeavouring to provide the tourists/beachgoers** clean and hygienic bathing water, facilities, a safe and healthy environment and sustainable development of the area.
- It is accorded by the international jury composed of eminent members – **United Nations Environment Programme (UNEP), United Nations World Tourism Organisation (UNWTO)**, Denmark-based NGO Foundation for Environmental Education (FEE) and **International Union for Conservation of Nature (IUCN)**.
- On the lines of Blue Flag certification, **India has also launched its own eco-label BEAMS** (Beach Environment & Aesthetics Management Services).

India's BEAMS Programme

- **Beach Environment & Aesthetics Management Services** comes under ICZM (Integrated Coastal Zone Management) project.
- This was launched **by the Society of Integrated Coastal Management (SICOM) and the Union Ministry of Environment, Forest and Climate Change (MoEFCC).**
- The objectives of BEAMS program is to:
 - Abate pollution in coastal waters,
 - Promote sustainable development of beach facilities,
 - Protect & conserve coastal ecosystems & natural resources,
 - Strive and maintain high standards of cleanliness,
 - Hygiene & safety for beachgoers in accordance with coastal environment & regulations.
- It has helped in saving 1,100 ml/year of municipal water through recycling; educating around 1,25,000 beachgoers about responsible behaviour at the beaches; providing alternate livelihood opportunities to 500 fishermen families through pollution abatement, safety and services and has also increased footfall for recreation activities at the beaches by approximately 80% leading to economic development.

BY ANSHUM VERMA

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Swarn Singh

India and the Food Processing Industries (GS 3, Economics, The Hindu, Indian Express, PIB)



Context: Food processing Industry plays a very important role in the making of GDP. It can boost the aggregate demand of the economy along with increasing the income of the farmers and their well being. It can improve our forex earning if exported, utilize the surplus in agriculture production, provide food security and reduce food wastage. Food processing Sector if flourished well, has plenty of opportunities especially for the rural population in forward and backward linkages of agriculture.

The Food Processing Industry has always been important as it provides linkages and synergies among all the sectors of the economy viz. Primary i.e. agriculture, Secondary i.e. industry and Tertiary i.e. transportation of goods, R & D in agro-processing etc.

A robust Food Processing Industry provides opportunities to increase the farmer's income, to utilise excess agriculture production and also important for reducing food wastage as it increases shelf life along with enhancing the quality. The Indian food processing industry promises high economic growth and makes good Profits.

The Food-Processing Industry has become an integral part of the food supply chain in the global economy, and India has also seen growth in this sector in the last few years. According to the Ministry of Food Processing Industries the contribution of agricultural and processed products in India's total exports is 11%. The Indian government has been encouraging and incentivizing agricultural exports to meet an ambitious target of \$60bn by 2022.

Primary processed agricultural commodities form the majority share. India's export earnings will increase by focusing more on value-added processed food products rather than primary processed agricultural commodities.

India has the potential – The value of agricultural and processed food increased significantly from \$17.8bn to \$20.65bn during the period of 2015-16 to 2019-20.

We are witnessing a shift in the Indian agricultural economy from Primary to Secondary agriculture where the focus is more on developing various processed foods.

India's agricultural export basket is shifting from traditional commodities to nontraditional processed foods. For example along with basmati rice which is the top export commodities the unusual spike of non basmati rice is also being

seen. Similarly, Indian buffalo meat is seeing a increasing demand in international markets due to its lean character and near organic nature. The export potential of buffalo meat is huge and very promising, especially in countries like Vietnam, Hong Kong and Indonesia.

Agriculture Export Policy: The Government introduced a comprehensive Agriculture Export Policy in December 2018, with the following objectives:

1. To diversify our export basket, destinations and boost high value and value added agricultural exports, including focus on perishables.
2. To promote novel, indigenous, organic, ethnic, traditional and non-traditional Agri products exports.
3. To provide an institutional mechanism for pursuing market access, tackling barriers and dealing with sanitary and phytosanitary issues.
4. To strive to double India's share in world agri exports by integrating with global value chains.
5. Enable farmers to get benefit of export opportunities in overseas market.

Issues and Concerns:

- In 2020-21, the export of cashew kernels, groundnuts, guar gum, cocoa, poultry, sheep and goat meat went down in terms of value and total quantity. The export of processed food products has not been growing fast enough because India lacks comparative advantage of price and quality in many items. The domestic prices of processed food products are much higher compared to the international market prices.
- The exporters of processed food confront difficulties due to Non-Tariff measures imposed by other countries on Indian exports. For example Sanitary and phyto sanitary (SPS) measures, an agreement under

WTO which allows member countries to frame rules and regulations regarding their import of food items so as not to affect the health of human beings, plants and animals of the importing country.

- The other difficulties include mandatory pre-shipment examination by the Export Inspection Agency which is generally lengthy and costly.
- Compulsory spice board certification is needed even for ready-to-eat products which contain spices in small quantities.
- Most of the State governments are lacking in strategic planning of exports.
- Agricultural Policy is not predictable and consistent which discourages the investments by the private sector.
- Most of the developed countries are not importing meat and dairy based products from us considering their health issues.
- Recently the U.S. has withdrawn the Generalised System of Preference for import of processed food from India.
- Export shipments to the U.S. require an additional health certificate.
- There is an absence of an equivalency agreement with developed countries regarding organic produce.

The way forward: The Government's policy should be in regard to nurturing food processing companies, ensuring cost-effective (low cost) production, ensuring food quality of global standards as developed countries have fixed higher standards for import of food items, creating a supportive environment to promote export of processed food.

Indian brands with some reputation should be encouraged to export processed foods globally as they can comply with the global standard of codex. (Codex Alimentarius Commission (Codex) is one of the three 3 standards organizations of WTO who set standards that WTO members should base their SPS methodologies on. The other two are the World Organization for Animal Health (OIE) and the Secretariat of the International Plant Protection Convention (IPPC).

Indian companies have to focus on global food quality standards, cost competitiveness, technologies, and tap the global market of food processing.

India has the potential to become a global leader in the food processing Industry as it has the competitive advantages in various agricultural commodities which can be passed to food processing.

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