

Inflation

- The recent action of the Reserve Bank of India (RBI) to raise the repo rate by 40 basis points and cash reserve ratio (CRR) by 50 basis points is a recognition of the serious situation with respect to inflation in our country and the resolve to tackle inflation.
- After the advent of COVID-19, the major concern of policymakers all over the world was to revive demand. This was sought to be achieved by raising government expenditure.
- Initially, the focus of monetary policy in India has been to keep the interest rate low and increase the availability of liquidity through various channels, some of which have been newly introduced
- While discussing inflation, analysts including policymakers focus almost exclusively on the increases in the prices of individual commodities such as crude oil as the primary cause of inflation. The Russian-Ukraine war is cited as a primary cause.
- True, in many situations including the current one, they may be the triggers.
- Supply disruptions due to domestic or external factors may explain the

behaviour of individual prices but not the general price level which is what inflation is about.

Inflation and growth

- The possible trade-off between inflation and growth has a long history in economic literature.
- The Phillip's curve has been analysed theoretically and empirically.
- The Phillips curve is an economic concept developed by A. W. Phillips stating that inflation and unemployment have a stable and inverse relationship
- Tobin called the Phillip's curve a 'cruel dilemma' because it suggested that full employment was not compatible with price stability.
- The critical question flowing from these discussions on trade-off is whether cost-push factors can by themselves generate inflation.
- Tobin said at one place that inflation 'is neither demand-pull nor cost-push or rather it is both.
- Inflation in India cannot be described just as 'cost-push'. Abundance of liquidity has been an important factor
- If we want to control inflation, action on liquidity is very much needed with a concomitant rise in the interest rate on deposits and loans.

Food labelling

- The classification of foods, as healthy or unhealthy, is a technical or professional step.
- This should be decided by a governance body such as the FSSAI or food and nutrition experts or professionals.
- The consumption of junk foods that are high in calories, sugar, fat and salt lead to the early onset of obesity among adolescents, insulin insufficiency, and in adulthood results in diabetes, hypertension, cardiac and renal diseases.
- The World Health Organization (WHO) has issued a threshold for sugar, salt, fat, and calories per 100 grams of processed food packaged or 100 ml of liquid beverages bottled.
- Unless we generate competing technical data for the Indian population, we have to abide by WHO norms.
- A technical group set up by the FSSAI has undertaken an evaluation of processed foods on the racks of Indian supermarkets and found 96% of products for one component and 62.8% for three components are above WHO threshold, it would be ideal to provide the crystallised

information in the best acceptable way for consumption and leave it open for the consumer to decide. We have done it with tobacco packs and alcohol bottles

- Its decision to stick to a Health Star Rating based on an algorithm known to the food industry only, as a front of pack labelling, is without sound logic or evidence.
- Publisher-platform relationship- canada law
- On April 5, the Canadian government introduced a Bill that seeks to make Internet platforms such as Google and Facebook pay news publishers for use of their content.

What is the idea behind it?

- The Bill seeks to regulate digital news intermediaries, its summary says, “to enhance fairness in the Canadian digital news marketplace and contribute to its sustainability.”
- The government website lists four expected outcomes of the legislation.
- They include a framework that supports “fair business relationships between digital platforms and news outlets,” sustainability in the news ecosystem, maintenance of press independence, and diversity within the news landscape.

- The genesis of this was a 2019 report by the Australian Competition and Consumer Commission, the country's regulator, which saw platforms such as Google and Facebook as having "substantial bargaining power in relation to many news media businesses."
- Google and Facebook provide much of the traffic for a lot of traditional news publishers.
- The platforms play a major role in news discovery.
- But it is now acknowledged all over the world that the platforms are able to make much of the money from this arrangement while publishers struggle.
- The publishers also have to contend with frequent changes to the platform algorithm, which comes with the real threat of them losing a large amount of readers all of a sudden.

How have platforms reacted to the Bill?

- Google says that the company has "serious concerns about some unintended consequences the proposed Online News Act will have on news in Canada and the search experience that Canadians know and trust."

- The paper said Google "appears to be taking a different tack than Facebook's parent company Meta by reaching out to the government."

THE HINDU

Global study on birds

The story so far:

- The State of the World's Birds, an annual review of environmental resources published on May 5 by nine natural sciences and avian specialists across the globe, has revealed that the population of 48% of the 10,994 surviving species of birds is declining.
- The report led by the Manchester Metropolitan University gives an overview of the changes in the knowledge of avian biodiversity and the extent to which it is imperilled.

What are the key findings of the study?

- The study found that 5,245 or about 48% of the existing bird species worldwide are known or suspected to be undergoing population declines.
- While 4,295 or 39% of the species have stable trends, about 7% or 778 species have increasing population trends shows 1,481 or 13.5% species

are currently threatened with global extinction.

- These include 798 species classified as vulnerable, 460 as endangered and 223 as critically endangered while 52 species were considered to be data deficient.
- About 73% species are estimated to have fewer than 10,000 mature individuals, 40% have fewer than 2,500 mature individuals, and almost 5% have fewer than 50 mature individual.
- The more threatened bird species (86.4%) are found in tropical than in temperate latitudes (31.7%), with hotspots for threatened species concentrated in the tropical Andes, southeast Brazil, eastern Himalayas, eastern Madagascar, and Southeast Asian islands.

What is the importance of birds to ecosystems and culture?

- Birds contribute toward many ecosystem services that either directly or indirectly benefit humanity.
- These include provisioning, regulating, cultural, and supporting services.
- The functional role of birds within ecosystems as pollinators, seed-dispersers, ecosystem engineers, scavengers and predators not only

facilitate accrual and maintenance of biodiversity but also support human endeavours such as sustainable agriculture via pest control besides aiding other animals to multiply.

- For instance, coral reef fish productivity has been shown to increase as seabird colonies recovered following rat eradication in the Chagos archipelago.
- Wild birds and products derived from them are also economically important as food (meat, eggs).
- Approximately 45% of all extant bird species are used in some way by people, primarily as pets (37%) and for food (14%).
- The cultural role of birds is perhaps more important than any other taxonomic group, the study says. Beyond its symbolic and artistic values, birdwatching is a global pastime practised by millions of people.
- Garden bird-feeding is valued at \$5-6 billion per year and growing by four per cent annually.

What are the threats contributing to avian biodiversity loss?

- The study lists eight factors, topped by land cover and land-use change.
- The continued growth of human populations and of per capita rates of consumption lead directly to

conversion and degradation of primary natural habitats and consequent loss of biodiversity.

- The other factors are habitat fragmentation and degradation, especially in the tropics; hunting and trapping with 11 to 36 million birds estimated to be killed or taken illegally in the Mediterranean region alone; the impact of invasive alien species and disease (971 alien bird species introduced accidentally or deliberately to 230 countries over the centuries have affected the native species); infrastructure, energy demands and pollution; agrochemical and pharmaceutical usage (pesticide ingestion kills an estimated 2.7 million birds annually in Canada alone); global trade teleconnections; and climate change.
- Emerging concepts of conservation social science can inform efforts to address biodiversity loss and to achieve more effective and sustainable conservation outcomes, linking birds to human well-being, sustainability, climate resilience, and environmental justice.

THE HINDU

PIN

- Pandit Shivkumar Sharma, the maestro who etched an image of the Kashmir Valley and a sound of spirituality every time he struck a chord on his santoor.
- A symbol of the Shaivite and Sufi tradition of Jammu and Kashmir, the Padma Vibhushan awardee toiled to make the folk instrument acceptable on the classical firmament.

THE HINDU
