

REMARKS

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Q1. Given that the fiscal capacity and fiscal efforts (taxation) are crucial determinant of long run development, how can India move from its current low tax/GDP to one of increasing taxes and government spending as part the process of building state capacity?

(12.5 Marks)

Fiscal capacity & fiscal efforts (taxation) are important for any country to undertake both developmental as well as welfare activities. For India it becomes even more important because the country houses largest number of poor in the world.

In our country, tax to GDP ratio is almost 5% which is not only grossly inadequate but also lowest in all the BRICS countries. In this scenario a roadmap for India to move towards increasing tax to GDP ratio is as follows:-

Stringent application of Laws- It is generally believed that laws are not properly implemented in India so it is important that laws are properly implemented and any case of tax evasion is thoroughly enquired.

Plugging the loopholes & reducing the exemptions-

There are many loopholes in the taxation laws. Also there are multiple exemptions. This is evident from the fact that in previous year almost 90% of those who filed IT returns did not pay any tax hence there is a requirement for the govt to act on this front.

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- Renegotiating Double Taxation Avoidance Agreements -

Due to large scale tax evasion & round tripping of funds in India, this becomes imperative. India recently signed such an agreement with Mauritius.

- Added to this bringing Agricultural Income into tax net can be a good option.

- Also Improving the dispute resolution mechanism should be an important area of reform.

Increasing tax to GDP ratio is a prerequisite

to improve the spending capacity of the government. Even on the spending side many measures like Direct Benefit transfer, efficient use of budget are required to improve this as well.

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Q2. Rural distress has induced increased government spending on agriculture and the related sectors. Discuss the challenge concerning fiscal consolidation due to this development and also analyze its final impact on economy? (12.5 Marks)

Due to two consecutive years of drought & collapse of food prices in the world economy (due to weak demand esp. wheat & grain) rural distress has increased in the recent years. The agricultural growth rate was (-0.2%) in previous fiscal which is an alarming trend.

Rural distress has increased government spending on agriculture & related sector. eg. In 2014-15 fiscal MNRBBA received highest allocation ever.

The challenges concerning fiscal consolidation due to this are as follows -

In a situation of increased welfare spending, to achieve fiscal consolidation government will be forced to cut the developmental expenditure which will adversely affect the growth rate of the economy. This will also go against the India's ongoing effort of improving ease of doing business index (130 at present).

In a situation of low tax collection government may be forced to borrow from the market for welfare expenditure which will crowd out the private expenditure capacity on productive assets.

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Remarks

→ India may miss the target of putting the fiscal deficit under targeted limit (3% of the GDP as per FRBM Act)

→ As there are clear evidence that not many good assets are being created under the programmes like MGNREGS, hence it may simply lead to a situation of transfer of money to the rural areas without any skill development. This will increase inflation in the economy without stalling the workers & production of assets.

Thus the impact on fiscal consolidation of economy are many. Government needs to carve out an appropriate strategy to balance the developmental expenditure with welfare expenditure.

Q3. By 2020 India is projected to be the youngest nation in the world in terms of numbers. While this provides India greater opportunity, it also poses challenges. Explain the various challenges to be faced and suggest measures to turn it into an opportunity.

(12.5 Marks)

By 2020 the average age of Indians will be just 29 years, contrary to china's 35 years, Japan 43 years and other European nations and America lying in the same situation. Also by that time India will have a workforce of more than 50 million.

These numbers suggest that India has the capability to become the workforce supplier of the world. But the journey is not without challenges.

As per the recent survey, skilled workforce in India is less than 10%, which is highly inadequate as compared to nations like china's 70%, Germany's 90% and Korea's 60-70%.

According to leading industry body almost 70% of Indian engineers & 80-85% of graduates are not employable which puts a question mark on the Indian education sector.

Grossly inadequate facilities for skill creation.

eg. As of now India is able to train less than 10% of youth in technical education.
issues of multiple disparities among women educational

Administrative issues & red tapping

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Way forward - If we want to become the manpower supplier in the world then we will have to impart skills among the people. For this government has taken multiple efforts -

- Increased emphasis on vocationalisation of education.
- Launching of National Skill Development Mission.
- Launching of missions like Atal Innovation Mission & SBTU - Self Employment Talent Utilization.

But at the same time few more steps are required -

- A huge amount of fund is directed to MNRBTA, a part of this fund can be used for skilling the workers. This will reduce demand on MNRBTA as well as increase their employability.
- Improving the technical education system etc.

Thus a multipronged approach is required to make India the future manpower factory of the world.

Remarks

Q4. "Food management in India is equally important as food production". Explain the various issues involved in food management. (12.5 Marks)

In India 20% of all the food grain produced get wasted. This is a significant number in a country where millions are living under poverty.

In this scenario the proper food management becomes equally important as food production. In such situation various issues involved in food management are as follows:-

Skewed food grain production towards wheat & rice.

This has of late been identified as one of the main issue in proper food management.

Improper MSP support and Green revolution emphasizing on wheat & grain production only has created this situation. This has resulted into a situation where fed godowns are full of wheat & rice but pulse prices are soaring around 150-200 ₹/kg. This will have adverse impact on nutritional security of the country.

Food Processing - Not more than 5% of all the food produced in the country is processed. This creates the problem of unremunerative prices to farmers and decreased farmers income.

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Supply chain Management - In India facilities like cold storage, infrastructures etc are very less developed. The reason for this is that all the actors - producers, farmers, distributors act in isolation. This creates a problem of perishability in Indian food.

- Added to this, populist measures of governments like higher MSP & open procurement policy has created added problem of food management in the country.

Putting into consideration the huge food security needs of people it is imperative that food is managed in the country properly.

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Q5. "The poverty in India is measured by a Poverty Line, that is probably one of the most disputed, and necessary attacked measure in the world; what we say is that it has a corrupt poverty Line". Explain this statement in the context of both Tendulkar and Rangarajan Committees recommendation. (12.5 Marks)

Traditionally poverty in India has been measured by a poverty line. Right from the study group of planning commission, Lakshminarayanaiah committee to Tendulkar & Rangarajan committee, all of them have mostly adopted economic approach to measure poverty.

Under the economic approach a certain amount of ~~expenditure~~ ^{expenditure} was called as poverty line and people having expenditure above were considered APL & having below were considered BPL.

But this approach was attacked by various scholars on following grounds -

First of all poverty line purely taking into account the expenditure on food was a reductionist measure.

It was argued that apart from food there are other needs like shelter & clothing etc of people.

Taking this into consideration Tendulkar & Rangarajan committee included certain variables like expenditure on health etc. in the poverty line.

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The capability approach developed by Amartya Sen interpreted poverty as 'lack of capability'. Thus even if a marginalised person in a village is economically well off but he is not allowed to fetch water from the village then he is poor. It was argued that purely economic approach did not take into account these things.

Concerns were also raised over the quantification of caloric value which it was said that, is not easy to quantify.

Thus Tendulkar & Rangarajan Committee included certain measures like expenditure on health & clothing and introduced mixed scale, used to measure the poverty. But even with these estimates the poverty ratio in India is 29% (Rangarajan Committee) which is alarming.

Remarks

Q6. "Real estate (Regulation and Development) Act, 2016 will bring transparency in the real estate market, restoring the consumers trust of confidence. Critically examine the provisions of Bill. (12.5 Marks)

Real estate (Regulatory & Development) Act, 2016 was enacted to regulate the flourishing real estate sector. The main provisions of the Act are as follows:

- The Act provides for setting up of RERA (Real estate regulatory authority).
- It provides for mandatory registration of all project developers with this authority.
- Prior permission of authority will be required for development of an area which is beyond a capped limit (~~less~~ more than 10 flats/100 sqm).
- Act provides for stringent provisions with regard to protection of stakeholders interests.

criticisms

- The act provides for prior approval of all the projects to take off. This may create unnecessary delay in the project taking over bureaucratic culture into consideration.

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The act provides for penalty in case of late completion but there are evidences that completion at times is late due to bureaucratic hurdles (like lack of single window clearance). Thus it puts extra burden on project developers.

criticised for creating yet another regulatory authority RBRA.

But overall provisions of Bill are quite balanced. Its proper implementation will be the key.

Q7. "The concept of Smart Cities will not be a reality in our country until and unless we have meticulous planning for the slums". Elucidate. (12.5 Marks)

The concept of Smart City has been in discussion in India for last few years. Government launched Smart city mission to build 100 smart cities, with an expenditure of 4800 crore over a time period of 5 years.

But the concept of smart city will not fetch good results unless we have meticulous planning for the slums. The reason being still in many of the Indian cities slums occupy 40% of the population which is a huge number. Thus any planning of the city has to take into account the needs of these people.

There is a need of ensuring appropriate water supply in these areas. This is in sync with the everyone's right over the city approach.

Housing for all scheme seeks to ensure slum free India by 2022. The idea is to provide proper rehabilitation to these people.
Proper facilities like sanitation & waste

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Remarks

collection are also required to be ensured
in these areas.

In this scenario Smart city mission
adopts an area approach to develop the whole
city holistically. This is a good step to improve
the living of all sections in the city.

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Q8. Recently government has issued E-waste management rule 2016. But considering the decentralized nature of E-waste generation the implementation going mammoth task. Suggest some suitable measures for effective E-waste management. (12.5 Marks)

e-waste is increasingly emerging as a new issue for India especially the Indian cities. In this context govt. recently came out with newer e-waste management rules which provide for a proper mechanism to handle the e-waste as well as their proper recycling. Putting the rules into consideration some suggestion to improve the e-waste management are as follows-

- currently Informal sector accounts for almost 90% of recycling of e-waste. Also the capacity of Indian formal sector to recycle these waste is quite low. Thus there is a need to improve the formal recycling capacity. Also there is an importance of regulating the Informal sector with regard to e-waste management as it creates a lot of hazard.

- Indians have a habit of stting over the waste material. So this habit needs to be changed through awareness generation.

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Refer list

- municipalities can be given the power & responsibility of handling e-waste in their areas.

- There is a need to improve the buying back concept. This is important because companies

producing electronic material should also be made partner in this.

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Q9. What do you understand by polluter pay concept? What is the stand of COP 21 regarding this principle? Discuss why India is the key to a Climate Change Agreement in Paris and what are its major voluntary decisions to reduce pollution? (12.5 Marks)

Polluter pay concept - It stands for putting monetary compensation on those who are responsible for polluting the environment. eg, coal cess of ₹200/tonne in India is a classic example of polluter pay concept.

Polluter pay principle based upon historic emissions has been a key in any climate change negotiations. But under COP 21 in Paris this concept was diluted by significant extent. In place of developed countries showing some mandatory commitment towards emission reduction, all the countries were asked to take responsibility for reduction in carbon emission. Countries were asked to submit their Intended Nationally Determined Contribution (INDC). Thus whereas under Kyoto Protocol this provision was quite visible, under the Paris deal it has been diluted.

India is the fourth largest emitter of CO₂ after USA, China & European Union.

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, But its per ~~capita~~ capita emissions are far less than developed countries (5.1 t/capita). Taking this into consideration India becomes a key to any climate change negotiation.

The major voluntary decisions to reduce pollution are as follows.

- India's NDC provide for 30% reduction in emission intensity by 2030
- Pledged to produce 175 GW of energy through renewable sources hence significantly reducing pressure on coal based sources.
- Launching of International Solar Alliance to work as an expert body on climate change.
- Pledge to improve forest cover in the country.

Thus India's NDCs are quite comprehensive & they cover most of the aspects.

Q10. What are locational factor and distribution of Steel industry in India? Discuss major Challenges and steps taken by government to overcome them? (12.5 Marks)

Steel industry is a weight loosing industry and hence the location of industry has been mostly centered around the areas of raw material availability.

Thus in India this industry is generally centered on the eastern coast in the cities like Bhilai. But added to the raw material availability, presence of cheap labour force and favourable government policies (for ensuring balanced regional development), nearness to coastal location for export are important factors that have contributed to setting up of steel industry in that area.

Due to slowing down of Chinese economy, steel demand has decreased in China and hence China is dumping cheaper steel in the Indian market. This has adversely affected the Indian steel manufactures. Thus to sort out this government has taken few steps to protect the interest of consumers.

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Remarks - One up 4 points

as well as producers.

- Improving raw material supply like coal through re-auctioning of coal mines.
- Imposing minimum import price on the imported steel from china.
- Reducing bureaucratic hurdles for clearance.

But over the long run, Indian steel industry will have to become more competitive because minimum import price & other such instruments can't last for long.

Remarks

Q11. Water scarcity is increasing in India with availability of water for industries being reduced. Do you think that the PPP model for water-intensive industry is viable? Discuss.

(12.5 Marks)

Water scarcity is increasing in India & government has clearly stated its intentions that scarce water resources will be first available for human use & agriculture & then only they will be given to industry. In such situation a PPP model for water-intensive industry has following merits:

- Government partnership will ensure judicious use of scarce water resources in the industry. Thus the industry needs will be fulfilled without jeopardising the rights of others.

- Government can holistically look at whole the problem and hence there is a fair chance that general public interest will be safeguarded.

But at the same time any such step may have following demerits:

- Not many private players will want to go through PPP route. The problem is genuine taking into consideration the low takeoff of infrastructure PPP projects in India.

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conclusion should be more substantive

- Government is not immune from corporate pressure & hence in the name of public interest it may even act against public interest.
- efficiency concerns as PPP will make the industry prone to populist pressure.

Thus any such step if taken, should be taken keeping every stakeholder into consideration.

Remarks

Q12. Being water stressed nation category, there is a danger that whole nation may become water scarce in the near future. Discuss in the context of rational policy on water has necessarily to start with an overarching framework that recognizes the attributes of the remarkable natural phenomenon. (12.5 Marks)

Remarks

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Q13. After 2008 Mumbai terror attack, marine security has got immense importance in security. Critically analyze the measures taken by government with respect to marine security.

(12.5 Marks)

2008 Mumbai attacks put question mark over security of maritime borders of the country. So to improve the security situation government took number of steps-

- Liberalising to Coastal Regulation Zone (CRZ) norms to modernise the coastal police stations.
- Improving the connectivity in the coastal areas.
- Giving the responsibility of protection/security of Indian waters to coast guards (beyond 200 nautical miles)
- Increased surveillance of Indian navy in open ocean.
- Improving the identity proof mechanism of fishermen.

But still a lot of steps are required to take to improve the marine security. The chief among them will be Police modernisation. As in any endeavour of security breach police is the first to respond. Also recently government increased the patrolling

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area of coastal police stations to 20 nautical miles which is a good step.

At the same time appropriate use of technology is required to patrol the marine borders.

Identification of marine boundaries (especially Sir Creek area) is another area that needs to be looked at.

Thus few more comprehensive measures are required to improve the maritime security of the country.

Remarks

Q14. Almost every country is suffering from terrorism, yet there is no common consensus to deal with terrorism on a global platform, comment. Also highlight the India's efforts on international platforms against terrorism. (12.5 Marks)

Terrorism of late has become a global affair.
After terrorist attacks in France & Belgium now it is clear that no area is immune from its reach.

But still there is no common consensus to deal with terrorism at the global platform.

The reasons being-

Terrorist in one state may be considered as the freedom fighter in another and her state. eg. the attackers in India / Kashmir are called freedom fighters by Pakistan.

Terrorism has become a state instrument to control the foreign governments. eg. Pakistan using terrorists to control Afghan government.
mutually conflicting interests of many nations. eg. Russia & USA are on the opposite side in Syria & war against ISIS.

In this scenario, India has made

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many concerted efforts to fight terrorism globally. It introduced comprehensive convention on terrorism (CCT) in 1996 whose main provisions are-

- To have universal definition of terrorism.
- To stop cross border terrorism everywhere
- To make terrorism an extraditable offence.
- To ask nations to stop all forms of support to terrorism.

But till today, this convention has not been passed due to apprehensions from USA, Latin America & OIL countries.

Also India has contributed significantly to institutions like National Security Summit & Financial Action Task Force.

Q15. India's internal security challenges are multidimensional, however, radicalisation is evolving as a major threat; discuss. What strategy government should adopt to deal effectively with radicalization? (12.5 Marks)

India's internal security challenges are multiple & multidimensional.

- Terrorism/ especially cross border terrorism is a major problem in Kashmir & throughout India.
- Left wing extremism on the eastern front.
- Emergency in North east.
- Communalism especially in northern states & Uttar Pradesh.

But of late radicalisation is evolving as a major threat. The reason being large amount of targeted population (due to unemployment, poverty etc.) and huge growth of radicalisation platforms on social media. In past two years many of the youths have been rabbed when they were going to join IS in Syria.

In such scenario the steps required to deal effectively with radicalisation are as follows-

- Modernisation of madaras - recently Maharashtra government adopted this in its radicalisation strategy.

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- Proceeding online classes emphasizing on original teaching of Islam.
- Bringing in values like brotherhood & nationalism.
- Vigilance over radicalisation ~~program~~ platforms. Govt. is planning to bring about national social media policy for this.
- Adopting global best practices like the one followed by USA, UK & other countries.
- Promoting events like sports so that youth energies are channelised towards these areas.
- Providing for counselling cells for likely radicalised youths.

Remarks

Q16. How urbanization in India is itself a cause of urban floods? Suggest measures to address the urban flood problem in Indian cities. (12.5 Marks)

Urban floods are largely becoming recurrent phenomenon in Indian cities. eg. Jhelum floods in Kashmir, Chennai floods & Mumbai floods etc.

Urbanization is itself a cause for all this -

- As per one estimate 300 ~~water~~ wet lands in Indian cities have been converted into residential areas.

- Mumbai floods - western expressway was expanded despite apprehensions from BMC. Also course of river was diverted to expand the airport area.

- Jhelum floods - loss of lakes in the vicinity of city was a major reason for the flood.

- Chennai flood - The course of three rivers were highly encroached upon and hence their discharge capacity went down.

- concretisation which results in low permeability of the soil & hence leads to water clogging.

- Urban sprawl with any proper planning.

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- include measures already taken by Gov.

Measures to address the urban flood problem

- Rainwater harvesting can be used to store water. This will not only help in flood management but also supply water in times of need. eg, China is building few tanks to achieve this.
- River channels that have been encroached upon should be depopulated.
- Sewage & manhole drains needs to be kept clean. In fact this was one of the problems identified during Mumbai floods.
- Proper rainwater removal planning needs to be done in Indian cities.

Remarks

Q17. Government recently launched National Academic Depository. How it is going to benefit the Digital India initiative. What are the possible challenges that it is going to face?

(12.5 Marks)

Government recently launched National Academic Depository. Under this all the libraries are to be made online & hence facilitating the learning outcomes in the country.

Digital India Initiative aims to convert the Indian economy into a digitally driven economy. In this scenario National Academic Depository will help a lot because now people will not have to go to libraries to read some books ~~they~~^{as} they will be available online. This will help improve the digital culture in the economy and also democratise learning i.e. it will making make learning more inclusive.

Challenges:-

Infrastructure - Such a huge amount of infrastructure is challenging to create & even if it is created it will require huge management cost. Also it requires presence of enough such libraries in the background.

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- Digital Divide - Due to very less penetration of Internet services it may not attain its objective of making learning more inclusive.

- There are apprehensions regarding possible copyright violations.

- Govt has launched National Optical Fibre network to bridge the digital divide which will help in achieving this endeavour.

Q18. In recent government fixed the trait-value of Bt-Cotton seeds. This raised questions over the IPR regime in India. In light of the above statement highlight the efficacy of patent regimes in Indian socio-economic system. What efforts must be taken to harmonize the both? (12.5 Marks)

Recently government decided to fix the trait value of Bt-cotton seeds. The reasoning was that companies like MONSANTO & M.ATHCO are charging exorbitant prices & the seeds are non-reproducing in nature.

Many people termed it as re-emergence of license regime in India.

efficacy of Patent Regimes in India -

- Patent regime is important because it gives an impetus to innovation & needless to say that modern state of economy is mostly led by innovative measures.

- It leads to significant technology transfer in the country. If patent holders feel that their patent rights will not be protected, they will not transfer the technology.

- It gives income opportunities to the innovator but at the same time it leads to problems like overpricing, monopolisation of knowledge which goes against the socio-economic development.

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of the country. eg. The recent case of cancer drug Mexavar.

It may also lead to biopiracy and encroachment upon local rights.

Steps required-

✓ Protecting the patent rights of the right holders along with ensuring socio-economic development are very important. In India we have provision like compulsory licensing & stopping of evergreening of medicines that are required for fulfilling the health needs of the society. Also India launched its

~~patent~~ Intellectual Property Rights Policy taking into consideration the various dimensions.

Remarks

Q19. India has recently signed an agreement with Russia for co-operation in the field of food irradiation? What is food irradiation? What are its benefit for India's food processing sector? (12.5 Marks)

Remarks

Q20. What is Assisted Reproductive Technology? What impact the recent draft Surrogacy Bill is going to impact the sector in India? (12.5 Marks)

Assisted Reproductive Technology (ART) is a technique of giving child to childless couple through the use of surrogate mother. The technique has been a boon for many couples who were unable to have their own child. ^{other methods has} _{refer. but}

The surrogacy sector has become widespread in India. To regulate the sector government recently came out with draft surrogacy bill which significant provisions & impacts are as follows.

Provisions:-

- The bill seeks to ban all commercial surrogacy in the country. The provision is in line with EC recommendation.
- The bill bans ~~by~~ single parents & LGBT members ^(who have not married) to have surrogate child.
- The bill bans foreigners to use surrogacy services in India.
- Surrogacy can be permitted only to the family member of the couple & only when the mother already has given birth to one healthy child.

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Remarks

- Impact

- The bill seeks to ban all kind of commercial surrogacy which may move the industry underground & hence lead to more exploitation of poor thus defeating the very purpose of the bill.

- The bill bans many childless parents to have a child which may impact the society.

- But the bill seeks to protect the right of poor which is a welcome step.

Remarks