

22 Jul 2020: UPSC Exam Comprehensive News Analysis

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Nothing here for today!!!

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. [China repeats claim on Bhutan's east](#)

Context:

China has said that it has offered Bhutan a package solution to its boundary dispute.

Details:

- The offer revives a reference to China's 1996 proposal for a territory swap to give Bhutan the disputed areas in its north in exchange for the disputed western areas, including Doklam.
- The Chinese Ministry of Foreign Affairs (MFA) also repeated its claim on Bhutan's eastern boundary at Sakteng.
 - "The boundary between China and Bhutan is yet to be demarcated, and the middle, eastern and western sections of the border are disputed," said Chinese Ministry of Foreign Affairs spokesperson.
 - Experts warn that this could be a new pressure tactic by China to push Bhutan into concluding a boundary deal.

Concerns:

- After the 11th round of talks in 1996, Bhutan's 4th King (the present King's father) had informed the Bhutanese National Assembly that China wanted to exchange the valleys to the north, with an area of 495 square kilometres, with the pasture land to the west, totalling 269 square kilometres.
 - The deal would have benefited Bhutan by giving it the larger chunk of land, and resolving its tensions with China.
 - However, it was a big worry for India, as the Doklam swap would give the People's Liberation Army (PLA) access to the strategically sensitive "chicken neck" of the Siliguri corridor.
- While the Chinese MFA did not specify details of the package solution it has offered, it is likely to be referring to the same deal.

This topic has been covered in 6th July 2020 Comprehensive News Analysis. [Click here](#) to read.

2. 'Close to limited trade deal with U.S.'

Context:

The Union Commerce Minister has said that India and the U.S. have almost finalised a limited trade deal.

Details:

- As an intermediate step between the imminent limited deal and the comprehensive deal, the minister proposed a preferential trade agreement that would cover 50 to 100 goods and services, at a virtual conference organised by the U.S.-India Business Council's [India Ideas Summit](#).
- India and the U.S. have apparently been close to finalising a limited trade deal several times over the past year, including when both Prime Minister Narendra Modi and U.S. President Donald Trump were in New York in 2019 for the [United Nations General Assembly](#) session.
- Again, in February 2020, the two sides scrambled unsuccessfully to finalise a mini deal that was to be announced during Mr Trump's India visit.

India's demands:

- India has wanted Washington to restore its access to the U.S. preferential trading system or [Generalized System of Preferences](#) (GSP), an end to the steel and aluminium tariffs, increased market access for some categories of Indian agricultural products among others.

U.S Concerns:

- U.S. concerns during the negotiations have included market access for American dairy and agricultural products, medical devices and a cut in Information and Communication Technology (ICT) import tariffs.
- The U.S. also has concerns with India's digital trade policies.
 - For instance, FDI in commerce, and data localisation.

C. GS 3 Related

Category: ECONOMY

1. Consumer law kicks in, regulator on the anvil

Context:

The Consumer Protection Act, 2019 came into force on 20th July 2020.

Details:

- The new Act empowers buyers to ask for replacements, refunds or damages from brands, e-tailers and service providers.
- Aggrieved customers in India will now be able to seek effective legal remedy, on the lines of class action suits seen in many countries.

Salient features of the Act:

Central Consumer Protection Authority (CCPA):

- The law proposes a Central Consumer Protection Authority (CCPA) to regulate matters of consumer rights, trade practices and advertisements prejudicial to the interests of the public, and to promote, protect and enforce the rights of the consumers as a class.
- The proposed CCPA will be able to file suo motu cases on behalf of a class of customers, thereby initiating class action suits that would hold brands and e-tailers accountable.

Simplified Dispute Resolution Process:

- Consumer Commissions are empowered to enforce their orders.
- State Commissions & District Commissions can now review their own orders.
- Ease of approaching Consumer Commissions through E-filing and video conferencing for hearing.

Mediation:

- Mediation is prescribed as an Alternate Dispute Resolution (ADR) mechanism.
- Reference to mediation by Consumer Commissions wherever scope for early settlement exists and parties agree for it.
- No appeal against settlement through mediation.

Product Liability:

- A manufacturer or product service provider or product seller to be responsible to compensate for injury or damage caused by defective product or deficiency in services.

- This provision would deter manufacturers and service providers from delivering defective products or deficient services.

Read more about the [Consumer Protection \(E-commerce\) Rules, 2020](#), which fall under the Consumer Protection Act, 2019.

Category: SCIENCE AND TECHNOLOGY

1. IIT-M researchers use artificial materials and ultrasound to detect defects in large structures

Context:

Researchers in the Indian Institute of Technology Madras and the University of Nairobi have used metamaterials to improve detection of defects in large structures by guided wave ultrasound.

Details:

- Engineering structures including buildings, pipelines and rails require periodic testing to prevent catastrophic failures occurring due to corrosion, impact, and strain.
- High-frequency sound waves that travel in the bulk are widely used for non-invasive and non-destructive testing of structural materials.
- Conventional bulk ultrasonic inspection is tedious and time-consuming as it involves point-by-point assessment of structures.

Guided Wave Testing:

- In guided wave testing (GWT), the sound waves are sent along the length of the structure rather than into the structure, allowing the waves to travel longer distances.
- GWT has poorer resolution than conventional ultrasound-based testing due to diffraction limitations.
- The research team used metamaterials to improve the resolution of guided ultrasound waves.

Meta Materials:

- Metamaterials are artificially crafted materials with unique internal microstructures that give them properties not found in nature.
- The constituent artificial units of the metamaterial can be tailored in shape, size, and interatomic interaction, to exhibit unusual properties.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. The main planks in a counter-China policy

Context:

- India-China tension along the Line of Actual Control (LAC).

Background:

- The situation along the China-India border in the Ladakh region is still tense. The disengagement process is proving difficult, and the military meetings have not resulted in any demonstrable progress regarding troop disengagement/de-escalation.
- China seems intent on managing the ground situation to its advantage, and bring about a realignment of the LAC.

For more information on this issue, refer to:

[CNA dated May 24, 2020](#)

Details:

- The author of the article, **M.K. Narayanan, a former National Security Adviser**, suggests that India needs to analyze Chinese objectives behind its incursions along the LAC, to avoid making a strategic miscalculation during a difficult period. Making sense of China's actions would be critical for India's response.

Military option:

- The author argues that despite repeated incursions by China along the LAC, it would be a mistake to think that China is preparing for a conflict over territory. The author suggests that India should not be taken in by Western propaganda about China's territorial ambitions and **should not presume an imminent war** based on the following reasons.
 - China is well aware that it cannot be certain whether it will emerge a victor from an all-out conflict with India. With this uncertainty, China would never attempt a military confrontation.
 - China has set itself two big targets in the form of **Made in China 2025 and China Standards 2035**. China cannot and will not jeopardise its future targets by a military confrontation with India.
 - **Made in China 2025** seeks to engineer a shift for China from being a low-end manufacturer to **becoming a high-end producer of goods**. It is a key industrial policy for industrial development in China through which China aims at **becoming a major manufacturing power by the year 2025**.
 - The **China Standards 2035 plan** will lay out a blueprint for China's government and leading technology companies to set global standards for emerging technologies like 5G internet, the Internet of Things (IoT), and [artificial intelligence](#), among other areas. This will allow China to become a **global leader in high-tech innovation**.
- The author argues that India's strategic thinkers and planners must keep this in mind while drawing up plans to counter China's actions along the border regions.
- However, India should remain prepared for any eventuality and should urgently implement the plans to **set up the Mountain Strike Corps divisions**. This move is bound to deter China far more than the stockpiling of state-of-the-art weapons.

Non-military options:

- Although maintaining a strong military is important, even more important would be to know when or how to use it. With a country such as Pakistan, the military option is more often than not the most suitable one, however, with countries such as China, one has to **consider a variety of options**.

- India should consider the ‘subtler tools’ of power available to it, rather than only considering the military option. India may well **find non-military tools not only more cost-effective but also less risky.**

Diplomatic offensive:

- Exploiting the **current widespread opposition to China**, India must embark on a diplomatic offensive to **create international opinion** in its support regarding border violations.
- A diplomatic offensive, involving the government, business leaders, persons of international standing, etc., can achieve a great deal in convincing international opinion that India is right and China is wrong, as also in conveying a message about **India’s peaceful intentions vis-à-vis China’s expansionist ambitions.**

Nurturing relations:

- India should consider **building bilateral relations** with countries with a view to draw their specific attention to China’s aggressive policies and designs.
- Though countering China’s moves to ‘buy’ influence will not be easy, India could use **developmental and aid routes** to help countries and help win their trust.
 - India can upgrade its **technical aid programme to help countries across Asia and Africa.**
 - Such programmes not only provide an enduring link between India and these countries but also help contrast India’s ‘untied aid’ with that of countries such as China whose aims are political and economic subjugation.
- **India’s involvement with the Non-Aligned Movement (NAM)** could also help India. India’s relationship with NAM needs to be revitalised.
- India must pay particular attention to relations with **countries in its neighbourhood, such as Nepal and Bangladesh, and allies such as Iran and Vietnam**, relations with whom have taken a back seat with India being more intent on strengthening relations with the West, especially the U.S., and bodies such as the Quadrilateral Security Dialogue (Quad).
- Smaller countries of Asia, which constantly face China’s aggressive interference in their internal affairs, have not received much support from India, and this needs India’s attention.

Effective messaging:

- To effectively counter China’s offensive across the world India must also overhaul its ‘messaging’ capacity. Given that in today’s world social media plays a dominant role, **sustained messaging has become critical.**
- It should make greater use of technology to send across its message and ideas to people and countries in its vicinity and across the globe, highlighting its peaceful intentions in stark contrast to China’s aggressive policies and tactics.

A united face:

- India’s true strength is its unity in diversity. A truly **united and resilient India is the best antidote to China’s attempts to humble India.** The impact of a united India will be far greater than establishing closer links with the U.S. or the West.

Soft power:

- India derives strength from its **spiritual, religious and cultural attributes**, which are a part of its civilisational heritage. India attaches significant value to reaching out to different religions.

- India has always reached out to the Tibetan spiritual leader, the Dalai Lama, with no strings attached. In recent years, possibly with a view to appeasing China, India has somewhat distanced itself from the Dalai Lama, which has, without doubt, been a mistake that needs to be rectified.
- **Restoring the Dalai Lama to the same level of eminence in India's official thinking** should be an important plank in India's anti-China policy.
- Simultaneously, India should also make efforts in **propagating 'Himalayan Buddhism'** which China has been seeking to subvert. India's credentials here far outweigh that of China's and should produce excellent dividends. It needs to become a key plank in India's 'forward policy'.

For more related information, refer to:

[CNA dated June 14, 2020](#)

[CNA dated June 18, 2020](#)

Category: ECONOMY

1. The COVID-19 fiscal response and India's standing

Context:

- The article analyzes the COVID-19 fiscal response in other developing countries and evaluates India's fiscal response.

Details:

- The article utilizes data from the International Monetary Fund Policy Tracker, the **COVID-19 Economic Stimulus Index (CESI)** of Ceyhan Elgin at Columbia University, and the World Bank to understand the COVID-19 fiscal response of different countries.

Fiscal response in developing countries:

Cash transfers:

- **Cash transfers constitute the largest category of support provided by the governments of developing countries.** This has been the prominent demand-side intervention in developing countries.
 - Of the World Bank's list of 621 measures across 173 countries, half were cash-based.
- The World Bank reports that, on average, such transfers amount to 30% of monthly GDP per capita, reaching 46% for lower-middle-income countries, for an average of three months.
- Countries have also significantly **expanded coverage of their cash transfer programmes from pre-COVID-19 levels.**
 - Countries like Bangladesh and Indonesia have increased the number of beneficiaries. Indonesia's cash schemes now cover almost 60% of the population. Indonesia has created two new unconditional cash schemes to reach 20 million individuals in urban and rural settings excluded from the current social protection measures.

Other measures:

- Other significant measures related to **food assistance** (23%) or **waiver/postponement of financial obligations** (25%).

- Only 2% related to **public works**, a clear indication of the popularity of cash transfers over public works for income support, perhaps in part due to concerns over physical distancing.
 - Countries like Mexico and Indonesia have enlarged their employment schemes and allocated higher resources to fund public works schemes.

Financing:

- Developing countries are resorting to drastic means to finance COVID-19 responses like the amendment of legal budget limits and the enhanced issuance of bonds — including a ‘**pandemic bond**’ by **Indonesia**.
- Central banks in many emerging economies are experimenting with purchases of public and private bonds in the secondary market (**quantitative easing**) or directly purchasing government bonds on the primary market (**monetising the deficit**).

Fiscal response in India:

- The **Atmanirbhar Bharat package** has been the major fiscal response in India. The total Atmanirbhar package is billed at 10% of GDP.

For more information on this, refer to:

[CNA dated May 18, 2020](#)

- The central government had also initially announced a Rs. 1.7 lakh crore relief package - **Pradhan Mantri Garib Kalyan Yojana** in response to the COVID-19 pandemic and countrywide lockdown, providing free food and cash transfers to support the poorest and most vulnerable citizens during the crisis.

For more information, refer to:

[CNA dated March 27, 2020](#)

- A significant demand-side intervention in the Atmanirbhar Bharat package was ₹40,000 crore of **additional outlay for the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)**.
- The government has also extended issuance of **free rations under the Public Distribution System**.

Financing:

- The Reserve Bank of India has been **buying sovereign bonds in the secondary market**.
- There is debate on whether the Indian government should invoke the “escape clause” in the [Fiscal Responsibility and Budget Management \(FRBM\) Act](#), to enable the central bank to directly finance the deficit.

Concerns:

Insufficient measures:

- The article argues that the **relief measures do not seem to be commensurate with the economic disruption caused by the lockdown**.
- India had one of the most stringent containment measures in place. The extent of relief measures announced does not seem to be commensurate with the economic disruption and dislocation caused by the severity of the lockdown.

- Vietnam, Indonesia, Pakistan, and Egypt, all while averaging less stringent measures than those in India, have announced stimulus measures that are as large or more substantial, as a share of GDP.
- Before the announcement of the Atmanirbhar Bharat package, India lagged significantly in terms of fiscal response, as compared to developing countries that are similar in GDP per capita, state capacity, and structure of the labour force. As of early July, the gap seems to have narrowed.

Unclear numbers:

- Given the **blurring of the distinction between fiscal and monetary components in the Indian measures**, ensuring accurate figures for fiscal responses is a challenge.
- The Atmanirbhar package is billed at 10% of GDP. The headline number for India's fiscal response in international databases is around 4% of GDP. But, the article claims that the current fiscal response including all the major announcements of the government would only add to 1.7% of GDP.

Window dressing of measures:

- The article notes that most **demand-side measures announced by the government involved frontloading, consolidation, or rerouting of existing funds** and don't add to the effective fiscal intervention by the government.
 - For example, the recently announced ₹50,000 crore Garib Kalyan Rojgar Abhiyan, consolidates projects of 12 ministries/departments and does not have any additional allocations.

Wrong policy measure:

- In India, one reason for the subdued fiscal response and the resort to monetary measures is likely a **concern with the debt-to-GDP ratio**, which is higher than for most countries in our set.
- However, aggregate demand and confidence in the economy have slumped and may not recover for many months. Not spending more now might only worsen the debt-to-GDP ratio if growth remains depressed.

Way forward:

- Demand-side interventions announced by other developing countries could provide lessons for additional measures in India.
- **Additional fiscal outlay** — in the form of cash and in-kind transfers and expanded public works schemes — would save lives and jobs today and might prevent a protracted slowdown.
 - India could consider expanding existing transfer programmes or even creating new ones.
 - India could consider **expanding entitlements in its flagship MGNREGA programme** as well as introduce an urban version of the programme.

F. Prelims Facts

1. Vulnerable groups petition global fund

What's in News?

Deprived of sources of livelihood during the pandemic, sex workers, trans-persons, gay and bisexual men, drug users and people living with HIV/AIDS have written to the Global Fund for AIDS, TB and Malaria

(GFATM) protesting against being ignored by governments and multilateral agencies in [COVID-19](#)-related emergency relief efforts.

Global Fund for AIDS, TB and Malaria (GFATM)

- Founded in 2002, GFATM, also known as Global Fund, is an international financing organization.
- The Global Fund was formed as an independent, non-profit foundation under Swiss law and hosted by the [World Health Organization](#) in January 2002.
- In January 2009, the organization became an administratively autonomous organization, terminating its administrative services agreement with the World Health Organization.
- It aims to “attract, leverage and invest additional resources to end the epidemics of HIV/AIDS, tuberculosis and malaria to support attainment of the [Sustainable Development Goals](#) established by the United Nations.”
- It is a partnership between governments, civil society, the private sector and people affected by the diseases.
- Its secretariat is in Geneva, Switzerland.

G. Tidbits

1. Deficient rainfall in three Northeast States

- Floods have ravaged Assam and Meghalaya, but three States in the northeast have received deficient rainfall.
- The rainfall in Arunachal Pradesh and Tripura has been normal.
- Manipur, Mizoram and Nagaland have been 35.33% rain deficit.

2. ‘Migrants need social security numbers’

The Parliamentary Standing Committee on Labour has recommended that the government introduce a social security number for migrant workers, especially those in unorganised sectors that are beyond the purview of labour laws.

- The members felt that Aadhaar alone doesn’t work and that a social security number will help in mapping the number of migrant workers and their migration patterns.

Also read about the [Social Security Code Bill under the article titled EPFO](#).

3. U.S. sanctions 11 Chinese firms over Uighur rights

What’s in News?

The U.S. Commerce Department announced that it blacklisted 11 Chinese businesses for involvement in human rights violations against the Uighur minority.

- The move cuts off the firms’ access to American goods.

- Washington, together with other western nations and rights groups, has accused Beijing of interning at least a million Muslims from the Uighur ethnic group in the western Xinjiang region. But Beijing denies any wrongdoing.

4. EU leaders strike deal to rebuild economy

What's in News?

European leaders have agreed on a massive aid package for their pandemic-ravaged economies.

- They have agreed on a rescue package of €750 billion (\$858 billion) to try and pull their bloc out of a deep recession.
- The package will send tens of billions of euros to countries hit hardest by the virus, most notably heavily indebted Spain and Italy who had lobbied hard for a major gesture from their EU partners.
- Britain, who left the EU in January 2020 will not benefit from the aid plan.

5. '23% of Delhiites had antibodies to virus'

What's in News?

Results of Delhi's sero-prevalence study show that on an average, the prevalence of Immunoglobulin (IgG) antibodies for SARS-CoV2, the virus causing COVID-19, is 22.86%.

This topic has been covered in [9th July 2020 CNA](#).

H. UPSC Prelims Practice Questions

Q1. Arrange the following areas from West to East:

1. Sakteng Wildlife Sanctuary
2. Doklam Plateau
3. Jakarlung
4. Pasamlung

Choose the correct option:

- a. 2, 3, 4, 1
- b. 3, 4, 2, 1
- c. 2, 4, 3, 1
- d. 2, 3, 1, 4

CHECK ANSWERS:-

Answer: a

Explanation:

These are the areas of dispute between China and Bhutan.

West to East: Doklam Plateau – Jakarlung – Pasamlung – Sakteng Wild Life Sanctuary

Q2. Consider the following statements with respect to "Meta Materials":

1. Meta Materials are artificially crafted with unique internal microstructures that give them properties not found in nature.
2. The constituent artificial units of the Meta Material can be tailored in shape, size, and interatomic interaction.

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:

Both statements are correct.

- Meta Materials are artificially crafted materials with unique internal microstructures that give them properties not found in nature.
- The constituent artificial units of the Meta Material can be tailored in shape, size, and interatomic interaction, to exhibit unusual properties.

Q3. The international financing organization, 'Global Fund', works towards accelerating the end of which of the following diseases?

1. Tuberculosis
2. Malaria
3. Swine Flu
4. Polio
5. AIDS

Choose the correct option:

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

CHECK ANSWERS:-

Answer: b

Explanation:

- Founded in 2002, Global Fund for AIDS, TB and Malaria (GFATM), also known as Global Fund, is an international financing organization.

- It aims to attract, leverage and invest additional resources to end the epidemics of **HIV/AIDS, tuberculosis and malaria** to support attainment of the Sustainable Development Goals established by the United Nations.

Q4. Consider the following statements with respect to Trade-Related aspects of Intellectual Property rights (TRIPS):

1. It is an international agreement administered jointly by the World Trade Organization and the United Nations Conference on Trade and Development.
2. It was negotiated at the end of the Uruguay Round of GATT in 1994.
3. TRIPS Agreement applies to all WTO members.

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

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

CHECK ANSWERS:-

Answer: d

Explanation:

- It is an international agreement administered by the [World Trade Organization](#).
- It was negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994.
- All the WTO agreements (except for a couple of “plurilateral” agreements) apply to all WTO members. The TRIPS Agreement is part of that package. Therefore it applies to all WTO members.
- But the agreement allows countries different periods of time to delay applying its provisions. These delays define the transition from before the agreement came into force (before 1 January 1995) until it is applied in member countries.

I. UPSC Mains Practice Questions

1. Discuss the significance of a bilateral trade deal between India and the U.S. for the two countries. Also analyze the challenges in finalizing such a trade deal. (10 marks, 150 words) (GS paper 2/International Relations)
2. Evaluate India’s COVID-19 fiscal response in comparison to other similar developing countries and discuss the associated concerns. (10 marks, 150 words) (GS paper 3/Economy)

