

04 Oct 2022: UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Nothing here for today!!!

B. GS 2 Related

Category: GOVERNANCE

1. The Mediation Bill, 2021

Syllabus: Government policies and interventions for development in various sectors and issues arising out of their design and implementation

Prelims: *About the Mediation Bill, 2021 and Alternate Dispute Resolution (ADR)*

Mains: *The need for the introduction of the Mediation Bill, 2021, the key features of the Bill and its associated concerns*

Context

The draft Mediation Bill, 2021 which was introduced in the Parliament in December 2021 was sent to the Parliamentary Standing Committee for a review of the Bill. The Committee has submitted its report to the Rajya Sabha.

The need for the introduction of the Mediation Bill

- The Mediation and Conciliation Project Committee of the Supreme Court has said that mediation is a tried and tested alternative for conflict resolution.
 - This requires the government to promote mediation as one of the methods of [alternative dispute resolution](#).
- Despite several laws and legislations such as the Code of Civil Procedure, 1908, the Arbitration and Conciliation Act, 1996, the Companies Act, 2013, the Commercial Courts Act, 2015, and the Consumer Protection Act, 2019 which contain provisions regarding mediation, India still lacks a standalone law for mediation.
- Further, as India has become a signatory to the **UN Convention on International Settlement Agreements Resulting from Mediation** which is also called as **Singapore Convention on Mediation**, it has become appropriate for the country to formulate legislation that governs domestic and international mediation.

The Mediation Bill, 2021

- The key aim of the Bill is to promote, encourage, and facilitate mediation, especially institutional mediation, as an alternative for conflict resolution.
- The Bill proposes mandatory mediation before litigation and tries to protect the rights of litigants to approach appropriate adjudicatory forums such as courts for urgent relief.
- The Bill suggests that the mediation process will be confidential and immunity is provided against its disclosure in certain cases.
- The result of the mediation process will be in the form of a **Mediation Settlement Agreement (MSA)** which is legally enforceable and can be registered with the legal authorities within 90 days to ensure authenticated records of the settlement.
- The Bill also proposes setting up the **Mediation Council of India** and talks about community mediation.

Concerns associated with the Bill

- As per the draft Bill, pre-litigation mediation is made mandatory for both parties before initiating any of the proceedings in a court or an adjudicatory forum irrespective of whether or not there is a mediation agreement between the two parties.
 - Parties that fail to attend pre-litigation mediation without a reasonable reason may incur a cost.
 - However, [Article 21](#) of the Constitution provides that access to justice is a **constitutional right** and cannot be fettered or restricted.
 - Experts feel that mediation should just be voluntary otherwise it can be considered as a “denial of justice”.
- Further, as per Clause 26 of the draft Bill, court-annexed mediation, including pre-litigation mediation should be conducted based on the directions issued by the Supreme Court or High Courts.
 - The Parliamentary Standing Committee has raised concerns about this provision as it believes that the provision is against the spirit of the Constitution.
 - In countries that have a Common Law system, the convention is that in the absence of any laws, apex court judgements and directions carry the same weight as that of a law.
 - However, when a law is passed it replaces the directions of the courts to become the guiding force. Hence the committee says that Clause 26 is unconstitutional.
- Also, the Bill considers an international mediation to be domestic when it is carried out in the territories of the country with the settlement being recognised as a judgment of a court.
 - However, the Singapore Convention is not applicable to the settlements that already have the status of a judgement of a court. Therefore, carrying out cross-border mediation in India will exclude the benefits of worldwide enforceability.

To read more about the Mediation Bill, refer to the following article:

[UPSC Exam Comprehensive News Analysis dated 08 Dec 2021](#)

***Nut graf:** The Mediation Bill is considered to be significant for enabling a faster resolution of disputes and institutionalising mediation. However, the Bill must be implemented only after thorough discussions with all the stakeholders and after considering the recommendations of the Standing Committee.*

C. GS 3 Related

Nothing here for today!!!

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: INDIAN ECONOMY

1. With the rupee under pressure, what next

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

Mains: *Rupee depreciation and its impact on the economy.*

Prelims: *Factors that determine the value of the currency*

Context: Depreciating rupee in the global economic market.

Details:

- Indian Rupee has depreciated nearly 10% in the span of one year. It has crossed the mark of ₹80 to a dollar. Moreover, foreign exchange reserves have been reduced by approximately \$100 billion.
- The factors responsible for the falling of the rupee are:
 - The widening [current account deficit \(CAD\)](#): It is driven by the rising oil prices attributed to the Russia-Ukraine war.
 - The capital outflows: This is because of the rising dollar owing to the aggressive rate hikes by the U.S. Federal Reserve.

Difference between the Crisis of 2013 and the present times:

- There are major differences between the economic situation of India in 2013 and 2022. They are:
 - There was more pressure on the exchange rate in 2013 than the current exchange rate which is more closely tracking the fundamentals.
 - The macroeconomic situation of India was fragile in 2013 because of the high year-on-year [fiscal deficits](#) apart from the current account deficit.
 - Moreover, India's present reserves attract confidence in the Indian economy, which was a major missing in 2013.
- Apart from the above conditions, the pressure on the rupee has reduced considerably due to the oil prices softening. The oil prices which were \$100 per barrel six months ago have reduced to \$88 per barrel.
- The monthly trade deficit has also passed its peak and the capital flows are stabilizing.

Associated concerns:

- The current account deficit is the most vulnerable parameter because it is a broader term than the trade deficit and incorporates trade in invisibles like travel and tourism. The CAD is expected to stretch beyond 3% of GDP which is higher than RBI's safe limit of 2.5%. This is further compounded by United States' decision to continue the interest rate hike until inflation is tamed in the U.S. economy and the Ukraine conflict.
- The economic vulnerability of India is further accentuated by the Fiscal Deficit. The aggregate fiscal deficit of the Centre and States is above 10% of GDP. It should be noted that the [Balance of Payment\(BoP\) crisis of 1991](#) and the economic crisis of 2013 in India were spillover effects of fiscal deficit on the external sector.
- It is also observed that India's fiscal deficit situation is far more outstretched than other economies. India is also facing the twin deficit issue.
- Moreover, market perceptions are shaped more by the rapidly changing reserves often called the 'burn rate' when it is falling instead of the absolute level of reserves.
- One of the approaches to looking at foreign exchange reserves is in terms of the ratio of GDP. The ratio which was 21% (as a proportion to FY22 GDP) in March 2022 has decreased to around 17% of the estimated FY23 GDP. This is very close to the ratio of 15% which was observed in 2013.
- The depth and duration of recession in advanced countries like the U.S. and Europe will also impact the Indian economy.
- India's exports which are already under pressure will also have some implications.

Remedial Measures:

- Reserve Bank of India allowed Indian traders to settle their export and import bills in rupees in August 2022. This was considered to be a bold move to internationalize the rupee, but it was actually an effort to enable payments for the crude brought from Russia.
- However, the above arrangement has not yet been formalized. Once the Rupee-Rouble trade is implemented, it has the potential to save \$4 billion per month which can be a substantial relief to India's trade deficit (currently pegged at \$20 billion-\$25 billion).
- The RBI has adopted various remedial measures like selling dollars from foreign exchange reserves to prevent volatility without targeting any specific exchange rate.
- RBI should proactively engineer the trajectory of the falling rupee. It can allow depreciation to a certain extent as [Real Effective Exchange Rate \(REER\)](#) is overvalued.
 - The real effective exchange rate (REER) of the rupee is a broader measure of its value against the currencies of India's trading partners.
 - If some amount of rupee depreciation is allowed towards equilibrium, it can be beneficial for exports, restrict non-oil imports, and can help in reducing the current account balance.
- The above measure might have some inflationary impact, which should be dealt with through monetary policy action. The RBI is already working on this aspect.

Also read: [UPSC Exam Comprehensive News Analysis. July 1st, 2022](#)

Nut Graf: *The rupee is under pressure in the international market making India vulnerable on many counts. The Reserve Bank of India is proactively looking at the matter and taking remedial actions. It is also observed that the economic condition is not as bad as the economic crisis of 2013, but still, a lot needs to be done to stabilize the Indian economy.*

Category: SOCIAL JUSTICE

1. Is TN's breakfast scheme populist or pertinent?

Syllabus: *Welfare schemes for the vulnerable sections of the population by the centre and the state and the performance of the scheme.*

Mains: *Free breakfast scheme for children.*

Context: Chief Minister's Breakfast Scheme in Tamil Nadu.

Details:

- The objective of the Chief Minister's Breakfast Scheme of Tamil Nadu is to help students from vulnerable sections to attend school hunger-free and improve their nutritional status.
- The initial budget outlay of the scheme was ₹33.5 crore. But the revamped scheme will cater to approximately 1,14,095 primary school students from nearly 1,545 government schools.
- The scheme is said to be at the crossroads of three crucial socio-political concerns which are:
 - The ongoing debates on the freebies culture
 - Declining human development performance
 - The impact of the pandemic on education
- The scheme was defended by the Chief Minister on account of the State's responsibility rather than charity, freebie, or incentive. According to Article 38, it is the responsibility of the state to minimize the inequalities in income, facilities, and opportunities and promote welfare among individuals and groups.
- The populist schemes, human development promotion schemes, and welfare schemes are all labelled as freebies without any distinction. This argument however uses fiscal burden as a reason to restrict the state from discharging its duty.
- Moreover, some of the initiatives taken in the education sectors are Illam Thedi Kalvi and Ennum Ezhuthum.

For more on the Freebies issue, read here: [Freebies in India](#)

Recent Trends in Human Development Parameters:

- India ranks 101 out of 116 on the [Global Hunger Index](#).
- On the Global Food Security Index, India stands at rank 71 out of 113 countries.
- The rank on [Human Development Index](#) is 132 out of 191 nations.
- The mean years of schooling in India is 6.7 years (as per 2020-21 data). Moreover, India has the highest levels of education inequality.
- Similarly, the rising wealth inequality is also high, as evident from the recent Credit Suisse report.

Case Study of Tamil Nadu:

- Findings of the Comprehensive National Nutrition Survey 2016-18 (conducted in 2018):
 - Nearly 10% of children in the age group of 5-9 years were stunted, in contrast to the national average of 22%. It is also lower than Kerala, where it stands at 11%.
 - Approximately 19% of children faced malnourishment as against 23% of the national average.
 - The share of underweight children in Tamil Nadu is 23%, whereas the national average is 35%.
 - In health parameters like Anaemia, Vitamin A deficiency, and Vitamin D deficiency the share of the population in Tamil Nadu is 10%, 7%, and 41% respectively.
- The performance of Tamil Nadu is quite decent in aspects like nutrition and micronutrient deficiencies among primary school level students. However, these levels may be higher in socio-economically disadvantaged sections.

Potential of the Scheme:

- The scheme is targeted toward socioeconomically disadvantaged children, who are mainly enrolled in government schools. This would reduce the disparity in the nutritional status among children.
- However, it is also argued that the state of Tamil Nadu is already faring well in terms of nutrition and the scheme is unlikely to bring any major improvements in this regard.
- The scheme might benefit in the aspect of hunger-free school attendance. But again, reliable data regarding the percentage of students who attend school without having breakfast is scarce.
- Even though it is an acknowledged fact that children tend to skip breakfast owing to the school timings and the financial situation, the major reason among the two is yet to be known.
- According to studies of free breakfast schemes in other countries, it is noted that the programme has the potential to improve the concentration of students in studies and increase students' attendance.

Also read: [Poshan Abhiyaan - Features, Significance, Concerns](#)

Nut Graf: Though Tamil Nadu fares well in the country in terms of the nutrition aspect, the scheme tends to have a positive impact on the learning outcomes of the students. The Breakfast scheme is a first-of-its-kind scheme in India and thus needs to be observed closely both in aspects of education as well as nutrition.

F. Prelims Facts

1. Swedish scientist gets medicine Nobel for work on human evolution

Syllabus: GS-3; Science and Technology

Prelims: About Nobel Prize for Medicine 2022

Context

Svante Paabo, a scientist from Sweden, won the Nobel Prize in medicine.

Details

- Svante Paabo was awarded the Nobel Prize for his discoveries on human evolution that provided key insights into the immune system of modern humans and what makes modern humans unique as compared to other extinct species.
- Svante Paabo spearheaded the development of new techniques that allowed researchers to compare the genome of modern humans and that of other hominins such as the Neanderthals and Denisovans.
- The Neanderthal bones were first discovered in the mid-19th century and only by unlocking their DNA, the scientists were able to fully understand the links between species. This included the time when modern humans and Neanderthals diverged as a species around 8,00,000 years ago.
- Svante Paabo and his team found that gene flow had occurred from Neanderthals to Homo sapiens, demonstrating that they had children together during periods of coexistence.
 - This transfer of genes between hominin species has had a significant impact on the immune system of modern humans. It was also seen that people outside Africa have 1-2% of Neanderthal genes.
- Mr. Paabo and his team managed to extract DNA from a tiny finger bone that was excavated from a cave in Siberia, which led to the recognition of a new species of ancient humans named Denisovans.
- This discovery has helped to show that Neanderthals and Denisovans were sister groups that split from each other around 6,00,000 years ago.

- Further, the Denisovan genes have been found in about 6% of modern humans in Asia and Southeast Asia which indicates interbreeding.
- By mixing with Denisovans after migrating out of Africa, Homo Sapiens picked up gene sequences that improved their chances of surviving in their new environments.

2. SASTRA Ramanujan Prize

Syllabus: GS-3; Science and Technology

Prelims: About SASTRA Ramanujan Prize and Srinivasa Ramanujan

Context

The SASTRA Ramanujan Prize for 2022 would be awarded to Yunqing Tang who is an Assistant Professor at the University of California for her contribution to the field of Mathematics.

SASTRA Ramanujan Prize

- The Ramanujan Prize was instituted by the **Shanmugha Arts, Science, Technology & Research Academy (SASTRA)** in 2005.
- The award recognises the outstanding contributions in the **field of Mathematics** by individuals **aged 32 and below**.
- The award has been instituted with the objective of encouraging young minds to pursue research in Mathematics influenced by [Srinivasa Ramanujan](#) and increase the visibility of Mathematics both at the national and international levels.
- The award, which includes a cash prize of **\$10,000**, is presented **annually**.

G. Tidbits

1. Induction of indigenously built Light Combat Helicopter marks a new chapter: Air chief

- The Air Chief Marshal said that the induction of the indigenously designed and developed Light Combat Helicopter (LCH) provides unique capabilities to the combat potential of the Indian Air Force (IAF) and marks a new chapter.
- The Army had formally received its first LCH in Bengaluru recently and the Air Chief Marshal said that the LCH met the requirements of modern warfare, necessary quality parameters under varied conditions of operations and fully met the requirements of both the Indian Army and the Indian Air Force.

- The twin-engine LCH, designed and developed by Hindustan Aeronautics Limited, is a 5-8 tonne class dedicated combat helicopter that was conceptualised post the 1999 Kargil war.
 - It is said to be the only attack helicopter in the world that can land and take off at an altitude of 5,000 m or 16,400 ft with a considerable load of weapons and fuel.
 - Furthermore, the LCH is equipped with a 20 mm nose gun, 70 mm rockets, an anti-tank guided missile called “**Dhruvastra**” and an air-to-air missile called “**Mistral-2**”.

Read more about - [HAL Light Combat Helicopter](#)

2. MGNREGS to fund work to reverse desertification of land across the States

- As per the **Desertification and Land Degradation Atlas** published by the Environment Ministry in 2021, at least 30% of India’s total geographical area is under the category of “degraded land”.
 - Also, states such as Jharkhand, Rajasthan, Delhi, Gujarat and Goa have more than 50% of their land area undergoing desertification or degradation.
- Due to limited funds to tackle the issue of land degradation and restore degraded land and reverse desertification, the government is looking to bring convergence between the [Mahatma Gandhi National Rural Employment Guarantee Scheme](#) (MGNREGA) and the **Pradhan Mantri Krishi Sinchayee Yojana** (PMKSY).
- The central government has urged the states to undertake activities such as ridge area treatment, drainage line treatment, soil and moisture conservation, rainwater harvesting, nursery raising, afforestation, horticulture and pasture development that are done under PMSKY now by using MGNREGA funds.
 - This move is expected to help take up treatment of about 30% more land than feasible with the current scheme size.
- Earlier in 2019, the government had increased its target of restoration of degraded land from 21 million hectares to 26 million hectares by 2030 following its commitment during the [UN Convention to Combat Desertification - COP14](#)

3. 69% houses under PMAY in rural India are owned by women

- According to the data shared by the government, as of September 29, 2022, about two crore houses had been constructed in rural areas out of the 2.46 crore houses that were sanctioned under the [Pradhan Mantri Awas Yojana \(Gramin\)](#) and over 69% of these are partly or completely owned by women.

- This is in line with the government's Nari Shakti initiative and the vision of bringing about "women-led" development instead of "development of women".
- The [Pradhan Mantri Ujjwala Yojana](#) is another initiative that has helped protect the health of women and children by ensuring the supply of clean cooking fuel.
 - More than 9.4 crore LPG connections have been released under the scheme which has played a key role in improving the environment and health of women.
- Additionally, the [Swachh Bharat Mission](#) is another initiative that has helped protect the health of women and children and ensure their dignity and security.
 - Under the scheme, about 11.5 crore toilets were constructed in the rural areas and over 70 lakh toilets were built in the urban areas thereby ensuring the dignity and security of women and children.

H. UPSC Prelims Practice Questions

Q1. Consider the following pairs: (Level – Difficult)

Folk Dances

State of Origin

- | | |
|----------------|----------------|
| 1. Lambadi | Rajasthan |
| 2. Garba | Gujarat |
| 3. Laho | Tripura |
| 4. Dhol Cholam | Andhra Pradesh |

How many of the pairs are correctly matched?

- a. One only
- b. Two only
- c. Three only
- d. None of the above

Answer: a

Explanation:

- **Pair 1 is not correct**, Lambadi is a folk dance associated with the Banjara tribes of **Telangana**.
- **Pair 2 is correct**, Garba is a form of dance which is traditionally performed during Navratri and has its roots in Gujarat.
- **Pair 3 is not correct**, Laho Dance is a folk dance of **Meghalaya**.
- **Pair 4 is not correct**, Dhol Cholam is a folk dance of **Manipur**.

Q2. Consider the following statements with respect to National Means-cum-Merit Scholarship Scheme (NMMSS): (Level – Medium)

1. It is a centrally sponsored scheme.
2. The scheme envisages an award of one lakh fresh scholarships every year to selected students of classes VI to IX.
3. The scholarships are awarded to students directly into their bank accounts by Direct Benefit Transfer (DBT) through Public Financial Management System (PFMS).

How many of the given statements is/are INCORRECT?

- a. One statement only
- b. Two statements only
- c. Three statements only
- d. None of the above

Answer: b

Explanation:

- **Statement 1 is not correct**, NMMSS is a **central sector scheme** as 100% of the funds are provided by the central government.
- **Statement 2 is not correct**, Under the Scheme, one lakh fresh scholarships @ of Rs.12000/- per annum per student are awarded to selected students of **class IX** every year and their continuation/renewal in classes X to XII for study in a State Government, Government-aided and Local body schools.
- **Statement 3 is correct**, The scholarships are awarded to students directly into their bank accounts by Direct Benefit Transfer (DBT) through the Public Financial Management System (PFMS).

Q3. Consider the following statements with respect to Purchasing Managers' Index (PMI): (Level – Medium)

1. It is an economic indicator derived from an annual survey of private sector companies.
2. PMI is a number from 0 to 100.
3. If the PMI of the previous month is higher than the PMI of the current month, it represents that the economy is contracting.

How many of the given statements is/are correct?

- a. One statement only

- b. Two statements only
- c. Three statements only
- d. None of the above

Answer: b

Explanation:

- **Statement 1 is not correct**, The Purchasing Manager's Index (PMI) is an economic indicator derived from the **monthly** survey of the private sector companies.
- **Statement 2 is correct**, The headline PMI is a number which ranges from 0 to 100.
- **Statement 3 is correct**, If a PMI is above 50, it represents an expansion when compared with the previous month and if the PMI value falls below 50, it indicates a contraction.

Q4. "Turtuk" recently seen in news is located in (Level – Difficult)

- a. West bank territory
- b. Donetsk Basin
- c. Golan Heights
- d. Nubra Valley

Answer: d

Explanation:

- Turtuk is a small village located in the **Nubra Valley**.
- It is said to be the northernmost village of India situated in the Leh district.

Q5. In the context of India, which of the following factors is/are contributor/contributors to reducing the risk of a currency crisis? (Level – Medium) PYQ-2019

1. The foreign currency earnings of India's IT sector.
2. Increasing the government expenditure.
3. Remittances from Indians abroad.

Select the correct answer using the code given below.

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

Answer: b

Explanation:

- **Statement 1 is correct**, Foreign currency earnings of India's IT sector help reduce the risk of a crisis.
- **Statement 2 is not correct**, Increasing government expenditure will not help reduce the risk of crisis.
- **Statement 3 is correct**, Remittances from Indians abroad also help reduce the risk of a currency crisis.

I. UPSC Mains Practice Questions

1. How does a depreciating rupee impact the Indian economy in the long run? Assess the pros and cons of such a decline in the value of rupee. (250 words; 15 marks) (GS III - Economics)
2. Despite various government interventions, India still fares badly in terms of child health. What are the possible reasons behind this mismatch? (250 words; 15 marks) (GS II - Governance)