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Category: INTERNATIONAL RELATIONS

1. What are Sri Lanka's prospects with RCEP in India's absence?

Context:

- Recently, the **Regional Comprehensive Economic Partnership (RCEP)** was signed by China, Japan, South Korea, Australia, New Zealand along with 10 members of the Association of South-East Asian Nations (ASEAN) that include Brunei, Vietnam, Laos, Cambodia, Thailand, Myanmar, Malaysia, Singapore, Indonesia and the Philippines.
- While it is not clear if India is considering joining the China-led Regional Cooperation Economic Partnership, Sri Lanka seems open to the idea.
- The article analyses Sri Lanka's prospects with RCEP in India's absence.

Details:

- According to economists, Sri Lanka's growing emphasis on tapping the emerging Asian market

would make the RCEP agreement seem an ideal forum to build trade ties in the region, but given its current economic challenges and India's decision to opt out of the grouping, the road is not smooth for Sri Lanka.

- While it is opined that its strategic location in the Indian Ocean along one of the busiest shipping routes in the world is an advantage, there is a need for the [southern] Hambantota and Colombo Ports to be developed, together with the airports in order to be a centre in the international commercial processes.
- Sri Lanka's government is prioritising the development of the China-backed \$1.4 billion Colombo Port City as a hub for international business and investment.

This topic has been covered in the **18th November 2020 Comprehensive News Analysis.**

- Sri Lanka's State Minister of Regional Co-operation has asserted that the country is pro-trade and will explore all multilateral arrangements, including the RCEP.
- According to experts, if India was to eventually become a member of RCEP, there could be a boost to Sino-Indian economic relations within a rules-based framework that could potentially reduce bilateral tensions.

Note:

- In Sri Lanka, the government's position on Free Trade Agreements (FTA) has not been consistent.
- The progress on the proposed Economic and Technology Cooperation Agreement (ETCA) with India is stalled.
- The government is also re-examining the FTA signed with Singapore.
- However, it has expressed interest to revive FTA negotiations with China.

Conclusion:

The age of hyper-globalisation with one hegemonic power has ended to be replaced by a more multipolar world. At the same time, RCEP demonstrates that the world is not retreating to a new era of fortress-like inward-looking economies. It is noteworthy that the 15 countries in what has been the most dynamic sub-region in the world have come together to drive growth, employment generation and higher incomes through increased integration of their economies on the back of reduced tariff. Given Sri Lanka's emphasis on Asia-centred trade, RCEP would seem a natural choice. But it is not that straightforward.

Category: POLITY AND GOVERNANCE

1. Digital India is now a way of life, says PM

Context:

At the Bengaluru Tech Summit 2020, the Prime Minister of India has asserted that 'technology first' is India's governance model.

Details:

- Digital India mission was launched in India in 2015.
- The **Digital India mission** is not being seen as any regular government initiative and has become a way of life, especially for the poor and marginalised and those in the government.
- The PM called on the youth to play a big role in devising robust cybersecurity solutions.

Note:

- Addressing the summit, the Australian Prime Minister said India and Australia had unlimited possibilities of working together in space research, critical minerals, 5G, Artificial Intelligence, quantum computing and much more.
- The two countries are working together for an open, free, safe and secure Internet.
- Australia's PM said that Australia-India cyber and critical technologies partnership grant programme would be soon launched.
- They have already signed the landmark Australia-India Technology Framework agreement on cyber and cyber-enabled technology.
- Australia believes that technology held the key to new science, medical research, reduction of carbon emission and tackling of global climate change, and it was now at the forefront of foreign policy, security and defence.

C. GS 3 Related

Category: SECURITY

1. Terror funding: Saeed gets 10 years in jail

Context:

Hafiz Saeed – the chief of Jamat-ud-Dawa (JuD) and Mumbai terror attack mastermind has been sentenced to 10 years in jail by an anti-terrorism court in Pakistan in two more terror financing cases.

Details:

- Saeed and his two close aides (Zafar Iqbal and Yahya Mujahid) have been sentenced to 10 and a half years each, while the chief's brother-in-law Abdul Rehman Makki was sentenced to six months' imprisonment.
- The sentencing comes weeks after the Paris-based global money laundering and terrorist financing watchdog – the **Financial Action Task Force** – retained Pakistan on its grey list till February 2021.
 - Pakistan has failed to fulfil FATF's six key obligations, including failure to take action against two of India's most wanted terrorists – Saeed and Maulana Masood Azhar.

Earlier, Hafiz Saeed was sentenced to jail in Pakistan for five-and-a-half years on terror finance charges. **To know more, read the article covered in 13th February 2020 Comprehensive News Analysis.**

2. Centre keen to grow India as a large data economy: Prasad

Context:

The Union Minister for Electronics and Information Technology said that, as a precursor to the government's plans to cultivate India as a large data economy, the country will have its Data Protection Law in place.

Details:

- He asserted that data would drive the digital economy and international commerce, and that it offered 'a great opportunity for India to emerge as a data economy', supported by innovation and data refining.

Read more about the **Personal Data Protection Bill 2019**.

D. GS 4 Related

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E. Editorials

Category: INTERNATIONAL RELATIONS

1. A world in chaos and a moment of truth

The article analyses how informational autocracy is threatening democracies.

America's divide and beyond:

- It would be wrong to believe that existence of acutely sharp divisions between liberals and conservatives, and competition between ideologues and hardcore practitioners alone are endangering democracy.
- The deception currently taking place in the U.S. (world's oldest democracy), and efforts by the U.S. President, Donald Trump, to negate the verdict of the recent presidential elections, evoke a new set of tactics, previously seen only in dictatorships.
- The extent to which Mr. Trump has been willing to go in his attempt to negate the election and the fact that a very sizeable segment of the U.S. population seems to be backing him in this attempt is worrisome.
- The use of 'deep fakes' made possible through **Artificial Intelligence**, further enhances the threat to current notions of democracy. This represents a new pole in the utilisation of fake news.

Europe's problems:

- Europe, grappling with a resurgent COVID-19 pandemic, will need to reckon with the reality that, notwithstanding any change in leadership in the U.S, it is destined to recede further in terms of importance in global politics.
- An uncertain Brexit will further damage the prospects of both the United Kingdom and Europe.
- Russia's future, under Vladimir Putin, appears increasingly uncertain, despite its military strength and strategic congruence with China.
- In France, all-embracing secularism with overweening emphasis on social cohesion seems to be disappearing in the face of new social and political challenges.
- The recent wave of terrorist attacks has been a major trigger, raising questions about long-held secular beliefs.

Terror is returning:

- Terrorism is resurfacing, and with renewed vigour.
- The al-Qaeda is again becoming prominent.
- The IS, which many thought had been vanquished following the victories achieved in Syria and Iraq towards the end of 2018, has returned in full force.
 - It has carried out attacks in France (Paris and Nice) and in Austria (Vienna).
 - It is a reminder of the transnational character of the threat it poses to democratic countries.
- The newer IS recruits combine symbolism with spectacular violence with the intention to shock the public at large, and produce a reaction across the entire Muslim world, reigniting a religio-cultural conflict.

The issues in India:

- India's democracy has its own problems.
- In some regions, especially where mid-term elections are scheduled, the atmosphere is highly polarised.
- While COVID-19 has reduced the intensity of protests, the ghosts of the Citizenship (Amendment) Act and the National Register of Citizens are still present.
- While Jammu and Kashmir (J&K) is witnessing a kind of surface calm, beneath this there are evident tensions.
- There are Pakistan's efforts to push in terrorists in ever larger numbers, leading to large scale casualties.
- Pakistan is also pursuing a policy of provocation with respect to India, confident that the latter is in no position to impose its will (Eg: the holding of assembly elections in Gilgit-Baltistan).
- India's external environment remains uncertain. There is not much clarity with respect to the de-escalation along LAC.
- India is again being steadily marginalised in Afghanistan, where the control of the Taliban is increasing.
- India has decided to stay out of the RCEP (covering almost a third of the world's economy) which is perceived as the springboard for future economic recovery across the region.

China's goal:

- The situation in China is a contrast to the prevailing near disruption among the democracies of the world. No disruptive leadership changes are likely to happen in China in the near future.
- If anything, the Chinese President is expected to emerge stronger giving a further impetus to the transformation of China into a superpower by 2035.
- While new foreign policy initiatives may be few, major reform initiatives will be confined to the economy, the energy sector and new innovation systems.

Category: ECONOMY

1. India's mask of economic liberalism is off

The article analyses the recent developments and argues that trade protectionism seems to have become the official policy in India.

Background:

- India's External Affairs Minister recently disapproved of free trade and globalisation.
- He remarked that in the name of openness, India had allowed subsidi[s]ed products and unfair production advantages from abroad to prevail... justified by the mantra of an open and globali[s]ed economy.
- He also said that it was quite extraordinary that an economy as attractive as India allowed the framework to be set by others.
- These comments came in the backdrop of the signing of the Regional Comprehensive Economic Partnership (RCEP) agreement, by 15 countries of the Asia-Pacific region.

Criticisms:

Not joining the Regional Comprehensive Economic Partnership (RCEP):

- With trade multilateralism at the World Trade Organization (WTO) remaining sluggish, FTAs are the

- gateways for international trade.
- By not being part of any major FTA, India cannot be part of the global value chains.
 - By refusing to sign RCEP India is now at the margins of the regional and global economy.
 - India's competitors such as the East Asian nations, by virtue of being embedded in mega-FTAs, are in a far superior position to be part of global value chains and attract foreign investment.

India continues to remain a relatively closed economy:

- While India is a much more open economy than it was three decades ago, globally, it continues to remain relatively closed when compared to other major economies.
- According to the WTO, India's applied most favoured nation import tariffs are 13.8%, (highest for any major economy).
- According to the [United Nations Conference on Trade and Development](#), on the import restrictiveness index, India figures in the 'very restrictive' category.
- From 1995-2019, India has initiated anti-dumping measures 972 times (the highest in the world), in an endeavour to protect the domestic industry.

Blaming the FTAs for the woes of India's manufacturing:

- The external affairs minister took a dig at the FTAs by stating that "the effect of past trade agreements has been to de-industriali[s]e some sectors."
- However, the economic survey concluded that India has benefitted overall from FTAs signed so far.
- Moreover, impugning FTAs for deindustrialisation means being oblivious to the real problem of the Indian industry.
- The real problems are:
 - Lack of competitiveness
 - Absence of structural reforms

Way forward:

- India has been one of the major beneficiaries of economic globalisation — a fact attested by the International Monetary Fund (IMF).
- Post-1991, the Indian economy grew at a faster pace, ushering in an era of economic prosperity.
- According to Arvind Panagariya (economist), poverty in rural and urban India, which stood at close to 40% in 2004-05, almost halved to about 20% by 2011-12. This was due to India clocking an average economic growth rate of almost 8% with international trade being a major engine of progress.
- India cannot expect foreign investors to invest if trade protectionism is the government's official policy.
- India must work towards economic liberalisation, globalisation and free trade for its advantage. It would also help India gain an image as a global destination for foreign investment.

F. Prelims Facts

1. Willow warbler spotted for the first time

What's in News?

The willow warbler has been sighted for the first time in the country in Thiruvananthapuram.

Details:

- Willow warbler (*Phylloscopus trochilus*) is one of the longest migrating small birds that breeds

- throughout northern and temperate Europe and the Palearctic.
- It migrates to sub-Saharan Africa during early winter.
- The bird weighs around 10 g and it has long wing feathers that help it fly long distances.
- Warblers are difficult to identify owing to the small size and change in plumage twice a year.

Note:

- The Vellayani-Punchakkari paddy fields are a birding hotspot on the outskirts of Thiruvananthapuram.
- It is known to harbour more than 213 species of birds that include both resident and migratory ones.
- 17 species of warblers have been recorded from Kerala and the willow warbler forms the 18th warbler and 533rd species of bird to be recorded from the State.

2. Panel mulls if MPs can teach at universities

What's in News?

The Joint Parliamentary Committee on Office of Profit deliberated on whether an MP can continue to teach at a university and if this draws the provisions of "Office of Profit" rules.

- So far, the committee has not taken any call on the issue.
- Under Article 102 (1) and Article 191 (1) of the Constitution, an MP or an MLA (or an MLC) is barred from holding any office of profit under the Central or State government.

Read more about the **Office of Profit**.

G. Tidbits

1. PM moots closer fintech ties with Luxembourg

What's in News?

The first bilateral summit in two decades was held via videoconferencing between the Prime Minister of India and his Luxembourg counterpart.

- The Prime Minister of India has pitched for strengthening ties between India and Luxembourg in areas such as financial and digital technologies.
- Luxembourg is the third-largest source of Foreign Portfolio Investments (FPI).
- It is one of the most important financial centres globally.
- Several Indian companies have raised capital by issuing Global Depositary Receipts at the Luxembourg Stock Exchange.
- Luxembourg-based investment funds hold substantial banking and asset management market share in portfolio investments in India.

H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to the Office of Profit:

1. The Constitution of India states that an MP or MLA is not allowed to hold any office of profit.
2. The office of profit comprises any place or position that carries or offers some remuneration, financial advantage, benefit, etc.
3. The office of profit concept has been adopted from the British parliamentary model.

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

1. 1 only
2. 3 only
3. 1, 2 and 3
4. None of the above

CHECK ANSWERS:-

Answer: d

Explanation:

All the statements are correct.

Q2. Consider the following statements with respect to "Five Eyes":

1. It is an anglophone intelligence alliance.
2. It comprises Australia, Canada, New Zealand, the United Kingdom and the United States.
3. The "Five Eyes" are parties to the multilateral UKUSA Agreement.

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

1. 1 and 3 only
2. 2 and 3 only
3. 1, 2 and 3
4. 2 only

CHECK ANSWERS:-

Answer: c

Explanation:

- The Five Eyes, often abbreviated as FVEY, is an anglophone intelligence alliance between Australia, Canada, New Zealand, the United Kingdom, and the United States.
- The United Kingdom – United States of America (UKUSA) Agreement is a multilateral agreement for cooperation in signals intelligence between Australia, Canada, New Zealand, the United Kingdom, and the United States.
- The alliance of intelligence operations is also known as the Five Eyes.

Q3. Consider the following statements with respect to Vellayani-Punchakkari wetlands:

1. Vellayani-Punchakkari wetlands is located in Tamil Nadu.
2. It is included in the list of Ramsar wetlands of international importance.

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

1. 1 only
2. 2 only
3. Both 1 and 2
4. Neither 1 nor 2

CHECK ANSWERS:-

Answer: c

Explanation:

- Vellayani-Punchakkari wetlands is located in Kerala.
- It is not a Ramsar site, i.e, it is not included in the list of Ramsar wetlands of international importance.

Q4. Consider the following statements with respect to Global Depository Receipt (GDR) :

1. It is a depository receipt which is issued by the international depository bank, representing the foreign company's stock.
2. GDR is denominated in any foreign currency but the underlying shares would be denominated in the local currency of the issuer.
3. GDRs enable a company to access investors in capital markets outside of its home country.

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

1. 1 only
2. 1 and 2 only
3. 2 and 3 only
4. 1, 2 and 3

CHECK ANSWERS:-

Answer: d

Explanation:

- Global Depository Receipt (GDR) is a negotiable instrument that is denominated in some freely convertible currency.
- GDR is denominated in any foreign currency but the underlying shares would be denominated in the local currency of the issuer.
- GDRs enable a company, the issuer, to access investors in capital markets outside of its home country. Several international banks issue GDRs, such as JPMorgan Chase, Citigroup, Deutsche Bank, The Bank of New York Mellon.

I. UPSC Mains Practice Questions

1. What are Sri Lanka's prospects with the Regional Comprehensive Economic Partnership (RCEP) in India's absence? Examine. (10 Marks, 150 Words) (GS 2 International Relations).
2. What do you understand by "Office of Profit"? Discuss the purpose of including the 'Office of Profit' as a criterion for disqualification of legislators. (10 Marks, 150 Words) (GS 2 Polity and Governance).

Read the previous CNA [here](#).