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DAILY NEWS DIARY

Of

02.04.2021

FOR PRELIMS AND MAINS

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

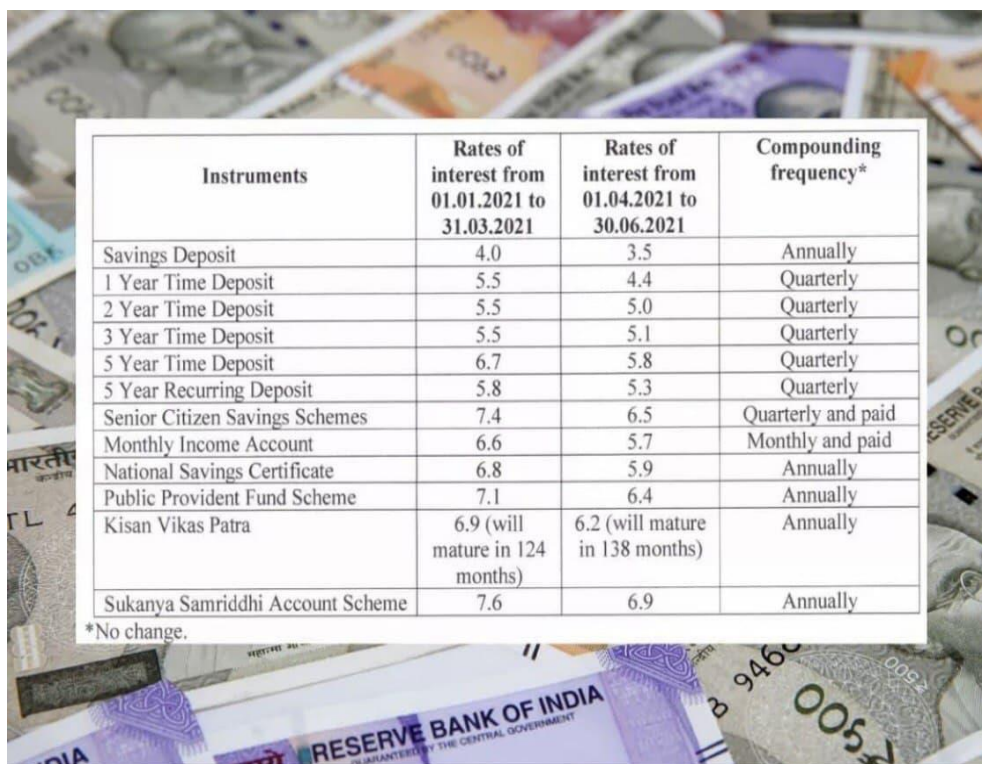
EDITORIAL

Q- U-turn on the drastic cut in small savings rates deferred the impact, but revealed the intent. Explain?

BACKGROUND = India's small savings instruments witnessed unprecedented overnight volatility in rates this week. Where the Budget division in the Department of Economic Affairs revised downwards the interest rates payable on small savings instruments for the April-June 2021 quarter, by 40 basis points (0.4%) to 110 basis points (1.1%). The return on the most popular PPF scheme was pegged at 6.4%, the lowest level in 46 years.

The government had refrained from tweaking these rates for the last three quarters after effecting a similarly sharp cut in Q1 of 2020-21, when the PPF interest was pruned from 7.9% to 7.1%. However, by early Thursday, the rate cuts had disappeared and the status quo reinstated, following a tweet by Finance Minister Nirmala Sitharaman. The only explanation: 'Orders issued by oversight shall be withdrawn.' It is not clear whose 'oversight' led to the rates being cut. **In the process, the intent has been revealed even if the impact is deferred -**

Surely, Wednesday's order, approved by the competent authority, was not based on random numbers keyed in and notified inadvertently amidst a flurry of last-minute economy-related government notifications on the last day of the financial year.



Instruments	Rates of interest from 01.01.2021 to 31.03.2021	Rates of interest from 01.04.2021 to 30.06.2021	Compounding frequency*
Savings Deposit	4.0	3.5	Annually
1 Year Time Deposit	5.5	4.4	Quarterly
2 Year Time Deposit	5.5	5.0	Quarterly
3 Year Time Deposit	5.5	5.1	Quarterly
5 Year Time Deposit	6.7	5.8	Quarterly
5 Year Recurring Deposit	5.8	5.3	Quarterly
Senior Citizen Savings Schemes	7.4	6.5	Quarterly and paid
Monthly Income Account	6.6	5.7	Monthly and paid
National Savings Certificate	6.8	5.9	Annually
Public Provident Fund Scheme	7.1	6.4	Annually
Kisan Vikas Patra	6.9 (will mature in 124 months)	6.2 (will mature in 138 months)	Annually
Sukanya Samriddhi Account Scheme	7.6	6.9	Annually

*No change.

- It is difficult to believe that the oversight is on the bureaucracy's part, for it simply executed the stated policy decision to link small savings rates to the interest paid on government securities of a comparable tenure every quarter. So one must deduce the oversight is on the political executive's part on the timing and implications of executing the required decision as per the extant policy. The clinching factor —
1. The five Assembly polls.

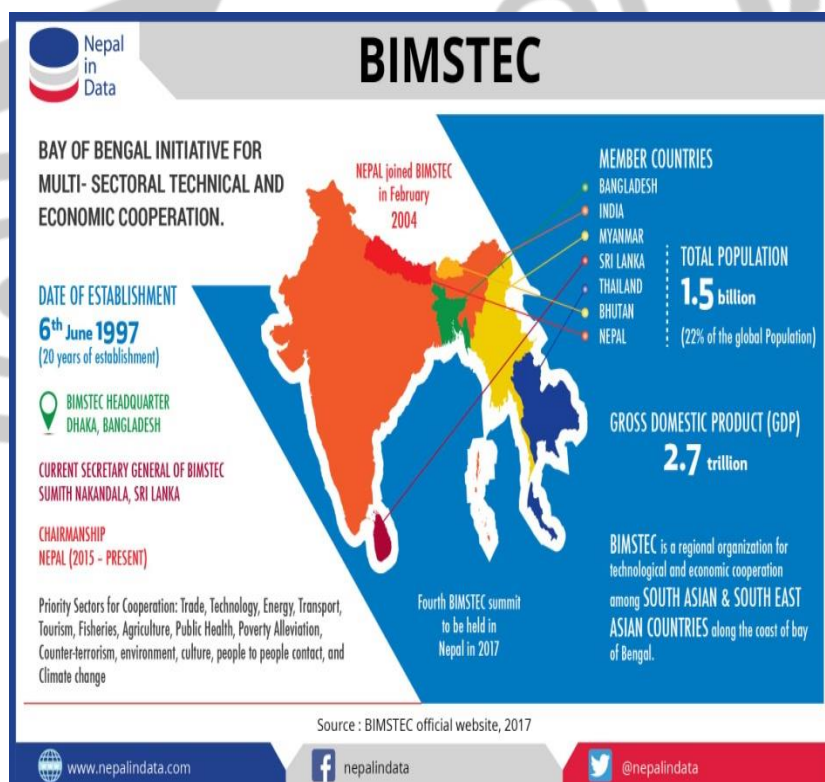
- The government, that has brazened it out on Opposition jibes about rising unemployment, high inflation along with soaring fuel prices, could ill afford to yield a fresh talking point — the squeezing of the middle class and senior citizens, even as they brace up for the fresh tax on provident fund incomes.
- This rollback is not the first instance of post-haste policy ad hocism, but it may make the government's ₹12.05-lakh crore borrowing plan for the year harder as the central bank has been complaining of high small savings rates as a deterrent to lower interest rates.
- Another instance is the mysterious practice of oil companies freezing pump prices during electoral campaigns, even though oil prices are deregulated.
- The PM, as part of his 'One Nation, One Election' pitch, has often said that the virtually perennial poll season hits development.
- On the same note, if governments need permission to announce initiatives while the model code of conduct is in force, any deviation or reversal from routine administrative decisions should also attract the Election Commission's scrutiny.

GS 2

❖ International Relations

Q- What is BIMSTEC and discuss the contents of its recent meeting with regard to the role it is capable to playing in the Myanmar's Crisis?

BACKGROUND = The BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation), held a virtual meeting recently which drew participation from all the seven-member States, including Myanmar which is witnessing a large-scale crackdown against anti-military protesters.



India and Myanmar's National Security Advisers have met thrice since 2017. They have been working closely and have moved forward in several aspects of security cooperation including counter terrorism, intelligence sharing, coastal security, cyber security, etc in a tangible manner.

BIMSTEC's take on Myanmar

Cohesion among the members has been difficult to achieve mainly because of the Rohingya refugee crisis which created bitterness between Myanmar and Bangladesh. This affected the working of the organisation to some extent as it could not develop a common charter. However, Mr. Jaishankar announced that the organisation will soon have the common set of rules and goals.

And thus however, have majorly avoided any reference to Myanmar's current crisis.

Effects

- 1, The ongoing diplomatic row may seem to not only jeopardise the promising BIMSTEC initiative, but also the future of India's "Act East" policy, and Thailand's "Look West" plan
2. Bangladesh and Myanmar form a vital land bridge between South and Southeast Asia. A number of physical projects are in line for the same.
3. Also the Myanmar government has undermined BIMSTEC's own mandate of "peaceful coexistence" among the member states.

Way Forward

1. However, the BIMSTEC summit or Secretariat may not be able to set aside the issue for long and may take it up as and when Bangladesh formally approaches to address it.
2. The constructive approach applied by India and others is necessary to ensure the prosperity and development of the Rakhine State so that it becomes economically and reasonably viable to take back the displaced Rohingyas. Still, the security aspect needs to be measured.
3. Another major aspect which BIMSTEC member states need to look into is that the countries within the subregion are not a party to the 1951 Refugee Convention or its 1967 Protocol. One needs to understand that the continuing Rohingya crisis has shown how little the subregion is equipped to deal with such a movement of displaced people from one member state to another.

The situation requires close monitoring if better subregional cooperation is to lead to improved protection for its displaced or stateless people. Therefore, it is vital for the subregional forum to give the matter the due significance it deserves.

❖ International Relations

Q- Discuss the allowance on H1-B visa ban to expire and what this means for NRI's in the U.S.A?

BACKGROUND = The White House has allowed a 2020 ban on H1-B skilled worker and certain other temporary visas to expire on March 31. H1-B visas, used more by Indian professionals than any other nationality, were suspended by President Donald Trump in June last year, ostensibly to protect American jobs, already reeling under the impact of the COVID-19 pandemic.



1. Visas for intra-company transfers (L1),
2. Exchange visitors (J1),
3. Temporary non-agricultural workers (H-2B) and dependents of H1-B holders (H4) were also impacted by the expiring ban.

Reason for the reversal of the Ban -

While the stated reason for Mr. Trump's suspension was protecting American jobs in the face of unprecedented unemployment last year, the ban did not have its intended impact, according to the preliminary findings of a Wall Street Journal study.

The analysis found that businesses employing foreigners "struggled to fill jobs" despite very high domestic unemployment.

The ban, which was opposed by several prominent industry bodies, was litigated last year. The American Chamber of Commerce and the National Association of Manufacturers had won a preliminary injunction against the ban for their members from a federal court last October (the start of the U.S. fiscal year).

Indian IT industry body NASSCOM said it applauded the decision to let the visa ban expire.

There was no credible evidence that the visa holders do harm to the U.S. labour market. Quite the contrary, these individuals are a vital part of the U.S. workforce and their presence enhances and helps enable the U.S. economy, innovate, and grow jobs across the country. NASSCOM believes this will help U.S. businesses access talent critical to the economic recovery phase in the post-COVID world."

Immigration reforms

The U.S. Government urges Companies to extend the temporary foreign worker entry suspension until the national unemployment rate has meaningfully declined, and until your administration has conducted a thorough review of non-immigrant visa programs to ensure that American workers are fully and effectively protected from harm. U.S. joblessness claims fell to 6,84,000 in March – the lowest since the pandemic began a year ago.

While the ban has expired, some workers wanting to travel to the U.S. will not be able to due to pandemic-related U.S. travel restrictions on regions and countries, including South Africa, most of Europe and Brazil.





Consider the following Statements regarding 73rd Constitutional Amendment Act -

- A. One third of the positions in all panchayat institutions are reserved for SCs and STs.
- B. Gram Sabhas role and functions shall be defined by the State Legislation.
- C. The State Election Commission, to be constituted by the State government, shall be subservient to the Election Commission of India.

Which of the above is/are CORRECT?

- a. A and B only
- b. B only
- c. A only
- d. B and C



Which of the following statement is correct with respect to ecological succession?

- a. The community of flora and fauna preceding a bare rock.
- b. A community that is in near equilibrium.
- c. The species which have much greater influence on community characteristics.
- d. The entire sequence of communities that successively change in a given area.

Answer: D

Explanation: Ecological succession is the steady and gradual change in a species of a given area with respect to the changing environment. It is a predictable change and is an inevitable process of nature as all the biotic components have to keep up with the changes in our environment. The ultimate aim of this process is to reach equilibrium in the ecosystem. The community that achieves this aim is called a climax community. In an attempt to reach this equilibrium, some species increase in number while some other decreases

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