

24 Oct 2020: UPSC Exam Comprehensive News Analysis

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Nothing here for today!!!

B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. House panel mulls action against Amazon

Context:

Joint Committee of Parliament (JCP) is examining the draft Data Protection Bill.

Details:

- The JCP is examining the bill amid concerns that the privacy of users is being compromised for commercial interest.

- Amazon, Twitter, Facebook, Google and Paytm are among the companies from whom the committee has sought views on data security and protection.

Issue:

- While Facebook India's policy head appeared before the Joint Committee of Parliament (JCP), e-commerce giant Amazon declined to depose before the panel stating the risk of travelling during the pandemic.
- The Chairperson of the JCP indicated that Amazon's refusal amounts to a breach of parliamentary privilege and that the panel was unanimous about taking coercive action if no one from the company appears.

Note:

- Members of the committee asked Facebook about its decision-making process, revenue model, method of paying taxes, advertisers and the process of choosing the target audience for these advertisers, background verification of its users including the process to find out the age of a new user.
- A member also suggested FB India should not share inferential data of its users for the commercial benefit of its advertisers.

2. CVC amends SOP for procurements

Context:

The [Central Vigilance Commission](#) has amended the Standard Operating Procedure (SOP) on the adoption of "Integrity Pact" in government organisations for procurement activities, and tenure of Integrity External Monitors (IEMs).

Details:

- The CVC has restricted the maximum tenure of Integrity External Monitors (IEMs) to three years in an organisation.
- The latest order revises the SOP issued in January 2017.
- The amended provision states that the choice of IEM should be restricted to officials from the government and Public Sector Undertakings (PSUs) who have retired from positions of the level of Secretary to the Central Government or of an equivalent pay scale.
- Such officials who retired as Chairman and Managing Directors (CMDs) of PSUs — Schedule 'A' companies and CMD/Managing Director and Chief Executive Officer levels in the Public Sector Banks (PSBs), insurance companies and financial institutions — should be at least of the level of Additional Secretary or its equivalent.
- Officers of the Armed Forces who have retired from the rank equivalent of General may also be considered for appointment.
- Preference would be given to persons who have worked in any other sector, other than their own, or have worked as Chief Vigilance Officer in any organisation.
- The amendment provides that for appointment as IEM, the Ministry, department or organisation concerned has to forward a panel of suitable persons to the CVC, of those persons who are in the panel maintained by the Commission.
 - The previous corresponding provision stated that the panel could include those already in the panel maintained by the Commission, or they could propose the names of other suitable persons.

Integrity Pact and Integrity External Monitors (IEMs)

- Integrity Pacts were developed as a tool for preventing corruption in public contracting.
- The “Integrity Pact” envisages an agreement between the prospective vendor/bidder and the buyer committing the persons/ officials of both the parties not to exercise any corrupt influence on any aspect of the contract.
- It is a tool developed by Transparency International.
- The Integrity Pact envisages a panel of Independent External Monitors (IEMs) for each organisation.
- The Independent External Monitor is responsible to oversee the implementation of the Integrity Pact vis-à-vis to prevent/reduce/eliminate corruption, bribes or any other unethical practices.
- IEM reviews independently and objectively, whether and to what extent parties have complied with their obligations under the pact.

Category: INTERNATIONAL RELATIONS

1. Pakistan to stay on FATF grey list till 2021

Context:

The Financial Action Task Force ([FATF](#)) decided to keep Pakistan on the grey list until the next review of its compliance with the recommendations made in February 2021.

Details:

- While Pakistan has made progress across all action plan items and has largely addressed 21 of 27 action items, the decision to retain it on the grey list or “Jurisdictions under increased monitoring” was taken as the action deadlines have not been met.

Key-Points on which Pakistan failed to deliver:

- Inaction against charitable organisations or non-profit organisations linked to terror groups banned by the UNSC.
- Delays in the prosecution of banned individuals such as Hafiz Saeed, Zaki Ur Rahman Lakhvi and Masood Azhar.
- Non-compliance in cracking down terror-financing through narcotics and smuggling mining products, including precious stones.

Note:

- Turkey proposed that members should consider Pakistan's good work and instead of waiting for the completion of the remaining six of the 27 parameters, an FATF on-site team should visit the country to finalise its assessment.
- On-site teams are permitted only after jurisdictions complete their Action Plans.
- Such visits would signal an exit from the grey or black list.

For background and more information on this issue, read [22nd February 2020 Comprehensive News Analysis](#).

2. Oli move on Nepal map hints at softer stand

Context:

Nepal Prime Minister used an old map of Nepal to greet everyone on the festival of Vijaya Dashami (the biggest festival in Nepal).

Background:

Nepal's Parliament had unanimously voted for the Second Constitution Amendment Bill, which guaranteed legal status for the new political map of the country that included part of Indian territory in Uttarakhand.

This issue has been covered in the [14th June 2020 Comprehensive News Analysis](#).

Details:

- The recent development indicates a softer line after months of dispute with India over the Kalapani issue.
- The old map does not show the region of Kalapani-Lipulekh-Limpiyadhura, which is part of India's Pithoragarh district.
 - The triangular piece of land was shown as part of Nepalese sovereign territory in the new map.

C. GS 3 Related

Category: ECONOMY

1. Centre slaps stock limits as onion prices shoot up

Context:

- With onion prices crossing ₹100 per kg in several cities, the Centre imposed stock limits on wholesalers and retailers until the year-end to prevent hoarding.
- This is the first time stock limits have been imposed on any commodity after the Essential Commodities Act was amended.
- The increase in price has triggered the "extraordinary price rise" clause of the amended ECA allowing the government to invoke stock limits.

This topic has been covered in the [23rd October 2020 PIB Summary and Analysis](#).

2. Centre borrows ₹6,000 cr. for GST compensation

Context:

The Centre has kicked off its borrowing plan to meet the GST compensation shortfalls faced by States by borrowing and transferring ₹6,000 crore to 16 States as well as the Union Territories of Delhi and J&K.

Background:

The Centre had announced that the Government of India (GOI) will undertake the required borrowings in tranches and pass them on to the States as back-to-back loans that will reflect on their own books.

This topic has been covered in the [16th October 2020 Comprehensive News Analysis](#).

Details:

- The Finance Ministry has so far granted permission to raise about ₹78,500 crore to meet the shortfall pertaining to 21 States.
- The borrowing is at an interest rate of 5.19%.
- It is intended to make weekly releases of ₹6,000 crore to the States.
- The tenor of borrowing is expected to be broadly in the range of 3 to 5 years.
- The interest on these borrowings, as well as the principal, is to be repaid from future GST cess collections.
 - The GST Council has extended the applicability of the cess levied on sin or luxury goods over and above the highest GST rate of 28%, beyond the original deadline of June 2022.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. India's UN journey, from outlier to the high table

The editorial talks about India's journey at the [United Nations](#) and offers suggestions to the country in its role as a non-permanent member of the UN Security Council.

India's Membership and phases:

India's membership at the UN for 75 years could be viewed in three distinct phases.

Phase-I:

- In the first phase until the end of the Cold War in 1989, India explored and enhanced its diplomatic influence as a moderating force.
- Its role was instrumental in easing armed conflicts in Asia and Africa by disentangling them from the superpower rivalry.
- In parallel, it was learnt that the UN could not be relied upon to impartially resolve vital security disputes such as Jammu and Kashmir.
- India strove to utilise the UN only to focus on common causes such as anti-colonialism, anti-racism, nuclear disarmament, environment conservation and equitable economic development.
- In 1988, India seemed to claim the moral high ground by proposing a three-phase plan to eliminate nuclear weapons from the surface of the earth.
- India resisted attempts by neighbouring countries to raise bilateral problems - which was evident during the [Bangladesh liberation war](#) and after.

Phase-II:

- The 1990s spelled the most difficult decade for India in the UN.
- The Cold War had suddenly ended, the Soviet Union had disintegrated resulting in the emergence of the United States as the unrivalled power in world politics.
- Also, the uncertain political climate caused by unstable coalition governments along with the balance of payments crisis constrained India's capability to be active in various bodies, especially in the Security Council (UNSC) and the [General Assembly](#).
- There was a change in India's foreign policy which was reflected in voting patterns at the UN.
- Further, the extent of India's diplomatic difficulties was evident as it suffered a humiliating defeat in the hands of Japan in the 1996 contest for a non-permanent seat in the UNSC.
- However, India stood a firm ground against the indefinite extension of the Non-Proliferation Treaty in 1995.
- It also rejected the backdoor introduction for the adoption of the [Comprehensive Test Ban Treaty](#) in 1996.
- Ignoring the likely adverse reaction from the nuclear club, India surprised the world in 1998 with its Pokhran nuclear weapon tests.

Phase-III:

- The 21st century opened new avenues for India to shine at the UN.
- India's impressive economic performance in the first decade, as a result of the 1991 economic reforms helped a great deal in strengthening its profile.
- India emerged as a responsible stakeholder in non-traditional security issue areas such as the spread of small and light weapons, the threat of non-state actors acquiring weapons of mass destruction, and the impact of climate change.
- India also made substantial troop contributions to several peacekeeping operations in African conflict theatres.
 - India has scaled up its contributions to the development and humanitarian agencies.
 - Its share to the UN assessed budget has registered a hike from 0.34% to 0.83%.
- India's growing popularity is evident in the successful electoral contests for various prestigious slots in the UNSC, the Human Rights Council, the World Court, and functional commissions of the [Economic and Social Council](#).

Challenges to India:

- The draft Comprehensive Convention on International Terrorism encountered reservations from among Islamic and other countries on provisions regarding the definition of a terrorist and the convention's application to state armed forces.
- India may face challenges and opportunities in the UNSC, in the midst of the currently volatile situation as characterised by:
 - The Trump administration's disdain towards multilateral institutions.
 - The changing U.S.-China equation.
 - China's growing political isolation on account of the spread of the novel coronavirus.
 - China's aggressive territorial forays in eastern Ladakh and the South China Sea.
- Equally important is the question of equitable expansion of the UNSC to enable India to attain permanent membership.
 - The move has been stuck for more than 25 years because of a lack of unity among the regional formations.

Way forward:

- With the question of India becoming a permanent member of the UNSC being stuck for a long time with no progress, the only realistic possibility seems to settle for a compromise.
 - A new category of members elected for a longer duration than the present non-permanent members without veto power.
- India's future role will depend on its ability to endure the impact of the multiple crises it faces on account of the economic slowdown and a troubled relationship with China.
- With India soon beginning its two-year term as a non-permanent UNSC member (January 1, 2021), it an opportunity for the country to look at the major trends, patterns and future challenges as far as India is concerned in terms of safeguarding its interests and promoting the common good.
- It is suggested that India needs to uphold the Charter principles in the backdrop of a turbulent world as a non-permanent UNSC member.
- India must prioritise the areas such as upholding of Charter principles, mounting effective punitive measures against those who support, finance and sponsor terrorists, besides striving for securing due say to the troop-contributing countries in the management of peace operations.

2. Hitting where it hurts

Context:

The U.S. State Department has proposed not to issue temporary business visas for H-1B speciality occupations, which allowed several companies to send tech professionals for a short stay to complete jobs on site.

This topic has been covered in the [23rd October 2020 Comprehensive News Analysis](#).

Concerns:

- With the presidential elections around the corner, the areas of legal migration, including skilled workers entering the U.S. via the H-1B programme, have become policy targets for the White House.
- The proposed policy action, just ahead of the US presidential election, is significant when viewed with similar moves to tighten restrictions on the entry of foreign nationals, including:
 - Raising the minimum salaries payable to those applying for H-1B visas.
 - To stop the issuance of H-1B visas entirely until December 31, 2020.
- Collectively, it would be reasonable to expect a painful economic fallout on legal skilled migration from India.
- This is likely to directly impact Indian companies contracting with American firms for on-site work.

Conclusion:

- The pressure on the White House to increase this form of protectionism has risen owing to the pandemic's job-killing effects.
- India may choose to take retaliatory action, as major portions of India's technology markets are dominated by American firms. To date, there has been no retaliatory policy from India.
- But, India cannot afford a new rift with the US. However, it may opt for backchannel talks to secure some relief for Indian workers.
- Besides, it would be wise for Indian IT firms seeking to send their employees to the U.S. for short-term work to assume that regardless of the results of the election, it will be a long time before they can hope to return to business as usual.

Category: POLITY AND GOVERNANCE

1. Taking on the Centre

Context:

- The Centre brought about agriculture market reforms by passing the Farmers' Produce Trade and Commerce (Promotion and Facilitation) Bill, 2020, the Farmers (Empowerment and Protection) Agreement on Price Assurance and Farm Services Bill, 2020 and the Essential Commodities (Amendment) Bill, 2020.
- Soon after the bills were passed in the parliament, farmers took to the streets, protesting against the three Bills on agriculture market reforms.
- Now, the States aggrieved by central farm laws are adopting both legislative and legal measures.

Read about the Agricultural Reforms covered in [27th September 2020 Comprehensive News Analysis](#).

What's in News?

Punjab became the first State to formally reject the Centre's three recent agriculture sector laws, with its Assembly unanimously passing three Bills to negate the Union legislation.

This topic has been covered in [21st October 2020 Comprehensive News Analysis](#).

Concerns:

- This development gives a perfect example of the difficulties in managing the conflict between liberalising the farm sector and protecting the small and marginal farmer from the agonies of the transition.
- The issue also flags the consequences of not having a wide and informed debate before introducing far-reaching changes.

Also Read: [Farm Bills: who gains who loses?](#)

Conclusion:

- A key issue raised by Punjab's proposed amendments is whether they are legally valid and where they stand in the teeth of the Centre's legislation.
- States can indeed amend central laws enacted under the Concurrent List, subject to the condition that provisions repugnant to the parliamentary Acts will have to get the President's assent, without which they do not come into force.
- The Punjab Bills note that agriculture is under the legislative domain of the States, as the subject falls under the State List in the Seventh Schedule.
- The Centre has enacted its farm sector Bills by invoking Entry 33(b) in the Concurrent List, which concerns trade and commerce in, and production, supply and distribution of, foodstuffs.
 - By stretching the entry's meaning to include agriculture, Parliament has managed to pass laws in the domain of the States.
- In these circumstances, States aggrieved by the farm sector laws will either have to adopt Bills that would require presidential assent, as Rajasthan has decided to do, or challenge the validity of the central laws in the Supreme Court.
- Whatever the outcome, a casual and centralised approach to issues that affect millions of farmers ill-serves a diverse country.

F. Prelims Facts

1. India to chair key ILO forum after 35 years

What's in News?

The Labour Ministry has said that India has assumed the role of chair of the International Labour Organisation's governing body from October 2020 till June 2021.

- India is taking up the role after a gap of 35 years.

Details:

- The Governing Body is the executive body of the ILO.
- The ILO body decides on matters of agenda of the International Labour Conference.
- It decides on the budget of ILO.
- It elects the Director-General.

Read more about the [International Labour Organization \(ILO\)](#)

2. MPC wary of inflation: minutes

What's in News?

The Reserve Bank of India (RBI) has left interest rates unchanged at the monetary policy committee's latest meeting.

- According to its minutes, a second wave of COVID-19 remains a threat to the Indian economy and the RBI believes that monetary policy needs to remain accommodative despite inflationary pressures.

Monetary Policy Committee:

- The Monetary Policy Committee (MPC) is a committee constituted by the Reserve Bank of India.
- It is chaired by the Governor of RBI.
- Monetary Policy Committee was formed with the mission of fixing the benchmark policy interest rate (repo rate) to restrain inflation within the particular target level.

Read more about the [Monetary Policy Committee \(MPC\)](#).

G. Tidbits

Nothing here for today!!!

H. UPSC Prelims Practice Questions

Q1. Consider the following statements about the National Institute of Communicable Diseases (NICD):

1. It has its origin as the Central Malaria Bureau, established in 1909.
2. The Institute has its headquarters in Patna, Bihar.
3. It functions as the nodal agency in the country for disease surveillance facilitating prevention and control of communicable diseases.

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

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

CHECK ANSWERS:-

Answer: a

Explanation:

- The National Centre for Disease Control (NCDC), formerly National Institute of Communicable Diseases (NICD), had its origin as the Central Malaria Bureau, established at Kasauli (Himachal Pradesh) in 1909.
- The Institute has its headquarters in Delhi.
- It functions as the nodal agency in the country for disease surveillance facilitating prevention and control of communicable diseases.

Q2. Consider the following statements with respect to Parliamentary Privilege:

1. It refers to rights and immunities enjoyed by the Parliament as an institution and by Members of Parliament in their individual capacity.
2. It is provided under Article 105 of the Constitution.
3. Immunity to a member from any proceedings in any court in respect of anything said or any vote given by him in Parliament or any committee is one of the Parliamentary Privileges specified in the Indian Constitution.

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

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

CHECK ANSWERS:-

Answer: d

Explanation:

All the statements are correct.

Q3. Consider the following statements:

1. Foreign Currency Assets, Special Drawing Rights, gold reserves are a part of India's Forex Reserves.
2. India has never featured among the top 10 countries with highest Forex Reserves.

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

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

CHECK ANSWERS:-

Answer: b

Explanation:

- Forex reserves or foreign exchange reserves (FX reserves) are assets that are held by a nation's central bank or monetary authority.
- Foreign Currency Assets, Special Drawing Rights, gold reserves are a part of India's Forex Reserves.
- According to RBI data, India's foreign exchange reserves touched a lifetime high of \$555.12 billion after it surged by \$3.615 billion in the week ended October 16, 2020. With this development, India is ranked 5th among the countries with highest Forex Reserves.

Q4. Which of these countries hold a permanent seat in the governing body of the International Labour Organisation as the state of chief industrial importance?

- 1. Germany
- 2. China
- 3. Pakistan
- 4. India
- 5. Australia

Choose the correct option:

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

CHECK ANSWERS:-

Answer: a

Explanation:

- The Governing Body is the executive body of the International Labour Office (the Office is the secretariat of the Organization).
- In the International Labour Organization's (ILO) governing body, ten of the titular government seats are permanently held by States of chief industrial importance.
- These are: Brazil, China, France, Germany, India, Italy, Japan, the Russian Federation, the United Kingdom and the United States.

I. UPSC Mains Practice Questions

1. FATF has retained Pakistan in the “greylist” for its failure in implementing the plan of action on terror financing and money laundering. Discuss how being placed in the FATF “Grey List” affects countries with a special emphasis on Pakistan. (10 Marks, 150 Words) (GS 2 - International Relations).
2. A centralised approach to issues that affect millions of farmers ill-serves a diverse country. Critically analyse the statement. (15 Marks, 250 Words) (GS 2 – Polity and Governance).