

16 Jul 2020: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Category: SOCIAL ISSUES

1. Fight against hunger disrupted by slowdown

Context:

The State of Food Security and Nutrition in the World (SOFI) 2020 report has been released.

- The report was released in New York on the sidelines of the High-Level Political Forum on Sustainable Development which tracks the progress of nations towards achieving [Sustainable Development Goals](#) 2030.

State of Food Security and Nutrition in the World (SOFI) report

- It is produced jointly by the Food and Agriculture Organisation of the United Nations (FAO), the [International Fund for Agricultural Development \(IFAD\)](#), the United Nations Children's Fund (UNICEF), the UN World Food Programme (WFP) and the World Health Organisation (WHO).
- Its first edition was brought out in 2017.

Findings:

- The report underlines that in line with findings in the previous editions, hunger continues to be on the rise since 2014.
- The global prevalence of undernourishment, or the overall percentage of hungry people, is 8.9%.
- Asia remains home to the greatest number of undernourished (38 crores), Africa is second (25 crores), followed by Latin America and the Caribbean (4.8 crores).
- According to current estimates, in 2019, 21.3% (14.4 crores) of children under 5 years were stunted, 6.9% (4.7 crores) wasted and 5.6% (3.8 million) overweight.
- The report highlights that a healthy diet costs more than ₹143 (or \$1.90/ day), which is the international poverty threshold.
- The number of people globally who can't afford a healthy diet is at 300 crore people, or more than the combined population of China and India.

Concerns:

- It warned that between 8.3 crore and 13 crore people globally are likely to go hungry in 2020 due to the economic recession triggered by COVID-19.
- The heads of the five agencies (that jointly produce the report) warn "five years after the world committed to end hunger, food insecurity and all forms of malnutrition, we are still off track to achieve this objective by 2030."
- Estimates drawn from data available till March 2020 show that almost 69 crore people went hungry in 2019 — up by 1 crore in 2018.

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. India and European Union push trade talks

Context:

Indian's Prime Minister Narendra Modi held talks with European Council President Charles Michel and European Commission President Ursula Von der Leyen via videoconference.

Details:

- India and the European Union (EU) committed to a framework for strategic cooperation until 2025.
- They vowed to cooperate on their response to the coronavirus pandemic and at the [United Nations Security Council](#).
- In a new initiative to revive talks on a free trade agreement (FTA) that has been suspended since 2013, the two sides announced a "high-level dialogue" between India's Commerce Minister and EU Trade Commissioner to try and take the Bilateral Trade and Investment Agreement (BTIA) forward.
 - This is a key takeaway of the EU-India summit.

This topic has been covered in the [15th July 2020 Comprehensive News Analysis](#).

- The two sides issued:
 - A joint political statement.
 - A five-year roadmap for the India-EU strategic partnership.
 - A civil nuclear research and development cooperation agreement between EURATOM and the Department of Atomic Energy.
 - A declaration on “resource efficiency and circular economy” to exchange best practices in a range of areas and the renewal of their science and technology agreement for another five years.
- Leaders discussed India’s tensions with China at the Line of Actual Control, the situation with Iran and concerns over cross-border terrorism from Pakistan.
- The EU leadership also raised concerns over the situation in Jammu and Kashmir as well as the [Citizenship Amendment Act](#).

2. Trump ends HK’s special trade status, backs sanctions

Context:

U.S. President Donald Trump stripped Hong Kong of preferential trade treatment and authorised sanctions on banks over China’s clampdown in the financial hub.

Details:

- “Hong Kong will now be treated the same as mainland China — no special privileges, no special economic treatment and no export of sensitive technologies,” Mr. Trump said.
- According to a senior fellow at the Atlantic Council think tank, Hong Kong will suffer and China will likely gain from the move.
 - The U.S. action will have a devastating impact on Hong Kong as the financial gateway to Western markets while raising the profile of mainland Chinese markets for foreign firms and governments looking to bankroll global supply chains out of Asia.
- Trump also said he had signed into law the Hong Kong Autonomy Act, which authorises sanctions against Chinese officials and Hong Kong police seen as infringing on the city’s autonomy and, crucially, any banks that make significant transactions with them.
- The new law will force all but provincial Chinese banks to choose between abetting Beijing’s efforts in Hong Kong or being able to conduct transactions in U.S. dollars and operate in the world’s largest economy.

Category: HEALTH

1. Indigenous vaccine for pneumonia gets nod

Context:

The Drug Controller General of India (DCGI) has approved the first fully indigenously developed conjugate vaccine for pneumonia.

Details:

- The vaccine is developed by the Serum Institute of India Pvt. Ltd, Pune.
- It has been granted permission to manufacture the first domestically-developed Pneumococcal Polysaccharide Conjugate Vaccine.
- Earlier the demand for such vaccine was substantially met by licensed importers since the manufacturers were all based outside India.
- This vaccine is used for active immunisation against invasive disease and pneumonia caused by “streptococcus pneumonia” in infants and is administered intramuscularly.

C. GS 3 Related

Category: DEFENCE

1. Govt. nod for urgent defence procurements

Context:

The Defence Ministry, once again gave emergency powers to the armed forces to procure weapons systems at costs up to ₹300 crore on an urgent basis, without any further clearances, to cut short the procurement cycle.

Details:

- Similar powers were given to the services after the Balakot air strike in February 2019.
- The decision was taken at a meeting of the Defence Acquisition Council (DAC), chaired by the Defence Minister, which the Ministry had convened considering the security environment due to the situation along the northern borders and the need to strengthen the armed forces.
- The Army has already taken a decision to place repeat orders for 72,400 SIG-716 assault rifles from Sig Sauer of the U.S. and 12 launchers and around 250 missiles of the Spike Anti-Tank Guided Missiles (ATGM) from Israel.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Inflation alert

Context:

- Inflation data for June 2020.

Details:

- June's retail inflation stands at 6.1%.

- An analysis of the **Consumer Price Index** reveals that **prices in the food and beverages group rose an average 7.3% year-on-year**, with the key protein sources of pulses and products, meat and fish and milk and its derivatives prices rising much higher than the average inflation in the food category.
 - Inflation in the food category would have been much faster but for vegetables and fruits moderating the gains as anxious growers likely sold the perishables at distress rates.
- Transport and communication, which includes petrol and diesel, also posted a 7.1% jump.

Concerns:

Adding to pandemic woes:

- It was in June 2020 that the Indian economy reopened from the crippling lockdowns of the preceding two months. The lockdown has severely disrupted the economy and led to a loss of livelihood for many. The **accelerating inflation will only further pressurize India's pandemic-hit economy**.

Unexpected trend:

- Though the disruptions caused to the supply of goods and services as a result of the nationwide shutdown could have resulted in an increase in prices, the effect of the depressed demand has not been manifested.
- **Rising prices despite the depressed demand** is cause for disquiet.

For more information on inflation and contributive factors, refer to:

[Inflation - Types, Measurement, Remedies](#)

Prospect of accelerating inflation:

- The recent **sustained increase in fuel prices** is expected to feed through into higher costs for transporting farm produce and might only add to the rise in food prices.
- Providers of goods and services are exploring ways to insulate their businesses financially from the weak demand.
 - Steel companies recently announced they were raising prices in response to rising costs related to iron ore and the COVID-19 pandemic.
 - IHS Markit's latest India Business Outlook survey observes that **companies plan to raise selling prices over the next 12 months to protect profitability**.

Weak business outlook:

- Researcher IHS Markit's latest **India Business Outlook survey** paints a dismal picture with sentiment having turned negative in June for the first time in the 11 years since it began polling businesses in the country, and **firms reporting a steep drop in confidence**.
- The lack of business confidence will **result in weaker investment and subsequent weaker production capacity to meet any future increase in demand**. This could aid inflation.

Lack of policy options:

- With inflation already above the RBI's 6% target upper bound, monetary policymakers would have to make difficult choices.
- A further rate cut to help revive economic momentum might lead to increased inflation and risks putting the economy on a path to **stagflation**.

For more information on the issue of stagflation, refer to:

Category: INTERNATIONAL RELATIONS

1. India should believe in the EU

Context:

- India-EU relations.

Background:

- Given the current fragmented global order and Indian aspirations to be a global player, India needs to invest in increasing the number and quality of its bilateral and multilateral relationships. Partnership with the [European Union \(EU\)](#) is one such potential relation for India.

Details:

Common Vision:

- The EU and India have much in common. The EU and India can support each other in these endeavours.

Economic:

- Given the experience during the pandemic, both India and the EU are looking to **diversify their strategic value chains in the economic domain** and **reduce their economic dependency on a single nation like China**.

Global role:

- Both aim to **enhance strategic autonomy and their global standing**.
 - The EU has been reluctant to be seen siding with the U.S. and has taken independent differing views based on its mutual interest. India has historically argued for strategic autonomy.
 - India is seen as a rising power while the EU has been a traditional powerhouse and intends to keep its influence in global affairs intact.

Commitment to Climate change:

- India and the EU have shown immense commitment to address climate change.
 - On climate change, the EU is building on its ambitious target to render the continent **carbon-emission neutral by 2050**, through its new industrial strategy, the Green Deal.
 - India has also set ambitious targets for itself towards mitigating climate change.
- Should both the EU and India succeed in transforming into carbon-neutral economies by 2050, the world will benefit from the investments.

Mutual benefits:

Economic:

- Enhanced business cooperation between the two countries can help both the EU and India diversify their strategic value chains and reduce economic dependency on China.
- **India could attract EU investment** that might be moving out of China.
- A study from the European Parliament assesses the **potential impact of an EU-India trade agreement** at between €8 billion and €8.5 billion gains from increased trade for both sides, with a more significant increase of trade gains likely to flow to India.

Geostrategic:

- In geopolitical terms, India finds itself facing increasingly restive, powerful rivals in its immediate neighbourhood. The EU- China relation is also under strain due to the recent developments. A partnership between India and the EU can act as a **pressure point on the Chinese**.

For more information on this issue, refer to:

[CNA dated July 13, 2020](#)

- **The Indo-Pacific region** is receiving increased attention from global powers including the EU. India exercises substantial geopolitical leverage in the Indo-Pacific region. Stronger cooperation between the like-minded democratic powers, India and the EU can support each other in balancing assertive competitors like China.

Global affairs:

- The EU champions the rules-based international order, which is being increasingly challenged by the proliferation of exceptionalism. India holds similar views.
- The EU and India can join forces to **promote sustainable reform of multilateral institutions** like the World Trade Organization (WTO).
- A strong partnership would help both the EU and India become global decision-makers.

Challenges:

- Though the EU is India's biggest foreign investor, there is still room for improvement when compared to EU investments in China which, in the year 2018, amounted to €175.3 billion. The **lack of finalization of the FTA between India and the EU** is a concern.
 - The EU is India's biggest foreign investor, with €67.7 billion worth of investments made in 2018 which is equal to 22% of total **FDI** inflows.

Way forward:

- There is a need to address the mutual trust deficit between India and the EU. The EU and India must take forward the negotiations on the proposed Free Trade Agreement (FTA).
- **Facilitating people's mobility and connectivity** could help improve mutual understanding and create opportunities for innovation and growth.
- The present circumstances provide an opportune time for India and the EU to build a **partnership that is both economic and strategic** and both parties should invest efforts at strengthening this relationship far beyond the economic dimension.

F. Prelims Facts

1. Indigenous bugs help tackle invasive pest

What's in News?

Three indigenous bugs including two types of ladybird have been reported to control the woolly whitefly - Caribbean-origin enemy of Indian fruit farmers.

- These native predators for the natural control of the woolly whiteflies are found to be the biological weapons against the pest and have been reported to control the pest by devouring them.
- Two of these indigenous predators were ladybird beetles of the *Coccinellidae* family and one was the green lacewing fly from the *Neuroptera* order.

Issues:

- According to the Indian Council of Agricultural Research (ICAR), pests damage 30-35% of crops in the country annually.
- Among the newest of the 118 exotic pests troubling farmers in India, particularly fruit growers, is the woolly whitefly.
 - This whitefly (*Aleurothrixus floccosus*) is invasive and polyphagous, meaning a creature that feeds on various kinds of food.
- In 2019, ICAR's National Bureau of Agricultural Insect Resources had reported the spread of woolly whiteflies through transportation of infested seedlings.

2. Karunanidhi on Autonomy Demand

- A **Centre-State Relations Inquiry Committee** was set up by the Tamil Nadu state government in September 1969 under the **Chairmanship of Dr. P.V. Rajamanar** to consider important questions on federalism.
- The Committee in its report recommended the setting up of the **Inter-State Council** and recommended that any decision of national importance or which may affect one or more States should be taken by the Union Government only after consultation with the Inter-State Council.
- The committee favoured the vesting of the **residuary power of legislation** taxation in the state legislature.
- The recommendations were ignored by the union government.

3. China's post-COVID aggression is reshaping Asia

- The **Chiang Mai Initiative** was a financial swap mechanism between China, Japan, South Korea, and ASEAN that emerged in the aftermath of the late **1990s Asian financial crisis**.
- The **Association of Southeast Asian Nations (ASEAN)**, a regional intergovernmental organization comprising ten countries in Southeast Asia, was **created in 1967**.

G. Tidbits

1. House panel calls for database on migrants

What's in News?

Members of the Parliamentary Standing Committee on Home Affairs have advised the government to set up a national database of migrant workers to ensure that they don't fall out of the social security cover.

- It was discussed how the pandemic has brought to the fore the gaping holes in our social security network, which need to be plugged.
- It was opined that better coordination between States and districts could have prevented the massive exodus of migrant workers.

2. Modi exhorts youth to skill, reskill and upskill

What's in News?

Speaking on the occasion of the [World Youth Skills Day](#) and the fifth anniversary of “[Skill India Mission](#)”, India's Prime Minister said that the mission had led to the creation of vast infrastructure for skilling, reskilling and upskilling and enhancing opportunities for access to employment, both locally and globally.

- PM highlighted the potential to capitalise on skilling opportunities, giving the example of the healthcare sector where Indian skilled manpower could supplement the global demand.

Progress made:

- Under the programme, hundreds of PM Kaushal Kendras have been set up and the capacity of the ITI ecosystem increased.
- More than five crore youth have been skilled.
- The [ASEEM portal](#) was launched recently for mapping the skilled employees and employers. This would help the skilled workers, including the migrant workers who had returned to their homes, to access jobs easily and the employers to contact skilled employees.

3. U.S. govt. rescinds restrictive rule on international students

What's in News?

The U.S. Government has rescinded its policy that foreign (F-1 and M-1 visa categories) students taking all their courses online would have to depart the country.

- This order, issued by the Immigration and Customs Enforcement (ICE), encountered strong opposition from voices in academia, industry and politics.
 - Tech companies and industry associations, including Google, Facebook and Twitter as well as the U.S. Chamber of Commerce, filed an amicus brief in support of the Harvard-MIT lawsuit, citing, “significant harm” to U.S. businesses from the administration's policies.

This issue has been covered in the 8th July 2020 Comprehensive News Analysis. [Click here](#) to read.

4. India's population may peak by 2047

According to a projection in the online edition of the Lancet, India's population is likely to peak by 2047 at about 1.61 billion and then decline to 1.03 billion by 2100.

- However, were it to meet UN Sustainable Goal Development targets, the peak would be earlier and see a population decline to 929 million.
- Conventional wisdom is that though a decline in population is expected, it is expected to begin only around 2046.
- The sharper fall, the scientists opine, is due to the assumption that all women globally will have much higher access to contraception and education. This scenario will lead to a sharper reduction in the Total Fertility Rate.
 - A TFR lower than 2.1, it is said, leads to a decline in a country's population.
- The [UNDP](#) forecasts assume that all countries mirror the trend in selected low-fertility countries in Europe, east and southeast Asia, and North America, where the TFRs converge towards a level of approximately 1.75.
- India is expected to remain the most populous country. The five largest countries in 2100 are projected to be India, Nigeria, China, the U.S. and Pakistan.

H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to Asian Development Bank (ADB):

1. It is headquartered in Manila, Philippines.
2. The bank admits the members of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) and non-regional developed countries.
3. It issues Special Drawing Rights (SDR) monetary reserve currency that operates as a supplement to the existing money reserves of member countries.

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

CHECK ANSWERS:-

Answer: a

Explanation:

- The bank admits the members of the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP, formerly the Economic Commission for Asia and the Far East or ECAFE) and non-regional developed countries.
- Special Drawing Rights (SDR) refers to an international type of monetary reserve currency created by the International Monetary Fund (IMF) in 1969 that operates as a supplement to the existing money reserves of member countries.
- SDRs are units of account for the IMF and not a currency per se. They instead represent a claim to currency held by IMF member countries for which they may be exchanged.

Q2. Total Fertility Rate is:

- a. The average number of children born to women during their reproductive years.

- b. The fertility rate at which a population exactly replaces itself from one generation to the next, without migration.
- c. The fertility rate at which a population exactly replaces itself from one generation to the next.
- d. The number of live births per thousand of population per year.

CHECK ANSWERS:-

Answer: a

Explanation:

- Total Fertility Rate refers to the average number of children born to women during their reproductive years.
- In simple terms, it refers to the total number of children born or likely to be born to a woman in her lifetime if she were subject to the prevailing rate of age-specific fertility in the population (reproductive years).

Q3. Consider the following statements with respect to Chiang Mai Initiative:

1. It is a multilateral currency swap arrangement.
2. It involved ten members of ASEAN, the People's Republic of China including Hong Kong, Japan, and South Korea.

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

CHECK ANSWERS:-

Answer: c

Explanation:

- The Chiang Mai Initiative was a financial swap mechanism that emerged in the aftermath of the late 1990s Asian financial crisis.
- It is a currency swap agreement among ASEAN +3 i.e, ten members of ASEAN, the People's Republic of China including Hong Kong, Japan, and South Korea.

Q4. Which of the following committees or commissions dealt with Centre-State relations?

1. Sarkaria Commission
2. Puncchi Commission
3. Rajamannar Committee

Choose the correct option:

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

CHECK ANSWERS:-

Answer: d

Sarkaria Commission, Puncchi Commission and Rajmannar Committee dealt with center-state relations.

- In 1983, the Central government appointed a three-member Commission on Centre-state relations under the chairmanship of R S Sarkaria, a retired judge of the Supreme Court.
- In April 2007, the Government of India constituted a Commission on Centre-State Relations under the chairmanship of Justice Madan Mohan Punchhi to look into the new issues of Centre-State relations keeping in view the changes that have taken place in the polity and economy of India since the Sarkaria Commission had last looked at the issue of Centre-State relations over two decades ago.
- In 1969, the Tamil Nadu Government appointed a three-member committee under the chairmanship of Dr P V Rajamannar to examine the entire question of Centre-state relations and to suggest amendments to the Constitution so as to secure utmost autonomy to the states.

I. UPSC Mains Practice Questions

1. Common vision, values and the prospect of mutual benefits from a vibrant bilateral partnership should be sufficient grounds for strengthening the India-EU relationship. Comment. (15 marks, 250 words)
2. Discuss the major types of inflation and their causative factors. Also discuss the commonly used methods to control inflation. (10 marks, 150 words)