

04 March 2019: UPSC Exam Comprehensive News Analysis

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A. GS1 Related

Category: INDIAN CULTURE

1. Bharatanatyam dancers set record

<u>Context</u>: In Sabanayagar Temple Over 7,000 Bharatanatyam dancers set a world record for the maximum number of people performing the classical dance form.

Brief Description of Bharatanatyam:



<u>Introduction:</u> Bharatanatyam, a pre-eminent Indian classical dance form presumably the oldest classical dance heritage of India is regarded as mother of many other Indian classical dance forms.

Conventionally a solo dance performed only by women. Theoretical base of this form traces back to 'Natya Shastra', the ancient Sanskrit Hindu text on the performing arts.

A form of illustrative anecdote of Hindu religious themes and spiritual ideas emoted by dancer with excellent footwork and impressive gestures its performance repertoire includes nrita, nritya and natya.

Repertoire: Nritta' is a technical performance where the dancer presents pure Bharata Natyam movements emphasizing on speed, form, pattern, range and rhythmic aspects without any form of enactment or interpretive aspect.

In 'Nritya' the dancer communicates a story, spiritual themes, message or feelings through expressive gestures and slower body movements harmonised with musical notes.

'Natyam' is usually performed by a group or in some cases by a solo dancer who maintains certain body movements for certain characters of the play which is communicated through dance-acting.

Costumes: A jewellery belt adorns dancer waist while musical anklets called ghunghru made of leather straps with small metallic bells attached to it are wrapped in her ankles.

Instruments & Music: The Bharatnatyam dancer is accompanied by a nattuvanar (or taladhari) that is a vocalist who generally conducts the whole performance, a part often executed by the guru.

The person can also play the cymbals or any other instrument. The music associated with Bharatanatyam is in South India's Carnatic style and instruments played comprise of cymbals, the flute, a long pipe horn called nagaswaram, a drum called mridangam and veena. The verses recited during performance are in Sanskrit, Tamil, Kannada and Telugu

Way Forward: Promotion and Preservation of different classical dance form is necessary to protect the tangible and intangible cultural heritage of India.

B. GS2 Related

Category: POLITY AND GOVERNANCE

1. IL&FS ignored risk assessment reports while extending loans: audit

Context: A forensic audit report of IL&FS has found serious lapses in the manner in which huge loans were extended to certain entities even after internal risk assessment clearly showed that the borrowers were under financial stress.

Key highlights of Audit Report:

- 1. Committee of directors of the infrastructure financing company extended loans at a negative spread to borrowers facing liquidity issues.
- 2. There were many instances where the Committee of Directors (CoD) ultimately approved loans to those borrowers who appeared to be in potential stress.

Introduction of IL&FS:

Infrastructure Leasing & Financial Services Limited (IL&FS) is an Indian infrastructure development and finance company.

It operates through more than 250 subsidiaries including IL & FS Investment managers, IL & FS financial services and IL & FS Transportation networks India Limited (ITNL).

Issue of Corporate Governance:



- 1. Loan approval by Committee of Directors (CoD) when borrower was in stress raises the issue of transparency in loan approval
- 2. It is against the spirit of Company Act ,2013
- 3. Such type of poor governance is one of the prime factor for rising Nonperforming Assets.

Way Forward:

There should be transparency in functioning of board of director as per the spirit of Company Act, 2013.

C. GS3 Related

Category: INTERNAL SECURITY

1. India nudges Myanmar action on Naga militants

Context: Due to improved relation between India and Myanmar, Tatmadaw — Myanmar's military — started crack down on National Socialist Council of Nagaland-Khaplang (NSCN-K).

Reason for Crackdown by Myanmar's military:

Violation of an agreement by National Socialist Council of Nagaland-Khaplang (NSCN-K).

The agreement was that Myanmar territory should not be used by any rebel group to attack on any neighboring country [India].

Background of NSCN:

The National Socialist Council of Nagaland (NSCN) is a Greater Naga Revolutionist, Christian Naga nationalist insurgent group operating mainly in Northeast India, with minor activities in northwest Myanmar (Burma) until 2012.

The main goal of the organization is to establish a sovereign Naga state, "Nagalim", which would consist of all the areas inhabited by the Naga people in Northeast India and Northwest Myanmar.

Naga Peace Accord:

The Naga Peace Accord, a framework agreement as it has been termed, signed between the National Socialist Council of Nagalim-Isak-Muivah (NSCN-IM) and the Government of India.

The framework agreement provides the flexibility and realism of the NSCN (IM) in terms of the willingness to alter goals, from complete sovereignty and Greater Nagalim to acceptance of the constitutional frameworkalbeit with a provision for the grant of greater autonomy to Naga inhabited areas outside of Nagaland through the establishment of autonomous district councils.

Wav Forward:

Naga peace accord will provide the greater stability and security in north eastern states. It is the right step to achieve the goal of NORTH EAST VISION 2020 goal.

Category: ENVIRONMENT

1. India's electric vehicle success story will ride on two wheels

Context: According to the latest Global Electric Vehicle Outlook published by the International Energy Agency, China has around 250 million electric two-wheelers, with annual sales of 30 million. Cumulative electric vehicles (EVs) on road crossed the four million-mark.

Reason for success of electric vehicles (EVs) in China:

1. Electric two-wheelers were designated as bicycles, exempting them from registration and requiring a driving licence



2. Cities placed severe limitations on the use of petrol two-wheelers in the city centres.

Challenges for success of electric vehicles (EVs) in India:

- 1. Lack of cheaper lithium-ion batteries
- 2. Slow Charging Speed Of lithium-ion batteries
- 3. Lack of charging infrastructure

Ways for success of electric vehicles (EVs) in India:

- 1. Availability of cheaper lithium-ion batteries
- 2. Increasing charging speed
- 3. Improving charging infrastructure

Way Forward:

It is right time to switch from petrol powered vehicles to EVs powered by renewables to reduce oil imports and combat climate change.

Category: AGRICULTURE

1. A story of curating native seeds

Context: Trough support of NABARD an organization is promoting Native Seed.

Advantage of Native Seed:

- 1. Seeds processed through traditional methods have a longer life and their yield tastes richer.
- 2. The nutrient value is also high in these native seeds
- 3. Self-dependency in production of seeds and not depend on foreign company
- 4. It helps in promotion of organic farming.
- 5. It helps in increasing in farmer's income

Schemes for promotion of native seeds:

1. Seed Village Scheme

To upgrade the quality of farmer-saved seed, which is about 80-85% of the total seed used for crop production programme, financial assistance is provided for distribution of foundation/certified seed at 50% cost of the seed of crops for production of certified/quality seeds only and for training on seed production and technology to the farmers.

The seed produced in these seed villages are preserved/stored till the next sowing season. In order to encourage farmers to develop storage capacity of appropriate quality, assistance is given to farmers for making/procuring of Pusa Bin/Mud bin/Bin made from paper pulp for storing of seed produced by the frames on their farms.

2. Establishment and Maintenance of Seed Bank

In order to ensure that seeds are available to the farmers at the time of natural calamities like floods, droughts, etc., a need was felt to establish a Seed Bank to maintain stocks of foundation and certified seeds of different crops/varieties which can be utilized for such contingent requirements. Under this component, crop-wise targets of seeds are fixed for each participating organization for maintenance in the Seed Bank every year.

Way Forward: To raise the farmer's income to double it is necessary to promote the native seed.



D. GS4 Related

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. The week after (Diplomatic Developments Post Pulwama)

Editorial Analysis:

• With India and Pakistan deciding to de-escalate post-Balakot tensions, the focus has moved to the diplomatic sphere.

A Perspective on developments in the diplomatic space post:

- India's strikes on a target deep inside Pakistan were coupled with diplomatic manoeuvres that ensured no country censured India for the move.
- Further, in a turnaround for ties with the Organisation of Islamic Cooperation after half a century, External Affairs Minister Sushma Swaraj was able to put the country's case before the body, while Pakistan stayed out.
- Further, in recognition of India's justification to act against an imminent terror threat from the Jaishe-Mohammad, the U.S., the U.K. and France also moved in at record speed to bring another listing request against the group's founder, Masood Azhar, at the UN Security Council's committee for terror designations.
- There is a reasonable assumption that China will not block it this time as it did during the last three attempts. There were other outcomes that defied the past.
- It is also important to note that although Islamabad had spoken in the past of its abilities with "tactical nuclear devices", there was no such mobilisation after India's strikes.
- On the other hand, Pakistan was able to, with its aerial response, also indicate that it was not without non-nuclear options.
- Finally, indications that the international community was involved in effecting a breakthrough are clear. U.S. President Donald Trump hinted at a breakthrough in talks hours before Pakistan Prime Minister Imran Khan announced the release of Wing Commander Abhinandan Varthaman.

Achievements in Strategic Terms:

- The government must, however, also assess what it has actually achieved in strategic terms, and the consequences of the "new normal" it has sought to create with Pakistan.
- Despite the strikes, it is far from clear that the capabilities of the JeM have been degraded to the point where it can no longer carry out attacks in India.
- Some experts opine that India must also track the JeM's assets and abilities within Jammu and Kashmir, as well as any intelligence and security protocol failures that may have preceded the Pulwama attack.
- Secondly, while Pakistan announced it would study the dossier given by India on Azhar and the JeM, it does not appear to be willing to act against either, and has not taken steps akin to the few it had after the 2001 Parliament attack, the 2008 Mumbai attacks or the 2016 Pathankot attack.
- As a matter of fact, Pakistan Foreign Minister Shah Mehmood Qureshi's comments practically defending the JeM and putting out excuses of "illness" for Azhar make that clear.

Concluding Remarks:



- It is also necessary to realise the limits of calling international attention to India's concerns, to ensure that there are no curbs on what India sees as its strategic autonomy.
- Finally, the government must have a firmer handle on its messaging after the events of the past week, so that a public reading of its strategic purpose is not lost in the claim vs. counterclaim spiral with Pakistan.

Category: INDIAN POLITY AND GOVERNANCE

1. Failing the forest (Forest Rights Act (FRA)

Larger Background:

- To address the adverse living conditions of many tribal families living in forests, a landmark legislation viz. Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, was enacted to recognize and vest the forest rights and occupation of forest land in forest dwelling Scheduled Tribes and other traditional forest dwellers, who have been residing in such forests for generations, but whose rights could not be recorded.
- This Act not only recognizes the rights to hold and live in the forest land under the individual or common occupation for habitation or for self-cultivation for livelihood, but also grants several other rights to ensure their control over forest resources which, inter-alia, include right of ownership, access to collect, use and dispose of minor forest produce, community rights such as nistar; habitat rights for primitive tribal groups and pre-agricultural communities; right to protect, regenerate or conserve or manage any community forest resource which they have been traditionally protecting and conserving for sustainable use.
- The Act also provides for diversion of forest land for public utility facilities managed by the Government, such as schools, dispensaries, fair price shops, electricity and telecommunication lines, water tanks, etc. with the recommendation of Gram Sabhas.
- In addition, several schemes have been implemented by the Ministry of Tribal Affairs for the benefit of tribal people, including those in the forest areas such as "Mechanism for marketing of Minor Forest Produce (MFP) through Minimum Support Price (MSP) and development of Value Chain for MFP".
- Funds are released out of Special Central Assistance to Tribal Sub Plan for infrastructure work relating to basic services and facilities viz. approach roads, healthcare, primary education, minor irrigation, rainwater harvesting, drinking water, sanitation, community halls, etc. for development of forest villages.
- Under Section 3(1)(h) of the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, the rights of settlement and conversion of all forest villages, old habitations, un-surveyed villages and other villages in forest, whether recorded, notified, or not, into revenue villages have been recognized as one of the forest rights of forest dwelling Scheduled Tribes and other traditional forest dwellers on all forest lands.
- As per the provisions of the Act and the rules framed thereunder, the forest right related to conversion of forest villages into revenue villages is to be adjudicated by the Gram Sabha, Sub-Divisional Level Committee and the District Level Committee as per the laid down procedure, like any other forest right specified in the Act.

Editorial Analysis:

- On February 13, 2019, the Supreme Court ordered the eviction of more than 10 lakh Adivasis and other forest dwellers from forestland across 17 States.
- The petitioners, mainly wildlife NGOs, had demanded that State governments evict those forest dwellers whose claims over traditional forestland under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, known simply as the Forest Rights Act (FRA), had been rejected.



• On February 28, 2019, the court stayed its controversial order and asked the States to submit details on how the claims of the dwellers were decided and the authorities competent to pass final rejection orders.

Binary between human rights and wildlife rights-based groups:

- It is important to note that while the Supreme Court has now made it clear that there will be no forcible eviction, what the order has succeeded in doing is resuscitating a sharp binary between the human rights- and wildlife rights-based groups that have for decades tried to swing public opinion in their favour.
- The wildlife groups who went to court argue that implementation of the FRA could lead to 'encroachments' and fresh clearance of forestland for human dwellings.
- The human rights groups have argued that the FRA was passed by Parliament and is aimed at correcting historical injustices to traditional forest dwellers who, since colonial times, have been subject to a cycle of evictions.
- It is important to note that since colonial times, as governments asserted their control over forests, India's forest history has become a cycle of evictions from forestland and rebellions by forest dwellers.

A Crucial Difference to keep in mind:

- It is important to note that both groups (human rights and wildlife rights-based groups) have been so locked in ideological debates whether in the courtroom or on social media that they have failed to protect what could potentially have been beneficial to their respective interest groups: the forest.
- Further, the FRA was meant for forest dwellers, but it could have also been a powerful tool for conservation. Sadly, both sides have propagated misinformation to garner support for themselves.
- The first myth that needs to be busted for the wildlife lobby is that when a right is recognised of a forest dweller/Adivasi on a piece of land, it doesn't mean that he/she will cut down all the trees in that area. This is often the strongest note of dissonance between the two groups the implication that recognising rights on forestland is the same as clear-felling that forest.
- Therefore, to argue that the rights of millions of forest dwellers have been recognised through the Act does not mean that the forest is a pie to be divided.
- On the other hand, when forestland is 'diverted' for big development projects, like mining or highways or roads, it is actually clear felled or submerged. If this fundamental difference between 'recognition of rights' and 'diversion' were accepted, the groups at loggerheads would in fact find grounds for commonality.

Important Judicial Precedents:

- It is in fact the Supreme Court that paved the way for this commonality in 2013 when it asked the gram sabhas to take a decision on whether the *Vedanta group's \$1.7 billion bauxite mining project* in *Odisha's Niyamgiri Hills* could go forward or not.
- It thus affirmed the decision-making power of the village councils of Rayagada and Kalahandi under the FRA.
- All 12 gram sabhas unanimously rejected mining in the hills.
- Again, in 2016, it was the FRA that was invoked by the National Green Tribunal (NGT) when the
 people of Lippa in Himachal Pradesh were given the powers to decide whether or not they wanted a
 hydel power project in this area.
- The project would have led to submergence of forestland and also caused heavy siltation in the river.
- It is important to note that when wildlife groups point towards the thousands of 'bogus claims' that are being filed and that should be rejected, what should not go unnoticed is that the state in fact is not



always keen to recognise the rights of people in forest areas (even if it may get them votes) as it becomes tough to 'divert' land for big projects.

- A case in point is the *Mapithel Dam* that is under construction in Manipur.
- Once commissioned, experts opine that this dam will submerge 1,215 hectares (ha) of land, 595 ha of which are under forest cover.
- In 2015, the NGT had asked for the state to seek forest clearance for the project.
- It is important to note that to obtain forest clearance, the State government would have to prove that the rights of the tribal people and forest dwellers would not be affected. However, the State government refused to recognise the rights of the people living there since it was keen to construct the dam.
- There have been hundreds of cases that offered both these divergent groups the opportunity to come together for the cause of the environment and communities.
- An important question arises: can the two groups put down their metaphoric swords and use their powers to fight the battle that needs to be fought?

Correcting historical injustice

- Another important question arises: could not the same wildlife NGOs which filed this petition in the Supreme Court have joined hands with the local communities and used the FRA to challenge big development projects coming up on forestland instead?
- It is important to note that human rights groups too cannot be absolved of blame.
- Most of them have been quick to respond when the judiciary steps in, but have been missing when it
 comes to the tedious groundwork of working with the gram sabhas and ensuring that genuine claims
 are filed.
- The same human rights groups did not come forward to fight cases that could have helped conservation as well as the people who live in those areas.
- In conclusion, some experts opine that both groups have failed the forest.
- There is a chance to correct the historical injustice that has been inflicted on the people and to India's forests. And it is through the FRA that India can achieve that aim.

Category: INDIAN ECONOMY

1. Sustaining high growth with low inflation

Note to Students:

• This editorial analysis is taken from an article published in the Hindu BusinessLine on the 4th of March, 2019.

Editorial Analysis:

- Experts have opined that the key issue facing India is how to sustain high growth with low inflation.
- As a matter of fact, India's post reform growth has been volatile, and aborted by episodes of high inflation.
- A useful way to think about the problem is to understand how despite Indian output being below potential, as large numbers enter the labour force, it is still running a current account deficit (CAD) in the balance of payments.
- It is important to note that India is inside its *production possibility frontier* yet demand is greater than what it can produce domestically.
- If bottlenecks in specific sectors limit production and exports, there can be unutilised capacity together with demand that spills over into a CAD.



Perspective on China:

- China, a similarly large country with surplus labour, was also inside its production possibility frontier. Under-valuation of its currency aided an expansion in production of traded goods and of exports that absorbed underemployed labour.
- India, however, is dependent on primary energy imports.
- Depreciation in order to increase exports can raise the import bill and inflation.
- A big advantage for China was it started its catch-up growth in 1978 with reform that raised agricultural productivity.
- It is important to note that low relative food prices are essential for sustained low-inflation growth in populous countries where food has a large share in the consumption basket.
- Major intermediate commodity imports, such as oil, also contribute to inflation.
- China used to export oil but became a net oil importer in 1993. By 2006 it imported 47 per cent of its consumption, and by 2013 became the largest oil importing country. But by then its exports had grown enough to finance imports without materially reducing its current account surplus.
- China started its reforms process with a very low share of oil imports, but in India this was high to begin with. India is the third largest oil importer.
- In 2009-10, crude oil imports amounted to 80 per cent of its domestic crude oil consumption and 31 per cent of its total exports compared to 14 per cent for China.
- India's dependence on commodity imports implies limiting depreciation would help contain inflation.
- A real appreciation may help keep traded goods such as oil and food cheaper.
- Then on its growth path consumption of both traded and non-traded goods rises but production shifts relatively more towards non-traded goods, as their relative prices rises.
- India has seen higher inflation in non-traded services such as health and education. Even so, exports have to expand in sectors with potential. India's outsourcing and other service exports helped finance its oil imports.

A Possible Way Forward:

- Even if there is a CAD, better utilisation of resources and expansion of capacity in export sectors may eliminate it without having to reduce aggregate demand.
- A CAD also implies investment exceeds domestic savings.
- Further, financial savings largely fund investments involving goods that are tradeable, while physical savings are invested more in non-traded goods, such as in real estate.
- Estimates of physical savings in the household sector are identical to those of investment in the unorganised sector.
- It follows, then, that if organised sector investment exceeds financial savings, it will have to be financed by foreign savings that is, by running a CAD.
- In recent years although the savings-GDP ratio has fallen to about 30 as growth slowed, it is household physical savings that have fallen, while household financial savings have recovered from a low of 8 per cent in 2011-12.
- Savings of non-financial corporations that are held in financial assets have risen. Thus better financial
 intermediation of domestic savings also reduces the CAD and dependence on volatile foreign capital
 inflows.

Alleviation of constraints: A Perspective



- It is important to note that constraints in agriculture have been a major factor limiting India's growth.
- For example, high food inflation triggered macroeconomic tightening and reduced growth after 2011.
- A large number of subsidies and price distortions were not able to adequately improve food production.
- By 2018, however, India seems to have entered a period of structural agricultural surpluses. World political economy also seems to be working to keep oil prices in the \$60-70 range, which suits both oil importing and exporting countries, since it maintains future oil supplies thus reducing volatility.
- Moreover, with better pass through of oil prices, India's oil intensity has been falling since 2005.
- Constraints are being removed but even so specific competitive sectors must be encouraged for the export expansion required to cover the oil import bill, which remains large.

Supply side policies:

- It is important to note that a constant or mildly appreciating real exchange rate has to be accompanied by focused sectoral and general supply-side measures to improve exports.
- The WTO bans industry specific subsidies as trade distorting, but developing and LDCs, with per capita incomes of \$1000 (in constant US 1990 \$) are allowed exemptions. India crossed the threshold in 2017.
- Therefore its support to traded goods sectors needs to be delivered in ways that do not distort prices.
- Targeted and limited direct benefit transfers to farmers, along with measures to improve productivity and marketing are all steps in the right direction.
- Allowing stable exports in organic and processed foods will also help farmers get better price realisation. It will not be inflationary since world food prices are also likely to remain soft.
- Despite the Central and State governments providing over 60 different types of subsidies to textile exporters, there are complaints about delays and distortions. The government should therefore, in consultation with exporters, shift to other supporting policies some of which can specially benefit textiles and other export intensive sectors. These include export infrastructure, logistics, skilling, technology development and ease of doing business some of which is happening.
- General supply-side measures must focus on building capacity to participate in higher growth and on reducing costs. The current collapse in inflation is partly due to the success of such measures, in addition to the softening of oil prices. For example, GST has reduced transportation and logistics costs for companies, as well as many indirect tax rates.

Demand side policies:

- If supply-side polices successfully reduce costs and inflation, macroeconomic policy can afford to be stimulatory. Indian catch-up growth was unnecessarily volatile because neglect of critical bottlenecks made supply and external shocks relatively large, while policy rather than smoothing shocks tended to over-react to them.
- Experts opine that inappropriate policies arose from incorrect macroeconomic stabilisation understanding.
- It is important to note that in a populous country with underemployed labour, sectoral bottlenecks and price shocks can cause inflation even without aggregate excess demand.
- On the Indian growth path, therefore, as long as focused sectoral and general supply-side measures improve exports and reduce costs, macroeconomic policies have space to stimulate growth and the absorption of under-employed labour. Such stimulus can be effective.
- The current structural view on fiscal consolidation as well as pressure from foreign investors reduces fiscal space, puts the onus on monetary policy to stimulate the economy in the current slowdown.
- Further, as tax collections fall in a slowdown, a mild rise in fiscal deficits is an automatic stabiliser and should be welcomed.



F. Tidbits

Nothing here for today!!!

G. Prelims Fact

Nothing here for today!!!

H. Practice Questions for UPSC Prelims Exam

Question 1. Which of the following insurgent groups are demanding for 'Greater Nagalim'?

- a. National Socialist Council of Nagaland-Khaplang (NSCN-K)
- b. United Liberation Front of Asom
- c. Both a and b
- d. None of the above

Question 2. Which classical dance form is considered as oldest classical dance heritage of India

and regarded as mother of many other Indian classical dance forms?

- a. Bharatanatyam
- b. Kathakali
- c. Odissi
- d. Manipuri

Question 3. Which scheme was primarily launched for promotion and manufacture of electric

vehicles in India?

- a. FAME scheme
- b. Start Up India
- c. Stand Up India
- d. None of the above

I. Practice Questions for UPSC Mains Exam

- 1. Critically analyze that Naga peace Accord- framework agreement will provide peace and stability in Nagaland? (15 marks)
- 2. Analyze that organic farming is key factor for raising the farmer' income to double? (15 marks)

See previous **CNA**



