

2 April 2020 UPSC Exam Comprehensive News Analysis

TABLE OF CONTENTS

A. GS 1 Related

B. GS 2 Related

POLITY AND GOVERNANCE

1. [Centre defines J&K domicile rules](#)
2. [India welcomes foreign contributions to PM-CARES](#)
3. [Phones to be tracked](#)
4. [Home Ministry wakes up to Tabligh event](#)

C. GS 3 Related

SECURITY

1. [The hand of another Indian is suspected in Kabul attack](#)

ECONOMY

1. [RBI relaxes export rules, allows States and UTs to borrow more](#)

D. GS 4 Related

E. Editorials

DEFENCE

1. [Still no bullseye, in volume and value](#)

ECONOMY

1. [The battle to set oil prices](#)

F. Prelims Facts

1. [Nord Stream 2](#)

G. Tidbits

1. [Anti-smog guns installed at 14 large project sites in the Capital](#)
2. [World could face a food crisis: UN, WTO](#)

H. UPSC Prelims Practice Questions

I. UPSC Mains Practice Questions

A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. Centre defines J&K domicile rules

Context:

The Union government has issued a notification defining “domiciles” in the Union Territory (UT) of Jammu and Kashmir for protecting jobs in the Group D category and entry-level non-gazetted posts for the domiciles.

Background:

- On August 5th 2019, the Centre withdrew J&K’s special status under Article 370 and Article 35A of the Constitution and bifurcated it into the Union Territories of J&K and Ladakh.

- Before, Article 35 A of the Constitution of India had empowered the J&K Assembly to define a J&K resident, who alone were eligible to apply for jobs or own immovable property.

Read more about [Article 370](#).

Details:

- In the latest gazette notification, Section 3A of the J&K Reorganisation (Adaptation of State Laws) Order 2020, under the J&K Civil Services (Decentralisation and Recruitment) Act, has been introduced to define domicile.
- The order defines a domicile as one “who has resided for a period of 15 years in the UT of J&K or has studied for a period of seven years and appeared in Class 10th/12th examination in an educational institution located in the UT of J&K or who is registered as a migrant by the Relief and Rehabilitation Commissioner (Migrants).”
- Children of Central Govt. officials, All India Services, PSUs, autonomous bodies of the Centre, Public Sector Banks, officials of statutory bodies, Central Universities, recognised research institutes of the Centre who have served in J&K for a total period of 10 years will be domiciles.
- The domicile status applies to "children of such residents of J&K who reside outside J&K in connection with their employment or business or other professional or vocational reasons but their parents should fulfil any of the conditions provided".
- The Order says that the domiciles will be eligible for the purposes of appointment to any post carrying a pay scale of not more than Level 4.
 - The Level 4 post comprises positions such as gardeners, barbers, office peons and watermen, and the highest rank in the category is that of a junior assistant.
- Through the same order, the Centre has repealed the J&K Civil Services (Special Provisions) Act.
- A senior government official said the reservation for domiciles would not apply to Group A and Group B posts, and like other UTs, recruitment would be done by the Union Public Service Commission (UPSC).
 - This is according to the norms in other UTs and States.
- The provisions of the Act authorise the Tehsildar as competent authority for issuing the domicile certificate, as opposed to deputy commissioner or any officer specially notified by the state government by way of a gazette notification in the form of an SRO.
- 29 state laws have been repealed while 109 have been amended.

Changes in Public Safety Act:

- The notification of the Ministry of Home Affairs (MHA) also made changes to the Public Safety Act (PSA).
- A clause that prohibited J&K residents booked under the Act to be lodged in jails outside has been removed.
- It changes the criteria for appointing the PSA advisory board on the recommendation of a search committee headed by the Chief Secretary instead of the Chief Justice of the J&K High Court.
- It also bars sitting High Court judges to be made part of the board without the Chief Justice’s consultation.
 - The board has a crucial role to play in the release of detenues.
- The order scraps a clause that dealt with the power to regulate the place and conditions of detention.

Read more about Public Safety Act, covered in [17th September 2019 Comprehensive News Analysis](#).

2. India welcomes foreign contributions to PM-CARES

Context:

India has welcomed foreign contributions to the PM-CARES fund to fight the threat posed by the novel coronavirus COVID-19.

Details:

- The officials have highlighted the shortage of ventilators and personal protective equipment for medical professionals, which needs to be addressed urgently.
- The shortage of ventilators and personal protective equipment has been described as acute, which prompted Indian diplomatic teams to look for reliable supplies from different parts of the world.
- The PM-CARES fund, a public charitable trust, was set up in response to the emerging requirement for resources.
- Contributions can be made by individuals and organisations, both in India and abroad.

“PM-CARES” has been covered in 31st March 2020 Comprehensive News Analysis. [Click here](#) to read.

3. Phones to be tracked

Context:

Delhi Chief Minister Arvind Kejriwal has announced that the mobile phones of all those who have been asked to home quarantine themselves will be tracked by the Delhi police to keep a check on their movement.

- Several other countries have used this technology to contain the spread of [COVID-19](#) and it is opined that this is one of the ways to ensure that people abide by quarantine norms.
 - China mobilized its mass surveillance tools, from drones to CCTV cameras, to monitor quarantined people and track the spread of the coronavirus.
 - Other nations like Israel, Singapore and South Korea are also using a combination of location data, video camera footage and credit card information, to track COVID-19 in their countries.
 - But privacy experts have raised concerns over how the data is being used by the governments, how it was being stored and the potential for authorities to maintain heightened levels of surveillance — even after the coronavirus pandemic is over.
 - Experts are worried that surveillance tools like a person’s location data may not even be effective and that there may be no timeline on when governments will stop collecting that kind of information.
- It was also announced that strict action would be taken against violators.

Way forward:

The key, for privacy groups, is balancing the need for the use of technology and data for the public good versus protecting privacy. If that is not done, the consequences after things get back to normal, could be big.

Read more about “Corona Kavach App” and issues associated with it, covered in [28th March 2020 Comprehensive News Analysis](#).

4. Home Ministry wakes up to Tabligh event

Context:

As many as 360 foreigners were deported from Delhi in 2018-19 for reportedly indulging in missionary activities while they were here on a tourist visa, a senior Home Ministry official has said. Currently, foreigners who participated in a Tablighi Jamaat congregation in Nizamuddin have come under the Home Ministry scanner.

Issue:

- According to a Home Ministry statement, some 2,100 foreigners visited India for Tabligh programmes since January 1, 2020.
- MHA had already issued guidelines that the foreigners should not indulge in missionary work on tourist visa.
- State Police would be examining categories of visas of all these foreign TJ [Tablighi Jamaat] workers and take further action in case of violation of visa conditions.
- The Ministry is apparently set to blacklist the 824 foreign Tablighi members who came to India on a tourist visa and participated in religious congregations and meetings.
- The Jamaat congregation, part of regular Tabligh activity, was attended by people from Nepal, Malaysia, Afghanistan, Myanmar, Algeria, Kyrgyzstan, Indonesia, Thailand and Sri Lanka.

Details:

- Home Ministry is the nodal agency that gives permission to any foreigner to participate in any international event.
- Any conference/event application is routed through an Indian mission abroad and without the Home Ministry's permission, the event cannot happen and participants are not issued visas.
- It is said that the religious gathering was organized in violation of an order issued by the Health and Family Welfare Department of the Delhi Government in accordance with the Delhi Epidemic Diseases, COVID-19 Regulations, 2020 under the Epidemic Diseases Act, 1897.

Read more about Epidemic Diseases Act, 1897 covered in [12th March 2020 Comprehensive News Analysis](#).

C. GS 3 Related

Category: SECURITY

1. The hand of another Indian is suspected in Kabul attack

Context:

The [National Investigation Agency \(NIA\)](#) has registered a case to probe the terror attack at a gurdwara in Kabul, in which 27 Sikh worshippers, including an Indian, was killed.

Kabul Gurdwara Attack has been covered in [27th March 2020 Comprehensive News Analysis](#). [Click here](#) to read.

Details:

- This is the first instance of the NIA registering a case for a terror attack committed outside India.
- The NIA Act was amended in 2019 to empower the agency to investigate terror attacks committed outside India, "affecting Indian citizens or affecting the interest of India".

- The NIA registered the case under various sections of the Unlawful Activities (Prevention) Act, the Indian Penal Code and Section 6(8) of the NIA Act.

Read more about [Unlawful Activities \(Prevention\) Act](#).

Category: ECONOMY

1. RBI relaxes export rules, allows States and UTs to borrow more

Context:

The Reserve Bank of India ([RBI](#)) has announced more measures to fight economic disruptions caused by COVID-19, including extension of the realisation period of export proceeds and allowing States to borrow more.

Details:

- In view of the disruption caused by the pandemic, the time period for realisation and repatriation of export proceeds for exports made up to or on July 31, 2020, has been extended to 15 months from the date of export.
 - Presently, the value of the goods or software exports made by exporters is required to be realised fully and repatriated to the country within nine months from the date of exports.
 - The measure will provide greater flexibility to exporters to negotiate future export contracts with buyers abroad.
- RBI has also formed an advisory committee to review the ways and means limit for State governments and union territories.
 - Till the panel submits its report, the central bank has increased the ways and means advances limit by 30% for States and union territories.
 - The 'Ways and Means Advances' is a scheme that helps meet mismatches in receipts and payments of the government.
 - Under this scheme, a government can avail itself of immediate cash from the RBI.
- RBI has also deferred the implementation of counter cyclical capital buffer (CCCB) for banks.
 - The CCyB aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate.
 - It is intended to protect the banking sector against losses that could be caused by cyclical systemic risks.
 - It requires banks to add capital at times when credit is growing rapidly so that the buffer can be reduced when the financial cycle turns.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: DEFENCE

1. Still no bullseye, in volume and value

Context

- According to latest estimates released by the Stockholm International Peace Research Institute (SIPRI), the Indian defence exports have increased and defence imports have decreased during the period between 2009-13 and 2014-18.

Details

This is a welcome development but the reasons for both are not identical. Broadly, two factors appear to be driving this shift.

1. The first is the 'Make in India' initiative.
 - The Government has prioritized this initiative and has sourced a number of components from Indian private and public sector enterprises.
2. The second is due to external factors.
 - Under this, India imported components from multiple countries. These components were not supplied on time leading to undue delay by vendors and in a few circumstances, there was cancellation of contracts by the Indian government as well.

1. 'Make in India' initiative

Under the Narendra Modi government's 'Make in India' initiative, the **Defence Procurement Procedure (DPP)** lays out the terms, regulations and requirements for defence acquisitions as well as the measures necessary for building India's defence industry.

- It came into effect from 2016. It focuses on institutionalising, streamlining and simplifying defence procurement procedure to give a boost to the "[Make in India](#)" initiative of the Government of India, by promoting indigenous design, development and manufacturing of defence equipment, platforms, systems and sub-systems.

It created a new procurement category in the revised DPP of 2016 dubbed 'Buy {**Indian-IDDM (Indigenously Designed, Developed and Manufactured)**}'.

- It has been accorded the topmost priority for procurement of capital equipment.
- Preference has been accorded to 'Buy (Indian)' and 'Buy and Make (Indian)' categories of capital acquisition over 'Buy (Global)' & 'Buy & Make (Global)' categories.
- Requirement of indigenous content has been enhanced/rationalized for various categories of capital acquisition.
- The '**Make**' procedure has undergone simplification "earmarking projects not exceeding ten crores" that are government funded and ₹3 crore for Micro, Small and Medium Enterprises (MSMEs) that are industry funded.
- In addition, the government has also introduced provisions in the DPP that make private industry production agencies and partners for **technology transfers**.

Stats

- Small and Medium Enterprises (SMEs) until 2016 accounted for 17.5% share of the Indian defence market.

- According to government of India data for the financial year 2018-19, the three armed services for their combined capital and revenue expenditures **sourced 54% of their defence equipment from Indian industry.**

Public sector driven

- Among arms producers, **India has four companies among the top 100 biggest arms producers of the world.**
- It is estimated, according to SIPRI, their combined sales were \$7.5 billion in 2017, representing a **1% jump from 2016.**
- The largest Indian arms producers are the Indian Ordnance Factories and the Hindustan Aeronautics Limited (HAL), which are placed 37th and 38th, respectively, followed by Bharat Electronics Limited (BEL) and Bharat Dynamics Limited (BDL). All four of these companies are public sector enterprises and account for the bulk of the domestic armament demand.

2. Falling Imports

This is not due to growing indigenization and 'Make in India' initiative. Indian defence acquisitions have also **fallen due to the cancellation of big-ticket items.**

- For example, India-Russia joint venture for the development of the **advanced Su-57 stealth Fifth Generation Fighter Aircraft (FGFA).** India cancelled involvement in 2018 due to rising dissatisfaction in delays with the project as well as the absence of capabilities that would befit a fifth generation fighter jet.
- In 2015, the Modi government also reduced the size of the original acquisition of 126 **Rafale Medium Multi-Role Combat Aircraft (MMRCA)** from Dassault to 36 aircraft, which is also responsible for significantly driving down the import bill.
- That apart, the delays in the supplies of **T-90 battle tanks, and Su-30 combat aircraft from Russia and submarines** from France, in 2009-13 and 2014-18, also depressed imports.

India's defence model faces challenges despite the positive trends generated by 'Make in India'

- SMEs still face stunted growth because **India's defence industrial model is at odds with global trends** in that it tends to create disincentives for the private sector.
 - Governments in the past and the current regime have given importance to Defence Public Sector Units (DPSUs) over the private sector, despite 'Make in India'.
 - This model is highly lopsided, undermining the growth of private players and diminishes the strength of research and development.
- The other challenges are more fundamental in nature. India is not a reputed defence manufacturer producing a wide variety of military platforms. The proven military platforms that are made in India, such as the Su30 fighter or the T90 tank, are licensed productions with Intellectual Property Rights (IPR) held by foreign defence firms. India cannot export these platforms.
 - Even in the case of joint production platforms such as the BrahMos missile, built by India and Russia, the approval of the BrahMos board is required for export.

Export trends

- In the last two fiscal years, 2017-18 and 2018-19, exports have witnessed a surge from ₹7,500 crore to ₹11,000 crore, representing a 40% increase in exports.
- While this initial increase started during the previous United Progressive Alliance (UPA) government, the sharpest rise in defence export products can be attributed to the measures introduced by the

National Democratic Alliance (NDA) government under Mr. Modi, which in 2014, **delisted or removed several products that were restricted from exports.**

- It dispensed with the erstwhile **No Objection Certificate (NOC)** under the DPP restricting exports of aerospace products, several dual-use items and did away with two-thirds of all products under these heads.

Conclusion

- - Thus, from a volume and value standpoint, Indian defence exports, while showing a promising upward trend has failed to meet desired success globally.
 - To help ideas meet action, there is a need to create an environment for greater participation of private industry.
 - To ensure that 'Make in India' initiative reaches its full potential, focus should be laid on export promotion/facilitation and export regulation.

Additional Information - Indian Defence Product Exports

- **Australia:** 5.56x45mm Ball MK N (SS109) cartridges
- **Azerbaijan:** protective headgear and hard armor plates
- **Germany:** helmets, bomb suppression blanket and soft armor panels
- **Singapore:** radar parts, bullet proof vests and helmets with accessories
- **South Africa:** detonators
- **Thailand:** night vision binoculars

Category: ECONOMY

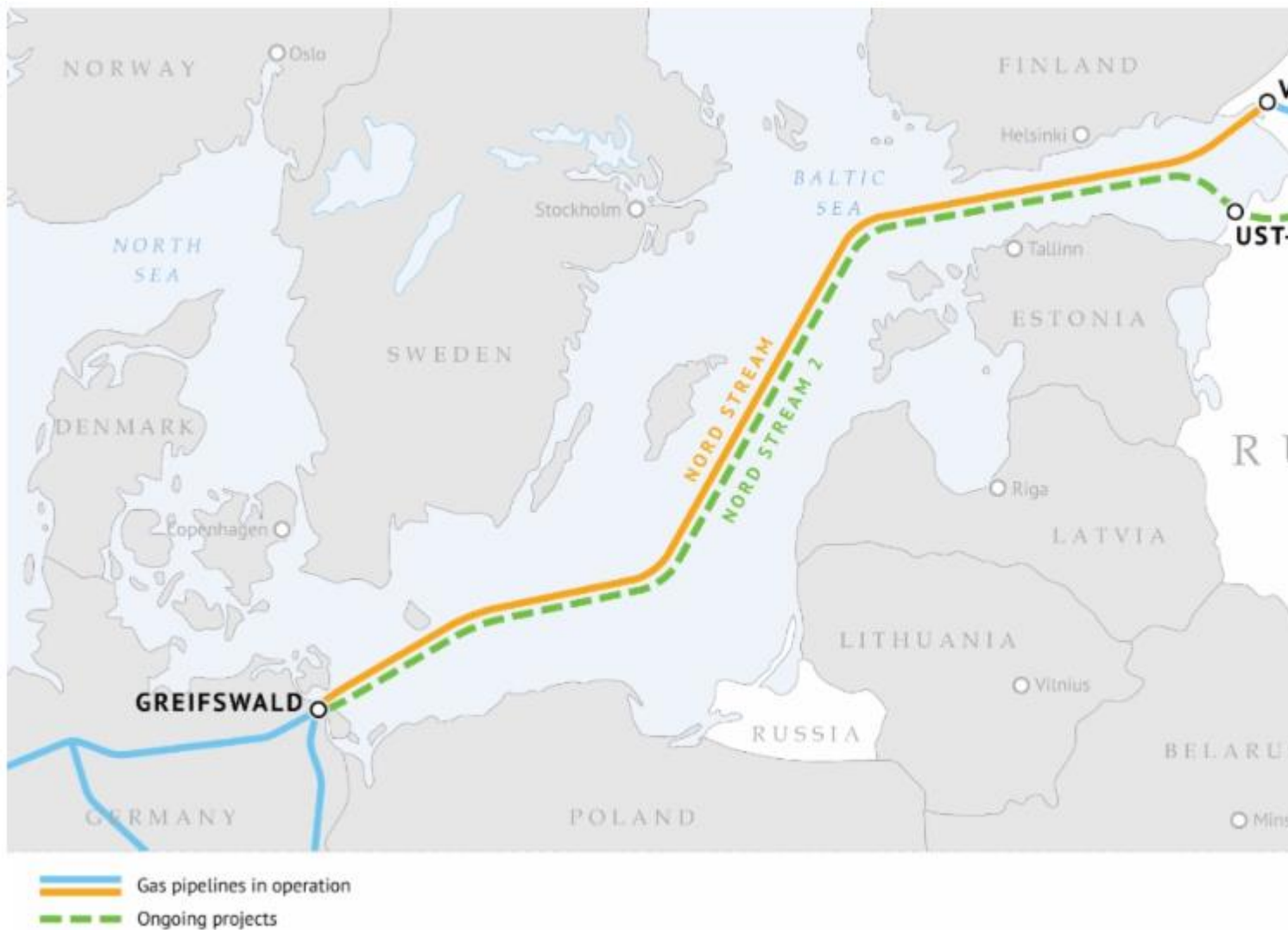
1. The battle to set oil prices

For more information on this refer to [March 13th 2020 Comprehensive News Analysis](#).

F. Prelims Facts

1. Nord Stream 2

- It is a new export gas pipeline running from Russia to Europe across the Baltic Sea.
- It will also ensure a highly reliable supply of Russian gas to Europe.
- The entry point of the Nord Stream 2 gas pipeline into the Baltic Sea will be the Ust-Luga area of the Leningrad Region. Then the pipeline will stretch across the Baltic Sea. Its exit point in Germany will be in the Greifswald area.



G. Tidbits

1. Anti-smog guns installed at 14 large project sites in the Capital

What's in News?

On January 13 2020, the Supreme Court had said that anti-smog guns should be mandatory in projects that require environmental clearance from the State or Centre, and have a built-up area of over 20,000 square metres, in Delhi.

- The anti-smog gun sprays nebulised water droplets into the air through high-pressure propellers, which help dust particles settle down.

Concerns:

- The devices have been installed at 14 of the 47 large projects in Delhi. The remaining 33 sites have informed that they will install the anti-smog guns as soon as they get the supply.
- Most of the government agencies, including the municipal corporations and the Public Works Department, are yet to comply to letters sent by the Delhi Pollution Control Board (DPCC) to install anti-smog guns.

2. World could face a food crisis: UN, WTO

What's in News?

The heads of three global agencies, Food and Agriculture Organization (FAO), [World Health Organisation \(WHO\)](#) and World Trade Organisation ([WTO](#)) have warned of the risk of a worldwide “food shortage” if authorities fail to manage the ongoing COVID-19 crisis properly.

- Many governments around the world have put their populations on lockdown causing severe slow-downs in international trade and food supply chains.
- Panic buying by people going into confinement has already demonstrated the fragility of supply chains.
- Uncertainty about food availability can spark a wave of export restrictions, creating a shortage on the global market.

Way forward:

- Every effort must be made to ensure that trade flows as freely as possible, specially to avoid food shortage(s) from developing, the heads of the three global agencies said in their statement.
- It was added that, while acting to protect the health and well-being of their citizens, countries should ensure that any trade-related measures do not disrupt the food supply chain.

H. UPSC Prelims Practice Questions

Q1. The Nord Stream twin pipeline system route crosses through the Exclusive Economic Zones of which of the following countries?

1. Russia
2. Finland
3. Sweden
4. Denmark
5. Germany

Choose the correct option:

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

Answer: d

Explanation:

The Nord Stream twin pipeline system is an offshore natural gas pipeline through the Baltic Sea. The Nord Stream route crosses the Exclusive Economic Zones of Russia, Finland, Sweden, Denmark and Germany, as well as the territorial waters of Russia, Denmark, and Germany.

Q2. Consider the following statements with respect to National Investigation Agency (NIA) :

1. The NIA can investigate terror cases across the country without having to get permission from the states.
2. NIA is not empowered to investigate terror attacks committed outside India.
3. NIA is headquartered in Hyderabad, Telangana.

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

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

Answer: b

Explanation:

The National Investigation Agency (NIA) is a central counter-terrorism agency under the Ministry of Home Affairs, Government of India. The NIA can investigate terror cases across the country without having to get permission from the states. The NIA Amendment Act of 2019 expanded the jurisdiction of the NIA. Now, it has the authority to investigate offences that are committed outside Indian territory subject to international treaties and domestic laws of other nations. NIA is headquartered in Delhi and has branches in Hyderabad, Guwahati, Kochi, Lucknow, Mumbai, Kolkata, Raipur and Jammu.

Q3. Consider the following statements with respect to Counter Cyclical capital Buffer (CCCB):

1. The CCCB aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate.
2. It is intended to protect the banking sector against losses that could be caused by cyclical systemic risks.
3. It requires banks to add capital at times when credit is growing rapidly so that the buffer can be reduced when the financial cycle turns.

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

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

Answer: c

Explanation:

In December 2010, the Basel Committee on Banking Supervision published *Basel III: A global regulatory framework for more resilient banks and banking systems* which presents the details of global regulatory standards on bank capital adequacy and liquidity, including a countercyclical capital buffer.

- The countercyclical capital buffer aims to ensure that banking sector capital requirements take account of the macro-financial environment in which banks operate.

- Its primary objective is to use a buffer of capital to achieve the broader macro-prudential goal of protecting the banking sector from periods of excess aggregate credit growth that have often been associated with the build-up of system-wide risk.
- It is intended to protect the banking sector against losses that could be caused by cyclical systemic risks.
- It requires banks to add capital at times when credit is growing rapidly so that the buffer can be reduced when the financial cycle turns.

Q4. Consider the following statements with respect to "Ways and Means Advances" (WMA) :

1. It is a loan facility given by the Reserve Bank of India to the Centre and State governments.
2. Interest rate for WMA for the Government of India is charged at the repo rate.

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: d

Explanation:

The Reserve Bank of India gives temporary loan facilities to the centre and state governments as a banker to government. This temporary loan facility is called Ways and Means Advances (WMA). The WMA scheme was designed to meet temporary mismatches in the receipts and payments of the government. This facility can be availed by the government if it needs immediate cash from the RBI. The WMA is to be vacated after 90 days. Interest rate for WMA is currently charged at the repo rate.

Types of WMA for States:

There are two types of Ways and Means Advances — normal and special.

- Special WMA or Special Drawing Facility is provided against the collateral of the government securities held by the state.
- After the state has exhausted the limit of SDF, it gets normal WMA.
- The interest rate for SDF is one percentage point less than the repo rate.
- The number of loans under normal WMA is based on a three-year average of actual revenue and capital expenditure of the state.

I. UPSC Mains Practice Questions

1. Despite increase in exports and decrease in imports of Defence equipment, India's Defence sector remains uncompetitive globally. Explain how India was able to transform the Defence sector. What measures should be taken to address the key challenges?
2. What is the National Investigation Agency (NIA) Act? Does the NIA have powers to investigate offences committed outside India?

