

SosinClasses

INSTITUTE FOR IAS EXAMINATION

(IAS, IFS, IPS, IRS, IRMS, IFoS & Other Civil Services)

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DAILY NEWS DIARY

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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.

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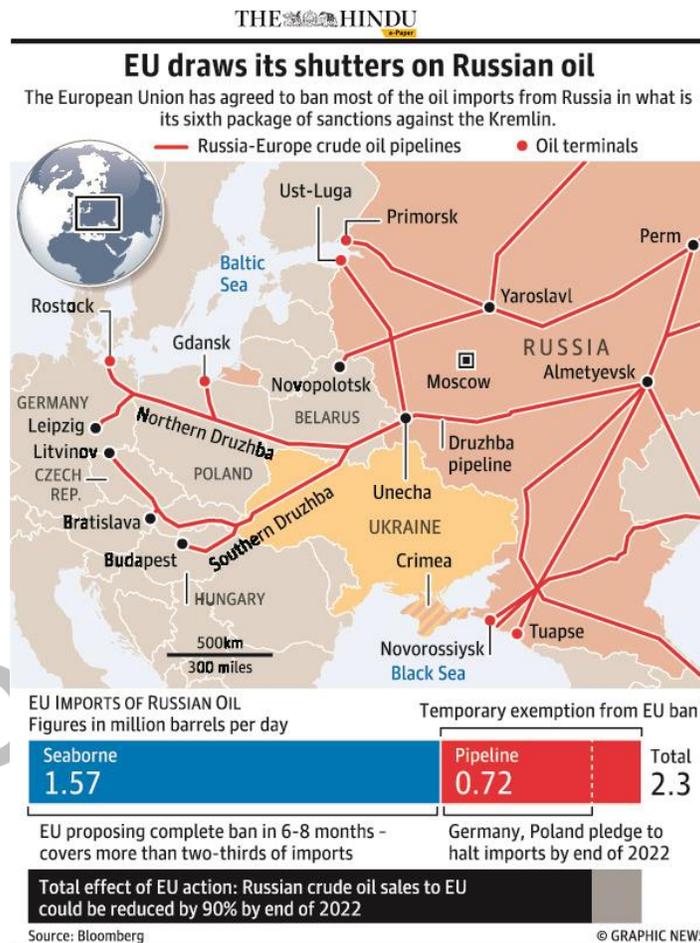
GS 2

❖ INTERNATIONAL RELATIONS

Q) Critically analyze European Union’s ban on Russian oil import.

Context:

As part of the sixth package of sanctions since Russia’s invasion of Ukraine, the European Union member states reached an agreement to ban 90% of Russian crude oil imports by the end of the year.



Oil embargo on Russia:

- The proposal is to completely phase out Russian crude and refined products from EU territory.
- It includes a complete import ban on all Russian oil, seaborne and pipeline crude and refined.
- This however needed the agreement of all the 27 EU member states in order to be implemented.

What was the rationale behind such a move?

- The Russian economy is heavily dependent on energy exports, with the EU paying billions of dollars every month to Russia.
- The EU wants to block this massive revenue inflow.
- This is akin to Europeans bankrolling Russia's war.

Why such a move now?

The EU has been attempting, ever since the Ukraine invasion, to build consensus on ways to hurt Russia economically. The most obvious route was to stop buying Russian energy, which isn't easy given European households' dependence on Russian oil and gas.

Terms of the 'compromise deal' that has been agreed upon:

- EU leaders have agreed to ban all seaborne imports of Russian crude, which account for two-thirds of EU's oil imports from Russia.
- Germany and Poland are pledging to phase out even their pipeline imports from Russia by the end of the year.
- The embargo would eliminate 90% of Russian oil imports.

Special concessions to Hungary:

- The remaining 10% that's been allowed represents a free pass for Hungary, the Czech Republic, Slovakia, and Bulgaria to continue imports via the Druzhba pipeline, the world's largest oil pipeline network.
- Hungary has obtained a guarantee that it could even import seaborne Russian oil in case of a disruption to their pipeline supplies.
- This was deemed a legitimate concession since the pipelines do pass through the war zone in Ukraine.

Exemption given for pipeline imports:

- The exemption for pipeline imports was made on the logic that landlocked countries (Hungary, Czech Republic and Slovakia).
- They are heavily dependent on Russian pipeline oil and do not have a ready option to switch to alternative sources in the absence of ports.

How will the sanctions affect Russia?

- Analysts calculate that a two-thirds cut in Europe's imports might cause Russia an annual loss in revenue of \$10 billion.
- Given Russia's limited storage infrastructure, the cutback in demand would force Russia to find other markets.
- Since that won't be easy, Russia might have to cut production by 20-30%.
- So far, Asian importers, especially India, have absorbed some of the excess inventory at discounted prices.
- It remains unclear if the embargo would have any impact on Russian military operations in Ukraine.

How will the sanctions affect Europe?

It is likely to further fuel inflation in Europe, where many countries are already facing a cost-of-living crisis. European lifestyles have tended to take cheap Russian energy for granted, and if inflation peaks further, the EU runs the risk of losing public support for harsh sanctions.

Import of Russian gas:

1. Compared to Russian oil, Europe's dependence on Russian gas is much greater, and this embargo leaves the import of Russian gas — which accounts of 40% of Europe's natural gas imports — untouched.
2. In other words, Europe will continue to pay Russia for gas imports.
3. But since crude is more expensive than natural gas, the oil ban is expected to hurt Russian revenues.
4. Indian response to these developments
5. India ramped up purchases of Russian crude at discounted prices in the months following the Russian invasion, and this policy is expected to continue.
6. The announcement of the EU ban caused an immediate surge in oil prices, and as Europe seeks alternate sources – from West Asia, Africa and elsewhere — for its oil needs, prices are expected to stay high.
7. In this context, with Russia reportedly offering discounts of \$30-35 per barrel, India has found it convenient to make the most of the cheap Russian crude on offer.

GS 3**❖ INDIAN ECONOMY****Q) Explain the key drivers of the Gig economy in India.****Context:**

The Union Labour Ministry is organizing a program aimed at sharing information and good experiences on policies and global practices relating to gig and platform workers and their social security.

Gig Economy:

- In a gig economy, temporary, flexible jobs are commonplace and companies tend toward hiring independent contractors and freelancers instead of full-time employees.
- A gig economy undermines the traditional economy of full-time workers who rarely change positions and instead focus on a lifetime career. e.g Employee models of Uber, Ola, Swiggy etc
- In this economy, tech-enabled platforms connect the consumer to the gig worker to hire services on a short-term basis.
- Gig workers include self-employed, freelancers, independent contributors and part-time workers.

Where does gig culture exist in Indian Economy?

Sectors such as media, real estate, legal, hospitality, technology-help, management, medicine, allied and education are already operating in gig culture. The gig economy can benefit workers, businesses, and consumers by making work more adaptable to the needs of the moment and demand for flexible lifestyles.

Key Drivers for Gig Economy:

1. Unconventional work approach by millennials: Hectic lifestyles of employees in private sectors have created a negative perception of full-time employment among millennials.
2. Emergence of a start-up culture: The start-up ecosystem in India has been developing rapidly. For start-ups, hiring full-time employees leads to high fixed costs and therefore, contractual freelancers are hired for non-core activities.
3. MNCs are hiring contractual employees: MNCs are adopting flexi-hiring options, especially for niche projects, to reduce operational expenses after the pandemic.
4. Rise in freelancing platforms: Rise in freelancing platforms has also aided in the development of the gig economy.
5. Business Models: Gig employees work on various compensation models such as fixed-fee (decided during contract initiation), time & effort, actual unit of work delivered and quality of outcome.
6. Impact of Covid-19: Many laid-off employees are focusing on developing skills to avail freelance job opportunities and become a part of this burgeoning economy.

Gig Economy preferred by workers:

- Profit through multiple work: One can work on freelancing as well as work full-time somewhere else.
- Women empowerment: It is very beneficial for women who work on this concept when they cannot continue their work or take a break from career due to marriage or child birth.
- Leisure and dependency: Retired people can stay active after retirement as this will keep them engaged away from loneliness and depression and can earn as well on their own.
- Flexibility and diversity to the workers: It offers flexibility when workers can work according to their convenience and schedule rather than routine like in full-time jobs.
- Work from home: The travel costs and energy to travel to the workplace is reduced.

Why is Gig Economy preferred by Employers?

- Efficiency, efficacy and productivity of workers in the gig economy are much more than that of a stable full-time job.
- More economical for employers-when employment givers can't afford to hire full-time workers, they hire people for specific projects and pay them.
- Start-up companies and entrepreneurs – who do not have big financial space – can grow only if they can leverage the services of contract employees or freelancers.
- In a gig economy, businesses save resources in terms of benefits, office space and training.
- Competition and efficiency among workers is improved.

Challenges faced in Gig economy

- No perks and benefits: There are no labour welfare emoluments like pension, gratuity, etc. for the workers.
- Job insecurity: Gig workers may face unfair termination. They may also attain minimum wages and less paid leave.
- No legal protection: Workers do not have the bargaining power to negotiate a fair deal with their employers.
- Unionization of workers will be difficult.
- Confidentiality of documents etc. of the workplace is not guaranteed
- Urban nature: The gig economy is not accessible for people in many rural areas where internet connectivity and electricity is unavailable.

Way Forward

The gig economy has been on the rise and is expected to beat the pre-pandemic estimates due to the expected influx of gig workers transitioning from full-time employment. While the government has taken the initial steps to ensure social security of gig workers, the 'Code on Social Security' needs to be fine-tuned.

SNIPPETS

GS 2

❖ POLITY & GOVERNANCE

Q) Assess the issues faced by the overseas Indians.

Context:

A national helpline for women deserted in Non-Resident Indian (NRI) marriages and the need for a dedicated fund to provide assistance to them are among the recommendations made at a consultation organized by the National Commission for Women (NCW).

Issues faced by NRI wives:

- Abandon after marriage
- Inconclusive divorces filed abroad
- Child custody disputes

Classification of Overseas Indians:

Overseas Indians, officially known as Non-resident Indians (NRIs) or Persons of Indian Origin (PIOs), are people of Indian birth, descent or origin who live outside the Republic of India:

(A) Non-Resident Indian (NRI)

Strictly asserting non-resident refers only to the tax status of a person who, as per section 6 of the Income-tax Act of 1961, has not resided in India for a specified period for the purposes of the Act. The rates of income tax are different for persons who are "resident in India" and for NRIs.

(B) Person of Indian Origin (PIO)

Person of Indian Origin (PIO) means a foreign citizen (except a national of Pakistan, Afghanistan, Bangladesh, China, Iran, Bhutan, Sri Lanka and/or Nepal).

(C) Overseas Citizenship of India (OCI)

After multiple efforts by leaders across the Indian political spectrum, a pseudo-citizenship scheme was established, the "Overseas Citizenship of India", commonly referred to as the OCI card. The Constitution of India does not permit full dual citizenship. The OCI card is effectively a long-term visa, with restrictions on voting rights and government jobs.

Q) Which of the following statements are incorrect with respect to the West Nile Virus?

- West Nile Virus is a flavivirus related to the viruses.
- It is a bird-borne, double-stranded RNA virus.
- The virus infection increases in the high temperature ambiances.
- It was identified in birds in the Nile delta region in 1953.

 **Hey from Yesterday –**

Q) Technologies such as 'Kisan Sabha' & 'Gur Bhatti' for Rural Development have been developed by:

- Ministry of Electronics & Information Technology
- NITI Aayog
- CSIR
- Indian Institute of Science

Answer: c

Explanation:

- Recently CSIR-NIScPR has undertaken a major initiative for the dissemination of CSIR technologies for creating livelihood opportunities in rural areas in the wake of the situation created by the COVID-19 pandemic. In this regard, a farmer-industry-scientist meet was organized to disseminate the Kisan Sabha App and Gur Bhatti Technology to the farmers.
- Statement 2 is correct, Exports to the U.S. stand at \$76.11 billion in 2021-22 compared to imports from the US which accounts for \$43.31 billion.
- Hence, India enjoys a positive trade balance with the U.S.

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