

## 16 Oct 2022: UPSC Exam Comprehensive News Analysis

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## B. GS 2 Related

**Category: INTERNATIONAL RELATIONS**

### 1. Xi set for third term, China to unveil new leadership

*Syllabus: Effect of policies and politics of the developed world.*

*Mains: Political changes in China.*

**Context:** National Congress in China.

**Details:**

- A week-long national congress will be opened by the Chinese President. The national congress convenes after a period of every five years to broadly outline the policy directions for the upcoming term.
- It is expected that China's Communist Party will unveil the new leadership in upcoming years and President Xi Jinping will begin his third consequent term.
- The party's 20th National Congress would also amend the constitution of the party and will choose the next Central Committee. The central committee is likely to have nearly 370 members.
- According to the usual practice of the party, the new 25-member Politburo and 7-member Politburo Standing Committee (PBSC) will be unveiled after the first sitting of the new Central Committee.
- It was also suggested during the press meeting that the [zero-COVID policy](#) of China will continue, as it was the most cost-effective policy that has worked the best for China. The policy included a large section of the elderly population.
- The proposed constitutional amendment would propose new thoughts, ideas, and strategies for national governance.
- It is also suggested by various observers that the amendment would implicitly establish Mr. Xi on a par with Mao Zedong. This would result in continued and unquestioned political dominance of Mr. Jinping for the upcoming five years and the period beyond that.

**Nut Graf:** *The Chinese National Congress is set to expand Mr. Xi Jinping to the status of Mao Zedong, by assuring him the third term as the President of China. The new leadership line will also emerge after the congress.*

## C. GS 3 Related

### Category: ENVIRONMENT

#### 1. Elephant's death puts focus on low-hanging power lines in Assam

**Syllabus:** *Environment and Biodiversity conservation.*

**Mains:** *Elephant Deaths due to electrocution.*

**Prelims:** *Dehing Patkai National Park.*

**Context:** The electrocution of an elephant in Assam.

**Details:**

- The electrocution of an elephant near the Namrup thermal plant, which is near the Dehing Patkai National Park, has brought forth the issue of low-hanging high-tension wires within and around wildlife habitats in Assam.
  - The Dehing Patkai National park is divided between the Digboi and Dibrugarh forest divisions.
- The main causes of elephant deaths are:
  - Electrocution
  - Train accidents
  - Poisoning
- A survey was conducted in the region and 25 points were identified where high-tension wires are hanging at dangerously low levels. It thus poses threat to the lives of elephants. Deaths associated with electrocution have become very frequent. In a period of one week, 12 deaths have occurred in the region.
- It is important to mitigate the deaths and identify the problem areas. The electric wires in elephant habitats should be insulated and strung high.

**Nut Graf:** *A large number of elephant deaths in a short span of one week has once again brought to the fore the issue of elephant deaths due to electrocution. It also reflects that there are practically no or inadequate actions in this direction. It is important to do the needful on an urgent basis to prevent further elephant casualties.*

## Category: INTERNAL SECURITY

### 1. 'Camp of death' is now a lifesaver

*Syllabus: Linkages between development and spread of extremism.*

*Mains: Extremism in Manipur.*

#### Background Details:

- Manipur has a long history of extremism and the extremists used to brandish automatic weapons freely in the region.
- Since 2004 a considerable change took place in Manipur.

#### Case Study:

- Sajik Tampak is a village in the Chakpikarong subdivision of Manipur's Chandel district. It is nearly 90 km south of Imphal, the capital of Manipur.
- A medical unit has been set up in the region which was earlier a crucial spot of extremist activities. The medical unit now provides life-saving medicines and injections.
- The unit is approximately 300 metres from the place where 24 Kuki-Zou tribal men were killed by the [National Socialist Council of Nagalim \(NSCN\)](#) in the year 1994.
- Another phase of extremism was experienced by the region a decade later by the Valley-Based Insurgent Groups (VBIGs). The VBIG catered to the aspirations of the non-tribal Meitei people that are concentrated in the Imphal Valley. The group declared Sajik Tampak as a "liberated zone".
  - The VBIGs are majorly the People's Liberation Army (PLA), the United National Liberation Front, the Kangleipak Communist Party, and the People's Revolutionary Party of Kangleipak (PREPAK).
  - They captured the region after the Naga-Kuki clashes of the 1990s and they were eliminated from the region in 2003.
  - The VBIGs frequently used local residents as human shields during encounters with the Armed Forces.
- The people are living peacefully in their region since the Assam Rifles arrived at the place in the year 2004. Assam rifles is a government agency that operates in the area and caters to the basic needs of the local residents. It also provided medical services to the villagers.
- A school has also been established adjacent to the medical unit.
- It is often speculated that the smaller units and battalions would be withdrawn if the [Armed Forces \(Special Powers\) Act \(AFSPA\)](#) is lifted from the areas of Manipur.

- The AFSPA was withdrawn from areas that were under 15 police stations in 6 districts of Manipur on April 1, 2022.
- The village might relapse to the earlier status of the “liberated zone” if military or paramilitary forces are withdrawn. The major reason behind it is the strategic location of Sajik Tampak and inadequate mobile phone connectivity.
- The cooperation of the local villagers is extremely crucial for the Company Operation Bases along the border of India and Myanmar.

**Nut Graf:** *The medical unit established in the village of Sajik Tampak has proved to be a blessing for the people of the region suffering from extremism. The medical facilities in the region are appreciated by the people and the region has turned to be a peaceful place.*

## D. GS 4 Related

*Nothing here for today!!!*

## E. Editorials

**Category: INDIAN POLITY**

### 1. The issues in the Collegium's functioning

**Syllabus:** *Structure, organization, and functioning of the Judiciary.*

**Mains:** *Structure and functioning of the collegium system and the criticism and shortcomings associated with it.*

**Prelims:** *Facts about the collegium system*

**Context:** The recent delays in the appointment of judges have brought back the focus on the functioning of the collegium of the Supreme Court.

#### Background Details:

- The [Supreme Court](#) Collegium meeting was closed without any discussion and deliberation because the Union Minister of Law requested the CJI to nominate his successor in the apex court.
  - The [collegium](#) consists of the Chief Justice of India (CJI), and four senior-most judges.

- The postponement and eventual closure of the collegium meeting have once again brought to the limelight the functioning of the Collegium.

### **Functioning of the collegium:**

- According to the Constitution, a Supreme Court judge is appointed by the President of India in consultation with the CJI.
- The manner of functioning is laid down in the Memorandum of Procedure.
- The Collegium system is responsible for appointments and transfers in the higher judiciary of the country. This is in practice for three decades now. The legal basis of this function is the three Judges' Cases.
  - In the First Judges Case, it was ruled that the consultation with the CJI should be full and effective.
  - In the Second Judges case(1993), the collegium system was introduced. The CJI would have to consult a collegium of the two senior-most judges of the SC on matters of judicial appointments.
  - While the 'Third Judges Case' case (1998), enlarged the collegium to its present composition of the CJI and four senior-most judges of SC.
- The resolutions and recommendations of the collegium are displayed on the website of the Supreme Court. However, the nature of the debates/discussions and the internal differences among the collegium members(if any) remains unknown. It is thus criticized for opacity.
- It functions majorly by adopting resolutions and then sending them to the Ministry of Law. If the proposal for the appointment of a judge is returned back for reconsideration, the Collegium has the power to reiterate it.
  - If the decision is reiterated after reconsideration, it becomes binding on the government to accept it.

### **Recent controversy and associated issues:**

- The meeting has to be postponed because one of the collegium members was preoccupied with cases. Thus, a difference of opinion was acknowledged in the way the deliberations should be followed.
- Moreover, the Chief Justice of India wanted to circulate the files related to various appointments. But the two judges in the Collegium were against the decision through circulation and preferred in-person deliberations instead.
- The Union Law Minister also demanded the name of the successor of CJI.
  - According to the convention, once a recommendation for the successor to the CJI's office is made, the Collegium ceases to make further decisions.

- It should also be noted that there is no rule or law that lays down that the Collegium should become dysfunctional during the last month of a Chief Justice's tenure. Instead, it is practiced as a convention.
- The issues that have erupted as a result of the recent developments are:
  - The first and foremost issue that has erupted is: Should there be a prescribed mode of decision-making like personal deliberations, circulation, or both.
  - Another issue is the manner in which all the collegium members should give their opinions like writing, or conveying (oral) reservations.
  - And the associated question is the nature of decisions. For instance, unanimous or consensual.
  - There is a popular view that a majority recommendation (with one or two expressing reservations) might provide a valid ground for the government to reject the recommendation.
  - Furthermore, the necessity for the Collegium not to hold any discussion in the last month of the current Chief Justice's tenure is also an area of concern, as majority of CJIs have usually a short tenure (because of the seniority clause). This slows down the overall decision-making of the highest judiciary.

**Nut Graf:** *The collegium system of the Supreme Court is still marred by multiple issues as evident in the recent developments. The need of the hour is that the matter is given due consideration so that the higher judiciary functions smoothly.*

## **Category: ECONOMY**

### **1. Why did bank bailout research get the Nobel?**

**Syllabus:** *Banking sector.*

**Mains:** *Nobel Prize in economics and its significance.*

**Prelims:** *Nobel Prize in Economics 2022.*

**Context:** The Nobel prizes in various fields were announced by the Royal Swedish Academy.

**Details:**

- The Royal Swedish Academy of Sciences revealed the winners of the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel 2022.
- The three economists who were jointly conferred the Nobel Prize are:



- Ben S. Bernanke, the former U.S. Federal Reserve chairperson. He is a doctorate from the Massachusetts Institute of Technology.
  - Douglas W. Diamond, a doctorate from Yale University.
  - Philip H. Dybvig, also a doctorate from Yale University.
- They were awarded the Nobel in Economics because of their “Research on banks and financial crises”. The research was undertaken during the early 1980s and it forms the foundations of various research associated with modern banking.
- Even though the analysis is four decades old, it still emphasizes the importance of banks to keep the smooth functioning of the economy. Moreover, it also includes analyses of the possible mechanisms that can make the banks more robust during crises, and the larger impact of bank collapses on the economies.
- The research went beyond the theory and was practically implemented in regulating financial markets and managing crises.
- The research has been picked for the award during this time because the fresh crisis is looming in the world economy as a consequence of the [COVID-19 pandemic](#).

#### **Key insights of the Research Work:**

- Bernanke analyzed the [Great Depression of the 1930s](#) in 1983
  - The Great Depression began in the United States and impacted the world economies.
  - He argued that bank failures during the 1930s were not an outcome of the Depression but, was instead a contributing factor in the economic crisis.
  - Other than the usual impact of collapsing banks on the depositors. He highlighted that critical borrower profiles were lost thereby obstructing the ability to channelize savings into investments.
  - He proved his analysis by utilizing ‘historical documentary evidence and empirical data to uncover the importance of the credit channel for the propagation of the depression, as pointed out by the Academy.
- Diamond and Dybvig collaborated in 1983 to postulate theoretical models on the role of banks in the economy and what makes them vulnerable.
  - The asset-liability mismatch in banks’ profiles implies that even rumors about a bank’s collapse would cause a withdrawal rush. And to meet this rush, a bank is compelled to sell its long-term investments.

#### **Proposal by the framework:**

- The two economists suggested solutions like deposit insurance or a ‘lender of last resort’ policy that can be considered by the governments to avoid such failures.
  - It was explained that when the state has guarantees the depositors’ money, a withdrawal rush can be avoided.



- Various countries across the world have employed deposit insurance schemes, even as they hope and strive to ensure the eventuality of these risk covers being tapped doesn't arise.
- In a 1984 paper, Diamond showcased that banks provide societally important functions acting as intermediaries between savers and borrowers as they are best positioned to assess the creditworthiness of borrowers. They can also ensure that loans are used for good investments.
- Their findings highlight the importance of banks in the economy and how their vulnerabilities can lead to devastating financial crises.

### **Significance for India:**

- Indian households and policymakers are familiar with bank failures in the recent past as evident by the freezing of withdrawals in several cooperative banks.
- Government adopted various measures like higher deposit insurance coverage, takeovers of weak banks, and steps to tackle bad loans.
- The key learnings from the Nobel Laureates' work seem to have been embraced by the Indian Government and banking authorities.
- However, the privatization of banks continues with an aim to consolidate lenders to create larger financial entities. It is important that it happens with utmost regulatory and legislative vigil so that any mishaps in the financial sector can be mitigated.

**Nut Graf:** *The Nobel Prize of 2022 in the field of economics has highlighted the importance of banking in the economy of the country as well as the world. The findings of the Nobel laureates can prove to be extremely beneficial at this point when there is speculation of another economic crisis due to the pandemic.*

## **F. Prelims Facts**

### **1. U.S.-India Trade Policy Forum set for Nov. 8, modest outcomes likely**

**Syllabus:** *Bilateral relations between India and U.S.*

**Prelims:** *U.S.-India Trade policy Forum*

**Context:** U.S.-India Trade policy forum is set to be organized on November 8, 2022.

#### **Details:**

- The U.S.-India Trade Policy Forum (TPF) has been scheduled for November 8, 2022. It will take place in Washington DC.

- The 12th edition of TPF was held in New Delhi in November 2021. It was conducted after an interval of four years. The outcome of the event was the resumption of sales of Indian mangoes and pomegranate arils to the United States, and the imports of U.S. cherries to India.
- It is speculated that the gains of the forum are most likely to remain modest and gradual in the immediate future because of the structural differences in the economies and political considerations of the U.S. and India.
- India is expected to focus on the services sector, whereas the U.S. is likely to target goods market accessibility and the policy environment like data laws and India's competition law.
- The issues that are likely to be taken up during the U.S.-India TPF are:
  - Resolution of exports of alfalfa hay to India.
  - Supplementing India's ethanol and DDGS ( an animal feed product) production under the ambit of the [National Biofuels policy](#).

India's requests include visa processing time, workers' visas, social security portability across countries, various tariffs, and the [Generalized System of Preferences](#).

## G. Tidbits

### 1. 6 varieties of Neelakurinji identified in Santhanpara region of Western Ghats

- Neelakurinji is blooming on the Kallippara hills at Santhanpara in the Idukki district of Kerala. The present bloom belongs to the gregarious flowering type.
  - Gregarious flowering type refers to the massive flowering that occurs once.
- Neelakurinji spreads across nearly Two hundred acres of the Kallippara hills. This implies that it is the second biggest region in terms of the Neelakurinji population after the protected area of Munnar.
- It should also be noted that Eravikulam National park is the biggest sanctuary of Neelakurinji flowers
- Experts have identified a total of six varieties of Neelakurinji in the region. The identified species are:
  - *Strobilanthes kunthiana*
  - *Strobilanthes anamallaica*
  - *Strobilanthes heyneanus*
  - *Strobilanthes pulneyensis*
  - *Strobilanthes neoasper*
- The identified species are endemic to the [Western Ghats](#).

## H. UPSC Prelims Practice Questions

**Q1. Which of the following statements is/are correct with respect to Solid Waste Management Rules, 2016? (Level – Medium)**

1. Responsibilities of Generators have been introduced to segregate waste into three streams.
2. Ministry of Housing and Urban Affairs is responsible for overall monitoring of the rules.
3. Generator will have to pay 'User Fee' to waste collector
4. The Rules are now applicable beyond Municipal areas and extend to urban agglomerations, census towns, notified industrial townships, Port and harbor, and special economic zones.

Options:

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

**Answer: c**

**Explanation:**

- **Statement 1 is correct:** Responsibilities of Generators have been introduced to segregate waste into three streams, Wet (Biodegradable), Dry (Plastic, Paper, metal, wood, etc.), and domestic hazardous wastes (diapers, napkins, empty containers of cleaning agents, mosquito repellents, etc.) and handover segregated wastes to authorized rag-pickers or waste collectors or local bodies.
- **Statement 2 is incorrect:** Ministry of Environment is responsible for the overall monitoring of the rules.
- **Statement 3 is correct:** Generator will have to pay a 'User Fee' to the waste collector.
- **Statement 4 is correct:** The Rules are now applicable beyond Municipal areas and extend to urban agglomerations, census towns, notified industrial townships, areas under the control of Indian Railways, airports, airbases, Port and harbor, defence establishments, special economic zones, State and Central government organizations, places of pilgrims, religious & historical importance.

**Q2. Which one amongst the following species does not belong to the category of Critically Endangered in the IUCN red list? (Level- Medium)**

- a) Andaman White-toothed Shrew
- b) Indian Bison (Gaur)
- c) Northern River Terrapin
- d) Pondicherry Shark

**Answer: b**

**Explanation:**

- The Gaur, also known as the Indian Bison, is among the largest species of wild cattle native to the South and Southeast. It falls under the Vulnerable category.
- Gaurs are found in evergreen forests or semi-evergreen and deciduous forests.
- In certain areas affected by human habitation, gaurs are nocturnal but in other places they are diurnal.

**Q3. With respect to Mars, which of the following statements is/are correct? (Level- Easy)**

1. Mars is known as the Red Planet because iron minerals in the Martian soil oxidize, or rust, causing the soil and atmosphere to look red.
2. Mars has two small moons. Their names are Phobos and Callisto.

Options:

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

**Answer: a**

**Explanation:**

- **Statement 1 is correct:** Mars is called the Red Planet because iron minerals present in the Martian soil oxidize, or rust, causing the soil and atmosphere to look red.
- **Statement 2 is incorrect:** Phobos and Deimos are the two satellites that orbit around Mars.

**Q4. Consider the following statements with respect to Pradhan Mantri Ujjwala Yojana (PMUY): (Level- Medium)**

1. In order to avail the benefit of PMUY an applicant must be a woman aged above 21 years.
2. The beneficiaries will be selected or identified through the published SECC-2011 data.
3. Under the scheme, oil marketing companies provide interest-free loans for refilling and purchasing stoves.

Which of the statements given above is/are correct?

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

**Answer: b**

**Explanation:**

- **Statement 1 is incorrect:** In order to avail benefits of the PMUY scheme, an applicant must be a woman aged above 18 years. She should also be a citizen of India
- **Statement 2 is correct:** The beneficiaries will be selected or identified through the published list of SECC-2011.
- **Statement 3 is correct:** Under the scheme, oil marketing companies provide interest-free loans for refilling and purchasing stoves.

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

1. An increase in Nominal Effective Exchange Rate (NEER) indicates the appreciation of rupee.
2. An increase in the Real Effective Exchange Rate (REER) indicates an improvement in trade competitiveness.
3. An increasing trend in domestic inflation relative to inflation in other countries is likely to cause an increasing divergence between NEER and REER.

Which of the above statements are correct?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only

d) 1, 2 and 3

**Answer: c**

**Explanation:**

- **Statement 1 is correct:** An increase in Nominal Effective Exchange Rate reflects the appreciation of the rupee.
- **Statement 2 is incorrect:** When the Real Effective Exchange Rate improves or increases it results in reducing trade competitiveness.
- **Statement 3 is correct:** An increasing trend in domestic inflation relative to inflation in other countries causes an increasing divergence between NEER and REER.

## I. UPSC Mains Practice Questions

1. Critically examine the factors that gave birth to insurgency in Manipur and shed light on its current internal security situation. (250 words; 15 marks) (GS-3; Internal Security)
2. Elephants are increasingly threatened by human activities. In the light of this statement, evaluate the rising deaths of elephants due to electrocution in India and suggest suitable measures to counter the threat. (250 words; 15 marks) (GS-2; Environment and Ecology)