

31 July 2021: UPSC Exam Comprehensive News Analysis

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B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. India and China to hold 12th round of talks today

Context:

- India and China are scheduled to hold the 12th round of Corps Commander talks.

Background:

- Based on an earlier agreement India and China had as a first step agreed on **disengagement from all friction areas**, after which **de-escalation of the massive troop build-up** along the Line of Actual Control (LAC) was to be taken up. Finally, **new guidelines for patrolling the contested areas** were to be finalized.
- As a part of this agreement, India and China had completed disengagement from the banks of Pangong Tso. Since then, however, there has been no progress on further disengagement and de-escalation despite several rounds of talks.
- Indian and Chinese troops remain in a **tense stand-off at Gogra, Hot Springs, Demchok and Depsang Plains**.

Read more on the [India – China Border Stand-off 2020](#) in the linked article.

Details:

- The focus of the scheduled talks would be working out an agreement for the second phase of disengagement from Gogra and Hot Springs in Eastern Ladakh.

C. GS 3 Related

Category: ECONOMY

1. Govt. introduces Bill on insurance firms

Context:

- The Union government has introduced the **General Insurance Business (Nationalisation) Amendment Bill** in the [Lok Sabha](#).

Background:

- The Finance Minister in the **Budget 2021-22** had announced a big-ticket privatisation agenda, including **privatisation of two public sector banks and one general insurance company**.
- The minister had stated that this move would require legislative amendments.

Details:

- As per the statement of objectives and reasons of the General Insurance Business (Nationalisation) Amendment Bill, 2021, it seeks to **remove the requirement that the central government holds not less than 51 per cent of the equity capital in a specified insurer**.
- Thus the amendment will **allow the government to reduce its stake in state-owned insurers**.

Significance:

- The bill will **allow the general insurance companies to raise money from the retail participants**. This will help provide a **bigger financial resources base** for the public sector general insurance companies. This will allow them to offer better premium and innovative packages for the public and enable the infusion of technology in their functioning.
- The amendment will provide for greater private participation in the public sector insurance companies and will **help enhance insurance penetration and social protection** and better secure the interests of policyholders and contribute to faster growth of the economy.

Concerns:

- Several opposition members had opposed the introduction of the bill, saying it will bring in foreign investors and **entail total privatisation of PSU general insurance companies and the critical insurance sector**.
- Notably, the finance minister has clarified that though the aim is disinvestment it won't lead to privatisation of the general insurance sector.

Category: ENVIRONMENT AND ECOLOGY

1. Ozone levels exceeding permitted levels: study

Context:

- A Centre for Science and Environment **study on ozone levels in Delhi-NCR**.

Ozone:

- While stratospheric ozone protects living things from ultraviolet radiation from the sun, **ground-level ozone is considered a pollutant** given the adverse health problems it gives rise to.

Ozone formation:

- Ozone is a **secondary pollutant**. Tropospheric, or ground-level ozone, is not emitted directly into the air, but is created by **chemical reactions between oxides of nitrogen (NO_x) and volatile organic compounds (VOC) in the presence of sunlight (photochemical reaction)**.
 - Emissions from cars, power plants, refineries, chemical plants, and other sources are the major sources of NO_x and VOC.
- Ozone is most **likely to reach unhealthy levels on hot sunny days** in urban environments.

Harmful effects:

- Ozone is a **highly reactive gas** and when inhaled it **can damage the lungs**. Relatively low amounts of ozone can cause chest pain, coughing, shortness of breath and, throat irritation. It may also **worsen chronic respiratory diseases** such as asthma as well as compromise the ability of the body to fight respiratory infections.
- Elevated exposure to ozone can **affect sensitive vegetation and ecosystems**. In particular, ozone can harm sensitive vegetation during the growing season.

Details:

- Contrary to the notion that ozone is predominantly a summer phenomenon, **the study found ozone levels exceeding the permitted levels even during winter** in Delhi-NCR.
- The study notes that despite the lockdown, more days and locations witnessed a higher and longer duration of ozone spells.

Concerns:

- Ozone is becoming more widespread in Delhi and NCR across all seasons.
- The presence of Ozone in large quantities in the winter season is all the more concerning because it makes the **smog in winter seasons more toxic**.

Recommendations:

- There needs to be a refinement of clean air action plan to **add strategies for ozone mitigation**, with strong action on vehicles, industry and waste burning which constitute the major sources of NOx and VOC.
- Some of the strategies could involve the following:
 - Vapour recovery nozzles at the petrol pumps to reduce refuelling emissions
 - Cleaner burning fuels reformulated to reduce VOC, NOx and other pollutants
 - Strict NOx emission limits for power plants and industrial combustion sources
 - Enhanced vehicle inspection programs and
 - Strict limitations on solvent usage in factories.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. Visualising the Himalaya with other coordinates

Statist approach to the Himalayas:

- There has been an attempt to create a national Himalaya by each of the five Himalayan nations (Nepal, Bhutan, India, Pakistan, and Tibet/China).
- Even with respect to the study of the Himalayas, there has been the **tendency of territorialising the Himalayas on a par with the imperatives of nationalism**. Example – **The National Mission on Himalayan Studies** of India limits itself to creating policies only for the Indian Himalayan Region (IHR).
- The Himalayas have been traditionally looked at only through the prism of **geopolitics and security concerns** posed by our neighbours Pakistan and China. There has been the aspect of fear, suspicion, rivalry, invasion and encroachment associated with the Himalayan borders.

Thus **territorialisation and securitisation** have been the two dominant modes through which the Himalayas is imagined.

Limitations of such an approach:

- The article warns that such a singular statist approach is not desirable and could lead to some unwanted effects.
 - This approach **overlooks the fact that political borders and cultural borders are not the same things**. Political borders do not necessarily coincide with cultural borders. Cultural borders as against political borders are more permeable, penetrable, connective and heterogeneous.
 - **Human security cannot be effectively appreciated through the paradigm of sovereign territoriality** given that **non-traditional security threats** such as ecological devastation, climate change and resource crunch pose an equal if not a bigger threat than the traditional security threats like territorial integrity and political sovereignty.
 - This statist approach to the Himalayas is **bound to give rise to tensions** in the backdrop of increasing infrastructure development projects in the border areas. This could give rise to **ultra-sensitivity towards territorial claims** and border management between the Himalayan nations.
 - Such an approach **ignores other crucial aspects** associated with the Himalayas.
 - The Himalayas is one of the largest **biodiversity hotspots** in the world and hence the Himalayan Ecosystem is important for the **ecological security of all the Himalayan nations**.
 - The Himalayas is the largest **water source for Asian nations**.
 - Climate change and global warming have made the Himalayas **susceptible to climate change and ecological vulnerabilities**.
 - The region is culturally and linguistically diverse yet it shares a common pool of resources, communities, cultures, civilisations and history.

Need for an alternate paradigm:

- Keeping the above arguments in mind, the article calls for a change from the statist approach to the Himalayas to a more **anthropological, historical, cultural, and ecological approach to the Himalayas**. The article argues that there is a need for an alternative conceptualisation of the Himalayas through the aspects of community, ecology or market.
- **The Himalayas needs to be taken in as a whole instead of in parts defined by national boundaries**.
- Himalayan studies should **incorporate the concerns of people, culture, market or ecology** rather than that of the states.

Significance of such an approach:

- Such an approach will help address the concerns of trade, commerce, community, ecology and environment in the **realm of non-traditional security challenges**.

- Such an approach through appropriate collaborations between the neighbouring Himalayan nations will help reduce the tension along the national borders and could play a big role in **ensuring peace and security in the region**.

Conclusion:

- The alternative imaginations of the Himalayas should be given the required space in the way of policymaking, state-building strategies and diplomatic relations between the Himalayan nations.

Category: POLITY AND GOVERNANCE

1. Law and lawmakers

Context:

Supreme Court ruling that legislative privilege cannot be extended to provide legal immunity to criminal acts committed by lawmakers.

This issue has been comprehensively covered in [July 29th, 2021 CNA](#).

Details:

- The LDF government in Kerala has suffered a setback because it strongly favoured the withdrawal of cases against six members who were sought to be prosecuted for creating a ruckus in the Assembly in 2015.
- Their action resulted in destruction or damage to some items, amounting to a loss of ₹2.20 lakh.
- Based on the Assembly Secretary's complaint, the police registered a case and later filed a charge sheet against them for **committing mischief and trespass** under the [IPC](#) and **destroying public property** under the Prevention of Damage to Public Property Act, 1984.
- Kerala CM Pinarayi Vijayan maintains that the matter should have been seen as a **political protest** and should not have been taken into the domain of **criminal prosecution**.
- In 2021 the Chief Judicial Magistrate, Thiruvananthapuram, had **rejected the application by the public prosecutor for withdrawal from prosecution**. Later, Kerala HC also affirmed that order.
- Additionally, the SC also did not accept the argument that the alleged vandalism took place as part of the **legislators' right to protest on the floor of the House**.

Privileges and immunities of MPs and MLAs:

- Articles 105 and 194 of the Constitution deal with the privileges and immunities of members of parliament and legislative assemblies.
- A member of the legislature, the opposition included, has a right to protest on the floor of the legislature. The right to do so is implicit in Article 105(1) in its application to Parliament and Article 194(1) in its application to the State Legislatures.

Conclusion:

Legislators should act within the parameters of the **public trust imposed on them to do their duty**. **Legislative privilege and parliamentary free speech are necessary elements of a lawmaker's**

freedom to function, but the Court's conclusion is that an alleged act of **destroying public property** within the House **cannot be considered "essential" for their legislative functions**.

The Supreme Court ruling is welcomed for two reasons:

1. It lays down that **legislators charged with unruly behaviour that results in offences under penal laws cannot be protected either by their privilege or their free speech rights**.
2. The decision strengthens the law relating to a **prosecutor's role in withdrawing an ongoing criminal case**.

Category: ECONOMY

1. Patchwork progress

Context:

The Union Cabinet has **cleared changes to the deposit insurance laws**.

What is deposit insurance?

- In India, in the event a bank fails, a depositor has a claim to a maximum of Rs 5 lakh per account as insurance cover.
- The cover of Rs 5 lakh per depositor is provided by the Deposit Insurance and Credit Guarantee Corporation (DICGC), which is a **fully owned subsidiary of the Reserve Bank of India**.
- If a customer's deposit amount crosses Rs 5 lakh in a single bank, only up to Rs 5 lakh, including the principal and interest, will be paid by the DICGC if the bank turns bankrupt.
- Depositors having more than Rs 5 lakh in their account have no legal recourse to recover funds in case a bank collapses.
- While the **depositors enjoy the highest safety on their funds parked with banks**, unlike the equity and bond investors in the banks, however, an element of risk exists in case a bank collapses.

Who pays for this insurance?

- Deposits in public and private sector banks, local area banks, small finance banks, regional rural banks, cooperative banks, Indian branches of foreign banks and payments banks are all insured by the DICGC.
- The **premium for this insurance is paid by banks to the DICGC**, and not passed on to depositors.
- Banks currently pay a minimum of 10 paise on every Rs 100 worth of deposits to the DICGC as a premium for the insurance cover, which is now being raised to a minimum of 12 paise.
- In 2020, the **government raised the insurance amount to Rs 5 lakh from Rs 1 lakh**.
 - Prior to that, the DICGC had revised the deposit insurance cover to Rs 1 lakh on May 1, 1993 — raising it from Rs 30,000, which had been the cover from 1980 onward.

Need for changes in the deposit insurance laws:

- In the last two years, Yes Bank, Lakshmi Vilas Bank and the PMC Bank, have faced such a bar on depositors seeking to withdraw.

- Recent troubles for depositors in getting immediate access to their funds in such banks has put the **spotlight on the subject of deposit insurance**.

Details:

- The government hopes to bring about changes to the **1961 Deposit Insurance and Credit Guarantee Corporation law** to provide funds **up to Rs 5 lakh** to an account holder within 90 days in the event of a bank coming under the moratorium imposed by the RBI.
- Earlier, **account holders had to wait for years till the liquidation or restructuring of a distressed lender to get their deposits that are insured against default**.
- The Centre plans to introduce the **Deposit Insurance & Credit Guarantee Corporation (Amendment) Bill 2021** in the ongoing Monsoon session of Parliament.

How will it benefit the savers?

- Depositors normally end up waiting for 8-10 years before they are able to access their deposits in a distressed bank only after its complete liquidation.
- From savers' perspective, the most significant modification would be the **90-day deadline for the Corporation (DICGC) to remit the insured deposits of customers** in troubled banks.
- As per the plan, once the RBI imposes curbs on a bank, by the 91st-day account holders will get their outstanding balance back with a cap of ₹5 lakh.
- It will help especially **small depositors meet urgent financial exigencies**.
- This will cover banks already under moratorium and those that could come under moratorium. However, it would not apply retrospectively.
- Besides, as per RBI data, ₹76.21 lakh crore or almost 51% of deposits are now insured, but 98.3% of all accounts have balances of ₹5 lakh or less so they are fully insured.

Way Forward:

- This can be a source of renewed comfort for people in the banking system, grappling with bad loans.
- It is **important for financial stability** that people feel it is safer to park their money in a bank.
- But for people with limited financial literacy and access to retirement savings instruments, with lifetime earnings (**over ₹5 lakh**) parked in a co-operative bank, this would still be a less favourable outcome.
- Similar to the latest amendments that have an enabling provision to **raise the premium paid by banks** to the DICGC in future, there should be amendments to **raise the insured deposit limit taking into account inflation and per capita income trends**.

F. Prelims Facts

1. Shaheed Udham Singh

- Udham Singh was born in Sunam in Punjab's Sangrur district in 1899.
- He was an **Indian revolutionary** and got associated with the **Ghadar Party** while in the US.

- He is best known for his **assassination in London of Michael O'Dwyer**, the former lieutenant governor of Punjab. The assassination was done in revenge for the [Jallianwala Bagh massacre](#) in Amritsar in 1919.
 - Troops under the command of Colonel Reginald Dyer had opened fire on the crowd, killing several hundred.
- Udham Singh was given the title of **Shaheed-i-Azam (the great martyr)**.

Read more on Udham Singh in [This Day in History dated 31 July](#).

G. Tidbits

1. BRICS plan to counter terror finalised: govt.

- The **BRICS Counter Terrorism Action Plan** has been finalised at the sixth meeting of the BRICS Counter Terrorism Working Group.
- The action plan will **strengthen counter-terror cooperation** among the BRICS member states.
- The plan is one of the key deliverables during India's Chairship of BRICS.

H. UPSC Prelims Practice Questions

Q1. Consider the following statements with respect to KUSUM Scheme:

1. The Ministry of Power launched the scheme with the aim of providing additional income to farmers.
2. The farmers will be provided assistance to install standalone solar pumps or solarise agricultural feeders.
3. The farmers have the option of selling additional power through solar power projects set up on their barren lands, to the grid.

Which of the given statements is/are correct?

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

Answer: c

Explanation:

- The Ministry of New and Renewable Energy launched the scheme with the aim of providing additional income to farmers.
- The farmers will be provided assistance to install standalone solar pumps or solarise agricultural feeders.
- The farmers have the option of selling additional power through solar power projects set up on their barren lands, to the grid.

Read more on [Kusum Scheme](#).

Q2. Which of the given statements with respect to tropospheric Ozone is/are correct?

1. It is a highly reactive oxidant that significantly reduces crop productivity, drastically increases plants' ability to sequester carbon and aggravates lung diseases.
2. It is the main ingredient of urban smog.
3. Most of the ultraviolet radiations from the Sun is absorbed by the tropospheric ozone.

Options:

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

Answer: a

Explanation:

- Tropospheric Ozone (bad ozone) is a highly reactive oxidant that significantly reduces crop productivity, decreases the plants' ability to sequester carbon and aggravates lung diseases.
- It is the main component of urban smog.
- Most of the ultraviolet radiations from the Sun is absorbed by the stratospheric ozone also known as good ozone.

Q3. Which of these countries share border with the Baltic Sea and lie on its eastern coast?

1. Lithuania
2. Belarus
3. Sweden
4. Estonia
5. Latvia

Options:

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

Answer: d

Explanation:



Q4. Consider the following statements:

1. Zoonotic infections can be bacterial, viral, or parasitic.
2. Scrub Typhus, Brucellosis, Anthrax are all zoonotic diseases.

Which of the given statements is/are correct?

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

Answer: c

Explanation:

- Zoonosis is another name for zoonotic disease. This type of disease passes from an animal or insect to a human.
- Zoonotic infections can be bacterial, viral, or parasitic.
- Scrub Typhus, Brucellosis, Anthrax are all examples of zoonotic diseases.

Read more on [Zoonotic Diseases – Definition, Types. How Zoonotic Diseases Spread?](#)

Q5. In the Constitution of India, promotion of international peace and security is included in the:

- a. Preamble to the Constitution
- b. Directive Principles of State Policy (DPSP)
- c. Fundamental Duties
- d. Ninth Schedule

Answer: b

Explanation:

Article 51 of the Indian Constitution which is a Directive Principles of State Policy (DPSP), states the state shall endeavour to:

1. promote international peace and security and maintain just and honourable relations between nations,
2. foster respect for international law and treaty obligations,
3. And to encourage settlements of international disputes by arbitration.

I. UPSC Mains Practice Questions

1. Looking at the Himalayas only through the prism of geopolitics and security concerns ignores its other crucial frameworks. Discuss. (250 words; 15 marks) [GS-2, International Relations]
2. Examine the recent changes proposed to the Deposit Insurance and Credit Guarantee Corporation Act. (250 words; 15 marks) [GS-3, Economy]