1PM - 4PM

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GENERAL STUDIES (TEST CODE : 1987)

Name of Candidate	ASHISH		
Medium Eng./Hindi	Eng.	Registration Number	1010258
Center	ONLINE	Date	18/11/21

INDEX TABLE

Q. No.	Maximum Marks	Marks Obtained
1	10	
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16	15	
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18	15	
19	15	
20	15	

Total Marks Obtained:

Remarks:

INSTRUCTIONS

1. 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)।
2. There are **TWENTY** questions printed in **ENGLISH & HINDI**
   इसमें बीस प्रश्न हैं अंग्रेजी और हिन्दी में छपे हैं।
3. **All questions are compulsory.**
   सभी प्रश्न अनिवार्य हैं।
4. The number of marks carried by a question/part is indicated against it.
   प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
5. 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 that 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।
6. Word limit in questions, if specified, should be adhered to.
   प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
7. 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।

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. The move to establish a National Bank for Financing Infrastructure and Development (NBFID), to reverse the drag on India's growth potential will have its own set of challenges. Discuss. **(150 words) 10**

भारत की संवृद्धि क्षमता संबंधी अवरोधों को व्युत्क्रमित करने के लिए एक राष्ट्रीय अवसंरचना वित्तपोषण और विकास बैंक (NBFID) की स्थापना के कदम की अपनी स्वाभाविक चुनौतियां होंगी। चर्चा कीजिए।

National Bank for Financing Infrastructure and Development (NBFID) was announced in Budged 2021-22 in order to facilitate undertaking of large investment measures for the long term.

NBFID to reverse the drag on India's growth potential

① long gestation projects required large and long term credit.

② Facilitation of investment in infrastructure led virtuous cycle

Govt. investment in ~~inf~~ infrastructure → Crowd-In
Crowd-In → Private Investment
Private Investment → Productivity ↑
Productivity ↑ → Economic growth
Economic growth - - → Private Investment

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

However, NBFID has following challenges:

1. lack of 'Fiscal space' for the Union Govt. (eg. 6.8% Fiscal Deficit target for FY22)
2. NPA crisis in Public Sector banks
3. Implementation Issues
   eg. → 'Regulatory cholestrol' according to Economic Survey (ES)
   → 'Red Tapism'
4. Land Acquisition problems → constraining the viability of products
5. NBFID → Govt. owned → same set of problems which has caused the economic Stagflation.

However, NBFID is a vital step in leading India towards a $5 Trillion economy.

Don't write anything in this margin

2. Mega Food Parks (MFPs) were considered to be a gamechanger for the food processing sector in India, but their progress remains stunted. Discuss. (150 words) 10

मेगा फूड पार्कों (MFPs) को भारत में खाद्य प्रसंस्करण क्षेत्रक के लिए एक महत्वपूर्ण चरण (गेमचेंजर) समझा गया था, लेकिन उनकी प्रगति अभी भी अवरुद्ध है। चर्चा कीजिए।

According to the latest estimates, only 22 of the 37 approved Mega food parks in India are actually operational.

Mega food Parks as gamechangers

① Increased contribution of Manufacturing to GVA from the stagnant 15-16% since 1991

② Employment generation → huge scope [as 11-12 millions are joining the Indian workforce every year]

③ Value addition potential → India already produces world's max. volume of many agri. products.

(4) growth of MSMEs through forward-backward linkages

However, progress of MFPs has stunted because:

(1) Credit crunch → eg. due to the 'great lockdown' induced global synchronised recession

(2) Infrastructure bottlenecks → eg. Large cost on logistics, connectivity issues.

(3) Bureaucratic Hurdles → undue delays

(4) Quality of products is low due to low economies of scale

(5) Agriculture related issues → eg. low technological usage

Mega Food Parks are essential for India's self-reliance and export led growth, as mandated by the AtmaNirbhar policy.

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(इस भाग में कुछ मत लिखें)

3. Explain the working of Private Finance Initiative (PFI) model. Also, discuss its significance in the Indian context. (150 words) 10

निजी वित्त पहल (PFI) मॉडल की कार्यप्रणाली को स्पष्ट कीजिए। साथ ही, भारतीय संदर्भ में इसके महत्व की भी विवेचना कीजिए।

Don't write anything this margin (इस भाग में कुछ ना लिखें)

4. Highlighting the significance of new labour codes for India, discuss the challenges associated with them. **(150 words) 10**

भारत के लिए नई श्रम संहिताओं के महत्व पर प्रकाश डालते हुए, उनसे संबद्ध चुनौतियों की विवेचना कीजिए।

Around 20 labour laws were consolidated into three new labour codes in 2020 in order to improve the condition of labour in India.

$\boxed{\text{Significance}}$

① 'Social Security' → through wages, and other measures like insurance etc.

② 'Better work conditions' → regulation of working hours, overtime wages etc.

③ Total Factor Productivity improvement → by way of better health, wages, motivation etc.

④ Investments & Economic growth → Clear codified laws will attract more investment

⑤ Reduced litigations → Cost ↓, Time ↓

⑥ Abolition of 'Inspector Raj' → More transparency

Challenges associated with labour codes

1. vague Provisions → regarding contract labour, hiring & farming etc.

2. lack of protective measures → lack of national floor wages etc.

3. Rights of the labour → More autonomy to the employer regarding working conditions

4. Pro-Capitalist & Anti-labour tendencies → restricting the purview of labour unions etc.

5. Neglect of women → creche provisions have not been made universal

6. lack of foresight → growth in technology, ICT etc.

The new labour codes are the right step in the direction to achieve Sustainable Development Goal #8 i.e. Decent work and Economic growth.

5. The Public Distribution System (PDS) in India is not only a significant anti-poverty measure but also serves as an instrument of raising nutritional security. Discuss. **(150 words) 10**

भारत में सार्वजनिक वितरण प्रणाली (PDS) न केवल एक महत्वपूर्ण निर्धनता-रोधी उपाय है, अपितु यह पोषणात्मक सुरक्षा बढ़ाने के एक साधन के रूप में भी कार्य करती है। चर्चा कीजिए।

The Public Distribution System is the cornerstone of India's vision of a welfare state as mandated by the Directive Principles of State Policy (Article 38).

PDS as an anti-poverty measure

Food Availability

↓

~~Hu~~ lesser disease burden

↓

Human Capital ↑

↓

Productivity ↑

↓

Employability ↑

↓

Income ↑

PDS as instrument of raising nutritional security

(1) National Food Security Act
↳ mandates the Govt. to ensure nutritional security

(2) Subsidised food eg. Rice → Rs 2/kg
Wheat → Rs 1/kg

(3) Fortified food → eg. Vitamin B12, Folic Acid
to reduce Anemia

Min. of Consumer Affairs, Food & PD was the 2nd largest funded ministry in Budget 2021-22.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

6. It is argued that excessive state intervention in itself has created multiple hurdles in the agricultural marketing system in India. Explain with adequate evidence. (150 words) 10

यह तर्क दिया जाता है कि स्वयं राज्य के अत्यधिक हस्तक्षेप ने भारत में कृषि विपणन प्रणाली में अनेक बाधाएं उत्पन्न की हैं। यथोचित साक्ष्यों के आधार पर स्पष्ट कीजिए।

Economic Survey 2019-20 envisaged government's role as the 'Hand of Trust' to assist the 'Invisible Hand' (of the Market) in order to ensure wealth creation and agricultural marketing system has a major role to play in that regard.

Benefits of excessive state intervention

① Prevents price shocks → eg. through MSP

② Prohibits exploitation by large corporates → eg. through State APMC Acts

③ Ensures food security → eg. M.S. Swaminathan → twin planks of food security ↙ MSP ↘ subsidies

Hurdles created by 'excessive' state interventions :

① Proliferation of intermediaries → eg. 'Arhatiyas' in the APMC mandis

② Increased prices without value additions → eg. through fees/charges at mandi's

③ ~~E~~ Constraints to ~~f~~ market forces

④ lack of unified agricultural market → due to every state having different provisions

⑤ Economic Survey → 'Cob-Web' phenomena → due to MSP → shifting focus on different crops as per MSP rate shifts

Steps like e-NAM will reduce excessive state interventions and the new farm laws will better integrate farmers with the market.

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(इस भाग में कुछ ना लिखें)

7. Identifying the need for a climate resilient agriculture in India, discuss how it can be achieved. (150 words) 10

भारत में जलवायु प्रत्यास्थ कृषि की आवश्यकता की पहचान करते हुए, चर्चा कीजिए कि इसे कैसे प्राप्त किया जा सकता है।

Only 48% of India's agricultural lands are irrigated, which points towards disproportiate monsoon reliance. Therefore, the need of the hour in India is a climate resilient agriculture.

Need for Climate Resilient Agriculture in India

① Monsoon Dependency → Climate change adversely affects the patterns of monsoon

② Increasing population → Food Security must be ensured

③ Employment and growth opportunities
↳ through ancilliary industries etc.

④ Reduce Climate Risk → eg. Sugarcane & Rice → guzzle tonnes of water in one go.

⑤ Disproportionate effects on Women
↳ eg. Drought affected areas → Women have to walk miles to fetch water

Don't write anything this margin (इस भाग में कुछ ना लिखें)

Steps to achieve Climate Resilient Agriculture

① Technological Progress in Agriculture

eg. Use of Drip and sprinker Irrigation System has already benefitted 11 lakh farmers in India

② AI enabled Precision Agriculture

③ Perma Agriculture

④ Vertical Farming eg. Aquaponics

⑤ Crop Diversification → Crop Rotation, Inter-cropping etc.

⑥ ~~DE~~ Climate Resilient Seeds

↳ eg. already being used in West Bengal, Assam, Odisha

⑦ Genetic Engineering eg. Drought & Cold Resistant Rubber being tested in Assam.

Climate Resilient Agriculture can result in result in sustainable high rates in Agriculture growth after 3.4% growth in 2020-21

Don't write anything this margin (इस भाग में कुछ ना लिखें)

8. Despite a vast coast line and a number of waterways, why has India not been able to achieve its potential in bringing a significant modal shift from rail and road to waterways? (150 words) 10

विस्तृत तट रेखा और अनेक जलमार्गों के बावजूद, भारत रेल और सड़क परिवहन प्रणाली से जलमार्गों की दिशा में महत्वपूर्ण प्रणालीगत परिवर्तन (मोडल शिफ्ट) करने हेतु अपनी क्षमता को सार्थक करने में क्यों असमर्थ रहा है?

Road (60%) and Rail (25%) have combined share of 85% in transportation despite India having 7517 km coastline and more than 15000 km of navigable waterways.

Benefits of 'waterways' based transportation

① Cost | Road → 2.5 ₹ / km
Rail → 1 ₹ / km
Water → 0.5 ₹ / km

② Traffic → less traffic congestion, less road crashes

③ Environment → cleaner transportation

④ Growth in Coastal Areas

Don't write anything this margin (इस भाग में कुछ ना लिखें)

India's inability to shift from road & rail to waterways

① Faulty models and legislations
↳ service port model instead of land-lord port model which is the global practice in Washington Consensus.

② Lack of Infrastructure → leading to high pre-birth time → leading to high turnaround time → high transaction cost

③ Centre-State Tussle over control of waterways and ports

④ Environmental Concerns → eg. with river-linking projects

⑤ Policy uncertainty → Aim is to increase rail freight cargo from 1.1 bn tonnes in 2017 to 3.3 bn tons in 2030.

However, the newly created Inland Waterways Authority of India is taking the right steps to endure the modal shift.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

9. Highlighting its potential, discuss the challenges that are being faced in the dairy sector in India. Also suggest some steps, which can be taken in this regard. **(150 words) 10**

डेयरी क्षेत्रक की क्षमता पर प्रकाश डालते हुए, भारत में इस क्षेत्रक द्वारा सामना की जा रही चुनौतियों की विवेचना कीजिए। साथ ही, इस संबंध में उठाए जा सकने वाले कुछ कदमों का भी सुझाव दीजिए।

Although India produces more than 20% of the total milk produced in India, the ~~secto~~ dairy sector is faced with myriad of problems and has ample scope for improvement.

Potential of Dairy Sector

① Ensure food security for the entire country

② Improve dairy exports with development of dry products on the lines of New Zealand etc.

③ Create more employment through co-operatives like Amul

④ Dairy production at scale → through Farmer Producer organisations (FPOs)

Don't write anything this margin (इस भाग में कुछ ना लिखें)

Challenges faced by Dairy sector

1. lack of credit availability → due to Coronavirus pandemic → growing NPAs
2. Price Volatility
3. Economies of scale → due to lesser no. of cooperatives,
4. Politicisation of dairy cooperatives → eg. Maharashtra protests

Steps

1. Empower FPOs and FPCs
2. Domestic Breeds → protections → breeding

eg. Red Sindhi, Sahiwal etc.

3. Improve infrastructure eg. warehousing → roads etc.

Govt. has aimed to open 10000 FPOs in the next five years which may lead to the next White Revolution

10. It has been argued that remedying the exclusion of the majority of women from access to and control of rural land in India is one of the most significant steps that could be taken towards enhancing the country's rural livelihoods. In this context, identify the challenges in access to land rights by women. What measures can be taken to strengthen these rights?

(150 words) 10

यह तर्क दिया जाता है कि भारत में ग्रामीण भूमि तक पहुँच और उस पर नियंत्रण से अधिकांश महिलाओं के बहिष्करण का समाधान, देश की ग्रामीण आजीविका में उन्नति की दिशा में उठाए जा सकने वाले सर्वाधिक महत्वपूर्ण कदमों में से एक है। इस संदर्भ में, भूमि अधिकारों तक महिलाओं की पहुँच में विद्यमान चुनौतियों की पहचान कीजिए। इन अधिकारों को सुदृढ़ बनाने के लिए क्या उपाय किए जा सकते हैं?

Even though 84% of all employed women in India are in the agricultural sector, only less than 15% of agricultural holdings belong to women.

CHALLENGES to land rights by women

① Exclusionary property laws → eg. Hindu Marriage Act, Succession Acts etc.

② Faulty implementation of land reforms
↳ No particular focus on tenancy rights to women

③ lack of credit availability → due to lack of data related to credit worthiness

(4) Social customs → prohibits women from owning rural lands & ostracizes women who fight for their land rights

(5) Political Weaknesses → practices like 'Sarpanch - Pati' also blemish women's perception of their abilities

Measures that can be taken

(1) Explicit land & property rights to women
eg. Amendments to Hindu Succession Act

(2) Political Empowerment → through their participation in campaigns etc.

(3) Empower SHGs → eg. Kudumbashree model in Kerala

(4) Education and Awareness generation

(5) Land Record Digitization

SVAMITVA scheme and PM Awas Yojana (Rural) will go a long way in ensuring women's rights on agri land.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

11. There is an increasing recognition to move ahead to an effective medium term fiscal framework from the annual budget cycles, for political and economic sustainability of fiscal policies. Discuss. **(250 words) 15**

राजकोषीय नीतियों की राजनीतिक और आर्थिक संधारणीयता के लिए वार्षिक बजट चक्रों से प्रभावी मध्यावधिक राजकोषीय ढांचे की ओर जाने की स्वीकार्यता बढ़ती जा रही है। चर्चा कीजिए।

The fiscal deficit has been estimated at 6.8% and the central government debt to - gdp ratio has been estimated at 61.7% for FY22 in Budget 2021-22.

Medium Term Fiscal Framework

→ The govt. has been mandated to put forward medium term fiscal framework in the FRBM Act.

→ It ensures a pragmatic and practical vision that can be achieved in the next few years

→ Ensures political stability as well by being coterminus ~~be~~ with the political tenure.

Issues with the annual budget cycles

① lack of flexibility → not well suited to exigencies like pandemics, etc.

② lack of accountability → due to features in the FRBM Act ~~due~~ like the Escape clause

③ Constrains the fiscal space of the govt. → reduces the manoeuverability

④ promotes populist policies

⑤ Results in March rush when all departments scramble to spent the designated ~~to~~ funds at the end of the financial year

Shift towards effective medium term fiscal policy

① International developments ~~&~~ (especially in the West).

(2) long gestation projects like ~~In~~ infrastructure projects (NIP) can be planned in an efficient manner

(3) promotes policy foresight

(4) ensures ~~acc~~ economic stability due to less scope for reactive knee-jerk ~~react~~ policies

(5) Increases political accountability.

Fiscal Council as recommended by NK Singh Review Committee should be the first steps towards implementing a transparent medium term fiscal policy.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

12. Analyze the causes and consequences of growing economic inequality in India. Also, suggest some measures needed to deal with it. **(250 words) 15**

भारत में बढ़ती आर्थिक असमानता के कारणों और परिणामों का विश्लेषण कीजिए। साथ ही, इससे निपटने के लिए आवश्यक कुछ उपायों का भी सुझाव दीजिए।

Almost 360 million people in India are still below poverty line and this no. is expected to grow in light of the COVID-19 pandemic.

Causes of this inequality

① Constraints on economic growth
eg. Backward infrastructure, policy issues
→ leading to low spill over effects

② Reduced unemployment opportunities at a time when 11-12 million Indians are joining the workforce every year

③ Faulty redistribution
Economic Survey defined Inequality as the dispersion in distribution of incomes, resources etc.

(4) Unbalanced regional growth

eg. Green Revolution → neglect of states like Bihar etc.

(5) Rural-Urban divide

(6) Digital Divide

(7) lack of human capital eg.

62% Out of Pocket Expenditure in Health in India → no savings left for the poor

Consequences of economic inequality

(1) Increasing hunger and poverty
→ SDGs (1) & (2) not getting fulfilled

(2) Social conflict (Unrest)

(3) Against constitutional Ideals

(4) Vicious cycle → India → fear of Middle Income Trap

Measures

① ES 2019-20] → Focus on Wealth Creation
i.e. Increase the size of the pie (economic) → better redistribution

② Pro-business instead of Pro-crony policies

③ Strengthening social security measures like PM-KISAN, MGNREGA, NSOAP etc.

④ Universal Basic Income → trials in M.P. by SEWA

⑤ Increase Human Capital
↳ Health Expenditure (in India) → 1.2-1.9% of GDP only

Concern (Report)
Oxfam → The Inequality Virus → Billionaires in India gained 35% during pandemic

However, the Govt's increased focus on health (National Health Mission, PM-JAY), education (NEP) and employment & infra. (NIP, NMP) all steps in the right direction to reduce economic inequality.

13. A number of initiatives in recent years have focussed on the MSME sector. Why is there a need to focus on this sector? Also, identify the measures taken by the government and further scope of action. **(250 words) 15**

हाल के वर्षों में अनेक पहलों ने MSME क्षेत्रक पर ध्यान केंद्रित किया है। इस क्षेत्रक पर ध्यान केंद्रित करने की आवश्यकता क्यों है? साथ ही, सरकार द्वारा उठाए गए कदमों और आगे की कार्रवाई के दायरे की पहचान कीजिए।

During the COVID-19 pandemic, the govt. (as part of its Atmanirbhar Package) announced the Emergency Credit Linked Guarantee Scheme (ECLGS) for the MSMEs.

Need to focus on the MSME sector

→ MSMEs
- 30% of India's GDP
- 45% of manufacturing
- 40% of total exports

→ Employs around 11 crore Indians [out of the 52 crore workforce]

→ Women Empowerment → Many MSMEs are run by women SHGs eg. Lizzat Papad

→ develops the Indian industry through backward - forward linkages

eg. small auto parts industry

→ Inclusive growth

Measures taken by the Govt.

(1) Definition Change → merged the separate criteria for manufacturing & service sector

[Micro → 1 Cr Investment, 5 Cr Turnover
Small → 10 Cr " , 50 " "
Medium → 50 Cr " , 250 " "]

↳ This in turn, reduces the complexities in demarcation.

(2) ~~EMC~~ ECLGS → to ensure easy credit availability

(3) MITRA scheme → to revive the textile sector plagued by Technological fatigue (acc. to Economic Survey)

(4) National Technical Textile Mission → to take benefit of our natural advantage

(5) Production Linked Incentive Scheme

Further Scope of Action

(1) Remove the DWARFISM (ES)

too many small entities ↳ due to policies of govt. promoting small entities eg. Tax benefits, subsidies etc.

(2) Generate the Missing Middle

too many small entities, too few large ones and No MIDDLE

(3) Focus on sunrise industries → eg. Mega Food Parks (Food Processing)

(4) Microfinance facilities to empower more SHGs

(5) Electricity and Water resource availability → to reduce cost and improve competitiveness

The National Infrastructure Pipeline will also play a major role in reviving the MSME sector

14. Critically analyse the suggestion of allowing large corporate and industrial houses to act as promoters of banks. (250 words) 15

बड़े कॉर्पोरेट और औद्योगिक घरानों को बैंकों के प्रवर्तकों के रूप में कार्य करने की अनुमति देने के सुझाव का समालोचनात्मक विश्लेषण कीजिए।

Banks ~~and NBFC~~ in India are facing NPA crisis for the last few years and Gross NPAs in India has reached 7.5% which is expected to rise to 9% due to COVID-19 induced technical recession.

* Suggestions to allow large corporate and industrial houses to promote banks

Pros

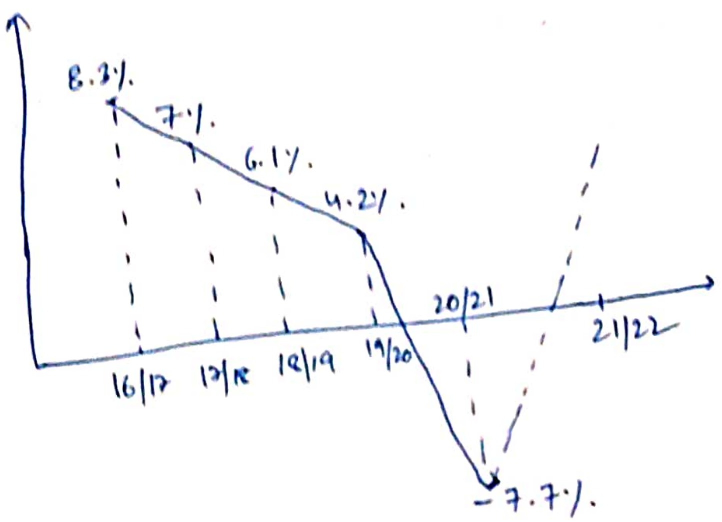
① Recapitalisation of banks :

Recapitalisation → Credit Availability → low lending rates → Investments ↑ → Economic growth

② Curbing the twin-balance sheet syndrome

(3) Revive the fledgling economy → losing steam even before 'the great lockdown'

eg. GDP Growth rate



~~(4) Consolidated Ind~~

(4) Minimise credit risks and enhance India's sovereign credit Ratings

(5) ~~Enhan~~ Enhanced capabilities of India's banks → Global ~~& oppor~~ dominance [only 1 Indian banks in top 100]

Cons

~~(1) Breaking~~

(1) Conflict of Interest → Breaking of the 'Chinese wall'

(2) Systemic Risks to the economy
eg: Global Financial crisis

(3) Crony - Capitalism → as faced by India when the banks were not nationalised

(4) Political Implications → Despotism, Politico-corporate nexus

(5) Difficulties in implementation

(6) Increased regulatory burden on RBI

Therefore, it is prudent to constitute a multi-stakeholder committee with technical specialists to look into this proposal and come up with the appropriate plan of action

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

15. Financial stability is generally the domain of monetary authority; however, the fiscal policy of the government has the potential to either facilitate or undermine it. Analyse in the context of India. **(250 words) 15**

वित्तीय स्थिरता सामान्यत: मौद्रिक प्राधिकरण का कार्यक्षेत्र है; हालांकि, सरकार की राजकोषीय नीति में या तो इसे सुगम बनाने या कमजोर करने की क्षमता होती है। भारत के संदर्भ में विश्लेषण कीजिए।

The increasing debt-to-GDP ratio in India due to fiscal imprudence and stimulus needs has led to very low sovereign ratings for India by credit Rating Agencies.

Financial Stability as the domain of monetary authority

* INDIA → RBI is the primary monetary authority

* RBI → ensures financial stability through
  1. Policy rates → currently repo
  2. Reserve limits → eg. CRR, SLR
  3. Monetary Policy targeting → currently INFLATION Targeting
  4. Open Market Operations eg. GSAP

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

(5) Moral Suasion

(6) Forex reserves → crossed USD 640 billion

(7) Contingency reserves

* SEBI → regulates securities markets

Fiscal Policy & Financial Stability

(1) facilitation of financial stability

→ by fiscal prudence (FRBM Act)

→ by investment measures

eg. NIP → ₹ 111 lakh crore → to revive the economy

→ by tax cuts and raising tax rates

eg. cutting of corporate tax rates to promote more investments

→ counter cyclical fiscal policy

(as recommended by Economic Survey)

② (Undermining of financial stability)

- → unchecked borrowings → crowds-out private investments & fear of Ricardian Equivalence
- → populist measures → eg. loan waivers → constrains the fiscal space
- → faulty legislations → eg. Essential Commodities Act (before amendment)
- → crony capitalism

Financial Stability and Development Council has taken a major role in balancing fiscal and monetary policies to ensure financial stability in India.

16. Discuss the issues plaguing crop procurement in India. Also, suggest measures to strengthen the procurement framework. **(250 words) 15**

भारत में फसल खरीद को बाधित करने वाले मुद्दों की विवेचना कीजिए। साथ ही, खरीद ढांचे को मजबूत बनाने के उपायों का भी सुझाव दीजिए।

The recent farm laws are aimed towards removing the issues plaguing crop procurement in India.

Issues plaguing crop procurement in India

1. Overemphasis on Food ~~Corporation~~ Council of India (FCI) to procure crops
2. Only Wheat & Rice → Open Procurement
3. lack of mandis etc in the rural regions
4. Transportation issues
5. Infrastructural Issues
   - (a) warehousing & cold storage → underdeveloped
   - (b) logistics cost → very high

⑥ Structural Issues

↳ Government has ~~only~~ already huge stocks which go to waste due to focus only on rice & wheat

→ Failure of other procurement models
eg. Decentralised Procurement
↳ only implemented in a few states

Measures to strengthen the procurement framework

① Nudge the States to follow Decentralised Procurement

② Contract Farming eg. New farm act

③ Improve warehousing and cold-storage infrastructure

④ Improve transport infra. eg. KISAN RAIL

⑤ Use of ICT
↳ eg. $\boxed{\text{e-NAM}}$ → integrated national market

⑥ Increase Gram Mandis for local procurement

Improving Crop Procurement is essential to double farmers' income and ensure food security in India.

Don't write anything this margin
(इस भाग में कुछ ना लिखें)

17. What do you understand by e-agriculture? Explaining how information and communication technology (ICT) can help the agriculture sector, highlight some initiatives taken by the government in this regard. **(250 words) 15**

ई-कृषि से आप क्या समझते हैं? यह स्पष्ट करते हुए कि सूचना और संचार प्रौद्योगिकी (ICT) कैसे कृषि क्षेत्रक की सहायता कर सकती है, इस संबंध में सरकार द्वारा की गई कुछ पहलों पर प्रकाश डालिए।

e-Agriculture refers to the buying and selling of Agricultural produce and inputs on the digital medium.

$\boxed{\text{ICT in Agriculture} \rightarrow \text{Positives}}$

① Price Discovery → Real time market price discovery
↓
Will reduce role of intermediaries

② Precision Farming → Real time data on weather forecasts, irrigation status etc.

③ Farm Mechanisation → currently only 40-45% of Indian agri. can be considered to be mechanised.

(4) Market Availability → large national market can become available → will prevent local distress sales

(5) Consulting and Training → Online training and doubt resolving mechanisms can be made easily available

Initiatives taken by Govt. in this regard

(1) e-NAM → (electronic National Agricultural Market)
→ facilitation of a unified national market

(2) Korshi Vigyan Kendras → to facilitate training and knowledge advancement of farmers.

(3) ARYA scheme → to retain youth in agriculture more advanced vis-a-vis ICT

(4) Renewed focus on Agricultural Education

(5) Collaboration with Israel to improve ICT adoption in India

(6) Kisan ~~Sahakar~~ Mitra schemes → college students to go to village to assist farmers in ICT

Clearly, the Govt. has ~~f~~ focused on ICT adoption in agriculture to improve the agricultural growth rate in India.

Don't write anything this margin (इस भाग में कुछ ना लिखें)

18. Explaining the concept of Integrated Water Resource Management, discuss how it can help in addressing the gaps in the present system of water management in India. **(250 words) 15**

एकीकृत जल संसाधन प्रबंधन की अवधारणा की व्याख्या करते हुए, चर्चा कीजिए कि यह भारत में जल प्रबंधन की वर्तमान प्रणाली में व्याप्त कमियों को दूर करने में कैसे सहायता कर सकता है।

According to NITI Aayog, 21 cities in India can face Day Zero situation with regard to water availability in India if better water management practices are not adopted in due time.

Integrated Water Resource Management
→ refers to the practice and policy of conserving water resources in an integrated manner i.e. ground water, river basins, watershed management
→ under an umbrella approach

IWRM → to address the gaps in the present system of water management in India

Present Gaps

(1) Unchecked depletion and pollution of ground water

(2) 'Silos' approach to water management
[i.e. No unity in action]

(3)

Don't write anything this margin (इस भाग में कुछ ना लिखें)

19. Skilling the Indian population faces a 3E challenge - Education, Employment and Employability. Discuss. Also suggest interventions required to effectively manage this challenge. (250 words) 15

भारतीय जनसंख्या को कौशल युक्त बनाने में 3E चुनौतियों, यथा- शिक्षा (एजुकेशन), रोजगार (एम्प्लॉयमेंट) और नियोजनीयता (एम्प्लॉयबिलिटी) का सामना करना पड़ता है। चर्चा कीजिए। साथ ही, इन चुनौतियों का प्रभावी ढंग से प्रबंधन करने के लिए आवश्यक हस्तक्षेपों का भी सुझाव दीजिए।

India has a chance to utilise its Demographic Dividend for the next 25 years but if not properly harnessed, it can turn into a demographic time bomb.

3E Challenge to Skilling the Indian population

① Education

- lack of industry-academia linkage
- outdated education techniques focused on rote learning
- high drop-out rate in secondary and higher education
- low enrolment rate in higher edu'n

② Employment

→ Underdeveloped labour-absorbing sectors eg. leather, textile etc.

→ PLFS 2019-20 → only 40% LFPR

→ Declining Female LFPR
→ 35% in 2005
→ 26% in 2018

→ Around 4-8% Indians are unemployed despite actively looking for employment

③ Employability

→ According to recent data, only 47% of students graduating from higher education institutions are employable

→ only 5.7% Indians are formally skill-trained

→ outdated skills in a fast paced technological world

Interventions Required

1. NITI Aayog → Operational Labour ~~for~~ Information Management System

2. PM Modi → Skill, Upskill, Reskill

3. Develop textile, leather, food processing and other manufacturing industries. eg. MITRA scheme

4. Bridge the digital divide, eg. ASER report → only 11% rural students could access digital education during lockdown

5. Skilling as a jana-andolan

Due to the huge potential, schemes and portals like PM-Kaushal Vikas Yojana (already skilled 72 lakh people) and e-Shram are steps in the right direction at the right time.

20. Examine the importance of foreign capital for a developing country, like India. **(250 words) 15**

भारत जैसे विकासशील देश के लिए विदेशी पूँजी के महत्त्व का परीक्षण कीजिए।

FDI in India saw a growth of 10% in 2021 in comparison to 2020.

Importance of foreign Capital in India

* Foreign Capital → FII, FDI

* Benefits of FII

1. Enhanced liquidity in the securities market
2. Positive sentiments in the investors
3. Working capital requirements are fulfilled in the short term

Benefits of FDI

* Technical competence and better business specialisation
* Better corporate governance
* Solid Forex earnings

General Benefits of foreign capital in India

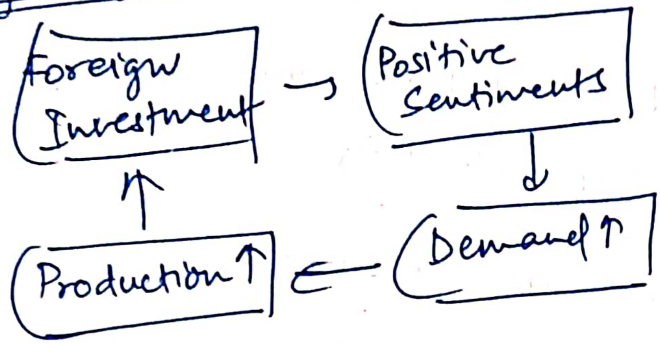
① Economic growth

Foreign Investment → Productivity ↑ → Production ↑ → Cost ↓ → Competetiveness ↑ → Economic Growth

② Reduced ICOR [Incremental Capital Output Ratio]

③ Reduced ~~CAF~~ Current Account Deficit & Forex earnings

(4) Psychological Virtuous Cycle



(5) Inclusive growth

However, foreign Capital in India is also associated with certain challenges like:

(1) 'Hot Money' [eg. FIIs run away when better opportunities arise elsewhere]

(2) Profits to foreign capitalists

(3) Fears of indirect imperialism/colonization

(4) Volatility

(5) Anti-labour practices eg. Winstron factory in Karnataka

However, despite the challenges, if regulated carefully, Foreign Capital can solve many issues in India.