DAILY NEWS DIARY

(DnD)

22.04.2020

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 be carried 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 – Is a change in ‘Migrant Policy’ required?**

**INTRO** = In the past, a mass exodus would take place because of a disaster such as a famine, drought, flood, or regional conflict (An exodus would be from the area where such a calamity was unfolding). While we continue to see episodes of such exodus, now there are new narratives of mass exodus caused by demonetisation, violence against migrants, and the lockdown imposed to contain the spread of COVID-19. What is common in these narratives is the decisive role played by the state or the lack of it. It is in the context of state action that migrants have drawn sharp attention in debates over public health and political economy for at least five reasons –

1) **The numbers involved are very high.**
   Ex - NSSO 64th Round and Census 2011 data and a look at monthly per capita expenditure data suggest that there are approximately 2 million daily wage workers. Further, if we take the example of the National Capital Region, where, as the data suggest, 20% of Bihari migrants are working, we are referring to 0.28 to 0.3 million seasonal migrants. Even if half of them try to return home during a crisis, facilitating their journey can be a logistical improbability.

2) **India’s economy, particularly of the growth centres, depends on the services of migrant workers.**
   Ex - Sectors such as construction, garment manufacturing, mining, and agriculture would come to a standstill without them.

3) **The return of migrants brings to the source States an economic shock as there are no compensatory sources of livelihood.**
   Ex – Especially the poor states, as this will not only cause demand side setbacks but also impact nutrition, health, education and the well-being of the older population.
4) In the case of epidemics, the exodus of seasonal migrants creates apprehensions about the spread of the disease and runs counterproductive to the very purpose of a lockdown, daily-wage earners do not have the capacity to stay at a destination without work, along with any lockdown resulting in loss of their accommodation where a considerable number of workers live within the manufacturing units or at work sites.

5) The pathetic working and living conditions of migrants defy the very idea of decent work and general security.

Ex - Slums and slum-like colonies are breeding grounds of ailments and communicable diseases.

The above stated reasons are for why a change in the Migrant Policy, with a long term strategy is needed. And this means –

Despite the government’s good intentions, the Rupees 1.70 Lakh Crore relief package will not benefit seasonal migrants –

A) Those migrants who are unable to return home and are not ration cardholders in the cities where they are stationed will not benefit from additional free foodgrains under the PDS.
B) They cannot avail of increased MGNREGA wages until they go back home.
C) As many seasonal migrants are landless or marginal farmers, they will not benefit from the grant to landholders.
D) Neither will they get benefits under the Building and Other Construction Workers Welfare Board because of low registration.

Thus, this leaving to mean that the State needs to think out of the box in delivering relief packages, working out a strategy of addressing immediate distress conditions and simultaneously initiating long-term measures to bring structural changes in the policy towards migrants and the informal sector.

GS 3

➢ Economic Development (IE)

Q – How are the ‘Negative Oil Prices’ going to affect India?

BACKGROUND = Prices of West Texas Intermediate (WTI), the American benchmark for crude oil, fell to less than zero in Monday’s trade. The price of a barrel of WTI fell to minus, yes, that’s right, minus $37.63 a barrel. What this means is that sellers have to pay buyers to get rid of their crude and also that investors holding these contracts essentially did not want to take delivery of the oil, unable to find storage facilities. This is unprecedented in the oil market, even accounting for its notoriety for being volatile. This implies that unless supply in the US is cut back further to readjust to the collapse in demand, more pain is likely.

In this situation of low crude oil prices, while oil producing countries will suffer, oil consuming countries like India will benefit –

1) Lower prices should not help in reducing the current account deficit.
2) But could also ease inflationary pressures if governments do pass on the benefit, even partially, to end consumers.
3) However, it is also likely that as the lockdown restrictions are eased, and as economic activity gradually picks up, the Centre and the states raise taxes on crude oil to shore up their struggling revenues.
4) Further, as lower oil prices will impact the economies of oil producing countries in the Middle East, they could also affect remittance flows to India.

Thus, India must seize this opportunity to build on its oil reserves. The government has said that it will take advantage of the low crude oil prices to fill its strategic petroleum reserves. Where, on similar lines each IEA country has to hold emergency oil stocks
equivalent to at least 90 days of imports. India should be working on similar lines.

- **Economic Development**
  
  Q – Why are the current CBDT’s tax targets referred to as ‘Tax Terrorism’?
  
  BACKGROUND = The Centre has under current circumstances, gone ahead and set its Income Tax authorities a daunting target of collecting ₹13.2 lakh crore in line with budget’s tax target for the fiscal year ending in March 2021. The Central Board of Direct Taxes (CBDT) has spelt out zone wise targets for the collection of corporate tax (Target = ₹6.81 lakh crore), personal income tax (Target = ₹6.25 lakh crore) and security transaction tax (Target = ₹13,000 crore).

  Several tax consultants told that the Revenue Department and the CBDT would have little choice than to revise downward the zone wise targets handed out to the tax bureaucracy.

  1) "No way it can be achieved in such a challenging environment with a variety of factors like the massive hit to the economy and massive lay-offs of employees in the corporate sector".

  2) Tax collection would be affected hugely because most of the companies had cut salaries of employees or sent the employees on furlough (leave without pay) on rotation basis.

  3) Thus, if the government will not have a second look at the figures, the field officials will go aggressive targeting businessmen and corporate. Which an entrepreneur running a mid-size manufacturing unit in Ahmedabad even expressed apprehensions as “tax terrorism”.

- **International Relations**

  China seeks to ease travel curbs to stabilise economy.

  - It will set up a fast-track channel for S. Korean businessmen
  - The purpose is to stabilise important economic and trade cooperation... and to ensure the safe and smooth operation of international industrial and supply chains
  - China and Singapore have also discussed personnel exchanges via video conference. The Asian giant has tightened controls on returning travellers and drastically cut international flight routes after largely bringing its virus outbreak under control.

- **Snippets**

  **GS 2**

  - **International Relations**
    
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  **How about this today!?**

  **Which of the below mentioned is a disease drug, to be tested to treat COVID-19?**

  a. Remdesivir
  b. Arbidol
  c. Sepsivac
  d. Kaletra

  Answer: d

  **Hey from Yesterday....**

  **China says Indian FDI trade curbs are against ______ principles?**

  a. International Trade Centre
  b. World Customs Organisation
  c. United Nations Conference on Trade and Development
  d. World Trade Organisation

  Answer: d