

## 23 Jul 2022: COMPREHENSIVE NEWS ANALYSIS

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*Nothing here for today!!!*

## B. GS 2 Related

### Category: INTERNATIONAL RELATIONS

#### 1. Russia, Ukraine seal grain exports deal

*Syllabus: Effect of policies and politics of developed and developing countries*

*Mains: Provisions and Significance of grain exports deal signed by Russia and Ukraine*

##### Context

Russia and Ukraine have signed individual agreements with Turkey and the United Nations which unblock Ukraine's exports across the Black Sea.

##### Background

- The events that followed post the war in Ukraine threatened the economy and food security across the world.
- Ukraine is one of the world's largest exporters of wheat, corn and sunflower oil, the [war in Ukraine](#) and the following naval blockade of its ports have hindered exports which has caused the inflation of the prices of crucial commodities such as wheat and barley.
  - Ukraine had alleged that Russia's blockade of ports and missile attacks from the Black Sea made it impossible for Ukraine to continue its shipments.
- The prevailing global shortages of food items (mainly grains) have had a significant impact on developing and underdeveloped countries.

##### Provisions of the grain exports agreement

- The deal which has been brokered by Turkey and the UN aims to put an end to the wartime standoff that had threatened food security across the world.
- The deal agreed provides for the setting up of safe corridors along which Ukrainian ships can enter and exit three designated Black Sea ports in and around Odessa.
  - This facilitates Ukraine to resume its global shipments of grains and other crucial commodities.
- The deal will also allow Russia to export its grain and fertilizers.
- Further, the deal provides for the establishment of a control centre in Istanbul to foresee and coordinate the process and will be staffed by U.N., Turkish, Russian and Ukrainian officials.

- The ships would be thoroughly inspected to ensure that they are not carrying weapons.

### **Significance of the grain exports deal**

- The deal is expected to benefit the developing and under-developing countries which are reeling on the edge of famine and on the verge of bankruptcy.
- The deal will also help in addressing the challenges of global food insecurity and inflation.
- The agreement also plays a key role in providing hope for the re-establishment of peace and order in the region.

***Nut graf:** The signing of the grain export deal by Russia and Ukraine is said to be a landmark move in the context of the war in Ukraine as it is their first deal since the onset of war and provides a ray of hope and possibility to put an end to the ongoing conflict.*

## **2. Antarctic Bill passed in LS**

***Syllabus:** Bilateral, regional and global groupings and agreements involving India*

***Prelims:** About Indian Antarctic Bill, 2022 and Antarctic Treaty*

***Mains:** Provisions and Significance of Indian Antarctic Bill.*

### **Context**

The Lok Sabha passed the Indian Antarctic Bill, 2022.

### **Details**

- The Indian Antarctic Bill, 2022 was introduced in Lok Sabha in April 2022.
- The main objective of the Bill is to ensure that India is committed to its obligations as a signatory to the [Antarctic Treaty](#).
- Aim: to regulate visits and activities to Antarctica and formulate rules for potential disputes that may arise among those present on the continent.

## **C. GS 3 Related**

*Nothing here for today!!!*

## **D. GS 4 Related**

*Nothing here for today!!!*

## E. Editorials

### Category: SOCIETY

#### 1. Being Sarna: a fight to define tribal identity

*Category: GS1- Society*

*Syllabus: Indian society and diversity – Salient aspects.*

*Mains: Protection of tribal identity against the resistance of the non-tribal world.*

**Context:** Hundreds of tribal men and women in traditional attire sat on a fast and staged a dharna at Jantar Mantar in New Delhi for inclusion of the Sarna code in the religion column in the next census.

In November 2020, the Jharkhand government passed a resolution to send the Union a letter to recognise the Sarna religion and include it as a separate code in the Census of 2021.

#### What is the Sarna religion?

- The followers of Sarna are nature worshippers who believe in protecting the forest areas. The holy grail of the faith is “Jal, Jungle, Zameen”.
- It is believed that 50 lakh tribal people in the entire country put their religion as ‘Sarna’ in the 2011 census, although it was not a code.

#### Politics around the faith:

- Tribals in Jharkhand are Sarna followers and do not consider themselves Hindus.
- Out of 32 tribal groups of Jharkhand, who make up 26% of the population, only a minor number of people identify themselves as Christian, Hindu, or Muslim.
- Implementation of a separate Sarna religious code in census surveys would allow the tribals to be identified as followers of the Sarna faith during Census 2021.
- With the Union Government dropping the “Others” option from the religion column for Census 2021, Sarna followers would be forced to either skip the column or declare themselves members of one of the six specified religions: Hindu, Muslim, Christian, Buddhist, Jain and Sikh and in the process damaging the separate identity of the tribals.

#### History of Tribal Identity:

- There was a separate category for the tribal population in earlier census surveys during 1871-1951 which was dropped later.
- Post-independence, the tribal identity has been about constitutional provisions promising to protect their rights and land. Yet, these tribal groups have never been recognised as separate

religious groups.

- The [National Commission for Scheduled Tribes](#) did recommend the addition of this code for the Census 2011.

#### **Need for the separate code:**

- Indigenous tribal people are often caught up in a battle to maintain their unique indigenous identity amid religious conversions and cultural assimilation of tribals who move out of forests.
- A separate code will restore the identity linked to the land and forests of Jharkhand in the context of long historical marginalization of Adivasi cultural and religious norms.
- The population of tribals in Jharkhand had declined from 38.3 per cent in 1931 to 26.02 per cent in 2011.
- A separate religious code will help in recording their population as the declining numbers affect the constitutional rights given to them and how the rights will be bestowed upon the Adivasis under the 5th Schedule of the Constitution.
- The inclusion of a separate Sarna religion code would help in the preservation of separate tribal identity both culturally and in terms of religion.

**Nut Graf:** *The protection of their unique language and history is an important aspect of Adivasis. Today, when there is global attention on reducing pollution and protecting the environment, it is important and wise that Sarna becomes a religious code as the soul of this religion is to protect nature and the environment.*

### **Category: ECONOMY**

#### **1. Despite pressures, the rupee's remarkable resilience**

**Category:** GS3-Economy

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

**Mains:** *Effects of rupee depreciation on the Indian economy*

**Context:** Recently, the rupee hit an all-time low against the dollar weakening past the 79 rupees to a dollar mark. But the depreciation has been relatively lower, unlike in previous times.

#### **Rupee Depreciation:**

- The Rupee has depreciated more than 7% against the U.S. dollar since the beginning of 2022.
- The dollar has strengthened against all currencies, emerging or developed. Even the historically strong euro and the British pound are weakening more than the rupee.
- Notably, current rupee depreciation has been relatively lower compared with past crises such as

the global financial crisis of 2008 and the Taper Tantrum of 2013 due to reduced external vulnerability measured in terms of a relatively high import cover and low short-term Tantrum.

- India's import cover is at over 7 months as compared to around twelve months in the current period.

### **Reasons behind currency depreciation:**

- Russia-Ukraine conflict leading to rise in crude oil prices and other imports.
- Widening [current account deficit](#).
- Growing risk-off sentiment as a result of geopolitical tensions.
- Strong dollar index
  - The dollar index strengthened by over 11% in 2022 so far, taking it to a 20- year high due to the rate hiking by the US Federal Reserve which appreciated the dollar value.
  - The dollar index is a measure of the dollar's value against a basket of 6 major currencies.
- Continuous sell-off by foreign portfolio investors due to global monetary policy tightening and higher risk-free returns being available in the U.S.
  - There is an FPI outflow of \$29.6 billion in Indian equity and debt.
  - With the prospect of more, sharp interest rate increases by the Federal Reserve to tame four-decade-high U.S. inflation are likely to do little to staunch the outflows.

### **Impact of weak rupee:**

- The export advantage due to the rupee's weakening has been countered with concurrent depreciation of currencies of India's competitors such as Malaysia, Bangladesh and South Korea.
  - Slower global demand also results in poor exports.
- Domestic manufacturers and service providers now have to pay higher dollar prices for the raw materials, equipment or other supplies they procure from overseas.
- Prices of a few import commodities such as oil, coal, gold, edible oil have risen due to the weak rupee thus impacting the imported component of inflation.
- It also affects the corporate debt denominated in dollars.
- A continuous decrease in exchange rate deters foreign investors from making fresh investments, which keep losing value in dollar terms.

### **RBI Measures to address rupee depreciation:**

- The Reserve Bank of India (RBI) has made timely interventions in the spot and forward foreign exchange markets to arrest the rupee depreciation.
- It has announced various measures to liberalize foreign inflows and make them more attractive. They are,
  - Promoting trade settlements between India and its trade partners in rupee terms.
  - Offering higher interest rates on fresh Foreign Currency Non-Resident (Bank) and



Non-Resident External deposits.

- Interest rate relaxation and amount ceiling for External Commercial Borrowing loans.

### Way Forward:

- The Government could promote some of the large market cap companies to be added to the major global indices such as MSCI and FTSE.
  - This will help increase the weight of Indian equities in these indices, compensating for foreign portfolio outflows.
- Any excessive capital inflow leading to an appreciation of the currency should be avoided.

**Nut Graf:** The rupee's real effective exchange rate ([REER](#)), indicates that the Indian currency is still overvalued and can further depreciate. Although India has adequate forex reserves the RBI will need to judiciously utilize every dollar to ensure that global uncertainty, high commodity prices and rising U.S. interest rates do not add more undue pressure on the rupee. The maintenance of the U.S.-India interest rate differential along with timely foreign exchange market interventions by RBI to manage volatility will aid in preserving the rupee value against the dollar.

## Category: INTERNATIONAL RELATIONS

### 1. Union of the sanctioned

**Category:** GS2-International Relations

**Syllabus:** Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

**Mains:** Strategic relationship between Russia and West Asia

**Context:** Russian President Vladimir Putin is visiting Iran as his first visit outside the former Soviet sphere since Russia's invasion of Ukraine.

### Introduction:

- Russia, Iran and Turkey in a trilateral meeting are expected to discuss the nuclear deal and regional crises such as the [Syrian conflict](#).
- Russian President Vladimir Putin and Turkish President Recep Tayyip Erdogan discussed the Syrian civil war and a United Nations proposal to allow grain exports from Ukrainian ports via the Black Sea.

### New Dimension of Iran-Russia Relationship:

- With existing strategic partnerships and having worked together in the Syrian conflict, Russia

and Iran have a close relationship.

- The Ukraine-Russia war and the following western sanctions on Russia have added a new dimension to the partnership as even Iran is also under western sanctions.
- In recent years, after the unilateral exit of the U.S. from the 2015 [Iran nuclear deal](#), Iran is building its partnership with both Russia and China, which was termed a **“look-to-the-East geopolitical orientation”** by German-Iranian political scientist Ali Fathollah-Nejad.
- Russia, to tackle western sanctions and accelerate the pace of the wars, is seeking to build a coalition with Iran by deepening an economic, defense and strategic partnership.
  - Recently, both countries signed a \$40 billion energy memorandum of understanding where Russia’s Gazprom would work with the National Iranian Oil Company in developing energy fields and building LNG projects and pipelines.
- The visit has also highlighted the importance of West Asia in a time of great power rivalries as the U.S. President Mr. Joe Biden recently warned America’s traditional allies against Russia, China and Iran gaining greater influence in the region.

#### **What can Russia learn from the Iran sanction?**

- Russia has been hit with various sanctions against businesses, banks and individuals over the Ukraine war.
- Iran, with its years of experience in defending itself against Western sanctions, can help Russia in countering those sanctions.
  - Iran has built a network that uses front companies and devious transactions to launder money and evade sanctions, which some believe may be offered for Russian use.
- With some Russian banks cut off from the SWIFT international payments system, Moscow is developing an alternative in which Iranian banks could be included.
- Beyond providing drones, Iran can also help Russia evade sanctions and potentially collaborate on the manufacture of weapons systems that are less dependent upon supply chains through Western countries.

**Nut Graf:** *Both countries should work together to overcome the western sanctions. This will give Iran a new opportunity to stimulate its sanctions-starved economy, with Russian businesses that had been focused on trade with the West now racing to find new markets and suppliers. Expanding collaboration in finance and banking can help Russia move away from using the dollar to denominate their trade.*

## **F. Prelims Facts**

### **1. National Film Awards**

**Syllabus:** *GS-2; Governance; Government policies and interventions for development in various sectors*



## *Prelims: About National Film Awards*

### Context

The announcements of 68th National Film Awards-2020

### National Film Awards

- The National Film Awards is one of the most prestigious and anticipated events in the country.
- National Film Awards was established in **1954** and the first set of awards was given for the films of 1953.
- The awards are given in three sections – Features, Non-Features and Best Writing on Cinema.
- It is presented by the **Directorate of Film Festivals** which works under the Union Ministry of Information and Broadcasting.
- The awards are announced on an annual basis and the **President of India** presents the awards to the winners.
- **Aim:** To encourage the production of films of aesthetic and technical excellence and social relevance contributing to a better understanding of the cultures of different regions of the country which eventually promotes unity and integrity of the nation.
- The winners of the awards are decided by the Jury which consists of distinguished individuals in the field of cinema, other allied arts and humanities.

## G. Tidbits

### 1. Display Tricolour at home from August 13-15, PM urges people

- The Prime Minister of India urged the citizens to hoist or display the National Flag at their homes from August 13 to August 15 as part of the **Har Ghar Tiranga initiative**.
- The Har Ghar Tiranga movement is visualised to deepen citizens' connection with the National Flag.
- In order to facilitate the campaign, the Union Home Ministry amended the **Flag Code** in 2021 to allow flags to be polyester and machine-made which earlier permitted only hand-woven or hand-spun flags to be made.
- The Constituent Assembly of India adopted the Swaraj Flag as the National Flag of Sovereign India with the Ashok Chakra replacing the spinning wheel on **July 22, 1947**.

### 2. 'Saudi, UAE recorded most deaths of Indian workers'

- The government said that Saudi Arabia and the UAE, which are members of the [Gulf Cooperation Council \(GCC\)](#) experienced the largest number of deaths of Indian workers during the period 2019-2021.
- In Saudi Arabia, about 3,753 Indian workers died in 2020 and over 2,328 deaths were reported in 2021 and 2,353 in 2019.
- In the UAE, about 2,454 Indian workers died in the UAE in 2020 compared with 1,751 in 2019 and 2,714 in 2021.
- The years 2020 and 2021 years were marked by the pandemic which impacted the health and employment of these workers. However, there is no data on the number of deaths caused due to bad working conditions in these countries.

## H. UPSC Prelims Practice Questions

**Q1. Consider the following statements with regards to the Upper House of the Indian Parliament:(Level – Easy)**

1. The Government of India Act, 1919 provided for a second federal chamber or the “Council of States”.
2. The members of the Rajya Sabha are elected by the members of the state legislative assemblies based on proportional representation.
3. The Rajya Sabha exercises the ability to create new All-India Services under Article 312 by passing a resolution subject to support and voting by two-thirds of members.

**Choose the correct code:**

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

**Answer: d**

**Explanation:**

- **Statement 1 is correct**, The origin of the Rajya Sabha can be traced to the Montague-Chelmsford report of 1918 and the Government of India Act, 1919, which provided for a second federal chamber or the "Council of States".
- **Statement 2 is correct**, Members are elected by the elected members of state legislative assemblies based on the **Proportional Representation by means of a Single Transferable Vote**.

- The population of the state is a factor that decides the representation of states in the Rajya Sabha.
- **Statement 3 is correct**, The Rajya Sabha exercises the ability to create new All-India Services under Article 312 by passing a resolution subject to support and voting by two-thirds of members.

**Q2. Consider the following statements with regards to Indian government's commitments to fight against climate change: (Level – Medium)**

1. A 75-day-long awareness campaign, “Swachh Sagar, Surakshit Sagar” has been launched on July 5.
2. A mobile app, “Eco Mitram”, has been launched to spread awareness about the campaign and facilitate the registration of volunteers.
3. Goal 14 of the UN Sustainable Development Goals calls for the conservation and sustainable use of the oceans, seas, and marine resources.

**Choose the correct code:**

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

**Answer: d**

**Explanation:**

- **Statement 1 is correct**, A 75-day-long awareness campaign, “Swachh Sagar, Surakshit Sagar” has been launched on July 5 2022.
  - Under this, a massive coastal clean-up drive is undertaken that will cover 75 beaches across the country and there will be 75 volunteers for every kilometre of the coastline as a part of 75 years of Indian Independence.
- **Statement 2 is correct**, “Eco Mitram” is a mobile app that has been launched to spread awareness about the campaign and also for the common people for voluntary registration for the beach cleaning activity.
- **Statement 3 is correct**, SDG Goal 14 calls for the conservation and sustainable use of the oceans, seas and marine resources.
  - Target 14.1 seeks to “prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution” by 2025.

**Q3. Consider the following statements with regards to India's Antarctic Expeditions:**  
**(Level – Medium)**

1. India maintains two research stations on the continent: 'Maitri' (commissioned in 1989) at Schirmacher Hills and 'Himadri' (2012) at Larsemann Hills.
2. At 14,000,000 square kilometres, Antarctica is the fifth-largest continent.
3. India had been a signatory to the Antarctica Treaty since 1983.

**Choose the correct code:**

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

**Answer: b**

Explanation:

- **Statement 1 is not correct**, The Indian Antarctic programme includes three permanent research base stations in Antarctica—named Dakshin Gangotri, Maitri, and Bharati.
  - At present, India has two operational research stations in Antarctica named **Maitri** (since 1989) on the Schirmacher Oasis and **Bharati** (commissioned in 2012) in Larsmann Hill.
  - **Himadri** is India's first permanent **Arctic research station** located at Spitsbergen, Svalbard, Norway
- **Statement 2 is correct**, Antarctica with an area of 14,200,000 sq. km. is the **fifth-largest continent** and is nearly twice the size of Australia and larger than Europe.
- **Statement 3 is correct**, India had been a signatory to the Antarctica Treaty since 1983.

**Q4. Consider the following statements with regards to Insolvency and Bankruptcy code:**  
**(Level – Difficult)**

1. It lays down clear-cut and faster insolvency proceedings to help creditors, such as banks, recover dues and prevent bad loans, a key drag on the economy.
2. Distressed Corporate Debtors (CDs) are permitted to initiate a PIRP with the approval of half of their creditors to resolve their outstanding debt under the new mechanism.
3. Unlike in the case of the Corporate Insolvency Resolution Process (CIRP), debtors remain in control of their distressed firm during the PIRP.

**Choose the correct code:**

- a) 1 & 2 only

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

**Answer: c**

Explanation:

- **Statement 1 is correct**, Insolvency and Bankruptcy code lays down clear-cut and faster insolvency proceedings to help creditors, such as banks, recover dues and prevent bad loans, a key drag on the economy.
- **Statement 2 is not correct**, Distressed Corporate Debtors (CDs) are permitted to initiate a PIRP with the **approval of two-thirds of their creditors** to resolve their outstanding debt under the new mechanism.
- **Statement 3 is correct**, Unlike in the case of the Corporate Insolvency Resolution Process (CIRP), debtors remain in control of their distressed firm during the PIRP.

**Q5. Consider the following statements: (Level – Difficult) PYQ (2022)**

1. The Constitution of India classifies the ministers into four ranks viz. Cabinet Minister, Minister of State with Independent Charge, Minister of State and Deputy Minister.
2. The total number of ministers in the Union Government, including the Prime Minister, shall not exceed 15 percent of the total number of members in the Lok Sabha.

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

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

**Answer: b**

Explanation:

- **Statement 1 is not correct**, the Council of Ministers includes the **three categories of ministers**, that is, Cabinet Ministers, Ministers of State, and Deputy Ministers.
  - **Its size and classification are, however, not mentioned in the Constitution** and is based on the conventions of parliamentary government as developed in Britain.
- **Statement 2 is correct**, According to the 91st Constitutional Amendment Act of 2003 the total number of ministers, including the Prime Minister in the Central Council of Ministers shall not exceed 15% of the total strength of the Lok Sabha.

## I. UPSC Mains Practice Questions

1. What are the measures taken by Reserve Bank of India (RBI) to slow down rupee's depreciation? (10 Marks, 150 Words) (GS3 - Economy)
2. Discuss the significance of the UN-backed grain export deal signed by Ukraine, Russia. (10 Marks, 150 Words) (GS2- International Relations)

