

01 Feb 2020: UPSC Exam Comprehensive News Analysis

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Category: POLITY AND GOVERNANCE

1. Death penalty cases: SC admits govt. plea

Context:

- The Central government has sought from the Supreme Court, **‘victim and society centric’ guidelines to prevent delay in execution.**

Background:

- The SC in its judgment in the **Shatrughan Chauhan case in 2014** had issued a series of guidelines. These **guidelines had held that unexplained delay in carrying out an execution would lead to the commutation of the death penalty to life imprisonment.**
- The conviction in the **Nirbhaya rape case and the delay in the execution** of the convicts as per the verdict, has led to concerns among some sections of the society.

Details:

- There are concerns regarding the undue delay in the execution of the convicts.
- **The legal process** leading finally to the actual execution of the condemned man is **susceptible to be misused by the convict to prolong the day of execution.** Notably, the delay is a ground for the commutation of the death penalty.
- The long-winded process and consequent delay **undermine the expectation of the victim’s family and society for justice.**
- The Central government has expressed concerns over the **2014 verdict being more “accused-centric”** and has called for a change to appease the victims and society. The government is seeking “additional” guidelines to the ones in the Chauhan verdict to **balance the rights of the accused and the victims.**
- The Supreme Court has admitted the government’s plea to issue some “victim and society centric” guidelines to **prevent delay in the execution of condemned people in death penalty cases.**

The SC has however stated that it would not consider any plea to alter past judgments or existing rights of death row prisoners.

Category: INTERNATIONAL RELATIONS

1. Brexit brings a new dawn for U.K.: Boris

Context:

Britain's exit from the European Union.

Background:

- Britain had previously resisted many EU projects over the years. It had refused to join the **single currency or the Schengen free travel area arrangements**.
- **The 2016 referendum vote** had voted in favour of Brexit, triggering deep bitterness and division within Britain.
- It led to political chaos in London, paralyzing parliament and renewed calls for independence from Scotland.

Details:

- **Britain is set to end its 47-year-long membership of the European Union**, which had ensured its integration with Europe.
- Britain becomes **the first country to leave the 28-member bloc**.
- Notably, an **11-month transition period has been negotiated as part of an EU-U.K. exit deal**. Britons will be able to work in and trade freely with EU nations until December 31, 2020, and vice versa, although the U.K. will no longer be represented in the EU institutions.
- While the exit terms have been agreed, Britain must still strike a **deal on future relations with the EU, its largest trading partner**.

Britain's departure would also mean a "sea-change" for the bloc.

Category: HEALTH

1. WHO declares virus outbreak a global emergency

Context:

World Health Organization's declaration.

Background:

The death toll in China from the new coronavirus has reached 213. The overall cases worldwide have also risen rapidly. More than 130 cases have been reported in at least **25 other countries and regions**.

Details:

- **The World Health Organization (WHO) has declared the outbreak a global health emergency of international concern**. However, the WHO has stated that it **doesn't recommend and actually opposes restrictions on travel or trade with China**.
- Stocks around the world have tumbled on fears of the economic fallout from the outbreak in the world's second-biggest economy.

- The declaration from the WHO was due to the **major concern of the nCoV's potential to spread to countries with weaker health systems**. Such a scenario would be worrisome given that such countries do not have the resources to deal with it and might aid the global spread of the disease.
- **The WHO move will trigger tighter containment and information-sharing guidelines** to all countries.

For more information on this issue refer:

31st Jan 2020 CNA

C. GS 3 Related

Category: ECONOMY

1. CEA sees growth rebounding to 6%

Context:

Economic survey 2020.

Details:

Growth estimates for the present fiscal:

- The Economic Survey notes that there has been a **slowdown** with the economy poised to grow at just **5% in 2019-20**, which would be **the slowest in 11 years**.
- The survey has **attributed the deceleration to slower global growth and domestic financial sector woes**.

Estimate for the next fiscal:

- The Economic survey **expects GDP growth to revive** from the 5% estimated for the current fiscal to a range between 6 – 6.5% in the next fiscal.

Important observations:

- India's economy is estimated to be the fifth-largest in the world.
- The center's **gross fiscal deficit as a share of GDP has come down in the past five years**. It now stands close to 3.3%.

Suggestions:

- The Survey hints at **going easy on fiscal deficit targets to revive growth**.
- The survey calls for **undoing/easing of the multiple regulations** stifling the Indian industry's global competitiveness.
- The survey talks about **encouraging units and sectors** which import inputs, assemble them and re-export them, even if there is very little value-addition at home. The survey notes that focusing

on just six such **'network' sectors** could generate 4 crore jobs by 2025 and 8 crore jobs by 2030 and **reverse the country's poor job creation rate.**

- The survey noting the economic history of India, calls for **moving away from the misplaced socialistic instincts.** The Survey delves into texts from 4th century BC and **cites Tamil poet Tiruvalluvar's Thirukural and Kautilya's Arthashastra** to bring out the virtues of the invisible hand of the market combined with **trust in wealth creation.**
- It calls upon the policymakers to acknowledge the role of entrepreneurs in wealth creation, instead of demonizing them.
- The survey notes that there is a **need for larger banks in India** to sustain the vision of a \$5 trillion economy.

There will be a comprehensive write-up on the economic survey soon. The remaining articles regarding the Economic survey 2020 will not be covered in today's CNA.

2. GDP revised downwards for 2018-19

Context:

- **The National Statistics Office's (NSO) revised estimates** for economic growth.

Background:

- The NSO, **under the Statistics and Programme Implementation Ministry**, releases revised estimates of national income, consumption expenditure, saving and capital Formation, as more accurate data comes in overtime.

Details:

2018-2019:

- The revised estimates have **pegged actual GDP growth in 2018-19 at 6.1% instead of the 6.8%** provisional estimates of May 2019.
- The NSO has attributed the downward revision to a **reduction in numbers from the primary sector** (farm- and mining-related activity) **and the secondary sector** (manufacturing, utilities, and construction).
- **Manufacturing growth has seen a downward revision** from 7.5% to 6%. By contrast, the **services sector GVA growth was revised upward** from 7.5% to 7.7% for the same year.

2017-2018:

- Similarly, the Real GDP or **GDP at constant (2011-12) prices** growth rate for the year 2017-18 has observed a **downward revision from the first estimate of 7.2% to the present 7%.**

2016-2017:

- **The GDP growth rate for 2016-17**, the year when demonetization of high-value currency notes was undertaken, **has been raised from 8.2% to 8.3%.**

The 8.2% growth rate was based on a second revised estimate released in January 2019, which marked a significant hike from the first estimate of 7.1% growth.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Unfounded optimism

Context:

Economic survey 2020.

Details:

Low growth for the current fiscal:

- 2019 was a difficult year for the global economy and the Indian economy, mainly due to **reduced trade and demand**.
- The National Statistical Office estimates the growth to be 5% for the 12 months ending in March 2020.
- The Economic Survey notes that a **sharp decline in fixed investment induced by a sluggish growth of real consumption has weighed down growth**.
- The **stress in the non-bank financial industry and the decline in credit growth** have also contributed to the problem of growth slowdown substantially.

Optimistic estimates for the next fiscal:

- The Economic Survey forecasts a GDP growth of 6-6.5% for the next fiscal year. This has been considered too optimistic considering the current situation. The downside risks to the next fiscal's outlook include:
- Continuing **global trade uncertainties**,
- The escalation in **West Asian geopolitical tensions**,
- **The slow pace of insolvency resolution**,
- Possibility of further **fiscal pressure crowding out private investment**.

Suggestions:

- The Economic Survey's chapter on "Financial fragility in the NBFC sector" recommends a **dynamic health index** that policymakers can use as an early warning system to avert any developing liquidity crises.

- The Economic Survey asserts the **importance of the market in an economy** but emphasizes also on ethical practices that will help build trust in the concept of the market economy.
- To ensure smoother functioning of markets as creators of wealth, the Survey makes several **policy prescriptions to reduce regulations**.
- The survey recommends **scrapping the Essential Commodities Act** and a complete review of the policy on foodgrains, which has made the government the largest “hoarder” and has distorted the markets.
- The survey also notes that **the Drug (Prices Control) Order of 2013** has failed to achieve its aim of making drugs affordable and calls for ending it.

Category: AGRICULTURE

1. Thinking beyond farm sops

Context:

The current status of the agricultural sector and governmental efforts to improve the performance of the sector.

Background:

- The year 2019 witnessed a series of interventions and disruptions in the farming sector.
- The first half of the year saw the launch of the **Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)** with a record allocation of ₹75,000 crores.
- The second half, saw many parts of the country witnessing drought and floods.
- The year also witnessed the **spiralling onion and vegetable prices**.

Significance of the sector:

- Agriculture is a **crucial segment for inclusive development** given that the agricultural sector supports the largest proportion of the population, mostly from rural areas.
- Given the fact that decline in consumer demand and expenditure are being cited as the reasons for the present economic slowdown and that agriculture is the source of the livelihood for a large proportion of the population, **growth in the agricultural sector can provide stimulus to the economy**.
- Given that there is the stated **vision of becoming a 5 trillion economy by 2024 and doubling the farmer’s incomes**, it is imperative to lay a strong foundation by launching measures that can stem declining farm growth.

Concerns:

- The mostly **short-run sops**, like the loan write-offs and the income support scheme, have not had the intended effects. **Populist measures in the agricultural sector** have a bad effect on the economy.
- Worryingly, despite several measures to reduce the **vulnerability of climate-induced disasters**, the farm sector and farmers continue to suffer losses.

- **Research and Development** in the agricultural sector have not received the requisite attention it deserves. It is allotted amounts much lower than the international averages despite the fact that agriculture as a sector is very important for India not only economically but also for social reasons and food security.
- The investment in agriculture over the recent past have encouraged **monoculture, threatening the environment and soil health.**

Way forward:

Focusing on growth-driving sectors:

- Worryingly, **India faces a disparity in agriculture expenditure.**
- Despite **higher growth in the livestock and fisheries sector** and they being the primary growth drivers for the agricultural sector, only moderate to low expenditure was recorded for these subsidiary sectors.
- Expenditure on livestock and fisheries must be increased, as they are mainly connected with resource-poor families in rural areas and also to raise the decelerating growth rate.

Focusing on R&D:

- The expenditure on research and development in agriculture **needs to be raised from nearly 0.40% of agriculture GDP to 1%.**
- The focus on R&D pays huge dividends in the long run in reducing poverty and improving livelihoods compared to any other investment.

Considering the impact of climate change:

- Considering India's dependence on the monsoons, India is bound to be affected by Climate change effects. Various studies and reports have noted the same that **India would be among the worst affected countries from climate change.**
- Considering India's dependency on agriculture and recurring climate-induced disasters, it is imperative **to expand the implementation of Climate-Smart Villages of the Indian Council of Agricultural Research-National Innovations on Climate Resilient Agriculture (NICRA)** across the nation.

Focusing on FPOs:

- The Farmer Producer Organisations (FPOs) which are currently governed by different Acts and funded by various sources are **facing operational and structural issues.**
- The FPO can ensure better bargaining power for the farmers, which will subsequently lower the costs of inputs and also remunerative prices for their produces. The adoption of technology and techniques would become easier given the scale advantage that FPOs offer.
- The FPO's may be **strengthened by bringing them under one institution**, preferably an FPO Development and Regulatory Authority.

Adopting technology:

- There is a need to **build blockchain-based e-marketplaces connecting farmers, traders, agencies, institutions and exporters** on a common platform to check price fluctuations and harness the potential of decentralization.
- Affordable technologies must be developed and deployed particularly in rural and remote areas where the digital literacy of farmers has improved considerably. This would aid the extension services of the government.
- Key farm institutions and organizations in the front line of farm service, dealing with perishables and low shelf-life commodities, must digitalize so that they are efficiently managed.

Ensuring sustainability:

- An incentive-based system is essential to **scale up sustainable practices such as agroforestry, climate-smart agriculture, ecosystem services, conservation agriculture**, and others.
- **The government will have to provide suitable incentives**, in the beginning, to help the new methods achieve critical strength to grow.

Private sector involvement:

- **Increasing corporate social responsibility** will help to tap more private investments besides encouraging private players in potential areas. This should also ensure production sustainability.

Farm data agency:

- The government must establish a **farm data agency, which can consolidate, collate and maintain farm data available through various platforms**.
- The farm data agencies can also facilitate beneficiaries' identification, better targeting of subsidies, support systems of various developmental programs.
- Access to farm agency data for scientific institutions and all other relevant stakeholders can hasten the process of technology dissemination and aid research systems for better policies.

Ease of farming index:

- **Commissioning ease of farming index** is necessary to ascertain the progress made by national and state governments on the key indicators of farming.
- The exercise should be done with the active involvement of proven private/public institutions or international agencies to ensure the authenticity of the findings.
- The exercise may foster cooperative and competitive federalism besides encouraging States to improve.

Better co-ordination between the center and states:

National council:

- There is a need for **setting up a national agricultural development council** under the chairmanship of the Prime Minister for effective **coordination and convergence of States on key reforms and policies**.

Rearranging the subjects under schedule 7:

- To deal effectively with increasing droughts and floods and other extreme events, the **transfer of some subjects to the concurrent list is of prime importance.**

Welfare commissions:

- The setting up of **farmers' welfare commissions (both at the Centre and State level)**, as an independent institutional mechanism, can act as a neutral platform for assessing all agriculture-related issues and schemes.
- The Involvement of **centrally-funded research organizations as knowledge partners** would help to coordinate and refine existing developmental schemes in agriculture and allied sectors.

Indian Agricultural service:

- It is now relevant to deliberate on an 'Indian Agricultural Service' on the lines of the Agricultural Research Service of the United States Department of Agriculture.

Policy direction:

- India needs well-tailored farm measures to **balance the national requirement with farmers' aspirations.** The right **mix of direct benefits and price support with focused investment on resource conservation will bring stability in a farmer's income.**

Therefore, taking cognizance of past experience and **leveraging on opportunities** that exist is a must to boost agriculture.

Category: HEALTH

1. A sneeze, a global cold and testing times for China

Context:

The spread of nCoV.

Background:

- The novel coronavirus 2019-nCoV has claimed over 200 lives in China and the numbers infected have touched 10,000 confirmed cases.
- **The World Health Organization (WHO) has declared it a global emergency**, as the outbreak continues to spread outside China.

The issue has been dealt with in previous CNA articles. For more information refer:

Wuhan Coronavirus

Earlier outbreak:

- **A similar coronavirus behind the Severe Acute Respiratory Syndrome (SARS)** had infected around 8,000 patients and claimed nearly 800 lives.

- The WHO was officially informed only after three months by the Chinese authorities. It quickly became more than a public health issue and a global challenge.
- The response mechanisms in China fell short, reflective of the 'top-down' bureaucratic approach of the Chinese system.

Lessons from Kerala:

- Kerala had to face the challenge of the **Nipah virus outbreak in May 2018**.
- Nipah is also a **zoonotic disease**. Though there were 17 deaths in India, **effective quarantine measures** by local authorities prevented the spread.
- A local doctor took the initiative to work towards understanding the virus and its transmission.
- **The State health machinery responded** and put many under observation.
- No new case was reported after June and a month later, Kerala was declared Nipah-free and travel restrictions removed. **Kerala managed to curtail the Nipah outbreak with few casualties**.
- The fact that **health is a state subject** under the Indian constitution and empowers the states to act on their own helped. If the district and state authorities had not taken the initiative and only reported matters to Delhi and awaited instructions while Delhi sent teams to prepare plans, the outbreak would have taken a higher toll.

Concerns:

- **Infectious diseases including those of the zoonotic variety are on the rise in India**. Given the **poor condition of the public health system** in India, this could prove to be disastrous for India.
- Certain regions in India suffer from **seasonal outbreaks of dengue, malaria and influenza strains**. Despite the same occurring year after year, there are no preventive actions/plans in place or there has been the ineffective implementation of such plans.
- There is an **acute shortage of medical personnel and also epidemiologists, microbiologists, and entomologists** which can undermine the Indian health system's ability to detect and act against such outbreaks.

Way forward:

- **The nation-wide disease surveillance program needs to be strengthened**. The earlier the diseases are detected the easier it is to act against it.
- There is a need to put in place a robust public-private partnership model that can transform the health services sector in the country, covering **disease surveillance, diagnostic kit availability and accelerated vaccine development**. This would not only help India cater to its domestic needs but also help realize the **growth potential of India's biotech sector**.

F. Tidbits

1. Core sector grows at 1.3% in Dec. 2019

- **Growth of the eight core industries recovered to 1.3% in December 2019** after remaining in the negative zone in the September-November 2019 time period.
- The recovery was aided by the expansion in the **production of coal, fertilizer and refinery products**.
- The growth is, however, lower than the 2.1% recorded in December 2018.

G. Prelims Facts

Nothing here for today!!!

H. UPSC Prelims Practice Questions

1. Which of the following statements are correct?

1. The center's gross fiscal deficit as a share of GDP has continuously decreased in the past five years.
2. The GDP growth rate for India has continuously decreased in the past five years.

Options:

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

Answer: a

Explanation:

The year 2016 witnessed an increase in growth rate of the GDP compared to 2015. Thereafter, there has been a continuous decrease in the growth rates.

2. Which of the following statements are correct?

1. The responsibility of declaring a disease outbreak as a global health emergency lies with the Director-General of the World Health Organization.

2. The previous declaration of the public health emergency by the WHO was in regard to the SARS outbreak.

Options:

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

Answer: a

Explanation:

- The WHO declares a Public Health Emergency of International Concern when there is "an extraordinary event which is determined... to constitute a public health risk to other states through the international spread of disease".
- It has previously declared five global public health emergencies:
 - Swine flu, 2009 - The H1N1 virus spread across the world in 2009.
 - Polio, 2014 - Although closer than ever to eradication in 2012, polio numbers rose in 2013.
 - Zika, 2016 - The WHO declared Zika a public health emergency in 2016 after the disease spread rapidly through the Americas.
 - Ebola, 2014 and 2019 - The first emergency over the virus lasted from August 2014 to March 2016 as almost 30,000 people were infected and more than 11,000 died in West Africa. A second emergency was declared last year as an outbreak spread in DR Congo.

3. Which of the following statements are correct?

- 1. Endosulfan is an organochlorine insecticide and pesticide.
- 2. It is part of the negotiations under the Stockholm convention on persistent organic chemicals.
- 3. The Supreme Court of India has ordered a ban on the production and sale of Endosulfan in India.

Options:

- a) 1 and 2
- b) 2 and 3
- c) 1 and 3

d) 1,2 and 3

Answer: d

Explanation:

Self-explanatory

4. which of the following do not form part of the eight core industries in the Indian context:

- a) Electricity
- b) Fertilizer
- c) Textiles
- d) Natural gas

Answer: c

Explanation:

Eight Core Industries are Electricity , steel, refinery products, crude oil, coal, cement, natural gas and fertilizers. The Index of Eight Core Industries is a monthly production index, which is also considered as a lead indicator of the monthly industrial performance.

I. UPSC Mains Practice Questions

1. Agricultural development is important to ensure inclusive development and providing a stimulus to the slowing GDP growth rates and hence realizing the vision of a 5 trillion economy for India. Comment.
Discuss the major concerns for the agricultural sector in India. (15 marks, 250 words)
2. The Economic Survey's forecast of a GDP growth of 6-6.5% for the next fiscal year seems too optimistic given the current downside risks. Comment.
Discuss the Economic survey's observations for the current slowdown and remedial actions to revive growth. (15 words, 250 words)