

4 April 2020 UPSC Exam Comprehensive News Analysis

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A. GS 1 Related

Category: SOCIAL ISSUES

1. Lockdown halts harvesting season in forests

Context:

- The impact of the national lockdown on the **livelihood of forest-dependent communities**.

Details:

- The COVID-19 national **lockdown has coincided with the collection season of major Non-Timber Forest Products (NTFP)**.
 - Forest products are seasonal in nature and are **primarily collected in the months of March to June**.
 - Wild honey, tamarind, mango, tendu leaves, sal leaves, sal seeds, mahua seeds, neem seeds, karanj (pongamia) seeds, mahua flowers and tejpatta (bay leaf) are major NTFPs collected during the summer season.

Concerns:

- **Reduced procurement:**
 - The coincidence of the lockdown period with the NTFP collection period would mean reduced procurement from the government. Thus the **NTFPs collected by tribals could not be disposed of.**
- **Affecting the income of the tribals:**
 - **Forest products constitute the major incomes of tribals** accruing in the months of March to June.
 - The hard cash earned during the months of March to June are critical for the **sustenance of tribal population during the monsoon season when employments dry up.**
 - In Odisha, majority of population are landless in tribal region. The earnings from forest products in 3-4 months period contribute to 60 to 80% of their annual income.
 - Odisha's NTFP market is around 5000 crore rupees.
- **Affecting a large population:**
 - The national lockdown would affect lakhs of tribals in Odisha, who have pinned their hopes on sale of NTFP.
 - **The labour-intensive NTFP collection** employs millions of tribals. Nearly 275 million people across the country collect NTFPs and around 10 million people in Odisha alone.
- **Unique nature of forest product:**
 - Unlike the other agricultural production like wheat, rice etc which have comparatively higher shelf life or fruits and vegetables which could find local consumption, **the forest products are unique given their seasonal nature**, lower shelf life and **lack of or lesser levels of utility for the local populace.**
 - Thus the forest products **rely heavily on their timely procurement and distribution** in the market.

Way forward:

Assured procurement and prices:

- The forest dependent communities must be **assured of Minimum Support Price (MSP) and total procurement of minor forest produces** collected by them.

Collection centres:

- The State government should immediately **establish and ensure collection centres function under the Van Dhan Vikas Kendra scheme.** The primary procurement agencies need to start procuring minor forest produces once lock-down is over.

Need for exemption:

- Like exemption accorded to agricultural operations through a recent Home Ministry guideline, the **market of minor forest produce should be recognized as critical for tribal community's sustenance.** This would allow uninterrupted movement of the goods along the supply chains.

B. GS 2 Related

Category: INTERNATIONAL RELATIONS

1. Google publishes data on people's movements

Context:

- Google's move to publish data on people's movement to support state decisions on management of the [COVID-19](#) pandemic.

Details:

- The analysis of **location data** from billions of Google users' phones is the largest public dataset available to analyze the movement of people.
- The reports on **users' movements in 131 countries** are being made available on a special website by Google and will **help chart movement trends over time by geography**.
 - Trends will display a percentage point increase or decrease in visits to locations like parks, shops, homes and places of work and will not indicate the absolute number of visits.

Significance:

- This data will **help health authorities assess if people are abiding with government orders** issued to rein in the virus and take corrective measures if required. Hence these reports will help **support decisions about how to manage the COVID-19 pandemic**.
- This step marks **the increasing use of technology** to limit the spread of COVID-19 pandemic.

Concerns:

- There would be concerns regarding the **infringement of privacy**, by making such data available to the public.

Precautions taken to safeguard privacy:

- Google has clarified that **no personally identifiable information**, such as an individual's location, contacts or movements, will be made available.
- The reports will also employ a statistical technique that **adds artificial noise to raw data**, to make it harder for individual users to be identified.
- The new reports will **only use aggregated and anonymized data from users who have activated their location history**. This is similar to the method employed in the detection of traffic jams or traffic measurement in Google Maps.

C. GS 3 Related

Category: ECONOMY

1. Foreign investors sell over 1 lakh-cr. securities in a month, for first time in history

Context:

Panic selling in the Indian stock markets in the light of COVID-19 pandemic.

Background:

- **India** has been able to position itself as an attractive destination for foreign investment for the last decade and **has been among the top foreign investment recipient economies**.

Details:

- In the light of uncertainty **and fear owing to the COVID-19 pandemic**, India has been witnessing **massive foreign investment withdrawals** from its equity and debt markets.
- For the first time in the history of Indian capital markets, **Foreign Portfolio Investors (FPIs) have sold securities worth over 1 lakh crore in a single month**.
 - As per data from the **National Securities Depository Limited (NSDL)**, the cumulative net outflow from the debt and equity segments is pegged at ₹18 lakh crore in March 2020.
- The ongoing COVID-19 pandemic has **affected stocks worldwide**.
- The investors are **shying away from riskier assets like stocks and equities and investments in emerging markets** and are **investing in assets and governmental securities**.

Concerns:

- The impact of the record sales by overseas investors has been visible in the stock markets with the **benchmark Sensex registering its worst monthly fall in over 11 years**.
 - In March 2020, Sensex lost around 23%, which is the highest fall since October 2008 during the global financial crisis.

Counter Moves:

- **Domestic institutional investors (DIIs)**, which include banks, insurance companies, mutual funds and domestic financial institutions have been **buying the equities** and acting as a strong counter force to the selling by foreign investors.
 - March 2020 witnessed the highest-ever monthly net purchases by DIIs, standing at 55,595.18 crore rupees.
- The buying by DIIs has helped reduce the steep decline in the Sensex.

Additional Information:

- **The voluntary retention route, or VRR, in debt securities**, has been opened up for FPI investments from January 2020.
 - The Voluntary Retention Route (VRR) provides FPIs with a new channel of investment.
 - The investments through this route will **not be subject to macro-prudential and other regulatory norms** which are applicable to FPI investments in debt markets through the existing general investment route, provided **FPIs voluntarily commit to retain a required minimum percentage of their investments in India for a defined period of time**.
 - The objective of the VRR channel is to **attract long-term and stable FPI investments into debt markets** while providing FPIs with operational flexibility to manage their investments.
- The VRR has seen an inflow of 4,165 crore rupees in March 2020.

2. Rice exports halted on supply chain disruption due to virus

Context:

- Indian rice traders have stopped signing new export contracts amid the nationwide lockdown to curb the spread of COVID-19.

Background:

- **India is currently the world's largest exporter of rice.**
- India mainly exports non-basmati rice to Bangladesh, Nepal, Benin and Senegal, and premium basmati rice to Iran, Saudi Arabia and Iraq.

Details:

- **The nationwide lockdown has resulted in labour shortages and transport has become very difficult.** The logistics disruptions have hampered the delivery of even existing contracts and hence the rice traders have stopped signing new export contracts.
- **India's export volumes have fallen by four to five times.**

Concerns:

Long term impact on market for Indian rice:

- The halt in exports is allowing other competitors such as Thailand to raise shipments. This might **reduce the market for Indian rice in the long term.**

Nutritional security:

- Thailand is the only key exporter to offer rice currently. Cambodia, Vietnam and Myanmar have curbed their rice exports.
- The **shortage of supply in the global market has resulted in higher global prices**, forcing millions of **poor consumers in Africa to pay high prices** and affecting their nutritional security.

3. Brent surges past \$33 on output deal hope

Context:

- Crude oil futures have registered an increase after a continuous decrease over the last few months.

Background:

- **Oil prices had slumped 65% in the first quarter of the year** owing to the following factors:
 - **Demand slump** caused by the global COVID-19 outbreak.
 - Failure of the OPEC+ talks. **Failure to cut supply in the global markets** and decisions by Russia and Saudi Arabia to increase their crude production.
 - **The Organization of the Petroleum Exporting Countries and allies such as Russia, is known as OPEC+.**

Details:

- OPEC and its allies are working on a deal for a **production cut of about 10% of global supply.**
- In light of the rising hopes of a new global deal to cut global crude supply, the benchmark Brent crude oil futures has climbed to as high as \$34.91 a barrel. U.S. West Texas Intermediate (WTI) crude has also marked an impressive rise.
- Though there is agreement on the need for a reduction in global supply on crude, there are **differences over the distribution of such production cuts** among the producer countries.

Additional Information:

- The **United States is not part of the OPEC+** though it is a major producer of crude.
- **The U.S. anti-trust legislation**, does not allow U.S. to agree or implement production cuts to artificially increase the prices.

Category: INFRASTRUCTURE

1. After PM's call, energy authorities make plans

Context:

- The Prime Minister, in a call to demonstrate a collective will to fight the COVID-19 pandemic has called for switching off electric lights at homes across the nation for nine minutes at 9 p.m. on April 5, 2020.

Concerns:

- The PM's call had raised **concerns about the possibility of a grid breakdown** owing to the sudden surge in electricity demand.
 - The concern is that the collective switching off would lead to drops in electricity demands, after which there would likely be **a surge in demand** when the lights are switched back on. **The grid might not be able to sustain such a huge fluctuation and might breakdown.**

Assessment:

- The energy industry officials have stated that the **move is not likely to cause any major disruption in the power distribution system.**

Pertains to only domestic lighting load:

- The PM's call **pertains only to the domestic lighting load and does not cover electricity consumption** by the domestic category on account of use of refrigerators or air-conditioners or television sets.
- At the all-India level, **the share of domestic consumers in overall electricity consumption is about 24%**, according to 'Energy Statistics 2019'.
 - The Energy Statistics 2019 document is published by the Union Ministry of Statistics and Programme Implementation.
- The **lighting constitutes around 50% of the domestic sector's overall load.**
- Since lighting demand constitutes only around 12% of the total electricity demand, the experts have stated that the situation would be manageable.

Management of reduced peak loads:

- Even currently, the ongoing 21-day lockdown **has resulted in a noticeable reduction in peak demand.**
 - As against the country's evening peak demand of about 1.56 lakh megawatt (MW) a month ago, the present demand is about 1.2 lakh MW.
- The grids have been **able to adjust to the changed demand patterns.**

National grid:

- One more reason for the assessment of the experts is the **presence of an all-India grid**, which aids in transferring power seamlessly from one region to another and **maintaining the frequency of the country's power network at about 50 Hz**.

Measures being taken:

- The concerned energy authorities are planning for the necessary measures.
 - **The Power System Operation Corporation (POSOCO)**, which runs the national load despatch centre, has got in touch with all the regional load despatch centres and constituent-States to prepare **plans for managing the power supply position** in their respective States.
 - The energy authorities are also regulating the operation of several distribution feeders and keeping ready **hydel reservoirs (which can generate 650 MW almost instantaneously) and gas-powered stations** to meet the surge in electricity demand.

D. GS 4 Related

Nothing here for today!!!

E. Editorials

Category: INTERNATIONAL RELATIONS

1. The spectre of a post-COVID-19 world

Context:

As COVID-19 spreads exponentially across the world, it would be wise to start thinking of what next, in order to try and handle the situation created by the most serious pandemic in recent centuries. The editorial talks about the possible major changes that could be expected in the post-pandemic global order.

Issues:

- The problem with the novel Coronavirus is that with the exception of China, which battled another Coronavirus **epidemic in 2003 — the Severe Acute Respiratory Syndrome (SARS) epidemic** — there is little available for most nations on which to base their assessment of what next.
- What is known is that **China's growth rate has further dropped**, even as it was confronting an economic slowdown for some time.
 - There are considerable consequences for the global economy, of China ceasing to be the world's biggest exporter of manufactured goods.
 - With no country in a position to replace China, this development will precipitate a further **economic downturn internationally**.
- The COVID-19 pandemic has come at a difficult time where the world already has to contend with an uncertain economic environment, with industries in turn facing newer challenges such as having to adjust to a shift from cost efficiencies to innovation and breakthrough improvements.
 - Added to this are: **a global slowdown, increasing political and policy uncertainties, alterations in social behaviour, new environmental norms**, etc.

- Newly emerging economies, such as India, are even more affected by all this, than some of the older established ones.

Pandemic as a Disrupter of Global Order:

- COVID-19 is, in turn, expected to bring about **major changes in the global order**.
- As of now, though the **S. is no longer the global power that it once was**, it is hardly in retreat.
- It is, without doubt, increasingly disinclined to act as the world's military force, as instanced by its retreat from Afghanistan after a dubious accord with the Afghan Taliban, but this was not the end of the road as far as U.S. power was concerned.
- Post COVID-19, however, and given that the **S. is among the countries badly affected by this pandemic**, together with existing uncertainties affecting its financial markets, the **U.S. can be expected to step back even further — from one of assertion to neutrality in global affairs**.
- Already, **S. command of the global commons has weakened**. Meantime, **China and Russia have strengthened their relationship**, and improved their asymmetric capabilities.
- The challenge from China is becoming more obvious by the day — measured by purchasing power parity, the U.S. is not the largest economy in the world as of now.
- Even more daunting from a U.S. standpoint, and also representing a sea-change from the recent past, **Russia has become far more economically and politically stable and an important power broker in West Asia**.
- These shifts are likely to, have a **direct impact on the liberal international order**.
- It could, in turn, give a boost to **authoritarian regimes and authoritarian trends**.

Social concerns:

- Moving away from the political and economic consequences of COVID-19 are other concerns arising from an extended lockdown, social distancing and isolation.
- Psychologists point to an **'epidemic of despair'** arising from a fear of unknown causes, **resulting in serious anxiety and mental problems**.
 - Extended isolation, according to psychologists, can trigger a different kind of pandemic even leading to possible **suicidal tendencies, fits of anger, depression, alcoholism and eccentric behavioural patterns**.
- Another fallout from the current epidemic might be the extent to which **inequality in incomes impact segments of the population**.
 - As the economy weakens, accompanied by **job losses**, those without high levels of skills would fall further behind.

Digital factor – Digital Authoritarianism:

- One possible, and unexpected, aspect of the COVID-19 epidemic could be the **thrust it could provide to 'digital authoritarianism'**.
- China's authoritarian methods seem to have helped it to contain the spread of the virus — at least for the time being.
- In turn, leaders across many nations may find China's methods, and the embracing of technology to refashion authoritarianism for the modern age irresistible, and a standard to be adapted, even if they profess to be democratic.
- The **rise of digital autocracies could lead to digital repression**, and in the age of AI-powered surveillance, could create a capacity for predictive control, or what is often referred to as 'social management'.

Indian Scenario:

- At one point, **India was estimated to be among the 15 most affected economies by the COVID-19 epidemic**, but as the pandemic has raged unchecked, the **outcomes are unpredictable**.
 - An early estimate by the Asian Development Bank, soon after the epidemic was declared, was that it would cost the Indian economy \$29.9 billion.
 - A recent industry estimate pegs the cost of the lockdown at around \$120 billion or 4% of India's GDP.
 - The Confederation of Indian Industry (CII) had at one point warned that the COVID-19 impact, and the existing stress in the financial sector, meant that India would require up to six months even after the entire course of the COVID-19 epidemic is over to restore normalcy and business continuity.
- India has acted with speed in the wake of the pandemic and declared a lockdown early on.
- Prime Minister declared the pandemic as a serious global crisis, and announced a series of steps such as:
 - One day 'peoples curfew'.
 - Social distancing.
 - The setting up of a COVID-19 Taskforce under the Finance Minister to come up with measures to mitigate the economic hardship engendered by the pandemic.
 - Finally a three-week-long lockdown.
 - Several precautionary measures for preventing pandemics of this kind, have also been introduced including 'home isolation', 'home quarantine', etc.

Projections for India:

- The prognosis as to what lies ahead for India is indeed bleak.
- On the economic plane, according to most experts, **a global recession seems inevitable**.
- Uncertainty, panic and lockdown policies are expected to cause demand worldwide to decline in a hasty way. This will inevitably lead to a vicious downward cycle, where companies close down, resulting in more lay-offs and a further drop in consumption.
- **A precipitous decline in GDP** would follow.
- Inequality in incomes impacting segments of the population is evident to some extent already given recent reports of mass migration across the Indian landmass.
- Out of work migrant labour, unable to find new jobs since they lack the necessary skills, are attempting to return to their normal habitat, bringing in their wake untold suffering and, perhaps even the spread of the virus.
- This has all the makings of a huge human tragedy.
- Existing curbs on their movement would further exacerbate the problem, and could even **lead to a major law and order situation**.

Way forward:

- To compensate for this loss due to global recession, **massive inflows of government funds would be needed**, but most governments, India included, might find it difficult to find adequate resources for this purpose.
- Equally important is that such massive inflows of funds (if they are to be effective) should be here and now, and not later, by which time the situation may well have spiralled out of control.
- **Global coordination** is a must in the extant situation.

Category: POLITY AND GOVERNANCE

1. In lockdown, the laws that come into play

Note: This Editorial is from “The Indian Express”.

The editorial talks about the **laws that come into play during a lockdown situation** (Currently the lockdown due to COVI-19 Pandemic situation).

For disobedience:

- During the lockdown, **Section 188 of the Indian Penal Code (IPC)** has been widely invoked against those not following it.
- In a communication to the states, the Home Ministry said persons violating the containment measures will be liable to be punished under provisions of the **Disaster Management Act 2005**, besides Section 188 IPC.
- Section 188 IPC deals with those disobeying an order passed by a public servant, and provides for **imprisonment ranging from one to six months**.
- **Section 51 of the Disaster Management Act, 2005** provides for punishment for two kinds of offences:
 1. **Obstructing any officer or employee** of the government or person authorised by any disaster management authority **for discharge of a function**.
 2. **Refusing to comply with any direction** given by the authorities under the Act.
- Punishment can extend to **one year on conviction**, or **two years if the refusal leads to loss of lives or any imminent danger**.

For spreading fear:

- **Section 505 of IPC** provides for **imprisonment of three years or fine**, or both, for those who publish or circulate anything which is likely to cause fear or alarm.
- Section 54 of the Disaster Management Act provides for **imprisonment, extending to one year**, of those who make or circulate a false alarm or warning regarding a disaster or its severity or magnitude.

For false claim to aid:

- Under **Section 52, Disaster Management Act**, whoever makes a false claim for obtaining “any relief, assistance, repair, reconstruction or other benefits” from any official authority can be sentenced to a **maximum of two years imprisonment** and a fine will be imposed on the person.

For refusing to do duties:

- In case of refusal or withdrawal of any officer who has been tasked with any duty under the Act, the officer can be sentenced to **imprisonment extending to one year**.
- However, those who have written permission of the superior or any lawful ground are exempt from such punishment.
- **A case cannot be initiated without the explicit sanction from the state or central government.**

For refusing to help:

- Any authorised authority under the Act can requisite resources like persons and material resources, premises like land or building, or sheds and vehicles for rescue operations.
- Though there is a **provision for compensation under the Act**, any person who disobeys such an order can be **sentenced to imprisonment up to one year**.

Legal shield:

- For any offence under the Disaster Management Act, **a court will take cognisance only if the complaint is filed by the national or state or district authority, or the central or state government.**

- However, there is another provision: if a person has given notice of 30 days or more about an alleged offence, and about his intention to file a complaint, he or she can approach the court which can then take cognisance.
- The Act protects government officers and employees from any legal process for **actions** they took “**in good faith**”.
- Under the [Epidemic Diseases Act](#) too, no suit or other legal proceedings can lie against any person for anything done or intended to be done under good faith.

F. Prelims Facts

Nothing here for today!!!

G. Tidbits

1. NSA to be filed against 6 for harassing nurses

- **The National Security Act (NSA) of 1980** is an act of the Indian Parliament, whose purpose is to **provide for preventive detention in certain cases** and for matters connected therewith.
- This act empowers the Central Government and State Governments to detain a person to prevent him/her from acting in any manner **prejudicial to the security of India, the relations of India with foreign countries, the maintenance of public order, or the maintenance of supplies and services essential to the community**.
- The **maximum period of detention is 12 months**.

National Security Act has been covered in 17th February 2020 Comprehensive News Analysis. [Click here](#) to read.

H. UPSC Prelims Practice Questions

Q1. Which of the following statement/s is/are correct with respect to 'Voluntary Retention Route'?

1. It deals with Foreign Investments in India.
2. It is applicable to both equities and debt market transactions.

Options:

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

Answer: Option a

Explanation:

- The Reserve Bank of India has opened a window of foreign investment in **local debt** via the “Voluntary Retention Route”, which allows investors easier rules in return for a commitment to remain invested for a longer period.

- The move aims to open a new window for foreign investors in government and corporate debt to draw in longer-term funds. The scheme was aimed at drawing in foreign investors who are willing to commit to keeping money in India for a minimum period of time. In return, they will get more operational freedom than regular foreign debt investors.
- The minimum retention period shall be three years.

Q2. In which of the following agricultural products, is India both the largest producer and the largest exporter in the world?

1. Rice
2. Cotton
3. Mango

Options:

- a. 1 only
- b. 1 and 2
- c. 1, 2 and 3
- d. None of the above

Answer: Option d

Explanation:

- For rice, China is the largest producer, but India is the largest exporter.
- For cotton, India is the largest producer, but U.S. leads in cotton exports.
- For mango, India is the largest producer but is not the largest exporter of it.

Q3. The Energy Statistics 2019 document is published by:

- a. Ministry of Power
- b. Ministry of New and renewable energy
- c. Ministry of Statistics and Programme Implementation
- d. Ministry of Commerce and industry

Answer: Option c

Explanation:

- The Energy Statistics 2019 document is published by the Union Ministry of Statistics and Programme Implementation.

Q4. Which of the following statement/s is/are incorrect with respect to Minimum support price Based procurement for Minor Forest Produce?

1. The Scheme has been implemented in eight States having Schedules Areas as listed in the Fifth Schedule of the Constitution of India.
2. The Ministry of Tribal affairs will directly undertake the purchasing of Minor Forest Produce at Minimum Support Price.

Options:

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

Answer: Option c

Explanation:

- The Scheme was initially being implemented in States having areas under the Vth Schedule of the Constitution of India for non-nationalized and abundantly available 12 Minor Forest Produce.
- From November 2016, the scheme is applicable in all States.
- The responsibility of purchasing MFP on MSP will be with State designated agencies.

I. UPSC Mains Practice Questions

1. The recognition of tribal rights over non-timber forest products (NTFPs) and the MSP based procurement of these would aid the empowerment of forest-dependent communities. Analyze. Enumerate government measures in this direction. (15 marks, 250 words)
2. Discuss the significance of foreign investment in the development of India. Also analyze the concerns associated with foreign investments and suggest remedial measures. (10 marks, 150 words)

Read the previous CNA [here](#).