

## 02 Jun 2020: UPSC Exam Comprehensive News Analysis

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### A. GS 1 Related

#### Category: GEOGRAPHY

##### 1. Monsoon hits Kerala with cyclone in the background

According to the India Meteorological Department (IMD), the monsoon has arrived in Kerala.

- This is four days earlier than what the IMD had forecast in mid-May, but is also the date on which the monsoon normally sets in over the State.
- However, 700 km from Mumbai, a nascent cyclone is brewing in the Arabian Sea and is likely to hit north Maharashtra as well as the Gujarat coast by June 3, 2020.

This topic has been covered in 1st June 2020 comprehensive News Analysis. [Click here](#) to read.

### B. GS 2 Related

<https://byjus.com>

### 1. HC bats for RT-PCR method to test frontline staff in Vidarbha

#### What's in News?

The Nagpur Bench of Bombay High Court has said that all frontline workers, including those who are asymptomatic, in hospitals and containment zones in Vidarbha shall be entitled to be tested for COVID-19 using RT-PCR (Rapid Antibody and Reverse Transcription Polymerase Chain Reaction) method.

- A Division Bench was hearing a [public interest litigation \(PIL\)](#) filed by Citizens Forum for Equality seeking these tests on medical staff, police personnel and others working with COVID-19 patients.
- The Bench directed ICMR to frame appropriate policy on this and prescribe the protocol for periodical testing of frontline workers in Vidarbha region with the RT-PCR method.

Read about RT-PCR method covered in [15th May 2020 Comprehensive News Analysis](#).

## C. GS 3 Related

### Category: **ECONOMY**

### 1. Pulses, oilseeds see sharp hike in MSP

#### Context:

The Cabinet Committee on Economic Affairs (CCEA) has approved an increase in the minimum support prices (MSPs) for all mandated Kharif crops, including paddy, pulses and cotton, for the 2020-21 marketing season.

#### Details:

- According to an official release, the increase in MSP for Kharif crops is in line with the Union Budget 2018-19 announcement of fixing the MSPs at a level of at least 1.5 times of the all-India weighted average cost of production, aiming at a reasonably fair remuneration for the farmers.

#### Minimum Support Price (MSP):

- Minimum Support Price (MSP) is the minimum price set by the government for certain agricultural products, at which the products would directly be bought from the farmers if the open market prices are less than the cost incurred.

Read more about [MSP](#).

### 2. Street vendors to get credit without collateral

#### Context:

The Ministry of Housing and Urban Affairs has launched Pradhan Mantri Street Vendor's Atmanirbhar Nidhi Scheme or PM Svanidhi Scheme.

#### Details:

- Pradhan Mantri Street Vendor's Atmanirbhar Nidhi Scheme, a micro-credit scheme for street vendors, was announced as part of the economic package for those affected by the COVID-19 pandemic and lockdown.
- The scheme is aimed at benefiting over 50 lakh vendors who had their businesses operational on or before March 24, 2020.
- The scheme is valid till March 2022.
- The vendors will be able to apply for a working capital loan of up to ₹10,000, which is repayable in monthly instalments within a year.
- On timely/early repayment of the loan, an interest subsidy of 7% per annum will be credited to the bank accounts of beneficiaries through direct benefit transfer on a six-monthly basis.
- There will be no penalty on early repayment of loan.
- The loans would be without collateral.
- The scheme is meant to help kick-start activity for vendors who have been left without any income since the lockdown began.
- Small Industries Development Bank of India is the technical partner for implementation of this scheme and will manage the credit guarantee to the lending institutions through Credit Guarantee Fund Trust for Micro and Small Enterprises.

Read more about [Atmanirbhar Bharat Scheme](#).

### 3. Cabinet committee okays ₹50,000 cr. infusion for MSMEs

#### Context:

Several steps have been taken towards facilitating ease of doing business in the MSME sector, in order to help in attracting investments and creating more jobs in the sector.

#### Details:

- The Cabinet Committee on Economic Affairs approved ₹50,000 crore equity infusion for micro, small, and medium enterprises (MSMEs) with an aim to help them enhance capacity, while also encouraging them to get listed.
  - The government will set up ₹10,000 crore fund, which, with leverage, will be able to finance equity infusion of about ₹50,000 crores in small businesses.
  - The move is expected to expand size as well as capacity of MSMEs and will encourage them to get listed on main board of domestic bourses.
- Besides, approval was given for a subordinate debt of ₹20,000 crore to provide equity support to stressed MSMEs. This is likely to benefit two lakh MSMEs.
- The CCEA, headed by Prime Minister Narendra Modi, also approved the new definition of MSMEs increasing the investment limit to ₹50 crore and turnover to ₹250 crore for medium enterprises. **Read more on this topic covered in [20th May 2020 CNA](#).**
  - The new definition will not distinguish between manufacturing and service sector.
- For micro enterprises, the investment limit will be ₹1 crore and turnover ₹5 crore, while for small enterprises, the investment limit will be ₹10 crore and the turnover ₹50 crore.
- It has also been decided that the turnover with respect to exports will not be counted in the limits of turnover for any category of MSME units, be it micro, small or medium.

#### 4. 'Can allow non-profit organisations to list on social stock exchanges'

##### Context:

A working group constituted by the [Securities and Exchange Board of India \(SEBI\)](#) on social stock exchanges has recommended allowing non-profit organisations to directly list on such platforms while allowing certain tax incentives to encourage participation on the platform.

##### Details:

- According to a release issued by the capital markets regulator, the group has recommended allowing non-profit organisations to directly list through issuance of bonds while recommending a range of funding avenues, including some of the existing mechanisms such as Social Venture Funds (SVFs) under Alternative Investment Funds (AIFs).
- The idea of a social stock exchange (SSE) for listing of social enterprise and voluntary organisations was mooted by the Finance Minister while presenting the Union Budget 2019-20.
  - It was announced for social enterprises and voluntary organisations working for social welfare to help them raise capital through debt, equity and mutual funds.

##### Suggestions by the Working Group:

- The group has also suggested a new minimum reporting standard for organisations that raise funds on social stock exchanges.
- It also suggested that for-profit social enterprises be allowed to list on the platform but with enhanced reporting requirements.
- The working group has also suggested that the social stock exchange (SSE) can be housed within the existing national bourses like the BSE and the National Stock Exchange.
  - This will help the SSE leverage existing infrastructure and client relationships of the exchanges to onboard investors, donors, and social enterprises [for-profit and non-profit], the report said.

##### Social Stock Exchange:

- Social Stock Exchange is a platform which allows investors to buy shares in social enterprises vetted by an official exchange.
- Social Stock Exchange would provide a platform where investors would invest in social enterprises authorised by the exchange. Such enterprises would have to share with the public the details of their activities and investments in a transparent manner.

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: INTERNATIONAL RELATIONS

#### 1. India, China and fortifying the Africa outreach

### **Context:**

- The article analyzes the differing approaches adopted by India and China with respect to their African outreach efforts.

### **Background:**

#### **Africa's vulnerability:**

- The [COVID-19](#) pandemic would be devastating particularly in **Africa, where economic and public health conditions are extremely vulnerable.**
- Though the African countries have been able to curb the initial spread, they are still woefully ill-equipped to cope with a public health emergency of such magnitude due to shortages of masks, ventilators, and even basic necessities such as soap and water.
- Africa needs medical protective equipment and gear to support its front line public health workers. Africa has been extremely **dependent on external aid.**

### **Details:**

- India and China have been long-standing partners of Africa and have increased their outreach to Africa during the COVID pandemic.

#### **China's diplomacy:**

- The major steps taken by China to help the African countries include the following:
  - China despatched medical protective equipment, testing kits, ventilators, and medical masks to several African countries.
  - China's billionaire philanthropists have donated anti-coronavirus supplies to many African countries.
  - Chinese embassies across Africa have been coordinating both **public and private donations** to local stakeholders.

#### *Objective:*

- **Beijing's 'donation diplomacy'** in Africa aims to achieve three immediate objectives: shift the focus away from discussions on the origins of the virus in Wuhan, build goodwill overseas, and establish an image makeover.
  - Such donations will help raise China's profile as a leading provider of humanitarian assistance and "public goods" in the global public health sector.
- The aid diplomacy will help further strengthen China's relationship with the African countries.
  - China **relies heavily on diplomatic support and cooperation from African countries** on key issues in multilateral fora. China has used African support for securing votes for its candidates in multilateral forums like the Food and Agriculture Organization (FAO) and the [World Health Organization \(WHO\)](#).

#### *Challenges:*

- The **sub-optimal quality of China's medical supplies** and its deputing of medical experts have been frequently questioned from the aid receiving countries.
- China has also faced widespread backlash over the **ill-treatment of African nationals in Guangzhou city** which grew into a full-blown political crisis for China.

#### **India's diplomacy:**



### *Increased focus on Africa:*

- **India's developmental outreach to Africa** has seen a marked increase with Africa occupying a central place in Indian government's foreign and economic policy in the recent years.
- India's plans to **open 18 new embassies** mark increased diplomatic outreach towards Africa. These efforts have been supplemented by an improved record of **Indian project implementation in Africa**.

### *COVID crisis:*

- The major aspects of **India's health diplomacy** include the following:
  - Given India's reputation as a supplier of **low-cost, generic medicines**, India is sending consignments of essential medicines, including hydroxychloroquine (HCQ) and paracetamol, to 25 African countries in addition to **doctors and paramedics** at a total cost of around Rs. 600 million (\$7.9 million) on a commercial and grant basis.
  - The **e-ITEC COVID-19 management strategies training webinars** exclusively aimed at training health-care professionals from Africa and the South Asian Association for Regional Cooperation (**SAARC**) nations help in sharing of best practices by Indian health experts. Nigeria, Kenya, Mauritius and Namibia have been beneficiaries.
  - A few African countries such as Mauritius are pushing for **health-care partnerships in traditional medicines and Ayurveda** for boosting immunity. The Indian community, especially in East African countries, has also been playing a crucial role in helping spread awareness.
- India and its citizens have been involved in relief operations:
  - The African Indian Ocean island nations of Mauritius, the Seychelles, Comoros and Madagascar have received relief material under **India's 'Mission Sagar'**.
  - Prominent Indian businessmen and companies in Nigeria and Kenya have donated money to the respective national emergency response funds.
  - Country-specific chapters of gurdwaras and temples have been involved in setting up community kitchens and organizing relief operations.

### Comparative analysis:

- India and China, through their respective health and donation diplomacy, are vying to carve a space and position for themselves as reliable partners of Africa in its time of need.
- Though the objectives remain the same, there are **significant differences in the approaches**.
- Chinese diplomacy's major aspects:
  - Monetary aid
  - Relies on increasing its political influence in the continent
  - Focus on **hard-infrastructure projects** and resource extraction
  - Focuses on elite level wealth creation
  - Emphasis on **strong state-to-state relations** as opposed to people-to-people ties
- India's approach:
  - Focused on **building local capacities and an equal partnership with Africans**
  - There is an emphasis on **people to people ties** in many of the developmental and aid projects being undertaken by India

### Conclusion:

- Though China's donation diplomacy towards Africa during COVID-19 has received mixed reactions, China still has an upper hand in Africa given its **economic heft and political influence in Africa** as compared to India.
  - **China is Africa's largest trading partner.**

- For India, the pandemic presents an opportunity to demonstrate its willingness and capacity to shoulder more responsibility in global affairs. The fact that even with limited resources, India can fight the virus at home while reaching out to developing countries in need is testament to **India's status as a responsible and reliable global stakeholder**.
- The two distinct models of India and China will come under greater scrutiny and would require both India and China to adapt to the rising aspirations of the African continent.

## Category: DISASTER MANAGEMENT

### 1. A new architecture in quake-prone areas

#### Context:

- The author analyzes India's vulnerability to earthquakes and suggests measures for better resilience to earthquakes.

#### Details:

##### **India's Vulnerability:**

- The fact that the **Indian plate is pushing against the Eurasian plate** makes cities, towns and villages on and around the Himalayas vulnerable to earthquakes.

##### **Major earthquakes in India:**

- [Latur](#) (1993)
- Kutch (2001)
- Jammu and Kashmir (2005)

#### Steps taken:

- India has a sophisticated set of monitors embedded beneath the soil's surface in many vulnerable points. This provides an opportunity to better understand the seismic activity and further research in this domain.
- India also has collaborations with other countries in the field of seismic research.

#### Predicting Earthquakes:

- Recent studies have thrown light on earthquake prediction.
- Many small tremors are witnessed on a frequent basis which are only recorded on the seismometers. The behaviour, frequency and the velocity of these small tremors can help predict the occurrence of a larger earthquake.

#### Way forward:

- India needs to be alert to the threat of earthquakes. India needs to undertake short-, medium- and long-term actions.
  - The short term actions would involve identifying vulnerable buildings and planning for their occupants' safety.

- The medium term actions could involve **mandating a new earthquake proof architecture regime in earthquake prone areas** for all builders and developers. This would help reduce the destruction and devastation caused by the earthquakes.
- The long-term actions could involve the following measures.
  - There is a need to **decongest the cities** which are most prone to earthquakes. This could remove the threat posed by the high density areas, vulnerable heights, clogged accesses in congested cities.
  - There is a need to **regulate high-rise constructions** in zones of high vulnerability like Delhi and hill stations.
  - There needs to be **seismic planning** for all major infrastructure and construction projects which could help lessen the impact of the earthquakes.
    - There should be seismic studies involved during the construction of dams and nuclear power installations for their quake-resistant standards.
  - India could work on working a system for **prediction of earthquakes**.

## Category: ECONOMY

### 1. Ominous signals

#### Context:

- Economic challenges for India.

#### Details:

- **India's economy is in a slowdown** that is only going to get worse due to the COVID-19 pandemic.
- The GDP growth estimates for the January-March quarter and the full fiscal year have been low despite the fact that these numbers still do not reflect the impact of the public health crisis and the stringent lockdowns.
  - The NSO's estimates show fourth-quarter and fiscal 2019-20 growth slumped to 3.1% and 4.2%, respectively, the slowest pace in 11 years.
  - Manufacturing sector contracted for a third straight quarter and shrank by 1.4% in the fourth quarter.
  - Construction sector, which is a major job generating activity, has continued to weaken and contracted 2.2%.
- Output at the eight core industries that represent 40% of the [Index of Industrial Production](#) contracted by an alarming 38% in April 2020. Merchandise exports shrank 60% in the same month.
- The Indian economy seems to **face demand drought** that is unlikely to abate any time soon.
  - **Private consumption spending, which accounts for 55-60% of GDP**, extended a downtrend as growth slid to 2.7%.
  - **Investment activity** which is reliant on demand in the economy contracted for a third consecutive quarter and shrank 6.5%.

#### Way forward:

- The recently announced **economic stimulus package is focused on credit enhancement measures, easing supply side constraints and structural reforms** that may bear fruit only over a longer horizon.
- But for the short term, there is a need for a **massive fiscal stimulus** which could actually put cash in the hands of consumers and the millions of jobless youth in order to help **revive demand and subsequent economic growth**.



For more information on this issue, refer to:

[CNA dated 13 May, 2020](#)

## F. Prelims Facts

### 1. INS Jalashwa sets out from Colombo

#### What's in News?

INS Jalashwa set sail from Colombo in Sri Lanka to Thoothukudi in Tamil Nadu with Indian citizens on, under Phase 2 of Operation Samudra Setu by the Navy.

Operation Samudra Setu has been covered in 6<sup>th</sup> May 2020 Comprehensive News Analysis. [Click here](#) to read.

### 2. Congo declares new Ebola epidemic

#### What's in News?

Democratic Republic of Congo declared a new Ebola epidemic in the western city of Mbandaka, more than 1,000 km away from an outbreak of the same virus.

- Congo was about to declare an official end to an Ebola epidemic on the eastern side of the country that had lasted nearly two years and killed more than 2,275 people.
- A fresh outbreak of the deadly Ebola virus has flared up in the Democratic Republic of Congo, a country that was already contending with the world's largest measles epidemic, as well as the coronavirus.
- It is unclear how Ebola emerged in Mbandaka, which is about 750 miles west of the nearly-vanquished outbreak on the country's eastern edge.
- Congo is the largest country in sub-Saharan Africa, and has been under travel restrictions to prevent the spread of the coronavirus.

Read more about [Ebola Virus Disease](#).

## G. Tidbits

### 1. Moody's downgrades India's rating

#### What's in News?

Rating agency Moody's downgraded India's foreign currency and local currency long term issuer ratings to Baa3 from Baa2, while maintaining a negative outlook, citing prolonged period of low growth and further deterioration in the government's fiscal position.

### Details:

- Moody's said the negative outlook reflects dominant, mutually-reinforcing, downside risks from deeper stresses in the economy and financial system that could lead to a more severe and prolonged erosion in fiscal strength.
- Baa3 is the lowest in investment grade in Moody's rating ladder. This means, India is just one notch above the non-investment grade or junk grade.
- The rating agency expects the country's GDP to contract by 4% in the current financial year due to the shock from the pandemic and related lockdown measures.
- The GDP growth, however, is expected to pick up in the next fiscal to 8.7% and closer to 6% in the year after.

## 2. SC to hear petition on nation's name

### What's in News?

The Supreme Court will hear on June 2, 2020, a plea which has sought a direction to the Centre to amend the Constitution and replace the word India with 'Bharat' or 'Hindustan', claiming it will instil a sense of pride in our own nationality.

- The plea has sought a direction to the government to take appropriate steps to bring amendment in Article 1 of the Constitution, which deals with name and territory of the Union, to the effect that the same refers to the country as Bharat/Hindustan, to the exclusion of India.
- The plea, filed by a Delhi-based man, has claimed that such an amendment will ensure the citizens of this country to get over the colonial past.
- The removal of the English name though appears symbolic, will instil a sense of pride in our own nationality, especially for the future generations to come. In fact, the word India being replaced with Bharat would justify the hard fought freedom by our ancestors, the plea claimed.
- Referring to the 1948 Constituent Assembly debate on Article 1 of the then draft constitution, the plea said even at that time, there was a strong wave in favour of naming the country as 'Bharat' or 'Hindustan'.
- The plea says that the time is ripe to recognize the country by its original and authentic name i.e., Bharat especially when our cities have been renamed to identify with the Indian ethos.

## H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to Bar Council of India:

1. It is a constitutional body.
2. The Attorney General of India and the Solicitor General of India are its ex officio members.
3. It sets standards for legal education and grants recognition to Universities whose degree in law will serve as qualification for enrolment as an advocate.

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

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

**Answer: b**

**Explanation:**

- The Bar Council of India is a statutory body created by Parliament to regulate and represent the Indian bar.
- It was established by Parliament under the Advocates Act, 1961.
- It performs the regulatory function by prescribing standards of professional conduct and etiquette and by exercising disciplinary jurisdiction over the bar.
- It also sets standards for legal education and grants recognition to Universities whose degree in law will serve as qualification for enrolment as an advocate.
- Attorney General of India and the Solicitor General of India are ex officio members of the Bar Council of India.

**Q2. Consider the following statements with respect to Minimum Support Price (MSPs):**

1. Minimum Support Price is the price at which government purchases crops from the farmers.
2. Government announces MSPs for 14 Kharif crops, 6 Rabi crops and 2 commercial crops.
3. MSP is recommended by the Cabinet Committee on Economic Affairs and approved by the Commission for Agricultural Costs and Prices (CACP).

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

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

**Answer: a**

**Explanation:**

- Minimum Support Price is the price at which government purchases crops from the farmers.
- Government announces minimum support prices (MSPs) for 22 mandated crops and fair and remunerative price (FRP) for sugarcane.
- The mandated crops are 14 crops of the Kharif season, 6 Rabi crops and two other commercial crops.
- MSP is recommended by the Commission for Agricultural Costs and Prices (CACP) and approved by Cabinet Committee on Economic Affairs.

**Q3. Consider the following statements:**

1. The Constitution provides that the Rajya Sabha shall consist of 245 members, of which 12 members shall be nominated by the President.
2. Elections to the Rajya Sabha are conducted in accordance with the system of proportional representation by means of the single transferable vote.
3. The Third Schedule to the Constitution provides for the allocation of seats to the States and Union Territories in Rajya Sabha.

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

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

d. 1, 2 and 3

**Answer: c**

**Explanation:**

- The Constitution provides that the Rajya Sabha shall consist of 250 members, of which 12 members shall be nominated by the President.
- Elections to the Rajya Sabha are indirect; members representing States are elected by elected members of legislative assemblies of the States in accordance with the system of proportional representation by means of the single transferable vote.
- The Fourth Schedule to the Constitution provides for the allocation of seats to the States and Union Territories in Rajya Sabha.

**Q4. "Earthquake Swarm" refers to:**

- a. A series of earthquakes occurring in a region within a relatively short period of time, without a major earthquake.
- b. The point where the energy is released during an earthquake.
- c. A mild earthquake preceding the violent shaking movement of an earthquake.
- d. Earthquakes of volcanic origin.

**Answer: a**

**Explanation:**

- An earthquake swarm is a sequence of seismic events occurring in a local area within a relatively short period of time.
- Large numbers of small earthquakes may occur in a region for months without a major earthquake. Such series of earthquakes are called earthquake swarms.
- Hypocentre is the point where the energy is released during the earthquake.
- A mild earthquake preceding the violent shaking movement of an earthquake is known as a foreshock.

## I. UPSC Mains Practice Questions

1. Discuss the features of India's diplomacy in the African continent and compare and contrast it with China's diplomatic approach to Africa. (15 marks, 250 words)
2. Analyze the vulnerability of India to the hazard of earthquakes and suggest short, medium and long-term actions to mitigate the risks involved. (10 marks, 150 words)

