

02 Sep 2020: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. ‘Bhushan’s conviction is against international law’

Context:

The International Commission of Jurists (ICJ) said civil rights lawyer Prashant Bhushan’s conviction for criminal [contempt of court](#) by the Supreme Court seemed to be inconsistent with the freedom of expression law guaranteed by the International Covenant on Civil and Political Rights.

Details:

- ICJ considers that the conviction appears to be inconsistent with international standards on freedom of expression and the role of lawyers.
- It added that the judgment risked having a “chilling effect on the exercise of protected freedom of expression in India”.
- “While some restrictions of freedom of expression are permitted by international standards, a particularly wide scope must be preserved for debate and discussion about such matters as the role of the judiciary, access to justice, and democracy, by members of the public, including through public commentary on the courts”, it stated.

Category: INTERNATIONAL RELATIONS

1. Turkey renews call for talks, sharing of resources with Greece

Context:

Turkey’s Foreign Minister has said that Turkey favours a dialogue with rival Greece that would lead to the fair sharing of resources in the eastern Mediterranean, where the two countries are locked in a tense standoff.

Details:

- Greece, a member of the [EU](#), claims the waters are part of its continental shelf.
- Greece has enlisted the support of the EU, which has condemned Turkey’s illegal activities and plans to blacklist Turkish officials linked to energy exploration.

What is the issue?

- Turkey disputes Greece’s claims that waters where it’s searching for hydrocarbons are part of Greece’s continental shelf, insisting that Greek islands near Turkey’s coast cannot be taken into account when delineating maritime boundaries.
- Ankara accuses Athens of trying to grab an unfair share of the eastern Mediterranean’s resources.

This issue has been covered in the [19th August 2020 CNA: Troubled waters](#).

C. GS 3 Related

Category: ECONOMY

1. AGR dues have to be paid in toto: SC

Context:

The [Supreme Court](#) has allowed telecom companies a reasonable time of a decade to pay their adjusted gross revenue (AGR) dues to the government in equal yearly instalments.

Background:

An October 2019 judgment of the court in the AGR issue originally wanted the telcos to make the repayments in three months.

Read more about Adjusted Gross Revenue (AGR) and the related issue covered on [25th October 2019](#) and [19th June 2020](#) CNA.

Details:

- The decision was made taking into consideration the financial stress and the involvement of the banking sector.

2. Manufacturing activity returns to expansion in August: PMI

Context:

According to a monthly survey, manufacturing activity has re-entered the growth territory in August 2020.

Details:

- Seasonally-adjusted IHS Markit India Manufacturing Purchasing Managers' Index (PMI) rose from 46 in July to 52 in August, signalling an improvement in operating conditions across the manufacturing sector following four consecutive months of contraction.
- The growth is driven by a rebound in production volumes and new work, amid an improvement in customer demand following the resumption of business operations.

Read more about Purchasing Managers' Index (PMI) covered in the [4th February 2020](#) CNA.

3. IRDAI sets up panel on index-linked life products

Context:

Insurance regulator - Insurance Regulatory and Development Authority (IRDAI) has constituted a six-member working group on index-linked products.

Details:

- Current IRDAI product regulations do not specifically permit insurers to sell index-linked products.
- As of now, in Ulips, one may invest in any of the fund options representing various asset classes such as equity or debt. However, the funds are actively managed by a fund manager and are benchmarked to an index.
- In an index-linked fund, there is no role of the fund manager.
 - The investments in the index fund mirror the index that it tracks in the same weightage as per the index.
 - The fund management charges, therefore, are very low in them compared to actively-managed funds.

The terms of reference of the Working Group:

- To examine the need for index-linked products in India especially with respect to the availability of various indexes and how it will better serve the needs and interests of customers relative to traditional savings products.
- To examine the Index-linked products, which were earlier available for sale in the Indian market in terms of product structure, ease of customer understanding and administrative processes, sales volumes and any other matter of relevance.
- To study practices of other jurisdictions in respect of Index-Linked product structure and their operations.
- To provide recommendations on specific aspects like product structure and its pricing and reserving along with suggestions on possible amendments to the current regulations like Product and Investment Regulation.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Inevitable collapse

Context:

- As per the provisional data released by the National Statistical Office, **India's Gross Domestic Product (GDP) has suffered its steepest contraction** on record in the April-June quarter, as output shrank 23.9% in the quarter in comparison to the same period in 2019.

Background:

For information on this topic, refer to:

[CNA dated Sep 1, 2020: GDP falls 23.9% in first quarter](#)

Causative factors:

Decreased demand:

- The stringent COVID-19 lockdowns in force during the period of the first quarter seem to have hollowed out demand. Private consumption spending, which accounts for almost 60% of GDP, has contracted 26.7% as consumers have limited themselves only to essential spending and stopped almost all discretionary spending.

Effect of lockdown on sectors:

- The **services category** including trade, hotels and transport have been severely hit by the pandemic-linked restrictions.

- The manufacturing sector has registered a contraction as demand for products deemed non-essential declined, and factories, even after reopening, struggled to run amid **shortages of labour and added safety norms**.

Decline in exports:

- Exports, which contribute to almost 20% of GDP, have registered a massive decline due to lockdowns, restrictions in the movement of goods, cancellation of orders from importing countries.

Uncertainty and investment decline:

- Investment activity has witnessed a steep contraction of about 47% as large businesses have decided to conserve cash and **have refrained from any capital spending in the face of uncertainty**, and smaller firms have prioritised survival.

Concerns:

- There are concerns that the economic contraction may not be just a transient phenomenon and there is the possibility of an extended slowdown.

Limited fiscal space:

- The Centre's pandemic mitigation expenditure helped expand its consumption spending by 16.4% year-on-year and thus helped soften the overall blow to GDP.
- There is **very limited scope for such an expenditure growth over the next three quarters** because of the following reasons:
 - The **fiscal deficit** in just the first four months of the financial year has already exceeded the full year's budgeted target and the central government has expressed its desire to respect the fiscal limits set by the [FRBM Act](#).
 - **Revenue receipts for the government have decreased due to the economic contraction.**

Unaccounted informal sector:

- The NSO data are provisional figures and are expected to undergo revision as they do not capture the informal sector due to difficulties in collecting data.
- **The informal sector accounts for a major share of the Indian economy** and there is wide acceptance of the fact that **the lockdown has had a higher detrimental effect on the informal sector**. This would imply that the current estimates are not indicative of the actual output decrease and the revised estimate might only provide a further drop in the growth numbers.

Employment issues:

- There have been reports of a **high level of job losses and income erosion**. The latest survey-based data from IHS Markit though expects manufacturing PMI for August to register growth, also notes that job shedding would continue at a strong rate in the industry.
- This would have a **detrimental impact on the disposable income in the hands of the people** and also lead to decreased consumption expenditure.

Increasing case load:

- The still-rising trajectory of new COVID-19 infections would retard any recovery in growth.

Challenges in agricultural sector:

- Despite a good performance in the agricultural sector, which grew 3.4%, outpacing 2019's first quarter's 3% expansion, it too faces headwinds in the form of **higher-than-ideal rainfall in August in several key crop-growing regions in western and central India** and the uncertainty with respect to the impact of recent farm market ordinances.

Way forward:

- With COVID-19 hitting private consumption, demand recovery will hinge on government spending and the **government must give up its fiscal conservatism and find innovative ways to mobilise resources.**

Category: GOVERNANCE

1. Treating data as commons

Context:

- The draft report of the **Gopalakrishnan Committee** submitted to the Ministry of Electronics and IT has been put out for public consultation.

Background:

The Gopalakrishnan Committee:

- The committee was set up in 2019 and is referred to as **the Expert Committee on Non-Personal Data Governance Framework.**
- It is a nine-member panel, headed by former Infosys vice-chairman Kris Gopalakrishnan.

Objective:

- The Gopalakrishnan Committee was set up by the government for **developing a governance framework for non-personal data.**
- The Gopalakrishnan report is the first policy document globally that tries to address the issue of economic governance of **digital society's data.**

Suggestions:

- The committee has suggested that the non-personal data of an individual generated in the country should be allowed to be used by various companies. It envisages **wide sharing and availability of data in society.**
 - **Only the data collected from non-privately owned sources, from society or community sources,** have to be shared when requested for. Data from privately owned sources remain private.
- To ensure that companies share the required data, the report suggests developing a **governance and legal basis** for data-sharing requirements and obligations.
 - **Community trustees** would act as the representative of the community and would articulate the community's data ownership claim.
 - **Data collectors would be considered as data custodians** who will use and secure data as per the best interests of the community concerned.

- **Data trusts would act as data infrastructures** that will enable data sharing, sector-wise, or across sectors, and which can be run by various kinds of third-party bodies.
- **A Non-Personal Data Authority** is envisaged to enable and regulate all the data-sharing activities.
- The committee recommends a new legislation, to provide legal backing to the envisaged model.

Arguments in favour of data sharing:

- The article discusses the need for data sharing and its importance to build a strong and fair digital economy.

Data as a public good:

- Data collected from various communities are considered to be ‘owned’ by the relevant community. Such ‘**community ownership**’ means that the data should be shared back with all those who need it in society.
 - The Gopalakrishnan committee’s **concept of ‘community data’** is in line with the above argument.

Infrastructural nature of data:

- The article argues that like other public infrastructures like roads, electricity, etc., **society’s digital data too can be considered a public infrastructure or ‘commons’ in the current digital economy.**
- There is a need to ensure that such infrastructure is available to all interested entrepreneurs and start-ups.

Overcoming digital monopoly:

- A few corporations have vertically integrated all the digital components involved in the delivery of any digital service and have become global monopolies. Digital corporations have begun to dominate all sectors, including important ones such as education and health. **Seven out of the top 10 companies globally today have a data-centric model.**
- Such an **unsustainable concentration of digital power** poses significant challenges.
 - This could have detrimental **geopolitical impacts** for some countries given the global domination of U.S. and Chinese companies in the digital sphere.
 - At the national level, monopolies can lead to the **exploitation of consumers and small economic actors, and of strangulating competition and innovation.**
- One way of breaking the monopoly power would be by separating the infrastructural elements of digital service provision (data) from the business of digital service delivery. This could be enabled by ensuring access to society’s digital data to all. This would help address the scenario where dominant digital corporations are building exclusive control over any sector’s data as their key business advantage and hindering the progress of new companies.

Promoting domestic industries:

- The proposed model would **incentivize the entry of start-ups into the digital business sector** by helping ensure the widespread availability of society’s data to all. If everyone gets greater access to non-personal data, they can develop their digital businesses or other activities with it.
- This would result in increased economic activity resulting in **higher economic growth and higher job opportunities.**

- A robust domestic data/AI industry will also **help reduce India's dependence on U.S. and Chinese companies.**

Conclusion:

- India has done well in being the first country to come up with a comprehensive framework in the domain of digital policy and governance.
- This could provide India a formidable first-mover advantage to acquire its rightful place in the digital world.

F. Prelims Facts

1. India, Russia to hold naval drills in Andaman Sea

What's in News?

India and Russia are scheduled to hold the bilateral naval exercise, Indra 2020, in the Andaman Sea.

Details:

- Amid high operational alert by the Indian Navy in the Indian Ocean Region (IOR) due to the ongoing stand-off with China in Ladakh, Indra 2020 will be held in the Andaman Sea, close to the strategic Strait of Malacca.
- It comes just after India withdrew from the Kavkaz-2020 multinational exercise in Russia.

Naval Exercise Indra:

- It is a bi-annual bilateral exercise which began in 2003.
- India and Russia are the participating nations.

Note:

- In July 2020, frontline warships of the Indian Navy conducted a Passage Exercise (PASSEX) with the U.S. aircraft carrier USS Nimitz strike group in the same area near the Andaman and Nicobar (A&N) islands as it was transiting the Indian Ocean.
- USS Nimitz was returning from the South China Sea through the Malacca Strait where it undertook freedom of navigation operations.

2. Privy Purse Bill in Lok Sabha

- The **Privy Purse** was used as a conciliatory move to get the princely state rulers to surrender their sovereignty to the Indian union.
 - As defined from 1949 under **Article 291 of the Indian Constitution**, a privy purse would be a fixed, tax-free sum guaranteed to the former princely rulers and their successors. The sum was intended to cover all expenses of the former ruling families and would be charged on the Consolidated Fund of India.
- The **Constitution (Twenty-sixth Amendment) Act, 1971** abolished this provision of privy purses and princely privileges.

- It was seen as an important step in the **further democratisation of Indian society**. It represented the momentum of social change in the country.

G. Tidbits

1. 19.6 kg of ivory seized in Odisha

What's in News?

The Odisha Forest Department has seized ivory in Keonjhar district and intensified its investigation into the network of wildlife poachers and traders in the State.

Concern - Elephant Mortality on the rise:

- According to the Wildlife Society of Orissa (WSO) - an environmental pressure group, elephant mortality rate is rising alarmingly as the average percentage deaths per year had shot up to 78% since 2010, compared with 33% from 1990 to 2000, and 46% from 2000 to 2010.
- While 463 elephant deaths were recorded during the period 2000 to 2010, the number rose sharply to 784 elephant deaths in the period 2010 to 2020.
- It was concluded that nearly 50% of the elephant mortality in Odisha is unnaturally caused.

Also read: [Wildlife Protection Act, 1972](#)

2. Number of accidental deaths, suicides grew in 2019: NCRB

What's in News?

The annual National Crime Records Bureau report has been released.

Details:

- The number of suicide cases and accidental deaths registered an increase across the country last year from the 2018 figures.
 - The suicide rate in cities (13.9%) was higher compared to the all-India average.
- Accidental deaths in the country increased by 2.3%.
 - The rate (per lakh population) increased from 31.1 to 31.5.
- Delhi recorded the highest number of deaths due to dangerous driving and overall road accidents in 2019 among all cities. Delhi, according to the data, was only second to Chennai in reporting road accidents in 2019.
 - The number of road accidents in Delhi, however, has seen a decline of 7.2% as compared to 2018.

3. Hamas says pact reached to calm violence with Israel

What's in News?

Gaza's Hamas rulers said that they have reached an agreement through international mediators to end the latest round of cross-border violence with Israel.

Details:

- Under the deal, Hamas would halt the launches of explosives-laden balloons and rocket fire into Israel.
- Israel will ease a blockade that has been tightened. The Israeli restrictions have worsened living conditions in Gaza at a time when it is coping with the COVID-19 outbreak.
- The development comes as a result of indirect mediation efforts led by Egypt, the [United Nations](#) and Qatar.
- Under previous, unofficial understandings reached through intermediaries, Hamas has sought a broader easing of restrictions on movement, increased power supplies from Israel and large-scale economic projects to help lower unemployment hovering around 50%.
 - Hamas accuses Israel of moving too slowly or not honouring its commitments.
- COGAT, an Israeli defense body responsible for Palestinian civilian affairs, announced that it would reopen Gaza's only cargo crossing and resume fuel shipments into the territory.

H. UPSC Prelims Practice Questions

Q1. Which of the following is/are correctly matched?

1. INDRA – Russia
2. EKUVERIN – Japan
3. MAITREE – Thailand
4. KAZIND – Bangladesh

Choose the correct option:

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

CHECK ANSWERS:-

Answer: c

Explanation:

These are the Military Exercises of the Indian Army:

- INDRA - Indo-Russian joint military Exercise
- EKUVERIN - Indo-Maldives joint military exercise
- MAITREE – Indo-Thai Joint Military Exercise
- KAZIND - Joint military training exercise between the Indian Army and Kazakhstan Army

Q2. The fundamentalist militant organization Hamas operates out of which region?

- a. Gaza Strip
- b. Israel
- c. Syria

d. Turkey

CHECK ANSWERS:-

Answer: a

Explanation:

Hamas is a fundamentalist militant organization that operates out of the Gaza Strip.

Q3. Which of the following are correctly matched?

1. Strait of Gibraltar - The Atlantic Ocean and the Mediterranean Sea
2. Strait of Malacca - The Pacific Ocean and the Indian Ocean
3. Bab-el-Mandeb - The Gulf of Aden and the Red Sea
4. Hormuz Strait - Gulf of Oman and the Persian Gulf

Choose the correct option:

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

CHECK ANSWERS:-

Answer: d

Explanation:

All the straits and the joining seas/water bodies are correctly matched.

Q4. The Gopalakrishnan Committee dealt with:

- a. Non-Personal Data Governance Framework
- b. Civil Services Reforms
- c. Data Protection Law
- d. Draft National Education Policy

CHECK ANSWERS:-

Answer: a

Explanation:

- A committee chaired by Infosys co-founder Kris Gopalakrishnan was formed in September 2019 under the IT Ministry for developing a governance framework for Non-Personal Data.
- The committee is referred to as the Expert Committee on Non-Personal Data Governance Framework.

I. UPSC Mains Practice Questions

1. In light of the recent estimates of quarterly growth rates for India, there are concerns that the economic contraction may not be just a transient phenomenon and there is the possibility of an extended slowdown and a very slow turnaround. Comment. (10 marks, 150 words)(GS Paper 3/Economy)
2. Discuss the need for data sharing as propounded by the Gopalakrishnan Committee on Non-Personal Data Governance Framework and its importance to build a strong and fair digital economy. (15 marks, 250 words)(GS Paper 2/Governance)