

1. There is an urgent need to launch a mass campaign to influence people and change behaviours. Do you agree? Comment in the light of the COVID-19 crisis.

Demand of the question:

It expects students to write about the urgent need to bring change in behaviour of people in accordance with the new realities posed by pandemic of COVID-19.

Introduction:

Centre and the state governments in India rightly identified importance of behavioural changes in fighting the COVID-19 pandemic. Prime minister appealed to the people repeatedly to strengthen immunity, making mask wearing a norm and adopting hygiene in daily life.

Body:

In crisis situation like pandemic people do not know how to deal with the situation. If person gets adequate knowledge to cop up with situation then he knows what to do. Information dissemination plays vital role here to influence people and change behaviour in general.

Need of mass campaign to influence people and change behaviour:

- People especially in country like India live in very dense localities where physical distancing becomes difficult to follow, requires utmost care maintain distancing.
- India is also not country with very high sanitation standards in public life. Tobacco chewing is very general phenomenon among Indians which leads to spitting at public places.
- Use of masks till the end of pandemic has to be mandatory which is very difficult to enforce. It should be people's movement rather than strict punishment for non-users.
- Self awareness has influence over a person's behaviour. If a person is not fully aware of his own attitude, he may be doing it implicitly. But if he made aware then he might think and take different action.
- Overuse of Public transportation beyond its capacity especially in city like Mumbai where local sub-urban trains run with huge crowd, therefore work from home must be new normal for maximum people.
- Discipline in public life or civic sense among people has to be inculcated through influence and persuasion. There is need to influence super-casuals along with need to council super-panicked people.

Till now, it is very much clear that world cannot live under lockdown forever,

- There is need to bring change in attitude of people towards ideas to work, fun, leisure and health.

- In pandemic of communicable disease, careless behaviour of one can threaten well being of others. Dependence on other people makes life after COVID-19 more interdependent.
- Use of homemade mask by Prime Minister influences the common people to bring behavioural change.
- Use of mobile caller tune to spread awareness created rapid awareness as more than 1 billion people use mobile phones in India. Such innovative ideas of mass campaign will help to bring desired changes.

Conclusion:

Behavioural changes as society will help to maintain resilience of country in fight against COVID-19. To achieve this we need to systematically monitor and understand how different individuals perceive risk and what prompts them to act upon it in coming days.

2. The decision to impose new restrictions on investments from neighbouring countries like China isn't protectionism, but is a part of global message for China's irresponsible behaviour in the COVID-19 emergency.

Demand of the question:

It expects students to write arguments in support of restrictions on china as global message along with critical analysis of usefulness of such course of action.

Introduction:

Government of India has made prior government approval mandatory for foreign direct investments from countries which share a land border with India. The revised FDI policy is aimed at curbing opportunistic takeovers/acquisitions of Indian companies due to the current COVID-19 pandemic.

Body:

The new rules will be applicable even if the "beneficial owner" of an investment is from those nations. Such investments will require a government approval, the rules said, meaning they can't go through a so-called automatic route. The rules did not name China or Hong Kong.

Global message for china:

- There has been discontent all over the world that China tried to hide the outbreak of novel corona virus in Wuhan. It is also out in the news that china tried to suppress the voice of whistle blower doctor in the name of fake news.
- China undermined the possibility of Wuhan outbreak becoming the global pandemic. Many countries called out China for its irresponsible behaviour

overtly led by US President while many countries spoken in diplomatic language.

- Chinese investments have been opportunistic in the past as investment of china in EU quadrupled during debt crisis.
- Pandemic has become issue of humiliation for China all over the world. The European Union (EU) commission had recently issued guidelines to protect critical assets from foreign investment. Among the possible consequences of the current economic shock is an increased potential risk to strategic industries.
- Italy announced measures against "foreign takeovers" in sectors far-ranging as energy and insurance-healthcare. Germany is planning to curb "potential interference" in the country, and resisting domestic industry takeover from entities based outside the European Union. Spain has constituted new laws on FDI, requiring government authorisation. Australia and Canada took similar actions.

Policy concerns:

- The new rules are seen slowing down investment timelines and straining Indian start ups that get regular funding from major Chinese companies, especially when the corona virus outbreak has already hit them hard.
- Indian digital payments firm Paytm, online grocer BigBasket and e-commerce company Snapdeal all have been funded by China's Alibaba (BABA.N).
- China's Bytedance has plans to invest \$1 billion in India, while automakers including Great Wall Motor Co Ltd and MG Motor have said they intend to invest millions.
- Reciprocal action from china might affect investments of Indian entities in China. Big groups like Tatas, Infosys, Adanis, Jindal Power etc. have a presence in China which is the second-largest economy in the world. Annual revenues of Indian corporate investments in China account for anywhere between 3% to 20% of their global total.

Conclusion:

It is not clear whether such changes are temporary or permanent. However, this move of the government is in line and consonance with the global sentiments and concerns raised globally on possible acquisition/takeover attempt by Chinese companies.

3. What do you understand by 'vocal for local' strategy? Can India afford self-reliance? Will it not isolate India from the global economy? Critically examine.

Demand of the question:

It expects students to explain concept of 'vocal for local' along with the critical analysis of feasibility of self-reliant India and possibility of isolation from global economy.

Introduction:

Prime Minister's pitched for 'Aatmnirbhar Bharat' – self reliant India in his address to nation to announce special economic package. Importance of local manufacturing and supply chains in Covid-19 crisis was highlighted. He gave a call for being vocal about local and about the need to be self-sufficient.

Body:

Vocal for Local strategy:

- The disruption in supply chains due to the covid-19 outbreak and the lockdown in China have had an adverse effect on several world economies. More countries are now looking at boosting domestic production capabilities to be able to absorb supply chain shocks including India.
- 'Vocal for local' strategy is more or less like reinforcing the 'Make in India' scheme of government. 'Make in India' tried to bring supply side reforms while 'vocal for local' is to create demand side behavioural change for made in India products.
- It is very much in line with the global phenomenon of 'protectionism' adopted by various countries. India's move can be compared with 'America first' rhetoric of United States.
- It is not clear whether this strategy will try to bring import substitution and high duty regime back. But priority to domestic goods procurement can be seen clearly in various government decisions recently.

Future of Self-reliant India:

- It is argued that self-sufficiency is different from swadeshi and import substitution policies followed earlier in terms of the choice of policy instrument. Import substitution relied extensively on imposing high import tariffs and discouraging foreign trade, while the present move focuses on reforms and improving ease of doing business, including for foreign firms in the country.
- India as a country has maintained a trade deficit as it imports more goods than it exports. This is due to the rise in domestic demand in a situation, where production at home has largely been weak in catering to this demand. As a result, even in sectors in which India has production capabilities, it depends on other countries for raw material. For example, the pharmaceutical sector, where the bulk of the active pharmaceutical ingredients is imported from China.
- Self-sufficiency in the present context refers to a specific task of improving efficiency, competing with the world and helping the world.
- There is a possibility of raising import duties on a wide range of final goods and services. Some of these changes could focus on specific countries to address India's trade deficit with them. Globally, such tariffs may rise due to geopolitical considerations as the world decides to move towards globalization 2.0, which relies a lot on trade between rules-based economies. Some tariffs

may also be moderately hiked to correct for an inverted duty structure and incentivize final production of goods and services in India.

- There has been a long need for efficiency-enhancing reforms that could make Indian producers competitive in the global market. These reforms are critical for creating domestic production capabilities.
- India's ability to recover from the effects of covid-19 and its economic fallout depends on the ability to protect industries.
- This is why it's important to promote Indian industries while making them competitive through reforms and government interventions. The move to avoid global tenders up to Rs. 200 crore is geared to incentivize companies—Indian and multinational—to set up base in India. The aim is to encourage them to invest in the country.

However, excessive government push for self-reliant India could isolate India from global economy. Though there are clear signs of trade war and protectionism in global market. Globalisation remains the key for rapid economic development for developing country like India.

- India's economic experience of the first four decades after independence amply demonstrates that a protectionist and a highly controlled economic model do not yield a competitive and proficient manufacturing sector.
- The high protectionist tendencies will make Indian exports uncompetitive, which created foreign exchange crisis in the past. The high foreign exchange reserves may seem like a substantial buffer, but if the failure to compete leads to an exodus of foreign capital, the reserves can deplete quickly.
- The logic behind increasing tariffs on imported goods is to provide an assured demand for locally made goods. But, many of these goods may be used as inputs by the domestic industry, thus increasing the costs for domestic industry.
- India's decisions like withdrawing from the RCEP at last moment indicate fear to face international competition. In the last six years, India has not signed any worthwhile free trade deal. 'Vocal about local' epitomises this trade protectionism and pushes a flawed and oversimplified economic logic that domestic manufacturing can be resurrected by actively encouraging customers to buy products 'made in India'. So police canteens including that of the paramilitary forces have been directed to only sell goods 'made in India'.
- Consumers those who buy finished products or industrial users in a marketplace act as rational utility maximisers looking for the best return on their money. To cast a pressure to boost domestic industry on them instead of undertaking reforms that would improve domestic industry's competitiveness in global market is fallacious.
- It's not wise to expect the world to buy goods 'made in India' when we close our markets to foreign goods.

Conclusion:

Instead of turning its back on globalization, India should play a leadership role in strengthening the international economic architecture, which populists in the west want to demolish, premised on a win-win relationship that produces mutual prosperity and global peace.

