

09 Mar 2021: UPSC Exam Comprehensive News Analysis

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Category: POLITY AND GOVERNANCE

1. [SC seeks States' views on 50% cap on quota](#)

Context:

- The Supreme Court has decided to examine whether its judgment in the Indra Sawhney case of 1992 which fixed reservation for the marginalised and the poor in government jobs and educational institutions at 50% needs a relook.

Background:

Indra Sawhney v Union of India & Ors case, 1992:

- The Supreme Court had set the **upper limit for reservation in jobs and education at 50%, except in “extraordinary circumstances”**.
- The court in the Indra Sawhney case tried to come up with a solution that is reasonable and strikes a fine balance between the society and rights of the backward classes.

For detailed information on this case refer to [Indra Sawhney case 1992](#).

- However, over the years, several **States, such as Maharashtra and Tamil Nadu, have crossed the upper limit of 50%** and passed laws that allow reservation to be as high as 60%.

Maratha quota law:

- The Maharashtra State Reservation for Socially and Educationally Backward Classes (SEBC) Act of 2018 originally provided 16% reservation to Marathas (based on the recommendation by the **Gaikwad Commission**) and came after years of protests by the community.
- In June 2019, the Bombay high court trimmed the quantum of the quota to **12% in education and 13% in jobs**. In its order, the high court said the 50% cap could be breached in exceptional circumstances.
- The Maratha reservation had been challenged in the SC and a five-judge Bench was set up to hear the same.

Details:

- The bench will look into whether the **Maharashtra State Reservation for Socially and Educationally Backward Classes (SEBC) Act of 2018**, which provides quota benefits for the Maratha community, thus taking the reservation percentage in the State across the 50% mark, was enacted under “extraordinary circumstances”.
 - The Indra Sawhney judgment notes that the **50% rule could be crossed in certain exceptional and extraordinary situations** for bringing far-flung and remote areas’ population into the mainstream.
- The five-judge bench looking into the Maratha reservation issue has expanded the ambit of the case and has framed the following questions to be looked into by the court.

Relook at the upper limit for reservation:

- The court will be looking into whether the Indira Sawhney verdict of 1992, fixing 50% limit on quota, needs to be relooked by a larger Bench of more than nine judges.

- The Bench has made other States party to the case and has asked them to make their stand clear on the question of whether reservation should continue to remain within the 50% boundary or not.

Impact of the 102nd Amendment Act:

- The bench will also judge whether the Constitution (One Hundred Second Amendment) Act of 2018, which introduced the **National Commission for Backward Classes (NCBC)**, interferes with the authority of the State legislatures to provide benefit to the socially and educationally backward communities in their own jurisdiction.
 - The 102nd Constitutional Amendment Act introduced **Articles 338B and 342A in the Constitution**.
 - Article 338B deals with the NCBC.
 - **Article 342A empowers the President to specify the socially and educationally backward communities in a State**. Thus it strips the State legislatures of their discretionary power to include their backward communities in the State List.
 - The Constitutional amendment empowers the Parliament to include a community in the Central List for socially and backward classes for grant of reservation benefits.

Conclusion:

- The potential reconsideration of the Indra Sawhney case ruling, also popularly referred to as the Mandal case, could alter the structure of reservations that has been in place for decades.

Category: GOVERNANCE

1. 'Only half of govt. schools, anganwadis have tap water'

Context:

- Parliamentary Standing Committee on Water Resources submits report to the Lok Sabha.

Background:

- A 100-day campaign to provide potable piped water supply for drinking and cooking purposes and **tap water for washing hands and in toilets in every school, Anganwadi and ashramshala or residential tribal school** was launched on October 2, 2020.
- The 100-day period should have ended on January 10, 2021.

Progress made:

- Seven States, Andhra Pradesh, Goa, Haryana, Himachal Pradesh, Tamil Nadu, Telangana and Punjab have achieved the target 100% coverage.
- A number of other states have also made significant progress with the **construction of greywater management structures and rainwater harvesting structures** being in schools and Anganwadi centres.

Concerns:

Low coverage:

- According to the report, **only half of the government schools and anganwadis have a tap water supply**. Less than 8% of schools in Uttar Pradesh and 11% in West Bengal have it, while it is available in only 2-6% of anganwadis in Assam, Jharkhand, Uttar Pradesh, Chhattisgarh and Bengal.

Health concerns:

- Such a scenario does not augur well given that schools and anganwadis are just starting to reopen after a year-long shutdown and COVID-19 safety protocols require repeated handwashing by students and teachers.
- **Children are more susceptible to water-borne diseases.**

C. GS 3 Related

Nothing here for today!!!

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: POLITY AND GOVERNANCE

1. An alarming diktat

Context:

- Haryana Governor's assent to **The Haryana State Employment of Local Candidates Act of 2020**.

Details:

- The law regulates private sector hiring in the state of Haryana by mandating that **75% of all jobs with gross monthly salaries of up to ₹50,000 are provided to the State's own residents**.
- The law would be applicable even to firms with as few as 10 employees.
- The law imposes responsibilities on key personnel of firms to register every employee earning ₹50,000 on an official portal and employing 75% of locals in such jobs. The law provides for severe monetary penalties for perceived non-compliance.

Concerns:

- Haryana's new law could have a **detrimental impact on India's investment climate and its socio-economic framework**.

Against constitutional provisions:

- Haryana's law goes against the provisions of the Indian Constitution, especially **Article 19(1)(g) and Article 16(2)**.
 - Article 19(1)(g) of the Constitution enables an Indian citizen to practise any profession, or to carry on any occupation, trade or business.

- Article 16(2) of the Constitution states that no citizen shall, on grounds only of religion, race, caste, sex, descent, place of birth, residence or any of them, be ineligible for, or discriminated against in respect of, any employment or office under the State.

Impact on ease of doing business:

- The employers could seek exemptions from the law provided that they are able to prove that local candidates for a desired skill are not available. However, officials will decide if a firm can hire an outsider or should train local candidates instead. Also the officials would have the power to enter firms' premises for inspections. Such provisions resemble an **'Inspector Raj' system**.
- Such onerous regulations and processes would **dissuade employers from operating in the State due to decreased ease of doing business**. This would **impact the investments flowing into the states**.
- Given the integrated value chains, a single disruption in the Gurgaon back office operations of a global firm or the supplies of auto components, on account of the new law, would also be **damaging to India's reputation as a stable, trustworthy investment destination** with a talented workforce.

Impact on employment:

- The new law when enacted might lead to removing existing non-Haryanvi employees beyond the 25% limit.
- Also the **reduced investments will only further accentuate the unemployment problem in the Indian economy**. Thus such local reservation laws defeat the idea of boosting local jobs.

Impact on unity of the nation:

- The clamour for preserving economic activity for **'sons of the soil'** has become a recurrent theme in many Indian states.
 - Andhra Pradesh had passed a similar law in 2019, and the Madhya Pradesh CM has promised to reserve 70% private sector jobs for the locals.
- Rising unemployment could spur more States to follow suit. Such a trend threatens to unleash a sort of **'work visa' regime for Indians within the country**.
- Such laws also damage crucial workplace diversity.
- Such laws rupture the social fabric given their push for insularity.

2. Ensuring trust in the electoral process

Context:

- The delay in adjudicating the **petition filed in September 2017 challenging the electoral bonds scheme**.

Background:

Electoral Bond Scheme:

- Under the electoral bond scheme, an electoral bond, issued in the **nature of a promissory note**, can be bought by any Indian citizen or company incorporated in India. The scheme allows parties to receive these bonds.
- This new instrument of political party funding is aimed to ensure greater transparency by addressing the issue of anonymous financing. It sought to **eliminate black money from the system**.
- The government has introduced **amendments to laws, including the Income Tax Act of 1961, the Companies Act of 2013, and the Representation of the People Act of 1951** to give effect to the electoral bond scheme.

For more information on electoral bond scheme refer to:

Electoral bonds

Big money in electoral politics:

- **Bonds worth nearly Rs. 6,500 crore** have been sold so far. This points to the role of big money in electoral politics.
- Information obtained under the Right to Information (RTI) Act shows that electoral bonds with the highest denomination value of Rs. 1 crore are the most preferred by donors and constitute 92% of the total value of bonds sold till October 2020.

Concerns:

- The **Election Commission has expressed its opposition to electoral bond scheme** in the ongoing Supreme Court hearings. The EC contends that the electoral bond scheme will have an adverse impact on transparency in political party financing and would make it impossible for the constitutional body to ascertain whether donations received were in compliance with the statutory framework governing political parties.
- Even the **Reserve Bank of India flagged serious concerns** about the electoral bonds.
- There are numerous concerns being expressed with respect to electoral funding in general and the Electoral Bond scheme in particular.

Lack of transparency:

- The political system in India has traditionally been hostile to the idea of transparency in electoral financing.
- Despite the tall claims made in favour of the Electoral Bond Scheme, it still **allows donors to anonymously donate unlimited amounts of funds to political parties**.
- The provisions of the electoral bond scheme allow the donors to donate to the political party without the public, the Election Commission or even the Income Tax Department knowing the identity of the donors.
- This, the article claims, is a **severe blow to voters' right to know**. People's ability to track donations by big businesses and expose quid pro quo has been undermined.

Threat of foreign influence:

- In 2016 and 2017, **amendments were made to the Foreign Contribution (Regulation) Act (FCRA), 2010**, with retrospective effect. These amendments enabled Indian subsidiaries of foreign companies to make donations to political parties.
- These amendments in conjunction with electoral bonds **allow anonymous financing by foreign entities** opening Indian elections to the influence of foreign interests.

Chances of money laundering:

- As against the claims made by the proponents of electoral bond scheme of it addressing the problem of black money and large cash donations because of its insistence of transaction through cheques, demand drafts, direct debit or electronic clearing, it actually fails to tackle the **threat of money laundering in political funding**.
- Under **The Income Tax Act**, political parties are exempted from disclosing sources of donations of less than Rs. 20,000. Though most of the anonymous donations received by parties were large cash contributions, they are 'broken down' and shown as multiple small donations to escape scrutiny. This **allows donors to continue to anonymously pump cash into the system**.
- Even the amendments to the Income Tax Act in 2017 only lowered the stipulated ceiling of anonymous contributions from Rs 20,000 to Rs 2,000 without taking the much needed step to do away with the provision of non-disclosure of sources.
- Electoral bonds are likely to abet money laundering since the **amendments to the Companies Act in 2017 removed the cap of 7.5% on political contributions by a company as a percentage of its average net profits of the preceding three years**. This allows for black money to be easily routed through shell companies to purchase electoral bonds.

Mirage of neutrality:

- The rationale for providing anonymity to donors of electoral bonds is to allow donors to support political parties by protecting them against the wrath of rival parties, especially the party in power.
- However as the bonds are issued only through the State Bank of India, it would not be difficult for the party in power to access information about the identity of purchasers and details of bonds sold to them, and match those to deposits in political party accounts.
- This would play to the **advantage of the party in power**.

Against the spirit of electoral process:

- Electoral bonds go against the principle of transparency and are vulnerable to be used by special interest groups, corporate lobbyists and foreign entities to acquire a stranglehold on the electoral process and governance at the expense of citizens.

Recommendations:

- Donations must be made transparent and **parties should be obligated to file reports** with the [Election Commission](#) and other oversight bodies disclosing the names of donors and amounts received.
- The **information related to electoral funding must also be placed in the public domain**.

Conclusion:

- The petition challenging the electoral bonds scheme deals with the vexed issue of election funding in India. The ongoing case with respect to electoral bond scheme deals with weighty issues which have a tremendous bearing on the sanctity of the electoral process in the country.
- To ensure **public trust in the electoral process**, it is critical that the Supreme Court immediately adjudicates on the electoral bonds scheme.

F. Prelims Facts

1. DAC to take up deals for armed drones, submarines

Drones:

- India is seeking to acquire **30 MQ-9 Reaper or Predator B armed drones** from the U.S., 10 each for the three services.
 - MQ-9B has an endurance of 48 hours and a range of over 6,000 nautical miles. It comes with nine hard-points, capable of carrying sensors and laser-guided bombs besides air-to-ground missiles, with a maximum payload of two tonnes.
- The Navy had inducted two **MQ-9B Sea Guardian unarmed drones** on lease under emergency procurement.

Project-75I:

- The Project 75I-class submarine is a follow-on of the Project 75 Kalvari-class submarine for the Indian Navy.
- Under this project, the Indian Navy intends to acquire six diesel-electric submarines, which will also feature **advanced air-independent propulsion systems** to enable them to stay submerged for a longer duration and substantially increase their operational range.
- The Indian Navy's Project 75I (P75I) Scorpene submarine development for six latest-generation attack boats is expected to be completed by 2022.
- The P75I Scorpene-class diesel-electric/air-independent propulsion (AIP) submarines are based on the Scorpene-class submarines, which were designed by French naval shipbuilding firm DCNS in partnership with Spanish shipbuilding firm Navantia.
- The new submarines are being built by Mazagon Dock in Mumbai, India, using the technology and training provided by DCNS.
- The Indian Navy intends to use the submarines for missions such as area surveillance, intelligence gathering, anti-submarine warfare, anti-surface warfare and minelaying operations.

2. A.P. CM promises gender budget this year

- Andhra Pradesh Chief Minister has said **Andhra Pradesh would become the first State to come up with a gender budget in the current financial year**. This budget would clearly list out the expenditure on welfare schemes for women.
- Such a budget would be a significant step towards addressing gender inequality.

3. BBB may get to select infra financier's MDs

- The **National Bank for Financing Infrastructure and Development** is proposed to have a corpus of Rs. 1-lakh crore and is expected to accelerate infrastructure financing in India.
- The National Bank for Financing Infrastructure and Development envisaged as an infrastructure financier would act as an anchor to the ambitious **National Infrastructure Pipeline (NIP)**.
 - About 7,000 projects have been identified under the NIP with a projected investment of Rs. 111 lakh crore during 2020-25.

G. Tidbits

1. Will handle national security projects: ISRO

- The Indian Space Research Organisation (ISRO) has said it will be in charge of projects linked to “national security and advanced technology”, such as the forthcoming Chandrayaan-2 missions and the Gaganyaan mission, while the **bulk of commercial activities would increasingly be handled by the newly formed New Space India Ltd (NSIL)**.
 - The NSIL recently coordinated the launch of Brazil’s Amazonia satellite in what was NSIL’s first fully commercial mission.
 - The NSIL has also mandates that include **owning satellites for earth observation and communication applications**.

2. ‘Ola unit can make 10 mn 2-wheeler EVs’

- Mobility firm Ola said its electric two-wheeler facility, coming up in Krishnagiri in Tamil Nadu, will have a capacity to produce 10 million scooters a year, accounting for some 15% of the world’s total production of e-two-wheelers.
- This **would be the largest e-two-wheeler plant in the world**.

H. UPSC Prelims Practice Questions

Q1. Which of the following countries border the Mediterranean Sea?

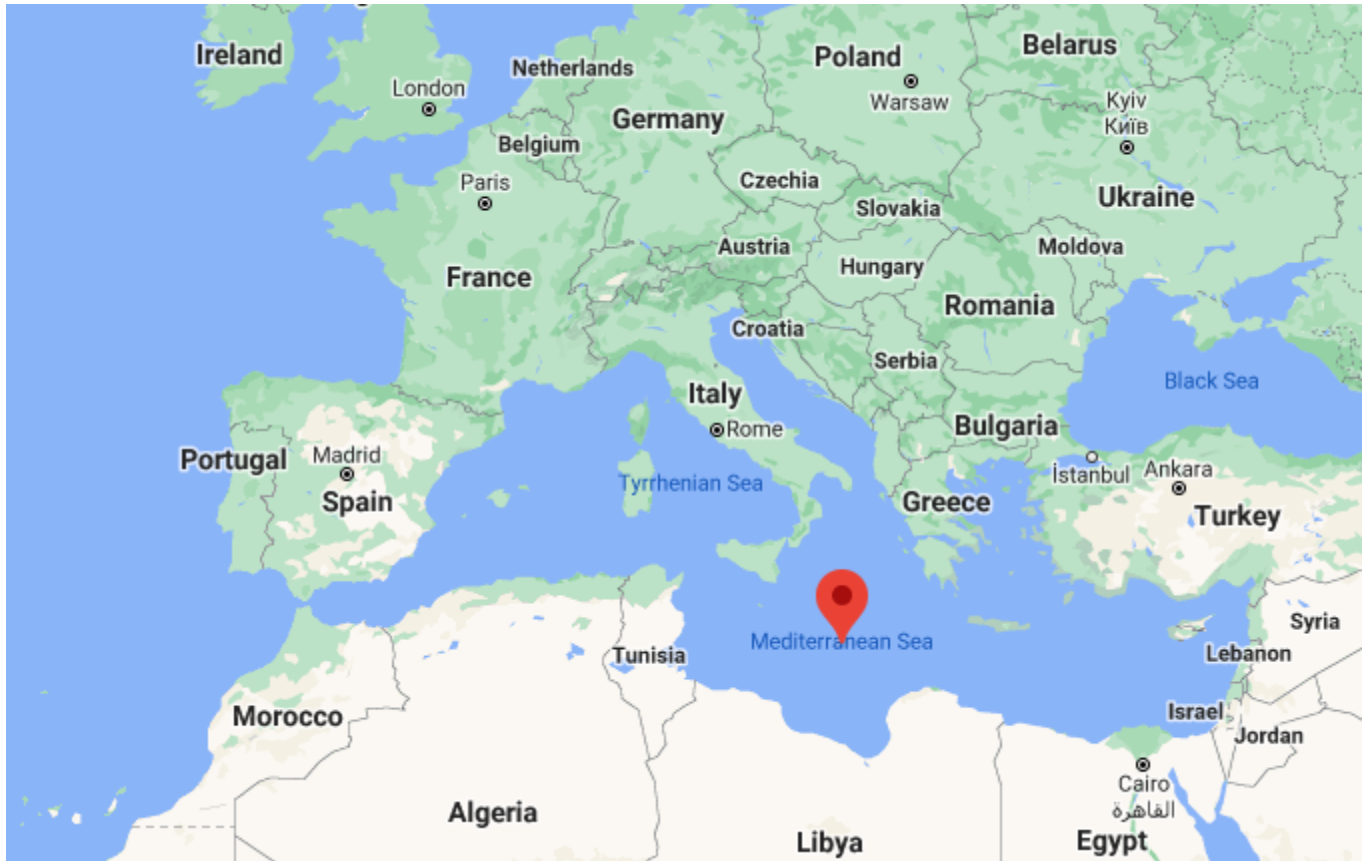
1. Morocco
2. Algeria
3. Tunisia
4. Libya
5. Egypt

Options:

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

Answer: a

Explanation:



Q2. Which of the following statement/s is/are correct with respect to the MQ-9 Reaper or Predator B drones?

1. These are armed drones.
2. These are manufactured by General Atomics company based in the U.S.

Options:

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

Answer: c

Explanation:

- India is seeking to acquire 30 MQ-9 Reaper or Predator B armed drones from the U.S., 10 each for the three services.

- MQ-9B has an endurance of 48 hours and a range of over 6,000 nautical miles. It comes with nine hard-points, capable of carrying sensors and laser-guided bombs besides air-to-ground missiles, with a maximum payload of two tonnes.

Q3. What are the advantages offered by the air-independent propulsion systems as compared to the conventional diesel operated submarines?

1. Will help increase the operational range
2. Better stealth character

Options:

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

Answer: c

Explanation:

- The Project 75I-class submarine is a follow-on of the Project 75 Kalvari-class submarine for the Indian Navy. Under this project, the Indian Navy intends to acquire six diesel-electric submarines, which will also feature advanced air-independent propulsion systems.
- Air-independent propulsion (AIP), or air-independent power, is any marine propulsion technology that allows a non-nuclear submarine to operate without access to atmospheric oxygen (by surfacing or using a snorkel). AIP can augment or replace the diesel-electric propulsion system of non-nuclear vessels.
- The air-independent propulsion systems enable the submarines to stay submerged for a longer duration and substantially increase their operational range as compared to the conventional diesel operated submarines.
- Modern non-nuclear submarines are potentially stealthier than nuclear submarines; a nuclear ship's reactor must constantly pump coolant, generating some amount of detectable noise. Non-nuclear submarines running on battery power or AIP, on the other hand, can be virtually silent.
- While nuclear-powered designs still dominate in submergence times and deep-ocean performance, small, high-tech non-nuclear attack submarines are highly effective in coastal operations and pose a significant threat to less-stealthy and less-maneuvrable nuclear submarines.

Q4. Which of the following states has proposed to prepare a Gender Budget which would make it the first Indian state to do so?

- a. Andhra Pradesh
- b. Maharashtra

- c. Kerala
- d. Karnataka

Answer: a

Explanation:

- Andhra Pradesh Chief Minister has said that the state would become the first State to come up with a gender budget in the current financial year. This budget would clearly list out the expenditure on welfare schemes for women.
- Such a budget would be a significant step towards addressing gender inequality.

I. UPSC Mains Practice Questions

1. There are numerous concerns being expressed with respect to electoral funding in general and the Electoral Bond scheme in particular. Elucidate. (15 marks, 250 words) [GS-2, Polity and Governance]
2. Haryana's new State Employment of Local Candidates Act of 2020 could have a detrimental impact on India's investment climate and its socio-economic framework. Comment. (10 marks, 150 words) [GS-2, Polity and Governance]