

## 28 Jun 2022: UPSC Exam Comprehensive News Analysis



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*Nothing here for today!!!*

## B. GS 2 Related

### Category: INTERNATIONAL RELATIONS

#### 1. The significance of Sajid Mir's conviction in Pakistan

*Syllabus: Important International Institutions, agencies and fora - their Structure, Mandate.*

*Prelims: FATF- Organization and powers*

*Main: Efficacy of International organizations in getting Pakistan in taking action against terrorism*

#### Context:

- Sajid Mir, the mastermind behind the [2008 Mumbai terror attacks](#), has been convicted on charges of terror financing by a Pakistan anti-terrorism court.
  - The conviction of Sajid Mir is the most significant action taken by Pakistan against Mir, given its mostly lackadaisical approach in prosecuting those involved in the Mumbai terror attacks despite the availability of overwhelming evidence against them. A similar attitude has also been shown by Pakistan in the case of the founder of the Jaish-e-Muhammad (JeM), Masood Azhar as well.

#### Factors behind Pakistan's actions:

- The recent move by Pakistan is largely being seen as a move by Pakistan to **get itself off the grey list of the [Financial Action Task Force](#)**, the international counter-terror financing and anti-money laundering body.
  - Pakistan has been on the “grey” list of the FATF, since June 2018.
- The move is aimed at convincing the FATF and its affiliated bodies that Pakistan is serious about addressing concerns involving terror financing. Continued presence on the grey list would have **serious financial and economic implications for Pakistan**.

#### Pakistan's double standards:

- While Lashkar chief Hafiz Saeed was sentenced to jail time on terror funding charges, in November 2020, Zaki-ur-Rehman Lakhvi, the military chief of the Lashkar has never been prosecuted for his role in the 2008 Mumbai attacks.
- This is indicative of the fact that **Pakistan protects terrorist organizations acting against India** and proceeds against them only when forced.
  - Unlike terrorist groups such as the Tehreek-e-Taliban Pakistan (TTP) or the Jaish-e-Mohammed (JeM), the Lashkar is not known to have conducted any terror strikes inside Pakistan. The Lashkar has been nurtured and used by the Pakistani Inter-Services Intelligence (ISI) Directorate against India as part of its **strategy to use non-state actors to commit acts of terrorism in India**.

Nut Graf

*The conviction of Sajid Mir, the mastermind behind the 2008 Mumbai terror attacks is part of Pakistan's efforts to get itself off the FATF grey list. This is indicative of the efficacy of international organizations like the FATF to force Pakistan to take action against terror financing.*

## C. GS 3 Related

*Nothing here for today!!!*

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

### Category: ECONOMY

#### 1. States, freebies and the costs of fiscal profligacy

*Syllabus: Government Budgeting.*

*Prelims- Extra budgetary borrowings*

*Mains- Concerns with freebie political culture and recommendations to curtail it.*

#### Background:

- A growing number of political parties have resorted to a freebie political culture and have been successful in winning elections by building vote banks.
- This issue has been raised by senior bureaucrats at a meeting with the Prime Minister.

#### Concerns:

- The freebie culture brings with it the threat of serious **financial unsustainability**. This could push the state into unsustainable debt.
- There are also doubts over whether such populist expenditure amounts to the best possible use of public money and the **opportunity costs** of such expenditure. Such expenditure often comes at the cost of diversion of expenditure on physical capital, which can potentially improve growth and generate jobs.
- Despite some arguments that the State finances are in good health and are found to be in conformance to the **Fiscal Responsibility and Budget Management (FRBM) targets**, this aspect is misleading since much of the borrowing that funds these freebies happens off-budget (extra-budgetary borrowings), hence remains concealed. This aspect has been also pointed out by the Comptroller and Auditor General of India (CAG).

#### Recommendations:

- There is a need to have institutional checks and balances to curtail the freebie culture. Given the limited role that the opposition can play in this regard, constitutional bodies like the **CAG** through its audits should be empowered to play a bigger role. In this regard, the article makes the following suggestions.
  - The FRBM Acts of the Centre as well as States need to be amended to ensure more **transparent disclosure of their liabilities**. The disclosure provision under the current FRBM provisions should be made extensive and should be expanded to cover all liabilities whose servicing obligation falls on the Budget or could potentially fall on the Budget, regardless of any other condition.
  - The **Union government should consider imposing conditionalities on States** on their borrowing regime. This should be based on well-defined and objective criteria lest this could lead to a political blame game between the centre and the states.
    - As per the provisions of the Indian Constitution, States are required to take the Centre's permission when they borrow.
  - To get states into following a financially sustainable expenditure, the Union government through the President might also consider using the weapon of imposing a financial emergency in any State if the financial stability of that state is threatened.
- Instead of spending public money on freebies, governments should ideally **invest such money in physical and social infrastructure**. Such expenditure will be able to create a virtuous cycle of higher growth and higher revenues in the future and such expenditure will pay back for itself unlike in the case of populist giveaways.

## Nut Graf

*The political freebie culture is not economically sustainable and all measures need to be taken to curtail it. In this regard, there is the need to have institutional checks such as a more transparent disclosure under the FRBM regime and an empowered Comptroller and Auditor General of India to curtail such tendencies.*

## Category: INTERNATIONAL RELATIONS

### 1. Modi's two summits: UAE trumps G7

**Syllabus:** *Bilateral, Regional and Global Groupings and Agreements involving India and/or affecting India's interests.*

**Mains:** *Significance of the India-UAE bilateral relationship and recommendations to strengthen this relationship.*

#### Context:

- Indian Prime Minister is scheduled to attend two summits in the coming week - **the 48<sup>th</sup> G7 summit in Germany** and a **bilateral summit in Abu Dhabi with the UAE President**. Though the G7 summit is being highlighted in the media, the article argues how the bilateral summit with UAE is also equally important given the significance of the India-UAE relationship.

#### Significance of India-UAE bilateral relationship:

- **UAE is a large trading partner of India.** The bilateral trade between the two countries has grown by 68% in 2021-22 to \$72.9 billion, a new record. India is the UAE's second-largest trading partner, and largest source of tourists and manpower. Notably, the UAE market is an important export market for Indian goods and services.
- **UAE is a substantial investor in India.** In fact, UAE is a bigger investor in India in 2021 than Germany and France combined. Notably, UAE has signed a bilateral **Comprehensive Economic Partnership Agreement (CEPA)** with India.
- A large Indian diaspora stays in UAE and they account for the largest share of **inward foreign remittances for India.**

### Way forward for the India and UAE relationship:

- The Abu Dhabi summit should be used to recalibrate the bilateral ties between India and UAE. In this regard, the article makes the following recommendations.
  - Opportunities for mutual benefits should be prioritized.
  - **India offers a lucrative market for investments from UAE.** UAE would find it financially rewarding to invest in one of the world's fastest-growing major economies, India. This would be a win-win opportunity for both countries.
- Given the large employment opportunities available for Indian emigrants in UAE, India should consider adequately skilling and training such emigrants to enlarge the job opportunities for Indians.
- At the international level, India and UAE must collaborate and co-operate for reconstruction efforts in war-ravaged regional countries such as Yemen, Syria, Somalia, Iraq, Libya and Afghanistan. This would help increase the regional standing of the two countries and also ensure peace and security in the region.
- At the bilateral level, the two countries should seek more collaboration in the **domain of internal security and anti-terrorism.**

### Nut Graf

*The India-UAE relationship holds immense potential for both the countries and all efforts must be made to strengthen this relationship further.*

## F. Prelims Facts

*Nothing here for today!!!*

## G. Tidbits

### 1. 'India's gig workforce to reach 2.35 cr. by 2030'

- According to a study released by **NITI Aayog**, the number of gig workers in India is estimated to be 77 lakh in 2020-21 and is expected to grow to 2.35 crore by 2029-30.
- One of the major concerns with this **platformisation of work** is that platform labour falls outside of the purview of the traditional classification of formal and informal labour and hence misses out on many aspects of workplace protection and entitlements.
- In this direction, NITI Aayog has recommended a balanced framework that balances the flexibility offered by platforms while also ensuring the **social security of workers.** The NITI Aayog has

recommended providing paid leave, occupational disease and accident insurance, support during irregularity of work and pension plans.

- NITI Aayog has also recommended introducing a ‘**Platform India initiative**’ on the lines of the ‘Startup India initiative’.

## 2. PM invites G7 nations to invest in clean energy

- Speaking at a special session of the [G7](#) summit in Germany, named ‘**Investing in a better future: Climate, Energy, Health**’, the Indian Prime Minister noted the emergence of the clean energy sector as a major domain in India.
- The Indian Prime Minister called on developed economies to come forward to invest in research, innovation, and manufacturing in this sector.

## 3. India, Malaysia discuss defence ties

- In a meeting between the Indian and Malaysian Defence Ministers, the two discussed the scope for cooperation and collaboration between the two countries in the defense and internal security segment under the existing **Malaysia India Defence Cooperation Meeting (MIDCOM) framework**.
- India would be able to supply critical defence equipment to Malaysia apart from helping Malaysia upgrade its capability for Humanitarian Assistance and Disaster Relief (HADR) operations.

## H. UPSC Prelims Practice Questions

Q1. Consider the following statements with regards to the anti-defection law:  
(Level - Easy)

1. The law originally protected the Speaker’s decision from judicial review.
2. This safeguard was struck down in *Kihoto Hollohan v. Zachillhu and Others* (1992).
3. MPs and MLAs disqualified under the anti-defection law are barred from contesting elections for a period of 6 years.

Choose the correct code:

- a. 1 & 2 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. All of the above

Answer: a

Explanation:

- Under the anti-defection law, there is no provision for barring a disqualified MP or MLA from contesting an election.

**Q2. Consider the following statements with regards to Small Savings Schemes:**  
(Level - Easy)

1. Collections from all small savings instruments are credited to the National Small Savings Fund (NSSF).
2. Small Saving Schemes can be grouped under three heads: Post Office Deposits, Savings Certificates and Social Security Schemes.
3. Sukanya Samriddhi scheme is also a part of the Small Savings Schemes.

**Choose the correct code:**

- a. 1 & 2 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. All of the above

**Answer: d**

**Explanation:**

- Small Saving Schemes comprise 12 instruments. Small savings instruments can be classified under three heads:
  - Postal Deposits (comprising savings account, recurring deposits, time deposits of varying maturities and monthly income scheme).
  - Savings Certificates: National Small Savings Certificate (NSC) and Kisan Vikas Patra (KVP).
  - Social Security Schemes: Sukanya Samriddhi Scheme, Public Provident Fund (PPF) and Senior Citizens' Savings Scheme (SCSS).
- Collections from all small savings instruments are credited to the National Small Savings Fund (NSSF).

**Q3. Consider the following statements: (Level - Difficult)**

1. Union Education Ministry released the Performance Grading Index (PGI) for States and Union Territories which is used as a tool to provide insights on the status of school education in States and UTs.
2. It is initiated and implemented by the Department of School Education and Literacy (DoSEL).
3. As per PGI of 2019, none of the States has districts in the top category, called the 'Daksh' category which is equal to scoring above 90% points.

**Choose the correct code:**

- a. 1 & 2 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. All of the above

**Answer: d**

**Explanation:**

- Union Education Ministry releases the Performance Grading Index (PGI) for States and Union Territories. It is initiated and implemented by the Department of School Education and Literacy (DoSEL).

- The index assesses the performance of the school education system at the District level by creating an index for comprehensive analysis. It is used as a tool to provide insights into the status of school education in States and UTs.
- PGI-D grades the districts into ten grades:
  - Daksh - highest achievable grade - for Districts scoring more than 90% of the total points in that category or overall.
  - Akanshi-3 - lowest grade - for scores up to 10% of the total points.
- As per PGI of 2019, none of the States has districts in the top category, called the 'Daksh' category which is equal to scoring above 90% points.

**Q4. Consider the following statements with regards to the World Bank Group:**  
(Level - Easy)

1. IDA is part of the World Bank that helps the world's poorest countries by offering low or no interest loans.
2. India is a member of all bodies under the World Bank group.
3. The International Centre for Settlement of Investment Disputes (ICSID) was established in 1966 by the Convention on the Settlement of Investment Disputes between States and Nationals of Other States (the ICSID Convention).

**Choose the correct code:**

- a. 1 & 2 only
- b. 2 & 3 only
- c. 1 & 3 only
- d. All of the above

**Answer: c**

**Explanation:**

- India is a member of four of the five constituents of the World Bank Group viz., International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA).
- It is not a member of the International Centre for Settlement of Investment Disputes (ICSID).

**Q5. With reference to India, consider the following statements: (Level - Easy)**

1. There is only one citizenship and one domicile.
2. A citizen by birth only can become the Head of State.
3. A foreigner once granted citizenship cannot be deprived of it under any circumstances.

**Which of the statements given above is/are correct?**

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



Answer: a

Explanation:

- **Statement 1 is correct.** The Indian Constitution provides for only single citizenship, that is, Indian citizenship. The citizens in India owe allegiance only to the Union. There is no separate state citizenship. There is only one domicile allowed in India. Domicile Certificate can be made only in one State/UT. In 2010, the Uttarakhand High Court declared that there is no separate domicile for each State and there is only one domicile for the entire country.
- **Statement 2 is incorrect.** The President is the Head of the Indian State. In India, both a citizen by birth as well as a naturalised citizen is eligible for the office of President.
- **Statement 3 is incorrect.** A foreigner, who has been earlier granted Indian citizenship, can be deprived of his citizenship. His Indian citizenship can be terminated by the Central government, if: he has obtained the citizenship by fraud, he has shown disloyalty to the Constitution of India, he has unlawfully traded or communicated with the enemy during a war; he has, within five years after registration or naturalisation, been imprisoned in any country for two years; and he has been ordinarily resident out of India for seven years continuously.

## I. UPSC Mains Practice Questions

1. [Ignoring the protocol under Fiscal Responsibility and Budget Management \(FRBM\), if states continue with fiscal profligacy, they will be heading towards unsustainable high debt with catastrophic consequences for macro-economic stability. Suggest reforms to keep a check on freebie culture. \(15 Marks, 250 Words\) \(GS Paper 3/Economy\)](#)
2. [The idea of establishing the Digital University in India will transform the education landscape of the country. Critically Examine. \(10 Marks, 150 Words\)\(GS Paper 2/Education\)](#)