

21 May 2022: UPSC Exam Comprehensive News Analysis

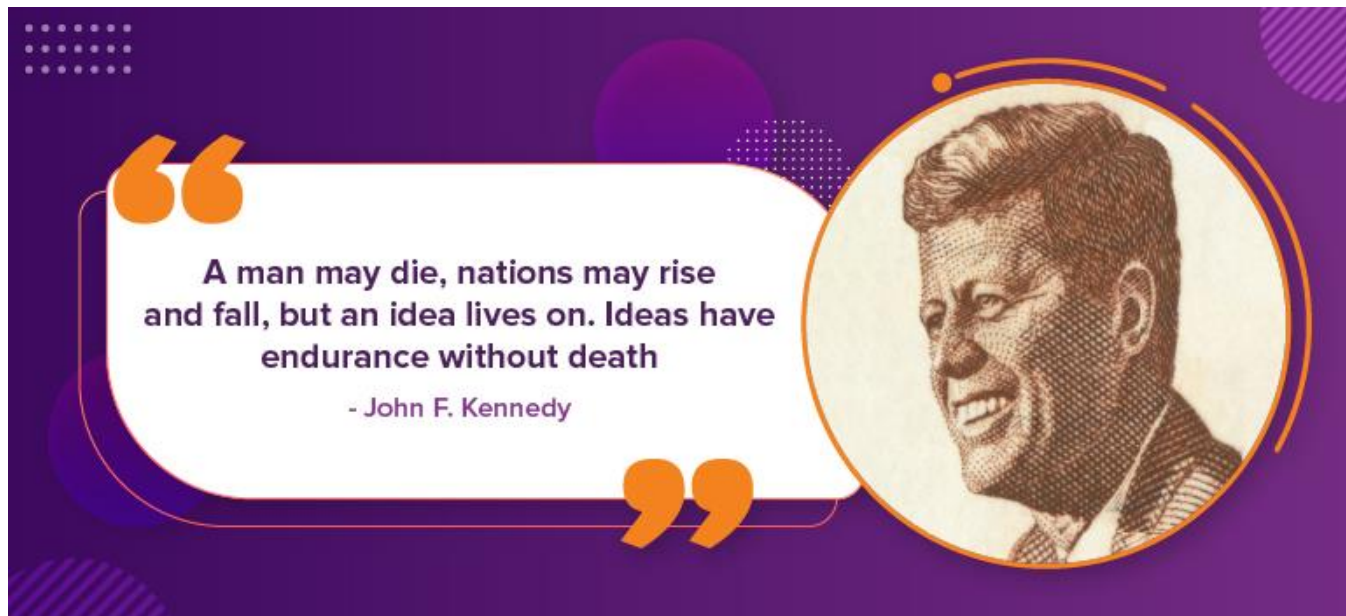


TABLE OF CONTENTS

<u>A. GS 1 Related</u>
<u>B. GS 2 Related</u>
<u>C. GS 3 Related</u>
<i>ECONOMY</i>
1. FDI inflow 'highest ever' at \$83.57 bn
<u>D. GS 4 Related</u>
<u>E. Editorials</u>
<i>INTERNATIONAL RELATIONS</i>
1. The neighbourhood in turmoil, lessons for India
<i>SECURITY</i>
1. Talking Peace, negotiating with the Maoists
<u>F. Prelims Facts</u>
<u>G. Tidbits</u>
1. Welfare schemes should reach every beneficiary, urges Modi
2. Govt. to roll out 'Tour of Duty' recruitment in Army
3. Norms eased for GM crop research
<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

Nothing here for today!!!

C. GS 3 Related

Category: ECONOMY

1. FDI inflow 'highest ever' at \$83.57 bn

Syllabus: Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Prelims: Foreign Direct Investment (FDI)

Mains: Trends in the FDI inflows, government initiatives and the significance of increase in FDI inflows.

Context

The inflow of foreign direct investment (FDI) for the financial year 2021-22 has reached \$83.57 billion which is the highest ever.

Foreign Direct Investment (FDI)

- Foreign direct investment (FDI) is an investment made by a firm or an individual of a country into business interests located in another country.
- FDI is a key driver of economic growth.
- FDI goes beyond capital investment, it includes the provision of management, technology, and equipment.

Know more about [Foreign direct investment \(FDI\)](https://byjus.com/foreign-direct-investment/).

Trends in FDI in recent years

Trends in FDI in recent years

Financial Year	Amount of FDI inflows (in USD billion)
2018-19	62.00
2019-20	74.39
2020-21	81.97
2021-22	83.57

Image Source: PIB

Image source: PIB[/caption]

- India is emerging as a country preferred for foreign investments in the manufacturing sector.
 - FDI inflows in Manufacturing Sectors have raised by 76% in FY 2021-22 (USD 21.34 billion) compared to FY 2020-21 (USD 12.09 billion)
- FDI inflows have increased by 23% after the COVID pandemic compared to FDI inflow reported pre-COVID.

Trends in FDI in FY 2021-22

- Top FDI inflow contributors:** Singapore is the biggest source of FDI accounting for 27%, followed by the U.S.A (18%) and Mauritius (16%).
- Top FDI inflow recipient States:** Karnataka is the top recipient state accounting for 38% of the total FDI inflow, followed by Maharashtra (26%) and Delhi (14%).
 - The majority inflow of FDI to Karnataka is seen in sectors such as Computer Software & Hardware, Automobile Industry and Education.
- Top FDI inflow recipient sectors:** Computer Software & Hardware is the top recipient sector with around 25% share followed by Services Sector (12%) and Automobile Industry (12%).
 - Under the Computer Software & Hardware sector, the major recipient states are** Karnataka (53%), Delhi (17%) and Maharashtra (17%).

Government's initiatives to boost FDI

- The government has formulated a liberal and transparent policy for FDI, which has resulted in most of the sectors being open to FDI under the automatic route.
- The government has undertaken various reforms in sectors like coal mining, contract manufacturing, digital media, single-brand retail trading, civil aviation, defence, insurance and telecom which has further simplified and liberalised FDI inflows policies.

Nut Graf

Measures undertaken by the Government in recent years have resulted in an increase in the FDI inflow into the country. The Government must further review FDI policies and introduce significant reforms to extend the ease of doing business and attract more investments.

D. GS 4 Related

Nothing here for today!!!

E. Editorials**Category: INTERNATIONAL RELATIONS****1. The neighbourhood in turmoil, lessons for India**

Syllabus: *GS II, International Relations, India and its neighbourhood relations*

Prelims: *BIMSTEC, SAARC*

Mains: *Reforming and restructuring the neighbourhood policy of India*

Context: The article offers a discussion on India's transition to a more friendly and strategically viable neighbourhood policy.

An overview: The background in brief

- India, over the years, has sustained in the midst of sensitivities that have a huge impact on its national security and territorial integrity.
- The Indian subcontinent has been under perennial threats from China's aggressive expansionist policies, cross border terrorism facilitated by Pakistan, extremist ideologies disturbing the internal peace and security of the northeast region and other forms of illegal activities through the [Golden Crescent](#) and Golden triangle.

- The year 2016 introduced a new method of treating the hostile neighbours of India with the aid of a muscular foreign policy alarming them with the bitter consequences of infringing India's national security.
- It was evident that India would be willing to use all its levers to prevail over any uncooperative South Asian neighbour.

The transition:

- With the gradual progress of time, the muscular approach did not work well as the central dogma of India's neighbourhood policy.
- Therefore, a prominent transition was witnessed in New Delhi's approach to a more consensual, conciliatory and amiable neighbourhood policy.
- The new approach intended to promote the national interest in the region through soft power diplomacy.
- The transition is also backed by the fact that the neighbouring democracies (at that time) like Myanmar, Nepal, Afghanistan, Pakistan and Sri Lanka have undergone non-electoral changes that have an influence on India's national interests.
- New Delhi abandoned its uniformly muscular "one size fits all" approach to the region.
- In the case of Myanmar, the government of India continued its engagement with the military junta that overthrew the National League for Democracy (political outfit led by Aung San Suu Kyi).
- Keeping its neutral stance intact regarding the ongoing developments in the neighbourhood, especially with respect to Pakistan and Afghanistan, India has tried to strengthen its diplomatic ties in the region.
- The visit of Prime Minister Modi to Lumbini has been a testimony of India's intent to advocate the doctrine of friendship in the neighbourhood and its attempt to promote cultural diplomacy. This was a welcoming move to better the [India-Nepal](#) relationship.
- India's transition has also been reflected in the focus of New Delhi on people in the neighbourhood rather than just those in power.

India as a friendly neighbour:

- The emerging friendly approach towards neighbouring countries entailed high-level visits, trade agreements, collaborations in developmental and infrastructure projects, and extension of lines of credit.
- India's compassionate behaviour towards its friendly neighbours like Bangladesh, Bhutan, Nepal and Myanmar was exemplified during the pandemic through the delivery of vaccines.
- India has been active in extending humanitarian aid to its neighbouring countries.
- Financial assistance along with the supply of essentials from India was rendered to Sri Lanka in the midst of the ongoing crisis in the island country.

Read more about Sri Lankan Crisis in [Perspective, Sansad TV](#)

China's Debt Trap: A major challenge

- It is alleged that China, in order to expand its global influence along with its political, economic and military strategies, has been extending loans to financially vulnerable states, thereby paving a way to intrude into the sovereignty of such states.
- This practice, over the gradual progress of time, has taken the shape of a debt trap.
- Many experts define it as China's Debt Trap Diplomacy.
- China has emerged as the biggest official creditor with its international loans reported to surpass more than 5% of the global GDP.
- Under this, China lends money to the borrowing country without gauging the country's creditworthiness. This leads to a huge burden on the borrowing country leveraging China's vested interests.
- The debt trap can be prominently identified in Pakistan which is China's sole strategic ally. Under extensive loans borrowed from China, Pakistan has given it exclusive rights coupled with a tax holiday, to run Gwadar Port for the next four decades. About 91% of the port revenues from Gwadar port as a part of CPEC would go to China.
- In this way, China has successfully converted big loans given to small island countries into the acquisition of entire islets through exclusive development rights. It has enhanced its influence over a couple of islands in the Indian Ocean archipelago of the Maldives and one island in the South Pacific nation of the Solomon Islands.
- The Belt and Road Initiative ([BRI](#)) is central to the debt trap diplomacy of China.

The China Factor of the Sri Lankan Crisis:

- Sri Lanka has transferred the [Hambantota Port](#), along with more than 6000 hectares of land around it, to Beijing on a 99-year lease. This has been an outcome of Sri Lanka's failure to repay the infrastructure loans borrowed from China.
- The 99-year lease is a concept that derives its roots from the European colonial expansionism that has taken the form of China's aggressive expansionist policies in the 19th century.
- China is involved in more than 50 projects in Sri Lanka which are much beyond trade and economic considerations.
- Gaining political and security leverage against India in the Indian Ocean Rim is the real intention of China which can be well realised through its strategic [String of Pearls](#).

Shaping the way ahead:

- It is an emphasised demand that the Government of India must explore new avenues to energise regional groupings or provide more impetus to the existing grouping like [BIMSTEC](#).

- There must be efforts, according to the experts, to revamp [SAARC](#) in order to promote economic prosperity through
 - Tourisms
 - Exports
 - Labour exchange
 - Building common pools of food and fuel
 - Mitigating inflationary blows on the South Asian economy
 - Strengthening cultural networks
- It is envisaged that for a better understanding of future challenges rattling India's policy, the government should not only analyse the implications of changes in the socio-economic and political dynamics of neighbouring countries but also assess and consider the notion of the neighbouring countries towards India.
- A consensus within the South Asian region will contribute to a stable and prosperous region.

Nut Graf

An understanding of the views of neighbouring countries regarding India is necessary for a better assessment of future challenges for India's domestic policies.

Category: SECURITY**1. Talking Peace, negotiating with the Maoists**

Syllabus: *GS III, Security, Spread of extremism*

Prelims: *Maoism*

Mains: *Estimating the role of negotiations to mitigate the violent implications of extremism backed by Maoist ideology.*

Context: The government of Chattisgarh is all set to engage in peaceful negotiations with the Maoists under certain conditions.

Delving deeper:

- For a long period of time, many parts of India have been struggling with the threats imposed by Maoist extremists.
- The Government of Chattisgarh took the initiative to indulge in peace talks with the extremist group provided they laid down arms and expressed their faith in the Indian Constitution.

- It was alleged by a spokesperson of the Maoist group that the government proposal and conditions for peace talks lacked clarity and the conducive ambience for talks was absent.
- The state government has been accused of not implementing the [PESA Act](#).
- There has been discontent that the talks held earlier between the government and the Maoist groups had failed.

Conditions put forth by the Maoists:

- Lifting of the ban on their party (People's Liberation Guerilla Army) and people's organisation
- Withdrawal of security forces from camps
- Release of jailed leaders in order to participate in the talks

Were the demands accepted by the government?

- On the grounds of maintaining internal security, the government did not pay heed to the demand put forward by the Maoist leaders.
- As a result, there was no progress that took place to resolve the existing issues.
- This encouraged the extremist group to continue to spread violence and threats in the region.

Read more about [Left Wing Extremism](#) in the linked article.

Ways suggested:

- Considering the background of failed talks between the government and the extremist groups, it can be concluded that Maoists' demand for withdrawal of armed forces can be met by a mutually agreed 'ceasefire' with its limited meaning of abjuring violence by the group.
- For a period of time, the security forces can keep the Maoist operations under check.
- It must be addressed before any decision is made that the State government cannot afford the risk of moving out security forces as a pre-condition for initiating peace talks.
- As the government is putting efforts to implement PESA in the sensitive areas of Chhattisgarh and it is also actively speeding up the process of withdrawing the criminal cases against the local communities, there are chances of a peaceful settlement between both the parties.
- Therefore, moving ahead with the lessons learned, suitable modalities may be worked out if both sides are serious about peace talks.

Nut Graf

Peaceful negotiations can broaden the possibility to dilute the violence spread by Maoists offering a roadmap for a stable, uninterrupted and sustainable internal security.

Nothing here for today!!!

G. Tidbits

1. Welfare schemes should reach every beneficiary, urges Modi

- The Prime Minister spoke about reaching a “saturation” point in the implementation of welfare schemes.
- The PM said that the saturation point must not only be a statistical aim but also address the challenges of discrimination, nepotism, appeasement and corruption.
- He further said that this aim was conveyed during his Independence Day when he spoke about reaching out to hundred percent labharthis or beneficiaries.

2. Govt. to roll out ‘Tour of Duty’ recruitment in Army

- The government is planning to introduce a Tour of Duty (ToD), for the short term recruitment of jawans into the three Services of the armed forces for a period of four years which is said to be a first-of-its-kind model.
- Four years will include six months of training and three-and-a-half years of service and those selected under ToD would get salary and benefits almost at par with regular personnel.
- This move is said to cut down the funds used for pay and pensions and would free up funds for defence modernisation.

3. Norms eased for GM crop research

- The Department of Biotechnology (DBT) has notified “Guidelines for Safety Assessment of Genome Edited Plants, 2022” intended to ease the norms for research into [genetically modified \(GM\) crops](#) and address the challenges of using foreign genes to change crops profile.
- The guidelines exempt researchers who use gene-editing technology to modify the genome of the plant from seeking approvals from the [Genetic Engineering Appraisal Committee \(GEAC\)](#).
 - The GEAC evaluates research into GM plants and recommends, or disapproves, their release into farmer fields and the final decision is taken by the Environment Minister and States where such plants are cultivated.
- The GM plants which require scrutiny are those with transgenic technology (genes induced from a different species into a plant).

- **Example:** BT-cotton, where a gene from soil bacterium is introduced to protect it from pests.
- The major cause of concern is regarding the spreading of these genes to other plants.
- **Genome editing** uses technologies that allow genetic material to be added, removed, or altered at particular locations in the genome. **CRISPR-Cas9** is the most famous genome editing technique.

H. UPSC Prelims Practice Questions

Q1. CRISPR-Cas9 Gene Editing tool can be used in developing which of the following applications? (Level – Difficult)

1. Allergy-free foods
2. Greener fuels
3. Eradicating pests

Options:

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

Answer: d

Explanation:

- CRISPR stands for Clustered Regularly Interspaced Short Palindromic Repeats. It is a component of bacterial immune systems that can cut DNA and has been repurposed as a gene-editing tool.
- CRISPR-Cas9 Gene Editing tool can be applied in the development of cell and gene therapies, diagnostics, and in the field of agriculture and bioenergy.

Q2. Consider the following statements: (Level – Medium)

1. The first municipal corporation in India was set up at Madras.
2. Lord Mayo's Resolution of 1870 has been hailed as the 'Magna Carta' of local self-government.
3. An individual should be of at least 25 years old to contest in municipal elections.

Which of the statements given above is/are correct?

- a. 1 only

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

Answer: a

Explanation:

- **Statement 1 is correct**, the first municipal corporation in India was set up at Madras in 1687-88.
- **Statement 2 is not correct**, **Lord Ripon's Resolution of 1882** has been hailed as the 'Magna Carta' of local self-government.
 - Ripon is also called the father of local-self government in India.
- **Statement 3 is not correct**, Minimum age for contesting in municipal elections institutions is **twenty-one years**.

Q3. With respect to retinoblastoma, which of the following statements is/are incorrect? (Level – Medium)

- 1. It is an eye cancer that begins in the retina and affects young children only.
- 2. In children with retinoblastoma, the disease affects only one eye.

Options:

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

Answer: c

Explanation:

- **Statement 1 is not correct**, Retinoblastoma is an eye cancer that begins in the retina, it mostly affects young children, but can rarely occur in adults.
- **Statement 2 is not correct**, Retinoblastoma may occur in one or both eyes.

Q4. Nagorno-Karabakh is a territorial conflict between (Level – Easy)

- a. Greece and Turkey
- b. Armenia and Azerbaijan
- c. Iraq and Kuwait

d. Israel and Palestine

Answer: b

Explanation:

- Nagorno-Karabakh is a landlocked mountainous region in the South Caucasus.
- It is a forested region and geographically lies within the boundary of Azerbaijan.
- It is a disputed territory between Azerbaijan and Armenia.

Q5. What was the exact constitutional status of India on 26th January 1950? (Level – Easy)
[UPSC 2021]

- a. A Democratic Republic
- b. A Sovereign Democratic Republic
- c. A Sovereign Secular Democratic Republic
- d. A Sovereign Socialist Secular Democratic Republic

Answer: b

Explanation:

- The original Preamble, adopted by the Constituent Assembly in 1950, declared India a “Sovereign Democratic Republic”.
- The words “Socialist” and “Secular” were inserted by the 42nd Amendment of 1976.
- The Preamble now defines India’s constitutional status as “Sovereign Socialist Secular Democratic Republic”.

I. UPSC Mains Practice Questions

1. How is Foreign Direct Investment (FDI) different as compared to Foreign Portfolio Investment (FPI)? Elaborate on the multiple routes through which FDI is permitted in India with examples. (250 words; 15 marks) (GS III - Economics)
2. A more conciliatory approach towards our neighbourhood has always paid more dividends for India as compared to a confrontational approach. Discuss. (250 words; 15 marks) (GS II - International Relations)