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GENERAL STUDIES (TEST CODE : 1244)

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Medium Eng./Hindi	English	Registration Number	9596
Center	Hyderabad	Date	30/08/2019

INDEX TABLE			INSTRUCTIONS
Q. No.	Maximum Marks	Marks Obtained	
1	10		1. Do furnish the appropriate details in the answer sheet (viz.
2	10		Name, Registration Number and Test Code).
3	10		2. There are TWENTY questions printed in ENGLISH
4	10		3. All questions are compulsory.
5	10		4. The number of marks carried by a question/part is indicated
6	10		against it.
7	10		5. Answers must be written in the medium authorized in the
8	10		Admission Certificate, which must be stated clearly on the
9	10		cover of this Question-Cum-Answer (QCA) Booklet in the space
10	10		provided. No marks will be given for answers written in
11	15		medium other than the authorized one.
12	15		6. Word limit in questions, if specified, should be adhered to.
13	15		7. Any page or portion of the page left blank in the Question-
14	15		Cum-Answer Booklet must be clearly struck off.
15	15		
16	15		
17	15		
18	15		
19	15		
20	15		
Total Marks Obtained:			
Remarks:			

16-B, 2nd Floor, Above National Trust Building, Bada Bazar Marg, Old Rajinder Nagar, Delhi-110060

Plot No. 857, 1st Floor, Banda Bahadur Marg (Opp Punjab & Sindh Bank), Dr. Mukherjee Nagar
Delhi- 110009

EVALUATION INDICATORS

1. Contextual Competence
2. Content Competence
3. Language Competence
4. Introduction Competence
5. Structure - Presentation Competence
6. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

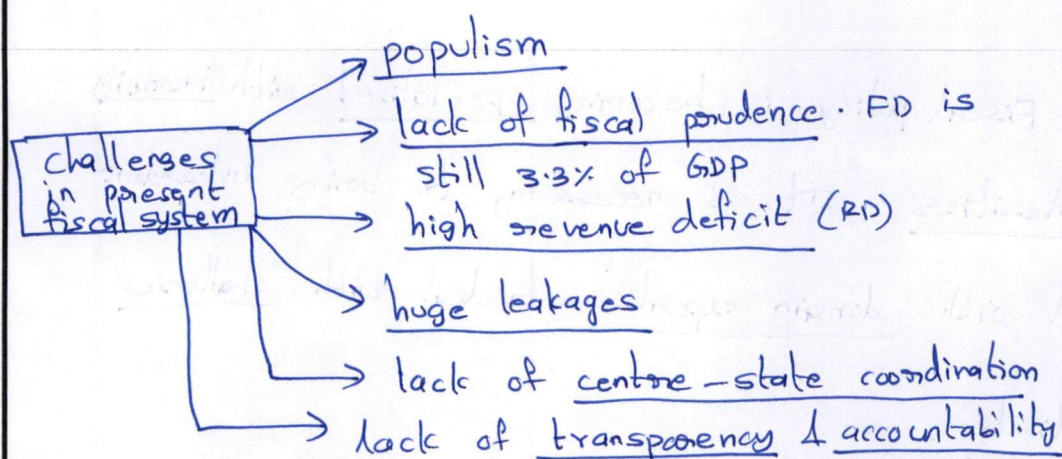
6.

All the Best

1. Discuss the need of an Independent Fiscal Council (IFC) in bringing about transparency and accountability in fiscal processes in India. (150 words) 10

Fiscal policy is the prerogative of Government. Fiscal policy refers to Government policies of budgeted expenditure, taxation, GST rates, etc.

Fiscal policy is done by the Government department especially finance ministry



Need for Independent Fiscal council

- 1) populism can be controlled.
- 2) Brings specialists from outside field
- 3) Brings transparency through multi-stake holder approach in consultation
- 4) Brings accountability. Unlike in Govt,

- Where accountability is spread. Fiscal council can bring one-point accountability
- 5) can focus on bringing FD below 3x as said by NK Singh committee
- 6) Focus can be brought back of debt-to-expenditure ratio $\Rightarrow$ bring to 60x from current 68x.

Fiscal policy is becoming specialised with increasing complexities. It is necessary to bring independent council with domain expertise to deal with challenges effectively.

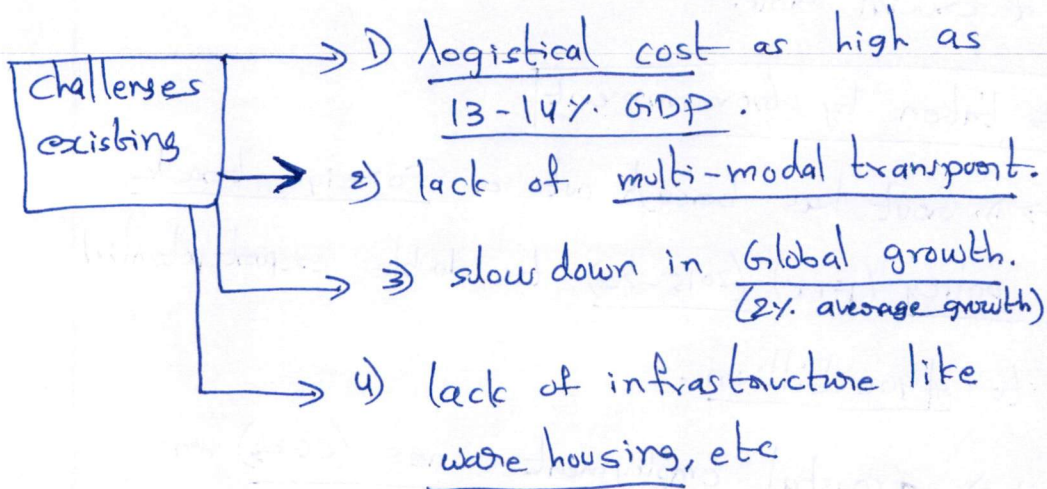
2. Recognizing the potential of exports in generating employment, a number of steps need to be taken to address India's weakening export competitiveness. Analyze. (150 words) 10

India's exports currently stand at 20% of our GDP. Exports play huge role in developing back-ward, -forward linkages, generating employment and improving incomes to farmers, etc. Thus exports play a crucial role.

Steps taken by Government

- 1) Govt has brought out a Foreign-trade policy (FTP) (2015-20) to double export potential to \$900 billion.
- 2) coastal employment zones (CEZs) are being setup through sagarmala initiative
- 3) Agri-export zones (AEZs) are cluster based approach for agri-products exports.
- 4) 10 sectors of high potential have been identified ⇒ Agri-processing, etc

- 5) Food processing sector (FPI) is given boost
improve exports
- 6) Total quality management (TQM) to ~~imp~~
reduce non-tariff barriers ex: Alphonso
mangoes
- 7) GI tags ⇒ promote indigenous production.
- 8) Improvement in ease of doing [7th rank]



Exports play a significant role in improving livelihoods. They are key to our \$1 trillion economy by 2025.

3. Highlighting the main features of National Mineral Policy, 2019, discuss how it can help in ensuring sustainable and responsible mining.

(150 words) 10

India has huge mineral wealth in the form of vast deposits of coal, iron-ore, oil & gas, uranium, etc. But only 10% of mineral ~~part~~ area is explored and only 2% of it actually mined. So, in order to improve potential, Government has brought out National mineral policy, 2019

Main features

- 1) Increasing private participation.
- 2) watch on illegal mining through apps & satellite mapping.
- 3) National centre for mineral targetting (NCMT) ~~centre~~ ~~(NMT)~~ for exploration of minerals across India.
- 4) open-oreage policy for mines ⇒ to boost exploration
- 5) Revenue sharing contract model.

Pros

- 1) private participation ⇒ ↑ se mining activity.
- 2) illegal activity cutting ⇒ increase
Government revenues; environment sustainability
etc
- 3) NCMT ⇒ can raise govt capabilities
regarding mining wealth, mining process, etc
- 4) RSC ⇒ ↑ se Govt revenues; check on
mining players

Challenges
existing

- 1) social ills ⇒ child labour, etc
- 2) high exploration costs
- 3) land acquisition problems
- 4) Better technology
- 5) dominance of Govt players like
CIL for coal

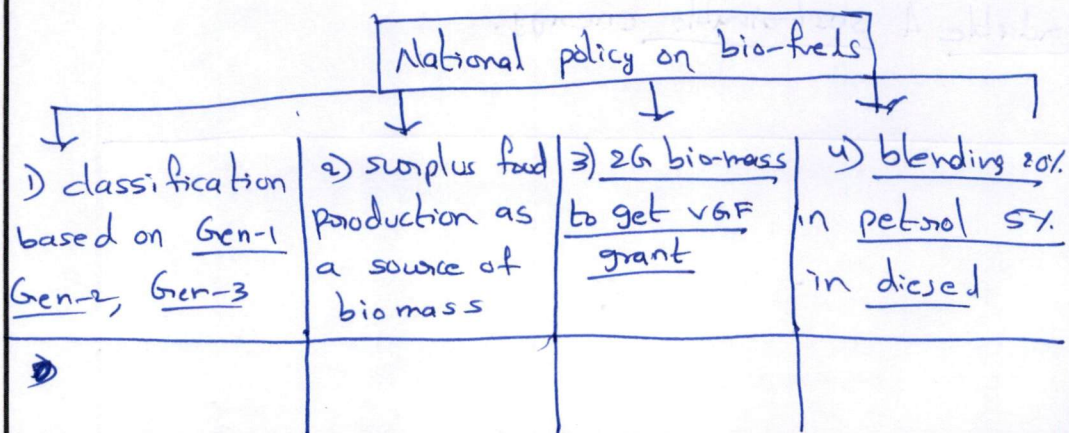
Mining can generate wealth and can aid in
'Make-in-India', responsible & sustainable
mining is way-forward.

4. Highlighting the salient features of the PM JI-VAN Yojana, analyze how it can assist in achieving the vision and goals of the National Policy on Biofuels, 2018. (150 words) 10

Prime Minister recently said that India plans to produce 450 crore litres of Bio-fuels in next five years and it can save India Rs. 12000 crore. To promote Bio-fuels, Government has brought out PM-JI-VAN Yojana.

Salient features

- 1) sustainable use & production of timber.
- 2) Timber as source of renewable energy & bio-mass production.
- 3) other forestry Bio-mass as source of bio-mass energy production



How JI-VAN can help bio-fuel policy

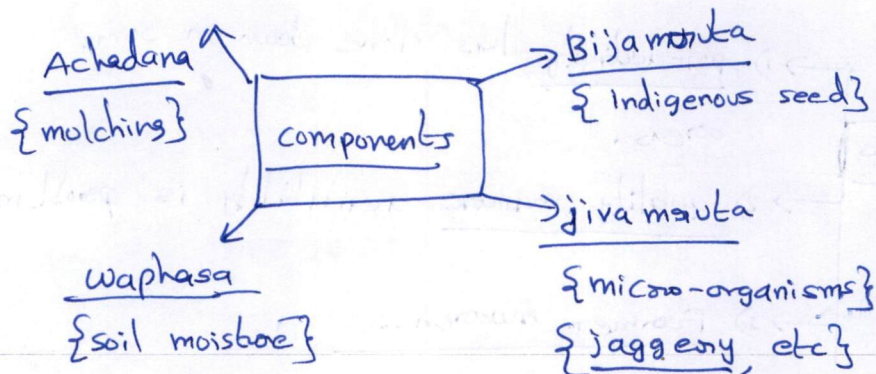
- 1) providing raw-material.
- 2) promoting 2G-biofuels ⇒ generated from agriculture, waste & non-food feed stocks
- 3) Fits in expanded definition of the raw-materials for bio-fuels ⇒ non-food feedstocks
- 4) Tree oils can be a source
- 5) other forest Bio-mass

Bio-fuels can reduce import dependency,
reduce pollution and can provide reliable,
affordable & sustainable energy.

5. Zero Budget Natural Farming (ZBNF) provides an alternative to capital and chemical intensive agriculture currently being practiced in India. Analyze.

(150 words) 10

Zero budget natural farming (ZBNF) is started by Subash Palekar. It has 4-main components



How ZBNF provides alternate

- 1) It is zero cost agriculture. No, need for any other chemicals, fertilisers & pesticides
- 2) It reduces farmer distress & farmer debts
- 3) It protects environment & soil from erosion & weeds.
- 4) water requirement is also minimal
- 5) No foreign agents are introduced, & farmers doesn't have to depend on others

In the wake of this, Government
in Budget (19-20) has promoted ZBNF. through
regional belts, awareness, generation, etc

- Challenges
- 1) productivity has gone down in some areas.
 - 2) quality manure availability is problem
 - 3) Farmer awareness
 - 4) pest attacks

ZBNF holds key for doubling farmer's
income by 2022. It needs to be promoted with
quality inputs provided & strong government support

6. Marine life is facing 'irreparable damage' from the millions of tonnes of plastic waste which ends up in the oceans each year. In this context, examine the implications of plastic pollution on marine ecosystem and suggest some measures for addressing this problem. (150 words) 10

India generates 9.2 MMt of plastic waste annually & world generates 300 MMt of plastic every year. Majority of this waste ends up in ocean and cause big problems to marine life. The great pacific garbage patch is related to plastic waste in western pacific.

Implications on marine ecosystems

- 1) plastics take longer time to degrade on oceans.
- 2) marine animals may eat up plastic ⇒ enter their food chain.
- 3) They block sunlight ⇒ reduce oxygen content in water ⇒ spread of dead zones.
- 4) plastic are host of bacteria & virus ⇒ They spread diseases in ocean bodies

→ 5) They cause harm to coral reefs, etc
as they stop up oceans and cause water
to clog-up & become dense.

→ 6) micro-beads cause major harm to
micro-polyps, fishes, etc

Steps

→ 1) effective enforcement of plastic waste
management rules, 2016

. Increasing thickness (40-50 μm)

→ 2) Extended producer responsibility (EPR).

→ 3) Global campaigns to create awareness

⇒ to reduce, recycle & re-use plastics

→ 4) ocean clean-ups ⇒ coordinated actions by
littoral countries

→ 5) Bio-remediation {insitu}

→ 6) artificial reefs {Ex: Van Island}

"Beat plastic pollution" → was theme of WED,
2019. It should also be theme of our century.

7. Write a short note on the evolution of Bharat Stage norms in India. Also discuss the significance and challenges posed by the planned introduction of BS-VI norms in India from the year 2020. (150 words) 10

Bharat stage norms are derived from Euro-stage norms to beat air pollution in our cities. They prescribe maximum amount of sulphur, nitrogen & PM emissions for each stage. Higher the stage, higher the emission standards.

India adopted BS-IV stage norms in major cities from 2005 onwards. For smaller cities & towns BS-II & III were prescribed. slowly & slowly many cities were brought under BS-IV norms. Recently India decided to leap from BS-IV into BS-VI norms from July 2020 to reduce air pollution.

Significance of BS-VI

→ reduced sulphur & nitrogen emissions.

- 2) reduces air pollution, acid rains, etc
- 3) commitment to INDCs ⇒ lesser carbon emissions
- 4) Improves health ⇒ reduces breathing problem to elders, children
- 5) Innovative & tech economy.

Challenges

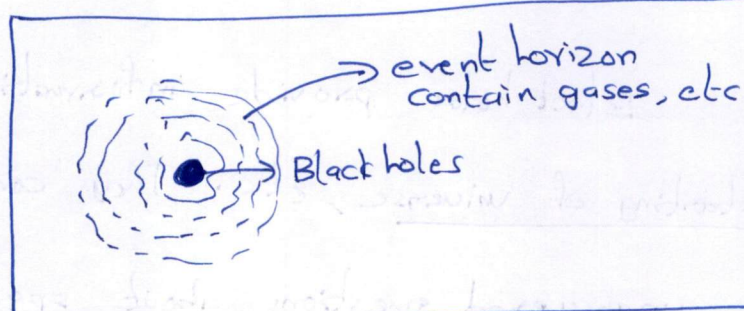
- 1) Increase the cost of automobiles
- 2) Already auto-sector in crisis
- 3) May-not be suitable to all roads in India ⇒ minimum speeds required
- 4) high-tech cost
- 5) additional burden on oil companies to upgrade their equipment
- 6) Burden on common people.

BS-VI norms are way-forward. They reduce air pollution. But Govt needs to ensure that their implementation is smooth for all the stakeholders.

8. What are black holes? Highlight the challenges in imaging a black hole? How were these challenges overcome by the Event Horizon Telescope project? (150 words) 10

Black holes are regions in space, where matter is concentrated that ^{does not} allow even light to escape. They are infinitesimally small in volume but has infinitely large ⁱⁿ density.

Black holes are formed when stars of mass atleast 5 times of that of the sun die. The remnants of the star turn it into massive black holes. The limit of '5' is Chandrasekhar limit.



Challenges in imaging Black holes

- 1) They are immune to electro-magnetic waves as light does not pass through them.

- 2) so, their imager cannot be observed on electro-magnetic spectrum
- 3) They are transparent to Gravitational waves ⇒ but detection of gravitational waves is difficult.

Event horizon telescope

- 1) Event horizon is space outside black holes ⇒ contains gases, etc
- 2) Event horizon telescope captures the reflections & refractions of light out of these event horizons ⇒ forms a picture

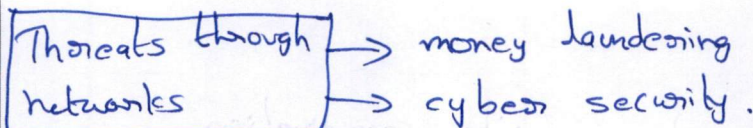
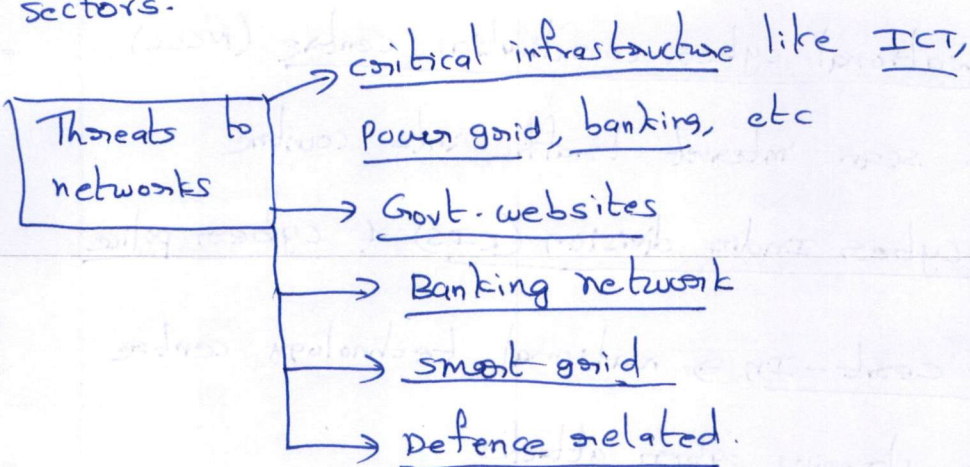
Black holes provide information about starting of universe, etc. They contain clues of unanswered questions about space. They need to be understood better.

9. While mentioning the objectives of the Arms Trade Treaty (ATT), discuss the challenges which are hindering the utilization of the ATT to its full potential. (150 words) 10

10. Threats to internal security of India may be posed both through the communication networks and also to the networks. Discuss. Also, highlight the steps taken by the government in making the networks more secure.

(150 words) 10

Internal security challenges both affect communication networks & also use them to affect other sectors.



Steps taken by Government to secure networks

- Legislative
- 1) National cyber security policy, 2016 ⇒ to create 5,00,000 cyber work. force
 - 2) Information technology Act, 2000 ⇒ secures cyber space.

Institutional

- 1) National cyber critical information infrastructure Protection Centre to protect critical infrastructure
- 2) cyber swachta kendra for bot-net cleaning & Malware analysis
- 3) national cyber coordination centre (NCCC) to scan internet traffic into country
- 4) cyber India division (CIS) & cyber police
- 5) cent-In ⇒ National technology centre for stopping cyber attacks

International

- 1) Paris call ⇒ cyber security coordination
- 2) International convention against cyber security

Network security forms crucial link to digital & innovate India. To transform India into data & digital economy, safe network access is pertinent.

11. Highlight the importance and challenges related to integration of Variable Renewable Energy (VRE) in India. Mention some steps that can be taken for its smooth integration with the synchronized Indian grid. (250 words) 15

85% of India's energy needs are met by coal, oil & gas. In order to improve India's renewable energy, Govt has set a target of 175 GW of renewable energy capacity. Today out of 357 GW of installed power, 17% is by renewable power {62 GW}.

Importance of integration of variable renewable energy

- 1) To meet India's target of 40% of energy needs through renewables {INDCs}
- 2) To reduce & mitigate climate change
- 3) Decentralisation of renewable energy
- 4) synchronous integration of renewables into smart grid
- 5) schemes like KUSUM, etc which depend

on integration of renewables

Challenges

- 1) lack of stability in generation of renewables.
- 2) They depend upon various environmental conditions like wind, solar power, etc
- 3) Generation of renewables at far off places.
- 4) Huge transmission costs in transport of renewables.
- 5) lack of grid penetration ⇒ to integrate renewable energy from bio-mass, etc
- 6) small amount of renewable power ⇒ grid integration becomes difficult.

Steps for smooth integration

- 1) Transmission continuity must be maintained ⇒ integration of renewables with diesel engines ⇒ to generate power

in case of renewable incapacity

- 2) Hybrid solar & wind projects ⇒ so, that continuity & reliable energy can be generated.
- 3) smart grids ⇒ to isolate in case of sufficient transmission.
- 4) Grid penetration ⇒ private sector.
- 5) Decentralised integration ⇒ Development of renewable energy in clusters &

Renewable energy is key to attainment of SDG-7 goal of reliable & affordable energy.

12. There have been arguments that India could fall into a 'middle income trap'. Explaining the phenomenon, highlight the reasons behind such arguments. How can India avoid it? (250 words) 15

'Middle income trap' refers to situation where percapita income of countries gets stagnated between [\$2000 - \$4000] - ~~and~~ for many years. Ex: countries like Brazil, are in middle income trap. This happens because country is stuck in some structural constraints and is not able to do structural reforms to its economy.

India's percapita income is around \$1800 currently and has not significantly rose, prompting some to say India ^{could} fall into 'MIT'

Reasons

→ India's investment rate fell down from 38% in 2005-06 to 27% in 2018-19.

- 2) Labour complexities ⇒ More than 40 central laws & 100 state laws
- 3) Manufacturing GDP stuck at 16-17% of GDP from 2005-06
- 4) Inequalities are increasing ⇒ 58% wealth is owned by just 1% top individuals
- 5) Agriculture consists 46% people but is growing at just 2% annually
- 6) Inadequate infrastructure ⇒ lack of multi-modal transport { 60% share by roadways }
- 7) India still ranks at 77th in ease of doing business ⇒ hurts business (GoDB)
- 8) high logistics cost at 12-13% GDP while compared to 8-9% in USA
- 9) tax evasion
- 10) challenges in MSMEs ⇒ 4% capital is formal, ~~the~~ lack of scaling up.

Suggestions to avoid

- 1) Focus labour codes
- 2) skill development ⇒ DDUSTY, ROSHINI
- 3) inclusive growth ⇒ health, education, etc
- 4) reduce logistics costs ⇒ invest in warehouses
- 5) Improve jobs
 - Focus on leather, textiles,
 - Food processing
 - Apprenticeship
- 6) → improve contract enforcement rules
⇒ Use CoDB rankings
- 7) promote private investment ⇒ reduce crowding out effect { sovereign debt }

India needs structural reforms like demolishing APMC acts, radical labour reforms, skill revolution, etc to avoid middle-income trap

13. Highlighting its importance, discuss the major issues that plague effective monetary policy transmission in India. Also, mention the steps taken by RBI to improve it. (250 words) 15

Monetary policy refers to policies taken by RBI for price control, foreign exchange rate stability, etc. It includes quantitative tools → {CRR, SLR, Bank rate, MSF} & qualitative tools → {Moral suasion, Direct action}, etc

Monetary policy transmission is ineffective in India. It is important for monetary policy to be as effective as possible

Importance

- 1) It controls inflation.
- 2) It improves foreign exchange {buying & selling of dollars for rupee stability}
- 3) rupee stability
- 4) Investments {High interest rate ↑ high FPIs}

→ 5) low CRR & SLR $\Rightarrow$ lower bank rates $\Rightarrow$
cheaper loans $\Rightarrow$ boost economy

Reasons for ineffectiveness

- 1) presence of money lenders {40% of lending}
- 2) presence of large number of Non-banking Finance companies {DFHL} who are
ineffected by change in repo-rate
- 3) Banks do not pass on benefits $\Rightarrow$
to ~~reduce~~ cover for losses during high
interest rate regime
- 4) high tax evasion & black money
- 5) High currency-Deposit ratio (CDR)
in India.
- 6) Barter form of trade at some places

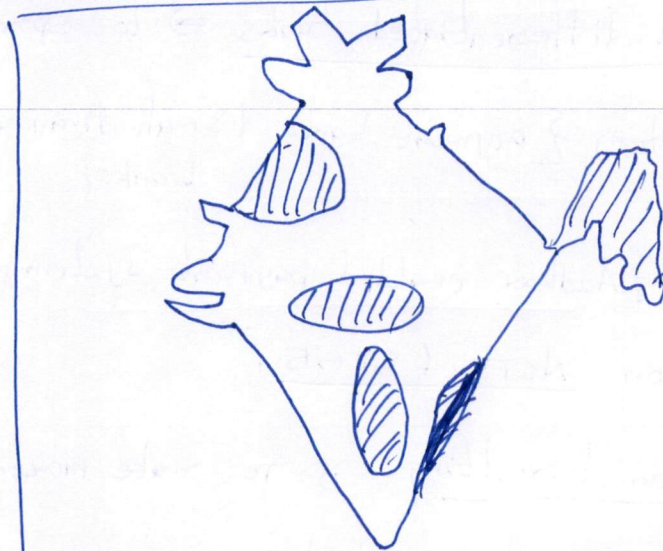
Steps taken by RBI

- 1) linking repo rate with bank rate $\Rightarrow$ so any $\downarrow$ se in repo rate $\Rightarrow$ $\downarrow$ se in bank lending rates.
- 2) BHIM APP, etc $\Rightarrow$ to use digital currency.
- 3) Niche & differentiated banks $\Rightarrow$ to spread banking system {payment banks & small finance banks}
- 4) AEPS {Aadhaar enabled payment system} working on NEFT & RTGS.
- 5) Inflation targetting $\Rightarrow$ to make monetary policy transmission transparent.

Monetary policy holds key to low inflation, economic growth. A strong & independent & effective monetary policy is the need of the hour.

14. Highlight the constraints faced by rainfed agriculture in India. Discuss some agronomic practices that can be adopted for stabilizing agricultural production in rainfed areas. (250 words) 15

only 35% of agricultural lands in India ~~are~~
have irrigation facilities. Rest 65% are
dependent on rainfall → which is sporadic,
non-uniform & variable.



major rain-fed regions in the country

constraints of rain-fed agriculture

- 1) productivity is low
- 2) can sow crops only in mon-soon
seasons → (June to September)

- 3) Drought vulnerability
- 4) subsistence agriculture
- 5) Failure of entire crop ⇒ if monsoon is erratic.
- 6) crops like rice, sugarcane ⇒ high price yielding cannot be grown.
- 7) salinisation of soils ⇒ capillary action in case of droughts.
- 8) erosion ⇒ Gully erosion
- 9) contract farming ⇒ lose out on opportunities
⇒ as companies show no interest

Practises

- 1) Micro irrigation like drips, sprinklers can be practised.
- 2) shift away for water intensive crops and focus on pulses, horticulture, etc
- 3) Rootstock technology for fruits, for faster growth

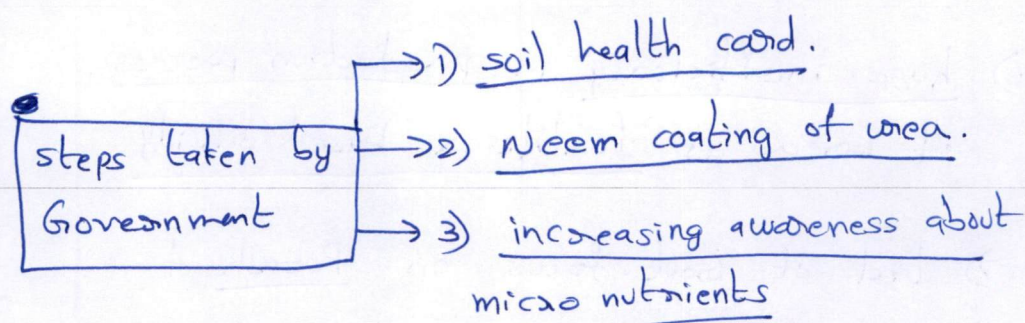
- 4) Zero budget natural farming ⇒ Less water
(and organic farming)
- 5) Traditional agricultural practises like
maintaining ponds, wells, rain-water harvesting
- 6) Agro-forestry ⇒ to protect soil health
and increase ground water
- 7) Below sea-level farming like practises
need to be encouraged
- 8) Fertiligation techniques
- 9) cooperative agriculture

Agriculture needs to be practised
in modern ways to promote innovativeness &
better farm practises.

15. Despite the steps taken by the government in recent years, a number of problems continue to persist in the urea sector in India. Discuss. What reforms should be taken to address the persisting problems?

(250 words) 15

Urea is main fertiliser used in agriculture.
~~Despite~~ 80% of India's fertiliser needs
 are met by urea.



existing problems

- 1) urea is yet not under nutrient based subsidy (NBS) scheme ⇒ subsidy based on ~~per~~ inputs
- 2) canalisation of urea imports ⇒ leading to inefficiencies in imports as only a few agencies are involved in import process
- 3) lack of awareness about N:P:K balance in imports.

- 4) Neem-coated urea is less in amount ⇒ huge diversion of urea.
- 5) one product one price is not followed.
⇒ urea ~~as~~ fertiliser is subsidised ⇒ diversion of urea.
- 6) huge inefficiency in production process of urea as fertiliser based subsidy
- 7) lack of Govt focus on Potash & phosphate ⇒ They are not subsidised
- 8) micro-nutrients like zinc, iron, sulphur are not available to farmers.

Reforms necessary

- 1) Bring urea under Nutrient based subsidy (NBS).
- 2) De-canalisation of imports.

- 3) Focus on micro-nutrients.
- 4) subsidise potash & phosphate
- 5) "One-product, one price should be maintained" → urea subsidy should be removed & DBT should be brought in
- 6) covers all farmers in soil health cards & Neem coated urea.

Reforms in urea sector form key to soil health, safe agriculture, fiscal prudence and agricultural sustainability.

16. What is Access and Benefit Sharing? Explain how it aids in sustainable use of biodiversity. Also, mention the different global and national level mechanisms for ensuring Access and Benefit Sharing. (250 words) 15

Access & Benefit sharing (ABS) is a part of Nagoya protocol under convention for protection of Biological diversity (CBD).

It means the access to biological components should be lie primarily with the native tribal population. Any process of commercialisation of Bio-diversity should happen to ensure that the benefits of that use should come to native populations. They cannot be unsustainably commercially exploited by corporates.

Sustainable use

→ It places control on use of bio-diversity in local's hands.

- 2) companies are held accountable for any use of components
- 3) As locals benefit & depend on them
⇒ they will look after its sustainability
- 4) Benefits reach native countries & locals

Global level mechanisms

1) Convention on biological diversity ⇒ It was signed in Rio summit, 1992. Under it,

Nagoya protocol was signed and access & benefit sharing is exclusively mentioned.

National level mechanisms

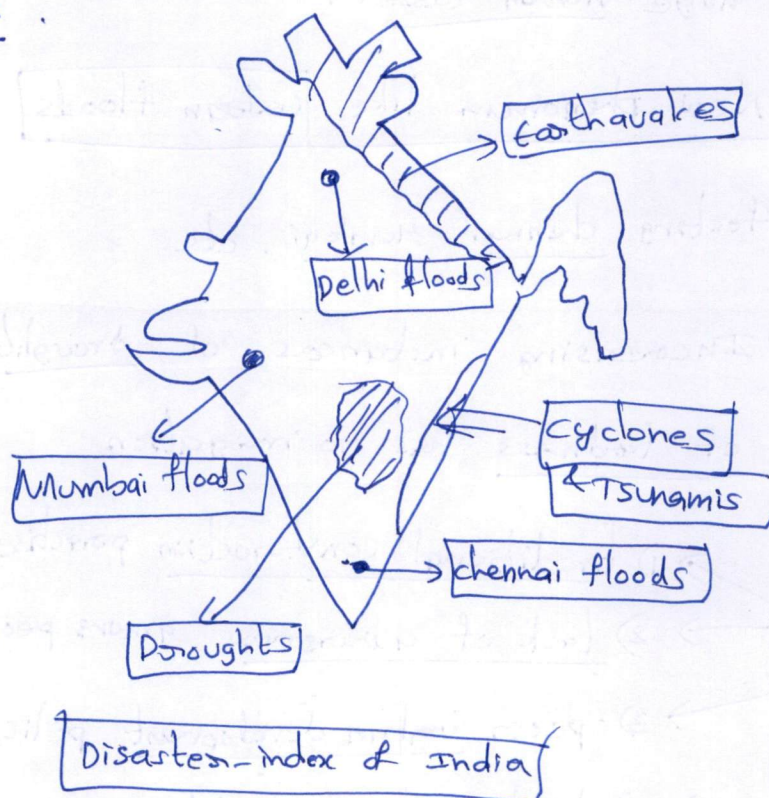
- 1) Biological diversity Act, 2002
 - ⇒ 3 layered bodies setup to protect biological diversity & ABS
 - ⇒ 1) National level ^{Bio-diversity} ^{committees}
 - 2) state level ^{diversity} ^{bio, committees}
 - 3) Bio diversity management committees at ^{local level} (BMCs)

- 2) plant varieties protection act
- 3) PESA & other decentralised mechanisms
- 4) National traditional digital library ⇒
(NTDL)
ensure outside companies do not exploit
Indian wealth.

ABS forms crucial safeguard in
bio-diversity preservation. It needs to be
safeguarded.

17. Stating the significance, discuss the challenges in achieving disaster resilience of infrastructure. Suggest some ways for mainstreaming it in the development paradigm. (250 words) 15

~~Disaster~~ India is prone to various disasters like Floods, Earthquakes, Cyclones, etc. In this regard disaster resilience infrastructure is important. It means, infrastructure must be resilient against disasters and should minimise human & capital losses.



Significance

- 1) ~~60%~~ ^{60%} of landmass is prone to disasters like ~~the~~ ~~the~~ ~~the~~ earthquakes.
- 2) 7500 km of coastal areas $\Rightarrow$ prone to cyclones $\Rightarrow$ destroy crops, $\Rightarrow$ displace human settlements
- 3) climate change increasing disasters
- 4) High cost of building infrastructure & huge human losses.
- 5) New phenomena like urban floods $\Rightarrow$ affecting chennai, Mumbai, etc
- 6) Increasing instances of drought $\Rightarrow$ 65% of landmass has no irrigation

Challenges

- 1) traditional construction practices
- 2) lack of awareness among people
- 3) poor urban development policy
- 4) high-cost of buildings.

Challenges → 5) climate change
→ 6) apathy of the Government

Mainstream in development

- 1) subsidise Green buildings
- 2) National norms on construction parameters based on soil types, etc
- 3) decentralised urban planning
- 4) Wetlands & afforestation ⇒ need to be given due emphasis ⇒ separate green fund.
- 5) shelter belts plantation drive along coastal land.
- 6) construction revolution ⇒ new technology
- 7) strict regulation
- 8) Incentivise business to lead the way

Disaster resilience is paramount for countries like India.

18. Highlighting the significance of data localization for India, discuss various challenges associated with data localization. (250 words) 15

Data localisation refers to storing the locally generated data in ~~into~~ the same country/region itself. The origin country of data must have data base of the data.

This was reiterated by RBI recently, which said all companies must store data in local servers. It was also said by Srikrishna committee in data report

Significance of data localisation

- 1) evidence based policy ⇒ Data Gen by companies can be used by Government for specific policy action
- 2) economic growth ⇒ ^{foreign} companies would set up shops in India to access data.

→ 3) reduce Mis-use ⇒ privacy is a fundamental right in India. Data localisation will reduce mis-use by foreign companies. Ex: Facebook

• recent case

→ 4) Data is new oil ⇒ generate big economic growth. It generates huge taxes from companies

→ 5) security ⇒ NATGRID can use the data to ensure peace & security to keep track on criminals

→ 6) Digital sovereignty ⇒ To ensure India remains digitally sovereign

challenges

→ 1) prone to political mis-use by Governments.

→ 2) lack of enough storage infrastructure in India.

→ 3) May dis-incentivise some companies to
~~do~~ ~~do~~ do business in India

→ 4) IPR problems with USA as

this would lead to protectionism.

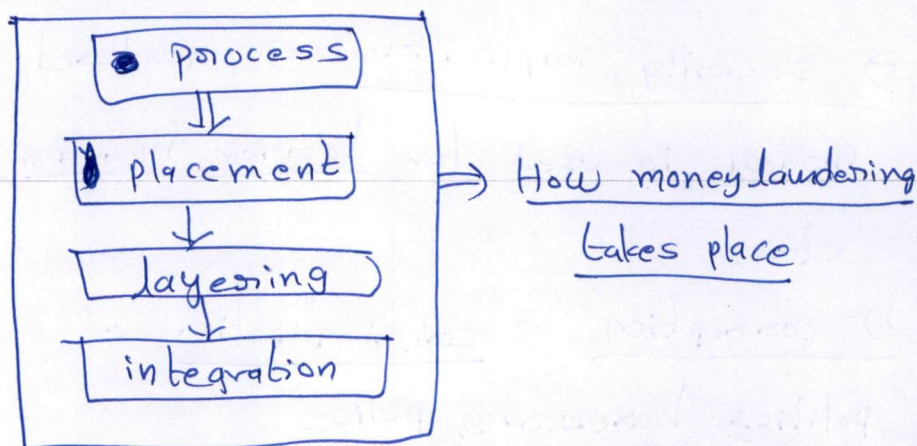
→ 5) safety & security of the data

Data localisation is the way forward
for data usage for the people, by the
people. India needs to maintain its
Digital sovereignty to gain big.

19. Money Laundering as a socio economic offence is a menace especially for developing countries like India. Comment. What measures have been taken at the domestic and international levels to deal with this menace?

(250 words) 15

Money laundering is a process of bringing illegally generated wealth into formal banking sector.



Reasons why it is a menace

- 1) Almost \$300 billion is laundered in India in last decade. It leads to loss of national income
- 2) Tax evasion as it is black money
⇒ reduces spending on education, health, etc

- 3) de-stabilises financial system of India ⇒ banks loses credibility
- 4) monetary policy transmission is made weaker ⇒ high inflation, low rupee ⇒ havoc on economic system
- 5) security implications ⇒ laundered money is used for terror financing, etc
- 6) corruption ⇒ criminalisation of politics, bureaucracy, police
- 7) Increasing inequalities ⇒ 58% wealth by 1% Indians

Measures

International level

- 1) Financial action task force (FATF)
IS formed in 1998. It brings out standards of financial administration to

~~reduce~~ improve ~~cross~~ cross-country collaboration.

It maintains countries in black list &

Grey list.

→ 2) convention against drugs & illegal substances

National level

→ 1) India criminalised money laundering

a) PMLA, 2002

b) PMLA, 2012

c) PMLA, 2018 { amendment }

→ 2) criminalised money laundering in
Drugs & psychotropic substances act

→ 3) creation of Enforcement Directorate
(ED)

→ 4) creation of FIU-IND to
report illegalities to Finance ministry

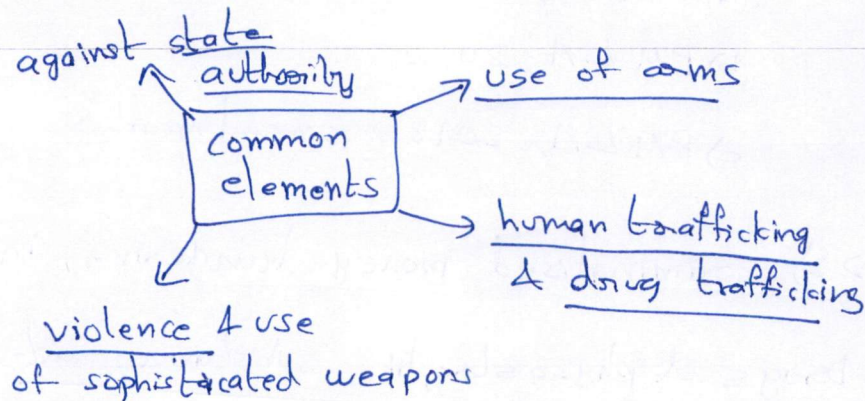
Money laundering poses great threat economy,
polity, society. It needs international collaboration
to deal against this.

20. The primary motive of terrorism differs from that of organised crime but there exists a symbiotic relationship between the two. Discuss.

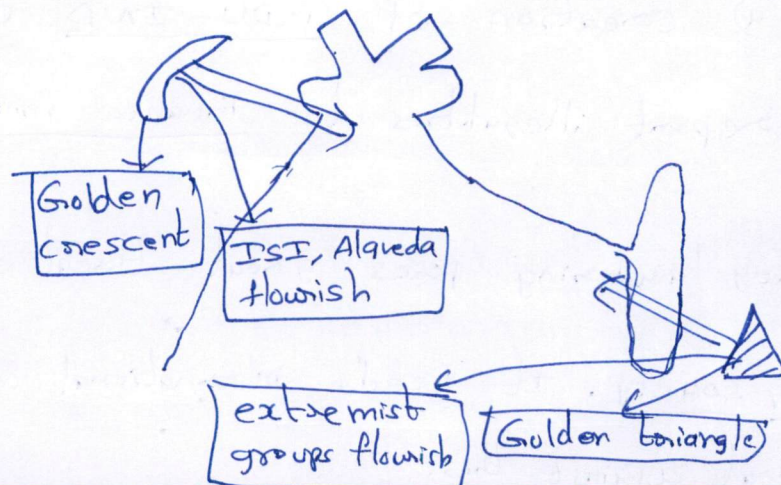
(250 words) 15

⇒ The main aim of terrorism is spreading fear through acts of violence.

⇒ The main aim of organised crime is to generate money through illegal money.

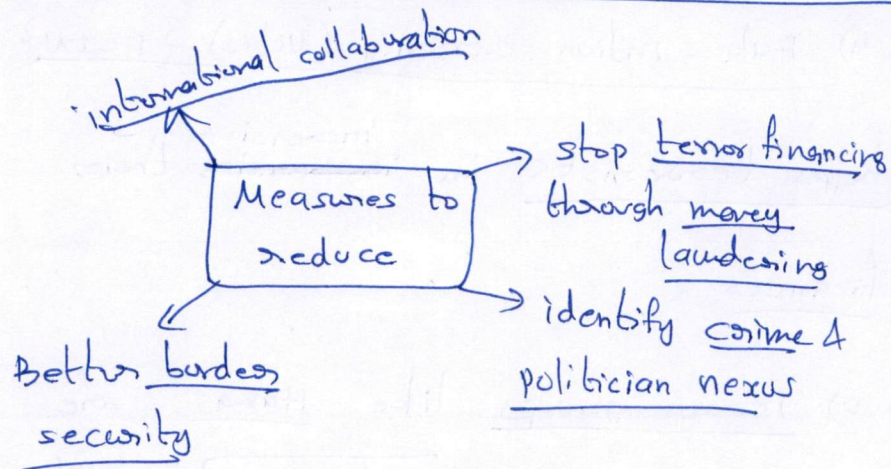
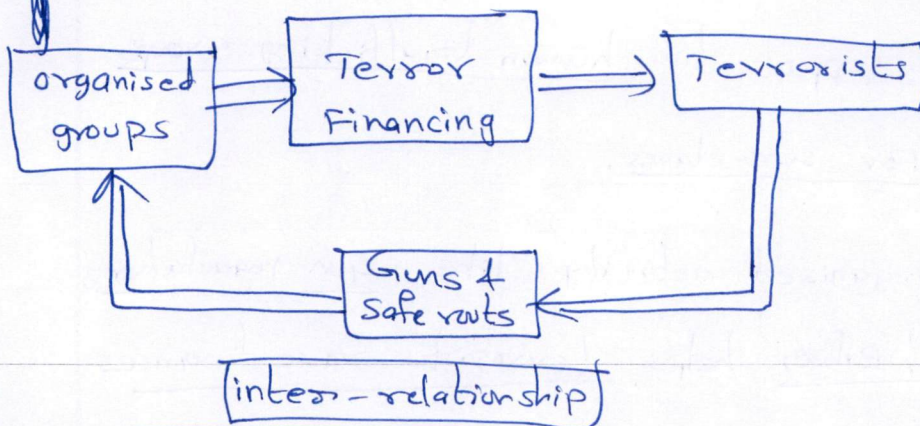


symbiotic relationship



- 1) terrorist get money from drug trafficking.
- 2) terrorist get human resource for giving support to human trafficking groups.
Ex: For sex-slaves.
- 3) organised activity like gun manufacturing in UP, Bihar helps terrorists raise finances
- 4) Fake-Indian currency (notes) { FCIN } ⇒ helps terrorists in increasing their finances
- 5) Terror groups like Hamas are actively engaged in extortions etc to raise money
- 6) Terror groups provide safe routes, guns & other resources for organised

crime vacuets to help them in their
process.



⇒ organised crime & Terrorism are two sides
of same coin ⇒ They both feed off each
other and help each other grow. we need
to take ~~other~~ integrated approach to tackle
them.