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GENERAL STUDIES (TEST CODE : 1702)

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Medium Eng./Hindi	ENGLISH	Registration Number	104195
Center	ONLINE	Date	2/3/2021

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
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20	15	

Total Marks Obtained:

Remarks:

INSTRUCTIONS

- Do furnish the appropriate details in the answer sheet (viz. Name, Registration Number and Test Code).
उत्तर पुस्तिका में सूचनाएं भरना आवश्यक है (नाम, प्रश्न-पत्र कोड, विद्यार्थी क्रमांक आदि)।
- There are **TWENTY** questions printed in **ENGLISH & HINDI** इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी में छपे हैं।
- All questions are compulsory.**
सभी प्रश्न अनिवार्य हैं।
- The number of marks carried by a question/part is indicated against it.
प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
- Answers must be written in the medium authorized in the Admission Certificate, which must be stated clearly on the cover of this Question-Cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in medium other than the authorized one.
प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (क्यूसीए) पुस्तिका के मुख्य पृष्ठ पर अंकित निर्दिष्ट स्थान पर किया जाना चाहिए। उल्लिखित माध्यम के अतिरिक्त अन्य किसी माध्यम में लिए गए उत्तर पर कोई अंक नहीं मिलेंगे।
- Word limit in questions, if specified, should be adhered to.
प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
- Any page or portion of the page left blank in the Question-Cum-Answer Booklet must be clearly struck off.
उत्तर पुस्तिका में खाली छोड़ा हुआ पृष्ठ या उसके अंश को स्पष्ट रूप से काटा जाना चाहिए।

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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. In light of the renewed focus on strategic disinvestment in recent times, examine the rationale behind it and also discuss the concerns raised against it. (150 words) 10

हाल के दिनों में रणनीतिक विनिवेश पर नए सिरे से ध्यान केंद्रित किए जाने के आलोक में, इसमें निहित औचित्य का परीक्षण कीजिए तथा साथ ही इसके विरुद्ध व्यक्त चिंताओं की भी विवेचना कीजिए।

After the economic reforms of 1992, disinvestment became the new agenda of the government. As recommended by the Rangarajan committee, the PSU's had to be disinvested 74%.

Strategic disinvestment means along with privatising the stakes/ shareholding of the government, the management is also transferred to the private sector.

Importance of disinvestments:

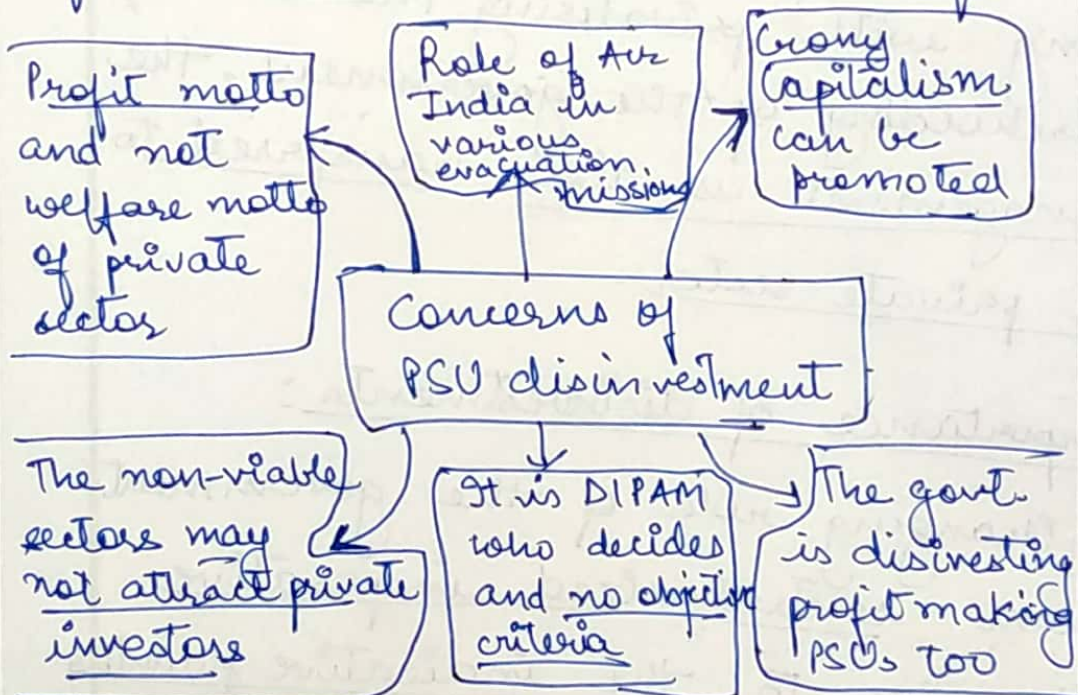
- 1) Changing role of the government from centralized imperative planning to the indicative planning
- 2) PSU's role of "Commanding Heights" has been transformed into

~~the~~ Government has no business to be in business.

3) The efficiency with which the private sector can work eg the case of BALCO.

4) The government can focus on other welfare sectors like health, education, redistribution etc.

5) Loss making PSUs are a fiscal burden on the exchequer.



The patriotism associated with Air India or BSNL is unmatched and no private sector can provide such operations. There is thus a need to rationalize the choices made

2. For minimising distribution losses in the power sector, public private partnership (PPP) and input-based distribution franchisee models can provide the solution. Discuss. (150 words) 10

विद्युत क्षेत्रक में वितरण घाटा कम करने के लिए, सार्वजनिक निजी भागीदारी (PPP) और आगत-आधारित वितरण फ्रेंचाइजी मॉडल समाधान प्रदान कर सकते हैं। चर्चा कीजिए।

The AT&D (Transmission and Distribution) losses in India are one of the highest at around 20% as compared to the global average of 8-10%.

UDAY scheme of government of India aimed to reduce the losses of AT&D to 15% ^{by 2020} but could minimise it to only 18% $\Rightarrow$ still very high.

Public private partnership model:

1) In cases like Delhi, where the DISCOMs are the private operators the reduction in the losses are visible

→ As private discoms are more efficient in operation and maintenance.

→ The quick service provided are appreciable

- Fare revisions can be quickly made
- Penalty for failure to pay the bills are strict and effective.
- PPP can bridge the gap in the viability of sector.

India being a surplus power country is still facing deficit at the peak hours and demand crunch by the DISCOMs from the power producers due to high losses & NPAs.

Input-Based Distribution Franchisee Model :

3. It is imperative that the present system is re-engineered and a transition towards Outcome Budgeting is made for effective Public Finance Management in India. Discuss. (150 words) 10

यह आवश्यक है कि भारत में प्रभावी लोक वित्त प्रबंधन के लिए वर्तमान प्रणाली को पुनर्व्यवस्थित किया जाए और परिणाम बजट की दिशा में संक्रमण किया जाए। चर्चा कीजिए।

Outcome budgeting is being adopted in India since 2005-06 as the different departments are required to submit the outcome budgets for their department.

Outcome budgeting is that each project is evaluated on the basis of outcomes it has generated and the grants further to that project is hence made thereafter.

Benefits of outcome budgeting:

1) The per rationalisation of grants made as any project gets as per its performance.

2) This will fast-track the performance of projects and will reduce the time and cost overruns.

- 3) Fiscally effective as that would save large amounts
- 4) ~~Can~~ Promotes ^{healthy} competition among various departments to get the grants by improving the performance
- 5) Economic growth will be complemented by socio-economic development.

Need for outcome budgeting:

- High cost and time overruns
- Distortive granting of budgets as some schemes/projects never expire
- FRBM regulation to limit the fiscal deficit to 3%.
- limited resources of the govt and the need to focus on the sectors promoting human capital like health and education.

Thus, there is a need to reengineer the budget and make it outcome based to promote fiscal prudence and economic development.

4. The recent Union Budget has proposed corporatizing at least one major port. In this context, highlight the benefits of a corporatized port, as compared to ports run by public authorities. (150 words) 10

हाल ही के केंद्रीय बजट में कम से कम एक प्रमुख पत्तन के निगमीकरण का प्रस्ताव रखा गया है। इस संदर्भ में, सार्वजनिक प्राधिकरणों द्वारा संचालित पत्तनों की तुलना में, निगमीकृत पत्तन के लाभों पर प्रकाश डालिए।

Corporatizing the port gives the port autonomy to work as a corporation, have its own management and policies.

① lack of efficiency due to bureaucratic procedures. ② Red Tapisism and delayed decision making.	Some challenges faced by the public run ports	③ lack of independence to decide on the operational issues. ④ lack of capital and skilled staff
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Benefits of a corporatized port

- ① Can raise their own share capital and finances with independence
- ② Autonomy to recruit the board members → effective, skilled & expert staff.

- ③ Efficient working → increase the turnout and footfall on the ports.
- ④ Better & quicker custom clearances and other documentation
↳ Single window clearance
- ⑤ Infrastructure development → modernized and tech enabled
- ⑥ Creation of forward-backward linkages → creation of industrial units near the ports etc.

However roping in the private sector will require an easier norms & policy regulation environment which is flexible but stringent as well, so that independence is not misused.

Cases like JNPT is a profitable example of such corporatization and to facilitate the exports (90% by value is through waterways) this would be a step in the right direction

5. Discuss why land pooling is being seen as an effective and dependable tool that can replace the traditional land acquisition mechanism.

(150 words) 10

चर्चा कीजिए कि क्यों लैंड पूलिंग को पारंपरिक भूमि अधिग्रहण तंत्र को प्रतिस्थापित कर सकने वाले एक प्रभावी और विश्वसनीय साधन के रूप में देखा जा रहा है।

Land has remain a contentious issue since the British time and various methods to reform the land has remained partially successful since independence.

Land pooling is the method of taking the land from the owners while not affecting their ownership and using the land cooperatively for some specific purpose.

Benefits of land pooling

- 1) It will reduce the delays that a project face while acquiring land. land acquisition is a major impediment in the infrastructure projects.
- 2) It will incentivize and facilitate the national projects like National Infrastructure Pipeline (NIP), Freight

corridor of railways and bullet trains.

- 3) Faster acquisition $\rightarrow$ $\downarrow$ delays $\rightarrow$
 $\downarrow$ cost overruns $\rightarrow$ $\downarrow$ cost of production
 $\rightarrow$ $\downarrow$ inflation with benefit to the public
- 4) Faster mobility and connectivity will bring in economies and faster growth
- 5) Economies of scale and size by consolidation of land.
- 6) Reduced litigation in courts and $\downarrow$ burden on judiciary as owner's title is secured.

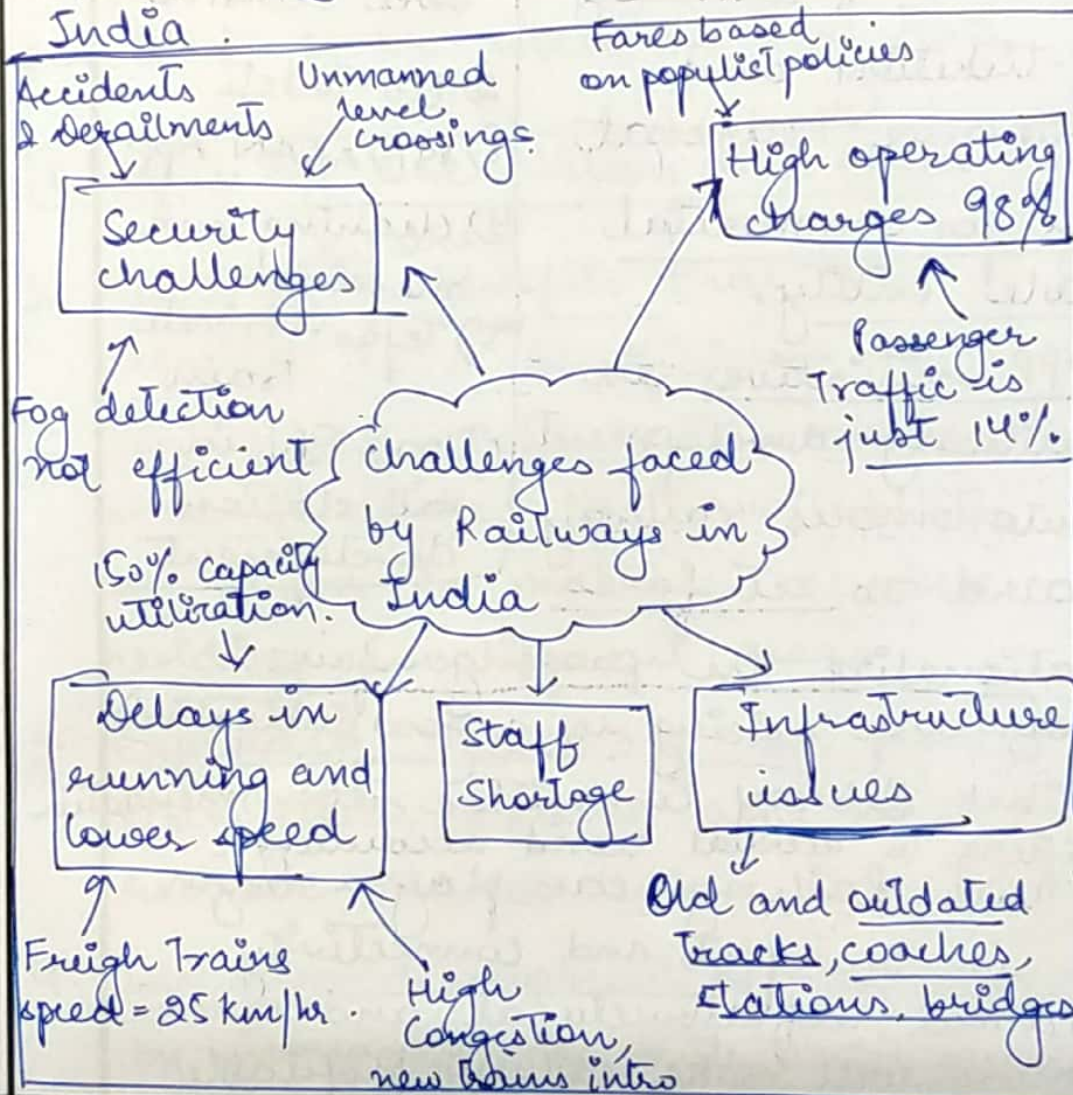
In a country like India, where land is more valuable than any other resource, dealing with land is a major task. Thus innovative measures like land pooling, consolidative land titling, cooperatives etc are needed. With good political will this can be done for the economy to grow in leaps and bounds.

6. Identify the challenges faced by the railways in India. In this context, also discuss the ways in which the Railways can be transformed into an efficient public service provider as well as commercially viable entity.

(150 words) 10

भारत में रेलवे के समक्ष व्याप्त चुनौतियों की पहचान कीजिए। इस संदर्भ में, उन तरीकों की भी विवेचना कीजिए जिनके माध्यम से रेलवे को एक कुशल सार्वजनिक सेवा प्रदाता के साथ-साथ वाणिज्यिक रूप से व्यवहार्य निकाय के रूप में रूपांतरित किया जा सकता है।

India Railway is an important, cheap, affordable, environmentally safe, efficient method of transport of carriage and passengers in India.



ways in which Railways can be transformed into an efficient public service provider

1) Improve the infrastructure:

- Introduction of LHB coaches
- Green Toilets
- Cleanliness on call

2) Anil Kakodkar Committee recommendations to be adopted for security

3) E-ticketing and grievance redressal ways for commercial viable entity:

- 1) PPP initiatives in railway development
- 2) Autonomous railway board to set fares

3) Rationalize the passenger fares
(Dynamic pricing is a good initiative)

4) Bibek Debroy Committee recommendation

5) shifting to accrual based accounting.
Thus, railways can play a major role in transport and connectivity.

Structural, infrastructural and economic methods will make railways profitable

Government Initiatives

- 1) No unmanned level crossing
- 2) BLo-Toilets
- 3) NIVARAN APP
- 4) Cleaning on a message
- 5) Tejas - Private Train
- 6) 100% FDI in rail station development

7. Give an account of the benefits that can accrue from the One Nation One Ration Card scheme. In this context, also discuss the challenges that need to be addressed for the scheme to become a success. (150 words) 10

एक राष्ट्र एक राशन कार्ड योजना से प्राप्त हो सकने वाले लाभों का विवरण दीजिए। इस संदर्भ में, इस योजना के सफल होने के लिए जिन चुनौतियों का समाधान किए जाने की आवश्यकता है, उनकी भी विवेचना कीजिए।

The COVID Pandemic has highlighted the concern of food security to a large & number of migrant community. In the present system, different states have different PDS system with ration cards provided to be used in that state.

Benefits of One Nation One Ration Card

1. Mobility/Portability of benefits that are accrued to a beneficiary.
2. Centralized data system which will facilitate the availability of ration to multiple members residing in different areas.
3. Expanded reach of the public distribution scheme and will remove the exclusion error.
4. Inclusive development of the people by increasing the nutritional security.

5. Better targeting of the beneficiaries
Eg.: Will reduce the ghost beneficiaries

Challenges that needs to be addressed:

1. Distributing food through PDS is a state subject → Implementation issues as different states would have coordination problems.
 2. It will result in digitization of data → knowledge deficit and lack of awareness.
 3. It will be mandatory to link Aadhar with Ration → Matching of Biometrics
Eg.: Case of starving child to death in Jharkhand due to fingerprint mismatch.
 4. Data collection and dissemination
 5. Different states have different provisions for different categories.
- If implemented efficiently, this one nation one ration card scheme is a step towards ease of living in the country and thus reduce hunger.

8. Highlighting the need for Participatory Irrigation Management (PIM) in India, discuss the constraints in implementing PIM. (150 words) 10

भारत में सहभागी सिंचाई प्रबंधन (PIM) की आवश्यकता को रेखांकित करते हुए, PIM के कार्यान्वयन में आने वाली बाधाओं की विवेचना कीजिए।

50% (almost) of the agricultural area is rainfed irrigation. This region also supports 50% of the labour force and contributes 40% to the agricultural GVA.

However it is also a reason of uncertain agriculture and rise of agrarian distress. This gives the need for Participatory Irrigation Management.

It refers to the participation of the irrigation users in the management of the irrigation systems.

Benefits of PIM

- Farmers feel empowered and will increase their say.
- Expanded reach to different farmers.
- Increasing irrigation investment.

Constraints in the PIM Implementation

- 86% farmers are small & marginal farmers with little or no say in the village activities
 - ↳ Dominated by large farmers
- Financial constraints
- Lack of farmers cooperation
- Lack of awareness among the farmers
- lack of political will etc

To make such a policy successful, there is a need to make the farmers aware, ~~organise~~ organise them into cooperatives and then utilise them to its maximum.

Irrigation availability will make Indian agriculture grow at around 8% enough for doubling the farmers income by 2022.

9. Inclusive growth in an economy itself negates the need for a Universal Basic Income. Discuss in the context of India. (150 words) 10

किसी अर्थव्यवस्था में समावेशी विकास स्वयं ही सार्वभौमिक मूलभूत आय की आवश्यकता को नकारता है। भारत के संदर्भ में विवेचना कीजिए।

Inclusive growth implies the growth of all sections of the community, all areas of the nation, reducing inequality and accessibility of services by all.

Universal Basic Income is a concept of providing Universal Income to the public unconditionally. This would be a basic income that everyone would get regardless of their income and status.



The government of India has been focussing on the above dimensions by its various schemes as discussed above. This has led to the poverty reduction by 10% points in 2005-2016, ↑ child sex ratio, bank accounts under Jan Dhan to crores of people, DBT savings of Rs 1.4 crore.

Despite the above efforts the multidimensional poverty in India is still high, highest number of stunted population (38%), high ratio of maternal mortality rate (126) and high unemployment (highest in 4 decades).

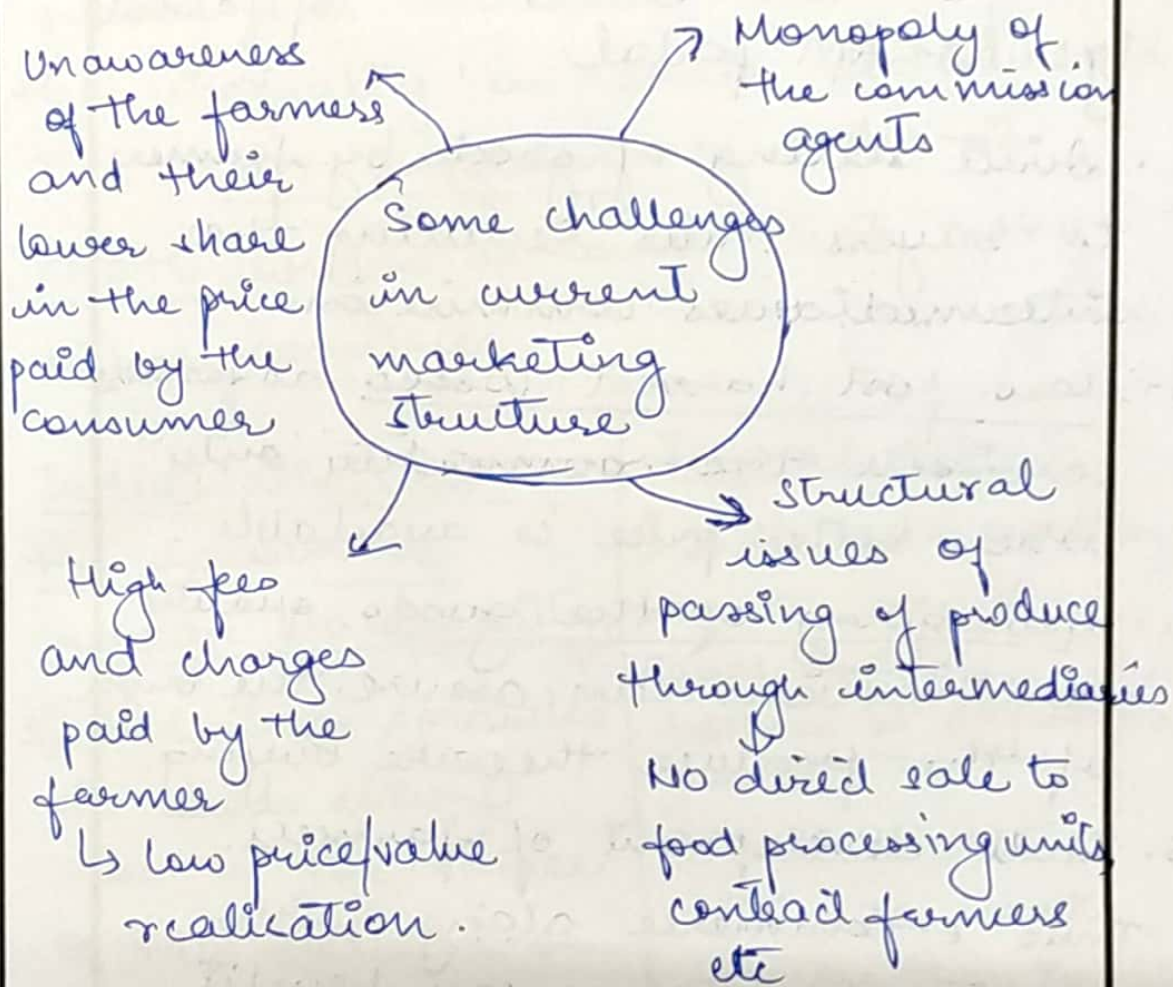
Thus conditional basic income ~~for~~ the targetted section can be evaluated as an alternative. Brazil's case of universal income is a good case study.

Thus inclusive growth in its intent and Conditional Cash Transfer can be solution to India's problems.

10. E-commerce holds the potential to revamp agriculture marketing in India in multiple ways. Discuss with suitable examples. (150 words) 10

ई-कॉमर्स भारत में अनेक तरीकों से कृषि विपणन में सुधार लाने की क्षमता रखता है। उपयुक्त उदाहरणों के साथ विवेचना कीजिए।

Agricultural marketing in India comes under the domain of the state government through the APMC mandies for the notified commodities.



COVID Pandemic has increased the e-commerce business multiple times

and thus e-commerce can be a potential method to revamp agri-marketing.

Benefits of e-commerce in Agri Marketing

1. Better price realization as farmers can sell the produce to the buyer paying the higher price → ↑ income of farmers
eg: RAKAM portal
2. Direct selling of goods by farmers to buyers thus reducing the intermediaries commission
3. low post harvest losses as farmers can sell the commodity only when better price is available.
4. Geotagging of the goods, quality certifications can assure the buyer of the produce they are buying.
5. Skill development of farmers.

Thus e-commerce along with agricultural reforms can benefit but it is not a panacea for all the agricultural problems. Better infrastructure, irrigation etc needs to be there.

11. While some associate increased penetration of technology and industrialization with increase in inequality in India, the reasons for the same lie somewhere else. Discuss. (250 words) 15

यद्यपि कुछ लोग प्रौद्योगिकी और औद्योगीकरण की पैठ में वृद्धि को भारत में असमानता में वृद्धि के साथ संबद्ध करते हैं, तथापि इसके कारण कहीं और निहित हैं। चर्चा कीजिए।

With the industrialization in India during the british times^(1850s) and the introduction of technology since the 2nd five year plan $\Rightarrow$ the economic growth has increased but also the inequality in India has increased. The GINI coefficient of India is 0.376 which is lower than many other countries.

Industrialization as the reason of increase in inequality:

- 1) Industries sprouted in areas either close to the source of raw material or where the cheap labour is available or where the markets are closer.

Oxfam's report

- 1) India's 1% population has the wealth equal to the bottom 50% population's wealth.
- 2) India's total billionaires wealth is more than the governments annual budget etc

- Thus this led to regional disparities
- 2) Industrialization meant jobs for the unskilled labour at cheap wages → exploitation of poor in exchange of higher profits of the capitalists.
 - 3) Shift in the consumption patterns → ↑ inflation → poor becoming more poor.

Better Technology as a reason for inequality

- 1) Skilled jobs → only some sections could benefit
- 2) Lack of awareness and high illiteracy levels.
- 3) It did not penetrate into the agriculture sector on which majority of the population was dependent.

Other factors that led to inequality

- 1) Structural factors :
→ Focus on heavy industries rather than the wage goods.

- Agriculture was avoided
- licence Raj system which led to monopolies and reduced public sector efficiencies
- Reservation of products for SSIs did not lead to competition and thus SSI remained inefficient
- Education was made free and compulsory only in 1986.

2) Social factors:

- 70% population in villages
- Stratification of society on Caste basis
- low social indicators
 - Illiteracy, high maternal mortality rates etc.

3) Economic factors:

- less fiscal space of the govt to invest in social sector
- Labour regulation distorted → high unemployment

Thus, where the South East Asian countries grew tremendously, India remained a slow growing country with widening disparities due to multiple reasons.

12. Urban Cooperative Banks (UCBs) in India are in need of urgent reforms addressing their regulatory, structural and operational issues. Discuss.

(250 words) 15

भारत में शहरी सहकारी बैंकों (UCBs) हेतु उनकी नियामकीय, संरचनात्मक और परिचालन संबंधी समस्याओं को दूर करने वाले तत्काल सुधारों की आवश्यकता है। चर्चा कीजिए।

Urban cooperative Banks are formed by the cooperative members whose primary activity is saving and lending amongst the members. However their growing size and the recent defaults of the Punjab and Maharashtra Cooperative Bank has highlighted the issues in the Urban Cooperative Banks.

Regulatory Issues in Urban Coop Banks

- ① Dual Regulation by the RBI and the registrar of the cooperatives societies.
↳ Regulatory restraint and loopholes in regulations
- ② Prompt Corrective Action proceedings are not applicable to the UCBs.

Operating Issues

- ① Large number of members and generally non-lending to non-members.
- ② Members self-manage themselves via. the board members which may lead to distorted policy making.
- ③ single branches → thus restraint in expanding the reach.

Structural issues:

- ① Limited Capital Base as cannot raise the equity.

Therefore keeping in view the various regulatory, structural and operational issues, there is a need to reform the UCBCs.

The RBI recently froze the withdrawal of money of savers from the PMC bank → led to problems to many savers who had their lifelong

Savings at stake -

Steps that needs to be taken

1) The large cooperative banks must be given an option to convert into a scheduled commercial bank

↳ Ease the regulatory burden

↳ Easy to raise capital

↳ Adopt different measures to increase income by portfolio managements etc.

⊗ [This is also initiated by the govt]

2) Single regulation of RBI only will make the regulations more effective and timely. I.T. PMC case need not repeat

3) Appointment of the board of directors by IBA will be more efficient and in overall interest investors.

With the changing time, there is also a need to update the banking provisions and make it more inclusive and profitable.

13. Why is participation in Global Value Chains (GVCs) important for India? Highlighting some of the concerns associated with GVCs, suggest some measures for India to reap benefits from participating in them.

(250 words) 15

वैश्विक मूल्य शृंखलाओं (GVCs) में भागीदारी भारत के लिए क्यों महत्वपूर्ण है? GVCs से संबद्ध कुछ चिंताओं को रेखांकित करते हुए, भारत के लिए इनमें भागीदारी से लाभ प्राप्त करने के कुछ उपायों का सुझाव दीजिए।

Global value chains imply the global manufacturing of the products in different countries and each country specialising in that part of the product.

India's manufactured exports have 80% of the components as ~~exp~~ imports from countries like China and 20% is the value addition.

Importance of Global Value Chains for India

- 1) It will increase the manufacturing base in India and will raise the manufacturing share to 25%, the long sought dream of the government.

- 2) Additional employment to a large number of people.
- 3) Reduce the disguised unemployment in agriculture
- 4) Promote the inclusive growth as manufacturing is more inclusive
- 5) Reduce the poverty level in India $\rightarrow$ $\uparrow$ economic growth
- 6) Socio economic development of India
- 7) Increased global participation and India as a global leader -
 $\rightarrow$ Filling the vacuum created by China after the US-China trade war and COVID pandemic

Concerns associated with GVCs

- 1) It will need skilled workforce
 $\rightarrow$ require increase in skilling but India does not have the capacity to skill large people (only 7 million under PMKVY)

- 2) Reforms in the tax structure is required → Inverted Tax structure
- 3) Lack of infrastructure and financial constraints
- 4) Lack of R&D in India (only 0.6% of GDP is spent on R&D)
- 5) Labour reforms are long pending

Some measures suggested

- 1) Technological updation by learning from the bilateral foreign agreements.
 - 2) Ease of Doing business → ↑ Foreign capital → ↓ financial issues
 - 3) Skill development of the people is required → Demographic dividend
 - ④ Private participation in R&D
- Government initiatives like Production linked incentive schemes will increase the production of the sector like electronics, pharma, in which India has comparative advantage. Further such steps must be adopted.

14. What is the significance of state finances for macro-economic stability in India? Also, highlight the issues with states' fiscal management in India.

(250 words) 15

भारत में समष्टि-आर्थिक स्थिरता के लिए राज्य वित्त का क्या महत्व है? साथ ही, भारत में राज्यों के राजकोषीय प्रबंधन से संबंधित मुद्दों को भी रेखांकित कीजिए।

Fiscal federalism in India is upheld by the Indian constitution via the matters listed in the 7th schedule of the constitution.

State finances can be secured through methods such as

(i) Revenue collection through taxes levied & collected by the states.

ii) Transfer by the Centre as share in proceeds of the Centre (recommended by the Finance Commission)

iii) Grants or Aids by the Central govt.

iv) Borrowing within India on the assurance of state Consolidated Fund after the permission of the Centre

v) External Commercial Borrowings.

Significance of State Finances for Macro-economic stability

- ① Majority of the expenditures are with the states and majority of the revenue items are with Centre.
- ② Ground level implementation of work is managed by the state government.
- ③ Transfer of funds for the development of the villages is done by the state government.
- ④ Social security assistant programs managing health infrastructure, promoting social capital etc.
- ⑤ If the states resources are less, they ask Centre for help which is followed by domino effect by other states.

Issues with the State's Fiscal management

- 1) They are bound by the restriction of the FRBM act to limit the fiscal deficit to 2%.
- 2) They cannot raise the borrowings outside India.
- 3) Dependend on central grants which are tied under the Centrally sponsored schemes.
- 4) Use items of taxation under state list $\rightarrow$ GST encroachment on the state's taxation power.

Steps that can be taken

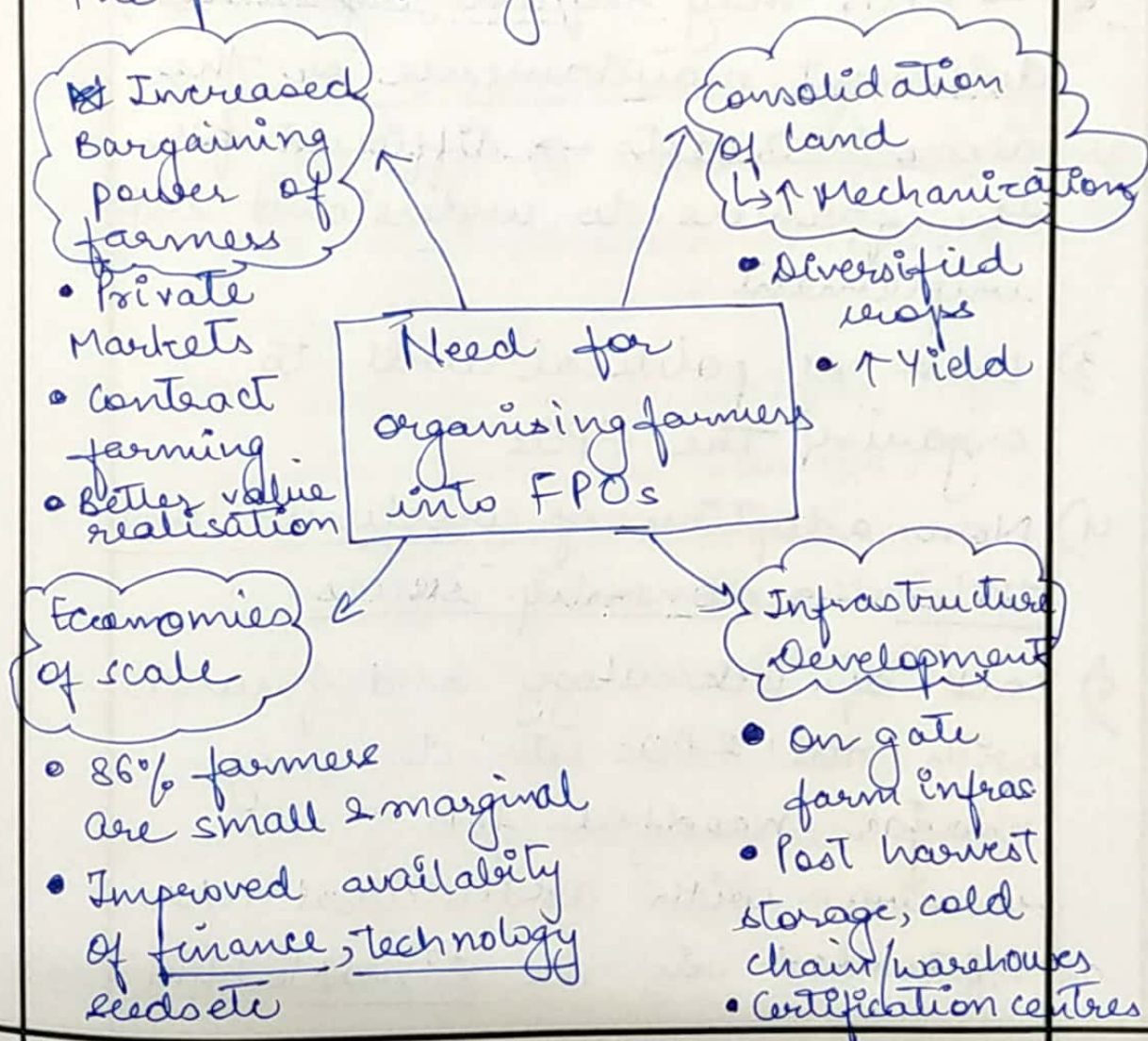
- 1) Fiscal independence to the states must be promoted.
- 2) Rationalisation of ~~to~~ Central Sponsored Schemes.
- 3) Relaxation of the FRBM in case of emergency as just did under the COVID pandemic.

Strong fiscal states ensure strong centre and thus ensure the economic stability.

15. Bring out the need for organizing farmers into structures like producer organizations. Also, identify the challenges that need to be addressed for such initiatives to achieve their desired objectives. (250 words) 15

उत्पादक संगठनों जैसी संरचनाओं में किसानों को संगठित करने की आवश्यकता को रेखांकित कीजिए। साथ ही, ऐसी पहलों के वांछित उद्देश्यों को प्राप्त करने के लिए उन चुनौतियों की पहचान कीजिए जिन्हें दूर किए जाने की आवश्यकता है।

The fragmented land holdings and the need of the agriculture to improve the mechanization calls for the consolidation of land via the producer organisations.



Challenges that needs to be addressed

- 1) Reluctance by the farmers to join any FPO
 - Lack of awareness among the benefits of such organisations
 - Threat of encroachment on their lands
- 2) → FPOs may require registration, document maintenance or the account audits → difficult for the farmers to understand and implement.
- 3) Lack of political will to organise the FPOs
- 4) Non-adoption of conclusive land titles → ownership issues
- 5) Lack of technology and finance with the FPOs to do any major needful job.

However with agricultural reforms as intended in the Atmanirbhar

package or the farm laws that are recently initiated $\Rightarrow$ the FPOs have become the need of the hour.

Steps that needs to be taken

- 1) Farmer awareness through panchayats, leaders or influential persons about the benefits of the FPOs.
- 2) Interest subvention in granting the finances to these organisations
- 3) Land digitalization $\rightarrow$ Conclusive Land Titling
- 4) FPO centres must include the infrastructure for storage, packaging, standardization, certification, labs etc that would facilitate the farmers.

A strong political will and consensus based environment will improve the social trust and successful implementation of the reforms.

16. National Infrastructure Pipeline is an ambitious step in the direction of achieving multiple development goals. In this context, discuss its features and significance. (250 words) 15

राष्ट्रीय अवसंरचना पाइपलाइन विविध विकास लक्ष्यों को प्राप्त करने की दिशा में एक महत्वाकांक्षी कदम है। इस संदर्भ में, इसकी विशेषताओं और महत्व की विवेचना कीजिए।

The government has recently announced the large investment of around 100 lakh crore in a five year period of 2019 - 2025 in the major infrastructure projects.

Step in the direction of achieving multiple development goals

- ① Multiple sectors have received the preference under the NIP funds

↳ ↑ Investment in Infrastructure

- ② Business sentiments will be increased and will promote animal spirits

↳ ↑ FDI in infrastructure

- ③ Social development infrastructure will also be there as roads have received major share

↳ ↑ connectivity → seamless movement of goods & passengers
→ ↑ economic growth

④ Higher employment will be generated → ripple effect in reducing poverty → doubling of incomes.

⑤ logistics will be improved
(currently logistics cost = 14% ^{very high})

⑥ will create forward, backward linkages in sectors like cement, steel etc.

The participation of centre & states is equal at 34% each and 22% is the private sector

Features of NIP

Linking the scheme with existing employment schemes like MGNREGS.

Infrastructure spending of around ₹100 Lakh crore between 2019-2025

Sectors like Energy (Renewable + Non-Renewable), Roads, Power etc have been included

Other initiatives in the Infrastructure sector by the government

- 1) RERA authority for regulation of Real Estate.
- 2) Bharatmala and Sagarmala initiatives.
- 3) Coastal Economic zones
- 4) Tourism sector → PRASAD scheme, HRIDAY scheme.
- 5) Smart Cities, AMRUT in urban development
- 6) Rapid Transit systems
- 7) Setu Bharatam etc

NIP will boost the supply side of infrastructure which will have domino effect in every sector like banking, hospitality, tourism, rural development etc.

The private sector must be incentivized to participate in fullest to achieve the maximum benefit out of this project.

17. The government should prioritize capital investments over subsidies to improve the economic situation of farmers. Discuss. (250 words) 15

सरकार को किसानों की आर्थिक स्थिति में सुधार करने के लिए सब्सिडी की तुलना में पूंजी निवेश को प्राथमिकता देनी चाहिए। चर्चा कीजिए।

Agriculture's share in the Gross Value Added (GVA) has been reduced from 53% in 1950 to 16% now, but the population dependant on agriculture is still high at 42%.

~~Source~~ Statistics show that 22.5% of the farmers live below the poverty line and earn only Rs 6732 per month. This shows the stark reality of the agriculture sector in India.

In 1970s → economists suggested that only income measures will not reduce poverty and some assurance or support as a form of distributional measures needs to be provided. Thus came the subsidies.

Subsidies as a % of agri GDP	1960's	now.
	20%	70%

Fertilizer subsidy (₹ 70,000 crore) and food subsidy form the major portion of the subsidies provided out of the total budget.

	1960's	now
Subsidies	2%	7%
Agric growth	4%	2-3%
Public capital investment	15%	4%

Thus, with the growth in subsidies, the capital investment has reduced as there are left with no resources to fund the capital investment and the agricultural growth has stagnated.

Benefits of Capital Investment

- 1) It will increase the agricultural infrastructure like Irrigation facilities, cold chain storage, warehouses, on farm infrastructure
↳ ↑ farm productivity

- ↳ ↓ post harvest losses
- 2) Capital formation in agriculture will pull out the people dependant on farm activities to more remunerative nonfarm activities
- ↳ ↓ agri. disguised unemployment
- ↳ ↑ farmers income.
- 3) Ashok Dalwai committee also recommended the farm processing for doubling the farmers income
- 4) ↑ export competitiveness of India's agricultural products → ↑ export earnings

Thus capital investment is beneficial than subsidies as is also emphasized by a world development report. Agriculture support under the Atma Nirbhar Bharat is a step in the right direction, the actual implementation will determine its actual benefits.

18. Highlighting the potential of micro and small enterprises in the food processing sector, enumerate the challenges that they face. In this regard, discuss the importance of the Scheme for Formalisation of Micro Food Processing Enterprises (FME). (250 words) 15

खाद्य प्रसंस्करण क्षेत्रक में सूक्ष्म और लघु उद्यमों की क्षमता पर प्रकाश डालते हुए, उनके द्वारा सामना की जाने वाली चुनौतियों को सूचीबद्ध कीजिए। इस संबंध में सूक्ष्म खाद्य प्रसंस्करण उद्यम औपचारीकरण (FME) योजना के महत्व की विवेचना कीजिए।

Food processing is a sunrise sector in India and has a huge potential in terms of exports, agriculture support, employment etc.

The food wastage in India is 16-20% which is huge and is also a reason of agrarian distress in the country.

Role of MSE in food processing sector :

1) Almost ~~100%~~ ^{majority} of the food processing units are currently in the micro and small enterprises

↳ 45% ⇒ ~~an~~ unorganised sector

2) Some self help groups are also involved as MSE in food processing

Eg: a Himachal SHG producing jams.

- 3) Accessibility of the people and the ease with which such MSE can be started.
- 4) Employment opportunities
 ↳ Non-farm employment
 ↳ Doubling the farmers income - Ashok Dalwai Committee
- 5) Nutritional security
Challenges faced by such MSE in food processing
- 1) Financial constraints in getting the funds from the banks
 - 2) ↳ Majority work either on self funding basis by group members or non-institutional finance
 - 2) Infrastructure bottlenecks
 ↳ Lack of technology
 ↳ Food wastage
 - 3) Manpower issue as unskilled workforce is majorly available
 - 4) Scale issues : Small size does not facilitate reaping the economies of scale.

- 5) Quality standardization and restraints of phytosanitary measures by developed countries
- 6) lack of R&D and innovation.

Scheme for formalization of ~~F&E~~ micro food enterprises

As earlier stated almost 42% exist in the unorganized sector which makes it difficult to account for them and getting the policies and benefits for them.

Importance of such scheme:

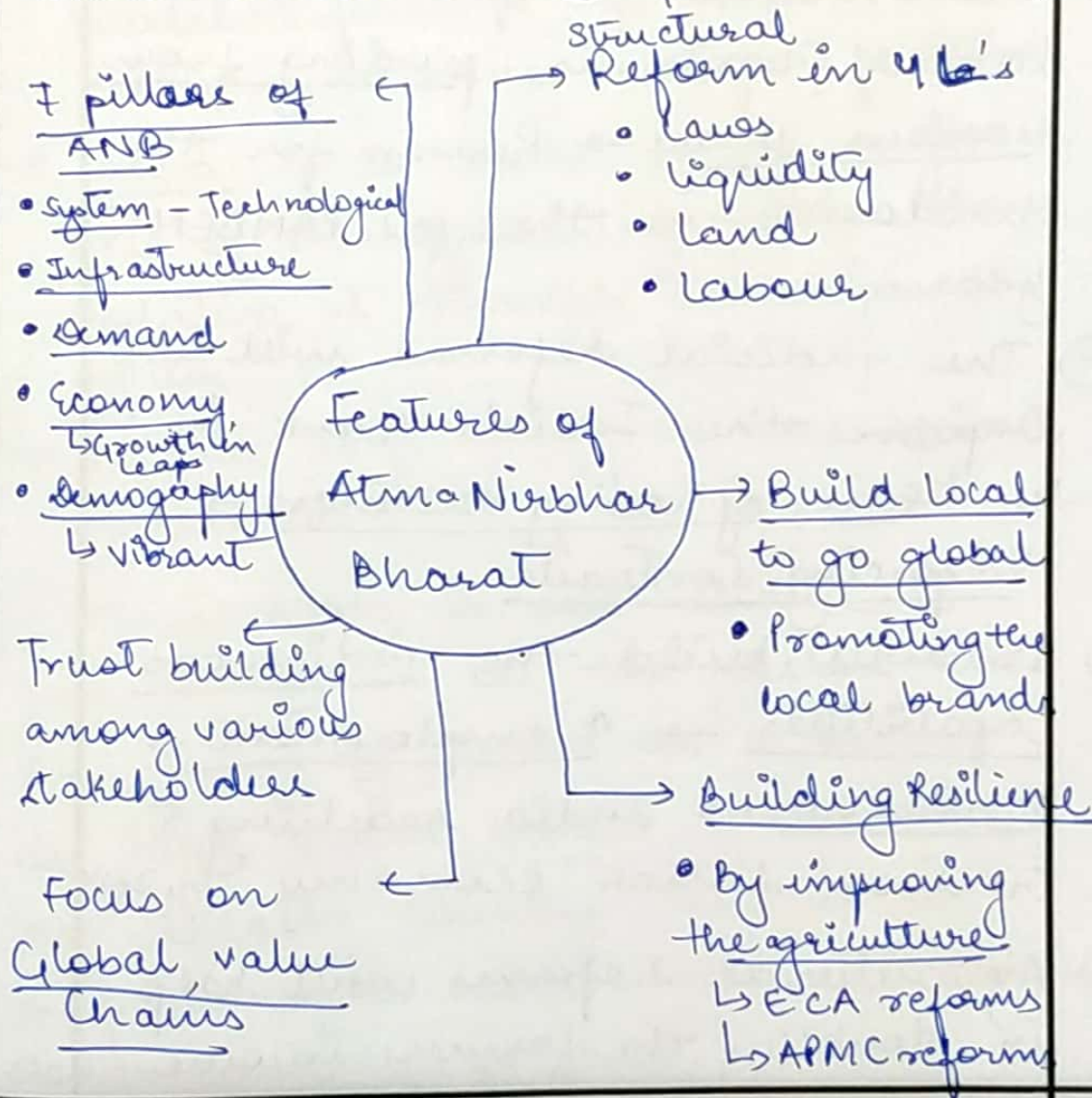
- 1) Formalization will make the credit availability easier
- 2) Data management and easy for government to make the targetted policy intervention
- 3) ~~F~~ Handholding of such enterprises to increase production & thus exports.

Food processing will not only ↑ the FX earnings but will also develop the agriculture sector → more such schemes are required.

19. Discuss how the idea of Aatmanirbhar Bharat goes beyond the traditional view of self-reliance. (250 words) 15

चर्चा कीजिए कि आत्मनिर्भर भारत का विचार किस प्रकार आत्मनिर्भरता के पारंपरिक दृष्टिकोण से परे है।

Aatmanirbhar Bharat (or self reliant India) is not about self isolation, it is about developing India as a whole and producing the goods which are globally known, developing value chains etc. (as per the PM Modi)



Thus Atmanirbhar seeks to fulfil the goal of structural reforms by changing the pandemic into an opportunity for long term faster growth.

Benefits of Atmanirbhar Bharat:

- 1) The structural reforms in land, labour, laws is pending from various years → Reason for the slowdown in the pre PANDEMIC year.
- 2) The judicial reforms will also improve the India's rank in the ease of doing business → Enforcing Contracts
- 3) It will build the indigenous capabilities → ↑ employment → ↑ income → India reaching 5 trillion dollar economy by 2024.
- 4) Agricultural reforms will help in doubling the farmers income

and increase the growth of rural economy.

→ Global value chains will be created
eg: PLI schemes of government
to ↑ manufacturing → ↑ share to 25%.

ANB is integration and not isolation

→ Different from the Mahalanobis model → focussed on import substitution.
ANB is focussing on Export promotion.

→ ANB is to make India a global hub of manufacturing rather than isolating it through license/permit system.

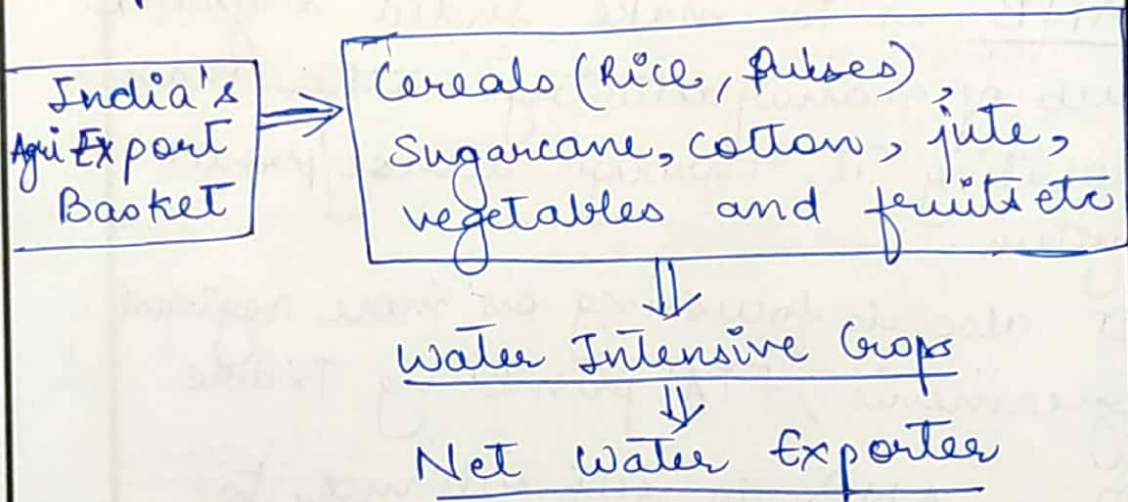
→ It also is focussing on more regional agreements, FTA promoting Trade.

Thus ANB is self reliance to grow India in all the sectors and also imaging India as a brand in the global world rather than an isolated country. Thus it is a pathway to make India a 5 trillion dollar economy by 2024.

20. The cropping pattern in India is highly skewed towards crops that are water-intensive. In this context, discuss the need to shift the focus from land productivity to irrigation water productivity. (250 words) 15

भारत में शस्य प्रारूप जल-गहन फसलों की ओर अत्यधिक झुका हुआ है। इस संदर्भ में, भू उत्पादकता से सिंचाई जल उत्पादकता पर ध्यान-केंद्रण की आवश्यकता पर चर्चा कीजिए।

The Green revolution in India in 1960s made India self sufficient or surplus foodgrains nation but at the same time it also distorted the agro-ecological pattern. PB, HR growing rice and wheat → water intensive crops.



Reasons for skewed distribution of Crops :

- 1) Green Revolution → Implemented in North India as farmers here could support the technology intensive crops.

2. Distorted government policies :

MSP in crops (24) but procurement is majority of rice and wheat.

3. Price volatility in other crops like pulses & fruits → monoculture ↓ Rice and wheat only.

4. Power subsidies → groundwater usage ↓ North India - growing cotton ↓ water intensive

Need to shift from land productivity
to irrigation water productivity :

1) India has record production of 295mt of food grains ^{and} ~~which~~ 3 times the buffer stock
↳ Thus productivity has increased

2) Groundwater is reducing in Punjab at the rate of 1cm per year → various ecological negative impacts.

Also agriculture is the major consumer of groundwater.

3) India will be a water scarce country by 2030 → No water to drink

- 4) Growing farmers suicides → as take loans to irrigate the crops which are not ecologically permitted → losses. (Eg: Vidarbha region growing cotton)
- 5) Climate changes that are followed as paddy fields are a major source of methane release.

Steps that needs to be taken

- 1) Promoting some minimum support in diversified crops like legumes, etc
- 2) Managing price volatility through schemes like TOP to total
- 3) Educating the farmers of the unsustainable practices they are adopting.
- 4) Rice Intensification system to be promoted
- 5) Technological intervention like SHC
These govt initiatives like Per Drop More Crop, PM Aasha are steps in right direction. Technological upgradation is the need of the hour.