

22 May 2021: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. Clashes erupt in East Jerusalem after ceasefire comes into effect

Context:

- Israel and Hamas have agreed to a **ceasefire**.

Background:

- The 11 days of rocket attacks from Gaza based Hamas and the retaliatory airstrikes by Israel had resulted in a loss of lives on both sides apart from the damage to buildings and other infrastructure.
- Over the last few days, there had been a growing call for a ceasefire. **In the UNSC, most countries, including India, backed an immediate ceasefire.** The U.S. administration, which had been supportive of Israel's right to self-defence had also been pressing for a significant de-escalation lately.

Details:

- Amid international pressure, the Israeli Security Cabinet unanimously accepted a "unilateral and mutual" ceasefire with Hamas and Hamas immediately confirmed the truce.
- The ceasefire between Israel and Hamas has been mediated by Egypt.

Concerns:

- Though the ceasefire appears to be holding, there continue to be grave risks for further escalation.
 - Militarily, Hamas, despite the heavy losses it suffered, demonstrated its growing rocket fire capabilities. This does not augur well for peace in the region.
 - The two sides have propounded different lines on the truce deal.
 - The **Sheikh Jarrah issue** is complicated, where Palestinians face eviction from their houses. The Supreme Court of Israel is supposed to give a final ruling on the eviction of Palestinians in the neighbourhood. If Israel goes ahead with the eviction process, there could be more protests and violence.
 - The continuing riots between Jewish vigilantes and Arab mobs and the increasing protests in the West Bank continue to be a cause of concern.

Read more on the [Israel Palestine Conflict](#).

C. GS 3 Related

Category: ECONOMY

1. SC: personal guarantors liable for corporate debt

Context:

- The **Supreme Court has upheld the legal validity of the government notification** allowing financial creditors, to initiate insolvency proceedings against personal guarantors of stressed corporate entities under the [Indian Bankruptcy and Insolvency Code \(IBC\)](#).

Background:

- The central government had released a notification in November 2019 allowing **lenders to initiate insolvency proceedings against personal guarantors along with the stressed corporate entities** for whom they gave guarantee.
- This was challenged before several High Courts by a group of petitioners, mostly personal guarantors to stressed companies.
- Given the multiple appeals in different High Courts, the Supreme Court had transferred the petitions from the High Courts to itself on a request from the government.

Salient aspects of the judgement:

- The bench noted an “**intrinsic connection**” between personal guarantors and their corporate debtors and hence the need to **hold the personal guarantors accountable too**.
 - The personal guarantors are usually promoters of big business houses.
- The Court also noted that the intimate connection between the personal guarantors and their corporate debtors necessitates a **common forum for adjudication under the IBC**.
 - Section 60(2) of the Code requires the bankruptcy proceedings of corporate debtors and their personal guarantors to be held before a common forum — the **National Company Law Tribunal (NCLT)**.
- The Court has clarified that the discharge of a principal borrower from the debt by operation of law, or due to liquidation or insolvency proceeding, does not absolve the guarantor of his or her liability thus implying that the **liability of the guarantor is not co-extensive with that of the corporate debtor**.

Significance of the judgement:

More effective outcomes:

- Involving the personal guarantors in the liquidation process will also facilitate the Committee of Creditors to **frame realistic resolution or liquidation plans**, keeping in mind the prospect of realising some part of the creditors' dues from personal guarantors.
- A common forum for adjudication will help the NCLT have a better overview of the case and hence will aid in **more effective verdicts at the appellate stage**.
- The judgement is expected to **boost banks' recovery efforts involving bad loans**. The inclusion of the guarantors in insolvency proceedings would push the guarantors to arrange for the payment of the debt to the creditor bank in order to obtain a quick discharge from insolvency proceedings.

Rectifying a loophole in the IBC framework:

- The personal guarantors and related parties in some insolvency cases had been able to escape insolvency proceedings against them despite indications of **collusion between the borrowers and the guarantors**. This judgement will now help rectify such a loophole in the IBC.

2. RBI to pay Rs. 99,122 cr. surplus to Centre

Context:

- The Reserve Bank of India's board has approved a transfer of significantly higher-than-expected surplus to the government for the July-March accounting period.

Details:

- The RBI announced a surplus transfer of Rs. 99,122 crore for the 9-month period from July 2020 to March 2021. The government had budgeted to receive a surplus of about Rs. 50,000 crore from the RBI to be accounted for in the budget estimates for 2021/22.
 - **The bank will be moving to an April to March accounting year from 2021/22, from the current July to June year.**
- The surplus reflects the central bank's **income from its open market operations as well as receipts from foreign reserve sales.**
- The RBI maintains a **Contingency Risk Buffer at 5.50% in line with recommendations of the Bimal Jalan Committee report** and transfers the surplus to the government.

Economic challenges to the government:

- Though the higher-than-expected dividend or surplus transfer by the RBI is a welcome relief to the government, it may still **not be sufficient to meet the revenue estimates of the government** for the current year.

COVID to hit tax revenue:

- The lockdowns in several states have resulted in **subduing the economic activities** and this is going to result in a **significant drop in GST revenues** anticipated in May and June of 2021.
- **The high commodity prices fuelling inflation, despite the lower demand would only dent the margins of corporates** in many sectors, compressing the growth in direct tax collections as well.

Difficult disinvestment target:

- The government is likely to find it challenging to meet its **privatisation and disinvestment target of \$24 billion** given the high degree of uncertainty surrounding the second wave and lack of interest by the private players.

Cut in public expenditure:

- The lower than expected revenue inflow may pressurize the government to cut public expenditure. The lowering of public expenditure, especially when it is a necessity to spend to spur investment and growth would prove detrimental to the Indian economy both in the shorter as well as the longer term.

Disrupted economic recovery:

- The economic growth rates have hit record low levels last year and the **second wave has only dented the economic recovery.**

For more information on this issue refer to:

[UPSC Comprehensive News Analysis for 21st May 2021](#)

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: SCIENCE AND TECHNOLOGY

1. The AIDS fight offers a COVID vaccine patent pathway

Background:

- Universal vaccination is a necessity to stop the spread of the COVID-19 pandemic.
- To achieve global herd immunity and prevent new strains of COVID-19 from emerging, vaccines need to be affordable and available in massive quantities throughout the globe.
- The lack of technical know-how and the limited capacity of the current manufacturers to scale up their production capacities have led to **massive vaccine shortage globally**. The **strict intellectual rights regime** is also a hurdle for large scale manufacturing of the vaccines.

Details:

- The article discusses some of the ways to overcome the patents hurdle to help scale up the global vaccine production.

Temporary waiver of patents rights:

- **India and South Africa have called for a temporary waiver of the TRIPS provisions of the WTO.** Such a waiver would allow the pharmaceutical companies in the developing countries to manufacture the vaccines without the threat of legal actions by the original patent holders.
 - The TRIPS does have such a provision in the event of a **public health emergency**.
- However experts have raised concerns over the effectiveness of such a policy.

For more information on this refer to:

[UPSC Comprehensive News Analysis of 10th May 2021](#)

Compulsory licensing:

- The government can also issue what are called “compulsory licenses” which **override patent rights to allow local production or import of drugs by generic manufacturers in the event of a public health crisis**.
- The provision of compulsory licensing has been enshrined in the **Doha Declaration addendum** to the WTO’s TRIPS agreement.
- The Doha addendum, Section 5c, offers AIDS, malaria and tuberculosis as examples of what qualifies as a health emergency. Given the health crisis brought out by COVID-19 it could easily qualify as a health emergency.

For related information refer to:

[UPSC Comprehensive News Analysis of 18th Mar 2021](#)

The COVAX option:

- The COVAX programme established to **purchase vaccine doses and donate them to low-income countries** can play a critical role in ensuring access to COVID-19 vaccines. Also importantly this would not involve modifying the existing patent rights and is bound to face less opposition from any section.
- However, the **gross underfunding of the COVAX programme** poses serious challenges. According to the Director-General of WHO, Dr. Tedros Adhanom Ghebreyesus, the people in the lowest-income countries might have to wait until 2022 to get vaccinated through the COVAX programme.
- Similar ventures during the AIDS crisis were also plagued by the issue of chronic underfunding and hence had only minor effects on that pandemic.

Patent sharing pool:

- A patent-sharing pool for COVID products, the **COVID-19 Technology Access Pool** was proposed at the last meeting of the WTO. The **UN Medicines Patent Pool** has also been opened up to accept voluntary licences for COVID-19 vaccines and medicines.
- The companies which place their products in this list would allow other manufacturers to pursue the production of such products without fear of prosecution over IPR infringement.
- However, so far, **no patent holders have joined these efforts.**

Voluntary licensing:

- In this the **patent owners voluntarily license their products to other producer companies** who are experienced at mass-producing low-cost medications. Such licences require the licensee to pay the IP holder **some amount of royalty amount** on the sales of the drug.
- Previous experience with respect to the HIV/AIDS pandemic demonstrates that it is possible to navigate the existing patent restrictions through the use of voluntary licensing mechanism.
 - Major manufacturers like Gilead placed licensing agreements to produce AIDS drugs for which they owned patent rights in the UN-affiliated Medicines Patent Pool.
 - This helped the Indian pharmaceutical sector take up production of critical HIV/AIDS drugs on a larger scale and this helped make treatments for AIDS more affordable in low-income countries and helped mitigate that pandemic.
 - Voluntary licensing agreements between pharmaceutical producers were able to bring down the price of AIDS medications despite the stringent TRIPS regulations.
- Voluntary licensing has been a largely neglected aspect of the current efforts to overcome the IP hurdles to vaccine production.

Significance:

- Generally manufacturers prefer to work with voluntary licences because there is **more good will between the licensor and the licensee companies**, while compulsory licences often result in a legal battle brought up by the patent holder.
- Voluntary licences also **enable production to begin more expeditiously** as they usually are **accompanied by “technology transfer”**. Thus the licensee company will not have to spend a lot of effort and time to figure out how to reverse engineer the product.

- The royalty paid to the licensor but at low rates ensure that there is a **fine balance between the right to health of people in poor countries and the financial flows of the licensor company.**

Recommendations:

- The United Nations' Medicines Patent Pool and the World Health Organization's COVID-19 Technology Access Pool can be important tools in the effort to promote voluntary licensing for COVID products.

Conclusion:

- Patents should not be considered as ironclad ownership rights. They are but a temporary contract that balances the public interest with the claims of the innovator and that too in normal times.
- Given the **urgent global health crisis**, all possible options should be used to overcome the IP hurdle to ensure large scale vaccine production.
- This is important not just from the view point of **social justice** by ensuring that life-saving therapies are available to the world's poor, but is also equally important to **curtail the further mutation of the coronavirus** into more deadly, contagious and possibly vaccine-resistant variants.

Category: POLITY AND GOVERNANCE

1. Fitful approach

Context:

- The Central government has recently sent a notice to messaging service provider **WhatsApp** to withdraw its **updated privacy policy**.
- The Ministry of Electronics and IT (MeitY) has sought a response from WhatsApp within seven days.

Background:

- WhatsApp, in early 2021, updated its privacy policy.
- There had been an intense backlash against the decision to update its privacy policy, following which it was forced to postpone the implementation date.
- According to the new policy, users would no longer be able to stop the app from sharing data (such as location and number) with its parent Facebook unless they delete their accounts altogether.

Details:

- The article argues against such an intervention into what it terms as a **legitimate business decision from WhatsApp**.
- Instead the article argues that India should **come up with data protection laws on the lines of the European Union's General Data Protection Regulation or GDPR**. This can help in ensuring a well laid out standard for companies operating in India without the need for ad hoc measures and provisions.

F. Prelims Facts

1. Deep purple from Odisha

- The Koraput traditional agriculture was accorded the **Globally Important Agricultural Heritage System (GIAHS) status in 2012**.
 - Globally Important Agricultural Heritage Systems (GIAHS) are outstanding landscapes of aesthetic beauty that combine agricultural biodiversity, resilient ecosystems and a valuable cultural heritage. Located in specific sites around the world, they sustainably provide multiple goods and services, food and livelihood security for millions of small-scale farmers.
 - GIAHS status helps to promote public understanding, awareness about sustainable agriculture and to safeguard the social, cultural, economic and environmental goods and services that provide to family farmers, smallholders, indigenous peoples and local communities.
- Globally Important Agricultural Heritage Systems (GIAHS) was started by the **Food and Agricultural Organisation (FAO)**, an agency of the United Nations.
- The other recognised GIAHS sites in India include the following:
 - **Kuttanad Below Sea Level Farming System** of Kerala.
 - **Pampore Saffron Heritage** of Kashmir.

2. 80 of Odisha tribal group test positive

- The **Dongria Kondh** tribe is a **particularly vulnerable tribal group (PVTG)** living in the Niyamgiri hill range of Odisha.
- There are 75 PVTGs in India with **Odisha housing 13 of them (max for any state in India)**.

Context:

- A sudden spike of COVID-19 positive cases is being reported among the Dongria Kondh tribe.

For related information refer to:

[UPSC Comprehensive News Analysis for 15th May 2021](#)

G. Tidbits

1. Pandemic has made countries more self-seeking: Jaishankar

- External Affairs Minister S. Jaishankar has spoken about **COVID induced anxieties and their impact on international relations**.
- The speech by the minister noted that the pandemic had prompted countries to become more self-seeking and renege on their commitments, block supply chain and logistics to cater to their own domestic demand while also leveraging their capabilities to create shortages for strategic purposes or to gain financially. This had led to **countries prioritising self-interest and national security**.
- This the minister noted is in stark contrast to the pre-pandemic phase wherein **globalization emphasized global exchanges based on economic efficiency**.
- The minister emphasized the need for **manufacturing security** to hedge against excessive international dependency.

- The speech is being interpreted as an admission by the Minister to the problems that India itself is facing in continuing with **the Vaccine Maitri project**, under which it had promised to deliver vaccines all over the world and especially to the South Asian partner countries.

2. A green warrior to the core is no more

- **Well-known environmentalist and Gandhian Sunderlal Bahuguna** has passed away.

For information on his life and contributions, refer to:

[UPSC PIB Summary & Analysis for 21st May 2021](#)

H. UPSC Prelims Practice Questions

Q1. "Bao-dhaan" recently in News is:

- A medium-grain rice, grown in Bhutan and the eastern Himalayas.
- Red parboiled rice variety grown in Palakkad district of Kerala.
- A GI-tagged variety of rice known for its strong aroma that is widely used in traditional Bengali cuisine.
- Iron rich red rice grown in Brahmaputra valley of Assam.

Answer: d

Explanation:

- Bao Dhaan is the Iron-rich 'red rice' grown in the Brahmaputra valley of Assam.
- This variety is grown without the use of chemical fertilizers.

Q2. Consider these statements w.r.t Particularly Vulnerable Tribal Groups (PVTGs):

1. A separate category for Primitive Tribal Groups was created by the Bhuria Commission.
2. India has more than 100 Particularly Vulnerable Tribal Groups.
3. Andhra Pradesh has the highest number of PVTGs.

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

- 2 and 3 only
- 1 and 3 only
- 1 only
- None of the above

Answer: d

Explanation:

- The Dhebar commission in 1973 created a separate category for Primitive Tribal Groups.

- There are 75 Particularly Vulnerable Tribal Groups in India.
- Odisha has the highest number of PVTGs. 13 tribes in the state are recognized as PVTGs. Andhra Pradesh has 12 PVTGs.

Q3. Which of the given statements w.r.t Globally Important Agricultural Heritage Systems (GIAHS) is/are correct?

1. It was conceptualized in 2002 during World Summit on Sustainable Development in Johannesburg, South Africa.
2. Koraput in Odisha known for Kayal cultivation is a recognised GIAHS site in India.
3. Kuttanad in Kerala and Kashmir valley's Pampore region are proposed to be recognised as GIAHS sites.

Options:

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

Answer: b

Explanation:

- Globally Important Agricultural Heritage Systems (GIAHS) was conceptualized in 2002 during World Summit on Sustainable Development in Johannesburg, South Africa.
- Koraput in Odisha is a recognised GIAHS site in India but not for Kayal cultivation.
- Kuttanad in Kerala for Kayal Cultivation and Kashmir valley's Pampore for saffron cultivation have already been accorded the GIAHS status.

Q4. Which of the following is/are correctly matched?

1. Chipko Movement – Uttarakhand
2. Appiko Movement – Andhra Pradesh
3. Save Silent Valley Movement – Kerala
4. Jungle Bachao Andolan – Bihar

Choose the correct option:

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

Answer: a

Explanation:

- Chipko Movement took place in Chamoli district of Uttarakhand.
- Inspired by the Chipko movement, Appiko Movement was organized in the state of Karnataka.
- Save Silent Valley movement was an environmental movement organized to protest against the hydroelectric project in the Silent Valley Forest in Kerala.
- Jungle Bachao Andolan was organized by the tribals in Bihar's Singhbhum district.

Q5. Which of the following statements is/are correct? (UPSC 2017)

Viruses can infect

1. bacteria
2. fungi
3. plants

Select the correct answer using the code given below.

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

Answer: d

Explanation:

Viruses can infect all types of life forms including bacteria, fungi, plants, animals and other micro-organisms.

I. UPSC Mains Practice Questions

1. What do you understand by 'Voluntary Licensing' (VL)? Should countries and companies explore VL to enhance access to essential Covid vaccines and medicines? Discuss. (15 Marks, 250 Words) [GS-3, Economy].
2. There is a growing demand for India to write laws on data protection and privacy in the wake of the WhatsApp privacy policy. Examine. (10 Marks, 150 Words)[GS-2, Governance].