

# 22 Sep 2020: UPSC Exam Comprehensive News Analysis

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*Nothing here for today!!!*

## B. GS 2 Related

### Category: POLITY AND GOVERNANCE

#### 1. [Parliament passes Insolvency and Bankruptcy Code Bill](#)

##### Context:

The Lok Sabha passed the Insolvency and Bankruptcy Code (Second Amendment) Bill, which provides that insolvency proceedings against defaulting companies will not be initiated for at least six months starting from March 25, 2020. The bill was earlier passed in Rajya Sabha.

This topic has been covered in the [20<sup>th</sup> September 2020 Comprehensive News Analysis](#).

### Details:

- The proposed amendments were brought in the form of an Ordinance in June 2020, in the wake of the COVID-19 Pandemic and the subsequent lockdown.
- It suspended the application of three provisions (Sections 7, 9 and 10 of the [IBC](#)) to prevent any company, stressed due to the COVID-19 situation, from being pushed into insolvency proceedings.
  - Sections 7 and 9 pertain to the initiation of corporate insolvency proceedings by a financial creditor and an operational creditor, respectively.
  - Section 10 relates to filing an application for insolvency resolution by a corporate.

## 2. Amid Oppn. concerns, Lok Sabha passes FCRA Bill

### Context:

- The Lok Sabha passed the Foreign Contribution (Regulation) Amendment Bill, 2020.
- The government had proposed amendments to the Foreign Contribution Regulation Act (FCRA), 2011 in order to make it more stringent.

This topic has been covered in the [21<sup>st</sup> September 2020 Comprehensive News Analysis](#).

### Concerns:

- Opponents of the bill opine that the legislation may be used to target political opponents and religious minorities.
- Charges have been raised that the bill would hit the funds being received by educational institutions run by the Christian community.
- It is opined that by limiting administrative expenses drawn from foreign donations to 20% as against the current 50%, several NGOs might have to close down resulting in many people becoming jobless.
- Concerns have been raised against the provision that gives the Ministry of Home Affairs powers to suspend FCRA certificates for more than 180 days.

## C. GS 3 Related

### Category: ECONOMY

## 1. SBI raises ₹ 7000 crore through Basel-III bonds

### Context:

The State Bank of India said it had raised ₹7,000 crore via Basel III compliant bonds.

### Details:

- The Committee of Directors for Capital Raising at its meeting accorded its approval to allot 70,000 Basel III compliant non-convertible, taxable, redeemable debt instruments in the nature of debentures aggregating to ₹7,000 crore, to bond subscribers.
- The bonds qualify as tier II capital of the bank.

- The bonds have a face value of ₹10 lakh each, bearing a coupon rate of 6.24% per annum payable annually for a tenor of 10 years.
- There is a call option after 5 years and on the anniversary thereafter.
  - Call option means the issuer of the bonds can call back the bonds before the maturity date by paying back the principal amount to investors.

### **Basel III Norms:**

- Under the globally accepted Basel-III capital regulations, banks need to improve and strengthen their capital planning processes.
- Basel III norms are being implemented in phases since 2013 by Indian banks to mitigate concerns on potential stresses on asset quality and consequential impact on performance and profitability of banks.
- The banks have to comply with these regulations by end of September 2023 (Deferred from September 2020 due to the COVID-19 pandemic).

Read more on [Basel III Norms](#)

## **Category: SECURITY**

### **1. Unchecked digital media a threat: Centre**

#### **Context:**

Government's suggestions to the Supreme Court to improve the self-regulatory mechanism for digital media.

#### **Details:**

- A three-judge Bench led by Justice D.Y. Chandrachud had asked the government for suggestions to improve the self-regulatory mechanism for electronic media.
- The government replied, asking the court to focus on digital media rather than mainstream ones.
- The Centre asserted that unchecked digital media is capable of spreading venomous hatred, terror and violence. It opined that it could tarnish the reputations of institutions and individuals.

Also read: Affidavit by News Broadcasters Association on the same issue covered in the [21<sup>st</sup> September 2020 Comprehensive News Analysis](#).

## **Category: ENVIRONMENT**

### **1. Bacteria behind deaths of 330 Botswana elephants**

#### **Context:**

Toxins in water, produced by cyanobacteria (cyanobacterial neurotoxins) killed more than 300 elephants in Botswana this year.

#### **Cyanobacteria**

- Cyanobacteria are a group of photosynthetic bacteria, some of which are nitrogen-fixing.
- Cyanobacteria are microscopic organisms common in water and sometimes found in soil.
- They live in a wide variety of moist soils and water either freely or in a symbiotic relationship with plants or lichen-forming fungi.
- Cyanobacteria get their name from the bluish pigment phycocyanin, which they use to capture light for photosynthesis.
- They also contain 'chlorophyll a', the same photosynthetic pigment that plants use.
  - 'Chlorophyll a' is a specific form of chlorophyll used in oxygenic photosynthesis.
  - It absorbs most energy from wavelengths of violet-blue and orange-red light.
  - It also reflects green-yellow light, and as such contributes to the observed green color of most plants.

### **Concerns:**

- While not all cyanobacteria produce toxins, some cyanobacterial blooms can harm people and animals.
- Additionally, scientists assert that toxic ones are occurring more frequently as a result of climate change driving up global temperatures.
- Scientists are concerned about their potential impact as climate change leads to warmer water temperatures, which many cyanobacteria prefer.
- According to the Intergovernmental Panel on Climate Change (IPCC), Southern Africa's temperatures are rising at twice the global average.

## **D. GS 4 Related**

*Nothing here for today!!!*

## **E. Editorials**

### **Category: INTERNATIONAL RELATIONS**

#### **1. With China as backdrop, New Delhi's Moscow watch**

#### **Context:**

- India's decision to pull out of Russia's Kavkaz 2020 military exercises has led to questions about the possible impact of deteriorating India-China relations on the India-Russia partnership.
- While COVID-19 was cited as the official reason, the border tension with China is most likely to have prompted this decision.

#### **LAC issue and Russia's role:**

- With both its close partners at conflict, Russia has been playing a quiet diplomatic role during the recent border clashes without actively taking sides.
- India's Russia engagement has remained steady and Defence Minister visited Russia in June for the 75th Victory Day parade.
- Also, there have been discussions around furthering the India-Russia defence relationship alongside the promise to accelerate certain supplies based on India's requirements.

- Defence Minister's latest visit coincided with the biannual Indo-Russian naval exercise, INDRA, in the Andaman and Nicobar Islands, in the strategically crucial waters of the Indian Ocean.

### **Importance of Multilateral Forums:**

- From substantive defence engagement to regional questions in Central Asia, Afghanistan and West Asia, a conversation with Russia remains an important element of Indian foreign policy.
- The multilateral forums are important as they foster continued India-Russia cooperation at the bilateral and multilateral levels.
  - India and Russia, particularly since the 2018 Sochi informal summit have spent the past few years strengthening their partnership.
- India's External Affairs Minister has noted that we live in a 'curious world' where one cannot view engagement with different parties as a 'zero-sum game'.
- As a result, worsening India-China ties or a growing China-Russia relationship would not automatically mean a breakdown of the India-Russia strategic partnership.

### **Concerns for India:**

- Both India and Russia recognise the value of having a diversified portfolio of ties.
- The combination of a changing regional order, closer Russia-China ties and India's alignment with the United States and other like-minded countries to manage China's rise has the potential to create hurdles for India-Russia cooperation in Asia.
- India would like to secure Russian support in this changing Asian regional order. However, Russia has seen China become its key partner as relations with the West have hit a new post-Cold War low since 2014.
- The U.S. policy towards Russia has further pushed it towards China. This has resulted in strengthening China's rising power, to the detriment of both Indian and western interests.
- India on its part has sought to include Russia in its vision of the Indo-Pacific that does not see the region as 'a strategy or as a club of limited members'.
- Russia has acknowledged that the Indo-Pacific does not include the aim of containment of another power, however, it has been critical of the American conception of the region that in its strategy classifies China as a revisionist power.

### **Conclusion:**

- A world split into two blocs would be detrimental to the interests of both India and Russia.
- The strategic space both provide to each other is critical. It highlights the need to insulate their bilateral relationship from the unpredictability of the international system.
- Although the evolving global order makes it difficult for India and Russia to pursue fully convergent policies, it does not prevent the bilateral relationship from retaining its relevance.
- India and Russia must pragmatically manage the seeming contradictions in their respective policies while taking a long-term view of the strategic partnership.

## **2. India and the Abraham Accords**

### **Normalisation of ties:**

- The formal normalisation of Israel's ties with the United Arab Emirates (UAE) and the Kingdom of Bahrain has created a significant inflection point in regional history and geopolitics.
- With the newly established formal ties, the two Gulf states have joined Egypt and Jordan which had their peace treaties with Israel in 1979 and 1994.

### **Abraham Accords:**

- It is the first Arab-Israeli peace deal in 26 years.
- The United Arab Emirates and Bahrain have agreed to establish full diplomatic ties with Israel as part of a deal to halt the annexation of occupied land sought by the Palestinians for their future state.
- The so-called “Abraham Accords”, announced by United States President Donald Trump, secures an Israeli commitment to halt further annexation of Palestinian lands in the occupied West Bank.

### **Significance of the reconciliation:**

- The UAE and Bahrain do not have any territorial dispute with Israel, nor have they ever been at war with it.
  - Although formally committed to an Arab consensus over a two-state resolution of the Palestine cause, these two countries have steadily, albeit secretly, moved towards having substantive links with Israel in recent years.
  - Hence, the ‘Abraham Accords’ entered with the UAE and Bahrain are ‘peace-for-peace’ deals without any physical quid pro quo (exchange) by Israel.
- Multiple drivers are likely to spur the two new friendships to grow faster and deeper.
  - Externally, Israel, the UAE and Bahrain share the common threat perception of Iran against the backdrop of the ongoing shrinking of Pax Americana in the region.
  - Internally, while all three have their respective hotheads opposing this reconciliation, these seem manageable.
  - They are relatively more modern societies that share the overarching and immediate priority of post-pandemic economic resuscitation.
  - They have lost no time to set up logistics such as Internet connectivity and direct flights to pave the way for more active economic engagement.
- Subsequently, other moderate Arab countries are likely to build formal ties with Israel.

### **Implications for India:**

- Israel’s reconciliation with Egypt and Jordan did not have any major impact on India as its ties with them were relatively insignificant. At present, India has stronger, multifaceted and growing socioeconomic engagements with Israel and the Gulf countries.
  - Over eight million Indian diaspora in the Gulf annually account for remittances of nearly \$50 billion.
  - India’s annual merchandise trade with the Gulf is over \$150 billion, sourcing of nearly two-thirds of India’s hydrocarbon imports, major investments, etc.

### **Sustaining the diplomatic balance:**

- Calling both the countries its strategic partners, India has welcomed the establishment of diplomatic relations between the UAE and Israel.
- But, the Israel-Gulf Cooperation Council (GCC) breakthrough widens the moderate constituency for peaceful resolution of the Palestine dispute, easing India’s diplomatic balancing act.
  - The Israel-GCC ties could provoke new polarisations between the Jihadi fringe and the mainstream.
  - The possibility of the southern Gulf becoming the new arena of the proxy war between Iran and Israel cannot be ruled out, particularly in Shia pockets.

### **Managing the economic consequences:**

- Defence and security cooperation could act as a stimulus. Both sides are ready to realise the full potential of their economic complementarity in defence and security cooperation.



- The UAE and Bahrain can become the entrepôts to Israeli exports of goods and services to diverse geographies.
- Israel has niche strengths in defence, security and surveillance equipment, arid farming, solar power, horticultural products, high-tech, gem and jewellery, and pharmaceuticals.
- Tourism, real estate and financial service sectors on both sides have suffered due to the pandemic and hope for a positive spin-off from the peer-to-peer interactions.
- Further, Israel has the potential to supply skilled and semi-skilled manpower to the GCC states, particularly from the Sephardim and Mizrahim ethnicities, many of whom speak Arabic.
- Even the Israeli Arabs may find career opportunities to bridge the cultural divide.
- Israel is known as the start-up nation and its stakeholders could easily fit in the various duty-free incubators in the UAE.

### **Conclusion:**

- India has acquired a large and rewarding regional footprint in the Gulf. It is particularly preferred as the source of manpower, food products, pharmaceuticals, gem and jewellery, light engineering items, etc.
- Indians are also the biggest stakeholders in Dubai's real estate, tourism and Free Economic Zones.
- In the evolving scenario, there may be scope for a profitable trilateral synergy, but India cannot take its prevalence for granted.
- India must be careful and should monitor or even pre-empt any threat to its interests in the Gulf.
- Even more important for India is to manage the economic fallout of the Israel-GCC reconciliation.

## **Category: ECONOMY**

### **1. Dilution without adequate deliberation**

#### **Context:**

Recently, the government withdrew three Bills related to labour laws and replaced them with new ones.

#### **Background:**

- India has a complex regime of labour laws, and several committees have recommended simplifying and rationalising them.
- In 2019, the government introduced four labour codes as Bills to replace 29 existing laws.
  - These Codes dealt with regulation of wages, occupational safety and health, social security, and industrial relations.
  - The Code on Wages was passed by Parliament, then (2019).
- The Standing Committee on Labour has presented its reports on the other three Bills. It is these three Bills that the government has replaced and introduced in the Lok Sabha.
  - These Bills make significant changes to the regulation of labour and the employer-employee relationship in several ways.

This topic has been covered in [20<sup>th</sup> September 2020 Comprehensive News Analysis](#).

## **F. Prelims Facts**

*Nothing here for today!!!*

## 1. UN faces crisis without reforms: Modi

### What's in News?

The Prime Minister delivered his address via a recorded video, to commemorate the 75th anniversary of the signing of the United Nations Charter and the adoption of a Commemorative Declaration.

- In his message, Prime Minister praised the [UN](#) but said the institution faced a “crisis of confidence” without major reforms.
- “The Declaration also acknowledges the need for reform of the United Nations itself. We cannot fight today’s challenges with out-dated structures. Without comprehensive reforms, the UN faces a crisis of confidence” the PM said.
- The Prime Minister also said the “world was a better place” because of the U.N. He recognised those who had worked for peace under the U.N flag including U.N peacekeepers and noted India’s contribution to peacekeeping.

### **UN Charter**

- The UN Charter was signed on 26 June 1945, in San Francisco, at the conclusion of the United Nations Conference on International Organization, and came into force on 24 October 1945.
- The Statute of the International Court of Justice is an integral part of the Charter.

### Address by Secretary-General António Guterres:

Speaking at the UN’s 75th-anniversary commemoration, Secretary-General António Guterres said the world had a surplus of multilateral challenges but not enough multilateral answers to these.

- He called gender inequality the greatest single challenge for human rights globally.
- Collapsing biodiversity, the hatred that was engendering geopolitical tensions and increasing threat from nuclear weapons, were among the challenges the Secretary-General listed.
- It was said that the UN75 Declaration resolves to take action on a range of subjects from digital cooperation to reform of the UN.

## 2. ‘Privatise select PSU banks’

### What's in News?

In a paper titled ‘Indian Banks: A Time to Reform?’, Dr. Rajan and former RBI Deputy Governor Viral Acharya said that the reforms are necessary to ensure the growth of banking activity without the periodic boom-bust cycles.

### Suggestions:

- Former RBI Governor has suggested that the government should privatise select public sector banks, set up a bad bank to deal with NPAs and dilute the Department of Financial Services’ role.



- Re-privatisation of select PSBs can be undertaken, bringing in private investors who have both financial expertise as well as technological expertise.
- Corporate houses must be kept from acquiring significant stakes, given their natural conflicts of interest.
- Private and national asset management 'bad banks' should be encouraged in parallel to the online platform for distressed loan sales.
- On bad loans, they said out-of-court restructuring frameworks can be designed for time-bound negotiations between creditors of a stressed firm, failing which the [National Company Law Tribunal](#) filing should apply.

## H. UPSC Prelims Practice Questions

**Q1. Consider the following statements with respect to Cyanobacteria:**

1. Cyanobacteria are a group of photosynthetic bacteria.
2. They contain phycocyanin which they use to capture light for photosynthesis.
3. They contain 'chlorophyll a', the photosynthetic pigment that plants use.

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

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

**CHECK ANSWERS:-**

**Answer: c**

**Explanation:**

- Cyanobacteria are a group of photosynthetic bacteria, some of which are nitrogen-fixing.
- Cyanobacteria are microscopic organisms common in water and sometimes found in soil.
- Cyanobacteria get their name from the bluish pigment phycocyanin, which they use to capture light for photosynthesis.
- They also contain 'chlorophyll a', the same photosynthetic pigment that plants use.

**Q2. West Bank is bordered by:**

1. Mediterranean Sea
2. Dead Sea
3. Israel
4. Jordan
5. Lebanon

**Choose the correct option:**

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

**CHECK ANSWERS:-**

**Answer: a**

**Explanation:**

Dead Sea, Jordan and Israel border the West Bank area.

**Q3. Consider the following statements:**

1. Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the financial crisis of 2007-09.
2. Basel III regulations are designed to enhance the quality and quantity of capital held by banks.
3. The Secretariat of the Basel Committee on Banking Supervision is located at the Bank for International Settlements (BIS).

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

- a. 3 only
- b. 1 and 2 only
- c. 1 only
- d. None of the above

**CHECK ANSWERS:-**

**Answer: d**

**Explanation:**

- Basel III is an internationally agreed set of measures developed by the Basel Committee on Banking Supervision in response to the financial crisis of 2007-09.
- Basel III regulations are designed to enhance the quality and quantity of capital held by banks.
- The Bank for International Settlements (BIS) hosts the Secretariat of the Basel Committee on Banking Supervision.

**Q4. Consider the following statements with respect to Neutrinos:**

1. Neutrinos occur in five different flavours and carry positive electrical charge.
2. They interact with gravity.
3. They are extremely difficult to detect because they have very little interaction with matter.

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

- a. 1 only
- b. 2 only
- c. 2 and 3 only
- d. None of the above.

**CHECK ANSWERS:-**

**Answer: a**

**Explanation:**

- Neutrinos are elusive subatomic particles created in a wide variety of nuclear processes. Their name, which means "little neutral one," refers to the fact that they carry no electrical charge. Neutrinos occur in three different types, or flavours.
- Of the four fundamental forces in the universe, neutrinos only interact with two — gravity and the weak force, which is responsible for the radioactive decay of atoms.
- Neutrinos are extremely difficult to detect because they have very little (weak) interaction with matter.

## I. UPSC Mains Practice Questions

1. Israeli foray into the Gulf has the potential to disrupt the existing politico-economic architecture India has carefully built with the Gulf Cooperation Council (GCC) states. Analyse. (15 Marks, 250 Words) (GS 2 - International Relations).
2. Discuss the impact of the ongoing border clashes between India and China on India-Russia ties. (15 Marks, 250 Words) (GS 2 - International Relations).