

11 Sep 2020: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Category: SOCIAL ISSUES

1. [Opposition grows in Tripura to large-scale Bru refugee enclaves](#)

Context:

A coordination body of non-Bru people in Tripura has opposed the large-scale settlement of Bru refugees across seven sites. It demanded equitable distribution of the refugees across all districts of Tripura instead of North Tripura districts alone.

This topic has been covered in the [24th July 2020 Comprehensive News Analysis](#).

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. India and Japan sign logistics agreement

Context:

India and Japan signed a logistics agreement on 'Reciprocal Provision Supplies and Services', which will allow the Armed Forces of both sides to coordinate closely in services and supplies.

This topic has been covered in the [10th September 2020 PIB Summary and Analysis](#).

Category: POLITY AND GOVERNANCE

1. 'House can select Dy. Speaker'

Context:

Lok Sabha Speaker has said that if there is a provision for the post of Deputy Speaker in the [Lok Sabha](#), then it was only obvious that there should be one, but it was not the Speaker's job to appoint one, and that the Deputy Speaker must be chosen by the House.

Background:

- This is the first time that the Lok Sabha has functioned for over a year without having a Deputy Speaker.
- A panel of MPs has been assisting the Speaker.
- Speaker has been requested to fill the post of Deputy Speaker of the Lok Sabha. The speaker has said that it is not the duty of the Speaker to elect the Deputy Speaker of the Lok Sabha.

Deputy Speaker of the Lok Sabha:

- Article 93 of the Constitution provides for the election of both the Speaker and the Deputy Speaker of the Lok Sabha.
 - There is no need to resign from the original party though as a Deputy Speaker, he/she has to remain impartial.
- Usually, the Deputy Speaker is elected in the first meeting of the Lok Sabha after the General elections from amongst the members of the Lok Sabha.
 - By convention, the position of Deputy Speaker is offered to the opposition party in India.
- The Deputy Speaker holds office until either he/she ceases to be a member of the Lok Sabha or he/she resigns.
- He/she can be removed from office by a resolution passed in the Lok Sabha by an effective majority of its members.

Way forward:

- According to the Rules of Procedure and Conduct of Business in Lok Sabha, "The election of a Deputy Speaker shall be held on such date as the Speaker may fix."
- But as per tradition Speaker needs the nod of the government for announcing such an election.

- Once the date is notified, one or more motions can be moved by members for the election of a nominee as the Deputy Speaker of the Lok Sabha.
 - No member can move a motion for his or her own election.
- If a motion is accepted by the simple majority of the house, the MP becomes the Deputy Speaker of the Lok Sabha.

2. SC seeks A-G's aid in Bhushan case

Context:

The Supreme Court has reached out to Attorney-General K.K. Venugopal to act as amicus curiae and assist it with legal questions raised in a contempt case initiated against civil rights lawyer Prashant Bhushan for his remarks on judicial corruption in Tehelka magazine in 2009.

Details:

The case has raised several cardinal issues of the right to criticise the judiciary in a public forum.

- The case has brought to focus the pertinent question of law, whether a person who expresses a bona fide opinion about judicial corruption is obliged to prove it or “whether it is enough to show that he bona fide held that opinion”.
- It involves the issue of whether the suo motu powers of the Supreme Court to initiate contempt under Article 129 to curtail free speech and expression is restrained by the Contempt of Courts Act, 1971.
- One of the questions deals with the violation of due process as suo motu contempt proceedings in the Supreme Court have no provision for appeal.

3. SC looks into cases against legislators

Context:

- The Supreme Court has prioritised the need to expeditiously complete trial in over 4,000 criminal cases, from corruption to money laundering, pending against legislators across the country.

Issue:

- A Bench led by Justice N.V. Ramana was alarmed to find that cases registered against politicians nearly 40 years ago were still pending trial.

This issue has been comprehensively covered in the [10th July 2020 Comprehensive News Analysis](#).

C. GS 3 Related

Category: ENVIRONMENT AND ECOLOGY

1. California wildfires growing bigger

Context:

A Northern California wildfire burning for more than three weeks has spread at a ferocious rate across an estimated 40 kilometres of mountainous terrain and parched foothills.

Details:

- California has set a record with nearly 2.5 million acres burned already in 2020, and historically the worst of the wildfire season doesn't begin until fall.
- It is now entering what traditionally is the most dangerous time for fires.
 - The second stage of this year's fire season is yet to come.

Reasons for the Wildfire in California:*The changing climate:*

- California gets most of its moisture in the fall and winter (like much of the West).
- Its vegetation spends much of the summer slowly drying out because of a lack of rainfall and warmer temperatures. That vegetation then serves as kindling for fires.
- California's fire record dates back to 1932; the 10 largest fires since then have occurred since 2000.
- However, the link between climate change and bigger fires is inextricable.

Anthropogenic causes:

- While sometimes the trigger is nature, more often than not humans are responsible.
- Many deadly fires have been started by downed power lines.
- People are increasingly moving into areas near forests, known as the urban-wildland interface, that are inclined to burn.

Fire Suppression:

- The history of suppressing wildfires has actually made present-day wildfires worse.
- To counter this, in recent years, the U.S. Forest Service has been trying to rectify the previous practice through the use of prescribed, or controlled burns.

Santa Ana Winds:

- Each fall, strong gusts known as the Santa Ana winds bring dry air from the Great Basin area of the West into Southern California.

Category: ECONOMY**1. Pandemic may force govt. to borrow more****Context:**

Revenue shortfalls in India, are likely to force the Centre to borrow more, but it will only consider monetising its deficit as a last resort.

Monetised Deficit

- Monetisation of deficit means printing more money.
- Monetised deficit is the monetary support the Reserve Bank of India (RBI) extends to the Centre as part of the government's borrowing programme.
- Monetisation of deficit happens when RBI buys government securities directly from the primary market to fund the government's expenses.
- Also known as debt monetisation, the exercise leads to an increase in total money supply in the system, and hence inflation, as RBI creates fresh money to purchase the bonds.
- The same bonds are later used to bring down inflation as they are sold in the open market.
- This helps RBI suck excess money out of the market and rein in rising prices.

Details:

- Monetisation of deficit was in practice in India till 1997, whereby the central bank automatically monetised government deficit through the issuance of ad-hoc treasury bills.
- Two agreements were signed between the government and RBI in 1994 and 1997 to completely phase out funding through ad-hoc treasury bills.
- With the enactment of the [FRBM Act, 2003](#), RBI was completely barred from subscribing to the primary issuances of the government from April 1, 2006.

Concerns:

- Deficit monetisation also comes at a cost. An important consequence of this is that it triggers a spike in the inflation rate.
 - In the Indian scenario, it won't immediately translate into a higher inflation rate due to the demand slowdown the economy is experiencing.
 - However, when the economy enters the recovery path, the increased money supply could proportionately lead to a higher inflation rate.
- When there is an excess supply of the currency, it could lead to a fall in rupee value, leading to an outflow of foreign investment.
 - In the current scenario, a rupee depreciation would not be beneficial for the exports sector either. A fall in Rupee value would be costlier for the economy, in the current scenario.
- Though RBI participates in indirect monetisation of the deficit through its open market operations (OMOs), the consequences of direct monetisation are much larger.
 - It could weaken the macro fundamentals of the country, risking a downgrade by the credit rating agencies, which can in turn bring about more cost to the economy.
- These are the reasons why deficit monetisation could be a risky affair for the economy to handle in the current scenario.

2. IT urges remote-enabling labour law tweaks

Context:

The IT-business process management (BPM) industry has sought revisions in labour laws for enabling remote delivery of services such as those facilitated by work-from-home and part-time professionals.

Details:

- The industry is considering tapping into the talent pool that comprises millennials, retired professionals and women with post-secondary education, who can devote 3-4 hours to work every day.

- This can bring in more than 110 million women with degrees, who are not currently part of the workforce.
- Another suggestion is with respect to the treatment based on pay. It is suggested that the employees drawing salary above a certain threshold should be treated as supervisory staff.
 - The recommendation is to bring a salary ceiling of ₹5 lakh per annum while determining the status of 'workmen'.
 - It is suggested that the laws relating to overtime and shifts must not be made applicable to those earning above this threshold.
- The industry has also recommended that it be exempted from contributing to PF, ESIC or Workmen Compensation for those working part-time or while studying.
- Among the industry's recommendations to the government is also the simplification of retrenchment norms.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: AGRICULTURE

1. An agriculture-led revival as flawed claim

Context:

- The article analyzes the claim of the agricultural sector leading India's economic revival in the post-COVID times.

Background:

- The COVID-19 pandemic has induced a severe economic slowdown in the Indian economy.
- **Agriculture was the only sector which recorded a modest growth of 3.4%**, outpacing 2019's first quarter's 3% expansion. Most other sectors saw a contraction, with sectors like construction, trade, hotels, transport and communication services registering almost 50% fall.

For more information on this, refer to:

[CNA dated Sep 2, 2020: Inevitable collapse](#)

- There have been statements put forward that the agricultural sector will help lead India's economic revival based on the following arguments.
 - India's foodgrain production in 2019-20 was 3.7% higher than in 2018-19 and also the **procurement of Rabi wheat in 2020-21 was 12.6% higher than in 2019-20**. This is being argued as **indicative of resilience in the agricultural sector**.
 - The **food inflation in the Q1 of 2020-21 has been higher than in the previous year**. This is being argued as indicative of a sustained and increased demand for food and a **favourable trade sentiment in the sector**. This is expected to benefit farmers due to better price realization for their produce.

- The **area under Kharif sowing in 2020-21 is 14% higher than in 2019-20**. This has been accompanied by higher tractor and fertilizer sales, which bodes well for economic recovery.
- The government's **₹20-lakh crore Atmanirbhar Bharat package** is expected to increase financial resources to the sector and provide an impetus to agricultural growth.

Details:

- The article examines the validity of the claims being made for the agricultural sector.

Rabi procurement

- The higher procurement of Rabi wheat in the current year is mostly due to the focussed efforts by the state governments to ensure that procurement did not suffer during the lockdown and cannot be attributed to enhanced production or increased supply to the markets.
- The market arrival of agricultural produce is a more comprehensive indicator of enhanced production or increased supply to the markets. **The market arrivals of the major crops have shown a decline from last year.**
 - The market arrivals of 15 major crops were lower in 2020 than in 2019. Most of these crops have witnessed a steep drop in market arrivals. In wheat, the most important Rabi crop, only 61.6% of the arrivals in 2019 was recorded in 2020.
- **The procurement by the government agencies accounts for only a small share of the total grain production.**
 - As per official data, only 13.5% of paddy farmers and 16.2% of wheat farmers in India sell their harvest to a procurement agency at an assured Minimum Support Price (MSP). The rest sell their output to private traders at prices lower than MSP.
- There have been reports of **market access problems faced by farmers** during the lockdown attributed to a disruption in supply chains, closure of mandis and a fall in consumer food demand. This has led to a substantial loss of market for the farmers leading to a **major loss of incomes**. Similar major losses have been reported in the milk, meat and poultry sectors as well.

Inflation and prices

- The higher inflation rates (based on **CPI**) do not imply a higher price realization for the farmers. **CPI indicates the price paid by the end consumer.**
 - The higher CPI is mainly due to disruptions in supply chains and a rise in trader margins.
- **The wholesale market prices, which can be considered more indicative of the price received by the farmers, have decreased for most crops.**
- Given the fact that small and marginal farmers are net buyers of food, higher rural inflation has had an adverse impact on them. They were forced to pay more for food purchases and some rural households had to reduce food purchases during the lockdown. This would have also had an adverse impact on their disposable income and expenditure and investment capabilities.

Higher Kharif sowing

- The article argues that the higher Kharif sowings in 2020 are indicative of the **underlying distress** and not prosperity in the agricultural sector based on the following arguments.
 - As the Rabi incomes fell during the lockdown, many rural households may have returned to farming or intensified farming for food- and income-security during the current Kharif season.
 - Lakhs of migrant workers have returned to their villages from urban areas. They may have taken up agriculture in previously fallow or uncultivated lands. This might further **aggravate the disguised unemployment problem in the agricultural sector due to the surplus labour supply.**

Atmanirbhar Bharat package

- **The total fresh spending for agriculture in the package amounts to less than Rs. 5,000 crore.** The rest are schemes already included in the past Budgets, announcements with no additional financial outgo.
- **The under-investment in the agricultural sector** may prove to be counterproductive as this will lead to a condition where the rural incomes will remain depressed, and push the economy further into a vicious cycle of poor demand, low prices and low growth.

Uncertainties

- The agricultural sector 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.

Share of the agricultural sector in GVA

- **Agriculture contributes only around 15% to India's Gross Value Added (GVA).**
- An impressive 4% growth in the agricultural sector will only contribute to 0.6 percentage points to GVA growth. To contribute a full one percentage point to GVA growth, agriculture will have to grow by 6%, which is unlikely.
 - Though the higher Rabi procurement, higher Kharif sowing and flow of cheap credit will help provide an impetus to the sector, the lower crop prices, lower market arrivals and higher unemployment would also have a bearing on the actual growth rates in the sector.

Way forward:

Financial support:

- The crisis in agriculture demands that the government announce a **strong fiscal stimulus for the rural economy.** This will help **address the existing distress in the short term.** The government should consider providing financial support to farmers in the following ways.
 - The amounts being paid through the [Pradhan Mantri Kisan Samman Nidhi \(PM-KISAN\)](#) should be doubled from Rs. 6,000 a year to Rs. 12,000 a year. Efforts should be made to not only enhance the coverage monetarily but also include tenant farmers and wage labourers as well.
 - Instead of an incremental increase in the minimum support price (MSP) for farmers, the government should set all **MSPs at 150% of the C2 cost (comprehensive cost) of production.**
 - Currently, the MSP is fixed based on A2+FL. A2 costs cover all paid-out expenses, both in cash and kind, incurred by farmers on seeds, fertilisers, chemicals, hired labour, fuel and irrigation, among others. FL is the imputed value of unpaid family labour.
 - C2 costs are more comprehensive, accounting for the rentals and interest forgone on owned land and fixed capital assets respectively, on top of A2+FL. National Commission on farmers head by M.S Swaminathan had recommended a 50 percent margin over C2 as the MSP.
 - Instead of a moratorium on loan repayments, the government should waive the interest on loans taken by farmers in 2019 and 2020.
 - The government should announce a **comprehensive financial package of direct assistance for the crisis-ridden poultry, meat sectors and small milk producers.**

Reforming the sector:

- While the financial support will only help address the existing distress in the sector, there is a need to reform the sector to **address the long term sustainability and profitability in the sector.**
- The major areas of focus should be the following:
 - Reduce input costs.
 - Ensure **higher price realization for the farmers** through increased market access, increased food processing avenues.
 - Ensure adequate infrastructure for the agricultural sector.
 - Promotion of **environmentally sustainable agricultural practices** like [zero-based natural farming](#) and organic farming.

For more information on the recent reforms in the agricultural sector, refer to:

[CNA dated May 17, 2020: Reforms and agriculture.](#)

Category: POPULATION AND ASSOCIATED ISSUES

1. The great greying of China

- Note - Though the article is based on facts and figures for China, an understanding of China's experience in handling its population problem will provide insights for India's population policy, given that India too hosts a very large population.

Context:

- The article examines the effect of **China's one child policy (OCP)** on its population structure and the economy.

Background:

- China's one child policy (OCP) was conceived by Deng Xiaoping in 1979.
- The one-child policy was part of a birth planning program designed to control the size of the rapidly growing population of the People's Republic of China. It set a limit on the number of children for a couple.

Details:

- The article examines the impact of the one child policy in China.

Impact on absolute population

- The total fertility rate in China has fallen to 1.6 births per woman in 2017, much below the **population replacement rate of 2.1**. This would imply that the absolute population would decrease over time.
 - **Total fertility rate (TFR)** 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.
 - In India, the average birth rate stands at 2.24.

Impact on child sex ratio

- Fewer children are being born and of them, fewer were females given the preference for boys in Chinese society. This would have an **adverse impact on the sex ratio**.
 - There are concerns that skewed sex ratios lead to more violence against women, as well as result in human-trafficking.

Impact on the childbearing attitude of Chinese

- Despite the raising of the limit to two children in 2016, the number of newborns has not improved in China and has slipped to the pre-2016 level.
- The one child policy has had a negative impact on China's child-bearing attitudes as many young couples do not want to have two babies for economic and lifestyle reasons.

Increasing share of aged people

- The proportion of China's population aged above 65 years would increase from 10% in 2010 to 32.6% in 2050 (corresponding figures for India are 5.6% and 14.2%).
- China will need **huge expenditures on health, social welfare and pensions**.

Economic impact

- As against the popular perception that the population decline will help create a richer society in China, it is very much possible that the country's aging population will incrementally **impede its economic growth**.
 - **The available labour force (aged between 20 and 64) will reduce** from about a billion in 2017 to 787 million by 2050. The fall in the number of people in the labour force will lead to a **decline in manufacturing, exports, and also mean lower revenues for the government**.
 - **The higher dependency ratio will reduce the savings rate and subsequent investment rates in the economy**.
- This could impede Chinese attempts to increase their annual per capita income to the levels of rich countries like the United States, Singapore, Japan and others.
 - In the last 70 years, only 15 countries have managed to climb from middle to high-income status, e.g. Singapore, South Korea, Taiwan.

Way forward:

Focus on total factor productivity

- **Developed countries too have faced the problem of an aging population**. Example: Japan and Germany.
- Developed countries have reduced the impact of the declining population by **raising the total factor productivity (TFP) growth rate**.
 - Total factor productivity (TFP) is a measure of productivity calculated by dividing economy-wide total production by the weighted average of inputs i.e. labour and capital. It represents growth in real output which is in excess of the growth in inputs such as labour and capital.
- The major efforts needed in this direction are:
 - Shifting human resources from primary economic activities like agriculture to the more productive sectors like manufacturing and service sectors.
 - **Reforms** in the various sectors of the economy to make them more efficient.
 - **Improvement in governance** which could help ensure ease of doing business.
 - Improvement in **education and skill** levels of human resources.
 - Increasing **use of technology** in the development process.

For related information on India, refer to:

F. Prelims Facts

Nothing here for today!!!

G. Tidbits

1. 'Immunity booster' tag drives exports of spices

- The COVID-19 pandemic has driven the export of spices as they are considered to boost immunity.
- Export of spices like ginger, turmeric, coriander and cumin has shown a considerable increase during April-July 2020, compared to the same period last year.

2. Golden Temple gets FCRA registration

What's in News?

The Union Home Ministry has granted the Foreign Contribution Regulation Act (FCRA) registration to Gurdwara Harmandir Sahib, or the Golden Temple, in Amritsar.

- The FCRA registration enables it to receive foreign donations.
- Any association, non-government organisation (NGO) or registered society requires FCRA registration to receive foreign donations for specified purposes.
- In the present case, the foreign contribution can be used by the Sikh shrine for activities such as providing financial assistance to the poor, medical assistance to the needy and organise langars, which serve as free community kitchens.

Read more about the [Foreign Contribution Regulation Act \(FCRA\)](#).

H. UPSC Prelims Practice Questions

Q1. Bru (or Reang) tribe is recognised as a Particularly Vulnerable Tribal Group (PVTG) in which of the following state/s?

1. Assam
2. Tripura
3. Mizoram
4. Arunachal Pradesh

Choose the correct options:

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

CHECK ANSWERS:-

Answer: c

Explanation:

Bru (or Reang) tribals inhabit parts of the northeastern states of Assam, Mizoram and Tripura. In Mizoram, they are largely restricted to Mamit and Kolasib. They are recognised as a Particularly Vulnerable Tribal Group (PVTG) in Tripura.

Q2. Consider the following statements about the Deputy Speaker:

1. The Deputy Speaker must resign from the original party soon after his/her election to the post.
2. The Constitution of India states that the position of Deputy Speaker should be offered to the opposition party in India.
3. The Deputy Speaker can be removed from office by a resolution passed in the Lok Sabha by an absolute majority.

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

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

CHECK ANSWERS:-

Answer: d

Explanation:

- Article 93 of the Constitution provides for the election of both the Speaker and the Deputy Speaker.
- It is by convention that the position of Deputy Speaker is offered to the opposition party in India.
- The Deputy Speaker can be removed from office by a resolution passed in the Lok Sabha by an effective majority of its members.

Q3. 'SAROD-Ports' is:

- a. A dispute redressal mechanism to facilitate affordable and timely resolution of disputes in the maritime sector.
- b. An application launched as a part of the Maritime Crime Programme (MPC) to counter piracy activities in the Indian Ocean.
- c. A flagship programme of the Ministry of Shipping to promote port-led development by modernising India's ports.
- d. A scheme for providing financial support to oil handling Major Ports for the creation of Tier-I oil spill response facility.

CHECK ANSWERS:-

Answer: a

Explanation:

- Society for Affordable Redressal of Disputes – Ports (SAROD-Ports) is a dispute redressal mechanism to facilitate affordable and timely resolution of disputes for the maritime sector.
- It has been established under the Societies Registration Act, 1860 for affordable and timely resolution of disputes in a fair manner.
- SAROD-Ports consists of members from the Indian Ports Association (IPA) and Indian Private Ports and Terminals Association (IPTTA).

Q4. Consider the following statements with respect to Monetisation of deficit:

1. Monetisation of deficit happens when RBI buys government securities directly from the primary market to fund the government's expenses.
2. The exercise leads to an increase in the total money supply in the system.
3. Monetisation of deficit carries a risk of inflation.

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

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

CHECK ANSWERS:-

Answer: c

Explanation:

- Monetisation of deficit means printing more money.
- Monetised deficit is the monetary support the Reserve Bank of India (RBI) extends to the Centre as part of the government's borrowing programme.
- Monetisation of deficit happens when RBI buys government securities directly from the primary market to fund the government's expenses.
- An important consequence of this is that it triggers a spike in the inflation rate.
- Also known as debt monetisation, the exercise leads to an increase in total money supply in the system, and hence inflation, as RBI creates fresh money to purchase the bonds.

I. UPSC Mains Practice Questions

1. Examine the impact the 'one child policy' has had in China and suggest what insights India can draw from China's experience in handling its population problem. (15 marks, 250 words)(GS Paper 1/Population and Associated Issues)
2. As against the existing views being expressed of the agricultural sector leading India's economic revival, there is an underlying distress in the agricultural sector that needs to be addressed to avoid the occurrence of a vicious economic cycle in India. Comment. (15 marks, 250 words)(GS paper 3/Agriculture)

