

# 28 Jun 2019: UPSC Exam Comprehensive News Analysis

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### Category: POLITY AND GOVERNANCE

#### 1. [National mission on natural language translation soon](#)

##### Context:

The Ministry of Electronics and IT is planning to place a Rs. 450 crore proposal before the union cabinet for Natural Language Translation.

##### Natural Language Translation:

- Natural Language Translation aims to make science and technology accessible to all.

- Using a combination of machine and human translation, the mission will eventually enable access to teaching and researching material bilingually- in English and one's native Indian language.
- It is one of the key missions identified by the Prime Minister's Science, Technology and Innovation Advisory Council (PM-STIAC).
- The IT ministry is the lead agency for implementation of the mission along with the Ministry of Human Resource Development and Department of Science and Technology.
- The PM-STIAC is an overarching body that identifies challenges in certain areas of science and technology and then creates a road map to deal with these challenges.

#### **Details:**

- It is planned to set up an ecosystem which involves central and state government agencies and start-ups who will work with scientists and build implementable solutions.
- Under the mission, translation activities would help generate employment for educated unemployed.
- The mission would help students teachers, authors, publishers, translation software developers and general readers.

#### **Missions by PM-STIAC:**

Besides natural language translation, PM-STIAC has identified other missions such as:

##### **1. Quantum Frontier:**

This mission aims to initiate works in control of the quantum mechanical systems, with a large number of degrees of freedom, as one of the great contemporary challenges in fundamental science and technology.

##### **2. Artificial Intelligence:**

The mission focuses on efforts that will benefit India in addressing societal needs in areas such as healthcare, education, agriculture, smart cities and infrastructure, including smart mobility and transportation

##### **3. National Biodiversity Mission**

This mission involves a comprehensive documentation of India's biodiversity with the potential for cataloguing and mapping all life forms in India including associated cultural and traditional practices; assessment of the distribution and conservation status of India's biodiversity; development of a cadre of professionals adept at handling large sets of environmental data for management and monitoring of biodiversity; expansion of knowledge in ecosystem functioning that will inform restoration efforts; establishment of a vibrant biodiversity based economy on a solid foundation of reliable information; engagement with the public; enhanced options for agricultural production and livelihood; security and general well being of society.

##### **4. Electric Vehicles**

The mission aims to reduce India's fossil fuel emissions and mitigate emissions by making Electric Vehicles economical and scalable through focused research, development and innovation and building of indigenous capacity.

##### **5. Bio Science for Human Health**

The mission through the use of healthy and disease samples aims to understand the impact of nature and nurture on health. The mission aims to construct comprehensive reference maps of genomes and to

understand the dynamics of how exposure to different environments have an impact on our bodies.

#### 6. Waste To Wealth

The mission aims to identify, develop and deploy technologies to treat waste to generate energy, recycle materials and extract worth. It will work to identify and support the development of new technologies that hold promise in creating a clean, green environment.

#### 7. Deep Ocean Exploration

The mission aims to scientifically explore the deep oceans towards improving our understanding of the blue frontier. The information from this mission will address issues arising from long term changes in the ocean due to climate change.

#### 8. Agnii

This mission aims to support the national efforts to boost the innovation ecosystem in the country by connecting innovators across the industry, individuals and the grassroots to the market and helping commercialise innovative solutions.

## 2. Bombay High Court upholds reservation for Marathas

### Context:

A division bench of the Bombay High Court has upheld the Maratha Reservation Bill saying that the state is within its right.

### Background:

- The demand for Maratha reservation began in the 1980s.
- In 1992, the Maratha Mahasangh had made a representation to the state government to provide reservation to the community.
- In July 2014, the Congress-NCP government had brought in an ordinance for 16 per cent Maratha quota, but it failed the legal test.
- The subsequent BJP government in December 2014 came out with an Act to provide reservation for the community but the proposal also did not stand the scrutiny of the court.
- After largescale protests by the Marathas in November 2018, the state legislature again passed an Act proposing 16 per cent reservation in education and government jobs for the community, declared as socially and educationally backward class by the government.
- The Maharashtra State Reservations for Socially and Educationally Backward Classes (SEBC) Act 2018 was then challenged in the Bombay High Court, terming it as violative of the Supreme Court order that reservations in any state cannot exceed 50 per cent.

### Who are the Marathas?

- Marathas are a Marathi-speaking, politically dominant community in Maharashtra.
- They make up about one-third of the population of the state.
- Historically, they have been identified as a “warrior” caste with large land-holdings.
- Since the formation of Maharashtra state in 1960, of its 18 chief ministers, 11 have been from the Maratha community.
- While division of land and agrarian problems over the years have led to a decline of prosperity among middle class and lower middle class Marathas, the community still plays an important role in

the rural economy.

#### Details:

- The court relied on the findings of the Maharashtra State Backward Class Commission (MSBCC). The committee, in its report, had said that the Maratha community is socially, economically and educationally backward.
- The court upheld the constitutional validity of reservation for the Maratha community in education and government jobs, agreeing with the commission's findings that there are extraordinary and exceptional circumstances, based on quantifiable data.
- It was held that the classification "complies with the twin test of reasonable classification permissible under Article 14 (equality before the law) of the Constitution of India, namely, intelligible differentia and rational nexus to the object sought to be achieved.
- The high court however, said that the reservation should not be 16 per cent but 12-13 per cent as recommended by the backward commission.
- A nine-judge bench of the Supreme Court had ruled that total reservation for backward classes should not go beyond the 50 per cent mark. However, there are a few states that are exempted from this rule and Maharashtra is one such state.
- Following the 2001 State Reservation Act, the the total reservation in the state is 52%, out of which, the larger quotas are for SC (13%), ST (7%) and OBC (19%), with the rest going to Special Backward Class (2%) Vimukti Jati (3%), Nomadic Tribe (B) (2.5%), Nomadic Tribe (C) (Dhangar) (3.5%) and Nomadic Tribe (D) (Vanjari) (2%).
- The quotas given to the various Nomadic Tribes and Special Backward Classes, in fact, have been carved out of the total OBC quota.
- The addition of the 12-13 per cent Maratha quota will take the total reservation in the state to 64-65 per cent.

### 3. New Supreme Court roster allows top five judges to hear PIL matters

#### Context:

The Supreme Court registry has released a new work roster which states that the top five judges will be given public interest litigation (PIL) cases.

#### Background:

- The subject wise roster system was introduced by former CJI Dipak Misra in 2018 in the backdrop of 'master of roster' controversy which erupted after the press conference by four senior judges, who alleged that the CJI was selectively assigning cases to benches of preferences, ignoring seniority of judges.
- On May 24, when the Supreme Court was on vacation, four new judges were administered the oath of office by the CJI taking the overall number of judges to 31 -- the full sanctioned strength of the top court since 2008.

#### Details:

- The announcement will undo the earlier protocol under which such cases were restricted only to the CJI and the second senior-most judge after the CJI.
- According to the fresh roster, the CJI will deal with the PIL matters and it would be his discretion to assign PIL cases to other top four judges.
- Petitions on letters received, matters related to social justice, elections, company law, monopoly and restricted trade practices, Telecom Regulatory Authority of India, Security Exchange Board of India, Insurance and Reserve Bank of India would be heard by the bench headed by the CJI.

- The CJI has also kept with himself matters concerning arbitration, habeas corpus, criminal cases, contempt of court and ordinary civil matters.
- His Bench will also deal with the issues relating to the appointment of constitutional functionaries, statutory appointments and appointment of other law officers.
- Besides matters pertaining to judicial officers and commissions of enquiry, would also be allocated before the Bench headed by the CJI.
- Benches led by four other senior most judges have been allocated different matters by CJI.
- Other 10 Benches have been assigned regular matters related to taxes, property, land and acquisition, service and compensation matters.

#### 4. Lok Sabha passes Bill on homoeopathy council

##### Context:

The Lok Sabha has passed the Homoeopathy Central Council (Amendment) Bill, 2019.

##### Background:

- The Homoeopathy Central Council Act, 1973 was enacted for the constitution of the Central Council of Homeopathy, along with the maintenance of the Central Register of Homeopathy and matters related to it.
- The Act was amended in 2002 to make provisions and seek permission from the central government for the setting up of new colleges or starting new courses or increase the admissions in the existing colleges.
- However, many homoeopathic colleges are struggling to meet the required standards necessary for quality education.

##### Details:

- The amendment enables the government to extend the tenure of the Board of Governors for a further period of one year with effect from May 17, 2019.
- It will replace an ordinance issued by the previous government.
- The affairs of the Central Homoeopathy Council have been entrusted to a Board of Governors comprising eminent and qualified homoeopathy doctors and eminent administrators till such a time the council is reconstituted.
- The tenure has been extended since the council could not be reconstituted within one year due to non-updation of State registers of homoeopathy during general elections.

##### Issue:

- There have been several instances of serious malpractices in the Council, even after the Centre taking steps to bring transparency in the Council's affairs.
- There have been reports that many members of the Council are still continuing even after their terms have long ended.
- There have been charges of misconduct against the president of the Council, for allegedly accepting a bribe of Rs 20 lakh to set up a new Homeopathy college.
- The President of India, Ram Nath Kovind, in May 2018, promulgated the Homoeopathy Central Council (Amendment) Ordinance.
- The bill is opposed by the opposition parties, which demanded that the government should further examine the proposed legislation, saying there should be supervision mechanism for homoeopathy and ayurvedic medical institutions.
- The government was also criticised for frequent use of ordinance, stating that it is against the spirit of



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### Category: ECONOMY

#### 1. SEBI tightens norms for MF investments

##### Context:

- In a reaction to a series of credit-related events that put investor money at risk, Securities and Exchange Board of India (SEBI) has tightened norms on investments by mutual funds (MFs).
- The changes are based on recommendations made by the mutual fund advisory committee constituted by SEBI to limit liquid fund exposure to a single sector, especially to non-banking finance companies (NBFCs) catering to the housing sector.

##### Details:

- SEBI's board had decided on key reforms over liquid funds, credit rating firms, promoters' pledge of shares, and royalty payments.
- It is said that MFs will now be mandated to invest in only listed non-convertible debentures.
- From now, liquid and overnight schemes will not be permitted to invest in short term deposits, debt and money market instruments having structured obligations or credit enhancements.
- Liquid funds can invest a maximum of 20% of their assets in a single sector as against the current cap of 25%, and must keep aside at least a fifth of their assets in cash equivalents to meet sudden redemption pressures.
  - Liquid funds are debt mutual funds that can invest in securities up to a maturity of 91 days.
- It has also reduced liquid funds' exposure to the so-called credit-enhanced securities to 10% of Assets under Management.
  - A credit enhancement is typically a promoter guarantee or the offer of shares as collateral in order to enhance the creditworthiness of specific debt paper.
  - These are also referred to as loan against shares (LAS).
- The cap on sectoral limit of 25% shall be reduced to 20%. The additional exposure of 15% to HFCs shall be restructured to 10% to HFCs and 5% in securitised debt.
- Promoters, promoter groups and persons acting in concert (PACs) will need to disclose the reason for creating an encumbrance as soon as 20% of their share capital is leveraged.
- SEBI also approved the framework for issuance of differential voting rights (DVRs) and introduction of superior voting rights for tech companies, which will be effective from July 01, 2019.

##### Significance of the move:

- By making it mandatory to invest in listed NCDs and CPs, SEBI has taken a step towards ensuring the liquidity of the instruments.
- Valuation of securities in debt funds will be on mark-to-market value and hence, there will be uniformity across the industry with fair valuation of each debt security.
- It was opined that Mutual funds must encompass the aspect of safety and investment.

#### 2. NBFC crisis separated the good from the bad, says RBI

##### The NBFC crisis:

- India's non-banking financial companies (NBFC) sector, also known as the shadow banking system

provides services similar to traditional commercial banks but outside normal banking regulations.

- Following a series of defaults by Infrastructure Leasing and Financial Services (IL&FS) and the subsequent liquidity crunch, the sector passed through a turbulent period.
- Commercial paper issuance by NBFCs sharply declined post the IL&FS default.
- NBFCs are now facing a crisis of confidence.

#### **Details:**

- The RBI said that the crisis has brought NBFC sector under greater market discipline, even as the better performing companies continue to raise funds, while those with an asset liability mismatch and asset quality concerns are facing higher borrowing costs.
- The report said that, despite the dip in confidence, better-performing NBFCs with strong fundamentals are able to manage their liquidity even though their funding costs moved with market sentiments and risk perceptions.
- While bank borrowings, debentures and commercial papers are the major sources of funding for the NBFCs, borrowings from banks have shown an increasing trend.
- This indicates that banks are compensating for the reduced market access for NBFCs in the wake of stress in the sector,” the RBI said.

### **3. Government revamps WPI revision team**

#### **Context:**

The government has reconstituted the working group tasked with revising the current wholesale price index (WPI).

#### **Details:**

- The terms of reference (ToR) of the working group include selecting the most appropriate base year for the preparation of a new official series of index numbers of wholesale price (WPI) and producer price index (PPI) in India.
- The working group will also have to review the commodity basket of the current WPI series and suggest additions or deletions of commodities in the light of structural changes that occurred in the economy since 2011-12.
- The ToRs also include a review of the existing system of price collection and suggesting improvements, along with coming up with a computational methodology to be adopted for the monthly WPI and PPI.
- The working group will be chaired by NITI Aayog Member and will have members from the Central Statistical Office, the Ministries of Finance, Petroleum and Natural Gas and also from the departments of agriculture and consumer affairs. Apart from this, the working group would include other representatives.

#### **Wholesale Price Index:**

- The WPI measures the price of a representative basket of wholesale goods.
- It provides estimates of inflation at the wholesale transaction level for the economy as a whole.
- In India, the wholesale price index (WPI) is the main measure of inflation.
- The Government periodically reviews and revises the base year of the WPI as a regular exercise to capture structural changes in the economy and improve the quality, coverage and representativeness of the indices.
- The Wholesale Price Index (WPI) series in India has undergone six revisions in 1952-53, 1961-62, 1970-71, 1981-82, 1993-94 and 2004-05 so far.
- The base year of All-India WPI was revised from 2004-05 to 2011-12 on 12 May 2017 to align it

with the base year of other macroeconomic indicators like the Gross Domestic Product (GDP) and Index of Industrial Production (IIP).

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## E. Editorials

### Category: POLITY AND GOVERNANCE

#### 1. A democratic requirement

##### Editorial Analysis:

- Experts point out that today the parliamentary Opposition in India is not merely fragmented but also in a state of disarray.
- As a matter of fact, there seems to be hardly any Opposition party with a vision or strategy for its institutional working or for the Opposition as a whole.
- Such a state of affairs is probably worse than the defeat most of the Opposition parties have suffered in the elections to the 17th Lok Sabha.
- Given this impasse, some of them may seek an alternative in strengthening their State-level bases either to ward off poaching by the ruling dispensation or to work to better their prospects in the elections in the offing.
- There would also be much showcasing of Opposition unity particularly during a Lok Sabha session.
- There are important questions that arise. While such exercises could be defended as modes of survival in hard times, or even as inevitable tactics, should the Opposition limit itself merely to them?
- Should not the Opposition reinvent a distinct and broader role for itself?
- Is the despondency the parliamentary Opposition is caught in conducive to the pivotal role it is called upon to play in a post-colonial democracy such as India?

##### The need for an effective opposition:

- It is important to note that at the time of India's first elections, there was little doubt regarding the potential ruling party of the country.
- The matter of concern, however, was the state of the parliamentary Opposition.
- There was little doubt in anyone's mind, unlike probably today, that without a viable and effective Opposition, parliamentary democracy would largely be a sham.
- Without an effective opposition, there would not be an effective oversight on representative concerns, in eliciting responsiveness from wielders of power and enforcing accountability.
- While there could be other organs of the state for specific purposes, it was the parliamentary Opposition, it was believed, that held the popular trust to its safe-keeping.
- In other words, India's claim to be a working democracy rested not in posting an electoral majority, but in engendering a parliamentary Opposition that would be the conscience of the nation.

##### (a) A Brief Look at History:

- As a matter of fact, Jawaharlal Nehru was acutely conscious of the absence of an effective Opposition in the House, and once wrote provocatively, under the pseudonym Chanakya, saying, **“a little twist and Jawaharlal might turn into a dictator sweeping aside the paraphernalia of a**



**slow- moving democracy”.**

- Jawaharlal Nehru repeatedly cajoled Jayaprakash Narayan, who had opted for public service outside the electoral arena, to enter Parliament and lead the Opposition.
- It is a different matter, though, that when such an Opposition came to crystallise, it was not much to his liking!
- This Opposition was made of disgruntled leaders moving out of the ruling party and the existing parliamentary Opposition largely made of socialists and communists.
- The Bharatiya Jan Sangh and the Swatantra Party were to soon foist their distinctive markers on the Opposition.
- The development produced dozens of truly outstanding parliamentarians — **Hriday Nath Kunzru, J.B. Kripalani, A.K.Gopalan, H.V.Kamath, Ram Manohar Lohia and M.R. Masani**, just to name a few.
- As a matter of fact, India’s parliamentary Opposition was an invention of its own and a development of momentous significance with certain distinct characteristics.

**(b) Perspective on social movements:**

- From the early 1960s, powerful movements broke out all over India on issues such as land reforms, rights of the industrial working class, unemployment, foodgrains and their distribution, ethnic demands and language rights.
- It is important to note that while the strength of the parliamentary Opposition continued to be puny and divided till 1967, it was enormously bolstered by linking itself to these social movements, and vice-versa.
- Such a bonding, however, went alongside a reflective commitment to constitutional and parliamentary democracy.
- It encompassed the broadest spectrum of the Opposition, including the communists, a section of whom had initially entertained doubt regarding the prospects of social revolution under the aegis of constitutional democracy.
- Further, while the government proceeded against some of the leaders for their role in the social movements, there was obviously a limit to which it could go.

**(c) Looking at Parliamentary Communists and Parliamentary Socialists:**

- In the early 1970s, the parliamentary Opposition became the site that reflected a comprehensive critique of the direction charted by India’s democracy.
- The parliamentary communists, with all their internal ideological and political squabbles, continued to employ the frame of class struggle — imperialism, big capital and landlordism on the one hand, and working class, peasantry and middle classes on the other.
- However, **it was the socialists who made the terrain of democracy in place as their anchor**, developed a critique of the path of industrialisation, centralisation and concentration of power, deployment of institutions of constitutional democracy as instrumentalities of the ruling regime as well as the resultant outcomes of agrarian crisis, devastation of traditional crafts and small-scale industry, assault on citizenship rights, intolerance of dissent, aversion to federalism and decentralisation of power, rise in bureaucratic stranglehold and security apparatuses, muzzling of the media and disregard to languages and local cultures.
- As a matter of fact, it was this Opposition that issued the call for civil disobedience as foundational to democracy when the parliamentary Opposition came to be subdued.

**(d) Rule of the Janata Party:**

- Jayaprakash Narayan became the rallying symbol for this Opposition, bringing down the authoritarian regime of the Emergency (1975-77), and enabling it to ride to power with huge popular support in the elections.

- It is a different matter that the internal squabbles within the ruling Janata Party, its inability to order its priorities, and its susceptibility to the insinuations of the Opposition in place gave this experiment a short shrift.
- The Congress party in Opposition (1977-1979) too experimented with an oppositional stance which was largely to discredit the party in power, and seek a restoration of the post-colonial regime.
- It is important to note that the strategy of merely discrediting the ruling regime as an oppositional stance does not hold much prospect today, given the unity of the ruling regime and its hold over media and communication networks.
- Besides, it does not reflect the creativity and ingenuity that the Opposition has imparted to parliamentary democracy in India.

(e) Looking at the Conceptions of nationalism:

- From the 1980s, parliamentary Opposition came to make a place for itself by advancing one or the other conception of nationalism.
- There are clearly three significant conceptions in contention.

Majoritarian Conception:

- The first is a **majoritarian conception** which argues against any special consideration to minorities and disparages pluralism.

Secular Conception:

- The second is a secular conception that upholds equal citizenship while extending special considerations to distinct concerns and ways of life.

Conception of a Privileged Strata:

- The third argues that Indian nationalism and the post-colonial polity have largely been in the service of a privileged strata and measures should be taken to tilt this balance in favour of the disadvantaged as well as reflect India's deep diversity.
- It is important to bear in mind that while each one of these conceptions have tried to outwit the others, they have selectively reached out to some elements of the rest with the aim of securing electoral majorities.

**Concluding Remarks:**

- A majoritarian conception of the polity, avowing a strong state that has an overriding say with regard to rights and freedoms, but with a pronounced tilt to the market, has been triumphal today.
- But it can hardly be said that other perspectives in contention have lost their salience and the legacy of the parliamentary Opposition in India has lost its mettle.
- In this context, the parliamentary Opposition in India has much to learn from its own legacy.
- As a matter of fact, it can draw from it lessons to position itself as the representative voice of democratic and egalitarian urges that is at the same time critical of the idea of the nation that has left behind a significant section of its population from any meaningful sense of belonging to it.
- But it also may be the opportune context to think of new ways by which dissent and opposition can be sustained in a new media-induced public culture that invariably breeds docility and compliance.

**Category: EDUCATION**

## 1. A policy to regulate coaching centres

### Editorial Analysis:

#### A Look at certain alarming developments:

- Recently, a deadly fire at a coaching centre in Surat snuffed out 22 young lives.
- The rate of suicides in Kota, where many students converge to prepare for entrance exams, remains high. And yet, the coaching industry is rapidly growing.
- Data from the National Sample Survey Office's 71st round reveal that more than a quarter of Indian students (a stupendous 7.1 crore) take private coaching.
- Around 12% of a family's expenses go towards private coaching, across rich and poor families alike.
- There are important questions that arise:
  1. What purpose do coaching institutions serve in society?
  2. Do they enhance human capital?

If they do, they serve the same purpose as schools and colleges.

However, if they don't, then they are imposing a huge emotional cost to society.

- Experts opine that they crush creativity. In most cases, they only help a student to swiftly secure marks in some entrance exam, which is widely understood to be a sign of merit.
- This is a questionable connection. To signal merit, exams are only one criterion, and not necessarily the best one. So, coaching institutions exist to help people achieve only one idea of merit. This is a small benefit.
- They do not enhance human capital.
- Confining students in classrooms and making them study subjects they often hate destroys their natural talent.
- Hence, the social cost of these institutions outweighs their benefit by far. The industry needs a re-look.

#### Un-regulation: A major cause for concern

- An important question arises: **Why must anything be regulated?**
- As a matter of fact, economic theories suggest that when markets fail, governments need to be brought in.
- Market failure may occur because of the presence of externalities or asymmetry in information.
- Governments are also important because they act to coordinate moral norms.

#### What the Critics Say?

- Critics point out that on all these counts, coaching institutions emerge as the proverbial villains.
- They assert that coaching centres hide behind legislations meant for tiny shops (Shops and Establishment Act), under the umbrella 'other' business, while they run an empire of evening incarcerations that arrest creative freedom.
- Large coaching centres draw an entire generation of young minds and systematically erode their imagination.
- They ignite psychological disorders in students, undermine mainstream education, impose huge opportunity costs to students, charge an exorbitant fee which is often untaxed, and yet remain unaccountable (several court cases on breach of promise of refund are underway).
- This paints a picture of coaching centres as market bullies.
- The social costs are exacerbated by the absolute disregard for the well being of students, who are

shoved into tiny rooms with little ventilation, let alone a fire exit.

- It is unfortunate that society bears the burden — only for the sake of finding out who is marginally better than the other in cramming for some exam.

### **A Look at the Surat Disaster:**

- The building in Surat had an illegally constructed terrace.
- It had a wooden staircase that got burnt, thus disabling any possibility of escape.
- It had no fire safety equipment, nor any compliance or inspection certificate.
- The response of the State government was to shut down all coaching institutions in Gujarat until fire inspections were completed. This was a typical knee-jerk reaction.
- The building which caught fire was located in a premise that was supposed to be a residential space, according to the approved plan of 2001.
- In 2007, a two-floor commercial complex was illegally built.
- It was legalised in 2013 under Gujarat's regularisation laws.
- The other floors where the fire broke out were constructed illegally later.
- Although government measures are more emotional than rational, they have achieved the purpose of drawing our attention to coaching centres.
- In the last six months, three fire incidents have involved coaching institutions in Gujarat.

### **Coaching Institutions: A Valueless idea?**

- Another important question arises: Why do people start coaching institutions?
- Barring a few exceptions, coaching institutions sell a valueless but costly idea.
- Only those enterprises which have no value themselves play with the law.
- Next, to blame the systemic flaws in the implementation of safety laws and to blame corruption in the government is to normalise the lack of integrity in the entrepreneur who decided to violate the law.
- As a matter of fact, to harp on lapses by the government is to turn a blind eye towards what kind of ethics we are drawing out of our enterprises, particularly those which purport to provide 'education'.
- Coaching institutions, of course, are not necessarily ethical entities. Most of them do not add to the value of education.

### **Concluding Remarks:**

- While the reason for the growth of coaching institutions is the entrance exam culture of India, what is urgently required is a policy on regulating them.
- Some States have already passed laws to regulate the coaching industry — centres have to register with the government and meet certain basic criteria — for instance, they cannot employ teachers of government-recognised schools.
- Existing State laws, however, do not evince a consistent rationale that could aid in framing national regulations.
- There is also the Private Coaching Centres Regulatory Board Bill, 2016 in discussion.
- A PIL was recently filed in the Supreme Court on regulating coaching institutions.
- We must recognise that a bad law is worse than no law. While the discourse being triggered is a welcome step, it is now important to ensure regulations that emerge are agile, forward-looking and empowering.

## **Category: ECONOMY**

### **1. Prudent prescription**

## Editorial Analysis:

### The Importance of the MSME Sector:

- **The micro, small and medium enterprises (MSME) sector in India is a key engine of growth, contributing more than 28% of the GDP and about 45% to manufacturing output.**
- It is also a true reflection of economics where people really matter.
- Providing employment to about 111 million people, the sector's health is crucial to the economy's vitality and society's well being.

### Issues bedeviling MSMEs and Expert Committee Recommendations:

- An expert committee constituted by the Reserve Bank of India has in this context submitted a substantially germane study on the issues bedeviling MSMEs and made a fairly exhaustive set of recommendations to redress them.
- The panel is emphatic that the policy environment needs to be urgently refocussed.
- To that end, it is imperative that the thrust of the enabling legislation — a 13-year-old law, **the MSME Development Act, 2006** — be changed to prioritise market facilitation and ease of doing business.
- Observing that many Indian start-ups that are at the forefront of innovation are drawn to look overseas, given the conducive business environment and the availability of infrastructure and exit policies, **the experts suggest that a new law ought to address the sector's biggest bottlenecks, including access to credit and risk capital.**
- It is important to note that a substantial part of the study is justifiably devoted to reimagining solutions to improve credit flow to MSMEs.
- For instance, **the experts recommend repurposing the Small Industries Development Bank of India.** In its expanded role, it is envisaged that the SIDBI could not only deepen credit markets for MSMEs in under-served regions by being a provider of comfort to lenders including NBFCs and micro-finance institutions, but also become a market-maker for SME debt.
- Next, with technology, especially digital platforms, having become so ubiquitous, the panel has made a case for greater adoption of technology-facilitated solutions to a plethora of problems encountered by the sector.
- **To address the bugbear of delayed payments, the mandatory uploading of invoices above a specified amount to an information utility is a novel approach.**
- The aim is to name and shame buyers of goods and services from MSMEs to expedite settlements to suppliers.
- While it does sound simplistic, and banks a lot on the power of moral suasion, it is a tack worth trying.
- Another suggestion entails expediting the integration of information on the Government e-Marketplace, or GeM, platform with the Trade Receivables Discounting System.
- **The goal here too is to boost liquidity at MSMEs.**
- A noteworthy recommendation urges banks to switch to cash flow-based lending, especially once account aggregators are operational and able to provide granular data on borrowings.

### Concluding Remarks:

- The RBI and the Centre clearly have their work cut out in acting on this prudent prescription to help actualise the sector's true economic potential.

### Category: INTERNATIONAL RELATIONS



## 1. At the high table

### What's in the news?

- Experts point out that by winning the unanimous endorsement of the 55-nation Asia-Pacific Group at the United Nations Security Council, **India has cleared an important hurdle in its quest for a non-permanent seat for 2021-22.**

### Editorial Analysis:

- This recent decision of the grouping was taken as India was the sole candidate for the post.
- In the next step, all 193 members of the UN General Assembly will vote for five non-permanent seats in June 2020, when India will need to show the support of at least 129 countries to go through to the UNSC.
- It will then occupy the seat at the UNSC for a two-year period, as it has previously on seven occasions since 1950-51.

### Reasons why India decided to pursue its candidature for 2021-22:

- There are several reasons why India decided to pursue its candidature for 2021-22.
- The government at the time had felt it was necessary to have India's voice at the high table as many times as possible, and therefore began the process for another seat shortly after it had ended its previous tenure in 2011-2012.
- By rotation, that seat would have reached India only in the 2030s, and **India had to reach out to Afghanistan, which had put in its bid already for the 2021-22 slot, to request it to withdraw.**
- Afghanistan did so because of the special relationship between the two countries.

### The unique role India has to play at the UNSC:

- **India has a unique role to play at the UNSC, given the near-complete polarisation among the permanent members (P-5 nations), with the U.S., the U.K. and France on one side, and Russia and China on the other.**
- India's ability to work with both sides is well known.
- The year 2022 also has a sentimental value attached to it, as it marks the 75th year of India's Independence, and a place at the UNSC would no doubt add to the planned celebrations that year. Since 2013, when it first announced the bid, the government has run a quiet but consistent campaign towards this goal.
- **It is significant that despite the poor state of bilateral relations with Pakistan, and the many challenges India has faced from China at the UN, both the countries graciously agreed to the nomination.**
- From this point on, it is necessary for the government to think beyond the campaign for the UNSC, and work out a comprehensive strategy for what it plans to do with the seat.

### Concluding Remarks:

- In the past, India has earned a reputation for 'fence-sitting' by abstaining on votes when it was required to take a considered stand on principle, and the seat will be a chance to undo that image.
- Furthermore, given the twin challenges of a rising China, and the U.S. receding from its UN responsibilities, **India must consider how it will strengthen the multilateral world order amid frequent unilateral moves by both the world powers.**
- An even bigger challenge will be to nudge all five permanent members on the one issue they have unitedly resisted: **towards the reform and expansion of the UNSC, which would include India's**

claim to a permanent seat at the high table.

## 2. BIMSTEC, a viable option

### Editorial Analysis:

- Experts opine that S. Jaishankar's first foreign visit as External Affairs Minister to Bhutan might be indicative of the government's attempt to rekindle **India's 'Neighbourhood First' policy** that started with Prime Minister Narendra Modi inviting SAARC leaders to his swearing-in ceremony in 2014.

### Shift of focus from SAARC to BIMSTEC:

- The shift of focus from other regional initiatives such as SAARC to BIMSTEC in the past five years can be attributed to the inability of SAARC to foster regional cooperation and make progress.
- As a matter of fact, **regional cooperation under SAARC saw no progress, as indicated by the fact that the group has not met since 2014.**
- Further, the summit stood cancelled in 2016 because it was boycotted by India, along with three other member states, owing to terror attacks in India allegedly sponsored by Pakistan-linked operatives.
- This prompted the Indian government to shift its focus to BIMSTEC to enhance regional cooperation, as manifested by the BIMSTEC state heads being invited to the oath-taking ceremony of the incumbent Modi government.

### Need for India to be cautious:

- Experts opine that **the Indian government, however, needs to be cautious in its approach towards BIMSTEC, otherwise it may meet a fate akin to previous attempts at cooperation in the region.**
- Indeed, the trajectory of regional cooperation is driven by the nature and success of previous attempts at regional cooperation because there tends to be an acquiescence to the way states interact in a region.
- This is not to say that states will interact only in that manner. As seen in Europe, the relationship dynamic has changed time and again over the decades.

### Regional Initiatives in Asia:

- It is important to note that **regional initiatives in Asia, like SAARC, have been defined along the tangents of strategy and security more than they have been along economic, cultural and social lines.**
- This can be attributed to contemporary geopolitical concerns and the mistrust that exists among the countries that are party to these organisations.
- Nevertheless, it is likely that looking towards BIMSTEC for regional economic, cultural and social cooperation may prove fruitful.
- This is because it does not include Pakistan, which has been an impediment to SAARC's success and has kept the group's relational dynamic focused on security and strategy.
- Further, China's absence in BIMSTEC could mean that there may be fewer obstacles hindering the achievement of the organisation's mandate.
- This is because bilateral and contentious issues will be excluded from the group's deliberations, especially given that India and China have conflicting world views and sometimes clash on regional goals.

### Concluding Remarks:

- As the renegotiation of SAARC remains unattainable, BIMSTEC might be a viable option for India to maintain its foreign policy discourse.
- However, **New Delhi will have to take into account the fact that in Asia, economics and politics have historically been deeply integrated, and not fall into the acquiescence trap.**

## F. Tidbits

*Nothing here for today!!!*

## G. Prelims Facts

*Nothing here for today!!!*

## H. Practice Questions for UPSC Prelims Exam

Q1. Which of the following elements formed the initial atmosphere on the earth?

1. Hydrogen
2. Oxygen

Choose the correct answer:

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: a**

**Explanation:**

Earth's first atmosphere was comprised of hydrogen and helium (two most abundant gases found in the universe). Through the process of outgassing, the outpouring of gases from the earth's interior, many other gases were injected into the atmosphere.

Q2. Consider the following statements with respect to UN Convention on Combating Desertification (UNCCD):

1. It addresses the land degradation in the drylands.
2. It is not legally binding on the parties.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: a**

**Explanation:**

UNCCD addresses the land degradation in arid, semi arid and dry sub humid areas, known as the drylands.

**Q3. Broad money is**

- a. The unaccounted money that is concealed from the tax administrator
- b. Currencies of other countries in the Indian economy
- c. The total stock of money that is circulating in the economy.
- d. None of the above

**Answer: c**

**Explanation:**

It is the total stock of money that is circulating in an economy. It is also called money supply.

**Q4. Consider the following statements:**

- 1. Anti-dumping duty is the duty levied on such imports that are believed to have been price below their domestic price.
- 2. Countervailing duty is the additional duty levied by the importing country on specific goods.

Which of the given statement/s is/are correct?

- a. 1 only
- b. 2 only
- c. Both 1 and 2
- d. Neither 1 nor 2

**Answer: c**

**Explanation:**

Anti-dumping duty is a protectionist duty levied on such imports that are believed to have been price below their domestic price. It is mainly levied in order to uphold the practice of fair trade.

Countervailing duty is additional duty levied by the importing country on specific goods. It is generally equal to the excise duty paid by manufacturers when the same product is produced in the home country. It is mainly levied in order to neutralize the effect of subsidies in the exporting country on the price and domestic market of the importing country.

## I. UPSC Mains Practice Questions

- 1. Combining the Ministries of Agriculture and Farmers Welfare, Rural Development and Panchayati Raj under the same minister is a step in the right direction for achieving the objective of doubling farmers' income by 2022-23. Critically comment. (15 Marks, 250 Words)
- 2. Reservations have become a policy device for employment creation and power-sharing. Discuss in the light of Bombay High Court's judgement upholding the Maratha Reservation Bill. (15 Marks,

