

15 Feb 2020: UPSC Exam Comprehensive News Analysis

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Category: ECONOMY

1. Following SC rap, telcos asked to pay AGR dues immediately


Background

This issue has been covered in 25th October 2019 Comprehensive News Analysis. [Click here to read.](#)

Missed call

The SC on Friday warned telecom firms of contempt proceedings if they delay paying dues. A timeline:

2005: Govt.'s definition of Adjusted Gross Revenue (AGR) calculation challenged by firms. Govt. says AGR includes all revenues while companies argue that it includes only revenue from core services	2015: Telecom Disputes Settlement and Appellate Tribunal rules that the companies' definition is right
	Oct. 24, 2019: SC sets aside the tribunal's judgment saying govt.'s definition is right. Orders telecom firms to pay ₹1.47 lakh crore
	Feb. 14, 2020: SC threatens telecom firms with contempt proceedings, slams officials for failing to enforce ruling



Context

- The Supreme Court has pulled up telecom companies like Bharti Airtel and Vodafone Idea for not paying their Adjusted Gross Revenue (AGR) dues to the government.

Details

- The SC had earlier directed that all AGR related dues had to be paid by January 23, 2020.
- A three-judge Bench, called the non-compliance with the judgment a “very disturbing scenario”.
- It also initiated contempt proceedings against the telecom companies for not paying the AGR dues.
- The court also asked **DoT to immediately withdraw the notification which said that there would be no coercive action against telcos.**

What exactly did the government notification say?

- The Licensing Finance Policy Wing of the DoT on January 23, 2020 **directed all government departments to not take any action against telecom operators** if they failed to clear AGR-related dues as per the Supreme Court's order.
- The order came as a huge relief for operators — mainly Bharti Airtel and Vodafone Idea — that **would have otherwise faced possible contempt action** for not paying dues by the deadline.
- While there was no change in the amount they had to pay, **it did buy them time as they hoped for relief from the Supreme Court**, which was to then hear their plea seeking permission to negotiate the timeline for payment of dues with the DoT.

Where does the government stand in this situation?

- The payout by telecom and non-telecom companies is likely to **lead to windfall gains for the central government, which could help it close some of the fiscal deficit gap** for the current financial situation.
- At the same time, the government will be under pressure to ensure that the **telecom market does not turn into a duopoly** if Vodafone Idea does indeed decide to shut shop.

Duopoly

- It is a situation in the market where two **service providers/ suppliers, of service/commodity**, dominate or have exclusive control.
 - Vodafone Idea chairman Kumar Mangalam Birla had warned the struggling telco would **be forced to shut shop if no government relief is coming forth on its AGR-linked statutory dues**.
- At present there are three private players in the Indian mobile market – **Bharti Airtel, Vodafone Idea and Reliance Jio** – besides the **state-owned operators BSNL/MTNL**.
 - If the Vodafone Idea does exit, an Airtel-Jio duopoly will be created.
- But the Govt of India can ill afford a Vodafone Idea collapse, as it would badly **hurt India's image among foreign investors and lead to huge job losses**.

Vodafone Idea exit may not be an issue

- First, telecom tends to be a natural monopoly, and in most major markets, there are only two or three big players. In the US, AT&T and Verizon control more than 70 per cent of the wireless market,

and the two weaker players – **T Mobile and Sprint** – are considered to be potential merger partners.

- In short, the US may be headed for a three-player market in the foreseeable future.
- Second, the scenario in India has changed after the Modi government decided to pump Rs 56,000 crore to revive and revamp a large state sector player for strategic reasons.
 - Bharat Sanchar Nigam Limited (BSNL) and Mahanagar Telephone Nigam Limited (MTNL) are to be merged.
 - The merged entity will be given spectrum for a 4G rollout. If **BSNL becomes a strong third player, India will continue to have three large players** even if Vodafone Idea exits.

What does this situation mean for customers and lenders?

- It could lead to bigger bills, considering it was the cut-throat competition in the sector that made mobile telephony and Internet almost universally affordable.
- The AGR issue has **triggered panic in the banking industry**, given that the telecom sector is highly leveraged. Vodafone Idea alone has a debt of Rs 2.2 lakh crore that it has used to expand infrastructure and fund spectrum payments over the years.
- The **mutual fund industry** has an exposure of around Rs 4,000 crore to Vodafone Idea.

2. National Technical Textiles Mission

Technical textiles

- Technical textiles are material and products manufactured **primarily for their technical properties and functional requirements** rather than for aesthetic characteristics.
- The scope of use of technical textiles encompasses a wide range of applications such as agro-textiles, medical textiles, geo-textiles, protection-textiles, industrial-textiles, sports-textiles and many other usages.

Context

- The Union Minister for Finance had announced a proposal to set up a National Technical Textiles Mission in the budget.

Details

- India imports a significant quantity of technical textiles.
- The objective is to position India as a global leader in technical textiles.

- To achieve this, the mission has an estimated outlay of Rs. 1480 crore.
- It has a four-year implementation period from 2020-21 to 2023-24.

Significance

- In India, technical textiles hold immense growth opportunities both for the industry as well as across various applications.
- Use of technical textiles have benefits of increased productivity in agriculture, horticulture and aquaculture fields, better protection of military, para-military, police and security forces, stronger and sturdier transportation infrastructure for highways, railways, ports and airports and in improving hygiene and healthcare for the general public.

Category: ENVIRONMENT AND ECOLOGY

1. SC refuses to extend BS-IV deadline

Context

- Automobile dealers had approached the Supreme Court for permission to sell and register vehicles following the Bharat Stage-IV standard emission norms beyond April 1, 2020.
- The Supreme Court has now refused to grant the permission.

Background

- The court had, in 2018, banned the sale and registration of these vehicles beyond the cut-off date.

Emission Norms

- The auto emission norms are emission standards **which are adopted by the government of a nation to check the air pollutants released from any internal combustion engine equipment**, including motor vehicles.
- The Bharat Stage (BS) norms, which are based on European emission standards, were initially rolled out in 2000. Subsequent iterations, BS II and BS III, came into effect in 2001 and 2005 respectively.
 - The higher the number gets, the stricter the Bharat Stage emission norms get, which eventually means it becomes costlier for automakers to meet them.
- In 2016, the government decided to skip BS V in favour of devising a more stringent standard to check rising pollution from vehicular exhausts. After much deliberation and extensions, it was decided that the final deadline for the implementation of BS VI norms would be April 2020.

How is BS-VI Different from BS-IV?

- One of the major differences between BS VI and the incumbent BS IV is that the former contains five times lesser **sulphur content** (10 parts per million) as compared to BS IV (50 ppm).
- **Oxides of Nitrogen (NO_x)**, produced as a result of combustion, will be brought down by 70 per cent for diesel, and 25 per cent for petrol engines.
- **Particulate matter** like PM 2.5 and PM 10 are the most harmful components and the BS VI will bring the particulate matter in diesel cars down by a phenomenal 80%.

What will change after the new norms kick in?

- **The BS-IV compliant fuels have sulphur concentration of 50 parts per million (ppm).** This will come down to as low as **10 ppm in BS-VI compliant fuels and auto engines.** This means a lower level of harmful emissions and reduced incidence of lung diseases.
 -
 - The switch to BS-VI norms will also reduce concentration of carbon monoxide, unburnt hydrocarbons, nitrous oxide and particulate matter from emissions.
- The quality upgrade will also result in an increase in cost of production of diesel and petrol. The switch will also make petrol and diesel vehicles costly.

Can BS VI cars run on BS IV fuel?

- BS IV petrol will have minimal impact on car engines.
 - **BS VI compliant diesel engines include sophisticated electronic units** like the Diesel Particulate Filter, and technologies like Selective Catalytic Reduction (SCR), which can be adversely impacted by high sulphur content in fuel.
 - **Higher sulphur content** will increase emissions and also clog the Diesel Particulate Filter (DPF), an expensive component to replace. However, for diesel cars, using BS IV fuel in a BS VI car can potentially cause many problems, some of which could have a bearing on finances.

2. Indian Pangolin

- **IUCN Status: Endangered**
- Out of the eight species of pangolin, the Indian Pangolin and the Chinese Pangolin are found in India. Both these species are listed under Schedule I Part I of the Wildlife (Protection) Act, 1972.

- It is an **insectivore**, **feeding on ants and termites**, digging them out of mounds and logs using its long claws.
- It is **nocturnal** and rests in deep burrows during the day.

Unique Attributes

- Its overlapping scales on its body act as armour.
- It can **curl itself into a ball as self-defense against predators such as the tiger**.
- The **color of its scales varies depending on the color of the Earth** in its surroundings.

Threats

- The Indian Pangolin is threatened by **hunting for its meat** and for various **body parts used in traditional medicine**.
- In traditional Chinese medicine, pangolin scales are also believed to treat a wide variety of conditions **including Psoriasis and poor circulation**.

Context

- Scientists have, for the first time, radio-tagged the Indian Pangolin.
- Tagging the animal will help them understand the habits of the reclusive, nocturnal animal.

Radio-tagging

- It involves attaching a transmitter to an animal to monitor its movements.
- Several wild animals — tigers, leopards and migratory birds — have been tagged over decades.

Significance

- It will curb wildlife poaching.
- It will ensure better survival rates and thus have a positive impact on the population of these endangered species.

3. NGT calls for scientific disposal of fly ash

Context

- The National Green Tribunal (NGT) has asked thermal power plants to take prompt steps for scientific disposal of fly ash, cautioning them failure to do so would entail a penalty.

Details

- NGT said that “Environment cannot be violated against statutory norms. Violations need to be visited sternly in terms of enforcing the same, recovering compensation and prosecuting the violators. Whatever the individual circumstances, it cannot be ground to disobey law and to commit criminal offence under the Water Act and Air Act.”
- It added: “The thermal power plants may take prompt steps for scientific disposal of fly ash in accordance with the statutory notification by the Ministry of Environment and Forest under the provisions of Environment Protection Act **requiring 100% utilization and disposal of fly ash.**”
- As per the notifications, fly ash can be used in “construction activity such as in road laying, embankments or used as landfill to reclaim low lying areas including back filling in abandoned mines or pitheads or for any such other use as permitted strictly in accordance with the provisions of notifications”.

Fly Ash

- Fly ash is a by-product obtained from burning pulverized coal in electric power generating plants. During combustion, mineral impurities in the coal (clay, feldspar, quartz, and shale) fuse in suspension and float out of the combustion chamber with the exhaust gases.
- As the fused material rises, it cools and solidifies into spherical glassy particles called fly ash.
- Fly ash is collected from the exhaust gases by electrostatic precipitators or bag filters.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: HEALTH

1. Fighting a virus, yet again

Context:

Kerala is drawing from its experience in controlling the 2018 Nipah virus outbreak to prepare for a potential COVID-19 spread. The health experts opine that, while the government’s efforts are commendable, it’s too soon to rejoice.

Kerala’s surveillance strategy and emergency preparedness:

In December 2019, when news about the mystery Chinese virus trickled in and as the number of patients with COVID-19 steadily grew, in Kerala, surveillance and emergency preparedness measures began to be launched.

- As soon as the World Health Organization (WHO) sent out a notification on the disease all those who are part of the Integrated Disease Surveillance Programme and the district surveillance teams were alerted.
- They were told that increased surveillance of all SARS (Severe Acute Respiratory Syndrome) and influenza-like illnesses was required.
- WHO guidelines and clinical protocols were circulated to all the districts.
- Kerala was especially at risk as hundreds of Malayali students, who were pursuing undergraduate medical courses or nursing courses in China, were on their way home.
- The airport-based surveillance was also launched.
 - Anyone with mild symptoms of flu was directly sent to the isolation wards of selected hospitals in districts.
 - Those without any symptoms were sent home with instructions that they strictly quarantine themselves at home.
 - When it became evident that all the COVID-19 cases imported to other nations were linked to Wuhan, all those returning from Wuhan, whether they showed symptoms of the disease or not, were placed in isolation.
- The State Control Cell for COVID-19 was set up at the Directorate of Health Services in the capital.
- Multidisciplinary teams were set up for monitoring field surveillance, hospital admissions, logistics, etc.
- Expert teams prepared guidelines for surveillance, lab testing and clinical management, and disseminated them to all the districts.
- The Health Department's 24X7 helpline, Disha, was publicised as the first point of contact for the public to clarify any doubts regarding COVID-19 and related issues.
- Considering the fact that asymptomatic transmission could have been a game changer, an aggressive surveillance and quarantine strategy had been evolved following reports that even asymptomatic patients could spread the disease.
 - As the debate about possible asymptomatic transmission raged, Kerala authorities decided to collect test samples from everyone who had returned from Wuhan.

- The approach may not have been evidence-based, but the situation called for the State to always be one step ahead.
- The guidelines prepared by the team of clinicians were more elaborate and stringent than those of the WHO. The guidelines were also constantly revised.
 - While the Centre suggested an incubation period of 14 days, the State extended it to 28 days.

Hurdles faced:

- Additional Director of Health Services, Public Health highlights that in the initial days, it was difficult to conduct surveillance and impose quarantine, as most people thought that the state's response was exaggerated.
- People were trying to evade surveillance so that they would not be forced into quarantine.
- However, response changed with the first positive case of COVID-19. Suddenly self-reporting increased and the helplines were inundated with calls.
- Surveillance officers also had to undertake the painstaking exercise of contact tracing. The list of contacts was endless.
 - For the first positive case in Thrissur, 82 contacts were identified.
 - For the infected person in Alappuzha, 52 contacts were traced.

Banking on the Nipah experience:

The entire framework of Kerala's response to the threat of a possible public health emergency due to COVID-19 is based on its experience in managing the Nipah outbreak.

- The Nipah outbreak took the State health system by surprise. With a high case fatality rate of 88.9%, the virus created a lot of panic. By the time the outbreak was contained, 17 people had died.
- Following this there was a heightened sense of awareness in hospitals that simple infection-control measures such as washing hands and using personal protective equipment could ensure the safety of healthcare personnel.
- As part of improving disease surveillance, outbreak monitoring units were set up in all the medical colleges in the State. These units scrutinised patients in emergency wings and isolated those with acute respiratory symptoms as soon as they come in.
- When Nipah struck again in 2019, the health authorities managed to immediately spot the index case, isolate him, and treat him. No one else was infected.

- When the COVID-19 alert was sounded, all these baseline preparations fell into place. The rest of the measures concerned logistics and management, which the State health administration managed well.
 - Overnight, the State Control Cell set up 18 sub-divisions (for surveillance, training and awareness, sample tracing, transportation and ambulance, etc.), charted out the roles and responsibilities of each team, and micromanaged nearly everything, right down to roping in local self-government bodies for assistance and ensuring that families quarantined at home had adequate food and supplies delivered to them.

Stigma and fear:

- The families of those who had tested positive went through trying times.
- Soon after he tested positive, the boy's image in a family photograph began to circulate on social media. The patient's relative's grocery store was avoided causing him big losses in business.
 - The police have since arrested two persons in connection with the social ostracism the family faced.
- However, the antagonism displayed by the local community towards the family only died down when the Health Department began organising awareness campaigns at the grassroots.
- News about the virus has also affected local businesses.
- The department also mobilised its district mental health teams to offer psycho-social support over the phone to the stressed families that had been quarantined for 28 days.
- COVID-19 has also spelled bad news for Kerala tourism, already impacted by two consecutive floods and the Nipah outbreaks. There were mass cancellations of tour packages.

Way forward:

- No surveillance is ever fool-proof. The State must account for the gaps in surveillance and be ready with a Plan B if the scenario changes and local transmission of the disease does happen.
- Kerala has a very responsive health system which has jumped into fire-fighting mode. It has mobilised all its resources to detect and contain COVID-19. But this is not a sustainable model; it is believed that the system will soon wear itself out.
- The real strength of a health system is in its ability to keep its regular disease surveillance system alive and active through the year, pick up unusual disease trends and undiagnosed deaths, and analyse data meticulously so that it is equipped to deal with surprises without taxing the entire system.

- Both the Nipah episodes in Kerala were not picked up by the Integrated Disease Surveillance Programme, which means that the State has a long way to go.
- In China, the outbreak was picked up only when a sudden cluster of viral pneumonia cases appeared in hospitals.
- The next step for Kerala would be to set up a surveillance mechanism for detecting viral pneumonia clusters, especially among older individuals, in hospitals.
 - Testing all X-ray-positive viral pneumonia cases in hospitals for COVID-19 would help the State pick up the first case of the viral illness if the virus is active in the community.
- The expert, who led the epidemiological investigation that unravelled Kerala's first Nipah encounter, cautions the State against relying too much on its Nipah strategy while dealing with COVID-19.
 - Drawing upon the experience of fighting Nipah is fine, but it is crucial to understand that Nipah and COVID-19 do not share the same epidemiology. The surveillance and control strategies for each are different.
 - Nipah is not capable of sustained transmission and disappears when the virus runs its natural course. But COVID-19 is a multi-focal outbreak with a potential for sustained transmission.
- Also, because of the mild nature of the illness caused by COVID-19, it is unlikely that the system will pick up low-level community transmission of the virus right now.

The odds that it is going to be a long-term problem requiring long-term engagement are quite high. Kerala would do well to be prepared for it.

Category: POLITY AND GOVERNANCE

1. Choice and candidacy – On De-criminalisation of politics

Context:

Flagging the alarming increase in the incidence of criminals in politics, the Supreme Court has ordered political parties to publish the entire criminal history of their candidates for the Assembly and Lok Sabha elections along with the reasons that provoked them to field suspected criminals over decent people.

Issue:

- The idea of removing the taint of criminality from electoral politics has been engaging India for decades. Yet, whatever progress made in this regard has been through the initiative of the Supreme Court and the Election Commission.

- Political parties which ought to be cleansing the system with legislation and internal organisational reforms have done little.
- Their reluctance to avoid fielding those with criminal antecedents is obvious.

Background:

- The Court, in September 2018, sought to enforce greater disclosure norms about electoral candidates.
- On noting the alarming increase of those with a criminal background in the last four general elections, the Supreme Court has now come up with an additional requirement while hearing a contempt of court petition.

The Supreme Court's verdict has been covered in 14th February 2020 PIB Summary and Analysis.**Judgments aimed at preserving the purity of the election process:**

The latest order is in line with a series of judgments aimed at preserving the purity of the election process, such as:

- Directions to ensure the asset disclosure and criminal records of candidates.
- The incorporation of the 'none of the above' (NOTA) option in the voting machines.
- The invalidation of a clause that protected sitting legislators from immediate disqualification after conviction.

In addition, the Court has directed the establishment of special courts in all States for the quick disposal of cases involving elected representatives.

Way forward:

- It must be underscored that de-criminalisation of politics cannot be achieved by judicial fiat alone. The political class has to respond to the challenge.
- Parties would probably justify their choice of candidates by pointing out that the law now bars only those convicted and not those facing charges, however serious they may be.
- A legislative option is to amend the law to bar from contest those against whom charges have been framed.
- A more meaningful option would be for parties to refrain from giving ticket to such candidates.

A larger question that looms beyond this debate is, what good will more information on the background of candidates do if voters back a particular leader or party without reference to the record of the candidates fielded?

F. Tidbits

1. Military Balance report

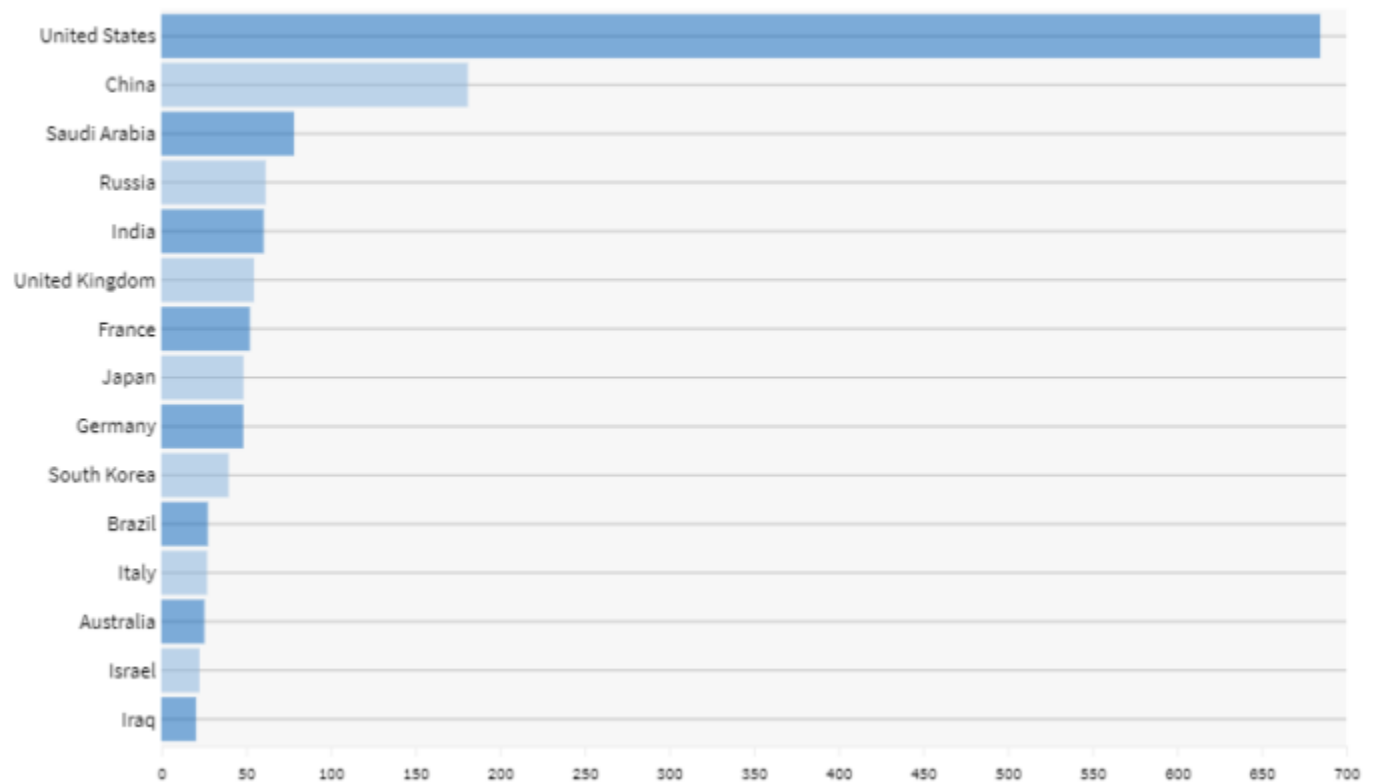
Context

- According to **International Institute for Strategic Studies (IISS)** Global spending on defence rose by four per cent in 2019, the largest growth in 10 years.

Details

- China has increased defence spending in the last few years as part of **Military Modernization Programme** – which includes developing new hard-to-detect hypersonic missiles.
- This has led to enhanced spending by the USA.
- The big drivers were the United States and China with both increasing spending by 6.6%.

Global spending on defence: Top 15 countries



International Institute for Strategic Studies (IISS)

- It is a British research institute (or think tank) in the area of international affairs.
- The IISS publishes The Military Balance, an annual assessment of nations' military capabilities.

H. UPSC Prelims Practice Questions

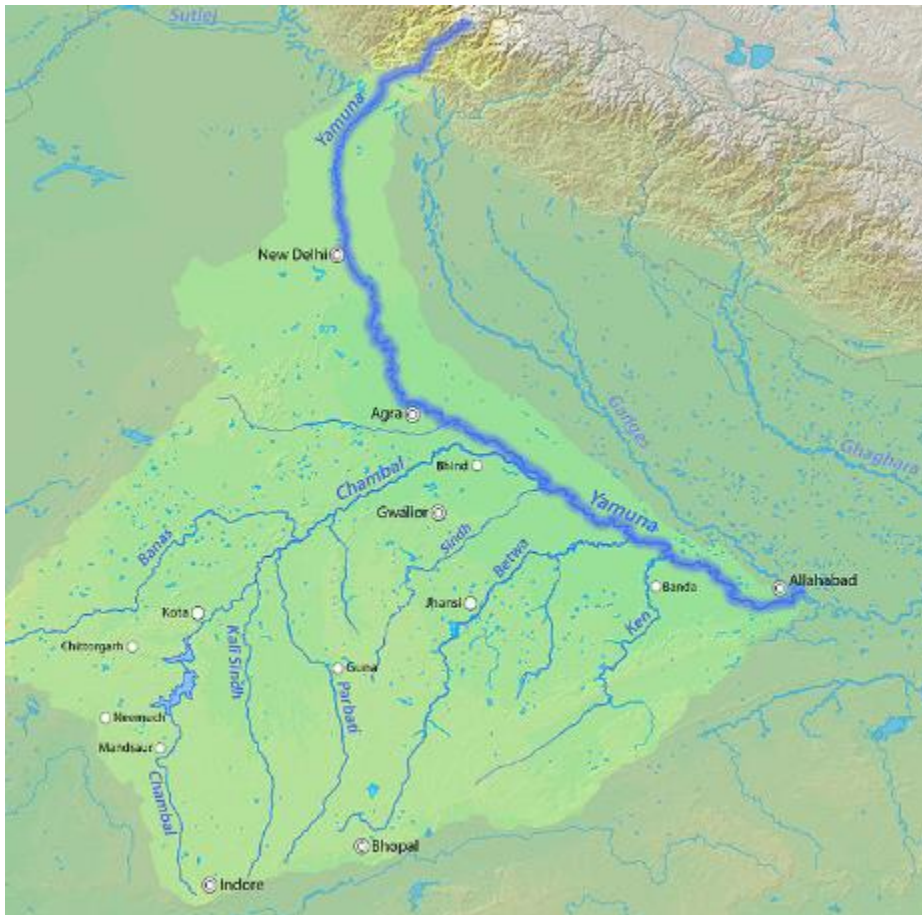
Q1.Which of the following are the right bank tributaries of Yamuna?

1. Chambal
2. Hindon
3. Betwa
4. Ken
5. Sindh

Options:

- a) 1, 2 and 4 only
- b) 1, 3, 4 and 5 only
- c) 2, 3 and 4 only
- d) 1, 2, 3, 4 and 5

Answer



Context

- The NHRC has issued a notice to the Delhi government over reports that some children have to cross the Yamuna river by boat every day to attend a school, putting their lives to immense danger.

Q2. Consider the following statements with respect to the Alternative Investment Fund (AIF)

1. Angel Funds come under the Category 2 Alternative Investment Fund.
2. Mutual funds come under the definition of AIF.

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

- a) 1 only
- b) 2 only
- c) Both
- d) None

Answer

- AIF means any fund established or incorporated in India which is a privately pooled investment vehicle which collects funds from sophisticated investors, **whether Indian or foreign**, for investing it in accordance with a defined investment policy for the benefit of its investors.
- Category I AIFs: AIFs which invest in start-up or early stage ventures or social ventures or SMEs or infrastructure or other sectors or areas which the government or regulators consider as socially or economically desirable and shall include venture capital funds, SME Funds, social venture funds, infrastructure funds and such other Alternative Investment Funds as may be specified. [Ref. Regulation 3(4) (a)]
 - **“Angel fund”** is a sub-category of Venture Capital Fund under Category I Alternative Investment Fund that raises funds from angel investors.
- The definition of **AIFs includes** venture Capital Fund, hedge funds, private equity funds, commodity funds, Debt Funds, infrastructure funds, etc., while,
- **It excludes** Mutual funds or collective investment Schemes, family trusts, Employee Stock Option / purchase Schemes, employee welfare trusts or gratuity trusts, 'holding companies' within the meaning of Section 4 of the Companies Act, 1956, securitization trusts regulated under a specific regulatory framework, and funds managed by securitization company or reconstruction company which is registered with the RBI under Section 3 of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002.

Q3. With respect to Competition Commission of India

1. It is an extra-constitutional body.
2. It will ensure fair and healthy competition in economic activities in the country for faster and inclusive growth.

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

- a) 1 only
- b) 2 only
- c) Both
- d) None

Answer: C

Q4. Consider the following statements:

1. It is an island on the western coast of Africa located in the Atlantic Ocean.
2. It is part of the Spanish archipelago.

The island in discussion is:

- a) Comoros
- b) Reunion
- c) Canary
- d) Cape Verde

Answer: Canary islands



I. UPSC Mains Practice Questions

1. When law breakers become law makers, the country suffers. Elaborate on the directions given by the Supreme Court of India in an effort to de-criminalize politics. (15 Marks, 250 Words)
2. What are the major differences between BS-IV and BS-VI Engines? How will the adaptation to BS- VI standards impact the economy and the environment? (15 Marks, 250 Words)