

19 Nov 2021: UPSC Exam Comprehensive News Analysis

TABLE OF CONTENTS

<u>A. GS 1 Related</u>
<u>B. GS 2 Related</u>
<i>POLITY</i>
1. No consensus on limiting Speaker's powers
<i>INTERNATIONAL RELATIONS</i>
1. WTO must rein in nations violating trade rules: Goyal
2. 'Trade Policy Forum a chance for India, U.S. to align expectations'
<u>C. GS 3 Related</u>
<i>ECONOMY</i>
1. Regulating cryptocurrencies: Treating them as speculative assets
<u>D. GS 4 Related</u>
<u>E. Editorials</u>
<i>INTERNATIONAL RELATIONS</i>
1. Agreeing to disagree
<u>F. Prelims Facts</u>
1. Russia tests hypersonic cruise missile
2. Help from overseas
<u>G. Tidbits</u>
1. India needs \$10 tn. to meet net zero
2. Modi calls for caution on cryptocurrencies
<u>H. UPSC Prelims Practice Questions</u>
<u>I. UPSC Mains Practice Questions</u>

A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

Category: POLITY

1. No consensus on limiting Speaker's powers

Context:

- The **All-India Presiding Officers' Conference (AIPOC)** is being held in Shimla.

Details:

- Amid increasing instances of disruptions of the house proceedings, a resolution stating that there should be **no disruptions during Question Hour and the President's and Governor's address to the House** was adopted during the meet.
- The [Lok Sabha Speaker](#) reiterated the need to **increase the number of sittings of legislative bodies**. He has called for a definite action plan in this direction to ensure that the people's representatives have sufficient time to discuss major issues of their State and country.
- The Speaker also called for drastic **changes to the functioning of Standing Committees**, including changes to their rules. He suggested that the presiding officers should hold annual evaluations of the committee working to make them more accountable.
- The Lok Sabha Speaker also suggested that the tradition of [Zero Hour](#) **should be started in all State legislatures** to give members the chance to raise urgent matters pertaining to their constituencies.
- Though the report on **reviewing the anti-defection law** was placed before the delegates, they failed to reach a consensus on whether the Speaker's powers under the anti-defection law should be limited.
 - The report was prepared by the committee formed in 2019 to examine the role of the Speaker in cases of disqualification on grounds of defection.

Anti-Defection law and concerns over the misuse of Speaker's powers

- The [Anti-Defection Law](#) was passed in 1985 through the **52nd Amendment** to the Constitution. It added the **Tenth Schedule to the Indian Constitution**.
- Any question regarding disqualification arising out of defection is to be **decided by the presiding officer of the House**.
- The office of Speaker has been criticised time and again for being an agent of **partisan politics** especially in the context of power for the disqualification. The Speakers who are expected to maintain political neutrality have been criticized for taking actions favourable to the ruling governments and helping them maintain a majority in the legislature by the misuse of powers under the anti-defection law.
- The Supreme Court too while looking into the issue of Speaker's powers had questioned, "why a Speaker - who is a member of a particular political party and an insider in the House, should be the sole and final arbiter in the cases of disqualification of a political defector". The Supreme Court has also held that the decision of the presiding officer is not final and can be questioned in any court. It is **subject to [judicial review](#) on the grounds of malafide, perversity, etc.**

For more related information refer to the following article:

CNA dated Nov 18, 2021: Duty should be the only mantra, says PM

Category: INTERNATIONAL RELATIONS

1. WTO must rein in nations violating trade rules: Goyal

Context:

- Commerce and Industry Minister's statements at the **Global Economic summit hosted by the Confederation of Indian Industry**.

Details:

- The Minister expressed concerns over [World Trade Organization \(WTO\)](#) member nations not working transparently as per global trading rules. He also called out the lack of fair play and honest business practices among some countries. In this direction, he called for a **reboot of the functioning of the global trade rules regime**. This statement holds significance given that it comes just ahead of the upcoming World Trade Organization (WTO) ministerial meet.
- The Minister noted the unfair treatment being meted out by developed nations towards the least developed and developing nations on the trade issue especially in aspects related to **Special and Differential Treatment trade benefits**.
- While defending India's decision to keep away from the [Regional Comprehensive Economic Partnership \(RCEP\)](#) agreement the Minister pointed out to **lack of transparency on trade, dishonest trade practices and limited market accessibility**. This is being seen as a veiled reference to China's approach to international trade.

2. 'Trade Policy Forum a chance for India, U.S. to align expectations'

Context:

- The Indian Commerce Minister and U.S. Trade Representative are scheduled to meet soon under the **U.S.-India Trade Policy Forum (TPF)** framework.

Background:

Economic ties between India and U.S.:

- Available data indicates a strong rebound in India-U.S. bilateral trade. **Bilateral trade has increased from approximately \$20 billion in 2001 to just over \$145 billion in 2019.** This is being viewed as a sign of the strengthening economic ties between the two countries.
- U.S. companies continue to be the biggest **source of [foreign direct investment](#)**, which has helped contribute to economic growth in India.

Significance of the TPF framework:

- The Trade Policy Forum will act as an **institutional mechanism and a foundational process** to help the two countries align expectations and approaches to trade relations, and perhaps create a roadmap for a **future Free Trade Agreement**.

Issues:

- **Digital trade** - The U.S. has criticized India's move to introduce the **equalization levy** on digital services offered by tech giants. India maintains that the provision is in India's interests and it does not go against any international rules.
- **Market access** - The U.S. has been arguing for enhanced market access into India for its agricultural, medical devices and automobiles. The U.S. has criticized the high taxes being imposed on its goods being exported to India.
- **Labour and environmental standards** - India has argued against the setting of labour and environmental standards as it believes that they act as non-trade barriers for trade and in particular affect the interests of developing countries in global trade.
- The **removal of India from the U.S.'s [Generalized System of Preferences \(GSP\)](#)** has been a sore point in the bilateral trade relations. India has been asking for a renewal of its GSP status.

Also read: [India - US relations](#)

C. GS 3 Related

Category: ECONOMY

1. Regulating cryptocurrencies: Treating them as speculative assets

Context:

- The Union Government is said to be considering a **proposal to tax [cryptocurrency transactions in the country](#)**.

Background:

Concerns with cryptocurrencies:

- The RBI views private cryptocurrencies as a **threat to financial stability**. It believes that the widespread acceptance of cryptocurrencies could not only **interfere with the ability of the RBI to conduct monetary policy effectively** but could also help **aid money laundering** in the country.
- The Reserve Bank of India in 2018 had banned financial institutions such as banks from facilitating transactions involving cryptocurrencies.

Details:

- The proposal includes classifying cryptocurrency exchanges as e-commerce platforms and taxing them under the [goods and services tax](#) framework.
- Such a move would bring cryptocurrency trading into the formal economy. This proposal is being seen as an indication of the government looking to **regulate rather than impose an outright ban on cryptocurrencies**.
- Unlike the RBI, the Union Government has taken a more measured approach towards dealing with cryptocurrencies. The following may be some of the reasons behind this approach.
 - **Cryptocurrencies such as [Bitcoin](#) have been gaining popularity among citizens**. The Centre may want to capitalise on the recent surge in the usage of cryptocurrencies to **tax them and shore up tax revenues**.
 - The Union Government may also not want to kill the nascent cryptocurrency industry which many believe **can be a hub for financial innovation**. For instance, **blockchain technology** has multiple uses beyond just facilitating cryptocurrency transactions.
 - Recently, the Parliamentary Standing Committee concerned also recommended that cryptocurrencies be regulated rather than banned.

Conclusion:

- The Union Government is likely to take **a measured approach towards cryptocurrencies**.
- The Government will not allow cryptocurrencies to rise as a threat to the sovereignty of the rupee, so the acceptance of cryptocurrencies by the Government is likely to be limited. It is unlikely that cryptocurrencies will be accepted as full-fledged currencies. Rather they may be **accepted merely as speculative assets**.
- The bill on cryptocurrencies expected to be tabled in the coming year will help clarify the government's position on cryptocurrencies.

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. Agreeing to disagree

Context

- The virtual meeting between President Biden and China's leader, Xi Jinping.

Issues

- At the top of the policy agenda that is causing bilateral friction is **trade**.
 - The US-China trade war, which began in 2018 under former US President Donald Trump, has resulted in both nations paying higher taxes to bring in goods from the opposing country.
 - Escalating import tariffs have caused supply chain disruptions that are affecting businesses and individuals worldwide.
 - At the summit, economic issues took a back seat to geopolitics.
- The USA raised concerns about **human rights** abuses in Xinjiang, Tibet and Hong Kong.
 - China accused the US of meddling in its domestic affairs.
- The US had problems with China's "**unfair trade and economic policies**" harming American workers and the need to protect American workers and industries.
 - China responded by saying that the US has to stop "abusing the concept of national security to oppress Chinese companies".

On Taiwan

- China sees Taiwan as a breakaway province to be reunified with the mainland one day.
- The US recognises and has formal ties with China. But it has also pledged to help Taiwan defend itself in the event of an attack.
- The Chinese side indicated that the USA is playing with fire.
 - Such comments signal that China will respond robustly to any western moves seen as strengthening Taiwanese independence, for example through direct arms sales to Taipei.

However, the summit meeting yielded no major breakthroughs.

Concerns

- Over the last two decades, summits between both countries resulted in the issuance of joint statements. The virtual meeting had no such statement release.
- Nor did the meeting end with any agreement to have groups of officials from both sides hold further talks on strategic nuclear issues and conflicts in cyberspace.
- Instead, countries issued their own statements, which looked like catalogues of mutual grievances that offered little room for compromise.

Conclusion

- Both sides will have to be even-handed in managing their conflicts on trade and regional tensions or else risk these issues spilling over into the global arena and disrupting the fragile ongoing recovery in economic growth and public health.

F. Prelims Facts

1. Russia tests hypersonic cruise missile

- **Russia** has carried out another successful test of its **Zircon hypersonic cruise missile**.
 - Hypersonics can **travel more than five times the speed of sound** making them much harder to track and intercept than traditional projectiles.

2. Help from overseas

- **India, the world's largest recipient of remittances**, received \$87 billion in 2021 with the **United States being the biggest source**, accounting for over 20 per cent of these funds, according to the **World Bank's Migration and Development Brief**.
- This marks an increase of 4.6% from 2020 in monetary value terms.

G. Tidbits

1. India needs \$10 tn. to meet net zero

- According to an analysis by Council for Energy, Environment and Water Research - Centre for Energy Finance (CEEW-CEF), **India will need close to \$10 trillion (₹700 lakh crore) to meet its goal of net zero by 2070.**
- Most of this money will be needed to **scale up generation from renewable energy** and bringing together the necessary **integration, distribution and transmission infrastructure** to ensure the viability of renewable energy. Also, investments would be required to **set up green hydrogen production capacity** to push for decarbonisation.
- The study estimates that India would fall short and would require investment support of \$1.4 trillion from developed economies to bridge the gap.

2. Modi calls for caution on cryptocurrencies

- While delivering the keynote speech at the **Sydney Dialogue**, the Indian Prime Minister cautioned against the misuse of cryptocurrencies and urged democracies to work together to deal with the threat.
- While noting India's initiatives in the digital domain, the Indian Prime Minister listed out **“five important transitions” taking place in India.**
 - Building of the world's most extensive **public information infrastructure**
 - **Use of digital technology for governance**
 - Building of the world's third-largest start-up ecosystem
 - **Digital changes in agriculture**
 - Preparing for 5G and 6G rollout.

H. UPSC Prelims Practice Questions

Q.1 Which of the following statements is/are correct about Rani Lakshmibai?

1. Rani Lakshmibai was one of the leading figures in the Quit India Movement.
2. During her period, Jhansi was a Maratha princely state.
3. The British policy of 'Doctrine of Lapse' led her to revolt against the colonial empire.

Options:

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

Answer: c

Explanation:

- Rani Lakshmibai was the queen of the Maratha princely state of Jhansi.
- Rani Lakshmibai was one of the leading figures of the Rebellion of 1857 and became a symbol of resistance to the British Raj for Indian nationalists.
- The British East India Company's rejection of the claim of an adopted son and the application of the Doctrine of Lapse and annexation of the state of Jhansi led Rani Lakshmibai to revolt against the colonial empire.

Q.2 Which of the following statements is/are incorrect?

1. India has become the third-largest domestic aviation market in the world and handles the largest domestic air traffic after USA and China.
2. The Ministry of Civil Aviation launched the UDAN scheme in 2016 to improve India's international air connectivity with a focus on US and European markets.

Options:

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

Answer: b**Explanation:**

- India has become the third-largest domestic aviation market in the world and handles the largest domestic air traffic after USA and China.
- The Ministry of Civil Aviation launched the UDAN scheme in 2016. UDAN is a regional airport development program of the Government of India and part of the Regional Connectivity Scheme (RCS) of upgrading underserved air routes. Its goal is to make air travel affordable and widespread, to boost inclusive national economic development, job growth and air transport infrastructure development of all regions and states of India.

Q.3 Which of the following statements is/are correct?

1. India's MSME sector plays a very significant role in terms of job creation, expanding manufacturing base and boosting Indian exports.
2. The sector contributes over 11 crore jobs with over 30% contribution to the GDP and over 49% to overall exports from India.

Options:

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

Answer: c

Explanation:

- India's MSME sector plays a very significant role in terms of job creation, expanding manufacturing base and boosting Indian exports.
- The sector consists of over 6 crore units employing over 11 crore people and is a seminal contributor to the economic growth with over 30% of contribution to GDP and over 49% of overall exports from India. Also, MSMEs have a substantial role in ensuring more inclusive growth given that a large number of MSME units are located in rural areas.

Q.4 The term 'Zircon', recently seen in the news, refers to -

- a. DRDO's robotic bomb disposal prototype
- b. Russian hypersonic cruise missile
- c. Israel's single-dose COVID-19 vaccine
- d. Google's satellite-based internet project

Answer: b

Explanation:

- Russia has carried out another successful test of its Zircon hypersonic cruise missile.
- Hypersonics can travel more than five times the speed of sound making them much harder to track and intercept than traditional projectiles.

Q.5 Which of the following best describes/describe the aim of 'Green India Mission' of the Government of India? (UPSC-2016)

1. Incorporating environmental benefits and costs into the Union and State Budgets thereby implementing the 'green accounting'.
2. Launching the second green revolution to enhance agricultural output so as to ensure food security to one and all in the future.

3. Restoring and enhancing forest cover and responding to climate change by a combination of adaptation and mitigation measures.

Select the correct answer using the code given below.

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

Answer: c

Explanation:

- Green India Mission was launched in 2014.
- Green India Mission aims at protecting, restoring and enhancing India's diminishing forest cover and responding to climate change through adaptation and mitigation measures.

I. UPSC Mains Practice Questions

1. In light of the recent clashes between the Centre and the State governments, suggest ways to invigorate Centre-State relations in the country. (250 words; 15 marks)(GS Paper 2/Polity)
2. Do you agree with the perception that WTO has failed to live up to its expectations and must reinvent itself to fulfil its mandate? Elaborate on the reasons behind your argument. (250 words; 15 marks)(GS Paper 2/International Relations)