

29 June 2021: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. A-G Venugopal gets one more extension

Context:

The Union government has extended the tenure of Attorney-General K.K. Venugopal by a year.

Attorney-General of India:

- The **Attorney-General of India** is the first law officer of the Government of India.
- His duties are to:
 - give **advice to the government on legal matters**
 - **to perform other legal duties** which are referred or assigned to him **by the President**
 - to discharge the **functions conferred on him by the Constitution or any other law.**
- The Attorney-General is **appointed by the President** and he **holds office during the pleasure of the President.**
- There is **no fixed term for the Attorney General of India.** The Constitution mentions no specified tenure of the Attorney General.
- The Attorney General represents the government but is **allowed to take up private practice provided the other party is not the State.**
- The Attorney General gets a **retainer equivalent to the salary of a judge of a Supreme Court.**

Read more on the [Attorney General of India](#).

C. GS 3 Related

Category: ECONOMY

1. Govt. unveils ₹6.28 lakh crore stimulus post 2nd COVID wave

Context:

The government has announced **measures to support the sectors hit hard by the second Covid wave.**

Relief Measures:

Health:

- **₹ 50,000 crore credit guarantee** for new and ongoing projects outside metros.
- **Funds for public projects** to augment paediatric care, ICU beds, oxygen supply and medical personnel.
 - A new scheme for **strengthening public health infrastructure and human resources** with an outlay of Rs. 23,220 crore was also announced.

- **Interest rate capped at 7.95%.**
- A fresh loan guarantee facility of **₹1.1 lakh crore for healthcare investments in non-metropolitan areas and sectors such as tourism.**

Economy:

- The existing **Emergency Credit Line Guarantee Scheme** will be **expanded by ₹1.5 lakh crore.**
 - ECLGS was launched as part of the Atma Nirbhar Bharat Package in May 2020.
- A new scheme worth ₹7,500 crores announced for loans up to ₹1.25 lakh to **small borrowers through micro-finance institutions.**
- Indirect support for exports worth ₹1.21 lakh crore over the next five years.
- Under the **new Loan Guarantee Scheme for COVID-affected sectors**, working capital/personal loans will be provided to people in the tourism sector to discharge liabilities and restart businesses impacted due to the COVID-19 pandemic.
- The government has also made an additional allocation of Rs 19,041 crore for the ongoing **BharatNet broadband project.**
- The government **extended the Atmanirbhar Bharat Rozgar Yojana**, launched in October 2020 to encourage employment generation, by nine months until March 31, 2022.
- **Free one-month visas for the first five lakh tourists.**

Agriculture:

- New seed varieties will be made available for the farmers.
 - ICAR has developed **bio-fortified crop varieties** having high nutrients like protein, iron, zinc, vitamin-A.
 - These varieties are **tolerant to diseases, insects, pests, drought, salinity, and flooding, early maturing** and amenable to mechanical harvesting.
- **A revival package of Rs 77.45 crore** will be provided to **North Eastern Regional Agricultural Marketing Corporation (NERAMAC).**
- Additional Subsidy for DAP & P&K fertilizers has been announced.
- The existing sop to spur employment, where the government bears EPF contributions for new employees earning less than ₹15,000 a month for two years, has been extended till March 31, 2022.

Others:

- Extension of Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) from May to November 2021.

Significance:

- The focus was largely on **extending loan guarantees** and **concessional credit** for pandemic-hit sectors and **investments** to ramp up healthcare capacities.
- It is believed that these measures will help to **stimulate economic activities, boost production & exports** and **generate employment.**

However, economists opine that **more steps may be needed to shore up the economy** through the rest of the year.

Category: SCIENCE AND TECHNOLOGY

1. Nuclear-capable Agni-P missile test-fired

Context:

A new-generation **nuclear-capable ballistic missile, Agni-P (Prime)** has been successfully test-fired by the Defence Research and Development Organisation ([DRDO](#)).

Agni-P:

- Agni-P is a **new-generation advanced variant of the Agni class of missiles**.
- Its **range capability is between 1,000 and 2,000 km**.
- The missile is fully made up of **composite material**.
 - Composites are **lightweight**, have **better strength** and offer more **design and production flexibility** over conventional materials.
- Agni Prime comes in a **canisterised configuration**.

Canisterisation:

- In this configuration, a **missile mated with a nuclear warhead is sealed in a canister**, which is **placed atop a road-mobile launcher**.
- Canisterisation significantly **enhances the mobility of a missile**.
- In canisterised configuration, a missile requires **very short preparation time** and can be **launched at short notice**.
- Canisterisation also **increases the reliability of a missile** and **its shelf-life**.
- A canisterised missile can be **fired directly from the canister** or cylindrical container containing the missile by elevating it.

Agni class missiles

- The Agni class of missiles are the **mainstay of India's nuclear launch capability** which also includes the **Prithvi short-range ballistic missiles, submarine-launched ballistic missiles and fighter aircraft**.
- The longest of the Agni series, **Agni-V, an Inter-Continental Ballistic Missile (ICBM)** with a range of **over 5,000 km**, has already been tested several times and validated for induction.
- Earlier, India had tested **Agni-5 intercontinental ballistic missile in canisterised configuration**.

Details:

- The test was conducted from the **A.P.J. Abdul Kalam Island**, Balasore, off the coast of Odisha.
- Agni-P missile would further **strengthen India's credible deterrence capabilities**.

- In the past few years, India has also operationalised its **submarine-based nuclear launch capability**, completing the **nuclear triad**.
 - This is especially important given **India's no-first-use policy** while reserving the right of massive retaliation if struck with nuclear weapons first.
 - A nuclear triad is a **three-pronged military force structure** that consists of **land-launched nuclear missiles, nuclear-missile-armed submarines, and strategic aircraft with nuclear bombs and missiles**.
- In 2020, the DRDO successfully test-fired a 3,500-km range submarine-launched ballistic missile, K-4.
 - Once inducted, these missiles will be the mainstay of the **Arihant class of indigenous ballistic missile nuclear submarines (SSBN)**.
 - It will give India the stand-off capability to launch nuclear weapons submerged in Indian waters.
- INS Arihant, the only SSBN in service, is armed with **K-15 missiles with a range of 750 km**.

Category: SECURITY

1. Small civilian drones pose significant threat, say officials

Context:

Two explosions at the Jammu airbase are believed to have been **carried out using drones**.

Concerns:

- A **quadcopter available in the open market** for a few thousand rupees can **hit strategic targets and cause huge damage**.
- In the past couple of years, **quadcopters have been used to drop drugs, arms and ammunition from across the border in Jammu and Punjab**.

As the civilian market for drones is set to see a major expansion, **requisite measures in terms of capabilities, as well as policy measures, should be put in place**.

This issue has been covered in [June 28th, 2021 CNA](#).

Note:

The armed forces have indicated their intent to **develop or acquire Counter-Unmanned Aircraft Systems capability** in the **Technology and Capability Perspective Roadmap-2018** issued by the **Headquarters Integrated Defence Staff**.

- The most popular methods of neutralising drones, as per the article, are:
 - **Jamming or spoofing of the radio frequency link between the rogue UAS and its operator**.
 - Using **Directed Energy Weapons** such as lasers for **dazzling of sensors**
 - **Destructing the critical airframe components of the drone**
 - **Employing guns, missiles and other hard kill options**.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: ECONOMY

1. Reopen the files, reconsider privatisation

Background:

Pandemic induced economic crisis:

- India is currently going through its worst economic crisis.
 - The Indian economy has experienced its **highest ever GDP contraction in 2020**.
 - **Unemployment levels have risen, income levels have fallen**, estimates point to bank **non-performing assets (NPAs) rising** and the **fiscal deficit has also risen**.
- Against this backdrop, the article discusses certain aspects of the envisaged Central government policy of aggressive privatisation of public enterprises.

The new disinvestment policy for public sector enterprises:

- The Indian Finance Minister in her [Budget speech for 2021-22](#), announced a **new policy for central public sector enterprises (CPSEs)**.
- The policy proposes to privatize state-owned companies in the coming years and would serve as a roadmap for the disinvestment of government-owned firms across sectors.
- This policy proposes a differentiated approach to strategic and non-strategic sectors and envisages **ambitious disinvestment targets**.
 - For the financial year 2022, the government has announced a disinvestment **target of Rs 1.75 lakh crore**. This is to be raised from the stake sale in public sector companies and financial institutions.

For more information on this topic refer to:

[UPSC Comprehensive News Analysis of 21st Feb 2021](#)

Arguments in favour of privatization:

Increase efficiency:

- There are umpteen examples around the world that show what the economy could gain by privatizing state-run businesses given that the private sector is inherently more efficient. Thus privatization marks an **important step in India's programme of reforms to achieve long-term sustainable growth**.

Asset recycling:

- Privatization also allows for asset recycling: the government monetizes existing infrastructure assets through their sale to the private sector, and then **invests the proceeds in new projects or long-term investment funds.**

Source of revenue for government:

- The privatization of state-owned companies over the years could provide the funds needed to rebuild the economy and allocate **money for infrastructure creation and welfare schemes.**
 - India has recently announced a **national asset monetization pipeline** to fund much-needed infrastructure and welfare schemes.

Offset debt and ensure fiscal stability:

- Privatization is also beneficial to gain long-term balance sheet stability and offset debt from the incoming revenue stream. This has become all the more important due to the **adverse economic impact of the pandemic.**

Arguments against the present approach to privatization:

May not lead to new Greenfield investment:

- The taking up of stakes by the private sector in the public sector enterprises results in **no real value addition to the economy in the near term.** This only marks a transfer of ownership and results in no new greenfield investment.

Lower realization of value:

- The target-driven approach to disinvestment may result in a scenario where the government may have to **sell their stakes at fair or lower than fair valuations.**

Loss of strategic control:

- Privatization decreases the government control on strategic sectors which will allow it some leverage during crisis periods as observed during the COVID-19 pandemic. Privatization may result in a scenario where **India might lose the strategic capacity that its ownership of public enterprises provides it.**
 - In dealing with the novel coronavirus pandemic crisis, the Government has been able to use its ownership to get banks and public enterprises to do so many things on an immediate basis.
- The sale of the public sector entities to foreign entities, firms as well as funds, has adverse implications from the perspective of being 'Atma Nirbhar'.

Concerns over job losses:

- The **public sector enterprises provide for reservations** in recruitment to socially and economically backward classes. Privatization will end this affirmative intervention. Also, there are concerns that **privatization could lead to job losses.**

For related information refer to:

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

Details:

- The author, a former secretary of the [Department of Industrial Policy and Promotion](#), Government of India, suggests different approaches to different categories of public sector enterprises that face their own set of issues and hence need relevant solutions.

Beyond redemption entities:

- There exist some public sector units which have been sick for a long time. They are **plagued by multiple issues- obsolete technology, plants and machinery and inefficient managerial and human resources.**
- The article suggests **closing such enterprises in a time-bound manner** while ensuring the employees are adequately compensated.
- The **assets of such companies should be sold.** The land owned by these entities amount to their largest asset base and prudent disposal of this should be a focus.
- These enterprises may be taken away from their parent line ministries and brought under one holding company which should have the sole mandate of speedy liquidation and asset sale.

Entities with potential for turnaround:

- There are enterprises that **have been financially sick but can be turned around.**
 - Example – Air India and the India Tourism Development Corporation (ITDC) hotels.
- Ministerial micromanagement is one of the major reasons for their poor performance.
- For such companies, **introducing private management** through privatisation or induction of a strategic partner is the best way forward.
- As the health of these enterprises improves over time, so will their valuation. The government can then reduce its stake further and get more money. This will ensure better revenue flows rather than outright privatization when they are in a financially weak position.
 - Under current circumstances, very few investors would be interested in taking up stakes, as is evident from the Air India example.

Profitable enterprises:

- For profitable public sector enterprises, the article suggests adopting **the Chinese model approach.**
 - The Chinese have nurtured their state-owned enterprises to **increase their competitiveness in cost, quality, and technology.** This has allowed them to succeed in both the domestic and global markets. In the Fortune 500 list, there are 91 state-owned Chinese enterprises.
- With such profitable public enterprises, the Government can continue to reduce its shareholding by offloading shares and even reducing its stake to less than 51% while **remaining the promoter and being in control.**
- Also, **greater autonomy and flexibility** should be provided to the management. These entities should be allowed to take well-considered commercial risks and invest patient capital in strategic areas where risk-averse private investment may not be willing to invest.

Conclusion:

- The article argues for a more **pragmatic approach to privatization** rather than one led by ideology.
- **Calibrated divestment to get maximum value over the medium term after considering market conditions should be the goal** instead of being led by strict time-bound targets for disinvestment.

2. Rattling foreign investors

Background:

FDI into India:

- **India has been emerging as a major destination for foreign direct investment (FDI).**
 - The Commerce Ministry recently reported India attracting the highest ever FDI of \$81.72 billion in 2020-21.

India's BIT disputes:

- In 2020, India lost two high-profile **bilateral investment treaty (BIT) disputes** to two leading global corporations — **Vodafone and Cairn Energy** — on retrospective taxation. India has challenged both the awards at the courts of the seat of arbitration. **Read more on the [Cairn Energy dispute in the link](#).**
- Another high-profile BIT dispute has been the one involving the cancellation of an agreement between Antrix, a commercial arm of the Indian Space Research Organisation, and **Devas Multimedia**, a Bengaluru-based start-up, for the lease of satellite spectrum.
 - The agreement was arbitrarily struck down on the grounds of national security.
- India has lost all the subsequent legal disputes challenging the government's move. **The ICC arbitration tribunal** has even ordered Antrix to pay \$1.2 billion to Devas after a U.S. court confirmed the award earlier this year. India's challenge to the verdict has also been turned down.
- India seems to be dragging its feet on the issue of compliance with these verdicts.

Concerns:

Impact on India's image as a favourable FDI destination:

- The article argues that the failure of India to honour its contracts and also the reluctance to enforce tribunal awards could hurt India's image as a favourable FDI destination.
- An important factor that propels investors to invest in foreign lands is the host states honouring contracts and India's approach to deliberately delaying compliance of tribunal awards is sending out **a wrong message to foreign investors.**
- Such behaviour **decreases the confidence in the host state's credibility towards the rule of law, and increases the regulatory risk enormously for the investor.**
- Such an attitude will not be helpful in attracting global corporations into India and may even push out foreign investment already in India.

Threat of legal proceedings:

- **Cairn has launched legal proceedings in the U.S.** to enforce the arbitral award of \$1.2 billion by seizing the assets of Air India.

Conclusion:

- The article suggests honouring the arbitral awards and restoring India's lost credibility in the eyes of the investor community.

F. Prelims Facts

1. Optimism over tiger sighting in small Assam sanctuary

What's in News?

Wildlife specialists have the first photographic evidence of a **tiger inhabiting the Barnadi Wildlife Sanctuary.**

- Barnadi/Bornadi Wildlife Sanctuary straddles across northern **Assam's** Baksa and Udalguri districts and **borders Bhutan.**
- This sanctuary is named after the **river Bornadi** which flows on its **western border.**

2. P. Sainath selected for 2021 Fukuoka Grand Prize

What's in News?

Noted journalist P. Sainath has been selected as one of the three recipients of the Fukuoka Prize for 2021.

Fukuoka Prize:

- **The Fukuoka Prize is given annually to distinguished people to foster and increase awareness of Asian cultures,** and to create a broad framework of exchange and mutual learning among the Asian people.
- Sainath will receive the '**Grand Prize**' of the **Fukuoka Prize,** the other two categories being **Academic Prize and the Prize for Arts and Culture.**
- The prize was **established in 1990.**
- **Eleven Indians** have received the **Fukuoka Prize** so far.

3. Ukraine, U.S. launch Black Sea drills

What's in News?

Ukraine and the United States have launched **joint naval exercises in the Black Sea.**

Background:

- It comes in the backdrop of **Ukraine's recent face-off with Russia.**
- The **US is a key ally of Ukraine** in its conflict with Russia over Crimea and pro-Moscow separatist regions in eastern Ukraine.
- In 2018 **Russian forces boarded and took control of three Ukrainian naval ships** off the Black Sea peninsula.

Read more on this issue covered in [June 25th, 2021 CNA.](#)

Details:

- The **Sea Breeze drills** will involve some 5,000 military personnel from more than 30 countries.
- Sea Breeze drills have taken **place 21 times since 1997.**

4. 2nd-biggest dam starts making power

What's in News?

The first two generating units of **Baihetan Dam** have officially been turned on.

Baihetan Dam:

- It is the **world's second-biggest hydroelectric dam** and is located in **southwestern China.**
- It is built on the **Jinsha River, a tributary of the Yangtze.**
- It is part of Chinese efforts to **curb surging fossil fuel demand by building more hydropower capacity,** despite dams having fallen out of favour in other countries due to **environmental complaints.**

5. Keeping alive conversations about AIDS

Targets to end HIV/AIDS:

- The **2017 National Health Policy and the UN Sustainable Development Goals** aim to end HIV/AIDS by 2030.
 - The [Sustainable Development Goals \(SDG\)](#) set a target of ending the epidemics of AIDS, Tuberculosis and Malaria by 2030 (SDG 3.3).

90-90-90 target:

- In order to infuse energy and urgency into global efforts to combat HIV-AIDS and complement the prevention target set by the SDGs, an ambitious treatment target was also adopted through **UNAIDS, the lead UN agency that coordinates the battle against HIV.** The "90-90-90" target stated that **by 2020,** 90% of those living with HIV will know their HIV status, 90% of all people with diagnosed HIV infection will receive sustained anti-retroviral therapy and 90% of all people on such therapy will have viral suppression.
- This **target has now been pushed by five years.**

G. Tidbits

1. 'CoWIN's open-source version to be provided to 50 nations'

What's in News?

India will provide an open-source version of its CoWIN application to nearly 50 countries from Central Asia, Africa and Latin America that have indicated an interest in the technology.

- CoWIN is an **extension of an electronic vaccine intelligence network, eVIN**, which is used to collect real-time feedback on the vaccination programmes.
- It is a **cloud-based IT solution** for planning, implementing, monitoring and evaluating COVID-19 vaccination in the country.

H. UPSC Prelims Practice Questions

Q1. With reference to Attorney General (AG) of India, which of the following statements is/are correct?

1. The term of AG is not fixed by the Constitution.
2. AG is barred from private legal practice.

Options:

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: a

Explanation:

- The Attorney-General of India is the first law officer of the Government of India.
- The tenure of the AG of India is not fixed by the Constitution.
- The Attorney-General is appointed by the President and he holds office during the pleasure of the President.
- The Attorney General represents the government but is allowed to take up private practice provided the other party is not the state.

Q2. Which of the following statements about Exercise Sea Breeze is/are correct?

1. It brings South China Sea nations and US Allies together to train and operate in the pursuit of building increased capability.
2. It will be an annual exercise beginning from 2021 as it marks the centenary celebration of the Communist Party of China.

Options:

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: d

Explanation:

- Exercise Sea Breeze has been held since 1997.
- It involves NATO states and their allies in the Black Sea region.
- The drill is aimed at improving naval and land operations and improving cooperation among participating countries.

Q3. Consider the following statements:

1. Baihetan Dam is the world's second-biggest hydroelectric dam on the Jinsha River, a tributary of the Yangtze.
2. Yangtze is the longest river in Asia, the third-longest in the world and the longest in the world to flow entirely within one country, and drains into the South China Sea.

Which of the above statements is/are correct?

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: a

Explanation:

- Baihetan Dam is the world's second-biggest hydroelectric dam on the Jinsha River, a tributary of the Yangtze
- Yangtze is the longest river in Asia and the third-longest in the world.
- It is the longest in the world to flow entirely within one country and drains into the East China Sea.

Q4. Which of the following statements is/are correct?

1. Persons with Disabilities (PwD) have the right to reservation in promotions.
2. Reservation to promotion can be given to a PwD even if the person was not originally appointed in the PwD quota.

Options:

- a. 1 only
- b. 2 only
- c. Both
- d. None

Answer: c

Explanation:

- The Supreme Court has said that a disabled person can avail the benefit of reservation for promotion even if he/she was recruited in the regular category or developed the disability after gaining employment.
- The important thing is the employee should be a 'person with disability' (PwD) at the time of the promotion to avail of the disabled quota.
- The Persons with Disabilities Act of 1995 does not make a distinction between a person who may have entered service on account of disability and a person who may have acquired a disability after having entered the service.
- The Supreme Court has said that the mode of entry in service cannot be a ground to make out a case of discriminatory promotion.

Q5. Consider the following statements: (UPSC 2013)

1. Natural gas occurs in the Gondwana beds.
2. Mica occurs in abundance in Kodarma.
3. Dharwars are famous for petroleum.

Which of the statements given above is/are correct?

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

Answer: b

Explanation:

- Coal deposits are found in Gondwana beds.
- Kodarma mines in Jharkhand are one of the important mica producing areas. Mica occurs in abundance in Kodarma.
- Dharwar, a district in Karnataka is not famous for petroleum.

I. UPSC Mains Practice Questions

1. Critically examine India's policy of aggressive privatisation of public enterprises. (250 words; 15 marks) [GS-3, Economy].
2. Does our fight against chronic epidemics such as HIV/AIDS offer any lessons to curb the COVID-19 pandemic? Discuss. (250 words; 15 marks) [GS-2, Governance].