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News Analysis (04 Mar, 2020)

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The Economic Impact of Coronavirus

Why in News

The **Coronavirus outbreak** is having a negative impact on the various sectors of the economy.

Impact on Indian Economy

- **GDP Growth Rate**

The **Organisation for Economic Co-operation and Development (OECD)** has slashed India's growth forecast for 2020-21 by 110 basis points (bps) to 5.1%, warning that the impact of the Covid-19 outbreak on business confidence, financial markets and the travel sector, including disruption to supply chains, could shave 50 bps off global growth in 2020.

- **Pharmaceuticals:** Given the pharmaceutical industry's deep linkages to China, the supply chain of raw materials of drugs has taken a hit.
 - The production facilities in Himachal Pradesh — largest pharma hub of Asia — have warned of suspension.
 - Active Pharmaceutical Ingredients (APIs), also called bulk drugs, are significant ingredients in the manufacture of drugs. The Hubei province of China, the epicentre of the coronavirus, is the hub of the API manufacturing industry.
 - India is heavily import-dependent for APIs from China. India's API imports stand at around \$3.5 billion per year, and around 70%, or \$2.5 billion, come from China.

- **Automobile Industry**
 - China is one of the leading suppliers of auto components in India, accounting for 27% of the total imports.
 - The coronavirus is expected to have an impact on the Indian automotive industry and therefore also on the automobile component and forging industries, which had already reduced their production rate due to the market conditions and on account of the impending change over to BS-VI emission norms from BS-IV from April 2020.
- **Stock Market**
 - On 28th February, the Indian stock market registered one of its worst crashes in a single day. Indian indices fell over 3.5%, marking the second biggest fall in Sensex history.
 - The Sensex plunged 1,448.37 points to close at 38,297.29, while the Nifty tanked 3.711% or 431.55 points to settle a little above the 11,200 mark.
 - The Sensex's worst fall in history was on 24th August, 2015, when the indices fell 1,624 points on the back of a slump in the Chinese markets and rising crude oil prices.
- **Currency**
 - The month of March is typically good for the Indian currency as remittances, from both overseas citizens and companies, tend to boost the exchange rate.
 - In the past decade, the rupee has appreciated seven times against the dollar in March. But March 2020 could be hard on the exchange rate and the rupee's sharp drop to 73.25 per dollar on 3rd March, 2020 is evidence of this. One of the reasons is an increase in the number of reported cases of coronavirus in India.

Global Scenario

- **Global Growth:** The world's economy could grow at its slowest rate since 2009 this year due to the coronavirus outbreak, according to the Organisation for Economic Cooperation and Development (OECD). The OECD has forecast growth of just 2.4% in 2020, down from 2.9% in November 2019
- **Fall in Customer Demand:** Some people are choosing to avoid activities that might expose them to the risk of infection, such as going out shopping. Restaurants, car dealerships and shops have all reported a fall in customer demand.
- **Travel Industry:** The number of cases diagnosed is increasing around the world every day. Thus, many countries have introduced travel restrictions to try to contain the virus's spread, impacting the travel industry massively.

- **Beneficiaries**

- Consumer goods giant Reckitt Benckiser, for example, has seen a boost in sales for its Dettol and Lysol products. The disinfectant is seen as providing protection against the spread of the disease, although its effectiveness has not yet been scientifically proven.
- The price of gold - which is often considered a "safe haven" in times of uncertainty - has also increased. Its spot price hit a seven-year high of \$1,682.35 per ounce in February 2020.

Global Response

- The COVID-19 outbreak was declared a Public Health Emergency of International Concern by the WHO on 30th January 2020.
- According to recommendations by the World Health Organization, the diagnosis of COVID-19 must be confirmed by the Real Time- Polymerase Chain Reaction (PCR) or gene sequencing for respiratory or blood specimens, as the key indicator for hospitalisation.
- \$15 million dollars has been released from the UN's Central Emergency Fund to help fund global efforts to contain the spread of the COVID-19 coronavirus, particularly vulnerable countries with weak health care systems.
- Vaccines are being developed.

Indian Response

- The Indian government arranged for the evacuation of 366 Indian citizens from Wuhan in a special Air India flight on 31st January 2020. The passengers were placed under quarantine for a period of 14 days.
 - A second batch of passengers, including seven Maldivian citizens evacuated by the government, arrived from Wuhan on 1st February 2020. The repatriated passengers were also monitored.
- The government has already introduced travel restrictions and suspended visas from affected countries.
- A detailed containment plan has been shared with states. States have been asked to identify possible isolation areas in hospitals that can accommodate larger numbers.
- The Indian health minister advised people to approach the government helpline numbers regarding the doubts related to symptoms of the deadly disease. The situation is being monitored at the highest level.
- PCR Test: If PCR test is positive, the sample is sent to the National Institute of Virology in Pune, which is the only government laboratory currently doing genome sequencing, for final confirmation.

National Institute of Virology

- The National Institute of Virology is one of the major Institutes of the Indian Council of Medical Research (ICMR).
- It was established at Pune, Maharashtra State in 1952 as Virus Research Centre (VRC) under the auspices of the ICMR and the Rockefeller Foundation (RF), USA.

Way Forward

It is critical to mount a coordinated and coherent response. This not only means involvement of both public and private sectors but also allopathic and non-allopathic medical systems, different departments such as police, fire, transportation, tourism, food supplies and other sectors.

Source: TH

ECI not in Favour of State Political Fundings for Polls

Why in News

Recently, the Minister of State for Finance has informed Lok Sabha that the Election Commission of India (ECI) is **not in favour of state funding of elections**.

The state funding of elections was recommended by the **Indrajit Gupta Committee in 1998**.

ECI's View

- The ECI has stated that it **would not be able to prohibit or check candidates' expenditure or expenditure by others over and above that which is provided for by the state**.
- It has also mentioned that for addressing the **real issues with political fundings**, there need to be changes in following elements of election funding process :
 - **Receipts of funds** by political parties.
 - **The manner** in which **received funds are spent** by the political parties.
 - **Complete transparency** in the political funding process.
- The **scrutiny** over the above aspects will help to bring **better transparency** in political funding.

Recommendations on State Funding for Elections

- **Indrajit Gupta Committee (1998)**

- The Indrajit Gupta Committee had suggested that **state funding** would ensure a **level playing field** for poorer political parties and argued that such a move would be in public interest.

- It had also recommended that **state funds should only be given to recognised national and State parties.**

ECI **allows airtime** to recognised national and State parties for campaigning on state media.

- It had recommended that funding should be given **in the form of free facilities provided to these parties and their candidates.**

- **Law Commission Report (1999)**

It had stated that a state funding of elections is 'desirable' provided that political parties are **prohibited from taking funds from other sources.**

- **National Commission to Review the Working of the Constitution (2000)**

It **did not support** state funding of elections but mentioned that the appropriate framework for the regulation of political parties would need to be implemented before state funding is considered.

Recent Steps Taken by the Government

- The government has amended the **Income Tax Act and limited anonymous cash donations to Rs 2,000 to discourage cash transactions and bring in transparency** in the source of funding of political parties.
- The '**Electoral Bond Scheme**' was introduced in 2018 to establish a transparent political funding system in the country, with a well-established audit trail.
 - An electoral bond is a **bearer instrument** like a Promissory Note.
 - It can be purchased by **any citizen of India or a body incorporated in India** to donate to the political party of their choice. **Donor's name is not** mentioned on the bond.
 - These bonds can be used for making donations to the political parties registered under **Section 29A of the Representation of the People Act, 1951** and which have secured **not less than one per cent of the votes polled in the last general election** to the **House of the People or a Legislative Assembly.**

Current Scenario of Political Funding

- Political Funding implies the methods that political parties use to raise funds to finance their campaign and routine activities.

- **Methods of Political Funding in India:**

- **Individual Persons:** Section 29B of RPA allows political parties to receive donations from individual persons.
- **Indirect State Funding:** It includes methods except direct funding, like free access to media, free access to public places for rallies, free or subsidized transport facilities. **It is allowed in India in a regulated manner.**
- **Corporate Funding:** In India, donations by corporate bodies are governed by **the Companies Act, 2013.**
- **Electoral Trusts:** A non-profit company created in India for orderly receipt of voluntary contributions from any person like an individual or a domestic company.

Issues with Political Funding

- One of the biggest disadvantages of corporate funding is the **use of fake companies to route black money.**
- **Influence of people and companies over political parties** to which they provide funds.
- There are various gaps in Indian rules, the benefit of which political parties take to avoid any kind of reporting.
- **Hidden sources of funding** lead to more spending of funds in election campaigns, thus impacting the economy of the country.

Source: TH

Rules for Filing Complaints with Lokpal Notified

Why in News

The Department of Personnel and Training has issued a notification providing the rules and prescribed format for filing complaints with the Lokpal.

Key Points

- The notification, under the **Lokpal and Lokayuktas Act**, lays down the rules called **the Lokpal (Complaint) Rules, 2020.**
- **Identity Proof:** According to the complaint form, a complainant has to give a valid proof of identity, as specified therein.
- **Foreign nationals** can also lodge complaints.
Only a **copy of their passports** will be accepted as proof of identity.

- **Mode of Complaint:**
 - The complaint can be filed **electronically, by post or in person.**
 - In case the complaint is filed electronically, it's hard copy has to be submitted to the Lokpal within 15 days.
- **No complaints** can be filed against a public servant **under the Army Act, Navy Act, Air Force Act and the Coast Guard Act.**
- **Language:** A complaint may ordinarily be made in English, provided that the Lokpal may also entertain a complaint in any of the languages referred to in the Eighth Schedule to the Constitution.
- The complaints, whose contents are illegible, vague or ambiguous, which are trivial or frivolous, do not contain any allegation, are not filed within the limitation period of seven years, or are pending before any other court, tribunal or authority, will have to be disposed of within 30 days.
- **Protection:**
 - The identity of the complainant or the accused official **will be protected by the Lokpal till the conclusion of inquiry or investigation.**
 - However, the protection will not be applicable in cases where the complainant herself reveals her identity to any other office or authority while making the complaint to Lokpal.

The Lokpal Act

- This Act provides for the establishment of a body of **Lokpal for the Union and Lokayukta for States** to inquire into allegations of corruption against certain public functionaries and for matters connected therewith or incidental thereto.
- It was passed in **2013.**
- **Lokpal is an apex body** to deal with cases of corruption at the national level. It has to enquire into allegations of corruption against public functionaries of the central government in a time bound manner.
- **Jurisdiction:** The Prime Minister, Ministers, Members of Parliament and officers and officials of the Central Government.
- **Composition:**
 - The Lokpal consists of a **Chairperson with a maximum of 8 members of which 50% shall be judicial members.**
 - 50% of the members of the Lokpal shall come from amongst the **SCs, the STs, the OBCs, minorities and women.**

- **Selection:**
 - The selection of the Chairperson and the members of Lokpal shall be through a **Selection Committee** consisting of the Prime Minister, the Speaker of the Lok Sabha, the Leader of the Opposition in the Lok Sabha, the Chief Justice of India or a sitting Supreme Court Judge nominated by the Chief Justice of India and an eminent jurist to be nominated by the President of India on the basis of recommendations of the first four members of the selection committee.
 - **A Search Committee** will assist the Selection Committee in the process of selection. 50% of the members of the Search Committee shall also be from amongst the SCs, the STs, the OBCs, minorities and women.
- **The Prime Minister** has been brought under the purview of the Lokpal with subject matter exclusions and specific process for handling complaints against the Prime Minister.

Source :TH

World Wildlife Day

- World Wildlife Day is celebrated every year on the **3rd of March since 2013**. The date chosen coincides with the day the **Convention on International Trade in Endangered Species** of **Wild Fauna and Flora (CITES) which was signed in 1973**.
- The **UNGA resolution also designated the CITES Secretariat** as the facilitator for the global observance of this special day for wildlife on the UN calendar.
- **Theme: 'Sustaining all Life on Earth'**, highlights the unique place of wild fauna and flora as essential components of the world's biodiversity.
- The year 2020, known as **"biodiversity super year,"** will host several major global events that place biodiversity at the forefront.
- This aligns with UN **Sustainable Development Goals 1, 12, 14 and 15**, and their wide-ranging commitments on alleviating poverty, ensuring sustainable use of resources, and on conserving life both on land and below water to halt biodiversity loss.
 - **Goal 1:** No Poverty
 - **Goal 12:** Responsible Consumption And Production
 - **Goal 14:** Life Below Water
 - **Goal 15:** Life On Land
- Our planet is currently facing the **urgent challenge that is the loss of biodiversity** and up to a **million species could disappear in the coming decades if unsustainable human activity, climate change and habitat degradation** are left unchecked.
- There might come a time when these species remain only in videos for future generations to see.



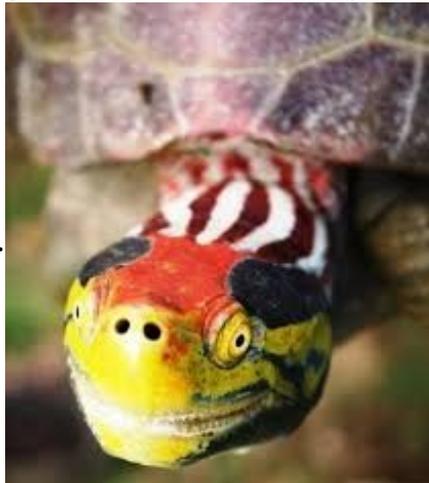
Watch Video At:

https://youtu.be/u2KykATa_QU

Red Crowned Roofed Turtle

- **Red Crowned Roofed Turtle** is **one of the 24 species endemic to India**, is characterised by the bright colours such as red, yellow, white and blue on the faces

and necks of the males.



- **Common Names:** Bengal roof turtle, Red-crowned roofed turtle.

- **Distribution:**
 - It is a freshwater turtle species found in **deep flowing rivers with terrestrial nesting sites.**
 - The Red-crowned roofed turtle is native to **India, Bangladesh and Nepal.**
 - Historically, the species was widespread in the **Ganga River**, both in India and Bangladesh. It also occurs in the **Brahmaputra basin.**
 - Currently in India, the **National Chambal River Gharial Sanctuary** is the only area with substantial population of the species, but even this **Protected Area** and habitat are under threat.
- **Major Threats:**
 - Loss or degradation of habitat due to **pollution** and **large scale development activities** like water extraction for human consumption and irrigation and irregular flow from the upstream dams and reservoirs.
 - **Sand mining** and growing of **seasonal crops** along Ganga River are majorly affecting the sandbars along the river that are used by the species for nesting.
 - Drowning by **illegal fishing nets.**
 - **Poaching and illegal trade.**
- **Conservation Status:**
 - **The International Union for Conservation of Nature (IUCN) :** Critically Endangered
 - **Wildlife Protection Act (IWPA) :** Schedule I
 - **The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) :** Appendix II

Source : TH

Naval Exercise - MILAN 2020

Why in News

The Indian Navy has postponed its multi-nation mega naval exercise 'MILAN' due to continuing spread of the coronavirus.

MILAN (11th edition) was scheduled to be held in Visakhapatnam from 18th - 28th March 2020.

Exercise MILAN

- It is a **biennial, multilateral naval exercise** which started in **1995.**

- The Navy has held 10 editions of the Milan exercise, with the theme of **“synergy across the seas”** to enhance professional interactions between friendly foreign navies and learn best practices from each other, since 1995.
- It was conducted at the **Andaman and Nicobar Command until 2018.**
- It is held under the aegis of Eastern Naval Command.
- Over **40 countries were expected** to participate in the exercise in **2020.**

Source: TH

Sukhna Lake

The **Punjab and Haryana High Court** has declared **Sukhna lake (Chandigarh)** as a **living entity** recently.

- The court invoked its **parens patriae** jurisdiction to declare the lake as a **legal entity** for its **survival, preservation and conservation** having a distinct persona with corresponding rights, duties and liabilities of a living person.
- All the citizens of Union Territory, Chandigarh, are hereby declared as **loco parentis (in the place of a parent)** to save the lake from extinction.
- Sukhna Lake is a **rain-fed lake**, located within Chandigarh and its catchment area falls both in Punjab and Haryana.
- The lake was **constructed in 1958** and is spread over 3 sq km.
 - An area of 2 km to 2.75 km around the lake has been declared as **an eco-sensitive zone** by the Chandigarh Administration.
 - All activities in this area fall under provisions of the **Environment Protection Act.**
- The court has completely banned new construction in the catchment areas falling in the states of Punjab, Haryana and Union Territory Chandigarh as well as in the **Sukhna Wetland** and **Sukhna Wildlife Sanctuary.**
- Earlier, **Uttarakhand High Court** declared the rivers **Yamuna and Ganga as legal or juridical persons**, enjoying all the rights, duties and liabilities of a living person.

The HC bench was hearing a Public Interest Litigation (PIL) petition filed in 2014 and gave a landmark judgment stating that the Ganga and the Yamuna must be treated as living entities.



Environment Protection Act, 1986

It empowers the government of India to lay down standards for emission or discharge of environmental pollutants from various sources whatsoever, provided that different standards for emission or discharge may be laid down under this clause from different sources having regard to the quality or composition of the emission or discharge of environmental pollutants from such sources.

Source: TH

Lalit Kala Akademi Awards

Why in News

The President of India conferred the **61st annual Lalit Kala Akademi Awards** on 15 meritorious artists at a function held at Rashtrapati Bhavan on 4th March, 2020.

- The Lalit Kala Akademi nominated seven member selection Jury of eminent art practitioners, artists and critics from all over the country to finalise the list of artists to be awarded.
- Lalit Kala Akademi organises art exhibitions and award ceremonies every year to promote art as well as to honour talents.
- Artwork of the award-winning artists will be on display till March 22, 2020, at the 61st National Exhibition of Art at the Lalit Kala Akademi galleries in New Delhi.

Lalit Kala Academy

- The Akademi was inaugurated on August 5, 1954, by the then Honourable Minister for Education, Maulana Abul Kalam Azad.
- The Akademi was given **statutory authority in 1957**, under the Societies Registration Act 1860.
- Since its establishment it has been serving the entire country by promoting the creative endeavours of Indian artists and bringing their arts to bear upon a large number of people, thereby playing an important role in defining and redefining the sensibility of an entire culture, falling under the visual arts spectrum.
- It is **headquartered in New Delhi**.

Source: PIB

Janaushadhi Week

Why in News

The Janaushadhi week is being celebrated across the country **from 1st March to 7th March 2020**.

On this occasion, various activities like health checkup Camp, Jan Aushadhi Paricharcha, Jan Aushadhi ka sath are being organised in the country.

Pradhan Mantri Bhartiya Janaushadhi Pariyojana

- Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) is a campaign launched by the **Department of Pharmaceuticals** in **2008** under the name **Jan Aushadi Campaign**.
- **Bureau of Pharma PSUs of India (BPPI)** is the **implementation agency** for PMBJP. The Bureau of Pharma PSUs of India works under the **Ministry of Chemicals & Fertilizers**.

- **PMBJP** stores have been set up to provide **generic drugs, which are available at lesser prices but are equivalent in quality and efficacy as expensive branded drugs.**
- It also intends to extend the coverage of quality generic medicines so as **to reduce the out of pocket expenditure on medicines** and thereby redefine the unit cost of treatment per person.
- It will create **awareness about generic medicines through education and publicity** so that quality is not synonymous with an only high price.

Source: PIB

Ink to Curb Fake Printing of Passports and Counterfeiting of Currency Notes

- The Council of Scientific and Industrial Research (CSIR)-National Physical Laboratory has developed a **bi-luminescent security ink** which **glows in red and green colours** when illuminated by two different excitation sources.
- The ink was given to **Bank Note Press (BNP)**, Dewas, a unit of **Security Printing Minting Corporation of India Ltd.** (SPMCIL), New Delhi.
- The formulation can be used to **check the authenticity of passports, Government documents, tamper evident labels, identity cards, etc.**

Security Printing and Minting Corporation of India Limited

- SPMCIL is a wholly owned **Miniratna** company of Government of India, incorporated on 13th January, 2006.
- **The Ministry of Finance exercises its administrative control** over SPMCIL through the Board of Directors.
- SPMCIL is engaged in the manufacture/ production of Currency and Bank Notes, Security Paper, Non-Judicial Stamp Papers, Postal Stamps & Stationary, Travel Documents viz. Passport and Visa, Security certificates, Cheques, Bonds, Warrant, Special Certificates with security features, Security Inks, Circulation & Commemorative Coins, Medallions, Refining of Gold & Silver, and Assay of Precious Metals.

The Council of Scientific and Industrial Research

- CSIR was established by the Government of India in **September 1942 as an autonomous body.**
- It is known for its cutting edge R&D knowledge base in diverse S&T areas.

- Council of Scientific and Industrial Research (CSIR) has been ranked **first in the Nature Ranking Index-2020**.

The Nature Index provides a close to real-time proxy of high-quality research output and collaboration at the institutional, national and regional level.

Source : PIB
