Prelim Bits 21-11-2021 & 22-11-2021 | UPSC Daily Current Affairs

Judicial Transfers

Transfer of Chief Justice from Madras High Court to Meghalaya HC has given rise to a controversy over the question whether judicial transfers are made only for administrative reasons or to 'punish' the judges.

- **Article 222** of the Constitution provides for the transfer of High Court judges, including the Chief Justice.
- It says the President, after consultation with the Chief Justice of India (CJI), may transfer a judge from one HC to any other HC.
- It also provides for a compensatory allowance to the transferred judge.
- This means that the executive could transfer a judge, but only after consulting the Chief Justice of India.
- **SC's View** - In Union of India vs. Sankalchand Himatlal Sheth (1977), the Supreme Court rejected the idea that HC judges can be transferred only with their consent. It reasoned that the
    1. Transfer of power can be exercised only in public interest;
    2. The President is under an obligation to consult the CJI, which meant that all relevant facts must be placed before the CJI; and
    3. The CJI had the right and duty to elicit and ascertain further facts from the judge concerned or others.
- In the Judges' Transfer Case 1981, and, later, the First Judges Case, the SC once again had an opportunity to consider the issue.
- It ruled that the consultation with the Chief Justice did not mean 'concurrence' with respect to appointments. In effect, it emphasised the primacy of the executive in the matter of appointments and transfers.
- However, this position was overruled in the 'Second Judges Case' (1993).
- The opinion of the CJI, formed after taking into the account the views of senior-most judges, was to have primacy. Since then, appointments are being made by the Collegium.
- **Current procedure for transfers** - In the 'Collegium of Judges' era, the proposal for transferring a HC judge, including a Chief Justice, should be initiated by the CJI, whose opinion is determinative in this.
- The consent of the judge is not required.
- For transferring a judge other than the Chief Justice, the CJI should take the views of the Chief Justice of the court concerned, as well as the Chief Justice of the court to which the transfer is taking place.
- The CJI should also take into account the views of one or more SC judges who are in a position to offer their views in the process of deciding whether a proposed transfer should take place.
- The views should all be expressed in writing, and they should be considered by the CJI and 4 senior-most judges of the Supreme Court, which means, the full Collegium of five.
- The recommendation is sent to the Union Law Minister who should submit the relevant papers to the Prime Minister. The Prime Minister then advises the President on approving the

transfer.

Reference

1. https://www.thehindu.com/news/national/explained-why-are-judicial-transfers-riddled-by-controversies/article37603943.ece

Paradox of Value

- Also known as diamond-water paradox, paradox of value describes the difference seen in the prices of certain essential and non-essential goods.
- Many goods and services that are essential to human life have a much lower price in a market economy than other goods and services that are not so essential.
    - **Example** - Water that is essential for human existence sells at a price that is just a fraction of the price of diamond which is a luxury item that is not essential for human existence.
- Paradox of value has also been used to describe the vast difference in the wages of essential workers and non-essential workers.
- This paradox is seen as an unfair economic system that leads to inequality among different populations.
- Adam Smith, who was a proponent of the labor theory of value, believed that the paradox of value can be explained by the difference in the amount of labor that it takes to produce a good or service.
- Economists who adhered to the theory of marginalism - William Stanley Jevons, Carl Menger, and Leon Walras - explained that economic decisions are made based on marginal benefit rather than total benefit.

Reference

1. https://www.thehindu.com/business/Economy/what-is-paradox-of-value-in-economics/article37413738.ece
2. https://www.investopedia.com/ask/answers/032615/how-can-marginal-utility-explain-diamondwater-paradox.asp

Final Draft of National Register of Citizens

The State Coordinator, National Register of Citizens (NRC), Assam said that 1032 doubtful cases in the final draft of NRC have been referred to the concerned district commissioners for necessary action.

The State coordinator is a Secretary rank officer of Assam government who assists the Registrar General of India (RGI) as citizenship is a central subject.

- Assam is the only state in India to have a register of its citizens, due to the issue of illegal migration from Bangladesh.
- **NRC** was first created in 1951 in Assam to determine those born there, therefore Indian, and who might be a migrant from erstwhile East Pakistan, now Bangladesh.
- It was updated on August 31, 2019. Out of 3.29 crore applicants, 19.06 lakh were excluded from the final draft NRC.

- The final NRC is yet to be notified by the RGI under Union Home Ministry, as those excluded will get an opportunity to present their case before Foreigners Tribunals (FT), quasi-judicial bodies of the State.
    - FTs can begin hearing only when the excluded applicants receive “rejection slips” from the authorities. This process is yet to start.
- Non-inclusion of a person’s name in NRC does not by itself amount to him/her being declared as a foreigner as they would be given adequate opportunity to present their case before the FTs.
- **Background to update NRC** - It was a culmination of the Assam Accord signed in 1985 for detection, disenfranchisement and deportation of foreigners.
- NRC was updated as per the provisions of
    1. The Citizenship Act, 1955 and
    2. The Citizenship (Registration of Citizens and Issue of National Identity Cards) Rules, 2003.
- To get their names included in the register, Assamese had to produce documents that proved their family resided in Assam before March 24, 1971, that is, from a day before the Bangladesh Liberation War began.
- To know more about the National Register of Citizens, click here.

Reference

1. https://www.thehindu.com/news/national/the-controversies-around-the-final-draft-of-citizenship-in-assam/article37556708.ece
2. https://timesofindia.indiatimes.com/india/assam-final-nrc-draft-released-2-89-of-3-3-crore-on-list/articleshow/6519302cms

Web-building Algorithm

Researchers have created a web-building playbook or algorithm by discovering how spiders build webs in the dark.

- The creation of a web-building algorithm brings new understanding of how creatures with brains a fraction of the size of a human's are able to create structures of such elegance, complexity and geometric precision.
- Web-weaving spiders build blindly using only the sense of touch.
- To understand how the relatively small brains of these animal architects support their high-level construction projects, is to systematically document and analyze the behaviours and motor skills involved.
- They found that web-making behaviors are quite similar across spiders, so much so that the researchers were able to predict the part of a web a spider was working on just from seeing the position of a leg.
- Even if the final structure is a little different, the rules they use to build the web are the same. This confirms that the rules are encoded in their brains.
- This work could give us hints on how we can understand larger brain systems, including humans.

Reference

https://www.sciencedaily.com/releases/2021/11/211101105356.htm

Changes to PCA Norms for Banks

The RBI has notified a revision to the norms for commercial banks to be placed under the RBI's Prompt Corrective Action (PCA) framework. The revision takes effect from January 1, 2022.

- **Purpose** - The objective of the PCA framework is to enable supervisory intervention at appropriate time and require the supervised entity to initiate and implement remedial measures in a timely manner.
- This framework also acts as a tool for effective market discipline.
- It does not preclude the RBI from taking any other action as it deems fit at any time, in addition to the corrective actions of the framework.
- In the last two decades - the PCA was first notified in 2002 - several banks have been placed under the framework, with their operations restricted. Only Central Bank of India remains under it now.
- **Changes** - The new notification has removed return on assets as an indicator to qualify for PCA.
- Further, the 2017 notification applied to scheduled commercial banks but excluded Regional Rural Banks from its purview, while the 2021 version excludes Small Finance Banks and Payment Banks too.
- In the latest set of rules, the RBI has clearly spelt out that exit from the PCA would be based on four continuous quarterly results, including,
    1. Audited Annual Financial Statement as per the new framework,
    2. Supervisory Comfort of RBI,
    3. Assessment on sustainability of profitability.

Reference

1. https://www.thehindu.com/business/Economy/explained-how-has-rbi-tweaked-prompt-corrective-action-norms-for-banks/article37362807.ece
2. https://www.livemint.com/industry/banking/rbi-comes-up-with-new-prompt-corrective-action-framework-for-banks-11635856961818.html

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