DAILY NEWS DIARY

(DnD)

08.04.2020

For Prelims & Mains
Dear Student,

Warm Greetings.

- DnD aims to provide every day news analysis in sync with the UPSC pattern.
- It is targeted at UPSC – Prelims & Mains.
- Daily articles are provided in the form of Question and Answers
  - To have a bank of mains questions.
  - And interesting to read.
  - Providing precise information that can he carries straight to the exam, rather than over dumping.

Enjoy reading.

THE HINDU - TH
INDIAN EXPRESS - IE
BUSINESS LINE - BL
ECONOMIC TIMES - ET
TIMES OF INDIA - TOI

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**Essay Paper**

*Editorial*

**Q – Explain the resolve between Public Health versus Economic Health Trade Off?**

**INTRO =** The 21-day lockdown will reduce the gross value added (GVA) during this period to near zero. More than half the GVA is contributed by the unorganised sector. In time, a vaccine will become available. But the economy cannot remain shut until that happens. A prolonged lockdown will extract a huge economic cost. Therefore –

1. The policy objective must be to find ways of ensuring that the lockdown ends early without compromising on public health.
2. The economic cost of combating COVID-19 can be reduced by combining aggressive testing and isolation, a strategy proposed by economist Paul Romer for the U.S.
3. The success of this will depend on eliminating the fears associated with isolation. Such fears can be reduced only if isolation facilities are good. Hotels, restaurants and caterers have come forward to re-purpose their businesses temporarily for hosting health professionals closer to hospitals. District administrations are taking up unsold flats and apartments in the suburbs of Delhi for hosting migrant labourers.
4. The next precondition is the substantial ramping up of manufacturing capacities for medical grade masks, gloves, gowns, ventilators, testing labs, etc. This ought to be on a scale large enough for domestic use
5. And, if possible, for exports for costs to be low.
6. And coming to the issue of funding, during a public health crisis, all resources must be used to ramp up healthcare capacities.
7. Than the governments wrestle with dilemmas such as whether to allocate the limited available tax money to education, health, public transport or a sop that could change the outcome of the next election in their favour.

If the public health sector can be the economy’s main engine for six months, the public health versus economic health trade-off can be resolved. The spread of COVID-19 will slow down. The economic pain of combating the virus will reduce. There will be jobs, including for low-skilled construction labourers.

Finally, In a crisis, the first instinct of policymakers is to slap controls. Just about everything from masks to kits has been placed under price controls. This has removed the incentive for private labs to ramp up capacities. **Instead, the government should fully subsidise testing.** At zero MRP, more people with symptoms will come forward to get tested. Private labs will quickly ramp up capacities if they don’t have to worry about losses. The number of suppliers will increase. Costs will reduce. Private enterprise and technological innovations will come up with cheaper tests that produce results quicker.

Q – How do sanctions worsen the pandemic?

INTRO = America’s refusal to ease sanctions on Iran even when the West Asian country is struggling hard to contain the novel corona virus spread with limited resources shows its total disregard for the humanitarian situation in the Islamic Republic. Iran, the hardest hit by the pandemic in West Asia, has already seen 3,739 deaths and 62,589 infections.

I. Last year, the sanctions, reimposed by President Trump after he unilaterally pulled the U.S. out of the Iran nuclear deal in 2018, shrank the country’s economy by 8.7%. Such as –

   a. The sanctions have also debilitated its ability to import even humanitarian goods.

II. The government was initially reluctant to enforce drastic restrictions on businesses, religious establishments and people. As infections began spreading at an exponential pace, it was more than what Iran’s health-care system could handle. The cash-strapped, isolated regime struggled to meet people’s needs.

III. The fall in oil prices and the pandemic have multiplied Iran’s woes.

While, It is still not too late for Mr. Trump to take a humanitarian decision and turn it into a diplomatic opening. The Iranian leadership should realise that this is not the time for America-bashing. This is an hour of crisis, globally. Tehran’s focus should be on getting maximum help from abroad and beefing up its fight at home to save lives.

**Q –** Why has India lifted the ban on export of Hydroxychloroquine?

BACKGROUND = In a notification on March 25, the government placed HCQ on a restricted items list, and then put a blanket ban on any export of the drug on April 4. But again, India on 7th April announced that it had rescinded its earlier ban on the export of malaria drug hydroxychloroquine (HCQ), which is now being used in countries such as the U.S. as a possible line of treatment for COVID-19.
In view of the humanitarian aspects of the pandemic, it has been decided that India would licence paracetamol and HCQ in appropriate quantities to all our neighbouring countries that are dependent on our capabilities. We will also be supplying these essential drugs to some nations that have been particularly badly affected by the pandemic, MEA said.

The demand for the supplies of HCQ, for which the U.S., Brazil and other countries have already placed advance orders is explained in the following Pictograph –

**In focus**
- An anti-malarial drug, hydroxychloroquine is an interferon blocker, and works by diminishing the immune system’s response to a viral infection. A hyperactive response by the immune system is said to be primarily responsible for pneumonia, also a fallout of a severe COVID-19 infection.
- These dosages are also linked to instances of cardiac arrhythmia and liver damage. Wide usage may actually handicap people’s ability to fight the infection.
- Indian drug manufacturers say they have sufficient stockpiles and enough to export. But there are reports of stock running out and rheumatoid arthritis patients finding them unavailable in stores.
- A study in France showed that hydroxychloroquine alone or in combination with azithromycin appeared to reduce virus levels quicker prompting drug regulators in several countries including in India to approve the drug in restricted settings.

**GS 3**

- Economic Development

**Q - ICRA’s Growth Forecast?**

BACKGROUND = the Indian economy is likely to witness a sharp contraction of 4.5% during Q4FY20 and is expected to recover gradually to post a GDP growth of just 2% in FY21, rating agency ICRA said.

“Concerns have morphed from the impact of imports from China on domestic supply chains into domestic and external demand shock, with social distancing and lockdowns leading to production shutdowns and job losses in some sectors”.

**Most Affected Sectors are** - aviation, hotels, restaurants and tourism, auto dealerships, ceramic tiles, gems and jewellery, retail, shipping, ports and port services, seafood and poultry and microfinance institutions.

- **Moderate Impact Sectors are** - automobiles, auto components, building materials, construction, chemicals, residential real estate, consumer goods, pharmaceuticals, logistics, banking, mining, paper, consulting, ferrous metals, footwear, glass, plastics, power and trading.

- **Low Impact Sectors are** - education, dairy products, fertilisers and seeds, FMCG, healthcare, food and food products, insurance, telecom, utilities, sugar, tea, coffee and agricultural produce.

The rating agency said extended demand disruptions are likely to lead to elongated payment cycles.

**How about this today!?**

Q – RBI eased rules of _____, for the states to tide over their cash flow mismatch due to the lockdown?

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<thead>
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<th>a. Ways and Means Advances</th>
<th>b. Treasury Bills</th>
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<td>c. Over Draft</td>
<td>d. Bonds</td>
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**Hey from Yesterday....**

**Supreme Court’s steps in tune with ‘Social Distancing Norms’ invokes?**

**Answer:** Article 142