

02 June 2021: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. Give details on scheme for orphaned children, says SC

Context:

The Supreme Court has questioned the centre as to why the **details of the scheme announced for the orphaned children is not available in the public domain.**

Background:

The centre had recently announced a special "PM-CARES for Children" scheme for all those orphaned due to COVID-19.

Read more on this topic covered in UPSC Exam Comprehensive News Analysis. May 30th, 2021 CNA.

2. DM Act is of 2005 vintage, was first enforced during pandemic

Context:

Hours before retiring, former Chief Secretary of West Bengal Alapan Bandyopadhyay was served a **show-cause notice** by the Union Home Ministry under Section 51 of the Disaster Management (DM) Act, 2005, punishable by imprisonment of up to two years or a fine or both.

Disaster Management Act 2005:

- The DM Act, 2005, came into existence after the tsunami of 2004.
- It was invoked for the first time in the wake of the COVID-19 pandemic.
 - In March 2020, the Centre, through the National Disaster Management Authority (NDMA) headed by
 the Prime Minister, invoked the provisions of the Act to streamline the management of the
 pandemic, empowering district magistrates to take decisions and centralise other decisions on the
 supply of oxygen and movement of vehicles.
 - The Act has been extended across the country till June 30, 2021.
 - It is **enforced by the Home Ministry.**

Details:

- Section 51 of the DM Act, 2005 pertains to punishment for obstruction for refusal to comply with a direction given by the Central government.
- It prescribes punishment for obstruction for refusal to comply with any direction given by or on behalf of the Central Government or the State government or the National Executive Committee or the State Executive Committee or the District Authority under the Act.
- However, the section has two important caveats. Under the Act, in order to be punishable, the action on the part of the person has to be:
 - 'without reasonable cause'



• 'failure of an officer to perform the duty without due permission or lawful excuse'.

Read more on this issue covered in UPSC Exam Comprehensive News Analysis. May 29th, 2021 CNA.

3. Panel had warned MHA on Lakshadweep

Context:

Concerns raised about the Lakshadweep Development Authority Regulation 2021 (LDAR).

Details:

The Parliamentary panel on Home Affairs had warned the Union Home Ministry to ensure that any decision on the development of Lakshadweep is taken after consultations with all stakeholders and elected representatives.

Read more on this issue covered in <u>UPSC Exam Comprehensive News Analysis. May 28th, 2021 CNA.</u>
Category: INTERNATIONAL RELATIONS

1. BRICS will help India in fighting COVID-19, says China Minister

Context:

BRICS (Brazil-Russia-India-China-South Africa) foreign ministers held a virtual meeting

BRICS:

• The BRICS brings together five of the largest developing countries of the world, representing 41 per cent of the global population, 24 per cent of the global GDP and 16 per cent of the global trade.

Read more on **BRICS**.

Details:

- India hosted it in its capacity as the chair of BRICS.
- The meeting was attended by Russia's Foreign Minister Sergey Lavrov, China's Foreign Minister Wang Yi, South African Minister of International Relations Grace Naledi Mandisa Pandor, and Brazil Foreign Minister Carlos Alberto Franco.
- Chinese Foreign Minister said that the grouping was ready to assist the country to fight the pandemic.
- The Ministers agreed on reforming the multilateral system.
 - They have also agreed that such reform has to cover all key multilateral institutions, including the UN and its principal organs (UN Security Council, General Assembly, ECOSOC, the Secretariat, etc); international financial architecture (IMF, World Bank); multilateral trading system (WTO, UNCTAD); and the global health governance system with the WHO at its core.
 - This is the first time that such a consensus was reached.
 - They also agreed to a set of six principles that should guide the reform of multilateral institutions.
- The proposal by South Africa and India at the WTO seeking a patent waiver for Covid-19 vaccines was also among the issues discussed.
 - India and South Africa have been raising the issue of <u>Trade-Related Aspects of Intellectual</u> Property Rights waiver for Covid 19 vaccines.



- All the **BRICS** countries have agreed to support this measure.
- They called for supporting ongoing consideration in WTO on a Covid-19 vaccine Intellectual Property Rights waiver and the use of flexibilities of the TRIPS agreement and the Doha Declaration on TRIPS Agreement and Public Health.

2. 'Europe should speak in one voice'

Context:

Lithuania has announced that it would pull out of the China and Central & Eastern European (CEE) 17+1 mechanism.

Details:

- China and Central & Eastern European (CEE) 17+1 mechanism is seen as a **pro-China grouping of countries** within the EU.
- Lithuanian Ambassador has said that the grouping has not proved beneficial.
- Tensions between China and Lithuania have been building up over a number of issues: Lithuania's new ties with Taiwan, its Parliament's resolution on Uighurs, and then Chinese sanctions on Lithuanian and EU politicians, which led to the EU putting the Comprehensive Agreement on Investment on hold.

Read more on this topic covered in UPSC Exam Comprehensive News Analysis. May 24th, 2021 CNA.

C. GS 3 Related

Nothing here for today!!!

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: SOCIAL ISSUES

1. Breaking the cycle of child labour is in India's hands

Challenge of child labour in India:

Substantial number of working children:

- The Census of India 2011 reports 10.1 million working children in the age group of 5-14 years.
 - A substantial proportion of them (8.1 million) reside in rural areas and are mainly engaged as cultivators and agricultural labourers.

Factors aiding child labour in India:

• **Inequality, lack of educational opportunities,** traditions and **cultural expectations** all contribute to the persistence of child labour in India.

High number of out of school children:



- UNESCO estimates based on the 2011 Indian Census record **38.1 million children as "out of school" in India.** Given the fact that out of school children are at an increased risk of being pushed into child labour, a substantial number of children in India (18.3% of total children in the age group of 6-13 years) remain vulnerable to be employed as child labour.
- A Government of India survey suggests that 95% of the children in the age group of 6-13 years are attending educational institutions (formal and informal) while it is 79.6% for the 14-17 years age group.

Ill effects of child labour:

- Working children face physical and psychological risks to a healthy development.
- Child labour impedes children from gaining the skills and education they need to have opportunities for decent work as adults. This impedes their capacity to overcome the **vicious circle of poverty**.

Recent improvement:

Decrease in child labour:

• The incidence of child labour has decreased in India by 2.6 million between 2001 and 2011.

Policy interventions:

- Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) 2005, has guaranteed wage
 employment (unskilled) for rural families hence ensuring economic stability for the poor families. A
 financially secure family would not push its children into work and would rather invest in the education of its
 children.
- The Right to Education Act 2009 and the Mid Day Meal Scheme have helped in ensuring greater enrolment of children in schools.
- The implementation of the National Child Labour Project has helped in the rehabilitation of children rescued from child labour.
 - The National Child Labour Project (NCLP) Scheme is a Central Sector Scheme. Under this Scheme, the children in the age group of 9-14 years are withdrawn from work and put into NCLP Special Training Centres, where they are provided with bridge education, vocational training, mid-day meal, stipend, healthcare, etc. before being mainstreamed into formal education system. The children in the age group of 5-8 years are directly linked to the formal education system through a close coordination with the Sarva Shiksha Abhiyan.
- The Ministry of Labour and Employment-operated online portal PENCiL (Platform for Effective Enforcement for No Child Labour) allows government officials, law enforcement agencies and non-governmental organisations to share information and coordinate on child labour cases at the national, state and local levels for effective enforcement of child labour laws. It also allows for better monitoring and transparency with respect to the child labour laws.
- The Indian government has also ratified two Core Conventions of the International Labour Organization (ILO), Convention 138 regarding admission of age to employment and Convention 182 regarding worst forms of Child Labour.
 - ILO Convention 138 says that the minimum age for employment should not be less than the age of completion of compulsory schooling (14 years of age in India's case).



• The Central government had enacted a new law — Child labour (Prohibition and Prevention) Amendment Act, 2016 – banning employment of child labour below 14 years of age in all occupations and processes. It further prohibits the employment of adolescents (14-18 years of age) in hazardous occupations.

For related information refer to:

Child Labour (Prohibition and Regulation) Act

Concerns:

Slow progress:

While child labour has declined during the past decade globally, estimates indicate that the rate of reduction
has slowed by two-thirds in the most recent four-year period.

Change of nature of job employing child labour:

While there has been an overall decrease in the number of child labour, the decline was more visible in rural
areas, while the number of child workers has increased in urban areas, indicating the growing demand
for child workers in menial jobs.

Impact of the pandemic:

• The pandemic has had a significant impact on child labour in India.

Economic aspects:

- The economic contraction and lockdowns ensuing from the pandemic have led to income reductions for enterprises and workers, many of them in the informal economy. The slower economic growth has resulted in rising unemployment.
- With increased economic insecurity, lack of social protection and reduced household income, children
 from poor households are being pushed to contribute to the family income with the risk of exposure to
 exploitative work.
- The children of migrant workers are at an increased risk of being pushed into child labour.

Challenges in education:

- The closure of schools and challenges of distance learning due to the **digital divide** threatens to increase the number of children dropping out of education.
 - The NSS Report titled 'Household Social Consumption on Education in India' suggests that in 2017-18, only 24% of Indian households had access to an Internet facility.

Way forward:

- Stable economic growth, decent work for all, universal education, social protection, recognizing the needs and rights of children can help tackle the root causes of child labour.
- Given the threat of the pandemic undoing the gains made in eliminating child labour, India must develop appropriate policies and ensure programmatic response during and after the novel coronavirus pandemic. There is a need for more **affirmative and immediate actions.**



• Strategic partnerships and collaborations involving government, community-based organisations and child labour families is the need of the hour.

Additional information:

- The United Nations has declared 2021 as the International Year for the Elimination of Child Labour.
 - 152 million children around the world are still in child labour, 73 million of them in hazardous work.
- Sustainable Development Goal 8.7 envisages ending child labour in all its forms by 2025.

Category: POPULATION

1. When two is too little

Context:

• China's Communist Party has introduced a "three child policy".

Background:

China's family planning policy:

- In a bid to limit the population explosion in China, it resorted to **strong state-led demographic interventions.** It was in this direction that it adopted its "one child policy" of 1979.
- It offers a reward and assistance system and preferential policies for those following family planning rules.
 - After the one child policy, China's fertility rate fell from 2.75 in 1979 to 1.69 in 2018.
- Recognizing the ill effects of its one child policy, China relaxed its stance on the number of children and introduced the two child policy in 2015. However, this measure too failed to boost birth rates.
 - The recent population census recorded 12 million births in 2020, the lowest number since 1961.

Concerns associated with Chinese policy of family planning:

- Population control measures have landed China in a **population crisis**.
- China's demographic interventions have had the following unintended social and economic consequences.

Social consequences:

- The limitations on the number of children and the gender discrimination prevalent in the society led to a **deeply gender-imbalanced population.** Couples have been resorting to sex-selective abortions and this has reduced the sex ratio considerably. The skewed sex ratio has detrimental consequences for society.
- The number of aged people has been increasing steadily in China. As per the census, there were 264 million in the 60 and over age group, accounting for 18.70% of the population. The fast ageing population and the availability of very few people to take care of them would have a detrimental impact on their quality of life.

Economic consequences:

- The rapidly ageing population has reduced the workforce population and increased the dependency ratio.
 - The dependency ratio is an age-population ratio of those typically not in the labour force (the dependent part ages 0 to 14 and 65+) and those typically in the labour force



(the productive part – ages 15 to 64). It is used to measure the pressure on the productive population. A low dependency ratio means that there are sufficient people working who can support the dependent population. A higher ratio indicates more financial stress on working people.

• The rapidly ageing population threatens to **limit the growth prospects of China.**

Moral concerns:

- The intrusive family planning policy goes against the **right to freedom of choice for the parents.**
- The strict enforcement of the child policies in China has led to forced abortions and sterilisations.

Reasons for Chinese shift in family planning policy:

- The shift to the three child policy marks an acknowledgement of the consequences of China's intrusive family planning measures.
- The shift to the three child policy is **aimed to improve China's population structure**. It intends to tackle the challenge of the ageing population, and preserve the country's human resource advantages.

Lessons for India from Chinese experience:

- India has been toying with the idea of population control measures through a two-child norm, which found mention in the Prime Minister's Independence Day speech two years ago.
- The Chinese experience should serve as a warning for India that coercive population strategies can be counterproductive.

Indian experience:

Population growth in India:

- India, with 1.37 billion people, is the second-most populous country in the world. A report from the United Nations released in June had said that around 2027, India is set to overtake China as the world's most populous country.
- **Birth rates are falling, but the population continues to grow** as more than 30% of the people are young and in the reproductive age group.

Skewed progress:

- India has done very well with its family planning measures and the current fertility rate is at the **replacement** level fertility of 2.1, which is desirable.
 - Replacement level fertility is the level of fertility at which a population exactly replaces itself from one generation to the next.
- However, the pattern has been skewed. In some states like Sikkim, Andhra Pradesh, Delhi, Kerala and Karnataka, the total fertility rate is way below replacement level. The low fertility rates in Sikkim and Lakshadweep have led to challenges of an ageing population, shrinking workforce and an increase in sexselective practices.

For related information refer to:

UPSC Comprehensive News Analysis for 23rd Dec 2020



Recommendations for India:

Family planning as a national priority:

• Given that unchecked population growth could go against the efforts to bring millions of people out of poverty and undo the benefits of higher welfare spending for the poor, India needs to treat population stabilization and family planning as a national priority.

Addressing structural issues:

- Notably, even other developing countries, without stringent child-limitation policies like that of China, have also experienced declines in total fertility rates.
- This seems to suggest the fact that the mere relaxation or even abolishing of birth quotas would not help in raising the fertility rate and there is the need for governments to acknowledge and address structural problems like reducing the child-rearing costs (education and nutrition) borne by prospective parents. This critical aspect needs to be prioritized.

Focussing on population stabilization:

- India needs to focus its attention on population stabilisation measures rather than resort to coercive measures.
 - Population stabilization is a stage when the size of the population remains unchanged. It is also
 called the stage of zero population growth. Country-level population stabilization occurs when births
 plus in-migration equals deaths plus out-migration.
- The measures needed in this direction could include the following:
 - Incentivise later marriages and childbirths; ensuring a sufficient gap between childbirths.
 - Stepping up access to contraceptive choices and addressing socio-cultural barriers towards contraception.
 - Offering family planning support and investing in behaviour-change communication strategies and family planning.

Category: ECONOMY

1. What explains the surge in FDI inflows?

Context:

• Impressive growth in total foreign direct investment (FDI) inflow in 2020-21 reported by the Ministry of Commerce and Industry

For related information refer to:

UPSC Comprehensive News Analysis of 25th May 2021

Details:

As against the claim being made by the government that its measures on the fronts of Foreign Direct
Investment (FDI) policy reforms, investment facilitation and ease of doing business have resulted in increased
FDI inflows into the country, the article raises doubts over this development based on the following arguments.



No net increase in FDI:

• The direct investment in India has actually decreased while it is the 47% increase in **repatriation/disinvestment** that accounts for the rise in the gross inflows into India. Hence there is a wide gap between gross FDI inflow and direct investment to India.

Surge led by FPI:

- Short-term foreign portfolio investments are entirely responsible for the surge in foreign investment.
- FDI inflows have increasingly consisted of private equity funds or portfolio investments, which are usually short-term investments in domestic capital (equity and debt) markets meant to realise better financial returns.
- In principle, private equity funds do not make long-term greenfield investment and hence is **not adding to fixed investment, output growth and employment creation**.

Negligible impact on domestic output:

- The ratio of **net FDI to GDP** has remained just over 1% (left-hand scale), with no discernible rising trend being observed over the years.
- Likewise, the proportion of **net FDI to gross fixed capital formation (fixed investment)** has remained range-bound between 4% and 6%.
- Thus, FDI inflow's contribution to domestic output and investment remains modest.

Rise in stock prices:

- While the FII inflow did little to augment the economy's potential output, it has resulted in a substantial rise in stock prices.
 - While GDP has contracted by 7.3% in 2020-21 on account of the pandemic and the economic lockdown, the **BSE Sensex has nearly doubled.**
 - **BSE's price-earnings (P-E)** multiple defined as share price relative to earnings per share is among the world's highest.

2. The economic toolkit revealed

The article analyzing the Reserve Bank of India (RBI) 's annual report for 2020-21 explains the limitations of
monetary policy measures in helping economic revival in the post-pandemic world and argues rather for
fiscal stimulus.

For related information refer to:

UPSC Comprehensive News Analysis of 21st May 2021

F. Prelims Facts

1. Justice A.K. Mishra appointed NHRC chief

What's in News?

The President of India formally appointed Justice Arun Kumar Mishra as the Chairman of the National Human Rights Commission (NHRC).



Appointment of NHRC Chairman and members:

The chairman and members of the National Human Rights Commission are appointed by the President on the recommendations of a **high-powered selection committee consisting of:**

- Prime Minister
- Speaker of the Lok Sabha
- Deputy Chairman of the Rajya Sabha
- Leaders of the Opposition in both the Houses of Parliament
- Union home minister

Read more on the National Human Rights Commission of India - NHRC Functions, Composition, Issues.

2. China reports human case of bird flu

What's in News?

China reported the world's first human infection of the H10N3 bird flu.

- It has said that the risk of it spreading widely among people was low.
- China has described H10N3 as low pathogenic less likely to cause death or severe illness in birds.
- Several strains of bird flu have been found among animals in China but mass outbreaks in humans are rare.
- The last human epidemic of bird flu in China occurred in late 2016 to 2017, with the H7N9 virus.

G. Tidbits

1. IMD increases monsoon rain outlook to 101%

What's in News?

The India Meteorological Department (IMD) expects more rain in the monsoon months of June-September than its earlier estimate.

Updates:

- The monsoon rain would be 101% of the Long Period Average (LPA) of 88 cm.
- In **central India** constituting the core rainfed agricultural region, there would be a 6% **increase over the usual for the monsoon.**
- Rainfall over the northwest and southern peninsula is normal.
- The latest global model forecasts say
 - The sea surface temperatures at the Equatorial Pacific conditions are unlikely to significantly rise
 - There are also 'negative' IOD (Indian Ocean Dipole) conditions over the Indian Ocean during the monsoon season.
 - These larger climate factors are unlikely to have a significant influence over the prevailing monsoon.



• Sea surface temperature (SST) conditions over the Pacific and the Indian Oceans are known to have a strong influence on the Indian monsoon. Therefore, IMD is monitoring the evolution of sea surface conditions over these Ocean basin.

Indian Ocean Dipole:

- The Indian Ocean Dipole (IOD), also known as the Indian Niño, is an irregular oscillation of sea surface temperatures in which the western Indian Ocean becomes alternately warmer (positive phase) and then colder (negative phase) than the eastern part of the ocean.
- A positive IOD is found to be beneficial for the Indian monsoon.

H. UPSC Prelims Practice Questions

Q1: Consider the following statements:

- 1. It is binding on the President to nominate 12 members to Rajya Sabha.
- 2. The nomination of members is a discretionary power of the President.
- 3. A member cannot be renominated after the term is over.

Which of the above statements is/are incorrect?

- a. 1 & 2 only
- b. 2 & 3 only
- c. Only 3
- d. All of the above

Answer: b

Explanation:

- Article 80(3) of the Constitution of India authorizes the President of India to nominate a maximum of 12 members to the Rajya Sabha and the members nominated shall have special knowledge or practical experience in the fields of Literature, Science, Art & Social Service.
 - It is binding on the President to nominate 12 members to Rajya Sabha.
 - Only in the appointment of the Prime Minister, the President enjoys discretionary power.
- The President nominates 12 members to Rajya Sabha on the advice of the Centre (government of the day).
- They are nominated for a six-year term and are eligible to be renominated after their term is over.

Q2: Purchasing Managers' Index or PMI is an economic indicator, which is derived after monthly surveys of different companies. For manufacturing PMI, the questionnaire is sent to manufacturing companies. The questions are related to 5 key variables:

- 1. New orders
- 2. Output
- 3. Employment



- 4. Suppliers' delivery times
- 5. Stock of items purchased

Which one of the following reflects the correct increasing order according to their weights?

- a. 5-4-3-2-1
- b. 1-2-3-4-5
- c. 1-3-4-2-5
- d. 5-4-2-3-1

Answer: a

Explanation:

- Purchasing Managers' Index or PMI is an economic indicator, which is derived after monthly surveys of
 different companies. For manufacturing PMI, the questionnaire is sent to manufacturing companies. The
 questions are related to the following 5 key variables in increasing order of their weights:
- 1. Stock of items purchased (10%)
- 2. Suppliers' delivery times (15%)
- 3. Employment (20%)
- 4. Output (25%)
- 5. New orders (30%)
- PMI values and their components play a major role in providing useful insight into the economic activity of a business to decision-makers, market analysts, and investors.
- The headline PMI is a number that ranges from 0 to 100.
- If a PMI is above 50, it represents an expansion when compared with the previous month.
- If the PMI value falls below 50, it indicates a contraction while a PMI value of 50 indicates no change.

Q3: Vande Bharat Mission is related to:

- a. Bringing back stranded Indians from foreign destinations after suspension of regular international flights due to Covid-19
- b. Evacuation of Indian citizens from South Sudan
- c. India's role in anti-piracy operations in Djibouti
- d. None of the Above

Answer: a

Explanation:

In an effort to bring back its stranded citizens abroad due to the spread of the novel coronavirus and the resulting lockdown thereof, India rolled out the massive evacuation plan called 'Vande Bharat Mission'.



Q4: 'Van Dhan Yojana' deals with:

- a. Financial inclusion
- b. Tax relief for street vendors
- c. The six-month moratorium on term loans announced by the Reserve Bank of India during Covid-19 lockdown
- d. Economic development of tribals

Answer: d

Explanation:

- The Ministry of Tribal Affairs and Tribal Cooperative Marketing Development Federation of India (TRIFED)
 launched the Van Dhan scheme in 2018 intending to improve the tribal income through the value addition of
 tribal products.
- The scheme aims at the economic development of tribals involved in the collection of Minor Food Produces (MFPs) by helping them in optimum utilization of natural resources and providing them with a sustainable livelihood.
- Under this scheme, the Van Dhan Vikas Kendras constituted, provide skill up-gradation and capacity building training and setting up of primary processing and value addition facilities.

Q5. The object of the Butler Committee of 1927 was to

- a. Define the jurisdiction of the Central and Provincial Governments
- b. Define the powers of the Secretary of State for India
- c. Impose censorship on national press
- d. Improve the relationship between the Government of India and the Indian States

Answer: d

Explanation:

- Sir Harcourt Butler chaired a three-member committee appointed by the Government in Britain in 1927 to inquire into the relationship between the Indian Princely States and the British Government of India.
- The object of the Butler Committee of 1927 was to improve the relationship between the Government of India and the Indian States.

I. UPSC Mains Practice Questions

- 1. With the pandemic in mind, discuss the challenge of dealing with child labour in India. (250 words; 15 marks) (GS 2 Governance).
- 2. China's demographic interventions have had unintended social and economic consequences. This should serve as a warning for India. Examine the statement. (250 words; 15 marks) (GS 3 Economy).