

24 Jun 2020: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. [India tells Pakistan to slash staff at mission](#)

Context:

Protesting espionage and terrorism-related activities by officials of the Pakistan High Commission in Delhi as well as the ill treatment of Indian High Commission officials in Islamabad, the Indian government has decided to reduce the staff strength at both missions by half.

Background:

- The government's decision follows the return of two Indian staffers from Pakistan, who had been subjected to torture by Pakistan security agencies.
- The last time this kind of reduction of diplomats was carried out was in 2001, after the Parliament attack.

Details:

- MEA in its statement said, "The behaviour of Pakistan and its officials is not in conformity with the Vienna Convention and bilateral agreements on the treatment of diplomatic and consular officials. On the contrary, it is an intrinsic element of a larger policy of supporting cross-border violence and terrorism".
- The reduction in staff strengths is the latest in a series of measures taken by New Delhi and Islamabad who have seen bilateral ties plummet since the Pulwama terror attack in 2019 and the government's decision to amend [Article 370](#) of the Constitution and reorganise the State of Jammu and Kashmir.
- In the past year both sides have snapped trade ties, reduced visas to a minimum and cancelled overflight rights for a few months.
- In August 2019, Pakistan expelled the Indian High Commissioner, and both missions have functioned without a High Commissioner since then.

Conclusion:

- According to diplomats, the impact of the staff reduction will not be felt in any major way on either side, since there are very limited activities being undertaken by both missions at present.
- However, it is a symbolically strong message, in line with the decision of the government in December 2001, when it protested the Parliament attack, amidst the mobilisation of troops on both sides of the border and LoC in what was called Operation Parakram.

Read more about the Parliament attack of 2001 in [This Day in History dated Dec 13](#).

2. China warns risk of naval conflict with U.S.

Context:

The U.S. military is deploying unprecedented numbers to the Asia-Pacific region, raising the risk of an incident with China's Navy, a senior Chinese official has said.

Details:

- Tensions between the two have soared on multiple fronts since President Donald Trump took office.
- According to a report, U.S. has deployed 3,75,000 soldiers and 60% of its warships in the Indo-Pacific region. Three US aircraft carriers have been sent to the region.
- The United States' regular "freedom of navigation" operations in the [South China Sea](#) — where China and neighbouring countries have competing claims — angers Beijing, and China's Navy usually warns off the U.S. ships.
- During former President Barack Obama's eight years in office, the U.S. Navy conducted four freedom of navigation operations while there have been 22 of them under President Trump.
- Also, Beijing has infuriated other nations by building artificial islands with military installations in parts of the sea.

Way forward:

- If a crisis were to erupt, the repercussions on bilateral relations would be catastrophic.
- The document warns that deteriorating military relations would substantially increase the possibility of a dangerous incident, a conflict or even a crisis.
- As per the report, the two militaries should step up communication in order to prevent strategic misunderstanding and miscalculation.
- The report says China does not regard the United States as a potential rival or envisage a new cold or hot war with the U.S.

3. Trump suspends H-1B visas till year-end

Context:

The U.S. President has signed an executive order (EO) pausing new H-1B visas effective June 24, 2020 through the end of the year.

Details:

- H4 visas (H-1B dependents), L visas (intra-company transfers), as well as H-2B (non-agricultural workers) and J visas will be on pause through the year-end.
 - H-1B visa is required to work in a specialty occupation. Requires a higher education degree or its equivalent. Includes fashion models of distinguished merit and ability and government-to-government research and development, or co-production projects administered by the Department of Defence.
 - L1 visas allow companies to transfer highly skilled workers to US for a period of up to seven years.
 - H-2B visas allow food and agricultural workers to seek employment in the US.
- H-1B, H-2B, J and L visa holders, and their spouses or children already present in the US shall not be impacted by the new worker visa ban.
- The order was issued ostensibly to protect American jobs during the ongoing pandemic.
- It has been criticised by the tech industry as well as politicians on both sides of the aisle as damaging to the U.S. economy.

Why did the US suspend non-immigrant worker visas?

- Since it was started in 1952, the H-1 visa scheme has undergone many changes and revisions to allow or disallow certain categories of skilled workers in the US, depending on the economic situation of the country.
- The technology boom coupled with the arrival of the internet and low-cost computers in developing nations such as India and China saw a large number of graduates willing to work at relatively low costs in the US, a win-win situation for both the employer and the employee.
- However, it has since often been criticised for sending low cost workers to the US at the expense of domestic workers.
- In his executive order extending the ban, Trump said that while under normal circumstances, “properly administered temporary worker programs can provide benefits to the economy,” the extraordinary economic contraction created due to COVID-19 posed a threat to the US workers.

How does it impact Indian IT companies?

- Indian IT companies are amongst the biggest beneficiaries of the US H-1B visa regime, and have since the 1990s cornered a lion's share of the total number of visas issued each year.
- Indian IT companies also offer subcontracts to Indian nationals already present in the US with valid H-1B visas.
- As of April 1, 2020, the US Citizenship and Immigration Services (USCIS) had received about 2.5 lakh H-1B work visa applications, according to official data.
- Indians had applied for as many as 1.84 lakh or 67 per cent of the total H-1B work visas for the current financial year ending March 2021.
- Apart from the suspension of these work visas, the executive order signed by Trump has also made sweeping changes to the H-1B work visa norms, which will no longer be decided by the currently prevalent lottery system.
- The new norms will now favour highly-skilled workers who are paid the highest wages by their respective companies.
- This could result in a significant impact on margins and worker wages of Indian IT companies which send thousands of low-cost employees to work on client sites in the US.
- However, as per research agency ICRA, the move will be mildly negative for the Indian IT services sector considering their high dependence on such visas.

4. U.S. seeks to widen nuclear deal with Russia

Context:

According to a U.S. envoy in talks with Russia on a new accord, the U.S. wants to broaden its nuclear arms control pact with Russia to include all their atomic weapons.

Details:

- U.S. special presidential envoy has urged China to join the talks on replacing the 2010 New Strategic Arms Reduction Treaty (New START), which expires in February 2021.
- According to a senior U.S. official, the concerns about China's testing activities supported President Donald Trump's case for getting China to join the United States and Russia in talks on an arms control accord to replace the 2010 New START treaty.

New START:

- New START is a nuclear arms reduction treaty between the United States and the Russian Federation with the formal name of Measures for the Further Reduction and Limitation of Strategic Offensive Arms.
- It was signed on 8 April 2010 in Prague, and, after ratification entered into force on 5 February 2011.
- New START replaced the Treaty of Moscow (SORT), which was due to expire in December 2012. Its name is a follow-up to the START I treaty, which expired in December 2009, the proposed START II treaty, which never entered into force, and the START III treaty, for which negotiations were never concluded.

Category: SOCIAL ISSUES

1. SC gives nod to woman to abort foetus

Context:

The Supreme Court has allowed a woman in her 25th week of pregnancy bearing twins to medically terminate one of the foetuses detected with substantial abnormalities.

Details:

- The Medical Termination of Pregnancy Act of 1971 bars abortion if the foetus has crossed the 20-week mark.
- An exception to the law is made if a registered medical practitioner certifies to a court that the continued pregnancy is life-threatening for the mother.
- In the present case, a three-judge Bench set aside the Bombay High Court's rejection.
 - It allowed the woman to go ahead with the "selective foetal reduction" procedure after a medical expert reported that the process would not harm the other normal foetus or the mother.

Read more about the **Medical Termination of Pregnancy Act of 1971 and Medical Termination of Pregnancy (Amendment) Bill, 2020** covered in [31st January 2020 Comprehensive News Analysis](#).

C. GS 3 Related

Category: ECONOMY

1. SEBI makes raising funds easier for stressed companies

Context:

The [Securities and Exchange Board of India \(SEBI\)](#) has relaxed the norms for preferential allotment for companies that have stressed assets, thereby making it easier for such entities to raise funds.

Details:

- SEBI said, listed entities with stressed assets can make preferential allotment at a price that is not less than the average of the weekly high and low of the volume weighted average prices of the related equity shares during the two weeks preceding the relevant date.
- It has exempted allottees in such issuances from having to make an open offer even if the quantum of acquisition triggers an open offer or there is a change in control in terms of Takeover Regulations.

Checks to ensure the relaxations are not misused:

- The preferential issue cannot be made to entities that are part of the promoter group or those that have been identified as undischarged insolvent, wilful defaulter or fugitive economic offender.
- The resolution for such a preferential allotment and the exemption from an open offer will have to be passed by the majority of minority shareholders and the proposed end-use of proceeds of such preferential issue will have to be disclosed.
- The proceeds cannot be used for repayment of any loans taken from the promoter group/or group companies.
- A three-year lock-in will also be applicable on the shares allotted in such a preferential allotment.

Note:

- A company would be eligible to be called stressed if it has defaulted on its payment obligations for more than 90 days or if the credit rating agencies have downgraded its securities to 'D'.
- An entity, which has an inter-creditor agreement in terms of Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets) Directions 2019, will also be identified as stressed.

2. Money supply surge signals uncertainty amid pandemic

Context:

According to RBI data, M3 money supply rose 6.7% in the first five months compared with the same period last year, the highest growth in seven years.

Details:

- Heightened uncertainty caused by the COVID-19 pandemic has led to a surge in currency in circulation as people hoard cash or park money in accessible deposits to safeguard themselves against salary cuts or job losses.
- Currency in circulation, which measures money with the public and in banks, has also surged.
- However, according to analysts, a rise in money supply usually is seen as a leading indicator of growth in consumption and business investments, but the rise this time is unlikely to bolster either.

Issues:

- With heightened uncertainty about the duration of pandemic, people have curtailed their discretionary spending as they're not sure of their permanent income.
- Gross capital formation, or total investments toward fixed capital, fell 7% in the March quarter, a seven-year low, and analysts expect a further deterioration.
- Savings and current account deposits have fallen by 8% due to higher withdrawals.

Read more about [Measures of Money Supply](#).

3. Govt. mulls customs levy on solar equipment

Context:

The Government of India is considering levying a basic customs duty (BCD) of about 20% on solar energy equipment to give an edge to domestic manufacturers and discourage imports, especially from China.

Issue:

- However, solar energy developers say it will be counterproductive in view of India's ambitious target of achieving 100 GW of solar energy by 2022.
- Despite making significant progress in solar power generation, India still relies on China for equipment.

This topic has been covered in 6th June 2019 Comprehensive News Analysis. [Click here](#) to read.

E. Editorials

Category: INTERNAL SECURITY

1. The sharp end of military power

Context:

- Border tensions between India and China across the Line of Actual control (LAC).

Details:

- The author of the article, Arjun Subramaniam, a retired Air Vice Marshal from the Indian Air Force argues for the **acceptance of the importance of air power** in what has been till now a significantly land-centric operational philosophy of India across the LAC.

Past precedents:

Error of judgment:

- In the **1962 war, there was minimal or no role for the Indian Air Force (IAF)** despite the Chinese advances into Indian territories. Despite the possible positive impact that IAF could have resulted for India, the political leadership was against the use of air power against the Chinese. The Indian side faced a humiliating defeat from the Chinese.

Acceptance of role of air power:

- **In 1986-1987**, following the establishment of a camp at Wangdung grazing grounds in the **Sundorong Chu Valley (northwest of Tawang)**, India had employed an envelopment strategy that spooked the Chinese with numbers, firepower, and aggression without needless confrontation. An important element of this strategy was the **use of helicopters and transport aircraft** to facilitate and sustain this deployment.
- Unlike in 1962, India even developed an offensive strategy to take the battle to Le, the forward most PLA base in the sector. There was close coordination between the army and the IAF. There was **emphasis on the role of air power and its utility for India**.

Comparison of air force capabilities:

- The author offers a detailed comparison of the air force capabilities of India and China and analyzes the strengths and weaknesses of the IAF.

The IAF's advantage:

- Based on recent operational assessments, the IAF currently enjoys both a qualitative and quantitative advantage over the People's Liberation Army Air Force (PLAAF) across the LAC.
- **IAF's fighter fleet of 4th Generation Aircraft** (Su-30 MKIs, Mirage-2000s and MiG-29s) are superior in almost every respect to the PLAAF's J-10s, J-11s and SU-30 MKKs.

- The **IAF has more operational bases than the PLAAF close to the LAC**. There is the potential for higher survivability of IAF bases to withstand an initial attack by the PLA Rocket Force (PLARF).
- India enjoys a **significant advantage in the aerial mobility department** where the IAF transport fleet of C-17s, Il-76s, An-32s and C-130s are capable of diverse roles like rapid troop induction into major bases or at Advance Landing Grounds like DBO, Nyoma or Mechuka, or inter-valley transfer.
- The **recently inducted Chinooks and the versatile Mi-17 series helicopters** are capable of the insertion of Special Forces in difficult to reach areas. The recently inducted **Apache Attack Helicopter**, capable of operation at altitudes of 12,000-14,000 feet, would add significant firepower for the IAF.

Challenges for IAF:

- Despite the many advantages enjoyed by the IAF, there are, however some concerns too.
- **China has a strong ground-based air defence network** in Tibet comprising the S-300, S-400 and HQ-9 systems that the IAF will have to contest during its offensive operations.
- The PLAAF holds an advantageous position with respect to **long-range air delivered cruise missiles (500-3,000 km)** from the H-6 bomber. As compared to this, the IAF's Su-30 MKI has just been cleared to carry the BrahMos land attack cruise missile with a range of 300 km.
- China possesses the **Yaogan series of low earth orbit surveillance satellites** that offer it an advantageous position in the area of surveillance. India stands at a disadvantage with respect to surveillance capability.
 - India must leverage its existing space-based surveillance assets and airborne surveillance platforms to support wide-spectrum operations and provide better situational awareness.
- Given the thrust on modernization by the PLAAF and the IAF having to face deep budgetary cuts and the likelihood of the slowing down of the induction of cutting-edge platforms and weapon systems, in the next decade or so, the IAF may lose its competitive advantage against the PLAAF.

Conclusion:

- The ground situation across the entire Line of Actual Control (LAC) is largely one of parity and for any asymmetric advantage to be gained, it is air power that will prove to be decisive in depleting the PLA's combat potential.
- **Air power represents a significant aspect of contemporary military power** and India should take appropriate measures to strengthen its air force capabilities.

Category: AGRICULTURE

1. Crop of ironies

Context:

- Issues being faced by the agricultural sector during the pandemic.

Background:

Challenges during the pandemic:

- The Indian agriculture sector was impacted by lockdowns across states following the COVID-19 outbreak.

- Migrant farm workers fled the fields en masse depriving the sector of the important labour component.
- Crippling **bottlenecks in the supply chain** resulted in prices sky-rocketing in consumer markets, even as farmers, stuck with inventory, started dumping them at throwaway prices.
- Many remained hungry even as the Food Corporation of India's godowns overflowed with grain stock at three times the buffer stock norms.

Reforming the agricultural sector:

- The devastating pandemic has forced the government's hand for long-overdue agrarian reforms.
 - Amendments have been made to the **Essential Commodities Act, 1955**.
 - The Centre has encouraged the State governments to adopt **three model laws on contract farming, agricultural land leasing, and marketing**.
 - State governments have been urged to dismantle the Agricultural Produce Market Committees. Long-term changes such as fair pricing and e-trading have been made to the agricultural sector.

For more information on this issue, refer to:

[CNA dated 17 May, 2020](#)

Challenges:

Environmental pressures:

- Just as Rabi crops were set to be harvested, **unseasonal rain and hail** arrived at the beginning of the year leading to crop damage in some parts of the country. Parts of the country also witnessed **locust invasions** which could have a detrimental impact on the productivity for the year.
- Climate scientists warn about **climate change** and its impact on Indian agriculture.

Financial pressures:

- **Existing loans and their inability to pay could push farmers into poverty.**
- The Reserve Bank of India announced an extension of the moratorium on loan EMIs by three months, but given that **many farmers rely on a system of informal borrowing**, this negates the intended effect.
- Though the **MSPs of 14 Kharif crops have been increased** recently by the government, some experts have argued that this may not offer the intended extent of relief due to a lack of manpower, working capital, machinery and storage.

Food security:

- India has been witnessing a historic reverse migration. Migrant labourers face the prospect of an endangered food security. While the concept of One Nation, One Ration Card has potential, people are concerned about immediate relief for the hungry which is being provided with the release of fixed quantities of free foodgrains and pulses to the migrants, even to those without ration cards, for the months of June and July. Implementation needs to be seen through. India has always struggled to **fill the gap between policy prescriptions and implementation**.
 - **India has been ranked 102 out of 117 countries on the Global Hunger Index.**

Steps to be taken:

- Need to **increase government allocations to poor farmers through the [PM KISAN scheme](#)** by including even those who do not own land.

- Need to **ensure timely availability of seeds and fertilizers** for the next season by roping in gram sabhas and Farmer Producer Organisations in the process.
- Need to **redirect supply chains locally** which could ensure resilience of the sector.

Conclusion:

- The resilience of Indian farmers meant that the nation was fed even through multiple lockdowns. Acknowledging the fact that food security and farmer welfare are intertwined, there is a need for enhanced efforts to support the critical agricultural sector.
 - Although agriculture accounts for around 17% of India's GDP, nearly 50% of the country's population depends on farm-based income.

For more related information, refer to:

[CNA dated May 18, 2020](#)

F. Prelims Facts

1. Arrest the virus of arbitrary power

- **Article 21 of the Indian Constitution** deals with **protection of life and personal liberty**. No person shall be deprived of his life or personal liberty except according to procedure established by law. Read more on [Article 21 - Right to Life](#).
- **Article 22 of the Indian Constitution offers protection against arrest and detention in certain cases**. It requires that anyone arrested and detained must be informed of the ground for such an arrest and must be brought before a competent legal authority within a prescribed time frame.

Also read: [Fundamental Rights](#)

G. Tidbits

1. Russia to speed up defence deals

- Russia has said that it will accelerate deliveries of some defence contracts with India, according to the Defence Minister.
- The Defence Minister is in Moscow to attend the [Victory Day](#) parade to mark the 75th anniversary of the Second World War.
- India has been asking Russia to speed up deliveries of the S-400 long range air defence system in addition to spares and support for military hardware.

2. PM CARES finances ventilators

What's in News?

- According to a government release, the PM CARES Fund Trust has allocated ₹2,000 crore for the supply of 50,000 “Made-in-India” ventilators to government-run COVID-19 hospitals in all States and Union Territories.
- Further, ₹1,000 crore has been allocated for the welfare of migrant labourers.
- The distribution of the fund is based on the formula of 50% weightage for the population as per the 2011 Census, 40% weightage for the number of positive COVID-19 cases and 10% for equal distribution among all the States/UTs.

Read more about [PM CARES Fund](#)

H. UPSC Prelims Practice Questions

Q1. “New START Treaty” refers to:

- a. A nuclear arms reduction treaty between the United States and the Russian Federation.
- b. A multilateral trade agreement between BRICS nations.
- c. A multilateral treaty aimed at regulating the global arms trade.
- d. Bilateral energy security cooperation between the Russian Federation and the U.S.A.

Answer: a

Explanation:

- New START is a nuclear arms reduction treaty between the United States and the Russian Federation with the formal name of Measures for the Further Reduction and Limitation of Strategic Offensive Arms.
- It was signed on 8 April 2010 in Prague.

Q2. Consider the following statements with respect to Government e Marketplace (GeM) :

1. It is a state-of-the-art national public procurement platform of the Ministry of Agriculture.
2. It facilitates online procurement of common use goods and services required by various Government Departments and Public Sector Undertakings.
3. It provides e-bidding, reverse e-auction and demand aggregation tools.

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

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

Answer: c

Explanation:

Government e Marketplace (GeM) is a state-of-the-art national public procurement platform of the Ministry of Commerce and Industry. It provides the tools of e-bidding, reverse e-auction and demand aggregation to facilitate the government users achieve the best value for their money. It facilitates online procurement of common use goods and services required by various Government Departments and Public Sector Undertakings.

Q3. Kunjahammad Haji is associated with which of the following uprisings?

- a. Paika Rebellion
- b. Moplah Rebellion
- c. Faraizi Revolt
- d. Poligar Revolt

Answer: b

Explanation:

Variyamkunnath Kunjahammad Haji led the Moplah uprising against the British in Kerala's Malabar region.

Q4. Consider the following statements with respect to India's renewable energy targets:

1. India has set a target of installing 175 GW of renewable energy capacity by the year 2022.
2. It has set a target of 20 GW of solar capacity by 2022.

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

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

Answer: a

Explanation:

- The Government of India has set a target of installing 175 GW of renewable energy capacity by the year 2022, which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power.
- The government had an initial target of 20 GW of solar capacity by 2022, which was achieved four years ahead of schedule.
- In 2015, the target was raised to 100 GW of solar capacity by 2022.

I. UPSC Mains Practice Questions

1. There is a need for the acceptance of the importance of air power in what has been till now a significantly land-centric operational philosophy of India across the LAC. Comment in the light of the advantages enjoyed by the Indian Air Force with respect to the Chinese Air force. (10 marks, 150 words)
2. Discuss the challenges faced by the agricultural sector during the pandemic and evaluate the effectiveness of the recently announced agricultural sector reforms in addressing these concerns. (10 marks, 150 words)

