

BIRLA INSTITUTE OF TECHNOLOGY AND SCIENCE, PILANI

Second Semester (2021-22)

GS F243: Current Affairs

Comprehensive Examination

Time: 3 Hours

13 May 2022

Max Marks: 80

Total no of questions-4

Total no of pages-4

Q.1 Answer each of the following questions in about 50 words. Each question carries 4 marks.

- a) Who made the following statement and what was the context in which this statement was made? “India’s monthly oil purchase from Russia less than Europe’s in an afternoon.”
- b) Which state assembly has passed resolutions opposing NEET and CUET and what important reasons have been cited to do so?
- c) What is the controversy related to Charak Shapath and Hippocratic Oath and why this issue appeared in national newspapers recently?
- d) What is NATO, and why does Ukraine want to join?

Q.2 COVID-19 pandemic has disrupted each and every aspects of human existence. Apart from health issues, financial stability is at stake. The future of employment opportunities as well as work life is met with several serious challenges leading to disruptions in personal and social life. In light of this statement write an opinion article on how pandemic has impacted the future of working people and also how they would affect the prospective job seekers and recruiters in coming months? Write your article in about 500 words and give a suitable title. **(26)**

Q.3 Read the following article and write a critique of it in about 350 words. **(18)**

Freebies are a passport to fiscal disaster

NK Singh writes: They could prove expensive for the economy, life quality and social cohesion in the long run.

The debt-to-GDP ratio of Punjab is already at 53.3 per cent for 2021-22, which would worsen on account of these new measures.

India is a Union of states. It is not a confederation of states. It is not a question of holding together but of coming together. The Union is indestructible. The configuration of the states which constitute the Union can change. The Union, therefore, is integral to both the Centre and the states. The strength of the Centre lies in the strength of the states.

Therefore, the macroeconomic stability of the Union is contingent on the macroeconomic stability of both the Centre and states. That is why in grappling with the complex issues of the Fifteenth Finance Commission, of which I was the chairman, we devoted the entire Volume-IV to the states. Each state in this volume of the report has been analysed at great length. So have their individual deficits, debts and macroeconomic stability, which includes the developmental challenges each of the states face.

The political dialogue built around freebies is fraught with danger. There is great ambiguity in what “freebies” mean. We need to distinguish between the concept of merit goods and public goods on which expenditure outlays have overall benefits. Examples of this are the strengthening and deepening of the public distribution system, employment guarantee schemes, support to education and enhanced outlays for health, particularly during the pandemic. All over the world, these are considered to be desirable expenditures.

Therefore, it’s not about how cheap the freebies are but how expensive they are for the economy, life quality and social cohesion in the long run. We must dread the thought of replicating the culture of competitive freebie politics. We must go the route of achieving higher rates of economic growth. The race to efficiency is the race to prosperity.

There are seven reasons why. First, freebies undercut the basic framework of macroeconomic stability. The politics of freebies distorts expenditure priorities. Outlays are being concentrated on subsidies of one kind or the other. What, therefore, does this mean to fiscal sustainability for states which are already debt-stressed?

Illustratively, in the case of Punjab, while estimates vary, some have speculated that the promise of freebies might cost around Rs 17,000 crore for their implementation. If we take everything impacting the debt ratio of Punjab into account, there is going to be an additional impact of 3 per cent of GSDP. As we know, the debt-to-GDP ratio of Punjab is already at 53.3 per cent for 2021-22, which would worsen on account of these new measures.

Second is the issue of the distortion of expenditure priority. Take, for instance, the change to the new contributory pension scheme from the old scheme, which had a fixed return. Rajasthan announced that it would revert to the old pension scheme. This decision is regressive as the move away from the old scheme was based on the fact that it was inherently inequitable. The pension and salary revenues of Rajasthan amount to 56 per cent of its tax and non-tax revenues. Thus, 6 per cent of the population, which is made up of civil servants, stands to benefit from 56 per cent of the state’s revenues. This is fraught with dangers not only of intergenerational inequality, but also affects the broader principles of equity and morality.

Third, the issue of intergenerational equity leads to greater social inequalities because of expenditure priorities being distorted away from growth-enhancing items.

Fourth, movement away from the environment. When we talk of freebies, it is in the context of providing, for example, free power, or a certain quantum of free power, water and other kinds of consumption goods. This distracts outlays from environmental and sustainable growth, renewable energy and more efficient public transport systems.

Fifth, the distortion of agricultural priorities. This affects agricultural practices which do not depend on extensive use of water and fertilisers. The depleting supply of groundwater is an important issue to consider when speaking of freebies pertaining to free consumption goods and resources.

Sixth, its debilitating effect on the future of manufacturing. Freebies lower the quality and competitiveness of the manufacturing sector by detracting from efficient and competitive infrastructure enabling high-factor efficiencies in the manufacturing sector.

Seventh, this raises the question of whether the time has come to consider recourse mechanisms like subnational bankruptcy.

Freebies bring into question market differentiation between profligate and non-profligate states and whether we can have a recourse mechanism for subnational bankruptcy.

The race to the bottom implies government deregulation of markets and business. This means eventually that states compete to underbid each other in lowering taxes, expenditure and regulation. We must strive instead for a race to efficiency through laboratories of democracy and sanguine federalism where states use their authority to harness innovative ideas and solutions to common problems which other states can emulate.

The economics of freebies is invariably wrong. John Maynard Keynes said, “There is no harm in being sometimes wrong — especially if one is promptly found out.” In this case, it has been promptly found out that both the economics and politics of freebies are deeply flawed. It is a race to the bottom. Indeed, it is not the road to efficiency or prosperity, but a quick passport to fiscal disaster.

Q.4 Read the following news article and identify the issue raised. Based on your regular readings of news and opinion pieces written on similar issues, widen the prospect of this issue as a larger ongoing debate in the country and write your opinion in about 400 words. (20)

April 25, 2022, TOI

If Indian politics is a theatre, Tamil Nadu is a multiplex. Where cigarette flicks and dark glasses are the perennial symbols of style and substance, sycophancy does a tandava ... MORE

This Saturday, ‘The Times of India’ reporter Srikanth Dhasarathy, who had gone to cover a function at Anna University where chief minister M K Stalin was the chief guest, was stopped from entering the venue. The reason: He was wearing a black shirt. He had earlier presented his credentials as a journalist with the local police and the organisers, but was stopped by a man in a safari suit. “Don’t you know the rule?” he said. “Black dress isn’t allowed at CM’s function”. The reporter returned without covering the function.

We made inquiries and found no such rule or protocol. Was it a ridiculous act of an overzealous security officer or was there such an instruction from the chief minister’s office to his security? Either way it was an affront to a citizen’s personal liberty and arguably an offence (stopping a professional from discharging his duty). So, why is the CM’s security seeing red in black? Of all the colours, black — a colour that Periyar popularised as a mark of protest against social oppression, which later graduated to a symbol of pride for the Dravidian stock?

Remember M Karunanidhi trading his white for black sometime in 2012, vowing to wear only that colour till Jayalalithaa is out of power? It’s another matter that the resolve dissolved in four days and Kalaignar got back to white. Followers of Periyar, including members of Dravidar

Kazhagam, continue to wear black. Will the CM's security stop K Veeramani from meeting Stalin because the DK leader wears only black?

Such paranoia was on display last when Prime Minister Narendra Modi visited Chennai in 2018 to inaugurate DefExpo. That time, however, there was some reason: Protests were raging against the Prime Minister for the Centre's failure to constitute a Cauvery management board. As protesters lined roads from the airport to the DefExpo venue in Thiruvudanthai on the city outskirts, the Prime Minister took a chopper from Chennai airport (and protesters set off black balloons). To avoid exposing the PM to the 'ugly' black flags on the roads when he was to visit the Adyar Cancer Institute, the security team made the chopper land on the adjacent IIT campus and demolished a wall so Modi could be driven from the IIT helipad to the next compound. Don't forget, the DMK, which was then at the forefront of the protests, had laughed at Modi's 'cowardice'.

Stalin faces no such protest. He has so far got the optics right — stopping his car to accept a complaint from a woman, having food at a narikurava home, hosting a tea party for transgenders — cultivating an image of a chief minister willing to mingle with his people. The last time we met, Stalin told me he has instructed his security not to stop traffic when his convoy passes. I am not sure how earnestly his team has implemented it, but the Saturday incident shows that either the chief minister or his security team is undoing all that 'ungalil oruvan' image he has been trying to build. It is not just about a reporter being stopped, it's about the paranoia of power that distances people from their representative.

Even if there is a protest, a leader who claims to be one among us should show the willingness to face it. It's not courage, it's a basic mark of leadership. As Leymah Gbowee, the champion of Liberian women who helped put an end to the Second Civil War in that country in 2003, famously said, you can never leave footprints that last if you are always walking on tiptoe.
