

07 Oct 2022: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

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C. GS 3 Related

Category: ECONOMY

1. Gig Economy and Moonlighting

Syllabus: Employment

Mains: Significance of Gig Economy

Context: Recently, WIPRO fired 300 employees after finding out that they were working with one of its competitors at the same time.

Introduction:

- Moonlighting refers to the practice of working a second job outside normal business hours. An employee may work a normal 9-to-5 job as a primary source of income but work nights at a different job in order to earn extra money.
 - A Kotak Institutional Equities survey of 400 people across the IT&ITES space in July 2022, revealed that 65% knew of people pursuing part-time opportunities or moonlighting while working from home.
 - One of the first cases of moonlighting in India came to light when Human Resources (HR) tracked multiple active provident fund accounts of a Bengaluru-based person and it was found he was working seven jobs.
- During the pandemic, those with desk jobs had more time on their hands and thus it was easier to take on a few projects outside of work.
- HR experts have attributed moonlighting as one of the factors that makes many reluctant to come back to office. In fact, 42% of the participants said they would consider changing their jobs or even quitting if they were not allowed to work from home.
- In the last two years, moonlighting has become a big concern in the IT industry due to the loss of skilled employees and reduced productivity levels.

Gig Economy:

- Gig economy is a system that is based on flexible, short-term, or freelance work.
- It might involve contacting clients or customers on online platforms.
- Individuals who are part of the gig economy are called [gig workers](#), who are frequently employed by businesses on a contractual basis but are not regarded as employees.

How are companies reacting to moonlighting?

- In August, Wipro Chairman Rishad Premji called moonlighting ‘cheating’ and the company sacked 300 employees following the discovery that they were working for rival firms on the side, leading to a conflict of interest.
- Infosys has warned staff against moonlighting, saying it could lead to termination.
- Swiggy announced a ‘moonlighting policy’ that allows employees “to pursue their passion for economic interests alongside their full-time employment.”

What does the law say?

- Moonlighting is not defined in any of the statutes in India and no constitutional court has rendered a decision on the subject.
- However, there are enactments that deal with double employment.
 - Section 60 of the Factories Act deals with restrictions on double employment. However, this enactment is applicable only to employees working in factories.
- There are State specific enactments which deal with the employment of persons working in offices, banks, shops, etc.
 - In Tamil Nadu, it is termed “The Tamil Nadu Shops & Establishments Act, 1947”. However, there is no provision that deals with dual employment.
- However, moonlighting is subject to the law of the land.
- The Supreme Court of India in the case of Glaxo Laboratories (I) Limited vs Labour Court, Meerut and others held that the sphere of employment cannot be extended by the employer beyond working hours and outside his place of employment. In other words, the employee can choose to arrange his affairs as he pleases beyond the working hours of the employer.

Does the law lay out punitive action against moonlighting?

- Writ Courts and Labour Courts deal with employment in India. These Courts exercise jurisdiction based on equity or fairness.

- Unless an employer is able to prove that an employee acted against the interest of the company, Courts may not uphold severe punishment of termination of employment.
- Unless the employee's violation caused the company severe harm and financial loss, the courts may rule in favour of the employee based on equity or fairness.

Is it ethical?

- IT sector employers who have full-time employment tend to restrict their employees from any form of moonlighting, irrespective of whether it is a second job or a side hustle. In full-time employment, the employee is expected and required to spend his entire working time, effort and energy for the employer's interests.
- It is unethical if the moonlighting is against the company policy, moonlighting is shifting towards daylighting and if it is affecting the employee's productivity, poses a risk of data and confidential information leakage.

Nut Graf: *In today's world, every company ought to have a gig economy strategy to deal with moonlighting. Employers should not suppress employees who want to monetise, develop and demonstrate. At the same time, employees should not violate their agreements with employers.*

Category: SECURITY

1. LCH Prachand

Syllabus: *Various Security Forces & Agencies & Their Mandate*

Context: Light Combat Helicopter (LCH) Prachand was formally inducted into the Indian Air Force recently.

Introduction:

- The LCH Prachand has been designed and developed indigenously by Hindustan Aeronautics Limited (HAL).
- The indigenously developed LCH Prachand, meaning fierce, was formally inducted into the Indian Air Force at the Jodhpur air base on 3rd October 2022.
- The LCH is the only attack helicopter in the world that can land and take off at an altitude of 5,000 metres (16,400 ft).
- The fleet of the first four helicopters was inducted into the 143 Helicopter Unit 'Dhanush'.



Image Source: The Print

About the LCH project:

- The LCH project can be traced to the [1999 Kargil war](#) when the armed forces felt the need for a homegrown lightweight assault helicopter that could hold precision strikes in all Indian battlefield scenarios. This meant a craft that could operate in very hot deserts and also in very cold high altitudes, in counter-insurgency scenarios to full-scale battle conditions.
- India has been operating sub-3-ton category French-origin legacy helicopters, Chetak and Cheetah, made in India by the HAL. These single-engine machines were, primarily, utility helicopters.
 - Indian forces also operate the Lancer, an armed version of Cheetah. In addition, the Indian Air Force currently operates the Russian-origin Mi-17 and its variants Mi-17 IV and Mi-17 V5, with a maximum take-off weight of 13 tonnes, which are to be phased out starting in 2028.
- The Government of India sanctioned the design and development of the LCH in 2006. This project was later joined by the Indian Army in 2013.
- LCH received initial operation clearance on August 26, 2017. It was declared ready for production in February 2020.
- In November 2021, Prime Minister Narendra Modi symbolically handed over the LCH to the Indian Air Force, paving the way for its final induction.
- In March 2022, the Cabinet Committee on Security approved the procurement of 15 Limited Series Production (LSP) variants of the LCH. Of the 15 helicopters, 10 are for the IAF and five for the Army.

What are the main features of LCH?

- The multi-role attack helicopter has been customised as per the requirements of the Indian armed forces to operate both in desert terrains and high-altitude sectors.
- Powered by twin Shakti engines, a collaborative effort of the HAL and France's Safran company, the LCH is a 5.8-tonne class combat helicopter with potent ground attack and aerial combat capability.
- It incorporates several stealth features such as reduced radar and infra-red signatures, crashworthy features for improved survivability, armoured-protection systems and night attack capability.
- The helicopter is also fitted with radar and laser warning receivers, a missile approach warning system, countermeasure dispensing systems and a missile jammer.
- It is equipped with an advanced navigation system, air-to-air and air-to-ground missiles and guns customised for performing close combat operations.

Significance of LCH:

- The induction of the LCH creates a potent platform to meet the operational requirements of the IAF and the Army.
- The LCH helicopters can be deployed to assume air defence, anti-tank roles in high-altitude, counter-insurgency, and search and rescue operations, and are equipped with advanced technology such as electronic warfare systems which can be used to destroy the enemy's air defence.
- It can be deployed to perform Combat Search and Rescue (CSAR), bunker-busting operations, counter-insurgency operations in the jungle and urban areas and support the ground forces.
- The helicopter is equipped with advanced weapons systems including anti-radiation missiles, and Helina anti-tank guided missiles.
- The LCH is also equipped with a state-of-the-art sensor suite. It includes a camera and laser designator that captures the location and position of enemies, ensuring clear visibility during bad weather conditions.
 - The laser range finder and designator aim laser-guided bombs and missiles towards the target.
- The helicopter can fly at a maximum speed of 288 kmph and has a combat radius of 500 km, which can go up to a service ceiling of 21,000 feet, making it ideal to operate in Siachen along the Line of Actual Control.
- The recent conflicts in Ukraine and elsewhere showed us that heavy weapon systems and platforms, which do not allow for rapid movement on the battlefield, are sometimes vulnerable and become easy targets for the enemy. Therefore, the development of mobile and flexible equipment and platforms which meet the requirements of the armed forces is the need of the hour.

Nut Graf: The LCH, designed and developed by HAL, showcases the achievement of the Indian defence sector. The induction of LCH gives a major boost to India's 'Make in India' and 'Atma Nirbharata' endeavours. The versatility and offensive potential of the helicopter is on par or better than most attack helicopters operating globally which adds to the IAF's combat potential.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: GOVERNANCE

1. Strengthening the CSR framework is a profitable idea

Syllabus: Development processes and the development industry - the role of NGOs, various groups and associations, donors, charities, institutional and other stakeholders.

Prelims: About Corporate Social Responsibility (CSR) regime in India.

Mains: Major issues associated with CSR spending in India and important recommendations

Context: This article talks about the trends in the Corporate Social Responsibility (CSR) regime in India.

Corporate Social Responsibility (CSR)



Image Source: National CSR Portal

- According to the **United Nations Industrial Development Organization**, Corporate Social Responsibility (CSR) is a management concept wherein companies integrate social and environmental concerns in their business operations and interactions with their stakeholders.
 - CSR is mainly understood as being the way through which a company achieves a balance of economic, environmental and social imperatives which is known as the **Triple-Bottom-Line-Approach** while at the same time addressing the expectations of shareholders and stakeholders.
- The CSR regime was introduced in India through the [Companies Act of 2013](#).
- **Section 135** of the Companies Act, 2013 defines thresholds to recognize businesses that are mandated to comprise a CSR Committee and organizations in the immediately preceding financial year of which:
 - Business net worth was INR 500 crore or more
 - Annual company turnover is INR 1000 Crore or more
 - Company's net profit is INR 5 Crore or more
- Further, every company that fulfils the conditions mentioned under Section 135 of the Companies Act, 2013 has to spend at least 2% of their average net profits made during the three previous financial years towards CSR in the current financial year.

Issues associated with CSR spending

- **Lack of adequate data:** According to estimates, CSR spending in India has increased ever since the introduction of the CSR regime to about ₹24,865 crores in 2020-21 from about ₹10,065 crores (2014-15).
 - However, there is still no data available to verify if this increase is equivalent to the increase in profits of the companies in India.
- **Inadequate CSR spending:** Further, in 2021, it was noted that over 2,926 companies spent zero amount on CSR and the number of companies spending less than the prescribed limit of 2% increased to 3,290 as compared to 3,078 (in 2015-16).
 - The number of companies participating in CSR also reduced from about 25,103 in FY 2018-19 to 17,007 in FY 2020-21.
- **Issues with the 2% limit:** According to the provision, if a company spends more than the minimum 2% limit, the excess amount spent is liable to be set off against spending in the succeeding three financial years.
 - Experts feel that the provision weakens the other provision as the requirement of 2% is only a minimum requirement.
 - Experts also feel that companies must be encouraged to spend more if they can.
- **Issues with trusts and foundations:** Various private companies have now established and registered their own foundations/trusts to which they transfer the CSR funds for utilisation.

- However, there is still no clarity if such kind of actions are allowed under the Companies Act or CSR rules.

Geographical bias

- The geographical disparity and bias are said to be one of the key causes of concern with respect to CSR spending in India.
- As per the provisions of Section 135 of the Companies Act, 2013, the companies are mandated to give preference to the local areas around which they operate.
- However, according to a report by Ashoka University's Centre for Social Impact and Philanthropy, about **54% of CSR companies** are concentrated in high-income generating states such as Maharashtra, Tamil Nadu, Karnataka, and Gujarat which receive the largest CSR funds.
 - However, more populous and relatively low-income generating states such as Uttar Pradesh and Madhya Pradesh receive very less amount of CSR funds.
- Further, a high-level committee in 2018 emphasised that the "local area" in the Act is only discretionary and that a balance has to be maintained.
 - However, this discretionary decision-making is left to the boards of the companies as there is a lack of clarity on the percentages for local spending as compared to other area spending.

Disparity in sector-wise spending

- Item (iv) of Schedule VII of the Companies Act deals with holistic environmental issues to create a balancing effect.
- However, based on the analysis of CSR spending in 2014-18 it was seen that most of the CSR spending is concentrated towards education (37%) and health and sanitation (29%) sectors and merely 9% was spent on the environmental issues.

Issues with monitoring and auditing

- As per the current regulations, monitoring is undertaken by a board-led, disclosure-based regime, with companies reporting their CSR spending annually to the Ministry of Corporate Affairs by filing an annual report.
 - However, a key issue with this regime is that there is more focus on the output rather than the quality of the expenditure and its impact.
 - Also, the Standing Committee on Finance had said that the data on CSR spending by companies is inadequate and difficult to access.
- According to the "Technical Guide on Accounting" by the Institute of Chartered Accountants of India, a company is required to disclose its CSR spends, non-spend, underspend, and overspend in the "Notes to Accounts".

- An auditor can only look into the details of spending and can question the board about its authenticity. However, the auditor cannot initiate any actions against non-compliance or inadequate CSR performance in the audit report.

Recommendations

- There is a need for setting up a national-level centralised platform by the Ministry of Corporate Affairs wherein the States can list their potential projects for CSR funds.
 - This will help the companies assess the efficiency and impact of their CSR funding.
 - The “Corporate Social Responsibility Projects Repository” on the India Investment Grid (IIG) can act as a guide for such efforts.
- Additionally, it is important that the companies prioritise environmental restoration in the area where they operate by earmarking at least 25% for environment regeneration, as extractive industries such as mining impact the environment in a detrimental manner.
- The CSR projects must be identified and implemented with the active participation of communities, local district administration and other representatives from the public.
- The recommendations of the high-level committee in 2018 must be adopted in the current CSR framework as this helps to improve monitoring and evaluation.
 - The recommendations include enhancing reporting and disclosure mechanisms and transparency in the selection of projects, locations, implementing agencies, etc.
- Further, there is a need for bringing CSR within the purview of the statutory financial audit with details of CSR expenditure being included in the financial statement of a company and details of CSR non-spend, underspend, and overspend must also be certified by the auditor as “qualification to accounts” and not just as “note to accounts”.

Nut graf: *Despite starting off on a very good note, the efficacy and impact of CSR spending in India are slowly diluting as the existing CSR regime is plagued with various issues. In this context, the Ministry of Corporate Affairs and other concerned departments are required to play a proactive role in resolving these issues and strengthening the CSR regime in India.*

F. Prelims Facts

1. World Bank Projection

Syllabus: *GS02- Important International Institutions*

Prelims: *World Bank reports and projections*

Context: The World Bank downgrades India's FY23 growth projection to 6.5%.

Introduction:

- The [World Bank](#) has trimmed its estimate for India's growth in the current fiscal year (FY 22-23) to 6.5%, one percentage point lower than its previous projection in June and compared with the last fiscal year's 8.7% pace.

The chart shows the World Bank's nowcast for quarterly GDP growth. It estimates that India's GDP will grow 6.5% in FY22-23, 1 percentage point lower than the previous estimate

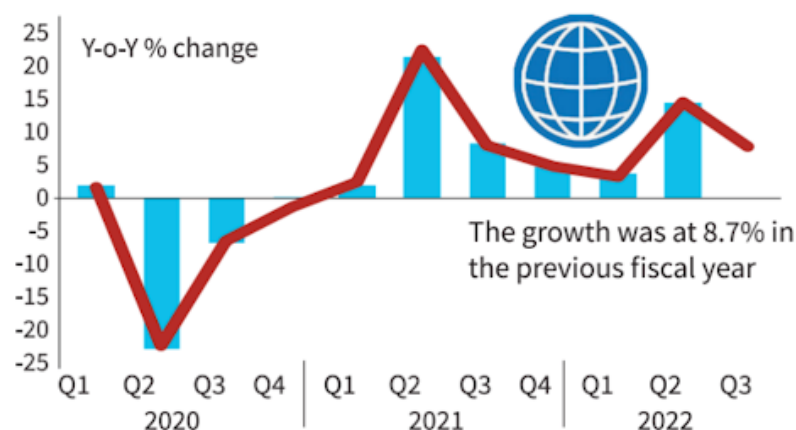


Image Source: The Hindu

- The Indian economy is expected to speed up to 7% in the next fiscal year, before settling back down to 6.1% in FY 24-25.
- The Indian economy grew by 8.7 per cent in the previous year.
- However, it also noted that India is recovering from the pandemic-induced slowdown stronger than the rest of the world.
- The estimates were released as part of its latest 'South Asia Economic Focus' released ahead of the annual meeting of the International Monetary Fund and the World Bank

Reasons for downgrading growth projection in India:

- According to the report, the majority of the COVID recovery occurred last year, which is why India's growth slowed this fiscal year compared to last.
- As per the report, India's private investment will be dampened by heightened global uncertainty due to the Russia-Ukraine war, elevated input prices and rising borrowing costs.
- Growth in private consumption will be undermined by high [inflation](#) and persisting weakness in parts of the country's labour market.

- The expected headwinds brought by lower growth and higher inflation are likely to lead to slow income growth.
- Nevertheless, the World Bank has taken due cognisance of India's robust macroeconomic fundamentals. Although the rising merchandise trade deficit will more than double the current account deficit to 3.2% of GDP in FY23 from a year before, stable portfolio capital inflows, buoyant FDI and high foreign exchange reserves provide buffers against the external financing risks.

Other findings of the report:

- The World Bank projected uneven recovery in the region due to continuous pressure from events such as Sri Lanka's economic crisis, floods in Pakistan, and the Russia-Ukraine conflict.
- Afghanistan, Sri Lanka and Pakistan are more at risk and will see poverty increase in 2022.
- The economies that are more services-led are expected to "maintain a reasonable recovery trend despite headwinds".
 - Manufacturing and services have been expanding in India since January and growing at a rate faster than the rest of the world.

2. Nobel Award for Literature

Syllabus: *GS01- Current events of national and international importance.*

Prelims: *Nobel Awards 2022*

Context: French author Annie Ernaux was awarded the Nobel Prize in Literature for 2022.

Key Details:

- Annie Ernaux is known for her deceptively simple novels drawing on personal experiences of class and gender and was awarded the 2022 Nobel Prize in Literature.
- She was honoured with the award "for the courage and clinical acuity with which she uncovers the roots, estrangements and collective restraints of personal memory".
- Her literary work, mostly autobiographical, maintains close links with sociology.
- Many of her books have been school texts in France for decades, offering one of the most subtle, insightful windows into the social life of modern France.
- She debuted with the novel Cleaned Out in 1974, an account of an abortion she went through in her youth and that she had kept secret from her family.

3. Revenue Deficit Grants

Syllabus: GS03- Economy

Prelims: Finance Commission

Context: The Union Finance Ministry recently released a monthly instalment of revenue deficit grant to 14 States.

Introduction:

- The Department of Expenditure, Ministry of Finance recently released the 7th monthly instalment of the Post Devolution Revenue Deficit (PDRD) Grant of Rs. 7,183.42 crores to 14 States.
- The grant has been released as per the recommendations of the [15th Finance Commission](#).
- With the release of the seventh instalment for the month of October 2022, the total amount of revenue deficit grants released to the States in the current fiscal has gone up to ₹50,282.9.

Post-Devolution Revenue Deficit:

- The PDRD Grants are provided to the States under Article 275 of the Constitution.
 - Article 275 provides for the payment of such sums as Parliament may by law provide as grants-in-aid to such States as Parliament may determine to be in need of assistance.
 - The grants are paid out of the Consolidated Fund of India each year, and different sums may be fixed for different States.
- The grants are released to the states as per the recommendations of the successive finance commissions to meet the gap in revenue accounts of the states post-devolution.
- The Fifteenth Finance Commission has recommended a total PDRD Grant of Rs. 86,201 crores to 14 States for the financial year 2022-23.
- The recommended grant is released by the Department of Expenditure to the recommended States in 12 equated monthly instalments.
- The eligibility of States to receive this grant and the quantum of grant for the period from 2020-21 to 2025-26 was decided by the Fifteenth Finance Commission based on the gap between the assessment of revenue and expenditure of the State after taking into account the assessed devolution during this period.
- The States who have been recommended Post Devolution Revenue Deficit Grant by the Fifteenth Finance Commission during 2022-23 are Andhra Pradesh, Assam, Himachal Pradesh, Kerala, Manipur, Meghalaya, Mizoram, Nagaland, Punjab, Rajasthan, Sikkim, Tripura, Uttarakhand and West Bengal.

G. Tidbits

Nothing here for today!!!

H. UPSC Prelims Practice Questions

Q1. With respect to Raja Raja Chola, which of the following statements is/are correct? (Level-Difficult)

1. During his reign, the texts of the Tamil poets Appar, Sambandar and Sundarar were collected and edited into one compilation called Thirumurai.
2. During his rule, Sri Lanka was known as Nigarilicholamandalam.

Options:

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

Answer: a

Explanation:

- **Statement 01 is correct**, During the rule of Raja Raja Chola, the texts of the Tamil poets Appar, Sambandar and Sundarar were collected and edited into one compilation called Thirumurai. Thirumurai is a twelve-volume compendium of songs or hymns in praise of Shiva in the Tamil language.
- **Statement 02 is incorrect**, During the rule of Raja Raja Chola, Sri Lanka was known as Anuradhapura.
 - He invaded Anuradhapura in 993 AD and conquered the northern part of the country and incorporated it into his kingdom as a province named "Mummudi-sola-mandalam" after himself.

Q2. India's first dark sky reserve is set to come up in (Level-Medium)

- a) Ladakh
- b) Nainital
- c) Narayangaon
- d) Udaipur

Answer: a

Explanation:

- The Union Ministry of Science and Technology has undertaken to set up India's first-ever Night Sky Sanctuary in Ladakh.
- The proposed Dark Sky Reserve will be located at Hanle in Ladakh as a part of Changthang Wildlife Sanctuary.
- It will boost Astro tourism in India and will be one of the world's highest-located sites for optical, infrared, and gamma-ray telescopes.

Q3. Consider the following statements: (Level-Medium)

1. Lai Haraoba is the earliest form of dance which forms the basis of all stylised dances in Manipur.
2. It was during the reign of King Druvarjuna that the popular Rasleela dances of Manipur originated.
3. In Manipuri Ras, the main characters are Radha, Krishna and the gopis, and it incorporates both the tandava and the lasya.

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: c

Explanation:

- **Statement 01 is correct**, Lai-Haraoba is a popular festival of Manipur, which is associated with the worship of traditional deities and ancestors. It is the earliest form of dance that forms the basis of all stylised dances in Manipur.
- **Statement 02 is incorrect**, The Raas Leela was first started as a dance form in 1779 by Ningthou Ching-Thang Khomba, also known as Rajarshi Bhagya Chandra, an 18th-century Meitei monarch.
- **Statement 03 is correct**, In Manipuri Ras, the main characters are Radha, Krishna and the gopis. The themes often depict the pangs of separation of the gopis and Radha from Krishna.

Q4. Which of the following is/are the warm ocean currents in the Pacific Ocean? (Level-Medium)

1. Agulhas Current
2. Alaska Current
3. Humboldt Current
4. Kamchatka Current
5. Kuroshio Current

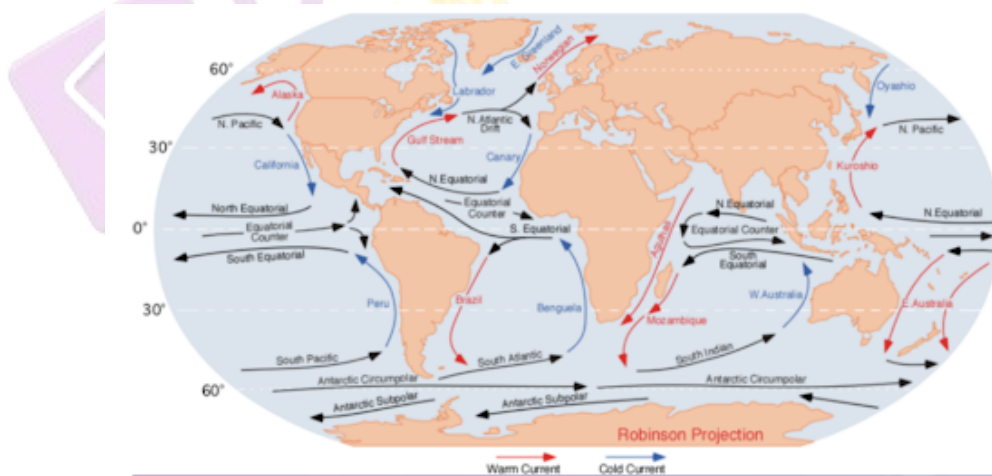
Options:

- a) 1 only
- b) 2 and 5 only
- c) 1, 3 and 4 only
- d) 1, 2, 4 and 5 only

Answer: b

Explanation:

- The Alaska Current is a southwestern shallow warm-water current alongside the west coast of the North American continent in the Pacific Ocean.
- The Kuroshio Current Japan Current is a north-flowing, warm ocean current on the west side of the North Pacific Ocean basin.



Q5. With reference to the “G20 Common Framework”, consider the following statements: (Level-Medium) (CSE-PYQ-2022)

1. It is an initiative endorsed by the G20 together with the Paris Club.

2. It is an initiative to support Low Income Countries with unsustainable debt.

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: c

Explanation:

- **Statement 01 is correct**, G20 Common Framework is the Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative (DSSI). It is endorsed by the G20 members together with the Paris Club.
- **Statement 02 is correct**, It was announced in November 2020 to deal with the issue of unsustainable debts faced by various countries.

I. UPSC Mains Practice Questions

1. What is Moonlighting? How does the current labour regime deal with it? (250 words; 15 marks) (GS-3; Economy)
2. “The Corporate Social Responsibility framework needs a complete overhaul”. Discuss. (150 words; 10 marks)(GS-3; Economy)