

01 July 2021: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Category: SOCIAL ISSUES

1. [Two arrested in Dwarka honour killing incident](#)

Read more on “Honour killing” covered in [June 26th, 2021 CNA](#).

B. GS 2 Related

Category: POLITY AND GOVERNANCE

1. Google removed 59,350 posts in April

Context:

Google has submitted its **first monthly transparency report** as required under the **Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021**.

Details:

- Google’s transparency report says that it removed 59,350 pieces of content from its social media platforms in April 2021, following over 27,700 complaints received from individual users in India.
- About **96% of the complaints received were related to issues of copyright**, followed by trademark, defamation, legal, counterfeit and circumvention.
- Information Technology Rules, 2021 was enacted by the government in February 2021 and came into force in May.
- The rules **require social media platforms with more than 50 lakh users in India to publish a compliance report every month** mentioning the details of complaints received and action taken.

Read more on [New Social Media Rules, IT Rules 2021. Provisions, Penalties](#). Also, read about the guidelines covered in [February 28th, 2021 CNA](#).

The concerns raised in relation to the IT Rules 2021, has been covered in [May 28th, 2021 CNA](#).

Category: INTERNATIONAL RELATIONS

1. India flags ‘green pass’ issue

Context:

The EU is about to launch a **Digital Green Pass** that will allow its holders to move about freely in the Schengen territory, with COVID travel restrictions.

What is ‘Green pass’?

- The EU Digital Covid Certificate, or the “green pass” has been created to **restore freedom of travel for the public and remove the barriers on entry placed due to the pandemic**.
- The new vaccine passport system would **come into effect across the EU from July 1, 2021**.
- The document is **valid across all EU countries**.
- Before the pandemic, **Schengen visa allowed the holders to move around freely**. As part of the Schengen agreement, 26 European countries had abolished border control of any type, beginning in 1985.
- There are **three ways to obtain a green pass**:

- **Get fully vaccinated** with one of the EMA approved vaccines
- Show a **recovery report** less than 11 days after testing positive for COVID-19.
- Show a **negative test report, or an antibodies test.**

Issue:

- The **European Medicines Agency (EMA)** has not approved the **India-produced Astrazeneca vaccine Covishield for the green pass** despite approving its United Kingdom-made counterpart Vaxzevria.
- None of the three vaccines which have been approved for use in India till date — Covishield, Covaxin and Sputnik V — feature on the list.
- Currently, **Covishield is the only WHO-approved vaccine available to Indians.**
- The EMA's decision to exclude Covishield from the list has enraged many who have availed of the vaccine as it was WHO approved.

EMA's response:

- European Medicines Agency (EMA) has said that **application has not been made for both Covishield and Covaxin to be included in the EMA list.**
- It has made it clear that even if the vaccine is the same, different manufacturers of the same product need to submit separate applications for approval from EMA. This is because the **EMA takes into consideration local manufacturing facilities.**

India's stand on 'vaccine passports':

- Vaccine passport has given rise to larger concerns over **intrusion, privacy and a curb on the right to free movement.**
- Though the EU has made it clear that the green pass will not be compulsory, the issue has given rise to a larger debate on **concerns around privacy and ethics.**
- In a recent development, government sources have warned that India will introduce a **reciprocal policy only allowing ease of travel for those European countries that recognise Indian vaccines Covishield and Covaxin.**

Note:

The African Union had also issued a letter of protest over the EU proposal saying that it promoted **inequality for those from lower-income countries** for whom the **Covishield vaccine was the backbone of the international COVAX alliance programme.**

C. GS 3 Related

Category: ECONOMY

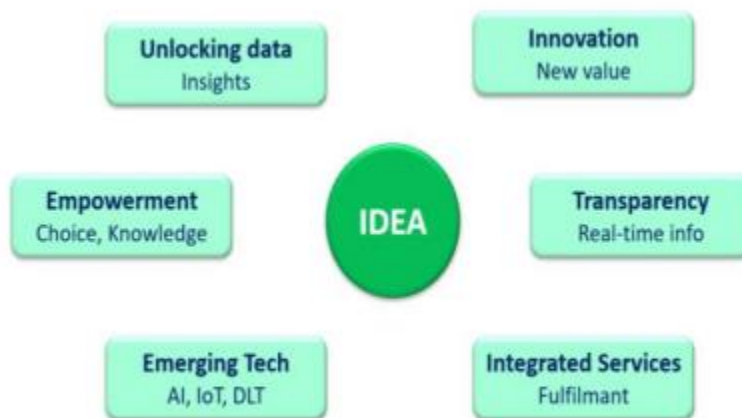
1. 'Centre's digital agri proposals raise concern'

Background:

The Centre had published a consultation paper on an **India Digital Ecosystem of Agriculture (IDEA)** in June 2021, and sought public feedback.

Details:

- IDEA aims to build a National Digital Agriculture Ecosystem to elevate the Indian agriculture sector to higher levels of efficiency and productivity, and to improve the welfare and income of farmers.
- The Agriculture Ministry aspires that the IDEA initiative would place the farmer in the centre of the agriculture ecosystem **leveraging open digital technologies**.
 - **Precision agriculture** would become a reality with access to the right information at the right time.
 - The farmer can take **informed decisions** and implement best practices to maximize the yield.
 - The **agriculture supply chain** players can plan their **production and logistics on precise and timely information**.



Source: Consultation paper on India Digital Ecosystem of Agriculture (IDEA)

Objectives of IDEA:

- To enable **higher income and better profitability to farmers** through access to the right information at the right time.
- To enable **better planning and execution** of policies, programs, and schemes.
- To **enhance efficiencies in the usage of resources**.
- To give a **fillip to R&D and Innovations** in agriculture through access to high-quality data.
- To formulate and **leverage PPP frameworks** for realizing the 'power of the digital'.

Concerns:

- The task force which brought out the proposals or the governance framework of IDEA **does not include farmer representation**.

- The **Centre's digital agriculture proposals** have raised concerns of:
 - exploitation of farmers
 - data protection and consent
 - mismanaged land records
 - exclusion of landless cultivators
 - the corporatisation of agriculture
- The Centre has been demanded to **stop implementation of the pilot** projects being rolled out in partnership with tech and retail giants including Microsoft, Amazon and Patanjali.
- Groups that sent feedback are against such **digital infrastructure being owned by private corporates and** have demanded that **the ownership be with the government.**

Conclusion:

Digital technologies and especially emerging technologies like Artificial Intelligence/Machine Learning, Internet of Things **open immense opportunities, with the right architecture and an enabling environment.**

2. Cabinet clears viability gap funds for BharatNet

Context:

The Union Cabinet has approved a **viability gap funding** support of up to ₹19,041 crore for the **implementation of the BharatNet project** through the **Public-Private Partnership (PPP) model** in 16 States.

Details:

- The project will be **extended to all inhabited villages beyond the gram panchayats in 16 States** — Kerala, Karnataka, Rajasthan, Himachal Pradesh, Punjab, Haryana, Uttar Pradesh, Madhya Pradesh, West Bengal, Assam, Meghalaya, Manipur, Mizoram, Tripura, Nagaland and Arunachal Pradesh.
- The private sector partner is expected to bring an **equity investment, raise resources towards capital expenditure and for operation and maintenance of the network.**
- It is expected to enable **better access to e-services** offered by the government, online education, telemedicine, skill development, e-commerce and other applications of broadband.

This topic has been covered in [PIB Summary & Analysis for 30th June 2021](#)

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: **ECONOMY**

1. India's 1991 liberalisation leap and lessons for today

Context:

- In light of the historic economic contraction of the Indian economy induced by the COVID-19 pandemic and calls for economic reforms to revive growth, the article discusses the [1991 economic reforms](#) and the road ahead for India.

Background:

Pre-reform era:

- The Indian economy before the 1991 reforms was based on strict regulation and could be characterized as **a controlled system**.
- The public sector accounted for a significant proportion of the economy with the so-called **critical sectors reserved for the public sector despite their lacklustre performance**.
- The private sector was not allowed to participate in a number of so-called critical sectors. In other sectors too, the private sector's participation was highly regulated and dependent on obtaining industrial licences from the administration. This had given rise to a system popularly referred to as the **Licence Raj**.
- Over 860 **items were reserved exclusively for small-scale producers**, including many that had very high export potential. This robbed the economy of potential advantages of production at scale offered by bigger industries.
- **Imports were very strictly controlled** to protect scarce foreign reserves and also to protect the domestic producers from import competition. **Foreign Direct Investment (FDI) was also discouraged**.
- Such a controlled system was not suitable for encouraging enterprise or innovation.

1991 Economic Reforms:

- The 1991 economic reforms marked **significant liberalization of the Indian economy** including measures such as liberalization of industrial licencing, increased privatization and moving to a flexible exchange rate, etc. It **focussed on industrial, trade and financial sector reforms**.
 - The 1991 reforms with their emphasis on privatization aimed to **unleash the energies of the private sector** to accelerate economic growth.
 - Economic liberalization **encouraged enterprise and innovation in the economy**.
 - The emphasis on globalization ensured India was able to **become part of the global supply chains** and gain advantages from it.
- The 1991 economic reforms resulted in significant gains for India.
 - The GDP growth averaged 7% in the 25 years from 1992 to 2017, compared with an average of 5% in the preceding ten years and 4% in the preceding 20 years.
 - The 1991 reforms, though they mainly emphasized economic growth, did ensure an adequate flow of benefits to the poor. **As the economic growth accelerated, poverty declined**.
 - Between 2004-05 and 2011-12, about 140 million people were pulled above the poverty line.

Shortcomings of the 1991 reforms:

- Though the reforms were hugely successful a lot remains to be done.
 - The reforms envisaged in the financial sector remain an unfinished business as is evident from the ongoing crisis in the financial system of India, plagued by the [NPA](#) crisis.
 - Social sectors like health and education haven't improved commensurate with the economic growth.
 - The development strategy has failed to suitably acknowledge and deal with the environmental impact of economic growth.
 - Key factor market reforms in areas of labour and land remain an unfinished business. This seems to be holding up further investment into the Indian economy. The attempts made to introduce land and labour reforms have faced opposition from several sections.

Concerns:

- The article expresses concerns over several developments in the recent past.

Increasing import tariffs:

- As against the progressive lowering of import tariffs over the years, there has been a reversal of this trend over the past few years.
- While this appears to be in line with rising protectionism globally, it could hamper India's stated ambition to become part of global supply chains and adversely impact India's ability to play a greater role in world trade.

Decision to stay out of RCEP:

- India decided to stay out of the RCEP [[Regional Comprehensive Economic Partnership](#)], based on the fear of flooding of cheap products from countries like China, a member of RCEP.
- This marks a departure from India's attempt to move from "Look East" to "Act East" and also its attempts to become part of the global supply chains.

Employment concerns:

- The spectre of **jobless growth** has been a matter of great concern in the recent past.
 - Jobless growth is an economic phenomenon in which a macroeconomy experiences growth while maintaining or decreasing its level of employment.
 - A jobless growth economy indicates the existence of changes to the fundamental basis of work for everyone. In India, this could be observed in the change from being a predominantly agricultural economy to the services sector playing a significant role.
 - While some workers will do well, as they have the skills and training that growing industries require, others face long-term unemployment or underemployment and will be unable to find work until they obtain new skills.
- The substantial slowdown in GDP growth after 2016-17 led to employment actually falling from 474 million in 2011-12 to 469 million in 2018-19. **Open unemployment has increased.**

COVID-19 induced economic shock:

- According to provisional National Income estimates, **GDP contracted by 7.3% in 2020-21**. Many analysts say this underestimates the contraction as the adverse impact on the informal sector is not captured.
- This sharp fall in the GDP has led to a **contraction in total employment**. The pandemic has led to severe income and job losses adversely impacting the livelihood opportunities of several families in India.

Recommendations:

- India needs to get back to 7% to 8% growth if we want to make progress on poverty reduction and provide enough jobs for our growing labour force. In this respect, the article makes the following recommendations.

Addressing structural issues:

- Indian industry has to deal with **poor infrastructure, poor logistics and time-consuming trade procedures**, which reduce its price competitiveness in the global markets. These have to be addressed at the earliest.

On import duties:

- Given that the raising of import duties will also raise costs in the economy, the administration must desist from doing so.
- The government should engage with Indian industry and other experts to come to an agreement on what the average level of duties should be and how it should be reduced over time.
- India should **move to an average duty rate of about 7%, gradually narrowing the range of variation across products and eliminating duty reversals**.

RCEP membership:

- Instead of avoiding membership of multilateral trade platforms like RCEP over fears of competition, India should focus on **improving the competitiveness of its domestic industries**.
- To tackle unfair competition from China, India should consider imposing **anti-dumping duties** on China.
 - An anti-dumping duty is a tariff that a domestic government imposes on foreign imports that it believes are priced below fair market value.

Free Trade Agreements:

- Given the increasing tendency of major developed countries to engage in bilateral negotiations over multilateral forums, India too should adapt to this new reality and focus on **expediting its FTAs with the U.S., Europe and the U.K.**
- This can help ensure market access for India amid the growing levels of protectionism being observed.

- India should also consider a **give and take approach during these negotiations** balancing the current and future potential of such FTAs.

2. Small doses

Context:

- Recently announced **financial stimulus package** to tackle the disruptions caused by the second wave of the [COVID-19 pandemic](#).

For more information on this topic refer to the following article:

[UPSC Comprehensive News Analysis of 29th June 2021](#)

Significance:

- The package will help **ease the pressure on sectors hit hard by the pandemic like the MSME sector and tourism** by extending **loan guarantees and concessional credit**. Enhancing loan guarantees will perhaps give risk-averse lenders more confidence in extending loans when the credit:deposit ratio has hit a multi-year low.
- Additional spending of ₹15,000 crore to ramp up paediatric healthcare, with guarantees for **₹50,000 crore low-interest loans for health projects** in the hinterland, is critical to cope with future pandemic waves as they will allow the **ramping up of available healthcare capacities**.

Concerns:

- The article argues that the relief package for the second COVID-19 wave falls short of expectations.
 - **The direct expenditure from the government is minimal**. Of the total ₹29 lakh crore, nearly ₹2.68 lakh crore of this is in the form of credit guarantees.
 - As the **direct stimulus to demand is abysmal**, the package will do little to help raise demand for goods and services in the economy which is a necessity for economic revival under current circumstances.
 - Weak demand is a bigger concern for the industry this year as **high inflation and an uncertain job market** have led to reluctance among the consumers to spend.
 - The provision of free visas is unlikely to gain traction till India has a firmer grip on the pandemic by providing vaccines for all, including for those under 18.

Recommendations:

- The administration should consider providing some form of **income support for the vulnerable sections in rural and urban areas**. This will not only help ease the pressure off such families and prevent them from falling into poverty but will also help generate demand in the economy for the revival of growth.
- The article also suggests that the government must **take adequate measures to bring down the high fuel prices**. Such a move will help dampen [inflation](#), empower RBI to lend greater support to growth and leave a little more money in people's hands to spend.

F. Prelims Facts

Nothing here for today!!!

G. Tidbits

1. Core sector output rose 16.8% in May

What's in News?

Output from India's eight core industries grew 16.8% in May 2021.

- The eight core sectors of the Indian economy are **electricity, steel, refinery products, crude oil, coal, cement, natural gas, fertilisers**.
- These industries have a **major impact on the general economic activities** and also **industrial activities**.

Read more on [Core Sectors](#).

2. How the Chinese Communist Party endures

The Tiananmen Square protests:

- The Tiananmen Square protests in China were student-led demonstrations held in Tiananmen Square, Beijing in **1989**.
 - The **student-led demonstrations called for democracy, free speech and a free press in China**.
- This was brutally suppressed by the Chinese administration.

Context:

- Celebrations at Tiananmen Square, Beijing to mark the **100th anniversary of the founding of China's ruling Communist Party**.

H. UPSC Prelims Practice Questions

Q1. Consider the following statements:

1. The 'Nodal Ministry' in the central government for the management of natural disasters is the Ministry of Home Affairs (MHA).
2. Disaster Management Act, 2005 calls for the establishment of the National Disaster Management Authority (NDMA) with the Home Minister as chairperson.

Which of the above statements is/are INCORRECT?

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

Answer: b

Explanation:

- The 'Nodal Ministry' in the central government for the management of natural disasters is the Ministry of Home Affairs (MHA).
- Disaster Management Act, 2005 calls for the establishment of the National Disaster Management Authority (NDMA) with the Prime Minister as chairperson.

Read more on the [Disaster Management Act](#).

Q2. With reference to Kalbeliya dance, which of the following statements is/are correct?

1. It is a folk dance of Madhya Pradesh.
2. This dance performance is accredited by UNESCO as an Intangible Heritage.
3. The Kalbeliya is almost exclusively performed by females.

Options:

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

Answer: b

Explanation:

- Kalbeliya dance is a folk dance of Rajasthan.
- This dance performance is accredited by UNESCO as an Intangible Heritage.
- The Kalbeliya is almost exclusively performed by females.
- The traditional occupation of the Kalbeliya tribes is catching snakes and trading snake venom. Hence, the dance movements and the costumes of their community bear a resemblance to serpents.

Q3. Which of the following has/have been accorded 'Geographical Indication' status?

1. Jardalu mango
2. Hapus mango
3. Laxmanbhog mango
4. Banaganapalle mango
5. Appemidi mango

Options:

- a. 1 and 4 only

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

Answer: d

Explanation:

All the mangoes mentioned above have been accorded the Geographical Indication tag.

Mango	State
1. Jardalu mango	– Bihar
2. Hapus mango	– Maharashtra
3. Laxmanbhog mango	– West Bengal
4. Banaganapalle mango	– Andhra Pradesh
5. Appemidi mango	– Karnataka

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

- 1. Current account deficit may cause depreciation.
- 2. Current account deficit may be a sign the economy is uncompetitive.

Options:

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

Answer: c

Explanation:

- A current account deficit indicates that a country is importing more than it is exporting.
- Current account deficit may cause depreciation as there is greater demand for imports and foreign currency.
 - When the current account deficit increases, it leads to an increased supply of a nation's currency in the foreign exchange markets. Therefore, in the currency market, there will be an outward shift of supply. This might lead to the external value of the currency falling causing depreciation.
- Current account deficit is an indication of an uncompetitive economy. It may imply the economy is becoming uncompetitive and the exchange rate relatively overvalued.

Q5. Consider the following Bhakti Saints: (2013)

1. Dadu Dayal
2. Guru Nanak
3. Tyagaraja

Who among the above was/were preaching when the Lodi dynasty fell and Babur took over?

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

Answer: b

Explanation:

The Bhakti saint who witnessed the fall of the Lodi dynasty was Guru Nanak (1469 – 1539).

I. UPSC Mains Practice Questions

1. Examine the role of the Communist Party of China in the rise of China towards global dominance. (250 words; 15 marks)[GS-2, International Relations]
2. Evaluate India's 1991 liberalisation reforms and the lessons it offers for today. (250 words; 15 marks) [GS-3, Economy].