

Gist of EPW May Week 4, 2021

The Economic and Political Weekly (EPW) is an important source of study material for [IAS](#), especially for the current affairs segment. In this section, we give you the gist of the EPW magazine every week. The important topics covered in the weekly are analysed and explained in a simple language, all from a [UPSC](#) perspective.

TABLE OF CONTENTS

- [1. Israel's Aggression on Palestine](#)
- [2. The Indian Economy: Covid-19 and Beyond](#)
- [3. World Trade Organization Is Moving Too Slow for Comfort](#)

Israel's Aggression on Palestine

Context

The article highlights the recent events of the Israel-Palestine conflict including the international response to the conflict.

Introduction

- Israel's latest bombing on Gaza killed more than 220 Palestinians, including 63 children and over 1,500 people were injured.
- Israeli airstrikes have targeted civilian residential areas and infrastructure, homes, and hospitals including COVID-19 testing laboratories.
- The international community has again failed to come to a consensus and put a united front against such violations of the basic human rights of Palestinians in Israel.

For a comprehensive article on the [Israel-Palestine conflict](#), click on the link.

Israel-Palestine Conflict

- Israel had captured East Jerusalem from Jordan in the year 1967.
- Israel has always tried to keep a demographic balance inside occupied East Jerusalem.
- Palestinians who had been living there for generations have been evicted.
- Israel has been able to reduce the Arab population in the city thereby making them a minority.
- It has been done by constantly denying Palestinians their rights, treating them as residents and not citizens.
- Hamas has fired hundreds of rockets inside Israel in opposition to Israeli aggression in the Al-Aqsa mosque in Jerusalem.
- But this does not justify Israel's indiscriminate bombings of civilians inside besieged Gaza.
- The current Israeli aggression is an escalation in its decades-old policy of collective punishment of people resisting the occupation and fighting for the right to self-determination.

- Israel's present politics seem to have a significant role in the overall escalation this time.
- The escalation may be beneficial in polarising the Israeli right-wing behind Prime Minister Benjamin Netanyahu who has failed to gain a majority for his right-wing coalition in four consecutive elections held within the last two years.

Palestinian Stand

- In the present conflict, Palestinians raised their opposition through protests and via social media.
- On the 8th of May, the Israeli security force attacked the gathering at the Al-Aqsa compound, which was to oppose the Sheikh Jarrah evictions; the attack was repeated after three days.
- Hamas had given an ultimatum to Israel to withdraw its security forces from Al-Aqsa, which resulted in this outrage.

International Responses

- The international community has failed to stop Israel from extending and intensifying its occupation and committing repeated war crimes.
- Israel has carried out air and artillery strikes on a regular basis over the past 15 years.
- In 2008 and 2014, more than 1,000 and 2,000 Palestinians were killed respectively.
- The [UN Security Council](#) has twice failed to resolve the differences between the two.
- India is ideally expected to take a lead in mobilizing international public opinion to put pressure on Israel to end its occupation of Palestine.

Also read: [RSTV: Israel-Palestine Conflict](#)

Conclusion

- The Israel-Palestine conflict has brought to the fore the violation of Human Rights in the present and the past.
- International responses have so far been not so clear in showing their solidarity and support to the Palestinians.
- The current event questions the partiality of international agencies, especially the [United Nations](#).

The Indian Economy: Covid-19 and Beyond

Context

The article highlights the present challenges of the Covid 19 pandemic and the difficulties faced by India's economy.

Introduction

- The Covid-19 second wave in India is still trending upward and India is the only country outside America to have had more than 2,00,000 Covid-19-related deaths.

- The Parliamentary Standing Committee on Health and Family Welfare (2021) had laid its report in both houses on 2 February 2021, flagging the issue of oxygen shortage in hospitals, as well as the need to augment the public health infrastructure to prepare for a possible second wave.
- The Indian economy has been badly hit by the pandemic, with one of the highest output losses amongst major economies.
- India needs to recognize that such pandemics will come again. It needs to diversify and secure its supply chains, vaccine output, and upgrade its poor healthcare infrastructure.

Healthcare Realities

- India's public health budget, as a share of the total budget, is the fourth lowest in the world with only half the population having access to the most basic healthcare services.
- India is not on track to achieving nine out of 14 of its good health and well-being goals under the [United Nations Sustainable Development Goals](#).
- India is still very far from achieving the target of spending 3% on public health outlined in the report of the national commission of macroeconomics and health, way back in 2005.
- Fiscal space for the healthcare deficit needs to be created by reprioritizing extant expenditure plans and projects.
- India has a reasonably good pharmaceutical sector, it has added advantages in the pharmaceutical and biotechnology sectors on account of private sector initiatives.
- Healthcare is one area where there are likely to be good opportunities for Indian companies in the post-Covid-19 period, especially in vaccine production infrastructure.
- In order to utilize the current opportunities, a good regulatory and investment climate is required to transform this potential into investment on the ground.
- India had a head start over other countries in the production of Covid-19 vaccines because of the private infrastructure built up in the pre-Covid-19 period as it was a major producer of vaccines globally.
- India did provide vaccines, especially to poorer countries who look to India for leadership but it seems to have estimated its domestic requirements of vaccines, inadequately.
- The target of vaccinating everybody above the age of 45 by August 2021 simply could not be met from the existing manufacturing capacity of around 70–80 million vaccine doses per month.
- It would take a year to fully vaccinate 400 million people based on the existing capacity.
- [PM CARES](#) funds could have been utilized for scaling up production at short notice of existing manufacturers in India.

Economic Realities

- India is one of the worst-affected countries despite its mortality being a fraction of that of the advanced economies.
- The average annual GDP growth is just 2.5% for projections in 2020–21, 2021–22, and 2022–23 sharply lower than the disastrous 4% in the pre-pandemic year of 2019–20.
- As per the Reserve Bank of India and [International Monetary Fund](#), it is estimated that India's GDP growth will be higher in 2021–22, at 10.5% and 12.5%, respectively.

- But, such a strong rebound that shows India as the fastest-growing economy in both 2021–22 and 2022–23 in IMF's World Economic Outlook (2021) is a statistical illusion.
- India's potential growth is assumed at 5.5%–6%, the output loss is between 5% and 10%.
- The above estimates have not considered India's Covid-19 second wave, hence these projections would certainly be downgraded in the near future, increasing the output loss and pulling India's average growth over the three years to well under 3.5%, even lower than the 4.2% in the last pre-pandemic year.

Economic Strategies and Evaluation

- The sharp downturn of the Indian economy was exacerbated by the Covid-19 pandemic, and not caused by it as the economy was weakening over the last four years.
- GDP growth declined continuously from 8.2% in 2016–17 to 4.2% in 2019–20, even before a sharp fall of 7.7% in 2020–21 because of the pandemic.
- The second wave needs to be managed adroitly to keep the loss in output and jobs to the minimum.
- We must aim at sustained robust growth. Once the epidemic is controlled, a further large number of jobs needs to be created to revive small businesses and absorb those who lost their jobs during the pandemic.
- Small businesses and the unemployed need support from the government.
- Fiscal policy has to bear the greater burden of macroeconomic stimulus as fiscal policy is likely to be much more effective in stimulating growth and investment than monetary policy in present situations and challenges.
- The pre-COVID-19 crisis in India's banking system needs to be resolved expeditiously to improve the potency of monetary policy.
- The monetary policy at the current juncture faces two challenges of the conflicting objectives of growth and inflation.
- Export, which was a major engine of growth during the times when the economy was strong, has now become a major area of concern.
- The flow of Private Investment needs to be restored by cleaning up the banking system, providing a competitive, stable, and predictable policy environment, assuring investors of a good physical and social infrastructure that would reduce the overhead costs of doing business in India.
- The tax revenue system needs strengthening as tax revenues have shown a declining share of the GDP in recent years.
- It has been pointed out by several experts that the [Goods and Services Tax](#) needs to be rationalized along with a check on the corporate taxes decline.

Conclusion

- The downfall of the Indian economy got accelerated with the pandemic and its second wave.
- The alarming Covid-19 data and the insufficient health infrastructure puts India in a very tough spot.
- Investment only in the years of the pandemic would not help the situation, India needs to do better than this.
- The economic and health challenges in India need a long-term addressal.

World Trade Organization Is Moving Too Slow for Comfort

Context

The article highlights the challenges that lie in the past and present with respect to the Covid combat initiatives on a global scale.

Highlights

- The world is now in its second-year battle against covid-19 and the equitable distribution of available vaccines across the world has been a challenge.
- Data shows that 6 billion of the first 8.6 billion vaccine doses are procured by the high- and upper-middle-income countries.
- Despite having multilateral forums like the COVAX facility, the lower-middle-income, and low-income countries have secured only around half a billion vaccines per nation.
- Such inequity in the availability of vaccines will make the pandemic worse as no one is safe until everyone is safe in the Corona Crisis.

Global Measures and Realistic Limitation

- Access to COVID-19 Tools (ACT) Accelerator which is a global collaboration that aims to accelerate the development, production, and distribution of COVID-19 tests, treatments, and vaccines was launched in April 2020.
- COVAX was an initiative under Access to COVID-19 Tools (ACT).
- The COVAX initiative was joined by 186 nations by November 2020 aiming to procure 2 billion vaccines in 2021 and 1 billion vaccines were designated to low-income countries.
- But, the deals with vaccine manufacturers and rich nations drained the vaccine procurement opportunities and raised global prices of vaccines.
- COVID-19 Technology Access Pool, which is a World Bank initiative to ensure timely, equitable and affordable access to COVID-19 health products, did not make much difference.
- India and South Africa (October 2020) requested immediate removal of intellectual property rights of vaccination and treatments related to COVID-19 until we achieve global immunity.
- The waiver move gained support in the following weeks but it was also opposed by some countries.
- Nations argued that WTO provisions were sufficiently making exceptions to exclusive rights to protect public health.
- The United States Trade Representative declared its support to give up intellectual property rights in May 2021.
- The 12th WTO Ministerial Conference that is to be held in December 2021 will ensure a practical framework that can provide developing nations access to health technologies and research incentives.

Conclusion

- The pandemic challenges the world with more than one serious problem that needs immediate redressal or at least a realistic roadmap to solutions.

- The inadequate availability of vaccines will cost lives as well as livelihoods, and will also reduce the vaccine gains of rich nations, and will worsen the challenges ahead for the poor nations.
- It seems we have failed to combat vaccine nationalism which makes the situation concern-worthy.

