

31 Oct 2019: UPSC Exam Comprehensive News Analysis

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Nothing here for today!!!

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Category: POLITY AND GOVERNANCE

1. Madras HC to finally get a regular Chief Justice

Context:

The Madras High Court is all set to get a regular Chief Justice, after having functioned under an Acting Chief Justice for more than 40 days, though the Supreme Court, in what is popularly known as the Second Judges' Case, had ordered that an "acting arrangement" should not ordinarily exceed more than a month in any of the High Courts in the country.

Background:

- There has been a vacuum in the court ever since former Chief Justice Vijaya Kamlesh Tahilramani tendered her resignation without accepting Supreme Court collegium's decision to transfer her to the High Court of Meghalaya.
- The Union Ministry of Law and Justice also notified that the President had appointed Justice Vineet Kothari, the senior-most judge of the Madras High Court, to perform duties attached to the office of the Chief Justice, with immediate effect.
- Subsequent developments led to the crossing of the time limit fixed by the apex court in the Supreme Court Advocates on Record Association versus Union of India (Second Judges' case)

Second Judges' case

- In the Second Judges Case, it was held: "Ordinarily, the acting arrangement should not exceed one month, the maximum period needed usually for the movement of the Chief Justices to their new positions."
- "This is essential for proper functioning of the High Courts and to avoid rendering headless any High Court for a significant period which adversely affects the functioning of the judiciary of that State. The continuing practice of having Acting Chief Justices for long periods... must be deprecated and avoided," the case said.

Article 223 – Appointment of Acting Chief Justice:

- Appointment of Acting Chief Justices is to be made by the President under Article 223 of the Constitution.
- When it is proposed to appoint the senior most Judge on duty, as Acting Chief Justice, the Union Minister of Law, Justice and Company Affairs in the Central Government would appoint the senior most Judge and the Secretary to the Government of India in the Department of Justice will inform the Chief Minister and announce the appointment and issue the necessary notification in the Gazette of India.
- But, when it is proposed to appoint an Acting Chief Justice, other than the senior most puisne Judge the procedure for appointment of a regular Chief Justice will have to be followed.

This topic has been covered in 8th June Comprehensive News Analysis. [Click Here](#) to read.

2. J&K, Ladakh become Union Territories

Context:

The state of Jammu and Kashmir has been officially bifurcated into the Union Territories of J&K and Ladakh with effect from October 31, 2019.

Details:

- Beyond the symbolic importance — October 31 is the birth anniversary of Sardar Vallabhbhai Patel — the day will mark the beginning of the functioning of the two UTs at a bureaucratic level.
- A basic bureaucratic structure has been put in place to implement the Jammu and Kashmir Reorganisation Act.
- For full-fledged bifurcation, the Reorganisation Act gives a period of one year.
- The two new UTs will get their respective Lieutenant Governors.
- The UT of Jammu and Kashmir will have a legislature like Puducherry while Ladakh will be a UT without legislature like Chandigarh and both the UTs will be headed by two separate lieutenant governors (LG), as per the Act.
- The Centre will be in direct control of the police and the law and order in Jammu and Kashmir when it becomes a UT, while the land will be under the elected government there.

- The UT of Ladakh will be under the direct control of the central government which will administer the high-altitude region through the LG.

C. GS3 Related

Category: SCIENCE AND TECHNOLOGY

1. Submarine propulsion system test a success

Context:

The indigenous Air Independent Propulsion (AIP) system to enhance the endurance of conventional submarines being developed by the Defence Research and Development Organisation (DRDO) reached a milestone with the successful operation of a land-based prototype.

Details:

- Air-independent propulsion (AIP) is any marine propulsion technology that allows a non-nuclear submarine to operate without access to atmospheric oxygen (by surfacing or using a snorkel).
- AIP can augment or replace the diesel-electric propulsion system of non-nuclear vessels.
- It enables conventional submarines to remain submerged for longer duration.
- It has a force multiplier effect on the lethality of a diesel-electric submarine as it enhances the submerged endurance of the boat, several folds.
- All Scorpene submarines of the Navy are planned to be equipped with an AIP module in due course.

Category: SECURITY

1. NPCIL acknowledges malware attack at Kudankulam plant

Context:

- The Nuclear Power Corporation of India (NPCIL) has admitted a malware attack on one of the computers in the Kudankulam Nuclear Power Plant. It, however, added that the plant systems were not affected.
- The NPCIL is a public sector undertaking under the Department of Atomic Energy.

Kudankulam Nuclear Power Plant (KKNPP)

- The KKNPP is an Indo-Russian joint venture and Units I and II of 1000 MWe capacity each and they have commenced commercial operations.
- Units III and IV are under construction.

This issue has been covered in 31st October Comprehensive News Analysis. [Click Here](#) to read.

2. October has seen most ghoulish cyber attacks ever, says McAfee

Issue:

According to U.S. global computer security software company McAfee, October has brought a variety of spooky cyber threats, from malicious malware to restricting ransomware that haunted networks and devices of governments, enterprises and individuals around the globe.

Details:

- Chief Scientist and McAfee Fellow, said that the month had brought a range of cyberthreats known by 'spooky' names, given that Halloween is around the corner.
- The month has seen Ghostcat Malware haunting consumers.
- Cyber criminals have also manipulated WAV (waveform) audio files to spread malware and cryptominers.

Ghostcat Malware:

- One ghost that recently caused some panic on the internet is Ghostcat-3PC.
- The malware's goal is to hijack users' mobile browsing sessions.
- The 'infection' begins when a user visits a particular website and is served a malicious advertisement.
- Ghostcat fingerprints the browser to collect device information and eventually leads the user to malicious content.

Category: ECONOMY

1. 'Nirvik scheme may give fillip to export credit'

Context:

The Export Credit Guarantee Corporation of India (ECGC) is optimistic that the Nirvik scheme announced by the Union Government recently would give a fillip to export lending and insurance cover for export credit.

Nirvik Scheme:

- Nirvik scheme was introduced by Export Credit Guarantee Corporation of India (ECGC) to ease the lending process and enhance loan availability for exporters.
- Under the scheme, which is also called the Export Credit Insurance Scheme (ECIS), the insurance cover guaranteed will cover up to 90 percent of the principal and interest.
- The insurance cover will include both pre and post-shipment credit.
- The Export Credit Guarantee Corporation of India (ECGC) previously provided credit guarantee of up to 60 percent loss.

Benefits of the scheme:

- The insurance cover is expected to bring down the cost of credit due to capital relief, less provision requirement and liquidity due to quick settlement of claims and will ensure timely and adequate working capital to the export sector.
- It is expected to enhance accessibility and affordability of credit for exporters.
- It is believed to make Indian exports competitive and make ECGC procedures exporter friendly, benefiting MSME exporters with a new scheme for reimbursing taxes, reduced insurance cost and ease of doing business.

D. GS4 Related

Nothing here for today!!!

E. Editorials

Category: POLITY AND GOVERNANCE

1. Upholding the ideals of fairness and rectitude

This issue has been covered in [20th October 2019 Comprehensive News Analysis](#) under the Editorial Segment “What is the furore around the land law case?” and [24th October 2019 Comprehensive News Analysis](#) under the Editorial Segment “A case against judicial recusal”.

Category: ECONOMY

1. Free trade over fair trade

Issue:

- Free trade, which is almost unanimously supported by economists, has come under severe attack from politicians across the world.
- According to the Managing Director of the International Monetary Fund, the U.S.-China trade war has brought global trade “to a near standstill”.
- The protectionist politician’s argument is that increasing tariffs on foreign goods protects domestic industries from unfair trade practices adopted by foreign governments.
- Retaliatory tariffs, it is believed, will help level the playing field and ensure “fair trade”.

What would be the scenario if all the trade barriers were dropped?

- The case for free trade does not depend simply on the condition that all countries must engage in “fair trade” practices.
- A country that drops all trade barriers on its side can benefit from such trade liberalisation even when other countries refuse to do the same.
- As the economist Paul Krugman wrote, “The economist’s case for free trade is essentially a unilateral case: A country serves its own interests by pursuing free trade regardless of what other countries may do”. This is because countries that remove trade barriers unilaterally, like Hong Kong and Singapore did, benefit their consumers, whose standard of living is improved greatly by access to foreign goods.
- A country that raises trade barriers works against the interests of its own consumers.
- It is opined that if all countries tore down their respective trade barriers, the world would be a richer place as goods can freely move around. But in the meantime, unilateral free trade can at least benefit consumers in countries that decide to fully adopt it.
- Despite this, tariffs and other trade barriers are extremely popular among politicians.
- This can be attributed to the misconception that trade policy must be judged based on what good it does to a country’s producers rather than consumers.
- Economist Claude-Frederic Bastiat noted, “All economic phenomena, whether their effects be good or bad, must be judged by the advantages and disadvantages they bring to the consumer.”
- Competition between producers is usually considered good because, even though it could cause some of them to lose out, it benefits consumers who can buy cheaper and better goods. Yet when such competition comes from producers in foreign countries, it is opposed for no valid economic reason.
- Some argue that retaliatory tariffs are warranted since foreign governments heavily subsidise domestic producers.
- However, using retaliatory tariffs in a desperate attempt to protect domestic producers is misguided because it stops consumers from enjoying the benefits of subsidies offered by foreign governments.

Is trade deficit a good measure of a country's performance with respect to its trade policies?

- Another economic statistic that is misused to gather support for protectionist trade policies is the trade deficit. A trade deficit is seen as a bad thing since it indicates that the value of a country's imports is greater than the value of its exports.
- Economists such as Milton Friedman have argued against the view that a country loses wealth when it experiences a trade deficit. A trade deficit or surplus merely shows that people in different countries prefer to buy different things from one another.
- For instance: Americans, for instance, may prefer Chinese goods over Chinese real estate assets while the Chinese may prefer American financial assets over American goods. This will cause the U.S. to experience a trade deficit with China as it buys more goods than it sells to China. And at the same time, it will enjoy a capital surplus as it receives more capital than it sends across to China.
- So it is opined by economists that trade deficit in no way reflects which side loses or wins in a trade.
- In fact, voluntary trade both within and between countries happens only because both sides believe that they gain from it.
- Fair trade is often just an excuse to raise more protectionist barriers to serve domestic special interest groups. The world would be a richer place if leaders chose free trade over "fair trade".

2. Still a developing country

While on the one hand, the official narrative in India is that of a country making rapid developmental strides since 2014, on the other, when it comes to developmental status at the World Trade Organization (WTO), India is trying hard to prove that it is a poor country. The article analyses why India still defends its "developing country" status at the WTO.

What system is followed by WTO?

- Under the WTO system, generally, countries are designated as developed, developing, and least developed countries (LDCs).
- WTO agreement provides that the LDC status of a country in the WTO is based on such status being recognised by the UN. But the agreement does not mention any criterion to determine a 'developing country' status.
- General Agreement on Tariffs and Trade (GATT) also recognises that attaining the objectives of this agreement would require facilitating the progressive development of those countries that can only support low levels of development and are at the early stages of development.
- Accordingly, countries self-designate themselves as 'developing country' to take advantage of provisions of GATT and other special and differential treatment (S&DT) provisions in the WTO agreements.
- Individual countries are allowed to unilaterally classify themselves as developing economies. So, as many as two-thirds of the 164 members of the WTO have classified themselves as developing countries.
- These provisions are aimed at increasing trade opportunities for developing countries, ensuring longer transitional periods to comply with WTO obligations, and affording technical assistance to countries, among other things.

Why this dichotomy in India's development status?

- While the assertion that India is making rapid developmental strides is made to please the domestic constituency, the latter proclamation is because of U.S. President Trump's threat that countries like India should be stripped off their 'developing country' status in the WTO.
- President Trump questioned the "developing country" status enjoyed by India and China at the WTO and argued that these countries are not developing economies, as they claim to be, but instead grown economies that do not deserve any preferential trade treatment from the WTO over developed

countries.

- In January 2019, the U.S. made a formal submission to the WTO that countries like India are no more 'developing countries' and thus should not enjoy the S&DT benefits.
- It presented data such as the fact that India's GDP has grown from \$0.60 trillion in 1995 to \$2.63 trillion in 2017.
- The U.S. proposed that any country that meets one of the following criteria shall not be eligible for S&DT benefits:
 - membership of, or seeking accession to OECD;
 - membership of G20;
 - share in world exports exceeding 0.5% or classified as high-income group by the World Bank.
- India is a member of the G20 and its share in world exports is around 1.7% as of early 2019. So, as per these criteria, India will not qualify as a developing country.

What is India's take on the issue?

- While graduating to a 'developed country' status would have been a matter of joy, the ground reality in India is very different.
- India, in a paper submitted to the WTO, it gave several numbers to show that it is still a poor country and thus requires S&DT provisions.
- For example, the paper showed that India's GDP per capita is very low; India has 364 million people living in multidimensional poverty; the domestic subsidies provided to per farmer is a meagre \$227; and India has a very low research and development capacity.

Way ahead:

- The Indian political leadership also needs to refrain from being on a publicity overdrive about India's development.
- The U.S., recently, declared that if substantial progress were not made in the WTO in reforming the determination of 'developing country' status, it would, unilaterally stop treating certain countries as 'developing country' and consequentially stop giving trade benefits to such countries.
- Despite the bonhomie displayed by President Donald Trump and Prime Minister Narendra Modi in the U.S., the U.S. has renewed this threat recently to mount pressure.
- A few days back, South Korea capitulated to this pressure, giving up its 'developing country' status. The pressure is mounting on India.
- Any unilateral action by the U.S. would be a violation of international law and yet another onslaught on trade multilateralism.
- Unilateral efforts, such as those proposed by the US, and its threat of leaving the WTO, are likely to do more harm than good.
- Nevertheless, an opportunity has been created by the US and it must be seized by the global community to adopt a nuanced approach towards reforming the WTO.

F. Tidbits

1. Farmers hit by sharp decline in pepper prices

What is the Issue?

- A drastic fall in the price of black pepper and low production owing to climate vagaries are the major concerns of farmers in Kerala and Karnataka - the two major pepper producing States in the country.

- Apart from the declining price of pepper and increasing inputs, low production owing to various diseases affecting pepper vines and climate vagaries, also posed a serious threat to pepper farmers.
- It is believed that the influx of imported pepper from Vietnam via Sri Lanka was the major reason for the fall in prices in the Indian market.
 - The cheaper commodity from Vietnam continues to flood the market through Sri Lanka, aided by a low-duty structure under the ASEAN (Association of South-East Nations) trade agreement, SAFTA (South Asian Free Trade Area) and ISFTA (Indo-Sri Lanka Free Trade Agreement).
 - Under SAFTA, India could import 2,500 tonnes of pepper a year from Sri Lanka without duty, and above the quota, a duty of 8% would be imposed as per the ISFTA.
 - However, direct pepper import from Vietnam attracts a duty of 52% under the ASEAN trade agreement.
- Though the Union Ministry of Commerce and Industry had fixed the minimum import price (MIP) for pepper at 500 a kg in 2017, to protect the pepper farmers in the country, it is now being widely flouted by some pepper importers with the support of unscrupulous Sri Lankan pepper exporters, violating RBI and FEMA regulations.

G. Prelims Facts

1. Unnat Bharat Abhiyan

- The Ministry of Human Resource Development (MHRD) launched Unnat Bharat Abhiyan with an aim to connect institutions of higher education, including Indian Institutes of Technology (IITs), National Institutes of Technology (NITs) and Indian Institutes of Science Education & Research (IISERs), etc. with local communities to address the development challenges through appropriate technologies.
- The Mission of Unnat Bharat Abhiyan is to enable higher educational institutions to work with the people of rural India in identifying development challenges and evolving appropriate solutions for accelerating sustainable growth.
- It also aims to create a virtuous cycle between society and an inclusive academic system by providing knowledge and practices for emerging professions and to upgrade the capabilities of both the public and the private sectors in responding to the development needs of rural India.

The objectives of Unnat Bharat Abhiyan are broadly two-fold:

- Building institutional capacity in Institutes of higher education in research & training relevant to the needs of rural India.
- Providing rural India with professional resource support from institutes of higher education, especially those which have acquired academic excellence in the field of Science, Engineering & Technology and Management.

H. Practice Questions for UPSC Prelims Exam

Q1. Arrange the following Atomic Power Station from North to South:

1. Kaiga Atomic Power Station
2. Narora Atomic Power Station
3. Kakrapar Atomic Power Station
4. Madras Atomic Power Station

- a. 2, 3, 1, 4
b. 3, 2, 1, 4

- c. 2, 3, 4, 1
- d. 3, 2, 4, 1

Answer: a

Explanation:

Narora Atomic Power Station – Uttar Pradesh

Kakrapar Atomic Power Station - Gujarat

Kaiga Atomic Power Station - Karnataka

Madras Atomic Power Station – Tamil Nadu

Q2. Consider the following statements with respect to NATGRID:

1. It is a network of multiple standalone databases from various intelligence and enforcement agencies.
2. Only Central Bureau of Investigation, Research and Analysis Wing and the Enforcement Directorate will have access to NATGRID.

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

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

Answer: b

Explanation:

- NATGRID is a network of multiple standalone databases from various intelligence and enforcement agencies. It was established by the Government of India with a purpose of intelligence sharing and counter-terrorism with the help of technologies like Big Data analysis.
- NATGRID was among the ambitious slew of intelligence reforms undertaken in the wake of the Mumbai attacks of November 2008.
- 11 agencies will have access to this compilation of data, namely:
 - Central Bureau of Investigation (CBI)
 - The Intelligence Bureau
 - Research and Analysis Wing(RAW)
 - Narcotics Control Bureau
 - Enforcement Directorate
 - Directorate of Revenue Intelligence
 - Financial Intelligence Unit(FIU)
 - Directorate General of GST Intelligence
 - Central Board of Indirect Taxes and Customs
 - Central Board of Direct Taxes

Q3. Which of the following Directive Principles of State Policy is/are based on Gandhian principles:

1. Organization of village Panchayats

2. Prohibition of consumption of intoxicating drinks and drugs which are injurious to health
3. A Uniform Civil Code for the citizens

Choose the correct option:

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

Answer: b

Explanation:

Some of the Directive Principles of State Policy directly inculcate the Gandhian principles. They are:

Article 40: Organization of village Panchayats

Article 43: Promotion of cottage industries

Article 46: Promotion and protection of interests of educational and economic interests of SCs, STs, and other weaker sections of the society and to protect them from social injustice and exploitation

Article 47: Prohibition of consumption of intoxicating drinks and drugs which are injurious to health

Article 48: Prohibition of slaughter of cows, calves and other milch and draught cattle and to improve their breeds.

Q4. Consider the following statements:

1. Scorpene submarines are a class of diesel-electric attack submarines.
2. Air-independent propulsion (AIP) is a marine propulsion technology that allows non-nuclear submarines to operate without access to atmospheric oxygen.
3. INS Khanderi is the first Scorpene class submarine commissioned into the navy under Project-75.

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

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

Answer: a

Explanation:

The Scorpene-class submarine is defined as a class of diesel-electric attack submarines jointly developed by the French Direction des Constructions Navales (DCN) and the Spanish company Navantia, and now by Naval Group. The first submarine of the class Kalvari joined service in December 2017. Khanderi was launched into water in January 2017 and has since been undergoing a series of trials.

- Air-independent propulsion (AIP) is any marine propulsion technology that allows a non-nuclear submarine to operate without access to atmospheric oxygen (by surfacing or using a snorkel).

- AIP can augment or replace the diesel-electric propulsion system of non-nuclear vessels.
- It enables conventional submarines to remain submerged for longer duration.
- It has a force multiplier effect on the lethality of a diesel-electric submarine as it enhances the submerged endurance of the boat, several folds.
- All Scorpene submarines of the Navy are planned to be equipped with an AIP module in due course.

I. UPSC Mains Practice Questions

1. Is practicing “fair trade” over “free trade” detrimental to the development of a country? Analyse. (15 Marks, 250 Words)
2. With the increasing risks of cyber-attacks that could cripple critical parts of India’s security and economic infrastructure, discuss what measures should be taken by the government to enhance the preparedness to deal with cyber-attacks on critical infrastructure. (15 Marks, 250 Words)