

29 Jan 2021: UPSC Exam Comprehensive News Analysis

TABLE OF CONTENTS

A. GS 1 Related

B. GS 2 Related

INTERNATIONAL RELATIONS

1. [‘U.S. will rejoin deal if Iran is compliant’](#)
2. [Jaishankar suggests way forward for China ties](#)
3. [‘India’s UNSC seat a matter of discussion’](#)

C. GS 3 Related

ENVIRONMENT AND ECOLOGY

1. [Three States to divert more sugar for ethanol](#)

ECONOMY

1. [‘Plug gaps in GST to raise fiscal support’](#)

D. GS 4 Related

E. Editorials

GOVERNMENT POLICIES

1. [Global antitrust and the challenge of Big Tech](#)

HEALTH

1. [Tempered optimism](#)

F. Prelims Facts

1. [18 Opposition parties to boycott President’s address](#)

G. Tidbits

H. UPSC Prelims Practice Questions

I. UPSC Mains Practice Questions

A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. 'U.S. will rejoin deal if Iran is compliant'

Context:

U.S. Secretary of State confirmed the administration's position that if Iran were to become compliant with the terms of the now-defunct Joint Comprehensive Plan of Action (JCPOA, or the "Iran deal"), the U.S. would re-enter it too.

Background:

- The U.S. (Trump administration) withdrew from the nuclear deal with Iran in 2018 and unilaterally began re-imposing sanctions on Iran.
- The US tried to push for an indefinite arms embargo on Iran but failed to win support from the UN Security Council on this issue.

Details:

- Now, the U.S. Secretary of State confirmed that if Iran comes back into full compliance with its obligations under the JCPOA, the United States would do the same thing.
- He added that the platform would then be used to build a longer and stronger agreement to deal with a number of other issues that are deeply problematic in the relationship with Iran.

Significance of having a nuclear deal with Iran:

- The international community in general and specifically the United States have mobilized to prevent a nuclear-armed Iran for decades now.
- It is believed that nuclear weapons in the hands of the Iranian regime would directly threaten Israel, destabilize the region, and present a security risk to the US, Europe and other allies.
- America's Arab allies, such as Saudi Arabia, the UAE, Bahrain, and others are deeply alarmed at Iran's aggressive regional policy and would feel increasingly threatened by a nuclear-armed Iran.
- The nuclear deal involving Iran is crucial to maintaining calm in the Middle East – a volatile and vital region.

2. Jaishankar suggests way forward for China ties

Context:

After a year of exceptional stress in a relationship profoundly disturbed by the border crisis, External Affairs Minister S. Jaishankar said that recognition of "mutual respect, mutual sensitivity and mutual interests" was key to repairing India-China relations.

Details:

- Even before the events of 2020, the India-China relationship had reflected "a duality of cooperation and competition".
- While both sides had made a common cause on development and economic issues and common membership of plurilateral groups was a meeting point, there were divergences when it came to interests and aspirations.
- However, over the years, there has been no significant progress in arriving at a common understanding of the alignment of the LAC.

- Also, there has been an increasing construction of border infrastructure, especially on the Chinese side.
- He added that India had made efforts to reduce the considerable infrastructure gap since 2014, including through greater budget commitments and road building.

Way forward:

- The minister suggested three mutuals and eight broad propositions as a way forward for the relationship.
- Mutual respect, mutual sensitivity and mutual interests, he said were determining factors.
- The first proposition was that agreements already reached must be adhered to in their entirety, both in letter and spirit.
- Both sides also needed to strictly observe and respect the LAC, and any attempt to unilaterally change the status quo was completely unacceptable.
- Peace and tranquillity in border areas was the basis for the development of the relationship in other domains. If that was disturbed, he said, the rest of the relationship would be too.
- The other proposition was that while both remain committed to a multipolar world, they should recognise that a multipolar Asia was one of its essential constituents.
- While each state had its interests, concerns and priorities, sensitivities to them could not be one-sided and relations were reciprocal in nature. As rising powers, neither should ignore the other's set of aspirations.

Conclusion:

While there could be divergence and differences between the two neighbours, their management is essential for stronger ties.

3. 'India's UNSC seat a matter of discussion'

Context:

The U.S. President's pick for UN Ambassador's response to a question on whether India, Germany and Japan should become permanent members of the United Nations Security Council (UNSC).

Details:

- She noted that there were arguments for and opinions against these countries becoming permanent members.
 - China opposes permanent membership for India and Japan.
 - The Uniting for Consensus (UFC) group — Pakistan, South Korea, Italy and Argentina also oppose the G4 (Brazil, Germany, Japan and India) becoming permanent members.
- Recognizing India's growing role on the world stage, the Obama-Biden Administration formally declared U.S. support for India's membership in a reformed and expanded United Nations Security Council.
- The U.S. has for some years supported India's permanent membership to the Council — with former President Barack Obama declaring his country's support in his address to Parliament in 2010.

Note:

- India, along with Brazil, Japan and Germany are pressing for urgent reform of the UN Security Council and for a permanent seat in it.

- Also, India officially began its two-year term as a non-permanent member of the United Nations Security Council with the beginning of the year 2021.

Read more on this topic covered in 27th January 2021 CNA.

Uniting for Consensus (UFC) group:

- Uniting for Consensus (UFC) group is an informal club that developed at the UN in the 1990s.
- The group developed in opposition to the possible expansion of permanent seats in the United Nations Security Council.
- Under the leadership of Italy, it aims to counter the bids for permanent seats proposed by G4 nations (Brazil, Germany, India, and Japan) and is calling for a consensus before any decision is reached on the form and size of the Security Council.
- The thesis of the Uniting for Consensus group is that any increase in permanent seats would further accentuate the disparity between the member countries.
- Italy along with Pakistan, Mexico and Egypt, in 1995 founded the “Coffee Club”.
- They were soon joined by other countries, including Spain, Argentina, Turkey, Canada, and South Korea, and in a short time, the group came to include about 50 countries in Asia, Africa, and Latin America.

C. GS 3 Related

Category: ENVIRONMENT AND ECOLOGY

1. Three States to divert more sugar for ethanol

Context:

Major sugar-producing States — Uttar Pradesh, Maharashtra and Karnataka are expected to see mills diverting a higher quantity of the commodity (B heavy molasses and sugarcane juice) for ethanol production compared with the previous year.

Details:

- India had set a goal of 20% ethanol blending with petrol by 2030. Recently, the target was advanced by five years to 2025 as it looks to cut dependence on costly oil imports.
- As much as 4 billion litres of ethanol will be needed for achieving 10% mixing ratio.
- The government has proposed the adoption of E20 fuel as an automobile fuel.

This topic has been covered in 19th December 2020 CNA.

Benefits of Ethanol blending:

- India is 83% dependent on imports for meeting its oil needs. Doping petrol with ethanol will cut down the import requirement.
- Ethanol being a less polluting fuel will cut down carbon emissions.
- Ethanol is a green fuel & its blending with petrol also saves the country's foreign exchange.

- The move to raise ethanol content in petrol will also provide an alternate source of revenue for sugar mills and help them clear farm dues.

Steps taken by the government:

- To encourage sugar mills to divert excess sugarcane to produce ethanol for blending with petrol, the government has allowed the production of ethanol from B-Heavy Molasses, sugarcane juice, sugar syrup and sugar; and has also fixed the remunerative ex-mill price of ethanol derived from these feed-stocks.
- Sugar mills having distillation capacity have been advised to divert B-heavy molasses and sugar syrup for producing ethanol to utilize their capacity to maximum extent; and those sugar mills which do not have distillation capacity should produce B-Heavy molasses and should tie up with distilleries which can produce ethanol from B-Heavy molasses.
- States have also been requested to ensure smooth movement of molasses & ethanol.

Know more about the **Ethanol Blended Petrol Programme (EBP Programme)** and **Ethanol as a fuel**.

Category: ECONOMY

1. 'Plug gaps in GST to raise fiscal support'

Context:

International Monetary Fund (**IMF**) chief economist's suggestions to India with respect to policy support in the middle of a pandemic.

Details:

- The chief economist has suggested a few measures that India should take in order to contain borrowing costs while enhancing fiscal support for the economy. They are:
 - Propose a credible privatisation plan for public sector firms
 - Plug gaps in GST collections
 - Cut wasteful expenditure from the Budget
- She said that India must continue to provide support to the weaker sections and increase outlays for the national employment guarantee scheme, adding that the policies of in-kind and in-cash support that were deployed in 2020 and expired in 2020, should be deployed again for 2021.
- While concerns are being raised about high government debt, she said any tightening of fiscal policies in the middle of the pandemic would be damaging.
- She emphasised that credibility on effectiveness in GST collections, disinvestment plans would give confidence to the markets and keep borrowing costs low during the transition.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: GOVERNMENT POLICIES

1. Global antitrust and the challenge of Big Tech

Context:

- The Big Tech firms such as Facebook and Google have come under the scanner in the European Union and the United States of America over the issue of abuse of monopolistic power.

Details:

- The policy-makers have a tough task ahead of them over the need to regulate these internet firms from misuse of their monopoly power.
- Parallels have been drawn with the earlier anti-trust investigations in the U.S on the telecom industry.

Anti-trust investigations in the US on the Telecom industry

- The antitrust investigation dealt with a trade group that includes Verizon and AT&T among its members which had been criticized for making it harder for consumers to switch carriers.
- The intention was to reassert the government's role in policing monopolistic and anti-competitive practices by powerful companies.

Key differences now

- Though the parallels between the anti-trust investigations in the case of the telecom industry in the US and the current Big-Tech firms are conspicuous, there are certain fundamental differences.

1. *Non-rivalrous nature of information good supplied*

- To begin with, there is the 'non-rivalrous' nature of information good that is being provided by the Internet firms of today.
- Everyone has access to use them, and their use does not deplete their availability for future use. These are consumed by people, but their supply is not affected by people's consumption.
- The consumption of information by one does not alter the value for the others. However, in telecom, due to limited network capacity, the consumption by one has an effect of decreasing value for the others and, hence, is rival in nature.

2. *Regulators with defined jurisdiction*

- The activities of telecom services are bound by the jurisdictional boundaries of regulators and, hence, the regulators have regulatory and at times punitive powers to ensure orderly behaviour of the licensed telecom operators.
- However, the Internet firms operate without being restricted to the geographical frontiers, therefore, it is often difficult to lay down international rules of obligation and fulfilment by the different country regulators.

3. *Principle of Exclusion*

- The goods and services provided by the internet cannot be categorically classified as 'excludable'.

- In economics, the exclusion principle states “the owner of a private good may exclude others from use unless they pay.” It excludes those who are unwilling or unable to pay for the private good, but does not apply to public goods that are known to be indivisible, such goods need only to be available to obtain their benefits rather than be purchased.
- It cannot be conclusively ruled whether the goods and services provided by the Internet firms are excludable, but the telecom is certainly excludable due to the need for consumers to obtain connections from the respective telecom companies and pay the subscription charges for the same.
- The internet firms have been able to leverage this provision to provide search, navigation, and social connectivity free of cost to users, consequently, making these services non-excludable.
- The commercialisation of the Internet has paved way for non-excludability, which means that there will be subtle trade-offs of personal information for availing services of Internet firms.

Monetisation models

- The public goods like national defence, flood control systems and street lighting are non-excludable and non-rival goods in nature; they are provided by governments.
- The information goods as described above are being provided by private firms. This arrangement gives way to certain issues.

1. *Issue of monetization*

- The financing of public goods is covered by the government from its revenue, largely through tax-payers' money, while private firms need to have monetisation models to cover the costs of providing their services free of cost.
- Therefore in a bid to cover the free provision of services, the Internet firms have resorted to personalised advertisements and third-party sharing of the personal information of their users for monetisation purposes.

2. *The network effect*

- The network effect is a phenomenon whereby increased numbers of people or participants improve the value of a good or service. The Internet is an example of the network effect. Initially, there were few users on the Internet since it was of little value to anyone outside of the military and some research scientists.
- However, as more users gained access to the Internet, they produced more content, information, and services. The development and improvement of websites attracted more users to connect and do business with each other. As the Internet experienced an increase in traffic, it offered more value, leading to a network effect.
- Therefore, these Internet platforms require an ever-increasing subscriber base and aspire for a sizeable share of the market. This results in the near-monopoly of some firms in their defined markets.
- In a bid to attain/maintain certain positions in the market, these firms may indulge in anti-competitive practices in the form of acquisition of rivals to vertically integrate, setting up of entry barriers by refusing to interconnect and interoperate with competing firms, and leveraging their capital base, thereby engaging in predatory pricing, and driving out competitors.

Indispensable applications

- However, network effects create a huge consumer surplus, the Internet firms have now become an intrinsic part of the day to day lives, for example,
 - Google Maps is an essential component of mobility in our day-to-day commute to various destinations. Google Maps Application Program Interface (APIs) are being used by almost all logistic and transport companies.
 - Google Search has become synonymous for access to information on the internet.
 - Google Scholar is a necessary tool for academicians to explore relevant research artefacts.
 - Facebook APIs are used for advertisement by almost all firms across the industry.
 - The CEO of Google, recently announced that its Search is being expanded to provide accurate and timely information on vaccine distribution to enable quick recovery from the COVID-19 pandemic.
- Hence, the policymakers are faced with an issue of regulation of these Internet firms from abusing their monopoly power while simultaneously not hindering the positive externalities and consumer surplus they create.
- This is a very difficult challenge ahead of the policymakers as it is not an easy task to categorically prove that the firms are guilty of abuse of their monopoly power.
- The strong network effects mean that it is not practically tenable to ban or curtail these services, even in the presence of alternatives such as Signal and Telegram for messaging, the network effects bind customers to their often used platform WhatsApp, even if it is not their preferred choice.

Possible solutions

- The Australian government in its media legislation has pointed out that Google and Facebook must negotiate fair payment with news organisations for using their content in Facebook's newsfeed and Google's Search.
- Controlled expansion of products and services without hurting the interests of consumers and smaller competing firms shall be the mantra used by these firms to minimize litigation, lawsuits.
- Another way that can be looked into for controlling any abusive behaviour of the Internet firms is to use the power of public opinion, case in point being the public response to the [Telecom Regulatory Authority of India](#) against the Free Basics programme of Facebook in India. The response meant that the programme was put into the back-burner. The Free basics programme was a blatant violation of Net Neutrality principles.
 - Facebook's free-but-restricted internet service, Free Basics, has been banned in India after the country's national telecoms regulator ruled that the program and others like it infringe the principles of net neutrality.
 - The ruling was not directly aimed at Free Basics, but the general practice of zero-rated internet services — those that let users access certain apps and websites without eating away at their mobile data.
- More recently, the huge public outcry and exodus of users from WhatsApp to other messaging platforms like Telegram and Signal have caused a delay in the recent changes to the privacy policy relating to the sharing of personal information between WhatsApp and its parent firm, Facebook.

Conclusion

- The issue in hand is not just the responsibility of the governments and regulators, there is also an onus on the Internet firms to adhere to core ethical principles in conducting their businesses.
- History is replete with incidences where firms in pursuit of attaining monopoly profits have ended up in the ditch, examples are the Enron scandal, and the collusion between large banks and financial institutions during the 2008 financial crisis.

Category: HEALTH

1. Tempered optimism

Context:

- The Ministry of Home Affairs (MHA) has issued a new set of guidelines for the containment of COVID-19 pandemic.
- The guidelines will be applicable for the entire month of February.

Details:

- A steady decline in the number of active and new cases in the country over the last four months has been seen with optimism and has given way for a slight relaxation of a number of restrictions.

The new guidelines

- The Home Ministry has proposed relaxations in the protocols for public activities including occupancy levels in cinema theatres, holding of exhibitions and access to swimming pools.
- The guidelines allow cinema halls and theatres to function at a higher capacity than the 50% seating strength allowed hitherto.
- All kinds of social, religious and cultural gatherings that were earlier restricted to a maximum of 50% of the hall capacity, with a ceiling of 200 persons in closed spaces, will now be allowed subject to the standard operating procedure issued by the State governments.
- This will come as a relief to some of the outlying sectors that could not fully unlock so far, although, as the Ministry points out, all other activities have been permitted.
- The guidelines for Surveillance, Containment and Caution presented an opportunity for further relaxation of international air travel and resumption of certain suspended routes, but the Director-General of Civil Aviation has decided to maintain status quo on scheduled flights till February 28th, exercising caution.
- A complete resumption of inter-city rail services is yet to be announced, however, with the economy in recession, there is a need to unlock the economy but not without strict enforcement of public health measures.

Need for caution

- The declining infection rates have been very encouraging, however, the threat hasn't receded completely.
- The present landscape of the coronavirus pandemic reveals a very contrasting picture, wherein certain advanced countries are up against challenges of running out of vaccines, experiencing a tide of new cases and deaths like in the case of the United Kingdom, and the poorer countries have still not been able to get access to vaccination, while India reports a case decline.

Indian vaccination programme

- The Indian vaccination programme commenced on January 16th, India aims to immunize 300 million people in the target group in the first phase of the programme.
- At the end of ten days, the data suggest that over 1.95 million people were vaccinated. The number of people vaccinated each day has been slowly but steadily increasing since day one from over 1.91 lakh to about 3.35 lakh on day ten.
- The pace at which the immunization campaign against COVID-19 is happening is not commensurate to India's population, this has become a cause for concern.
- Vaccine hesitancy is seen as an emerging cause for low turnout, this may even be leading to wastage of precious vials in some States. The government must investigate and publicise the reasons for vaccine hesitancy.
- The vaccination programme is a powerful weapon in combating the Covid-19 pandemic, but it requires people to volunteer, thus it is very important to create a sense of assurance among the people.
- The example of Tamil Nadu is striking, a state with a relatively higher percentage of health literates, and relatively well-equipped with health infrastructure, managed to have only over 16% of its targeted coverage on the day of the launch and astonishingly, the second day of vaccination witnessed an even lower turnout.

Optimism with caution

- The guidelines to unlock certain activities have come at a time when there have been several instances of crowded election campaigns, agitations and gatherings.
- India's declining infections has been encouraging but that should not lead to dropping of guard against the virus, complacency can undo months of hard work in curtailing the virus.
- The genetic mutations of the coronavirus in South Africa, the U.K. and Brazil pose a new worry.
 - A mutation means an alteration in genetic material. A mutation is part of the life cycle of a virus. Once the virus enters a host, it begins to replicate and make copies of itself.
 - An alteration in this base can be a mutation, effectively changing the shape and behaviour of the virus.
- Poor communication and lack of transparency on vaccine efficacy data have produced vaccine hesitancy, resulting in low uptake in some States.
- The virus variants have shifted the focus on second-generation vaccines that are expected to protect against them but will take time to arrive. Thus in the absence of ready pharmaceutical remedies, citizens and policymakers have to rely upon maintaining personal hygiene standards and social distancing.
- In India, even with a sizeable population exposed to the virus, as seropositivity surveys show, the spate of infections in Kerala and Maharashtra underscores the value of the precautionary principle on the road to universal vaccination.

F. Prelims Facts

1. 18 Opposition parties to boycott President's address

What's in News?

18 Opposition parties, led by the Congress, have announced their decision to boycott President's address to the joint sitting of Parliament at the start of the Budget session, in solidarity with the farmers protesting against the three [farm laws](#).

President's address at the start of the Budget session:

- On the first day of the Budget Session of Parliament, Hon'ble President will address a joint sitting of the two Houses.
- The budget session starts every year with the President's Address to both Houses.
- Following the President's address, a debate takes place not only on the contents of the address but also the broad issues of governance in the country. This paves the way for discussion on the Budget.
- The Constitution binds the President to act on the aid and advice of the Council of Ministers of the Union, on a majority of issues.
- The speech that the President reads before the legislature is the viewpoint of the government and is prepared by it.

G. Tidbits

Nothing here for today!!!

H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to Lala Lajpat Rai:

1. He founded the "Arya Gazette".
2. He co-founded the Punjab National Bank.
3. He is the founder of the Servants of People Society.

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

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

Answer: d

Explanation:

- Lala Lajpat Rai Born was in 1865 in Moga district, Punjab.
- He was a lawyer by profession and is called 'Punjab Kesari'.
- He was the editor of the Arya Gazette, which he had founded.
- He founded the Servants of People Society in 1921.
- He co-founded the Punjab National Bank in 1894.

Q2. Which of the following schemes are subsumed under Samagra Shiksha Abhiyan?

1. Rashtriya Madhyamik Shiksha Abhiyan (RMSA)

2. Rashtriya Uchchatar Shiksha Abhiyan (RUSA)
3. Sarva Shiksha Abhiyan (SSA)
4. Teacher Education (TE)

Choose the correct option:

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

Answer: c

Explanation:

- Samagra Shiksha Abhiyan is an overarching programme for the school education sector extending from pre-school to class 12.
- The scheme has been prepared with the broader goal of improving school effectiveness measured in terms of equal opportunities for schooling and equitable learning outcomes.
- It subsumes the three Schemes of Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Teacher Education (TE).
- Rashtriya Uchchatar Shiksha Abhiyan (RUSA) is a Centrally Sponsored Scheme (CSS), launched in 2013 aiming at providing strategic funding to eligible state higher educational institutions.

Q3. Consider the following statements with respect to Ethanol:

1. Ethanol is alcohol of 99% plus purity that can be used for blending with petrol.
2. Ethanol is mainly produced from molasses.
3. Ethanol blending with fossil fuels will cut down carbon emissions.

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

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

Answer: d

Explanation:

All the statements are correct.

Q4. Consider the following statements with respect to Uniting for Consensus (UFC) group:

1. It is an informal club that developed at the United Nations.
2. It began as a movement nicknamed the Coffee Club that called for expansion of permanent seats in the United Nations Security Council.
3. It supports the extension of UNSC permanent membership to G4 nations.
4. The group opines that any increase in permanent seats would further accentuate the disparity between the member countries.

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

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

Answer: b

Explanation:

- Uniting for Consensus (UFC) group is an informal club that developed at the UN in the 1990s.
- It began as a movement nicknamed the Coffee Club. The group developed in opposition to the possible expansion of permanent seats in the United Nations Security Council.
- The group opines that any increase in permanent seats would further accentuate the disparity between the member countries.

I. UPSC Mains Practice Questions

1. Poor communication and lack of transparency on vaccine efficacy data have produced vaccine hesitancy, resulting in low uptake in some States. Comment. (10 marks, 150 words) [GS-2, Health]
2. What are some of the key issues and perspectives of various stakeholders on net neutrality in India? (15 marks, 250 words)[Gs-2, Governance]