

# 20 Aug 2020: UPSC Exam Comprehensive News Analysis

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## B. GS 2 Related

### Category: POLITY AND GOVERNANCE

#### 1. Govt. to set up National Recruitment Agency

##### Context:

- The Union Cabinet has approved the creation of a **National Recruitment Agency (NRA)** for conducting a **Common Eligibility Test (CET)** for various government jobs.

##### Details:

- Initially, three of the over 20 Central government recruitment agencies including the Railway Recruitment Board, the Staff Selection Commission and the Institute of Banking Personnel Selection

would be brought under the NRA and subsequently all other government recruitment agencies would also be brought under the ambit of the NRA.

- The exam would be held online in 12 languages initially with plans to add all languages in the **Eighth Schedule of the Constitution** over time.
  - As per Articles 344(1) and 351 of the Indian Constitution, the Eighth Schedule recognizes 22 languages.
- Based on the screening done at the CET score level, final selection for recruitment shall be made through separate specialised Tiers (II, III, etc.) of examinations, which shall be conducted by the respective recruitment agencies.

#### **Significance:**

- The move is expected to benefit crores of young people who apply for government jobs every year. This would require the applicants to clear one preliminary screening examination as against multiple exams currently. This would help **reduce the pressure on the students as well as the need to pay multiple exam fees.**
- The test score could also be used by State governments and this could **help reduce state expenditure on the conducting of multiple exams.**
- The private sector would also be allowed to use the test as a reference for employment functions in the future and this would **aid employment avenues for the students.**

#### **Category: INTERNATIONAL RELATIONS**

##### **1. India offers vaccine to Bangladesh on priority**

#### **Context:**

- **Visit of the Indian Foreign Secretary** to Dhaka, Bangladesh.

#### **Background:**

#### **Deepening China-Bangladesh ties:**

##### *COVID-19 measures:*

- China had sent a medical team to assess the pandemic preparation of Bangladesh.
- Bangladesh Medical Research Council (BMRC) has allowed China to carry out the Phase III human trial of the anti-COVID-19 vaccine produced by China's Sinovac Biotech Ltd.

##### *Economic:*

- China has provided a **tariff-free facility for exports from Bangladesh.**

##### *Infrastructure development:*

- The Bangladesh government has recently reached an agreement with China over the building of a **\$1 billion irrigation project in the Teesta river command area.**

#### **Strain in India-Bangladesh ties:**

- There have been concerns regarding some signs of fracture in India-Bangladesh ties.
  - Bangladeshi Foreign minister had recently called on India to provide a tariff-free facility for exports from Bangladesh.
  - There have been concerns over the **current government's slow pace in sanctioning projects that are supported by India**.
  - The construction of the Teesta irrigation project could effectively neutralise the Teesta water negotiations with India.
  - The increase in the **killings of Bangladeshi nationals along the border by India's BSF** has been a constant irritant in the bilateral ties.

#### **Details:**

- The visit by the foreign secretary has been interpreted as **India's attempt to prevent the growing Chinese influence in Bangladesh**.
- The possibility of collaboration with respect to [COVID-19](#) vaccine development and manufacture and the proposal for a travel bubble for flights between India and Bangladesh that will allow smooth movement for business, official and medical personnel have been discussed.
- An early meeting of the **India-Bangladesh Consultative Committee** has also been discussed.

## C. GS 3 Related

### **Category: ECONOMY**

#### **1. World Bank may forecast steeper India contraction**

##### **Context:**

- World Bank's **India Development Update**.

##### **Background:**

- The [World Bank](#) had, previously in May 2020, projected that the Indian economy would contract by 3.2% in the current fiscal year and would only rebound slowly in the next financial year.

##### **Details:**

- In light of the **emerging challenges to the Indian economy**, the World Bank has indicated that it may further lower the GDP projections for India in its revised outlook.
- The World Bank notes the following risks for India:
  - The unabated **spread of the coronavirus in India** is a cause of concern. India continues to record the highest number of daily cases in the world.
  - **Deterioration in the global outlook** owing to the economic impact of the pandemic.
  - **Strain projected in the financial sector**. The consumption and investment slowdown would only further compound the distress in the financial sector and financial markets.
  - **India's fiscal deficit is projected to rise to 6.6% of GDP in FY21** crossing the threshold set by the [FRBM Act](#). It is expected to remain high even in the following year at around 5.5%.

##### **Way forward:**

- The World Bank calls for **critical reforms in key areas** such as health, labour, land, skills and finance to help tide the crisis brought forth by the COVID-19 pandemic.

## 2. 'India is capable of getting back to 7% growth'

### Context:

- Ranil Salgado, the **India Mission Chief at the International Monetary Fund (IMF)** has expressed his opinions on important economic policies for India.

### Details:

#### Growth dynamics:

- The COVID-19 pandemic and the lockdown has **affected both the supply side and demand side of the economy**. This would result in a fall in growth in India.
- Despite the strict pre-emptive lockdown India has not been able to gain full control of the COVID-19 situation.

#### Supporting vulnerable sections:

- India needs focussed measures to mitigate the impact of the pandemic on its poorest.
- A large proportion of any stimulus should be focused on supporting vulnerable households through **in-kind transfers and food transfers**.
- The government should consider **supporting rural employment and urban employment-generating interventions**.

#### Universal Basic Income:

- The availability of little fiscal space would weigh against interventions like the [Universal Basic Income](#).
- **Universal Basic Income even in a limited manner has to be combined with extensive subsidy reforms**. This would allow the administration to maintain a sustainable fiscal path.

#### Deficit monetisation:

- Given the sharp drop in aggregate demand, some experts have called for deficit monetisation by the RBI. It is being employed in emerging markets like Indonesia.
- However, given the concerns regarding deficit monetization, the IMF argues that it should only be the last resort for India.

For more information on this issue, refer to:

[CNA dated June 9, 2020: Who's afraid of monetisation of the deficit?](#)

[CNA dated August 6, 2020: How to pay for the stimulus?](#)

Macroeconomic policy:

- Given India's condition of a generally high level of government or public debt, decisions regarding fiscal expenditure or stimulus need to be well considered.
- Once the COVID-19 crisis has passed, India has to get back to its long-term fiscal consolidation strategy. That could help ease concerns in markets and keep rates relatively low.

#### **Structural reforms:**

- While the IMF India mission chief lauds the substantial reforms like the Insolvency and Bankruptcy Code (IBC), the introduction of GST, steps to improve ease of doing business and issues relating to FDI, he calls for more reforms in areas like infrastructure spending, labour market reforms and land reforms.

#### **Financial system:**

- Given the impending liquidity crisis in the financial system, there is the need for further reforms.
- While the aspects of recognising stressed assets, establishing the resolution framework and recapitalisation by the government of public sector banks have been implemented well, the aspect of reforms in governance issues needs more focussed attention.

#### **Economic recovery:**

- Given that India had been averaging 7+% growth rates over the previous decade, it is possible that India could reverse the slowing growth rate.
- A strong demographic dividend could help in this direction.
- With the right structural reforms and infrastructure spending, India could as well recover the economic losses brought out by the pandemic.

#### **Additional information:**

#### **The World Economic Outlook:**

- The World Economic Outlook (WEO) is a report by the International Monetary Fund that analyzes key parts of the IMF's surveillance of economic developments and policies in its member countries.

### **3. ACMA seeks policy for scrappage of vehicles**

#### **Context:**

- Auto sector in India.

#### **Details:**

#### **Crisis in the automotive sector:**

- As per data released by the **Automotive Component Manufacturers Association (ACMA)**, the auto component industry registered a 12% decline in turnover in the previous fiscal year.
- The following factors seem to have had an adverse impact on the performance of the auto sector:
  - **Subdued vehicle demand** domestically and the **slowdown in key export markets** have drastically reduced demand in the sector.

- **Massive investments made for transition from BS IV to BS VI** by the auto companies have resulted in liquidity crunch in their financial operations.
- The **lack of clarity on policy for electrification of vehicles** by the government seems to be inhibiting the investment operations of the auto companies.

#### Industry demands:

- The Automotive Component Manufacturers Association (ACMA) has been requesting the government to **reduce GST rates to 18% on all vehicles, and introduce an incentive-based scrappage policy**. This is expected to raise demand for vehicles.

For more information on this issue, refer to:

[CNA dated August 18, 2019: Trouble in the auto industry](#)

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: INTERNATIONAL RELATIONS

#### 1. China-Russia ties as a major determinant

##### Context:

- The article, authored by Vijay Gokhale, a former Foreign Secretary of India, discusses the deepening relationship between Russia and China and argues for a recalibrated approach to India's relationship with Russia.

##### Sino-Russian partnership:

- After years of distrust among the two neighbours, the **Sino-Russian partnership seems to be on the upswing**.
- Some recent developments seem to be indicative of a **growing strategic convergence** between Russia and China.

##### Economic:

- **China-Russia trade has more than doubled to \$108 billion in recent times**.
- China has surpassed Germany as the principal supplier of industrial plant and technology.
- Russia's central bank has increased its Chinese currency reserves from less than one per cent to over 13% underlying the growing volume of the bilateral trade between the two countries.
- Russia and China recently signed a **\$400 billion deal to supply gas** to China along the 1,800 miles long pipeline known as the Power of Siberia for 30 years.

##### Strategic:



- Russia and China have exhibited **coordinated actions in multilateral forums like the UNSC**.
- Their common strategic interests have led to joint activities with third countries such as Iran.

#### **Military:**

- They have been conducting increasingly **sophisticated joint military exercises**.
- The supply of the **S-400 missile system** to China by Russia is touted as an example of the budding strategic alliance.

#### **Common threat:**

- **Western sanctions have tended to push Russia closer to China.** Falling oil prices and fears of new sanctions on Russian gas supplies (Nord Stream 2) are compelling the Russians to depend on the Chinese demand.
- The **recent tensions in Sino-U.S. relations** seem to have further strengthened the Chinese resolve to build stronger ties with the Russians.

#### **Challenges:**

- The article argues that despite the deepening relations which seem to be indicative of a growing strategic convergence, the Russia-China relation does face some challenges.

#### **Boundary dispute:**

- Some Chinese continue to nurse historical grievances despite the formal resolution of the border issue with Russia and make critical references to the nearly 600,000 square miles of Chinese territory that Tsarist Russia allegedly annexed in the late 19th century.
- There has also been **increasing Chinese migration in the Russian Far East**.
- Given China's rise and the historical grievances over the border settlement, there are concerns among the policymakers in Russia about the possibility of **China becoming a threat to Russia's territorial integrity**.

#### **Economic advantage to China:**

- Although Russia currently enjoys a nominal trade surplus, China has a clear advantage when it comes to the aspect of value-added trade.
  - **Russian exports mainly consist of raw materials, especially oil and gas. Chinese exports to Russia are at a higher technology level.**
- Some analysts have pointed out that over the long term, the economic interests of Russia and China are divergent.

#### **Growing asymmetry:**

- Despite the substantial expansion of bilateral cooperation in the Sino-Russian relations, it is also accompanied by **growing asymmetry and China's pre-eminence**, including in Central Asia and the Arctic regions which Russia considers as its strategic area of influence.
- This has led to fears in Moscow of Russia being regulated to a 'junior partner' in the bilateral relationship.

#### **Conclusion:**

- Given the fact that relationships with the U.S., China and Russia represent the three most consequential relationships for India, the article argues for a **proper appraisal of the Sino-Russian relationship as being critical for India's foreign policy calculus**.
- Currently, there exists a case for India to re-calculate its relationship with Russia.
  - Recognizing the inherent contradictions in the Russia-China relations, India can provide suitable alternative avenues for the building of a strong Russia-India relationship.
  - India needs to ensure that China is not the principal factor in its relations with Russia.
  - A strategic partnership with Russia based on the absence of fundamental conflicts of interest and a **shared support for a multipolar order** as against a Sino-U.S. bipolar order must be the way forward.

## Category: EDUCATION

### 1. Privatisation via graded autonomy

#### Context:

- The recently approved [National Education Policy \(NEP\) 2020](#).

#### Background:

- One of the major provisions of the National Education Policy (NEP) 2020 was the **phasing out of the system of affiliated colleges and the grant of greater autonomy** in academic, administrative and financial matters **to the top-ranked colleges and universities of the country**.
- This envisaged a **graded autonomy model** for the educational institutes.

For more information on this, refer to:

[CNA dated Aug 3, 2020: A policy with many a right intention](#)

#### Arguments in favour of the provision:

- The concerns of over-centralisation, leading to constraints imposed on the potential for premium affiliated colleges to **innovate and evolve** would be addressed by granting more autonomy.
- This would also help reduce the potential for politico-bureaucratic interference in the internal functioning of universities and also lessen the burden on universities.

#### Arguments against:

- Granting increased autonomy could have adverse ramifications for accessibility, equity and quality for the higher education sector.

#### Equity:

- There are concerns that the graded autonomy system would only further **deepen the prevailing hierarchy in higher education**.
- The article argues that while the best colleges would gain autonomy to bring in their own rules and regulations, and enjoy the benefits of special funds from the newly proposed funding agencies, the colleges with lower rankings face the threat of mergers and even closure. Such a development would **make the gross enrolment ratio target tougher to achieve**.



### Inaccessibility:

- The new provision may lead to the possibility of **enhanced inaccessibility of quality higher education**.
  - The graded autonomy system envisages higher financing for better performing colleges and universities and this would lead to the shrinking of the number of public-funded colleges in the country. This will **push out marginalised sections and relegate them to low-grade private colleges and/or to informal education**.
  - Independent rules and regulations of autonomous colleges and universities shall curtail transparent admission procedures, which guarantee underprivileged students a share of seats in prestigious institutions.

### Conclusion:

- The granting of autonomy to premium institutions should not affect the equity and accessibility to quality education and appropriate measures should be taken to address such concerns.

## F. Prelims Facts

### 1. UAE connects first Arab nuclear plant to power grid

- The United Arab Emirates has connected its Barakah nuclear power plant to the national grid.
- **The Barakah nuclear power plant is on the Gulf coast west of Abu Dhabi.**

### 2. Ex-judge Kurian calls for intra-court appeal

- **Article 145 (3) of the Constitution mandates that there should be a quorum of minimum five judges for deciding any case involving substantial questions of law** or any reference under Article 143, which deals with the power of the President of India to consult the Supreme Court.

Also read: [Code of Criminal Proceedings \(CrPC\)](#)

## G. Tidbits

### 1. 'Lockdown hit 9.2 lakh women in need of abortion services'

- A report has been released by Marie Stopes International based on the survey recording responses of 1,000 women aged 16-50 in India on their experiences with respect to sexual and reproductive healthcare before and during the COVID-19 pandemic.
- The report notes that a staggering 90% or 9.2 lakh women in India estimated to require abortion services could not access them between January and June because of the stringent COVID-19 lockdown. A large number of women couldn't get any kind of **sexual and reproductive health services**.

- The inability to access sexual and reproductive health services in India could lead to as many as 10 lakh **unsafe abortions**, 6.5 lakh **unintended pregnancies** and 2,600 **maternal deaths** in the country.

## H. UPSC Prelims Practice Questions

Q1. Which of the following report/s is/are released by the International Monetary Fund?

1. World Economic Outlook
2. Global Financial Stability Report
3. World Development Report
4. Ease of Doing Business Report
5. Global Risks Report

**Options:**

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

**CHECK ANSWERS:-**

**Answer: b**

**Explanation:**

- World Development Report and Ease of Doing Business Report are released by the World Bank while the Global Risks Report is released by the World Economic Forum.

Q2. Barakah is located in which of the following countries?

- a. Iran
- b. UAE
- c. Saudi Arabia
- d. Syria

**CHECK ANSWERS:-**

**Answer: b**

**Explanation:**

- The Barakah nuclear power plant is on the Gulf coast west of Abu Dhabi. It is located in the UAE.

Q3. Which of the following statement/s is/are correct with respect to the Election Commission of India?

1. Currently, the Election Commission of India is a three-member body with one Chief Election Commissioner and two election commissioners.
2. In case of a difference of opinion in the Election Commission of India, the matter is decided by the majority.

3. The Chief Election Commissioner and the election commissioners have equal powers and receive equal salaries.
4. Election commissioners cannot be removed from office except on the recommendation of the Chief Election Commissioner.

**Options:**

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

**CHECK ANSWERS:-**

**Answer: c**

**Explanation:**

All the above statements are correct.

**Q4. Which of the following statement/s is/are incorrect?**

1. The corporate social responsibility (CSR) provision is based on India's Companies Act, 2013.
2. India became the first country to legislate the need to undertake corporate social responsibility (CSR) activities and mandatorily report CSR initiatives.

**Options:**

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

**CHECK ANSWERS:-**

**Answer: d**

**Explanation:**

- India is the first country in the world to make corporate social responsibility (CSR) mandatory, following an amendment to the Companies Act, 2013.
- The rules in Section 135 of India's Companies Act make it mandatory for companies of a certain turnover and profitability to spend two percent of their average net profit for the past three years on CSR.

Businesses can invest their profits in areas such as education, poverty, gender equality, and hunger as part of any CSR compliance.

## I. UPSC Mains Practice Questions

1. Despite the deepening relations between Russia and China which seem to be indicative of a growing strategic convergence, the Russia-China relationship does face significant challenges. Comment. (15 marks, 250 words)(GS Paper 2/International Relations)
2. The graded autonomy model for the educational institutes envisaged in the National Education Policy (NEP) 2020 could act as a double-edged sword. Examine. (10 marks, 150 words)(GS Paper 2/Education)

