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## Global Economic Prospects: World Bank

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### Why in News

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Recently, the **World Bank** has released a **part of the Global Economic Prospects (GEP) June 2020 report**.

The report highlighted that the **Covid-19 pandemic** will be having a **“severe” short and long term** effects on **economic growth**.

### Key Findings

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- **Impact on Global Poverty:**

- The Covid-19 pandemic and economic shutdowns have devastated the poor around the world which is **unprecedented in modern times**.
- It has been estimated that **60 million people** could be pushed into extreme poverty in 2020. These estimates are **likely to rise further**, with the reopening of advanced economies.
- These economic lockdowns have also damaged the multiple channels, including **lower investment and innovation, erosion of the human capital** and a **retreat from global trade and supply linkages**.

It has also **lowered the potential growth and labor productivity**.

- **Emerging Market and Developing Economies (EMDEs):**
  - EMDEs are **most vulnerable** and may face health crises, restrictions and external shocks like falling trade, tourism and commodity prices, as well as capital outflows.
  - These countries are expected to have a **3-8% output loss** in the **short term**. But in the long **term** these countries will experience a drop in the level of output with a lowering of potential output growth.
  - Growth is **likely to slow more** in **commodity-exporting EMDEs** than in commodity-importing ones.
- **Spillover Effect over EMDEs:**
  - EMDEs are also expected to witness the **spillover effects of the U.S., the Euro Area and China**, which represent **almost half of global output**.
  - As these countries are **unlikely to return** to pre-pandemic levels of output **before the end of 2021**.
- **Issue of Loan Repayments:**
  - Earlier, **G20** countries and commercial creditors had agreed to **freeze loan repayments for low income countries** (starting 1<sup>st</sup> May, 2020) till year-end. But these creditors had **not yet implemented** the same.
  - The **delay** by commercial creditors to freeze loan repayment is **deepening poverty in the debtor country**.
    - Most creditors are in advanced economies like the U.S., Europe, Japan, China and the Gulf.
- **Energy-Exporting Emerging Market and Developing Economies (EMDEs):**
  - The Energy-Exporting Emerging Market and Developing Economies (EMDEs) are facing a **dual problem** of the public health crisis with strained fiscal positions due to the recent collapse in oil revenues.
  - The **collapse in oil demand** due to the worldwide economic lockdowns and a **surge in oil inventories** have made steepest **one-month decline in oil prices** on record.
  - Additionally, the low oil prices are **unlikely to buffer** the effects of the pandemic, though it **may provide some initial support** for the global recovery.

## Steps Taken

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- Some of the policy choices being implemented worldwide include **greater debt transparency** to **invite new investment**.
  - Greater transparency is expected to assist borrowers, creditors and the official sector in the ongoing assessment of debt dynamics and debt sustainability.
- The economies have also **fastened their digital connectivity**, and have also implemented an **expansion of cash safety nets for the poor** which intends to limit the damage and build a stronger recovery.

## Suggestions

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- **Short Term Steps:**
  - **Address Health Emergencies:**
    - The countries should try to **moderate the short-term impact** of the pandemic on economic activity and employment.
    - Initially, countries need to address **health emergencies** and **secure core public services** to revive the economy.
  - **Allocation of New Capital:**
    - The worldwide economies should allow an **orderly allocation of new capital** toward sectors that would be productive in the new post-pandemic structures that emerge.
    - It has also suggested to **fasten the adjustment of the capital and labour**.
- **Long Term Steps:**
  - **Business and Governance:**
    - The economies worldwide need to implement policies such as improving the environment for business, improving governance, and enhancing the outcomes of education.
    - It also includes public health investments ,encouraging the new types of businesses, jobs and governance systems in the post-pandemic world.
  - **Financing and Productive Infrastructure.**
    - Countries need to speed litigation and the resolution of bankruptcies and reform the costly subsidies, monopolies.
    - They also need to relook into the protected state-owned enterprises that have slowed development.

## Way Forward

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- The pandemic and the subsequent economic shutdowns have caused a severe blow to the global economy, especially poorer countries. There is a need to **rebuild the economy**, and make growth more **robust, resilient and sustainable**.
- There is also a need to make future economies **more resilient** to such economic shocks and **capable of retaining** more **human and physical capital** during the recovery.
  - It will help to fulfill the post-pandemic need for the creation of the new types of jobs, businesses and governance systems.

**Source:TH**

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## Why in News

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Recently, scientists from the **Centre for Cellular and Molecular Biology** and the **Institute of Genomics and Integrative Biology** of the **Council of Scientific and Industrial Research** (CSIR) laboratories have identified a **coronavirus** type (A3i) that may be the second most prevalent in India and may comprise 3.5% of the genomes globally.

## Key Points

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- The scientists analysed 213 genomes and found that 62% of them were **A2a**, making it the **most dominant coronavirus clade in India**.
  - **Clade:** The coronavirus type or clade, is a cluster of SARS-CoV-2 viruses that share evolutionary similarities and are grouped together based on characteristic mutations or similarities in parts of their genomes. In layman terms, a clade can be understood as a **strain of the virus**.
- The **newly identified A3i or Clade I/A3i** comprised 41%, making it the **second most common coronavirus type in India**.
  - The A3i clade stood out from other clades due to **differences at four different places in its sequence**.
  - According to scientific analysis, the A3i clade **mutates slowly compared to the A2a** which is often **disadvantageous for the virus**.
  - So far, there is **no evidence of whether A3i is more virulent** (extremely severe or harmful in its effects) and linked to more deaths.
  - A3i is the **predominant strain** circulating in **Tamil Nadu, Telangana, Maharashtra and Delhi**.
- **Significance of the Classification:** Such classifications are useful in establishing whether certain strains are particularly virulent, spread more easily, how they are likely to evolve over time and whether some could be less vulnerable to certain kinds of vaccines.
- With the new clade, there are now **11 SARS-CoV-2 types identified globally** with at least **six of them identified in India**.
- Previous studies have shown that while **type O** was the **first ancestral family of the virus identified from China**, it's the A2a type, which is the most dominant in the world because of a mutation in its genes that allow that coronavirus' spike to more efficiently infiltrate the lungs.
- The **Indian Council of Medical Research** (ICMR) has so far maintained that there are **three principal variants** in India of the SARS-CoV-2 virus: those that came from **Wuhan, the USA, and Europe** via air travellers.

## Council of Scientific and Industrial Research

- It was **established** by the Government of India in **September 1942** as an **autonomous body**.
- It is known for its cutting edge research and development knowledge base in diverse science and technology areas.
- It has been ranked first in the **Nature Ranking Index-2020**.

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

### Indian Council of Medical Research

- It is the **apex body** in India for the **formulation, coordination** and **promotion of biomedical research**.
- Its **mandate** is to conduct, coordinate and implement medical research for the benefit of the Society; translating medical innovations into products/processes and introducing them into the public health system.
- It is **funded by** the Government of India through the **Department of Health Research, Ministry of Health and Family Welfare**.

Source: TH

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## Import Cut to Become Self-Reliant

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### Why in News

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Recently, the Union Government has identified 10 promising sectors **to cut “unnecessary” import**.

### Key Points

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- **Identified Sectors:** The sectors include **capital goods and machinery, mobile and electronics, gems and jewellery, pharmaceuticals, textiles and garments**.  
Earlier, the government had asked the Indian industry to set new targets towards building self-reliance in **furniture, footwear and air conditioners**.

- **Government's Plan:**
  - The government is **looking for increasing domestic manufacturing** and **exploring the export potential** in these areas.
  - For this, the government is bringing **more investment** and **making India a major manufacturing destination** for these sectors.
  - The government is also focussing on **raising quality controls** to make India globally competitive.
  - If necessary, the government can also **raise the import duties** on these sectors without violating the **World Trade Organisation (WTO)** bound rates.
- **PM's Focus on AtmaNirbhar Bharat:** Earlier, the Prime Minister had **stressed on the need for self-reliance** and a stronger **focus on manufacturing locally by enterprises** to strengthen the economy against the impact of coronavirus and get the country back on the growth track.
  - He had emphasised on the need to **build robust local supply chains** and focus on **Make In India**.
  - He called for **creating strong enterprises** in India that can become global forces and help in generating employment.
  - He highlighted that India did not use to manufacture PPE kits earlier but the pandemic has shown that India can fulfill its own needs.
- **Schemes:**
  - The government has brought various schemes towards making India a major player in sectors like **medical devices, Active Pharmaceutical Ingredients (APIs)**. For example: **Production Linked Incentive (PLI) Scheme**.
  - However, in some cases, **the schemes are repackaged** versions of older attempts of the previous government to promote domestic production in these areas.
  - For instance, recently, the government invited applications from companies to invest in India under the second phase of the **electronics manufacturing scheme**.
  - An earlier version of a similar electronics manufacturing scheme, called the **Modified Special Incentive Package Scheme** was notified by the previous government in July 2012.

## Issues

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- Concerns related to **India's dependence on imports** e.g. over 30% Imports in the air conditioners sector.
  - As per the Ministry of Commerce, India imported \$467.2 billion worth of commodities between April, 2019 and March, 2020.

- With **AtmaNirbhar Bharat**, there is a danger of India going back to an **import substitution framework**.

Taking this path would also be quite daunting, as the financial and technological resources required would be very high.

## Way Forward

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- The Prime Minister has talked about **5 Is** to make India self-reliant. This includes **intent, inclusion, investment, infrastructure, and innovation**.
- There is a need to be strategic in terms of the choice of sectors in which the country wants to be self-reliant.
- India has a natural advantage in these 10 sectors and if work is done to strengthen these industries, these will support the country massively.

**Source: IE**

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## Science Technology and Innovation Policy

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### Why in News

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Recently, the **Office of the Principal Scientific Adviser** to the Government of India (Office of PSA) and the **Department of Science and Technology** (DST) have jointly initiated the formulation of a **new national Science Technology and Innovation Policy** (STIP 2020).

### Key Points

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- It will be the **5<sup>th</sup> STIP of India** and is being formulated at a crucial juncture when India and the world are tackling the **Covid-19**.  
It will **integrate the lessons of the pandemic** including the building of an **Atmanirbhar Bharat** by leveraging India's strengths in research and development, design, science and technology workforce and institutions, huge markets, demographic dividend, diversity and data.

- The STIP 2020 formulation process will be six-months long and has been organised into **4 highly interlinked tracks**:
  - **Track I:** It involves an extensive public and expert consultation process through Science Policy Forum, a dedicated platform for soliciting inputs from larger public and expert pools during and after the policy drafting process.
  - **Track II:** It comprises experts-driven thematic consultations to feed evidence-informed recommendations into the policy drafting process. 21 focused thematic groups have been constituted for this purpose.
  - **Track III:** It involves extensive intra-state and intra-department consultation with Ministries and States.
  - **Track IV:** It constitutes an apex level multi-stakeholder consultation.
- **Previous Four STIPs:**
  - **Scientific Policy Resolution 1958:**
    - India's first major science policy can be traced back to the year 1958.
    - SPR 1958 laid the foundation of the scientific enterprise and scientific temper in India.
  - **Technology Policy Statement 1983:**
    - The primary feature of TPS 1983 was technological self-reliance through promotion and development of indigenous technologies.
    - Adoption of indigenous technology would reduce vulnerabilities in critical areas and would help maximise the utilisation of local (human and material) resources.
  - **Science and Technology Policy 2003:**
    - Its aim was to keep up the pace with science and technology, to stay competitive in an increasingly globalised world and to meet the primary goal of equitable and sustainable development.
    - It called to invest heavily in the research and development sector with the aim of increasing investment to 2% of the **Gross Domestic Product** (GDP).
  - **Science, Technology and Innovation Policy 2013:**
    - The decade of 2010 to 2020 was declared as a decade of innovation.
    - It was acknowledged that in order to stay globally competitive, it was necessary to make a transition into a knowledge-based economy.
    - This policy document was a step in the direction towards building a robust national innovation ecosystem.

### **Office of the Principal Scientific Adviser**

- It was set-up in **November 1999** by the Cabinet Secretariat.

- **Objectives:**
  - To evolve policies, strategies and missions for the generation of innovations and support systems for multiple applications.
  - To generate science and technology tasks in critical infrastructure, economic and social sectors in partnership with Government departments, institutions and industry.
  - To function as the Secretariat to the Scientific Advisory Committee to the Cabinet, with the Principal Scientific Adviser to the Government of India as its Chairman.
- The **Prime Minister's Science, Technology and Innovation Advisory Council** (PM-STIAC) is an overarching council that facilitates the PSA's office.

## Department of Science and Technology

- The foundation of DST was laid on **3<sup>rd</sup> May 1971** along with the model of **National Science Foundation (NSF), USA**.
- It **provides funding** and also **makes policies and co-ordinates scientific work** with other countries.
- It **empowers scientists and scientific institutions** and also works with a highly distributed system permeating stakeholders ranging from school college, PhD, Postdoc students, young scientists, startups and NGOs working in Science and Technology.

**Source: PIB**

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## J&K Media Policy-2020

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### Why in News

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Recently, the Jammu and Kashmir administration has approved a **Media Policy-2020**.

The policy seeks to **create a sustained narrative on the functioning of the government** in the media and promote the highest standard of journalism in the Union Territory.

### Key Points

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- **Standard Operating Procedure:** The media policy **aims** to put in place a Standard Operating Procedure for **reaching out to the people in situations of crisis** like health issues and natural disasters.  
It lays down a solid foundation to use all forms of media to **build public trust, pay attention to grievances of people** projected by the media and strengthen the relationship between the various stakeholders.
- **Control misinformation:** It seeks to prevent **misinformation, fake news** and develop a mechanism that will raise alarm against any attempt to use the media to vitiate public peace, sovereignty and integrity of the country.  
The policy comes in the backdrop of J&K Police filing FIRs against two journalists and summoning several others for their reporting and social media posts.
- **Establishment of Media Academy:** It includes **establishment of a media academy/institute** in reputable national institutes in Jammu and Kashmir such as IIMC, IIM that will promote the highest standard of journalism, and coordinate study and research in the field.  
It also includes the institution of media awards to be given each year to two outstanding media or communication professionals.
- **Media and Administration:** It **lays down the guidelines for empanelment of audio-visual and electronic media** such as FM, radio, satellite and cable TV channels so as to streamline their interface with the Department of Information & Public Relations (DIPR).
- **Nodal Officer:** The policy envisages that all government departments will **nominate a nodal officer to liaise with DIPR.**
- **Social Media Cell:** To ensure healthy interaction with the public online and on social media, the policy lays down **setting up of a Social Media Cell** in all the government departments.
- The **Director of Information and Public Relations** has been designated as **chairperson** of the **Empanelment Committee** and the **administrative head** of the **Information Department** will chair the **Review Committee** constituted under the policy.

**Source: IE**

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## Kohala Hydropower Project

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### Why in News

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China will be setting up a **Kohala hydropower project** in **Pakistan-occupied Kashmir (PoK)** under China-Pakistan Economic Corridor (**CPEC**).

India has already objected to the construction of the hydropower project.

## China-Pakistan Economic Corridor

- The China-Pakistan Economic Corridor (CPEC) is a part of the **One Belt One Road (OBOR)**, intended to improve infrastructure within Pakistan for better trade with China and to further integrate the countries of the region.
  - OBOR has two main components, **One Belt - the land-based belt, and One Road refers to the ocean going 'Maritime Silk Road'**, which aims to connect the East Asian economic region with the European economic circle and runs **across the continents of Asia, Europe and Africa.**
- **India has boycotted** the Belt and Road Forum organised by China. China's insistence on establishing the CPEC project through PoK is seen by India as a deliberate disregard of its territorial claims.

## Key Points

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- **Description:**
  - The Kohala hydropower project will be built on the **Jhelum river.**
  - It is a **1,124-megawatt** power project intended to provide **more than five billion units** of clean and low-cost electricity **annually** for consumers in Pakistan.
- **India's Stand:**
  - India has **opposed** the move on the grounds that the entire territory of the Union Territories of Jammu and Kashmir and Ladakh are **integral and inalienable parts of India.**
    - Earlier India had also **objected to the construction of the Diamer-Bhasha dam** in the Gilgit-Baltistan region of the PoK.
    - In the past too, India has opposed projects jointly taken up by Pakistan and China in PoK as part of the CPEC.
  - India has consistently conveyed her protest and shared concerns with both China and Pakistan on all such projects in the Indian territories under Pakistan's illegal occupation.

## Source:ET

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## Statehood Day of Telangana

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## Why in News

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The Prime Minister of India greeted the people of Telangana on Statehood Day (2<sup>nd</sup> June).

## Key Points

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- On 2<sup>nd</sup> June, 2014 the northwestern part of Andhra Pradesh was separated and 29<sup>th</sup> state Telangana was created with Hyderabad as its capital.
- The **Andhra State Act (1953)** formed the first linguistic state of India, known as the state of Andhra, by taking out the Telugu speaking areas from the State of Madras (now Tamil Nadu).
- The **States Reorganisation Act (1956)** merged the Telugu-speaking areas of Hyderabad state with the Andhra state to create the enlarged Andhra Pradesh state.
- The **Andhra Pradesh Reorganisation Act (2014)** bifurcated Andhra Pradesh into two separate states, namely, the **Andhra Pradesh (residuary)** and the **Telangana**.

## Note

- Four icons of Telangana are:
  - **State Bird** - Palapitta (Indian Roller or Blue Jay).
  - **State Animal** - Jinka (Deer).
  - **State Tree** - Jammi Chettu (Prosopis Cineraria).
  - **State Flower** - Tangedu (Tanner's Cassia).
- These icons reflect the culture and tradition of Telangana state and three of them - Tangedu flowers, Palapitta and Jammi Chettu are associated with the popular festivals of **Bathukamma and Dasara**, while Jinka reflects the mindset of the people of Telangana as it is very sensitive and innocent.

**Source: PIB**

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