

03 Aug 2021: UPSC Exam Comprehensive News Analysis

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Category: POLITY AND GOVERNANCE

1. Amid protests, LS passes Bill to amend insurance Act

Context:

Lok Sabha passed the General Insurance Business (Nationalisation) Amendment Bill, 2021.

Details:

- General Insurance Business (Nationalisation) Amendment Bill, 2021 was introduced in [Lok Sabha](#) on July 30, 2021.
- The Bill seeks to amend the **General Insurance Business (Nationalisation) Act, 1972**.
- It seeks to **bring in more private capital in the general insurance business** and improve its reach to make more products available to customers.
- The move is part of the government's strategy to open up more sectors to private participation and improve efficiency.
- The Bill stated that certain amendments had become necessary to provide for **greater private participation** in public sector insurance companies, **enhance the penetration of the insurance sector**, **provide social protection** by securing the interests of the policyholders better and contribute to a **faster pace of economic growth**.

Provisions of the Bill:

- The bill will allow the government to **bring down its stake in State-owned general insurance companies**, **generate required resources** and **help public sector general insurers design innovative products**.
- It allows the government to **privatize state-run general insurance companies**.
- It seeks to **remove** the mandatory requirement of **the Central government holding not less than 51% of the equity capital in a specified insurer**.
- It also provides for **cessation of application of the existing general insurance law to those insurers in which the government ceases to have control**.
 - Control refers to the government's right to appoint a majority of directors or to have the power to influence management or policy decisions.
- It **increases the liability of a director**, who may **not be a whole-time director**, in case the insurance firm **commits certain acts of omission** which he was aware of or party to.
- It seeks to include **capital redemption** and **annuity certain** within the general insurance business.

Note:

- The 1972 Act set up the **General Insurance Corporation of India (GIC)**. The Act defined general insurance business as fire, marine or miscellaneous insurance business. It excluded capital redemption and annuity certain businesses from the definition.

- The businesses of the companies nationalised under the Act were restructured in **four subsidiary companies of GIC**: National Insurance Co. Ltd, New India Assurance Co. Ltd, Oriental Insurance Co. Ltd and United India Insurance Co. Ltd.
- The government is yet to announce the name of the insurer it seeks to privatize.
- The government has set a **₹1.75 trillion disinvestment target for this fiscal**.

2. Preventive detention only to forestall public disorder: SC

Context:

A Supreme Court judgement has held that [preventive detention](#), could be used only to prevent public disorder.

Details:

- The bench observed that the power of the State to restrain a person without trial (preventive detention) is a **necessary evil only to prevent public disorder**. And that the court must ensure that the facts brought before it directly and inevitably lead to harm, danger or alarm or feeling of insecurity among the general public or any section thereof at large.
- It said that the **State should not arbitrarily resort to preventive detention** to deal with all and **sundry law and order problems**, which could be **dealt with by the ordinary laws of the country**.
- Justice Nariman said that preventive detention must fall within the four corners of [Article 21](#) (due process of law) read with Article 22 (safeguards against arbitrary arrest and detention) and the statute in question.
 - **“Due Process of Law”** is a doctrine that not only checks if there is a law to deprive the life and personal liberty of a person but also ensures that the law is made fair and just.
- He asserted that in a situation where the **ordinary law of the land was sufficient to deal with the situation, the detention order will be illegal**.

3. SC questions States on cases under 66A

Context:

The Supreme Court has asked the States to respond to a petition that stated citizens continued to get booked and prosecuted under Section 66A of the [Information Technology Act](#) for expressing themselves freely on social media.

This issue has been covered in [July 6th, 2021 CNA](#).

4. HC allows woman to terminate pregnancy

Context:

The Delhi High Court has permitted a woman to undergo medical termination of her 22-week pregnancy as the foetus was suffering from serious abnormalities.

- The woman, who completed 22 weeks of gestation period, had sought permission to undergo medical termination of her pregnancy as her foetus was suffering from various defects and abnormalities.

Details:

- In India, the Medical Termination of Pregnancy (MTP) Act **stipulated a ceiling of 20 weeks for termination of pregnancy**.

- Earlier, beyond the stipulated 20 weeks, abortion of a foetus was statutorily impermissible.
- The **Medical Termination of Pregnancy (Amendment) Bill (MTP), 2021** received the president's assent and was notified by the Central government on March 25, 2021.
- The amendment has now allowed **abortion to be conducted within 20 weeks on one doctor's advice and between 20 and 24 weeks on two doctors' advice for specific categories of women, including victims of rape (although excluding marital rape).**

Read more on the [Medical Termination of Pregnancy \(Amendment\) Bill, 2021](#)

Category: INTERNATIONAL RELATIONS

1. Ex-Australian PM Abbott in India to push trade talks

Context:

Former Australian Prime Minister Tony Abbott is in New Delhi to restart India-Australia trade talks.

Details:

- Both the countries have been systematically discussing the **Comprehensive Economic Cooperation Agreement (CECA)** which aims at providing **enlarged market access to exporters of goods and services.**
- The CECA is expected to enlarge the base of merchandise trade, decrease/remove non-tariff barriers and induce investment by **decreasing the border restrictions to trade.**
- India wants to rectify its adverse balance of trade in Goods and Services. For this, it has called for **specialized market access for its products.**

Issue:

- Despite an agreement between Prime Minister Narendra Modi and Mr. Morrison in June 2020 that India and Australia would "re-engage" on the CECA, talks on CECA, which have been **suspended since 2015**, have made **no visible progress.**
- The talks slowed down since 2015 particularly as talks over the **16-nation ASEAN-led Regional Comprehensive Economic Partnership (RCEP), that included Australia and India picked up.**
- India decided to walk out of the RCEP in 2019, however, and the bilateral CECA negotiations have been pending ever since.
- The talks ran into trouble over **market access for Australian agricultural dairy products, high tariffs and other issues.**
- Abbott has been particularly critical of the RCEP agreement, which is expected to come into force on January 1, 2022, calling it the "trade arm of China's **Belt and Road Initiative**".

C. GS 3 Related

Nothing here for today!!!

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: POLITY AND GOVERNANCE

1. Criminalising welfare issues

Context:

The Supreme Court recently issued notice on a writ petition on the condition that the petition's prayer seeking a direction to restrain beggars and homeless from begging in public places to avoid the spread of COVID-19 in all the States and Union Territories across India be modified to focus on the rehabilitation of those forced to beg for a living.

Details:

- The court observed that being compelled to beg was a socio-economic issue that could not be remedied by restraining them from begging.
- It highlighted that a welfare response was required from the state.
- The High Court in Suhail Rashid Bhat v. State of Jammu & Kashmir and Others (2019) stated, "Begging is also in fact evidence of the failure of the Government as well as the society at large to protect its citizens from debilitating effects of extreme poverty and to ensure to them basics of food, clothing, shelter, health, education, essential concomitants of the right to life ensured under Article 21 of the Constitution of India."

Criminalisation:

The order points to the largely ignored nexus between coercive measures and welfare issues. This can be a useful guide to making and implementing criminal law.

Considering welfare response:

When decisions about criminalisation are being taken by the legislature, the possibility of a welfare response must be first considered.

- In Harsh Mander & Anr. v. Union of India (2018), the Delhi High Court held the criminalisation of beggary under the Bombay Prevention of Begging Act, 1959 (as extended to the NCT of Delhi) unconstitutional.
- It had noted that the criminalisation of beggary served only to invisibilise beggars without doing anything to address the structural deprivations that drove people to beg.
- Similarly, the criminalisation of [triple talaq](#) does not do much to address the structural gender inequality, social stigma, poor employment options, and lack of state support which actually cause the deprivations associated with divorce (not just triple talaq).

Creating alternative employment:

Socio-economic marginalisation and poverty may frequently make people susceptible to exploitation.

- A criminal response to those who seek to take advantage of such vulnerability (but never the vulnerable themselves) might be appropriate, but this must be accompanied by welfare measures for the vulnerable.
- It is important to ensure that traffickers are held criminally liable for sexually exploiting a person.
- It is equally important to create alternative, well-paying and dignified employment, to have social security nets. Their rehabilitation is essential.

When evaluating the necessity of a criminalisation response to something that is a welfare issue, it is crucial to question whose interests the law seeks to serve.

Category: ECONOMY

1. A disconcerting picture behind the headline numbers

Context:

The **third annual round of the Periodic Labour Force Survey (PLFS) data** conducted during July 2019-June 2020 was **released** recently.

Periodic Labour Force Survey (PLFS):

- **Periodic Labour Force Survey (PLFS)** is India's first computer-based survey which gives estimates of key employment and unemployment indicators like the **labour force participation rate, worker population ratio, proportion unemployed and unemployment rate in rural households annually** and on a **quarterly** basis for the urban households.
- It also gives the distribution of **educated and unemployed people**.
- It also provides data on the **earnings of different segments of workers**.
- It estimates employment and unemployment indicators in both 'Usual Status' and Current Weekly Status (CWS) in both rural and urban areas annually.
 - When the activity status is determined on the basis of the reference period of the last 365 days preceding the date of the survey, it is known as the **usual activity status** of the person.
 - The activity status determined on the basis of a reference period of the last 7 days preceding the date of the survey is known as the **CWS of the person**.

Read more on the [Periodic Labour Force Survey \(PLFS\)](#) in the linked article.

Dimensions of the Survey:

- **Labour Force Participation Rate (LFPR):** the percentage of persons in the labour force (i.e. working or seeking or available for work) in the population.
- **Worker Population Ratio:** the percentage of employed people in the population.
- **Unemployed:** A person who is unable to get work for even an hour in the last seven days despite seeking employment is considered unemployed.
- **Unemployment Rate:** the percentage of persons unemployed among the persons in the labour force.

Key Findings:

1. **A fall in the unemployment rate comes at a time of unprecedented economic distress:**
 - The unemployment rate, as measured by the usual status, fell from 6.1% in 2017-18 to 4.8% in 2019-20.
 - This is because even as the LFPR increased from 36.9% to 40.1%, the WPR increased from 34.7% to 38.2% during the same period.
 - While there was an increase in the share of the population in the labour force over the last three years, there was an even higher increase in the share of those who were able to find work, and hence unemployment fell.

- The quarterly GDP growth declined for successive quarters.
2. *How were more people able to find jobs when economic activities were slowing down? The answer lies in the changing composition of the workforce.*
- The PLFS categorises the workforce into self-employed (which includes own account workers, employers and unpaid helpers in family enterprises); regular wage/salaried workers and casual labourers.
 - Of all the worker categories, only the proportion of unpaid family workers has gone up significantly in the last three years.
 - Between 2018 and 2019, while the workforce increased by 2.9%, the proportion of all other employment categories in the workforce declined, except unpaid family helpers.
3. *Disguised Unemployment:*
- Agriculture continues to perform the function of a sink that is absorbing the workforce that cannot find remunerative employment elsewhere.
4. *Gender Dimension:*
- The category of unpaid family workers is dominated by women.
 - The story of the declining unemployment rate can largely be explained by a movement of women from primarily being engaged in domestic work to agriculture and other petty production activities as unpaid family helpers.
5. *Open unemployment:*
- The usual status is based on a loose definition of work that underestimates open unemployment.
 - Open unemployment is the situation when a person is willing to work, is educated but is unable to get a job and work.
 - This is where the alternative measure of unemployment is relevant.
 - Using the current weekly status approach, the unemployment rate remained unchanged during the last three years at 8.8%.

Issue:

- The data shows a decline in the unemployment rate to 4.8% in 2019-20 (the lowest in three years).
- While the headline numbers seem pleasing, a detailed analysis brings to light a disturbing picture.
- The PLFS survey for April-June 2020 overlapped with the national lockdown.
- The CWS unemployment rate in this quarter was 14%, and the urban unemployment rate was around 20%.
- The rise in the average income of salaried workers and the muted impact on consumer expenditure, as estimated from the PLFS, do not concur with other data for the lockdown period.

- There is evidence to suggest that the PLFS data may underestimate the loss of earnings and fall in consumption during the lockdown. This is a missed opportunity for the official survey to capture the labour market dynamics during the lockdown.
- There is no official data on poverty after 2011-12 or on-farm income after 2013, and no recent data on migrant workers.
- The data on situation assessment of agricultural households are not yet released.

Way Forward:

- Minor tweaks in future PLFS surveys can fill the data gaps.
- At present PLFS captures incomes from agriculture and monthly consumer expenditure, but the questions on these aspects lack credibility.
- The predecessor to the PLFS, the National Sample Survey employment and unemployment surveys, collected data on consumer expenditure using a detailed schedule.
 - PLFS must do the same.
- Adding questions on costs and returns from cultivation and related activities can also capture more accurate data on agricultural incomes.

Lengthening the questionnaire may result in additional costs — but the costs of the absence of reliable and timely data on important policy-relevant indicators can be far higher.

Category: EDUCATION

1. We need more creators

The article talks about the need for educators to upgrade their engagement strategies while integrating technology into their approach.

Concerns:

The disruptive nature of digital tools has thrown up interesting challenges to the traditional education system.

Details:

- The [National Education Policy \(NEP\) 2020](#) has rightfully identified 21st-century skills as fundamental to developing creators.
- Relying on traditional literacy and numeracy alone will not be enough.
- It tends to marginalise differently-abled learners.
- Constant engagement, an emotional connect, and immersive learning are important parts of education.
- Critical thinking and problem solving, communication and collaboration, creativity and innovation, flexibility and adaptability, initiative and self-direction, social and cross-cultural interactions, and productivity and accountability all strengthen the individuals' abilities at the workplace.

Using technology:

- EdTech apps can deliver content that caters to multiple learning styles, learning curves and pace of learning.

- The pandemic has shown that traditional teacher and brick-and-mortar schools may become obsolete if radical pedagogical changes are not made.

Issues:

- With the pandemic shutting down schools, children have lost all personal contact with their social group and parents are forced to rely upon technology to provide their children constant gratification to keep them engaged.
- Over-reliance on technology comes at a cost.
- Technology tools are forcing human beings to remain consumers rather than become creators.
- Technology cannot replace emotional and social engagement.

Way Forward:

- The policymakers will have to look again at the school education system if 21st-century skills are to be truly actualised.
- Educators could consider a design-based approach where students concentrate on a subject for two-three weeks to examine how it can be applied in the real world.
- Educators will have to find ways to upgrade their engagement strategies.
- They must integrate technology into their approach through hybrid learning.

F. Prelims Facts

1. J&K is integral & inalienable part of India, says Tirumurti

What's in News?

India has taken over the Security Council Presidency in August 2021.

Read more on this topic Aug 2nd, 2021 CNA.

Details:

- In response to a question on Jammu and Kashmir and the abrogation of Article 370, India's Permanent Representative to the UN and president of the UN Security Council for the month of August T.S. Tirumurti said that **Jammu and Kashmir is an integral and inalienable part of India** and if there needs to be a change in status it is the vacation of Pakistan-occupied Kashmir (PoK).

Shimla Agreement:

- On 02 July 1972, the Shimla Agreement was signed **between Indira Gandhi and Zulfikar Ali Bhutto at Shimla in Himachal Pradesh**.
- It is a landmark in the **bilateral relations between India and Pakistan**.
- It was a treaty that laid out the principles which would **govern the future bilateral relations between the two countries**.
 - It was signed 8 months after the Indo-Pakistani war of 1971.

- The accord had contained the steps which were to be taken in order to ensure the normalisation of relations between India and Pakistan.

Read more [Shimla Agreement](#).

2. PM Modi launches digital payment solution e-RUPI

What's in News?

The Prime Minister of India has launched **e-RUPI**.

- It is a person and purpose-specific **cashless digital payment solution**.

This topic has been covered in [2nd August 2021](#).

G. Tidbits

Nothing here for today!!!

H. UPSC Prelims Practice Questions

Q1. Consider the following statements:

1. Under the preventive detention as enshrined under Article 22, a person cannot be detained for more than three months.
2. The grounds of detention should be communicated to the detenu.
3. Both the Parliament and the State Legislature can make a law of preventive detention for reasons connected with the security of a state, defence, maintenance of Public order.

Which of the above statements is/are correct?

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

Answer: a

Explanation:

- Article 22 deals with the protection against arrest and detention in certain cases. This article is applicable to both citizens and non-citizens. This provision extends certain procedural safeguards for individuals in case of an arrest.
- Under the preventive detention as enshrined under Article 22, a person cannot be detained for more than three months.
- The grounds of detention should be communicated to the detenu.

- Both the Parliament and the State Legislature can make a law of Preventive Detention for reasons connected with the security of a state and maintenance of public order. For reasons connected to defence, only the parliament can make laws of preventive detention.

Q2. With reference to Zika virus disease, which of the following statements is/are correct?

1. It is caused by a virus transmitted primarily by Aedes mosquitoes.
2. Zika virus infection during pregnancy can cause infants to be born with microcephaly.

Options:

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

Answer: c

Explanation:

- Zika Virus infection is caused by the Zika Virus (ZIKV) belonging to the Flaviviridae family.
- It is an infection transmitted through the bite of infected female mosquitoes, *Aedes aegypti* and *Aedes albopictus*.
- Zika virus infection during pregnancy results in birth defects in newborn babies, a condition called microcephaly and can also cause temporary paralysis in adults.

Q3. Which one among the following statements best describes the Copenhagen Consensus?

- a. It is a project that seeks to establish priorities for advancing global welfare using methodologies based on the theory of welfare economics
- b. It aims to catalyse rapid reductions in short-lived climate pollutants to protect human health, agriculture and the environment
- c. It refers to a set of free-market economic ideas
- d. It is an intergovernmental treaty concerned with the conservation of wildlife and habitats

Answer: a

Explanation:

Copenhagen Consensus is a project that seeks to establish priorities for advancing global welfare using methodologies based on the theory of welfare economics using cost-benefit analysis. The project considers possible solutions to a wide range of problems, presented by experts in each field. These are evaluated and ranked by a panel of economists.

Q4. Which of the following are the initiatives undertaken by the Government for the welfare and upliftment of the minority communities?

1. USTTAD
2. Hamari Darohar
3. Nai Manzil
4. Sakhi Scheme
5. Sanskritik Sadbhav Mandap

Options:

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

Answer: c

Explanation:

- USTTAD Scheme aims at upgrading the Skills and Training of minority communities by the preservation of traditional ancestral Arts and Crafts. It also envisages boosting the skill of craftsmen, weavers and artisans who are already engaged in the traditional ancestral work.
- Hamari Dharohar is a scheme to preserve the rich heritage of minority communities under the overall concept of Indian Culture.
- Nai Manzil Scheme aims to benefit the minority youths who do not have a formal school-leaving certificate in order to provide them with formal education and skills, and enable them to seek better employment and livelihoods in the organised sector.
- The Sakhi scheme aims to facilitate access to an integrated range of services including medical aid, police assistance, legal aid/case management, psychosocial counselling, and temporary support services to women affected by violence.
- The “Sanskritik Sadbhav Mandap” is being constructed by Union Minority Affairs Ministry under Pradhan Mantri Jan Vikas Karykram (PMJVK). It is a community centre that will be utilized for various socio-economic-cultural activities, skill development training, coaching, different sports activities, relief activities during disasters such as Corona.

Q5. Consider the following pairs:

1. Radhakanta Deb — First President of the British Indian Association
2. Gazulu Lakshminarasu Chetty — Founder of the Madras Mahajana Sabha
3. Surendranath Banerjee — Founder of the Indian Association

Which of the above pairs is/are correctly matched? [UPSC 2017]

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

Answer: b

Explanation:

- Radhakanta Deb was the first President of the British Indian Association.
- Madras Mahajana Sabha was established by M. Veeraraghavachariar, G. Subramania Iyer and P. Anandacharlu.
- Surendranath Banerjee founded the Indian Association.

I. UPSC Mains Practice Questions

1. Discuss the findings of the third annual round of the Periodic Labour Force Survey (250 words; 15 marks) [GS-3, Economy]
2. The criminalisation of begging is a result of colonial elitist view. Instead, it should be viewed as a socio-economic welfare problem. Critically analyse in the light of the recent observations of the Supreme Court. (250 words; 15 marks) [GS-2, Polity and Governance]