

# 19 July 2019: UPSC Exam Comprehensive News Analysis

## TABLE OF CONTENTS

### A. GS1 Related

#### **SOCIAL ISSUES**

- [Wayanad's tribal hamlets one step from 100% literacy](#)
- [Child labour in film, TV comes under scanner](#)

### B. GS2 Related

#### **HEALTH**

- [Oral health given short shrift, says study](#)

#### **INTERNATIONAL RELATIONS**

- [Sri Lanka, India ink pact to upgrade railway line](#)

### C. GS3 Related

#### **DISASTER MANAGEMENT**

- [Kaziranga's man-made highlands help rhinos survive floods](#)

#### **ECONOMY**

- [Transmission sector needs Rs.5 lakh crore investment for future needs](#)
- [SEBI opposes Centre's proposal to transfer surplus money to CFI](#)

#### **ENVIRONMENT AND ECOLOGY**

- [7,000 species added to IUCN 'Red List'](#)

### D. GS4 Related

### E. Editorials

#### **INTERNATIONAL RELATIONS**

- [A reprieve](#)
- [OIC's curious record on Xinjiang](#)

#### **SCIENCE & TECHNOLOGY**

- [The threat of Ebola](#)

#### **ECONOMY**

- [Inappropriate template for a legitimate target](#)

### F. Tidbits

- [Naval training ships to have facilities for women](#)

### G. Prelims Facts

- [Sagardhwani sets off for research](#)
- [Vyasaraaja Brindavana \(Nava Brindavana\)](#)
- [Ethanol biorefinery to come up in Vidarbha](#)

### H. UPSC Prelims Practice Questions

### I. UPSC Mains Practice Questions

## A. GS1 Related

### Category: SOCIAL ISSUES

#### 1. Wayanad's tribal hamlets one step from 100% literacy

##### Context:

Kerala's State Literacy Mission (SLM) is all set to earn the 100% literate badge for Waynad.

##### Details:

- Wayanad has the highest tribal population among all districts.

- Literacy rate in Kerala is 94.00 percent as per 2011 population census. Of that, male literacy stands at 96.11 percent while female literacy is at 92.07 percent.
- Tribal pockets are among a handful of areas where full literacy has so far remained a dream in Kerala.

### **Progress:**

- As part of its efforts, the SLM drew up the Wayanad Literacy Equivalency and Attappadi Literacy Equivalency programmes.
- Samagra, a framework to develop effective schooling strategies was also adopted.
- They addressed gaps in literacy programmes for marginalised people.
- The initiatives were a huge success and we were inspired to pursue 100% literacy among tribal people in Wayanad by end-2020.
- So far, the literacy campaign has touched the lives of people in 483 remote tribal hamlets among 2,000 such habitations in the district.
- The project is now focussed on the remaining 1,517 hamlets in the third phase.
- Instructors play a key role in spreading literacy, and they are to be recruited from among the residents themselves.
- The quest is to identify those who speak various indigenous languages as they get a good response from the learners.
- The programme has helped many tribal people and many school dropouts continue their studies.

### **Kerala State Literacy Mission:**

- The Kerala State Literacy Mission Authority is an autonomous institution under the General Education Department, Government of Kerala.
- It was set up in 1998 for the purpose of co-ordinating and activating the 'Literacy and continuing education.
- Kerala launched the continuing education endeavour on 26th October, 1998 propagating the slogan "Education for all and Education for ever" six years after it bagged the envious title of total literacy.
- Presently the KSLMA is fully funded by the Government of Kerala in order to implement literacy, continuing education and lifelong learning programme designed and developed by the state.

## **2. Child labour in film, TV comes under scanner**

### **Issue:**

It has been observed by the Union Labour and Employment Ministry that the CALPR Act, 1986, and the rules framed thereunder are not being strictly adhered to in the audio-visual industry.

### **Details:**

- The Union Labour and Employment Ministry, expressing concern over violations of child labour rules in film and television has urged the Ministry of Information and Broadcasting to ensure strict compliance by the industry with the norms on working conditions for children, as well as the inclusion of mandatory disclaimers when they appear on screen.
- The ministry flagged violations of the Child and Adolescent Labour (Prohibition & Regulation) Act, 1986, as amended in 2016, as well as the rules framed under it for the audio-visual industry.
- The I&B Ministry is likely to issue advisories on the issue to film producers and broadcasters soon.

### **Child and Adolescent Labour (Prohibition & Regulation) Act:**

- Under the Child Labour (Prohibition and Regulation) Amendment Rules, 2017, child artistes are

supposed to work for a maximum of five hours a day and not more than three hours without rest.

- The rules also require permission from the District Magistrate and an undertaking by the producer, as well as the deployment of one person each for ensuring the safety and security of a maximum of five children.
- Children should not be away from schooling for more than 27 days.
- 20% of their income should be deposited in a fixed deposit in their name, as per the rules.
- If a child was involved in filming, the film should include a disclaimer saying that all measures were taken to ensure that no abuse, neglect or exploitation of the child took place during shooting.

## B. GS2 Related

### Category: HEALTH

#### 1. Oral health given short shrift, says study

##### Context:

The Lancet Series on Oral Health has noted that the Oral diseases present a major global public health burden, affecting 3.5 billion people worldwide, yet oral health has been largely ignored by the global health community

##### Concerns:

- Oral diseases, including tooth decay, gum disease and oral cancers, affect almost half of the global population.
- Untreated dental decay the most common health condition worldwide.
- In India, oral disorders are the most prevalent disease condition, and have remained so for the past 30 years.
- Prevalence of oral cancer is highest in South Asian countries.
- In addition to lower quality of life, oral diseases have a major economic impact on both individuals and the wider health care system.
- In high-income countries, dentistry is increasingly technology-focused and trapped in a treatment-over-prevention cycle.
- In middle-income countries the burden of oral diseases is considerable, but oral care systems are often underdeveloped and unaffordable to the majority.
- In low-income countries the current situation is most bleak, with even basic dental care unavailable and most disease remaining untreated.

##### Details:

- Stating that oral health has been isolated from traditional healthcare and health policy for too long despite the major global public health burden of oral diseases, the paper throws light upon failure of the global health community to prioritise the global burden of oral health.
- The report highlights that, with a treat-over-prevent model, modern dentistry has failed to combat the global challenge of oral diseases.
- The burden of oral diseases is on course to rise as more people are exposed to the underlying risk factors of oral diseases.
- Sugar, tobacco and alcohol and emerging evidence of the food, beverage, and sugar industry's influence on dental research and professional bodies raises fresh concern.

##### Steps taken by India:

- The government of India has announced the Ayushman Bharat Yojana.
- Ayushman Bharat Yojana aims at strengthening the primary health care and providing financial protection to the most vulnerable sections of the society.
- It is aimed at creating awareness, screening and symptomatic care for oral diseases, counselling for tobacco cessation and referral to tobacco cessation centres.

**Way forward:**

- Tightening of regulations of the sugar industry is required.
- Greater transparency around conflict of interests in dental research is necessary.
- The situation calls for the radical reform of dental care.

**Category: INTERNATIONAL RELATIONS**

**1. Sri Lanka, India ink pact to upgrade railway line**

**Context:**

India is helping Sri Lanka upgrade the train tracks from Maho to Omanthai on the Northern Line, a project costing US\$ 91.26 million.

**Details:**

- Sri Lanka has signed an agreement with India to upgrade tracks in a key railway segment.
- This is the first time in 100 years that the 130-km tracks from Maho town in the Northwestern Province to Omanthai in the Northern Province are being upgraded.
- The project comes under Indian Concessional financing.
- The initiative seeks to:
  - Double the speed potential of the tracks from the current 60 kmph to 120 kmph
  - Reduce maintenance costs
  - Potentially improve travel comfort of passengers.
  - Contribute to the modernization Sri Lanka Railways.

**C. GS3 Related**

**Category: DISASTER MANAGEMENT**

**1. Kaziranga's man-made highlands help rhinos survive floods**

**Context:**

The highlands constructed by the Assam Forest Department in Kaziranga National Park have helped reduce the animal casualty during floods.

**Details:**

- Kaziranga National Park (KNP)'s man-made highlands have turned into islands of relative safety for the park's animals as large parts of Assam remain inundated by flood waters.
- Among the handful of species that have taken refuge in these patches of higher ground are the one-horned rhino and the water buffalo.
- Most other animals have moved to the hills of Karbi Anglong district just beyond a highway that runs along the southern fringe of the park.

- Kaziranga, comprises a mix of wetlands, grasslands and forests, and floods are a necessary evil in the region.
- Every monsoon, the neighbouring Brahmaputra inundates the park primarily serving to flush out the aquatic plants and weeds that choke its ecosystem.
- The annual natural process, however, tests the survivability of the park's animals and leaves a trail of death.
- Two decades ago, the Assam Forest Department constructed 111 highlands as an experiment. It helped keep a few animals above the water level but served little purpose when 75% or more of the park was flooded.
- In 2017, the park authorities started work on 33 more highlands that were bigger in dimension.
- The new highlands, were designed scientifically with provision for adequate grass, and plants yielding fruits such as elephant apple and Indian gooseberry.
- The highlands have provided temporary relief, especially for the rhinos.

## **Category: ECONOMY**

### **1. Transmission sector needs Rs.5 lakh crore investment for future needs**

#### **Context:**

According to a White Paper released by the Confederation of Indian Industry (CII), one of the key requirements for a \$5-trillion economy is an investment of about Rs.5 lakh crore in the power transmission sector

#### **Details:**

- As per estimates, India will be consuming 1.8 trillion units by 2025 as India's growth trajectory accelerates, and this calls for large investments in the transmission sector, particularly at the State level.
- The transmission sector, had seen a reduction in investments in the last five years.
- The White Paper goes on to enumerate eight action points that the government must work on to enhance the transmission sector in line with the growth of the economy that is envisaged.

#### **Recommendations in the White Paper:**

- Traditional coal-fired power plants take 5-6 years to build compared to three to four years for construction of transmission lines required for power evacuation the White Paper said.
- In comparison, wind or solar plants take 12-18 months to build, implying the need for advance planning of transmission projects.
- Separation of the Central Transmission Utility from the Power Grid Corporation of India since the set up is currently creating a conflict of interest between the two.
- The paper calls for improved reliability of the transmission network through the development of contingencies in the system.
- More efficient modalities of the bidding process and forest clearance procedures are needed.
- The industry body also highlighted the fact that current guidelines for the construction of transmission lines, as laid out by the Central Electricity Authority, did not leave enough scope for adopting new technologies. This increases the capital expenditure and the per unit tariff. RFPs (Requests for Proposals) must specify the technical performance matrix instead of specifying materials and designs.
- Increasing urbanisation, evolving demographics, expanding renewables and changing market dynamics have placed extraordinary pressure on utilities to solve energy-delivery challenges in an economical manner in the shortest possible time with minimum disruption, the paper said, adding

that it is important for system owners, operators and planners to consider increasing capacity of existing infrastructure.

## 2. SEBI opposes Centre's proposal to transfer surplus money to CFI

### Context:

The Securities and Exchange Board of India (SEBI) has strongly opposed the government's proposal to transfer surplus money with it to the Consolidated Fund of India (CFI).

### Background:

- The government has proposed an amendment to the SEBI Act, which states that the SEBI would constitute a reserve fund and 25% of the annual surplus of the general fund would be put in the reserve fund.
- Further, the size of such reserve fund cannot exceed the total of annual expenditure of the preceding two financial years.
- More importantly, the surplus of the general fund, after factoring in all the SEBI expenses and the transfer to the reserve fund, needs to be transferred to the CFI as per amendments proposed in the Finance Bill, 2019.

### Issue:

- SEBI opines that the proposal would result in compromising its autonomy and its ability to function effectively towards the progress and development of the Indian securities market.
- The employees' association of the SEBI said that the proposal was regressive especially since the SEBI did not have any mandate to raise revenue for the government.
- SEBI opines that the involvement of the government in capital expenditure approval, in addition to the process of board approval, will not add any benefit to institutional efficiency, but rather slow down decision-making and would be contrary to the principle of minimum government and maximum governance.

### Details:

- All the penalties levied by the SEBI already go to the CFI. Similarly, settlement amounts are also credited to the CFI.
- The general fund of the SEBI, which currently has a balance of over Rs.3,000 crore, is used to meet the expenses of the regulatory body, including salaries and allowances.
- The fund gets money via charges that the SEBI levies on market participants in the form of registration or processing fees.

## Category: ENVIRONMENT AND ECOLOGY

### 1. 7,000 species added to IUCN 'Red List'

#### Context:

The International Union for the Conservation of Nature (IUCN) has added more than 7,000 animals, fish and plants to its endangered "Red List".

#### Details:

- Mankind's destruction of nature is driving species to the brink of extinction at an "unprecedented" rate, IUCN has warned.
- This Red List update doesn't hold a lot of good news. It takes the total number of threatened species to 28,338 (or 27% of those assessed) and logs the extinction of 873 species since the year 1500.
- The group has now assessed more than 1,05,000 species worldwide, around 28,000 of which risk extinction.
- While each group of organisms face specific threats, human behaviour, including overfishing and deforestation, was the biggest driver of plummeting populations.
- It found that more than 90 percent of marine fish stocks are now either overfished or fished to the limit of sustainability.
- Prime culprits are humans hunting the animals for bushmeat and "severe habitat loss" as forest is converted to land to grow food.

#### **Facts:**

- Wedgefishes and giant guitarfishes, known collectively as Rhino Rays due to their elongated snouts, are now the most imperilled marine families on Earth.
- The False Shark Ray is on the brink of extinction after overfishing in the waters off of Mauritania saw its population collapse by 80% in the last 45 years.
- More than 500 deep-sea bony fish and molluscs have been added to the list for the first time posing something of a conservation conundrum as the space they inhabit 1,000 metres beneath the surface — is often beyond national boundaries.

## **D. GS4 Related**

*Nothing here for today!!!*

## **E. Editorials**

### **Category: INTERNATIONAL RELATIONS**

#### **1. A reprieve**

##### **Background:**

- In 2016, Pakistan claimed that it had arrested an Indian agent by the name Kulbushan Jadhav who was reportedly working for India's external intelligence agency – Research & Analysis Wing (RAW).
- Pakistan alleged that he was involved in sponsoring terror and subversive activities in the Balochistan province of Pakistan. Accordingly, he was put on trial at a military court and was sentenced to death.
- India countered these claims and said that Jadhav was only a former officer of the Indian Navy who was currently working in his private capacity at the Chabahar port in Iran and had no connections to the Indian government prior to his arrest.
- Indian intelligence agencies believe that Jadhav was illegally kidnapped in Iran by a terror group known as Jaish al-Adl which is known to be proxy of the ISI involved in terror activities against the Iranian government from across the border.
- After the kidnapping he might have been handed over to the ISI which has projected him to be a RAW agent and has procured a coerced confession as well.
- Since India acknowledged that he was a Indian national, it demanded consular access to be given as per the norms of the Vienna Convention on Consular Relations (1963).

- But Pakistan denied consular access and hence India decided to approach the International Court of Justice (ICJ) by arguing that Pakistan had violated the Vienna convention and 'due process' was not followed as the trial was carried out in an opaque manner by the military court.
- In 2017, India managed to secure an interim stay against his execution and on 17<sup>th</sup> July, 2019 the ICJ delivered a historic verdict which went in favour of India's arguments.

### **Editorial Analysis:**

- The final verdict of the ICJ has come as a major relief for India, providing an opportunity for Pakistan to reconsider the illformed process it pursued in convicting and sentencing Jadhav to death.
- The ICJ ruled in India's favour on six counts, and concluded that Pakistan had violated its commitments to the Vienna convention and also rejected its contention that the convention doesn't apply to the charges of espionage and terrorism.
- The judgement holds Pakistan to be responsible for its initial failure to inform India of the arrest, besides the failure to inform Jadhav of his right to consular access, to provide him legal representation, and to provide him a fair and open trial.
- Pakistan should order a comprehensive review of the trial process as mandated by the ICJ instead of rejoicing over the fact that the ICJ didn't annul the verdict of the military court or order Jadhav's release.
- The ICJ has used similar cases involving Germany and the United States (LaGrand) and Mexico and the United States (Avena) as a precedent while delivering the final verdict.
- In both cases the ICJ had ruled that the U.S. was in violation of the Vienna convention, and ordered a "review and reconsideration" of its process.
- Pakistan must know that it cannot emulate the example of the U.S., which defied the ICJ's ruling, and instead work in good faith to implement the ICJ's recommendations for ensuring justice to Mr. Jadhav.
- But we need to remember that these steps can only ensure a fair trial process for Mr. Jadhav in Pakistan, and not his release from custody or his eventual return to India.
- So India needs to recognise that the verdict is only a small window of opportunity for resuming talks with Pakistan in parallel to the trial review and it should try and work a way out to secure Jadhav's future.
- Pakistan on its part shouldn't resort to any rash move in order to try and put his death sentence into effect. Because such a misstep will cause deep and long term damage to its own attempts to restart bilateral talks with India.

## **2. OIC's curious record on Xinjiang**

### **Background:**

- The Xinjiang province of China is home to Uighur Muslims who form a minority group and they have constantly alleged that the Chinese government and Han majority has discriminated against them.
- This further led to increasing influence of radicalism and terrorism in the Xinjiang province which mainly emanated from the Af-Pak region.
- Even a terror outfit known as East Turkestan Islamic Movement (ETIM) has been established by few radical elements seeking to liberate the region from China.
- In response, the Chinese government has used maximum force to subdue the movement and reportedly it has set-up internment camps where millions of innocent Uighurs are being locked up and are being forced to violate their religious beliefs.
- The Organisation of Islamic Cooperation (OIC) seems to have turned a blind eye to this reported ill-treatment of Uighur Muslims by China.
- But the same organisation has made repeated references to Kashmir by alleging violation of human



### **Editorial Analysis:**

- Recently, at the 46th session of the Council of Foreign Ministers of the Organisation of Islamic Cooperation (OIC) held at Abu Dhabi, India was invited as the 'Guest of Honour' in a rare gesture.
- In a rare occurrence at the OIC summit, the customary reference to Jammu and Kashmir was excluded in deference to India's participation.
- Credit for this changed outlook of OIC on India must go to the strong personal and government-to-government ties built by the Narendra Modi government with important OIC states, especially the UAE.
- But at the same time, one of the resolutions did refer to Kashmir and expressed concern at the situation of Muslims in India.

### **Organisation of Islamic Cooperation (OIC)**

- The OIC, representing 57 member states and a population of about 1.8 billion people, is the world's second largest intergovernmental organisation after the UN and is committed to protecting the interests of the Muslim world.
- It routinely expresses solidarity with conflict hit Muslim regions such as Palestine, Iraq, Afghanistan, Syria and Bosnia, as well as with the peoples of the Turkish Cypriot state, Kosovo and Jammu and Kashmir.
- Pakistan being a key member of OIC, it has conveniently misused the platform to rally support for its unjustified attack against India with regard to the Kashmir conflict.
- However, the organisation has appeared to disregard the fact that India is a democratic and secular country, where every citizen is protected by the Constitution and is free to practise one's religion. It has also conveniently disregarded the fact that India regularly holds State and general elections, including in Jammu and Kashmir.

### **Turning a Nelson's eye**

- While the OIC has frequently targeted India at earlier occasions, it has turned a Nelson's eye to the human rights violations committed by its own members, like the actions of the Pakistani state in Balochistan.
- Similarly the stand of the OIC or the lack of it, over the human rights situation in Xinjiang is a far more curious case.
- The Abu Dhabi declaration made no reference to China or its Muslim minorities. Further, it is intriguing that one resolution passed at Abu Dhabi chose to "commend the efforts of the People's Republic of China in providing care to its Muslim citizens".
- This would have come as a huge relief to Beijing, especially after a review held by the United Nations Committee on the Elimination of Racial Discrimination in 2018 had claimed, citing credible reports, that Beijing had turned the Uighur autonomous region into "something that resembles a massive internment camp".
- Earlier, a Human Rights Watch report issued in September 2018 had also criticised Beijing's policies in Xinjiang.
- China on its part has defended its policies and claimed that its so called 'internment camps' are actually vocational centres meant to "to educate and save [the local people of Xinjiang] who were influenced by religious extremism".
- In its White Paper in November 2018, Beijing had also projected Xinjiang's culture as an integral part of Chinese culture.

### Anodyne appeals

- Every country has a right to reject external interference in their internal affairs, but the OIC has chosen to stay silent over China's violations while targeting India over Kashmir at the insistence of Pakistan.
- China has always resisted the use of the term "East Turkistan" in OIC documents, which reminds China of the banned East Turkestan Islamic Movement of separatist Uighurs from Xinjiang.
- Yet, Beijing has engaged the OIC and just before the Abu Dhabi meeting, it welcomed an OIC delegation to Xinjiang, a development which perhaps played a role in the OIC 'commending' China's efforts in Xinjiang.
- The organisation remains mindful of how far it can go with its criticism of Beijing considering that China is a major power, a permanent member of the UN Security Council, a large market for hydrocarbons and a source of arms and investment.
- Moreover, China refrains from preaching to others about human rights or systems of governance. Considering that most major members of OIC are autocratic governments which are notorious for their violation of human rights, they realise that it is in their interest not to unnecessarily meddle with China.
- As China's continued import of oil from Iran suggests, countries under U.S. pressure and sanctions often turn to China for relief. In return, they do their best to guard China's interests at the OIC.
- However, OIC countries, under the influence of Pakistan, support resolutions against India despite having excellent bilateral ties with the country.

## **Category: SCIENCE & TECHNOLOGY**

### **1. The threat of Ebola**

#### **Background:**

In the backdrop of a major outbreak of Ebola in the Democratic Republic of Congo, the World Health Organisation (WHO) has declared a global health emergency.

#### **Editorial Analysis:**

- The outbreak in Congo was officially declared on August 1, 2018, and till date it has killed nearly 1,700 people and made more than 2,500 people ill.
- A global health emergency has been declared amid concerns that the virus could spread to other countries.
- A single imported case of Ebola in Goma, a city in Congo with two million people and with an international airport bordering Rwanda, served as a trigger to finally declare a global emergency.
- Surprisingly, the spread to neighbouring Uganda last month did not seem to change the way the WHO assessed the situation.
- Even when a handful of Ebola cases were confirmed in Uganda, all the infected people had travelled from Congo and there had been no local transmission or spread within Uganda — one of the criteria used by the WHO to assess if an outbreak is a global emergency.
- This is the fifth time that the WHO has declared a Public Health Emergency of International Concern. The earlier occasions were in February 2016 for Zika outbreaks in the Americas, August 2014 for Ebola outbreaks in western Africa, the spread of polio in May 2014, and the H1N1 pandemic in April 2009.
- Declaring an epidemic as a global emergency is meant to stop the spread of the pathogen to other countries and to provide for a coordinated international response.
- There have been several challenges in breaking the transmission cycle of the virus and containing its spread. This includes - reluctance in the community, attacks on health workers, delays in case

detection and isolation, and challenges in contact tracing.

- But as compared to the situation during 2014-2016, the availability of a candidate vaccine has been of great help.
- Even though the vaccine is yet to be licensed in any country, the ring vaccination strategy where in people who come into contact with infected people, as well as the contacts of those contacts are immunised, has helped.
- Till March 25th, 2019, nearly 94,000 people at risk were vaccinated and only 71 amongst them got infected as compared with 880 unvaccinated who got infected. So the vaccine has an efficacy of 97.5%;
- But due to shortfall in the supply of the vaccine, the WHO's expert group on immunisation has recommended reducing the individual dose in order to meet the demand.
- It is high time the G7 countries play a major role in containing the spread of the Ebola virus and they need to fulfil their commitments to the WHO.
- The WHO has only received less than half of the \$100 million in funding that was requested to tackle the Ebola crisis.
- Hopefully the declaration of a global health emergency might bring in the much needed funding.

### **Public Health Emergency of International Concern**

- It is a formal declaration by the World Health Organization (WHO) of "an extraordinary event which is determined to constitute a public health risk to other States through the international spread of disease and to potentially require a coordinated international response".
- It is formulated when a situation arises that is "serious, sudden, unusual or unexpected", which "carries implications for public health beyond the affected State's national border" and "may require immediate international action".
- Under the 2005 International Health Regulations (IHR), States have a legal duty to respond promptly to a PHEIC.
- The declaration is promulgated by an Emergency Committee (EC) made up of international experts operating under the IHR which was developed following the SARS outbreak of 2002/2003.
- A PHEIC is not only confined to infectious diseases, and may cover an emergency caused by a chemical agent or a radio nuclear material. It is a "call to action" and "last resort" measure.

### **Category: ECONOMY**

#### **1. Inappropriate template for a legitimate target**

##### **Editorial Analysis:**

- The Economic Survey of 2019-20 ignores many acute challenges that are being faced by the Indian economy.
- It doesn't provide adequate attention to the severe agrarian crisis; the troubles of lossmaking and debt-ridden public sector units; and the issues plaguing public sector banks.
- While the Survey adopts the approach of U.K., Australia and Singapore in incorporating insights from psychology into economics, it is unclear what added value the report truly has to offer considering the significant challenges facing the economy.
- The Survey rightly highlights the need for India to revive private investment if it is to achieve the magical \$5trillion economy status by 2024-25. But in this regard, the survey makes a strange comparison between India and East Asian countries.
- Here, a question that arises is: Can the East Asian model help revive India's floundering investment rates?

### **How the Newly Industrialised Economies (NIE's) prospered?**

- The East Asian model was largely a story driven by the newly industrialised economies (NIEs) of Singapore, Hong Kong, South Korea, Taiwan, and Japan.
- The main objective in various NIEs from 1960s till the 1990s (prior to the Asian Financial Crisis) was to raise gross savings rates.
- There was a rise in household savings partly due to the positive demographic dividend and also due to a variety of other factors such as macroeconomic stability, low inflation, lack of social safety nets, forced savings due to a highly regulated banking system and public enterprises had to function within the given budget constraints.
- This, coupled with the fiscal discipline practised by these countries, ensured that the public sector did not crowd out private savings and, in some cases, actually added to national savings.
- Another goal was to ensure that the private savings were actually brought back into the formal financial system.
- To achieve these objectives, priority was given to the establishment of a safe and secure public sector banking system where deposits were guaranteed by the central bank and interest incomes was taxed moderately.
- The public sector banks were tightly regulated as financial stability was the cornerstone of overall macroeconomic stability.
- Financial inclusion was encouraged and manufacturing sector was viewed as the engine of growth and was kept open to export competition. The banking sector remained tightly regulated and closed to foreign banks (except in Hong Kong).
- Initially, even Singapore adopted a dual banking structure that protected the domestic economy largely from significant shortterm bank flows. It resorted to a calibrated policy to allow fully licensed foreign banks only in the late 1990s.

### **Tight financial oversight**

- Even though the NIE's were successful in encouraging savings, the cost of capital was rather high.
- To tackle this, the East Asian economies undertook financial repression and placed a ceiling price keeping lending rates lower than market equilibrium.
- A tight financial oversight was maintained by the central banks of these economies, and selective capital controls ensured that the low-yielding savings did not leave their countries of origin.
- While the possibility of people looking for savings alternatives was prevented through limited financial development.
- Along with these measures, the governments implemented sophisticated industrial policies to promote domestic investment, much of which was exported.

### **'Embedded Autonomy' of Bureaucracy:**

- In addition, the bureaucracies of these East Asian economies had been given "embedded autonomy".
- This allowed the state to be autonomous, yet embedded within the private sector and enabled the two to work together to develop policies or change course if the policies did not work.
- The absence of such embedded autonomy, has been partly responsible for the next tier NIEs of Malaysia, Thailand and Indonesia to be stuck in the 'middle income trap'.

### **Heterodox policies, reforms:**

- Much of the investment and export acceleration in East Asian countries was due to heterodox policies and reforms that were carefully calibrated, well-sequenced and implemented at a time when the external environment was far less hostile than it is today.
- These measures allowed the nations to benefit from their demographic dividends and transform themselves into developed economies in record time.

- In contrast, due to political and other compulsions, India's reforms since 1991 have been rather haphazard and of ad-hoc nature with perverse consequences, all of which has made it much more challenging for the country to take full advantage of its demographic dividend.
- Subsequent governments have failed at introducing 'embedded autonomy' into our bureaucracy.
- In this context, comparing the Indian model with the East Asian model seems incongruent.

## F. Tidbits

### 1. Naval training ships to have facilities for women

- In a step towards deploying women officers on board naval ships, the recently issued tender for cadet training ships has facilities catered for women aboard.
- This is the first tender to be issued with design inputs incorporated for separate facilities for women officers.
- Such design changes will be part of all future warships to be procured by the Indian Navy.
- The Defence Acquisition Council (DAC) has accorded the Acceptance of Necessity (AoN) for three Cadet Training ships for the Navy, which would be utilised to provide basic sea training for officer cadets including women officer undertrainees.
- The ships would be capable of undertaking hospital ship duties, providing Humanitarian Assistance and Disaster Relief, undertaking search and rescue missions and non-combatant evacuation operations.
- The three Services have been progressively inducting women in all arms and services.
- As of May 2019, women constituted 6.7% of the Navy officers, excluding medical and dental services, according to information given in Parliament.

## G. Prelims Facts

### 1. Sagardhwani sets off for research

- The INS Sagardhwani was recently flagged off for a scientific venture in the northern Indian Ocean.
- It is a marine acoustic research ship (MARS) of the Naval Physical & Oceanographic Laboratory (NPOL).
- The ship was built in Kolkata, launched in 1991 and commissioned in 1994.
- Internally, the ship has eight laboratories for various scientific disciplines, and a mini-operating theatre with medical staff.
- The vessel is designed to facilitate low noise and low vibration while carrying out acoustic programmes.
- It has floating floors for scientific laboratories, anti-vibration mountings for machinery and equipment, balloon launching container and wind weather radar to carry out those experiments.
- It is also equipped with VHF sets, marine radio and auto telephone exchange.
- The ship would visit Thailand, Malaysia, and Indonesia for collaborative research programmes with institutes in these countries.

### 2. Vyasaraja Brindavana (Nava Brindavana)

- The Brindavana (tomb) of Sri Vyasaraja Tirtha, a renowned saint of the Madhwa tradition at Anegundi near Hampi, was found vandalised.
- The Nava Brindavana has the Brindavans (Samadhi) of nine prominent seers (saints) of Madhwa tradition
- It is one of the nine such at Nava Brindavana, on the banks of the Tungabhadra.
- Sri Vyasaraja Tirtha was the Raja Guru of Sri Krishnadevaraya, the Vijayanagar Emperor.

- He was buried at Nava Brindavana in 1539.

### 3. Ethanol biorefinery to come up in Vidarbha

- Bharat Petroleum Corporation Limited (BPCL) will set up Maharashtra's first-ever ethanol biorefinery in Vidarbha's Bhandara district.
- The plant will manufacture ethanol from rice straw
- The project will utilise 2 lakh tonne of rice straw annually and has a capacity to produce 700 tonne of biofuel.
- This project is one among 12 such refineries planned in different States.
- This project is likely to create around 10,000 jobs directly or indirectly.

### National Policy on Biofuels, 2018:

- The National Policy on Biofuels, 2018, aims to increase the percentage of ethanol in petrol and diesel.
- Currently, it is at nearly 2% in petrol, while in diesel, biofuel is less than 0.1%. An indicative target of 20% of ethanol in petrol and 5% of biodiesel in diesel is proposed by 2030.

### Other Salient Features:

- The Policy categorises biofuels as "Basic Biofuels" viz. First Generation (1G) bioethanol & biodiesel and "Advanced Biofuels" - Second Generation (2G) ethanol, Municipal Solid Waste (MSW) to drop-in fuels, Third Generation (3G) biofuels, bio-CNG etc. to enable extension of appropriate financial and fiscal incentives under each category.
- The Policy expands the scope of raw material for ethanol production by allowing use of Sugarcane Juice, Sugar containing materials like Sugar Beet, Sweet Sorghum, Starch containing materials like Corn, Cassava, Damaged food grains like wheat, broken rice, Rotten Potatoes, unfit for human consumption for ethanol production.
- The Policy allows use of surplus food grains for production of ethanol for blending with petrol with the approval of National Biofuel Coordination Committee.
- With a thrust on Advanced Biofuels, the Policy indicates a viability gap funding scheme for 2G ethanol Bio refineries of Rs.5000 crore in 6 years in addition to additional tax incentives, higher purchase price as compared to 1G biofuels.
- The Policy encourages setting up of supply chain mechanisms for biodiesel production from non-edible oilseeds, Used Cooking Oil, short gestation crops.

## H. Practice Questions for UPSC Prelims Exam

Q1. Consider the following pairs:

1. Bihar: Kunwar Singh
2. Jhansi: Rani Laxmibai
3. Bareilly: Khan Bahadur

Which of the pairs given above are correctly matched?

- a. 1 only
- b. 2 only
- c. 1 and 2 only
- d. 1, 2 and 3

**Answer: d**

**Explanation:**

All the centres of the Revolt of 1857 have been rightly matched with the leaders that led the revolt.

**Q2. Consider the following statements:**

1. Raja Rammohan Roy is known as the “Father of Indian Renaissance”.
2. He was the founder of Brahmo Sabha.

Which of the pairs given above are correctly matched:

- a. 1 only
- b. 2 only
- c. 1 and 2 only
- d. 1, 2 and 3

**Answer: c**

**Explanation:**

Self-explanatory

**Q3. Ghagra and Gomti are the tributaries of:**

- a. Yamuna
- b. Ganga
- c. Brahmaputra
- d. Indus

**Answer: b**

**Explanation:**

Self-Explanatory

## I. UPSC Mains Practice Questions

1. IBSA Dialogue Forum has become the voice of Global South and needs to be revitalised. Discuss. (15 Marks, 250 Words).
2. Sovereign Bonds route might check all the right boxes today, but might end up creating more problems in the long run. Critically examine. (15 Marks, 250 Words).

