

## 14 July 2021: UPSC Exam Comprehensive News Analysis

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## B. GS 2 Related

### Category: GOVERNANCE

#### 1. Funding gap may stump 'Housing for All' goal

##### Context:

- Ratings agency ICRA's analysis of the **PM Awas Yojana (PMAY)**.

##### Background:

##### **PM Awas Yojana (PMAY):**

- The PMAY was **launched in 2015 to provide housing for all by 2022**.
- While the **PMAY-Urban component is being implemented by the Ministry of Housing and Urban Poverty Alleviation**, the **PMAY-Rural component is being implemented by the Ministry of Rural Development**.
- The programme has 4 components:
  - Credit Link Subsidy Scheme (CLSS).
  - In-situ rehabilitation of existing slum dwellers using land as a resource through private participation.
  - Affordable Housing in Partnership (AHP).
  - Subsidy for beneficiary led individual house construction/enhancement.

For more information on [PMAY](#) refer to the linked article.

##### Details:

- The PMAY scheme faces a **severe funding crunch**. The scheme faces an estimated ₹1.24 lakh crore funding gap to be bridged in the next eighteen months.
- **The implementation of the scheme is running behind schedule**. While the Centre had promised to build 50 million houses under the scheme, it was subsequently scaled down to 32.6 million. Even this target would be difficult to meet by 2022.

### Category: INTERNATIONAL RELATIONS

#### 1. India's trade with China soared 62% in H1

##### Context:

- Data released by China's General Administration of Customs on **India-China trade**.

##### Details:

- **Bilateral trade between India and China** in the first six months of 2021 has hit **\$57.48 bn**. This figure is the highest on record for the first half of a year.

- **India's trade with China in the first half of 2021 has risen by a record 62.7% — the highest increase among China's major trade partners.**
  - India's imports were driven by record purchases of medical supplies. India's exports to China climbed 69.6% driven by exports of iron ore, cotton, and other raw material-based commodities.
- A continued aspect of concern is the skewed trade relation in favour of China. The **trade deficit** for the first six months stood at \$28.04 billion.

## C. GS 3 Related

### Category: ECONOMY

#### 1. 'High fuel prices threaten recovery'

##### Context:

- State Bank of India's economics research team's findings on the **rising fuel prices in India.**

##### Details:

- India has been witnessing **record-high fuel prices.**
- Fuel costs have been ratcheted up to current levels by the combined effects **of rising benchmark Brent prices and the increasing government levies on fuels.**
  - Currently, central and state-level taxes contribute to about 55 percent of the retail price of petrol and 51 per cent for diesel.

##### Concerns:

##### **Inflation concerns:**

- The higher petrol and diesel prices will **lead to rising transport costs which will eventually push up inflation rates.**
  - The study predicts that with every 10% increase in petrol pump prices in Mumbai, the Consumer Price Index (CPI) could rise by 0.50%.

##### **Household financial distress:**

- The higher expenditure on fuels and also the higher inflation rates have pushed the large middle-class population into financial distress.
- There has been a **significant dip in bank deposits.** The decline in financial savings reflects household distress in India.
  - The household financial savings rate in the third quarter of 2020-21 has come down to 8.2% of GDP from 21% and 10.4% in the previous two quarters.
- **Household debt has increased.**
  - Household debt as a percentage of GDP had increased sharply to 37.3% or Rs. 73.6 lakh crore in 2020-21, from 32.5% of GDP or Rs. 66.1 lakh crore in 2019-20.

##### **Delay economic recovery:**

- India's economic recovery could be delayed by rising financial stress on households.
- The higher expenditure on oil has distorted non-discretionary spending and led to **decreased spending on non-discretionary items like grocery and utility services**.
- Also given that the share of non-discretionary spend has jumped to 75% in June, from 62% in March, this has **crowded out customers' discretionary expenses**.
- The report indicated consumers were cutting back spending on other goods to be able to accommodate higher fuel costs. This does not augur well for a **predominantly domestic consumption-based economy like India**.
- The lack of demand in the economy will delay the economic recovery in the post-COVID phase.

#### Conclusion:

- SBI's economists have called for the fuel taxes to be cut through **tax rationalization** to both cool inflationary pressures and ease the burden on consumers.

## 2. S&P keeps India rating at lowest investment grade

#### Context:

- **S&P Global Ratings forecast** of the Indian economy.

#### Details:

- S&P Global Ratings has kept **India's sovereign rating unchanged at the lowest investment grade of 'BBB-'**. Based on forecasts of an economic recovery following the resolution of the COVID-19 pandemic, S&P has kept the **rating outlook for India at stable**.
- S&P has projected a 9.5% GDP growth in the current fiscal year and a 7.8% GDP growth in the following year.
- S&P Global Ratings has called for additional **economic reforms that spur investment and create jobs** to ensure faster economic recovery from the current economic slowdown.

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: POLITY AND GOVERNANCE

#### 1. The upcoming crisis in Indian federalism

#### Context:

- In the light of the **upcoming delimitation exercise scheduled for 2026**, the article analyzes the possible repercussions of the exercise and suggests certain measures which can help India counter the possible challenges to its unity and integrity.

#### Background:

#### Delimitation:

- Delimitation is the act of **redrawing boundaries of Lok Sabha and Assembly seats to represent changes in population.**
- The objective is to provide **equal representation for equal population segments**, and a fair division of geographical areas.

#### **Delimitation exercises in India:**

- Delimitation is done on the basis of the preceding Census. The first such exercise in 1950-51 was carried out by the President, with the help of the Election Commission. Following the Delimitation Commission Act in 1952, all such exercises have been conducted by Delimitation Commissions.
- **Delimitation commissions have been set up four times in the past — 1952, 1962, 1972 and 2002** — under Delimitation Commission Acts of 1952, 1962, 1972 and 2002.

For more information on delimitation commission refer to the following article:

#### **Delimitation Commission**

- There was no delimitation after the 1981 and 1991 Censuses. Amid fears that states that took little interest in population control could end up with more seats in Parliament, while the southern states that promoted family planning could end up with fewer seats, the **Constitution was amended in 1976 to suspend delimitation until 2001.**
- Another amendment **extended the freeze on the number of seats in the Parliament until 2026**, by when the country was projected to achieve a uniform population growth rate.

#### **Concerns:**

- The upcoming delimitation faces the tough task of **balancing the inherent contradiction between the principles of democracy and federalism.**

#### **Lack of democratic principle:**

- Since 1976, seats in the Lok Sabha have reflected the 1971 census and have not taken into account changes in the population. This had led to wide discrepancies in the size of constituencies, with the largest having over three million electors, and the smallest less than 50,000.
- This **goes against the democratic ideal of “one person, one vote, one value”.**

#### **Concerns over federal principle:**

- The delimitation exercise would lead to a dramatic change in the composition of the Lok Sabha.
- There has been unequal population growth among States. India's highly developed States have been successful at family planning, while the poorer States continue to grow in terms of population. These **states with a large population could gain if the delimitation exercise were to take place in 2026** while India's most successful States could land in a disadvantageous position politically.
- This could further **accentuate the existing imbalance of power between the big and small states in India.** Bigger States are likely to dominate the national conversation over smaller States.
- This would generate much resentment among the States that will lose political and economic power and influence.

### Recommendations:

- The article notes that extending the freeze on delimitation exercise would only push the issue forward and not help resolve the issue at hand but also perpetuate the increasingly undemocratic setup.
- In this regard, the article suggests **going ahead with the delimitation exercise while at the same time taking appropriate measures to assuage the legitimate fear of the smaller states.**
- The following changes could be incorporated into the governing structures of Indian federalism in this direction.
  - The **powers of States vis-à-vis the Centre contained in the schedule 7 lists** and in the provisions dealing with altering boundaries of States **must be increased** to assuage the fear of smaller States that they will be dominated by bigger ones.
  - The **role and composition of the Rajya Sabha (House of States) must be expanded.** This would provide a great say for the states.
  - Important governance aspects such as constitutional amendments and the change in financial redistribution between the States must **require the consent of all** or nearly all States. Important aspects should be implemented only by unanimity or at least a super majority and not a simple majority.
  - The article suggests **breaking up the biggest States into smaller units** that will not by themselves dominate the national conversation.
- The article suggests also adopting certain measures from **other federations, such as the United States, Switzerland and Belgium** to empower the constituent states in the federation irrespective of their sizes.

### **2. An unproductive idea**

#### Context:

- **Uttar Pradesh's new population policy.**

For information on this topic refer to the following article:

[UPSC Comprehensive News Analysis of 12th July 2021](#)

#### Background:

- Given that the **increasing population acts as a hurdle in national development**, there have been calls to control the population growth rate.
- **India has been moving steadily towards attaining the replacement level of Total Fertility Rate of 2.1.** However, some states like Uttar Pradesh and Bihar continue to have high TFR.
  - UP has a TFR of 2.7, while Bihar has a TFR of 3.1.

#### Significance:

- The various aims set out in the new policy like **increasing the rate of modern contraceptive prevalence, male contraception, decreasing maternal mortality and infant mortality rates** are welcome.

- These objectives are in line with the **Cairo Consensus adopted in the Cairo International Conference on Population and Development in 1994**. The Cairo Consensus called for the promotion of reproductive rights, **empowering women**, universal education, maternal and infant health to tackle the challenge of high fertility.

### Concerns:

#### **Against right of a person to informed choices:**

- **Incentives and penalties** form an integral component of the measures announced under UP's population policy, to control population growth.
  - The Government aims to incentivise one-child families and reward those with two children with perks in government schemes, rebates in taxes and loans, cash awards, etc. It aims to disincentivize more than two children through denial of subsidies and welfare benefits, a bar on applying for government jobs and taking part in local elections for those with more than two children.
- The incentives/disincentives approach has been **denounced in the past by the National Human Rights Commission** for being against the right of people to informed choices on the size of the family.

#### **Failure to acknowledge underlying socio-economic aspects:**

- This amounts to attempts of tackling a **basically socio-economic issue** as a demographic one. This is bound to remain ineffective as the policy fails to adequately account for the socio-economic aspects which have contributed to the higher TFR.

#### **Threat of discrimination:**

- Empirical studies of coercive measures have shown their discrimination against marginalised people in particular.
- The **disincentives approach could rob the access to critical governmental aid and support for the marginalized sections** and could further deepen the existing inequalities in the society.

### Recommendations:

- Given the fact that the incentives/disincentives approach has had no discernible effect on population control, **States should tackle the socio-economic issues confronting India's citizenry**.
- This could involve implementing more substantive **poverty reduction schemes**, economic reforms aimed at raising labour productivity and employment opportunities, **empowering women, etc.**

For related information on socio-economic interventions for population control, refer to the following article:

[UPSC Comprehensive News Analysis of 2nd June 2021](#)

## **Category: GOVERNANCE**

### **1. Disable unconstitutional sections**

#### Context:

- The Supreme Court has expressed shock over the fact that despite its declaration of **Section 66A of the [Information Technology \(IT\) Act, 2000](#)** as being unconstitutional six years ago (Shreya Singhal vs. Union of India), criminal cases are still being registered by the police under this Section.

For related information, refer to the following article:

[UPSC Comprehensive News Analysis of 6th July 2021](#)

#### **Background:**

##### **Shreya Singhal case:**

- The Supreme Court had declared Section 66A of the IT Act, which made the online posting of information considered as “grossly offensive” a crime punishable by jail, as **being violative of Article 19(1)(a) of the Constitution and not saved under the ambit of reasonable restrictions defined in Article 19(2)**.
- The Supreme Court had held that the expressions used in Section 66A were open-ended, undefined and therefore arbitrary.

Also read: [Important Supreme Court judgements for UPSC](#)

#### **Concerns:**

##### **Continued usage of unconstitutional provisions:**

- As per the petitioner, around 1,307 cases had been registered since 2015 across States based on the outlawed section 66A.
- **Similar patterns have been observed even in the case of [Section 377](#) and [Section 497 of the Indian Penal Code \(IPC\)](#) which have been outlawed by landmark Supreme Court Judgements.**
  - Section 377 dealing with “unnatural sex”
  - Section 497 dealing with adultery
- Despite explicit Supreme Court judgements, registration of FIRs by the police under these sections has continued unabated. **This is illegal and violative of the Court’s directions.**

#### **Recommendations:**

- One best way to avoid the registration of offences under sections held unconstitutional is to **educate police officers**.
- Such sections if invoked due to lack of knowledge at the police station level need to be removed at the earliest.
- There should be **appropriate accountability measures in place to fix responsibility on the erring officer**. Those responsible for the negligence should not only be answerable to the courts for contempt but also be liable for departmental action.
- The unconstitutional sections of the IPC can be disabled in the [Crime and Criminal Tracking Network and Systems \(CCTNS\)](#).
- The Court must come out with appropriate guidelines against the registering of FIRs under unconstitutional provisions.



## F. Prelims Facts

### 1. Uttarakhand government suspends Kanwar Yatra

#### Kanwar Yatra:

- The Kanwar Yatra is an annual pilgrimage of devotees of Shiva to the Hindu pilgrimage places of **Haridwar, Gaumukh and Gangotri in Uttarakhand** and Sultanganj in Bihar to fetch holy waters of the Ganges River.

#### Context:

- Uttarakhand has decided to suspend this year's Kanwar Yatra in view of the COVID-19 situation.

## G. Tidbits

### 1. Landslip destroys houses in H.P.

#### Landslip:

- Landslip is the **sliding of a mass of land down a slope or cliff**.
- About 12.6 per cent of the Indian landmass is prone to landslips, with **the Himalayas and Western Ghats regions particularly prone** due to climate, geomorphology and geology.
- **Rainfall and earthquakes are the main triggers of these landslides. Poor land management practices** (e.g., deforestation, slash-and-burn cultivation, haphazard mining and heavy tilling in agriculture) coupled with **increased development and poor settlement location** have increased the vulnerability of these areas to landslides.
- The impact of landslides on people, business, culture and heritage can be considerable and wide-ranging, including fatalities, loss of agricultural land and infrastructure, and damage to ecosystems.

#### Context:

- The **Boh valley in Kangra district of Himachal Pradesh** witnessed a landslip triggered by heavy rains.
- The **NDRF** team have been carrying out relief and rescue operations.

### 2. 'Anti-terror law must not be misused to harass people'

- Supreme Court judge Justice D.Y. Chandrachud while delivering a speech on the **'Role of the Supreme Court in protecting the fundamental rights in challenging times'** has stated the need to ensure that anti-terror laws are not misused to quell dissent or harass citizens.
- He reiterated that the judiciary must remain the first line of defence against any move to deprive citizens of their liberty and should not be concerned about its interventions being labelled as **"judicial activism" or "judicial overreach"**.
- **The Supreme Court should act as "the guardian of the Constitution"** protecting the citizens' fundamental human rights from any infringement through executive or legislative actions.

## H. UPSC Prelims Practice Questions

**Q1. "Cairo Consensus" deals with:**

- a. Population dynamics, family planning and reproductive health
- b. Exploration and use of outer space
- c. Navigational rights and freedoms
- d. Special use airspace

**Answer: a**

**Explanation:**

- The Cairo Consensus adopted in the Cairo International Conference on Population and Development in 1994 called for the promotion of reproductive rights, empowering women, universal education, maternal and infant health to tackle the challenge of poverty and high fertility.

**Q2. Pulichintala project has been a source of interstate water dispute between which of these states?**

- a. Karnataka and Tamil Nadu
- b. Andhra Pradesh and Odisha
- c. Andhra Pradesh and Telangana
- d. Odisha and Chhattisgarh

**Answer: c**

**Explanation:**

- Pulichintala Project is a multipurpose project serving irrigation needs, hydropower generation and flood control. It is constructed across river Krishna near Pulichinta Village.
- It has been a source of interstate water dispute between Andhra Pradesh and Telangana.

**Q3. Which of the given statements is/are INCORRECT?**

1. India has set a target of installing 175 GW of renewable energy capacity by 2022.
2. India's renewable energy target includes installing 100 GW of solar power.
3. India's largest floating solar project has been commissioned at Chennai.

**Options:**

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

**Answer: c**

**Explanation:**

- India's largest floating solar project has been commissioned at Vishakhapatnam, Andhra Pradesh. Its capacity is 10 MW.

**Q4. Which of the given statements is/are correct?**

1. Satras are monastic institutions created as part of the Neo-Vaishnavite reformist movement started by Srimanta Sankaradeva.
2. Satras propagate the 'worship through art' approach.

**Options:**

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

**Answer: c**

**Explanation:**

- Satras are institutional centres associated with the Ekasarana tradition of Vaishnavism, largely found in the Indian state of Assam.
- These monastic institutions were created as part of the Neo-Vaishnavite reformist movement by Srimanta Sankaradeva.
- Satras were established as centres of religious, social and cultural reforms. Satras promulgate Sankaradeva's unique "worship through art" approach with music (borgeet), dance (sattriya) and theatre (bhauna).

**Q5. In the context of which one of the following are the terms pyrolysis and plasma gasification mentioned? [UPSC 2019]**

- a. Extraction of earth element
- b. Natural gas extractions technologies
- c. Hydrogen fuel based automobiles
- d. Waste to energy technologies

**Answer: d**

**Explanation:**

- Pyrolysis and Plasma gasification are associated with waste to energy technologies.
- Pyrolysis is the heating of an organic material, such as biomass, in the absence of oxygen. Because no oxygen is present the material does not combust but the chemical compounds (i.e. cellulose, hemicellulose and lignin) that make up that material thermally decompose into combustible gases and charcoal.

- Plasma gasification is an extreme thermal process using plasma which converts organic matter into a syngas which is primarily made up of hydrogen and carbon monoxide. A plasma torch powered by an electric arc is used to ionize gas and catalyze organic matter into syngas, with slag remaining as a byproduct. Plasma gasification is an emerging technology which can process landfill waste to extract commodity recyclables and convert carbon-based materials into fuels.

## I. UPSC Mains Practice Questions

1. Socio-economic empowerment is more effective than coercion in cutting fertility rates. In the light of this statement, evaluate the population control policies announced at the state level. (15 marks, 250 words) [GS-2, Governance]
2. Examine the impact of the upcoming delimitation of Lok Sabha constituencies in 2026 on constitutional federalism. (15 marks, 250 words) [GS-2, Polity]

