

SosinClasses

INSTITUTE FOR IAS EXAMINATION

(IAS, IFS, IPS, IRS, IRMS, IFoS & Other Civil Services)

Ashok Nagar X Road, Hyderabad

+91-90000 36699 / 90000 66690

www.sosinclasses.com / info@sosinclasses.com

DAILY NEWS DIARY

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FOR PRELIMS AND MAINS

Warm Greetings.

- DnD aims to provide every day news analysis in sync with the UPSC pattern.
- It is targeted at UPSC – Prelims & Mains.
- Daily articles are provided in the form of Question and Answers
- To have a bank of mains questions.
- And interesting to read.
- Providing precise information that can be carried straight to the exam, rather than over dumping.

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GS 2

❖ INTERNATIONAL RELATIONS

Q) Critically analyse implications of the China-Pakistan Economic Corridor (CPEC).

Context:

India has severely criticized the reported move by both China and Pakistan for third-party participation in some projects on the China-Pakistan Economic Corridor (CPEC) that passes through Pakistan-occupied Kashmir (PoK).

China-Pakistan Economic Corridor (CPEC):

- The CPEC, one of the most ambitious components of Beijing's Belt and Road Initiative (BRI), was announced to great fanfare in 2015.
- CPEC is a collection of infrastructure projects that are under construction throughout Pakistan beginning in 2013.
- Originally valued at \$47 billion, the value of CPEC projects is worth \$62 billion as of 2020.
- It is intended to rapidly upgrade Pakistan's required infrastructure and strengthen its economy by the construction of modern transportation networks, numerous energy projects, and SEZs.
- On 13 November 2016, CPEC became partly operational when Chinese cargo was transported overland to Gwadar Port for onward maritime shipment to Africa and West Asia.

Necessity CPEC:

- CPEC has consistently been held up as a "gamechanger" for Pakistan's economy.
- But the road to completion has proved long and winding. Reports indicate that the pace of CPEC projects has been slowing down in Pakistan in recent years.
- At the same time, China is the only country that is heavily investing in Pakistan.
- The lack of progress has led to numerous reports about CPEC being at a near standstill in the country.
- Gwadar, despite being the epicenter of multibillion-dollar projects, lacks basic necessities like reliable access to water and electricity, let alone other facilities.
- The Baloch freedom movement is another impediment to the stalled project.
- There have been sporadic attacks in Gwadar and elsewhere in the province and the country to discourage Chinese investments in the province.
- China is also seeking to deploy its Army in the CPEC projects, to which Pakistan has contested.

India's reservation:

- ✓ The GoI, which shares tense relations with Pakistan, objects to the CPEC project as upgrade works to the Karakoram Highway are taking place in Gilgit-Baltistan.
- ✓ This is the territory illicitly occupied by Pakistan in 1947-48.
- ✓ During the visit of Indian PM Modi to China in 2015, the Indian FM, Sushma Swaraj reportedly told the Chinese.
- ✓ India did not object to the Chinese construction of the Karakoram Highway which was built between 1959 and 1979.

Source: The Hindu

GS 3

❖ ECONOMY

Q) Explain the causes of recessions and its impact on the individuals.

Context: Surging inflation and sharp slowdowns in the United States and China prompted the IMF to cut its outlook for the global economy this year and next, while warning that the situation could get much worse. By one common definition, the major global economies are on the cusp of a recession.

Recession:

- A recession is a significant decline in economic activity that lasts for months or even years.
- Experts declare a recession when a nation's economy experiences negative GDP, rising levels of unemployment, falling retail sales, and contracting measures of income and manufacturing for an extended period of time.
- Recessions are considered an unavoidable part of the business cycle—or the regular cadence of expansion and contraction that occurs in a nation's economy.

Recession causes:

These phenomena are some of the main drivers of a recession:

- A sudden economic shock: An economic shock is a surprise event that creates serious financial damage. The coronavirus outbreak, which shut down economies worldwide, is a more recent example of a sudden economic shock.
- Excessive debt: When individuals or businesses take on too much debt, the cost of servicing the debt can grow to the point where they can't pay their bills. Growing debt defaults and bankruptcies then capsize the economy.
- Asset bubbles: When investing decisions are driven by emotion, bad economic outcomes aren't far behind. Investors can become too optimistic during a strong economy.
- Too much inflation: Inflation is the steady, upward trend in prices over time. Inflation isn't a bad thing per se, but excessive inflation is a dangerous phenomenon. Central banks control inflation by raising interest rates, and higher interest rates depress economic activity.
- Too much deflation: While runaway inflation can create a recession, deflation can be even worse. Deflation is when prices decline over time, which causes wages to contract, which further depresses prices. When a deflationary feedback loop gets out of hand, people and business stop spending, which undermines the economy.
- Technological change: New inventions increase productivity and help the economy over the long term, but there can be short-term periods of adjustment to technological breakthroughs. In the 19th century, there were waves of labour-saving technological improvements.

Difference between Recession and Depression:

- Recessions and depressions have similar causes, but the overall impact of a depression is much, much worse.

- There are greater job losses, higher unemployment and steeper declines in GDP.
- Most of all, a depression lasts longer—years, not months—and it takes more time for the economy to recover.
- Economists do not have a set definition or fixed measurements to show what counts as a depression. Suffice to say, all the impacts of a depression are deeper and last longer.
- In the past century, the US has faced just one depression: The Great Depression.

The Great Depression:

1. The Great Depression started in 1929 and lasted through 1933, although the economy didn't really recover until World War II, nearly a decade later.
2. During the Great Depression, unemployment rose to 25% and the GDP fell by 30%.
3. It was the most unprecedented economic collapse in modern US history.
4. By way of comparison, the Great Recession was the worst recession since the Great Depression.
5. During the Great Recession, unemployment peaked around 10% and the recession officially lasted from December 2007 to June 2009, about a year and a half.
6. Some economists fear that the coronavirus recession could morph into a depression, depending how long it lasts.

How long do recessions last?

- Gulf War Recession (July 1990 to March 1991): At the start of the 1990s, the U.S. went through a short, eight-month recession, partly caused by spiking oil prices during the First Gulf War.
- The Great Recession (2008-2009): As mentioned, the Great Recession was caused in part by a bubble in the real estate market.
- Covid-19 Recession: The most recent recession began in February 2020 and lasted only two months, making it the shortest US recession in history.

Can we predict a recession?

Given that economic forecasting is uncertain, predicting future recessions is far from easy. However, the following warning signs can give you more time to figure out how to prepare for a recession before it happens:

- a. An inverted yield curve: The yield curve is a graph that plots the market value—or the yield—of a range. When long-term yields are lower than short-term yields, it shows that investors are worried about a recession. This phenomenon is known as a yield curve inversion, and it has predicted past recessions.
- b. Declines in consumer confidence: Consumer spending is the main driver of the US economy. If surveys show a sustained drop in consumer confidence, it could be a sign of impending trouble for the economy.
- c. Drop in the Leading Economic Index (LEI): Published monthly by the Conference Board, the LEI strives to predict future economic trends. It looks at factors like applications for unemployment insurance, new orders for manufacturing and stock market performance.
- d. Sudden stock market declines: A large, sudden decline in stock markets could be a sign of a recession coming on, since investors sell off parts and sometimes all of their holdings in anticipation of an economic slowdown.

- e. Rising unemployment: It goes without saying that if people are losing their jobs, it's a bad sign for the economy.

How does a recession affect individuals?

- ✓ We may lose your job during a recession, as unemployment levels rise. It becomes much harder to find a job replacement since more people are out of work.
- ✓ People who keep their jobs may see cuts to pay and benefits, and struggle to negotiate future pay raises.
- ✓ Investments in stocks, bonds, real estate and other assets can lose money in a recession, reducing your savings and upsetting your plans for retirement.
- ✓ Business owners make fewer sales during a recession, and may even be forced into bankruptcy.
- ✓ With more people unable to pay their bills during a recession, lenders tighten standards for mortgages, car loans, and other types of financing.

Source: The Hindu

SNIPPETS

GS 3

❖ SCIENCE & TECHNOLOGY

Q) "Russia will pull out of the International Space Station (ISS) after 2024 and focus on building its own orbiting outpost." Comment.

Context:

Russia will end a symbolic two-decade orbital partnership between Moscow and the west.

International Space Station (ISS):

- The ISS was launched in 1998 as part of joint efforts by the U.S., Russia, Japan, Canada and Europe.
- The idea of a space station originated in the 1984 State of the Union address by former U.S. President Ronald Reagan.
- The space station was assembled over many years, and it operates in low-earth orbit.
- Since its inception, it has served as a laboratory suspended in space and has aided multiple scientific and technological developments.
- The ISS was originally built to operate for 15 years.

Why was ISS launched?

- ✓ A space station permits quantum leaps in research in science, communications, and in metals and lifesaving medicines which could be manufactured only in space.
- ✓ ISS has consistently maintained human presence for the past 21 years, providing astronauts with sophisticated technologies for scientific research.

Russia's role in maintaining the ISS:

- ✓ The ISS is built with the cooperation of scientists from five international space agencies — NASA of the U.S., Roscosmos of Russia, JAXA of Japan, Canadian Space Agency and the European Space Agency.
- ✓ Each agency has a role to play and a share in the upkeep of the ISS.
- ✓ Both in terms of expense and effort, it is not a feat that a single country can support.
- ✓ Russia's part in the collaboration is the module responsible for making course corrections to the orbit of the ISS.
- ✓ They also ferry astronauts to the ISS from the Earth and back.
- ✓ Until SpaceX's dragon spacecraft came into the picture the Russian spacecraft was the only way of reaching the ISS and returning.

Source: The Hindu

❖ ENVIRONMENT & BIODIVERSITY**Q) What are the newly added Ramsar sites of India?****Context:**

India has added five more Ramsar sites, or wetlands of international importance, bringing the number of such sites in the country to 54.

Newly added Ramsar Sites

1. Karikili Bird Sanctuary
2. Pallikaranai Marsh Reserve Forest
3. Pichavaram Mangrove in Tamil Nadu
4. Sakhya Sagar in Madhya Pradesh
5. Pala Wetlands in Mizoram

What are Wetlands?

- A wetland is a distinct ecosystem that is flooded by water, either permanently or seasonally, where oxygen-free processes prevail.
- The primary factor that distinguishes wetlands from other landforms or water bodies is the characteristic vegetation of aquatic plants, adapted to the unique hydric soil.

Significance of Wetlands:

- ✓ Wetlands provide a wide range of important resources and ecosystem services such as food, water, fibre, groundwater recharge, water purification, flood moderation, erosion control, and climate regulation.
- ✓ They are, in fact, are a major source of water and our main supply of freshwater comes from an array of wetlands that help soak rainfall and recharge groundwater.
- ✓ They provide many societal benefits: food and habitat for fish and wildlife, including threatened and endangered species; water quality improvement; flood storage; shoreline erosion control; economically beneficial natural products for human use; and opportunities for recreation, education, and research, etc.

Source: The Hindu

Q) With respect to the Child Labour (Prohibition and Regulation) Amendment Act, 2016, which of the following statements is/are correct?

1. Children below the age of 14 years will be allowed to work in occupations except for 18 occupations and 65 processes.
2. Children below the age of 14 years will be allowed to work in Family Businesses / Enterprises only if they are non-hazardous.

Options:

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

 **Hey from Yesterday –**

Q) Consider the following statements about the Modhera Sun Temple.

1. It was built in the 11th century during the reign of Bhima I of the Chalukya dynasty.
2. It is built in the Maru-Gurjara Style of architecture.

Which of the following statement/s is/are correct?

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

Answer: c

Explanation:

- The Sun Temple dedicated to the solar deity Surya is located at Modhera village of Gujarat. It is situated on the bank of the river Pushpavati. It was built during the rule of Bhima I of Chalukya dynasty after 1026-27 CE.
- The temple complex is built in Maru- Gurjara style also called Chalukyan Style.
- The temple complex has three axially aligned components; the garbhagriha in a hall (gudhamandapa), the outer or assembly hall (sabhamandapa) and a sacred reservoir (kunda).

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