

## 16 Nov 2022: UPSC Exam Comprehensive News Analysis



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**I. UPSC Mains Practice Questions****A. GS 1 Related****Category: SOCIETY****1. What does the World Bank report say about India's cities?**

*Syllabus: Urbanization, their problems and their remedies*

*Mains: Sources of finances to meet the demands of urban areas, challenges associated with it and various solutions.*

**Context**

As per the latest report of the World Bank named “**Financing India's Urban Infrastructure Needs: Constraints to Commercial Financing and Prospects for Policy Action**”, India would need to invest about \$840 billion in the next 15 years (an average of \$55 billion per year), to meet the demands of India's rapidly-growing urban population.

**Sources of finances**

- Financing on a repayable basis can be convened through debt or private lending or public-private partnership investments.
- These finances need a recurrent source of revenue to meet the demands and obligations which require increasing adequate resources.
- A large share of urban infrastructure in India is financed by tied intergovernmental fiscal transfers. i.e. vertical and horizontal transfer of finance to achieve certain goals set sub-nationally.
- Out of the total finances required to fund capital expenditures for urban areas in India:
  - Nearly 48% is from State governments
  - Around 24% is from the Union government
  - About 15% is from urban local bodies' (ULB) own surplus.
  - The rest is from loans from Housing and Urban Development Corporation (HUDCO - 8%), public-private partnerships (PPP - 3%) and commercial debt (2%).
- According to the [World Bank](https://www.worldbank.org/), only a few large cities have access to institutional banks and loans from them.

- Further, the volume of commercial debt financing cannot be an accurate indicator because States can grant loans to their entities through their own regulated financial agencies at lower rates, terms and conditions.
- **Example:** Tamil Nadu Urban Development Fund and Tamil Nadu Urban Finance and Infrastructure Development Company grant loans at concessional terms.

### Challenges highlighted by the report

- According to the report, the overall funding base required to increase commercial revenues is very low at present in the country due to the weak fiscal performance of cities and low absorptive capacity for the execution of projects.
- The World Bank has held that the low service charges collected for municipal services impair financial sustainability and viability as the urban bodies are not able to recover the operations and maintenance costs thereby affecting their ability to undertake and execute projects effectively.
- The latest report of the World Bank also notes that the urban bodies have failed to increase their resource and funding base to support private financing for services like water supply, sewerage networks and bus services, as they are highly subsidised.
  - These services are sourced from the urban body's general revenues, own-source revenues (revenue from house tax, professional tax, property tax, etc.), or fiscal transfers.
- Furthermore, the report with respect to private-public partnerships (PPPs) states that the existing revenue sharing model between the two entities has not been feasible for private investors and it also does not fully account for risk-sharing mechanisms for potential risks.

### Key Recommendations

- The major solution recommended by the report is to initiate efforts to expand cities' fiscal base and credit worthiness.
- As per the report, the fiscal base of cities can be improved if cities can institute a buoyant revenue base and are able to recover the cost of providing their services.
- The cost of providing the services can be recorded by revising the existing property taxes, user fees and service charges.

**Nut graf:** As the urban population of the country is increasing at a rapid rate, unanticipated problems such as demand shocks and various legal and technical challenges with respect to the existing financial resources have surfaced. In this context, the latest World Bank report has highlighted urgent requirements to leverage greater private and commercial investments in order to meet the emerging financial gaps.

*Nothing here for today!!!*

## C. GS 3 Related

### Category: ENVIRONMENT

#### 1. Is climate change affecting global health?

*Syllabus: Environmental pollution and degradation*

*Mains: Key findings of the 2022 Lancet Countdown on Health and Climate Change report and important recommendations of the report.*

#### Context

The 2022 Lancet Countdown on Health and Climate Change: Health at the Mercy of Fossil Fuels report has highlighted that global reliance on fossil fuels will increase the risk of diseases, food insecurity and other heat-related illnesses.

#### Important findings of the report

- **Link between climate change and public health:** At a time when the world is facing the brunt of climate change, the latest Lancet report has outlined the intimate relationship between changing weather phenomena and their impact on the health of people.
- **Global reliance on fossil fuels:** In the wake of the [Russia-Ukraine war](#), several countries have initiated efforts to shift to alternative fuels to Russian oil and gas, and a few are still turning back to traditional thermal energy.
  - The report suggests that even this temporary transition or the renewed push towards coal for energy requirements could reverse the gains made in air quality improvement and accelerate climate change threatening human survival.
- **Increase in infectious diseases:** Climate change has had a significant impact on the spread of infectious diseases and has increased the risk of emerging diseases and co-epidemics.
  - **Example:** as the coastal waters have become more suited for the transmission of *Vibrio* pathogens, the number of months suitable for malaria transmission has also increased in several highland areas of America and Africa.
  - Additionally, according to [WHO](#), climate change is expected to result in about 2,50,000 additional deaths per year due to malnutrition, malaria, diarrhoea and heat stress between 2030 and 2050.

- **Food insecurity:** As per the report, climate change has adversely impacted every aspect of food security as higher temperatures (due to global warming) affect crop yields as the growth season has been shortened for many cereal crops.
  - Extreme weather events also disrupt supply chains which affect the availability, access, stability, and utilisation of food thereby increasing the prevalence of undernourishment.
  - Undernourishment has increased significantly due to the COVID-19 pandemic, as about 161 million more people face hunger in 2020 than in 2019. This situation has been further aggravated by the Russia-Ukraine war.
- **Heatwaves:** The report further notes that the rapidly increasing temperatures due to climate change have exposed people, particularly the vulnerable populations (adults above 65 years old and children below one year) to nearly 3.7 billion more heatwave days in 2021 than annually in 1986–2005.

## Recommendations

- The report highlights the importance of a transition to clean energy sources for the future instead of shifting towards traditional thermal energy sources such as coal.
- The report states that a health-centred response to the coexisting climate, energy, and cost-of-living crises provides an opportunity to deliver a healthy and low-carbon future.
  - Health-centred responses would further reduce the risks of catastrophic impacts of climate change while also improving energy security and providing an opportunity for economic recovery.
- Further, betterments in air quality will aid in preventing the deaths caused due to exposure to fossil fuel-derived ambient PM2.5, and the stress on low-carbon travel.
  - An increase in urban spaces will also help in promoting physical activity which has a positive impact on physical and mental well-being.
- The report also urged for an accelerated transition to sustainable and balanced plant-based diets, as they help mitigate emissions from red meat and milk production, and also prevent diet-related deaths and the risks of [zoonotic diseases](#).
  - Plant-based diets will help in reducing the burden of communicable and non-communicable diseases which ultimately reduces the burden on the existing healthcare facilities ensuring robust healthcare systems.

**Nut graf:** *In the wake of the ongoing COP27 in Egypt, the Lancet report notes that the pace and scale of climate change adaptations are still slow and insufficient and the report calls for immediate global coordination, funding and cooperation among governments, communities, civil society, and corporations to mitigate the existing vulnerabilities of climate change.*

## D. GS 4 Related

*Nothing here for today!!!*



**Category: ENVIRONMENT****1. Health as the focus of air pollution policy**

*Syllabus: Environmental pollution - Air pollution.*

*Mains: Concerns associated with air pollution policy.*

**Context:** Worsening winter air quality in north India.

**Details:**

- The deteriorating air quality in northern parts of India has again brought to the limelight the harmful effects of air pollution on health. Children, the elderly, pregnant women, and those with pre-existing health conditions are the most vulnerable sections of society.
- According to *The Lancet*, 17.8% of all deaths and 11.5% of cardiovascular, respiratory, and other associated diseases were caused due to high exposure to pollution in India in 2019.

**For more information on depleting air quality, read here:** [Delhi Air Pollution: AIR Spotlight](#)

**Issues with air pollution policies:**

- Environment regulators of India have inadequate health expertise in decision-making groups/entities.
  - The recently constituted institution, the [Commission for Air Quality Management](#) also lacks health representation.
  - According to papers published by the Centre for Policy Research, health sector representatives constitute less than 5% of the membership of State Pollution Control Boards (SPCB).
- There exists a combination of the isolated nature of policymaking and an insufficient understanding of health among policymakers. This results in little knowledge in society about the harmful effect of air pollution.
- The air pollution policy of India by far has been treated as one of the several equally relevant facets in decision-making. This approach needs to be transformed and health should be made a feature and eventually a function of air pollution policy.

**Lessons to be learned:**

- The Ministry of Health's Steering Committee on Air Pollution took an exposure-centred view to policy. The committee focused on the following key points:
  - It prioritized interventions that could considerably reduce exposure and provide health benefits.
  - It also highlighted the local and global epidemiological evidence on the harmful effects of air pollution and aligned the policy measure with its science. For example, focusing on household cookstove smoke.
- The committee also convened experts from a range of disciplines and sectors like epidemiology, economics, energy, environment, public policy, and transport to formulate an approach that would majorly focus on health benefits. These sustainable and effective interventions would in turn prevent the denial of basic science that proliferates untested and ad hoc techno solutions (like smog towers).
- The [National Ambient Air Quality Standards \(NAAQS\)](#) review process has largely remained opaque over the years. This should be revised and health aspects should be foregrounded in such a process. This would mean that standards would be determined by local conditions as well as the impact of exposure on the vulnerable population.
- Ultimately, radical thinking is required as a final step in policy designing. For instance, in cases of stubble burning or thermal power plant emissions, decisions are made without considering their potential second and third-order effects.

**Also read:** [Air \(Prevention and Control of Pollution\) Act of 1981](#)

***Nut Graf:** Air pollution has become a major cause of concern in India but the policies associated with it are marred by specific issues, particularly in the context of health aspects. Health and basic science should be made central to air pollution policies for a sustainable and effective solution.*

**Category: INDIAN POLITY**

## **1. Undermining federalism, eroding States' autonomy**

***Syllabus:** Issues and challenges pertaining to the federal structure.*

***Mains:** Issues with the federal structure of India.*

***Prelims:** NITI Aayog*

**Details:**

- The Cabinet Resolution of 1st January 2015 constituted the [National Institution for Transforming India \(NITI\) Aayog](#). It replaced the Planning Commission of India with the main objective of promoting cooperative federalism.
- The resolution explicitly articulated that the States should not be seen as mere appendages of the Centre. They should have a decisive say in determining the architecture of economic growth and development.
- One of the major mandates of NITI Aayog is to strengthen cooperative federalism through structured support initiatives and mechanisms with the States on a continuous basis. It should be recognized that strong States make a strong nation.

**For more information on cooperative federalism, read here: [Cooperative Federalism in India](#)**

### **Associated Concerns:**

NITI Aayog has been criticized for not taking any significant steps in promoting cooperative federalism. The author has used several instances to highlight that the central policies have undermined the spirit of federalism and eroded the autonomy of the states.

- One such instance is about not accepting the recommendation of the [Fifteenth Finance Commission](#) and undermining its stature. The central government has been accused of not accepting the suggestion of special grants to three states, grants for nutrition, and grants to states for the year 2021-26.
- Another example quoted by the author is about off-budget borrowing. The decision has been taken to consider off-budget borrowings from 2021-22 onwards serviced from the State budgets as States' borrowings and adjusting them against borrowing limits under [Fiscal Responsibility and Budget Management \(FRBM\)](#) in 2022-23. The government of India says that this is in accordance with the Finance Commission recommendations.
  - However, it is argued that there is no such recommendation and instead Finance Commission recommended that governments at all tiers should observe strict discipline by resisting any further additions to the stock of off-budget transactions.
  - Moreover, no high-powered intergovernmental group has been appointed to define debt sustainability and suggest amendments to the FRBM Act, as proposed by the commission.
  - The borrowings of the states are used for capital investment but the off-budget borrowings of the Centre were used to meet revenue expenditure. The [Comptroller and Auditor General of India \(C&AG\)](#) Report on the Compliance of the FRBM Act for 2017-18 and 2018-19 showed eight instances of meeting revenue expenditure through Extra Budgetary Resources (EBR).
- The central government has also resorted to levying [cesses and surcharges](#). It should be noted that these are not shareable with the States under the Constitution. Some key details associated with cesses and surcharges are:



- The share of cesses and surcharges in the gross tax revenue of the Centre increased from 13.5% in 2014-15 to 20% in the Budget estimates for 2022-23.
- The share of the States in the Central taxes is 41% (in accordance with the Fifteenth Finance Commission) but they only get a 29.6% share due to higher cesses and surcharges.
- According to the Audit Report of C&AG on Union Government Accounts for 2018-19, approximately 2.75 lakh crores were collected from 35 cesses and only 1.65 lakh crore was credited to different funds and the remaining amount was retained by the Consolidated Fund of India.
- The states have also lost their autonomy due to the schemes:
  - Various committees have recommended reducing the number of Centrally Sponsored Schemes (CSS). However, these have been clubbed under broad umbrella heads (currently 28).
  - Moreover, the States' share in the number of CSS also increased in the year 2015. This has burdened the states further. It is also highlighted that most of the CSS are operated for subjects included in the State list.
  - The Sub-Committee of Chief Ministers (appointed by NITI Aayog) also recommended the introduction of optional schemes and a reduction in the number of existing schemes. These recommendations yet remain to be acted upon.
- The three farm laws of 2020 (repealed now) were enacted under Entry 33 of the [Concurrent List](#) (trade and commerce) despite being agricultural law (subject in the State list). According to the author, their enactment was against the spirit of the Constitution as states were not consulted before introducing these bills.

**Also read:** [AIR Spotlight - Cooperative and Competitive Federalism](#)

***Nut Graf:** Several instances have been highlighted where the spirit of cooperative federalism and states' autonomy has been undermined. The NITI Aayog should take responsibility to strengthen cooperative federalism and make states equal partners in nation-building.*

## F. Prelims Facts

*Nothing here for today!!!*

## G. Tidbits

**1. India's population growth is stabilising, it is an indicator of effective health policies, says UN**

# Stabilising population

Fertility rates in 2019-21 across States/U.T.s in India



Fertility rates	States and U.T.s
>2.1	Bihar, Meghalaya, U.P., Jharkhand, Manipur
≤2.1 and >1.7	M.P., Rajasthan, Assam, Gujarat, Haryana, Mizoram, Uttarakhand, Arunachal, Chhattisgarh, D&N Haveli, Kerala, Odisha, Telangana, T.N.
≤1.7 and >1.4	Andhra, H.P., Karnataka, Maharashtra, Nagaland, Tripura, Delhi, Punjab, W.B., Puducherry
≤1.4	Chandigarh, J&K, Lakshadweep, A&N Islands, Goa, Ladakh, Sikkim

Source: NFHS-5

Image source: The Hindu

- As the global population has breached the eight billion mark, the United Nations has said that India's population growth looks like it is stabilising which reflects the efficiencies of the country's policies, health systems, and access to family planning services.
- The world population touched eight billion recently and India was the largest contributor, having added over 177 million people of the last billion people born.
- However, India's population growth appears to be stabilising as the [Total Fertility Rate \(TFR\)](#) has reduced to 2.0 from 2.2 at the national level.
  - Further, about 31 States and Union Territories accounting for about 69.7% of the country's population have already achieved fertility rates below the replacement level of 2.1.
- One of the key reasons for the decline in fertility rate is the increase in the adoption of modern family planning methods (56.5% in 2019-21 as compared to 47.8% in 2015-16) and a decline in unmet need for family planning by four percentage points over the same period.
- The [United Nations Population Fund \(UNFPA\)](#) also notes that India is a youthful nation with the largest cohort of young people in the world and has the potential to achieve its demographic dividend.
  - UNFPA further said that as many parts of the world are ageing, India's youthful population can be a global resource to resolve global problems.

## 2. Third edition of 'No Money For Terror' forum to discuss crowdfunding of terrorism

- India is hosting the third No Money For Terror (NMFT) conference and the representatives of about 75 countries are expected to attend the conference.
- The use of crowdfunding platforms to finance terrorist activities and weak control mechanisms of social media platforms is one of the main topics to be discussed at the conference.
- The other key topics to be discussed include global trends in terrorism and terrorist financing; the use of formal and informal channels for terrorism; emerging technologies and terrorist financing; and international cooperation to address challenges in combating terrorist financing.
- The agenda of the conference acknowledged that terrorists and extremists have improvised on technologies like cryptocurrency and crowdfunding by customising them to suit their requirements and the dark web is bringing together professional hackers and terrorists and the untraceable nature of terror financing through these media poses a serious challenge.
- Further, according to the agenda of NMFT an effective multilateral and multi-stakeholder approach will help in the identification and mitigation of threats of emerging terror-financing mechanisms and an effective legislative regulatory framework will ensure that internet service providers and social media platforms work towards dissuasive self-regulation.

### H. UPSC Prelims Practice Questions

**Q1. Consider the following statements about Climate Change Performance Index (CCPI). (Level – Difficult)**

1. It is published by the United Nations Environment Programme (UNEP).
2. The Index is assessed based on four factors - Greenhouse Gas Emissions, Renewable Energy Adoption, Energy Use and Climate Policy.
3. The latest CCPI for 2023 ranks India eighth among the assessed countries.
4. The first position in the CCPI, 2023 is occupied by the USA.

**Which of the above statements are correct?**

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

**Answer: b**

**Explanation:**

- **Statement 1 is not correct**, CCPI is published by three NGOs namely **Germanwatch, NewClimate Institute and Climate Action Network International**.
- **Statement 2 is correct**, The Index is assessed based on four performance indicators namely Greenhouse Gas Emissions, Renewable Energy Adoption, Energy Use and Climate Policy.
- **Statement 3 is correct**, India has climbed two spots to reach the eighth rank out of 63 countries evaluated on CCPI 2023 on account of low emissions and the increasing use of renewable energy.
- **Statement 4 is not correct**, In the CCPI 2023, Denmark has reached the best ranking. However, no country performs well enough in all index categories to achieve an overall “very high” rating in the index.
  - Therefore, the first three ranks in the overall ranking remain empty.

**Q2. Consider the following statements about the Ministerial Conference on Countering Financing of Terrorism. (Level – Difficult)**

1. The Ministry of Home Affairs, Government of India would be organising this Conference.
2. This is the first such conference to be held at the ministerial level to combat terror financing.

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

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

**Answer: a**

**Explanation:**

- **Statement 1 is correct**, The Union Ministry of Home Affairs would be organising this Ministerial Conference on Countering Financing of Terrorism.
- **Statement 2 is not correct**, The latest conference being hosted by India is the **third such conference** to be held at the ministerial level to combat terror financing.

**Q3. Arrange the following states in the order of them attaining full statehood status starting from the earliest to the latest. (Level – Difficult)**

1. Goa
2. Gujarat
3. Jharkhand
4. Meghalaya

5. Andhra Pradesh
6. Nagaland

**Options:**

- a. 5, 6, 2, 1, 4, 3
- b. 5, 2, 6, 4, 1, 3
- c. 6, 5, 2, 1, 3, 4
- d. 5, 2, 6, 1, 3, 4

**Answer: b**

**Explanation:**

- Andhra Pradesh: 1st of November 1953
- Gujarat: 1st of May 1960
- Nagaland: 1st of December 1963
- Meghalaya: 21st of January 1972
- Goa: 30th of May 1987
- Jharkhand: 15th of November 2000

**Q4. Which of the following statements are correct with respect to India's foreign trade's general trends in the recent past? (Level – Easy)**

1. In the merchandise segment, India imports more than it exports in terms of value.
2. In the services segment, India exports more than it imports in terms of value.
3. Generally, the trade surplus from the services segment is able to cover the trade deficit in the merchandise segment to result in a net trade surplus for India.

**Options:**

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

**Answer: a**

**Explanation:**

- **Statement 1 is correct**, In the merchandise segment, India imports more than it exports in terms of value.



- **Statement 2 is correct**, In the services segment, India exports more than it imports in terms of value.
- **Statement 3 is not correct**, As the trade surplus from the services segment has **failed to offset** the trade deficit in the merchandise segment, India is witnessing a **net trade deficit**.

**Q5. Under which schedule of the Constitution of India can the transfer of tribal land to private parties for mining be declared null and void? (Level – Medium) PYQ (2019)**

- Third Schedule
- Fifth Schedule
- Ninth Schedule
- Twelfth Schedule

**Answer: b**

**Explanation:**

In the *Samatha v/s State of Andhra Pradesh & Ors* judgment in 1997, the Supreme Court declared that the transfer of tribal land to private parties for mining was null and void under the **Fifth Schedule of the Constitution**.

### I. UPSC Mains Practice Questions

1. [Urbanization in India is marred with a large bunch of challenges. Elaborate. \(250 words, 15 marks\) \[GS-1, Society\]](#)
2. [Global warming can't be decoupled from health impact. Critically analyze. \(250 words, 15 marks\) \[GS-3, Environment\]](#)