

GS SCORE

**BATCH - II
TEST - 3**

INDIAN ECONOMY AND AGRICULTURE

Time Allowed: 3 hrs.

Max. Marks: 250

Q.	Marks	Instructions to Candidate
1.		<ul style="list-style-type: none">There are 20 questions.All questions are compulsoryThe number of marks carried by a question is indicated against it.Answer the questions in NOT MORE THAN 200 words each. Contents of the answer is more important than its length.Answers must be written within the space provided.Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.
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1. Invigilator Signature 

2. Invigilator Signature _____

Name ABHISHRI

Roll No. Member ID: IAS-101900

Mobile No. 

Date | Sept. 2017

REMARKS

GS SCORE
GS MAINS TEST SERIES 2017

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Roll No. _____

GS SCORE
GS MAINS TEST SERIES 2017

Q1. High logistics cost is one of the major reasons for uncompetitive of Indian goods in global markets. In this reference discuss the significance of having multimodal logistic approach in India. What are challenges in present logistics sectors? Also discuss some of the major trans-boundary multimodal projects of India. (12.5 Marks)

Indian exports have been falling in recent times -
"debt" was "around 16%" in 2016 ← Source? Link to logistic cost should be explicit.

SIGNIFICANCE of having multimodal approach

① The basket of Indian goods has a variety of goods in it - each requiring different mode of transport.

Eg: Perishable food items to be quickly exported by air.
Heavy capital goods by shipping etc.

② India is a geographically vast country with each region having its own topology.

Eg: Land locked North East requires rail, road, inland waterway connectivity.
while coastal states have shipping potential.

③ India has vast potential for multimodal approach as it will lead to optimal cost in exporting goods.
Last mile connectivity is also assured.

Eg: Pucca roads to rural farmers can ensure food security.

CHALLENGES

① High handling costs for cargo since latest machinery for the same is lacking.

Eg: High cargo handling cost in ports

② Red tapism as a lot of time and energy is wasted in filling up formalities - such procedures must be simplified & made online to increase ease in doing business.

Remarks

③ Misbalance in different modes of travel.

Eg: Freight transport is majorly by roads despite being more optimal for Rail & shipping.
 this in turn is due to high freight prices in Railways due to cross subsidisation.

TRANS BOUNDARY multimodal projects

① International North South Transport Corridor
 → Agreement between India, Iran & Russia, Kazakhstan etc. to connect Indian ocean & Persian gulf to the Caspian sea.

→ will enhance exchange of people, goods, capital & services.

② Chabahar port in Iran & tri lateral agreement between India, Iran & Afghanistan for multimodal connectivity.

→ will connect India to Central Asia by bypassing Pakistan.

→ Ensure trade in oil, natural gas etc.

More points can be added
 - GST
 - hub & spoke model

Remarks

Q2. What do you understand by the term Industries 4.0? How it is going to impact the employment generation in India? What possible steps can be taken to avoid any adverse effects on employment generation from Industries 4.0? (12.5 Marks)

Industries 4.0

→ Refers to the 4th Industrial Revolution - that of combining biological process with technological advancements.

is a Bio-Digital revolution → Term does not define industries 4.0!!

→ Concept crystallised in World Economic Forum.

→ 1st Revolution was from steam, 2nd from electric power & 3rd from digitalisation.

Impact on employment generation

① Automation threatens around 69% jobs in India.

→ Hence many such jobs will face existential threat.

→ May lead to further unemployment amongst poorly skilled individuals.

② At the same time many new jobs in upcoming cutting edge Biological & technology R&D sector are coming up.

Eg: Use of Bionics, GM crops, antibiotic resistance, Artificial intelligence etc.

Steps to be taken

① Prepare the work force by skill upgradation to compete not only with global talent but also the machines for work.

→ Only 5% of workforce in India has formal skill training.

Remarks

30

② Encourage education in upcoming sectors like
Biotechnical, R & D etc.

→ This will help tap potential of India's demographic dividend & that of Biotechnology opportunities
→ Ensures sustainable development of India.

③ Collaborate with Academia, Industry, Private sector
and other countries to exchange latest research,
technology, finance and capacity building.

Thus these steps ensure India's full & optimal
use of Indus Ais 4.0 to fast track its journey
towards becoming a super power.

Remarks

Q3. This Question contain 2 parts and both are compulsory:

- (a) ⁷ Analyze the recommendations of Bibek Debroy committee. How this would impact the development of Railway infrastructure in India?
- (b) Indian Government recently established the Rail Development Authority. ⁷ What is the objective of this authority? Will the setting up of the authority will help in tackling the challenges faced by Indian railways? (12.5 Marks)

(a) ANALYSE recommendations and HOW this would impact Railways in India

① Private participation in Railway infrastructure must be encouraged with supervision.

→ this will ensure more capital in investment starved Railways & had for more infrastructure creation.

→ Encourage commercial discipline in Railways as best practices from private sector & best talent can be inculcated.

→ Due care needs to be taken to ensure social objective of Railways, its accountability & transparency is maintained.

② Autonomous Railways Board with independent members.

→ will ensure objectivity in tariff fixation, commercial management of Railways.

→ Enforce accountability & transparency.

→ But due care in transparency of selection process is needed.

③ Adoption of latest technology & continuous R&D

→ will ensure safe Rail infrastructure

→ Expand energy efficient Railways - RRAI
 - reduce costs. focus on core areas
 - commercial acumen

(b) Objective of Rail Development Authority - NR strengthening

① Optimal tariff regulation - decentralization

→ transparent & scientific methodology in price fixation of passenger & freight tariff. - (S.V.)

Remarks

Indian Railway
 Manuf. Co.

① Ensure fair play between private & public players.
 → will ensure maximised investment & expansion of modern railways.

② → will regulate private participation

③ Setting standards for performance

→ By adopting best practices from global & private sector.

- Non fare revenues
 - consumer interests
 Will this tackle CHALLENGES? - DfL open access

Yes, it is a step in the right direction.
 - competition

① Railways have become a tool of pleasing the public with no regard to economy and long term benefit of society.
 - consumer interests

→ It is ₹ 30,000 in debt cost & pricing of services proportionate
 → Proper setting of tariff will link it to cost and lower freight prices hence encourage long term sustainability.

② By insuring fair play, private investment in railways can be encouraged hence expand its infrastructure, attract best talent in management.

③ By setting high standards of delivery like insurance, wifi, clean toilets & food etc, railways can become a world class & preferred choice of long distance travel.

→ Ethen Enhance connectivity of India.

Remarks

Q4. [→] What do you understand by Universal Basic income? What is the [→] estimated fiscal impact of this scheme and [→] assess its feasibility in Indian purview? (12.5 Marks)

Universal Basic Income (UBI)

It means transfer of universal income to individuals instead of multiple subsidies. Hence it's a one time transfer of subsidy money as income.

Features -

① Universal

→ The idea is to reduce exclusion errors even if inclusion errors are there.
→ This ensure no needy citizen is left out.

② Unconditional

→ Regardless of their working or not.

③ Agent of change

→ The individual now has the choice to decide how to spend their money - choice is not dictated by the government.

Estimated Fiscal impact

→ The Economic Survey of 2017 recommends around ₹ 7,600 per individual as UBI to meet their basic requirements.

→ It would cost the government around 5% of its GDP.

→ But such cost will be recovered by reducing administrative cost of subsidies, poverty reduction & more productive citizens.

Feasibility of UBI

The following are challenges to its implementation

① Universal thus no one is left behind - solves problem of exclusion errors.

why the need?

large no. of schemes

misallocation

targeting

Remarks

- ② Will help in poverty reduction & ~~remain~~ reduce vulnerability
- ③ Prepare the ready for unforeseen circumstances
- ④ Citizens themselves become agents of change hence free choice in deciding how to spend money - optimal use.
- ⑤ Subsidised goods led to market distortions & diversion to black market. leakages are plugged.
- ⑥ Administrative efficiency is increased as many subsidies now replaced by one income transfer.
- ⑦ Use of technology i.e. DBT can ensure transparency & reduce corruption, also encourages financial inclusion.

II. Demerits

- ① Unconditional hence may disincentivise people to work and make them lazy.
- ② Since people now have choice in deciding how to spend money, social evils like drug abuse, alcoholism may increase. Gender discrimination biased against women in expenditure may be seen.
- ③ Encashment transfers are subject to inflation risks.
- ④ Require technology to implement UBI like banks, digital literacy etc. is a challenge.

Govt. →
Beneficiary → Banks

Thus all challenges are many, the merits outweigh the demerits & UBI can be made a sustainable solution in India by taking necessary steps in overcoming challenges.

Remarks

Q5. This Question contain 2 parts and both are compulsory:

- (a) Indian service sector, especially IT sector, has been the main anchor of growth and employment in the 21st century. However, in recent past, the Indian IT sector has been in news for lay-offs and not for job creation. What are the reasons for this? What corrective steps needs to be taken in this regard?
- (b) Indian IT sector has been beneficiary of H1B visa allowances and liberal visa policy of USA in case of highly skilled employees. Examine how Indian IT industry is going to be affected following the strict visa policy under Trump regime.

(12.5 Marks)

(a) Reasons

- ① Global slow down has impacted the IT sector leading to closing down of companies, falling demand, poor investment climate hence lay offs.
→ Major developed economies like USA, ~~European~~ EU etc which are IT hubs are impacted. This in turn impacts India as BPO sector is hit.
- ② Protectionist policies followed by many countries
→ In order to encourage domestic workers over foreign workers.
Eg: U.S limiting H1B visas mainly used by Indian IT companies. — competition from emerging economies
- ③ Problem of plenty & poor quality of engineers:
→ Too many engineers with poor learning outcomes also led to lay offs. Digi Inization
Shift in service provided (domestic demand)

Corrective steps

- ① Talks in bilateral & multilateral forums to encourage trade in services & IT to encourage jobs for Indian professionals. ~~in other countries.~~
- ② By Encourage investment in IT sector by financial incentives like credit, tax soaps etc.
- ③ Encourage start ups by favourable policy immigration.
- ④ Ensure high quality skilled professionals by skil

Remarks

upgradation to compete with talent globally.

- ⑤ Allow easy winding up of companies - as done by Insolvency act to solve problem of NPAs and allow new investment in IT sector to create jobs.

(b). Indian IT professionals have been the largest users of the H1B visa policy of U.S.A.

Impact

- ① The number of jobs generated for IT professionals in U.S.A will come down.
- ② But U.S.A companies depend heavily on Indian IT sector and hence they may find ways to employ them in innovative ways like BPO or opening Indian centres.
- ③ ~~But~~ Indian IT will have an opportunity to create its own Silicon valley in India as opportunities abroad will diminish. Reverse brain drain
- ④ They may divest their business to other major countries like Germany etc.

Thus if tapped properly, by nurturing IT entrepreneurs & professionals in India, job creation can be accelerated within the country itself.

Remarks

Q6. In recent there has been a spurt in digitization. Can digitization help in bringing inclusive growth in India? What steps should be taken to realize the goal of inclusive growth in digital economy? (12.5 Marks)

Digitalisation has been rapidly growing in India. With 460 million internet users, it is the second largest online market after China.

CAN Digitalisation bring Inclusive growth?

Yes, it can.

① It ensures e-Government services are availed by each and every individual in last mile delivery.

Eg: Farmers Portal helps in online dissemination of agriculture related information from inputs to prices.

② It encourages Financial Inclusion by curbing leakages and enhancing transparency.

Eg: DBT by Aadhaar ensures transfer of full amount of subsidy to needy. Reduces faulty targeting of beneficiaries by using biometrics - checks corruption.

③ Increases awareness of citizens about their rights, services offered by Government.

Eg: RTI, transparency portals by Govt. ministries.

④ Leads to efficient Govt. functioning.

Eg: Using GIS mapping to determine & preventing tribal displacement, determine crop loss of farmers.

land use planning using drones to for insurance etc.

STEPS to realise the goal

① Requisite infrastructure creation to ensure internet connectivity to all. Eg: BharatNet optical fibre scheme.

rural economy

MSP

STs - women

speculations to lower barriers

skills digital signatures

4

Remarks

60% of population is still lacking internet.

② Training & Capacity building of concerned officers and even beneficiaries on how to use the internet.

③ Recasting government schemes & procedures to adopt them into digital mode.

Eg. Online filing of ~~tax~~ returns.

④ Coordination between various ministries of Centre and state to ensure smooth roll-out of e-government schemes.

Eg. ⑤ Digital security steps to ensure safety of privacy of citizens.

Thus Digital economy can be tapped to ensure inclusive growth in India.

Remarks

Q7. RBI has been issuing banking licenses under differentiated bank system Wholesale and Long-Term Finance (WLTF) banks. What is the need of such specialized banks? Discuss the scope and benefits of having WLTF banks. (12.5 Marks)

NEED

① Enhance Financial Inclusion amongst each and every individual.
 ↳ targeted area

→ Large conventional banks cannot be physically present everywhere.
 ↳ NPAs, stressed assets

→ Needs of remote, rural areas can be met by these specialised banks.

② Certain sectors have specific requirements in terms of finance.

→ In these sectors, such specialised banks are necessary.

→ Eg: National Housing Bank in housing sector, corporate sector, SMEs, infra, private corporate bonds, derivatives

SCOPE & BENEFITS

① Can enhance financial literacy amongst those who were till now unaware.

② Increase Financial Inclusion by assuming formal banking provision to the unbanked.
 Eg: Small finance Banks.

③ Ensures finance for critical sectors which are starved financially.

Eg: Funds for infrastructure - requiring long term finance. - efficiency

④ Encourages private sector participation in long term finance banks like ~~infra~~ infrastructure. - better evaluation

Remarks - Reduce cost of intermediation.
 - Risk management
 - Joint lending - competition

Loans
SME
CRR
obligation

3

⑤ Benefits the overall economy by spurring investment & hence demand in the economy.
→ creation of physical capital like infrastructure.

Remarks

Q8. Government launched Pradhan Mantri Fasal Bima Yojana (PMFBY) to reduce the vulnerability of farmers from natural calamities and ensure sustainable farm income. While highlighting its major provisions, also discuss the performance and challenges it is facing while implementation. (12.5 Marks)

Currently, only 20% of Indian farmers are covered under crop insurance. PMFBY is a step in the right direction.

MAJOR PROVISIONS

- ① Enhance crop insurance ^{coverage} ~~scheme~~ to at least 50% of farmers & gross cropped area.
- ② Minimal & uniform premium to be charged per season:
Kharif → 2.5%. Rabi → 1%. Horticulture → 5%.
- ③ No upper cap on government subsidy - full insurance to be paid to farmer with govt. paying entire balance of premium.
- ④ Account for local risks of horticulture, Inundation & Landslide.
- ⑤ Post harvest yield to be protected against cyclone & unseasonal rain.
- ⑥ Use of technology to determine magnitude of crop loss using satellites & drones (KISAN scheme) & also for fund transfer.

PERFORMANCE & CHALLENGES

- ② PMFBY has been performing reasonably well BUT at a slow pace. ^{Risks}
- ① Exclusion errors
→ Targetting of beneficiaries to ensure small & marginal farmers are not left out.

Remarks

crop cutting experiments @ village

sharecroppers & non-tenant
farmers not covered

→ Landless labourers face additional risk.
→ Last mile delivery should be ensured.

② Awareness about the scheme needs to be sufficiently generated amongst farmers so that they can avail it.

③ Use of technology to determine crop loss etc. requires sufficient deployment of modern means infrastructure, investment, capacity building & continuous R&D.

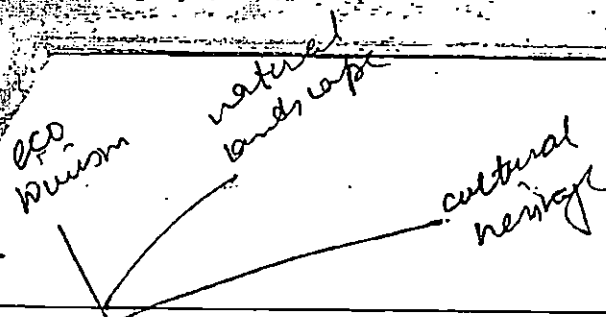
④ To electronically transfer funds, financial inclusion must first be ensured by Banking infrastructure, digitalisation of govt service & financial literacy.

⑤ Proper estimation of loss due to hailstorms etc must be used to insure compensation for damage.

Thus, these steps need to be taken to overcome challenges & insure crop insurance for all the needy farmers.

(35)

Remarks



Q9. Tourism is the one of the major economic activity in many advanced nations, though India is catching up in the sector, however, it's potential is still untapped. Discuss why India's tourism potential still largely untapped? (12.5 Marks)

Tourism in India is a sunrise industry who tourism potential is still untapped. ✓

Add states
40
136
tourism
competitiveness
in GDP

WHY is it so?

① Awareness about many hidden beautiful locations for tourism in India is still low.

→ For this the government of India and many states have started aggressive campaigns to showcase the Incredible India!

② Connectivity to many tourist locations is still a challenge.

Eg: There is still no commercial airport in Agartala despite it hosting one of the 7 seven wonders of the world - Taj Mahal.

A case in point is North East.

③ Modern infrastructure in such locations to support tourism is lacking.

→ Well functioning toilets, street lighting, public transport, overcrowded roads etc. are challenges.

→ schemes like HRIDAY, SWADES are directed to solve this.

④ Poorly skilled professionals supporting the Tourism industry.

→ Issues of unwelcoming tourist guides, poor English leading to communication gap etc.

Remarks

Q10. Niti Aayog recently projected a compound annual growth of about 8% of Indian Economy and its transformation by 2031-32. In this light discuss, what policy actions are required for attain and sustaining this level of growth? (12.5 Marks)

NITI Aayog, India's think tank in its vision documents & reports has projected transformation of India by 2031-32.

Required POLICY ACTIONS

① Make Agriculture commercial in India & double farmer incomes. *More economic fundamental & improved*

→ Agriculture employs 55% of Indian population while contributing only 18% to its GDP. *banking & other*
 ∴ vast potential for its growth.

→ Focus on Food processing Industries to create jobs.

→ Livestock rearing to be encouraged.

→ Mechanisation of agriculture, extension services, efficient fertiliser subsidies, crop insurance, MSP etc.

② Create jobs in Manufacturing sector - Make in India

→ Contributes only 24% to GDP ∴ needs major improvement.

→ Encourage MSME, start ups by giving financial incentives like PSL credit, tax sops etc, FDI etc.

→ Enhance ease of doing business by simplification of process & making them online. *MSMEs*

→ Upgrade skills of workforce. *Land & labour reform*

③ Jobs in services sector

→ Significant sector contributing 58% to GDP.

→ Ensure jobs in formal sector - tiU etc. *on 93%*
 of workforce is in informal sector.

Remarks

- Ensure demographic dividend is tapped.
- ④ Create modern infrastructure.
- Energy efficient economy reducing dependence on fossil fuels.
- Transport connectivity - intermodal
- Internet infrastructure increase
- ⑤ To sustain high levels of growth, it is necessary for Govt. to keep adapting, be flexible & respond to changing needs of economy.
- Continuous monitoring & revision of policies
- ⑥ Social sector campaigns. Like Swachhta Abhiyan, National Health Mission & Education will further help in attaining & sustaining high growth.
- ⑦ Inclusive growth - SC/ST, women, child & poor - all must be participants & equal beneficiaries in this growth.

end with another
kind conclusion

4

Remarks

45%
proportion in manufacturing

Q11. Indian manufacturing products are uncompetitive in global market due to their low quality and standards, especially the exports from MSME sector. Discuss the issues pertaining to low quality of Indian manufacturing. Also discuss the significance of Zero Defect - Zero Effect (ZED) scheme in this regard. What else can be done to improve the quality and standards? (12.5 Marks)

Indian exports have fallen by 16% in 2016 alone. Poor quality manufacturing is one cause.

I. Issues

① Poor use of technology and latest means of manufacturing lead to inferior quality goods.
Eg: Latest technology for food processing on large scale is still lacking in India

② Insufficient infrastructure to support high quality goods
→ poor power availability
→ poor connectivity between inputs, industry & market.

③ Lack of skilled professionals in manufacturing.
→ they lack proper skill upgradation - only 5% of work force has undergone formal skilling.

④ Lack of collaboration with other countries makes Indian exports uncompetitive.

⑤ Institutes like BIS must properly define quality standards of goods & the same must be enforced.

SIGNIFICANCE of ZED

① Zero Defect
→ Means high quality good with long sustainable life.

→ Only when such high standards are adopted, can such goods be sold & exported on large scale due to high demand.

- Multiple agencies
- lack of global quality ecosystem
- market linkages
- prevent export

Admin
efficiency
economic
viability

② Zero Effect

- Means that in the process of manufacturing, there should be no ~~less~~ harm caused to the environment.
- advocates sustainable development.
- necessary to save the planet in the long term.

What ELSE can be done?

- ① Adoption of latest technology
- ② Modernisation of infrastructure
- ③ Skill upgradation of workforce
- ④ Collaboration with other countries
- ⑤ Define & enforce quality standards

} solutions to issues mentioned before.

Thus these steps will ensure that high quality goods are manufactured in India.

Brand India
- NIMN
- clusters
- approach
- technology
- diffusion

③

Remarks

Q12. India has been facing twin balance sheet problem with Indian characteristics. What are Indian characteristics and what steps should be taken to find out the solution? How the recently passed ordinance, empowering RBI, is going to tackle the situation? (12.5 Marks)

Indian characteristics of Twin Balance sheet problem (12.5 Marks)

① Over-leveraged Companies

- Many companies are suffering from inability to repay their loans
- Causes vary from slow government clearances in land, coal (cancellation of coal blocks by SC), power availability & environment clearances.
- Inability to wind up companies is another cause i.e. file insolvency.

② Accumulating Non-Performing Assets (NPAs) in Banks

- Due to over zealous grant of loans during past decade of economic boom.
- Lack of proper appraisal system, monitoring of warning signals & collection of default payments
- Evergreening of loans will not significant
- Poor capitalization. economic slowdown or bankruptcy because of confidence in public sector

STEPS to be taken

- ① Ensure availability of long term finance to sectors like infrastructure. Eg: NIF
- will help over leveraged companies.
- ② Easy down under Insolvency & Bankruptcy act to allow smooth exit & prevent accumulation of bad investments.
- ③ Revamp PSBs (80% of NPAs) by appointing talent from private sector.

Remarks

- ④ Efficient functioning of Bank Board Bureau.
- ⑤ Capitalisation of Banks to tackle Bad loans.
- ⑥ De-stressing banks
 - Flexible schemes like Corporate & Strategic debt management S4A, 5/25 loan restructuring etc JLF
 - Debt recovery Tribunals etc
- ⑦ Empower Banks, enforce accountability & ensure governance reforms.
 - Eg: Mission Intradherush, Ayan sangam etc.

Recently passed ORDINANCE

- ① will empower RBI to tackle NPAs - authoritative powers to direct bank management to take necessary steps to curb NPAs. - oversight by Union. ^{resolutions}
- ② Penal provisions specified if RBI directives not followed.
- ③ Flexibility in schemes like Corporate Debt Restructuring
 - Eg: Less no. of Joint lenders can reach consensus on an action plan.

Thus these steps can reduce the massive NPA problem in India \rightarrow 9% in here as compared to global average of \approx 4%.

Challenges

- C RBS
- arbitrary
- doesn't identify willful defaulters
- conflict of interest may not be protected

Remarks

Q13. This Question contain 2 parts; both are compulsory:

- (a) World Bank has been changing its spending pattern from infrastructure to healthcare. How does this change augment the efforts toward achievement of SDG and improved welfare?
- (b) The funding available with the international humanitarian spending agencies, like World Bank, UNCTAD, etc. is far less than optimum. Examine the reasons for such shortfall and suggest how spending deficit can be overcome.

(a) This change is helping improve SDG & welfare- (12.5 Marks)

① Required investment of financial resources in healthcare can go a long way in ensuring sufficient infrastructure & quality health care for all.

② World Bank's contribution is also helping direct technical capacity building support for healthcare.

→ Best practices from all over the world can be shared.

→ this will further improve welfare of population

③ Such attention to healthcare can spurs R&D in critical areas like anti-biotic resistance & cancer research etc.

④ Pressure governments to update their health policies & focus on this sector.

⑤ Encourage private sector to participate in this arena. Eg. Bill & Melinda Gates foundation.

Health
nutrition
&
population
sector

WBG
provide
financed
does
implementers

(b) REASONS

① Global slowdown in world economy hence instead of contributing funds to UNCTAD etc, countries concentrate their money on jump starting their own economy.

Remarks

② Inward looking attitude has emerged where focus on other poor countries is getting eroded.

③ Developed countries are unwilling to take responsibility for the less developed.

Eg: Poor capitalisation of Green Climate Fund.

④ Private capital market is not tapped adequately to meet needs of international finance.

OVERCOMING DEFICIT

① Developing countries facing such humanitarian issues must come together and demand from Western world their share of assistance.

Eg: Blocs like G77 + China.

② Use of private capital market through financial tools like bonds can further enhance resources.

③ Alternate institutes like BRICS, New Development Bank which are more democratic & equitable for emerging economies - are a step in the right direction.

This mutual cooperation & consensus between countries on an equal footing can solve the resource crunch.

3.5

Remarks

- Budget
US pull out
- allocation
for performance

- Info sharing
step

- Track &
monitor
funding

- check the
economic
productivity

Q14. BRICS and AIIB has been two emergent institutions, which can challenge the hegemony of Bretton Woods institutions. However, for that to happen, China requires cooperation of the other developing countries rather than establishing hegemony over the new institutions. Critically analyze. (12.5 Marks)

China requires to cooperate with other developing countries instead of trying to establish hegemony over the new institutes on its own.

I. Why China must cooperate.

① The financial resources required to build economies & infrastructure in developing countries is HUGE - China alone can't create such magnitude of funds.

② Interdependency of the globalised world requires each country to cooperate with another.

→ While China exports huge quantities of steel, its share in textiles is dropping. & it will have to depend on countries like India for the same.

→ Thus no single country can establish hegemony, each nation has its strengths.

③ Idea of equality - it opportunity to develop & share fruits of development.

④ In terms of economic power, along with China many other developing countries are rapidly advancing like India, South Africa, Brazil etc.

→ Thus no one country can assume domination.

⑤ Security reasons coherent policy

P.T.O
Solving disputes
SD

Intro about bank & its
China as leader
majority shareholding
give some high marks

and

Remarks

II. What will happen if China establishes its hegemony.

- ① Skewed development in the favour of need of Chinese economy.
- ② Economic exploitation of weaker countries may begin like neo colonisation in Africa, dumping of goods etc.
- ③ Increase in security aspect as in the nuclear world, trade tensions can escalate into war like situation.
- ④ Needs of other countries will be overshadowed.

Thus the way forward is to ensure democratic nature of BRICS, AIIB to form an equitable world economy - else if China takes over, how will the new system be any different from the Brettonwood institutes?

4

Remarks

Q15. Despite the fact that, Food Processing sector is recognized as sunrise sector and paid ample attention in recent years, the recent statistics suggest that many of Mega food parks, which were announced in the scheme have either not been established or they are on the verge of shutdown. Analyze the factors behind this trend; also suggest what should be done to reverse the trend? (12.5 Marks)

Poor implementation of Food processing schemes have many causative factors. The steps to reverse the trend are also mentioned alongside.

① I. Upstream Challenges

- ① Availability of vast variety of agricultural products required in Food processing is lacking.
- ② Poor quality of agricultural products, Lack of yield due to seasonal character are other issues.
- ③ Poor use of technology like GM crops.
- ④ Lack of cold storage facilities.
- ⑤ Poor transport connectivity from farm to processing industry.
- ⑥ Lack of modern infrastructure required for food processing, poor power supply. ① Fragmented APMC markets inhibiting free flow of produce.

steps to take

- ① Enhance availability of agricultural produce by taking steps like contract farming, consolidating fragmented land & forming cooperatives like FPOs.
- ② Commercial agriculture using high quality inputs, use of latest technology like GM crops to enhance processibility of produce.
- ③ Latest and vast infrastructure for cold storage, transport roads & vehicles, machinery for industry etc.

Remarks ① Upgrade parallel markets other than APMC markets. Eg: e-NAM.

ASST
impact

II. Downstream challenges

- ① Markets are fragmented, unregulated
- ② Quality standards of output are unsatisfactory.
- ③ Connectivity to markets within India & abroad is poor.

steps to take -

- ① Regulate markets by topping deepening retail trade in India & e-commerce.
- ② Clearly define quality standards & enforce the same.
- ③ Storage & transport to link domestic & international market.

Wood

5

Remarks

Q16. Recent Farmers' agitations and suicide once again highlight the discrepancies in inclusive development. In this reference, analyze the factors behind farmer's suicide with a reference to NCRB report. What steps are needed to break the vicious cycle?

Farmer suicides are increasing and a clear evidence towards discrepancies in inclusive development. (12.5 Marks)

FACTORS

- ① Poor irrigation facilities, with only 35% of gross cropped area under proper irrigation.
 - Thus majority of farmers rely on monsoon rains
 - These are unpredictable & droughts are increasing in frequency & intensity due to climate change.
 - thus crops fail, farmer suffers...
- ② Fragmented land holdings - 80% of farmers are small & marginal having less than 2 hectares of land.
 - Not sufficient for viable yield & investment....
- ③ Poor credit facilities force the farmer to rely on informal money lenders - cheated & stuck in debt trap.
 - ... only abuse & exploitation
- ④ Expensive inputs like HYV seeds, fertilizers, mechanisation, poor extension services.
- ⑤ Poor functioning of APMC markets - farmers are unable to get best prices for their yield.
- ⑥ Skewed agri practices towards high MSP crops -
- ⑦ their high production → price falls → farmer compelled to dump yield.

Steps needed

- ① Enhance arable land under irrigation. Pradhan Mantri

Remarks

Most imp
M.A. bank
money lender
Harsh

Krishi Sindhagi Yojana is a step in the right direction.

→ More khet ka pani

→ More crop output per drop → increase water use efficiency

→ Encourage conservation practices like watershed development, rain water harvesting etc, more irrigation etc.

② Consolidate land holding by forming cooperatives & SHGs - overcome adverse economies of scale.

③ Enhance credit facilities to farmers in the formal sector.

Eg: Kisan Credit card.

Pradhan Mantri Fasal Bima Yojana - crop insurance

④ Create social security net by provisions like life, accident & old age insurance & pension.

⑤ Encourage livestock rearing for supplemental income & overcome seasonal employment in agriculture.

⑥ Modernise storage, transport, APMC markets to ensure best price for farmers.

⑦ Alternate schooling & employment in manufacturing or services sector.

Thus these steps can help save our farmers and ensure their prosperity.

- AIF universities
- Climate smart agri
- FPO,
- PMFBY, microirrigation
- Market regulation

Remarks

- cooperative & contract farmers

4/5

Q17. Micro irrigation can be way out for rainfed agriculture and small land holding in India. In this reference, discuss the advantages associated with micro irrigation, initiatives taken by government and challenges associated with it. (12.5 Marks)

ADVANTAGES

- ① Saves water - Indian agriculture spends 2 to 4 times as much water as China or Brazil to get the same yield.
 - Thus enhances water efficiency & is good for the environment.
- ② Saves cost for farmers in the long run as amount of water used is reduced.
- ③ More directed applicability of resources like water, fertilisers (through fertigation) can enhance crop yield & reduce overall cost.
- ④ Reduces chances of weeds overgrowing in the farm.
 - salinity hazard is minimized
 - can be automated

~~INITIATIVES~~

INITIATIVES

- ① Pradhan Mantri Krishi Sinchayi Yojana ensure more crop output per drop of water. Hence it promotes micro irrigation techniques like sprinklers, sprayers, drip, rotors etc.
- ② Increased public investment in such infrastructure work.
- ③ Encourage private investment - domestic & FDI in the same.
- ④ Enhance credit availability for farmers to be able to procure required technology.
- ⑤ Capacity building & educating the farmers about

Remarks

Intro. What starts & factors of irrigation

Water → to root zone

NM (A) PMKSY-
NABARD
Micro irrigation
farm

the need and use of micro irrigation.

CHALLENGES

① Mindset change

→ Majority of farmers rely on water inefficient flood irrigation

→ To educate them about the need of such new micro irrigation techniques -- convince them of cost advantage

② Capacity building of farmers & others to install & use such technology

③ Expensive first time instalment

→ Hence availability of public & private investment

→ Easy access to credit facilities

④ poor IT operations

subsidy disbursement

Thus, this will ensure wide spread adoption of Micro irrigation in India.

Remarks

Q18. The Vulnerability of farmers is not just due to natural vagaries, but also due to defects of public procurement policy. Analyse what should be done to reform the public procurement system? (12.5 Marks)

India's PDS is its public procurement policy with as many as 70 crore beneficiaries all over India.

ANALYSE

I. Procurement stage.

This is the stage that affects the farmers the most.

① It is observed that mainly, all procurement is done from prosperous states like Punjab & Haryana.
 → This should be corrected & procurement should be done from all regions - to ensure inclusivity of the poor farmers in less developed areas.

- Faulty calculations

② Procurement is limited to certain crops like wheat, rice etc. - Delay in opening of procurement
 → Govt. pre-announces MSPs & high MSPs for wheat, rice etc. result in large scale production & procurement.

→ But coarse cereals like bajra etc are left behind harming their cultivators. Exclusion of sharecropper.

→ Corrective steps like balanced MSPs for a variety of crops to ensure balanced agricultural cultivation

Eg: Above average MSPs for pulses to encourage their growth & overcome shortage.

③ Due to corruption & leakages of funds, poor quality grains are procured.

→ Stronger monitoring can ensure farmers with good

Remarks

Quality yield are preferred.

II. Storage stage

- ① Procurement beyond stock limits of buffer stock result in large carrying cost for warehouses.
- ② Wastage of excess food grains if offtake is less than procurement. — Decentralization
- ③ Price rise in market.

Thus strict adherence to stock limits & open market sales as & when required are necessary.

- ④ For the storage & transport cold chain needs to be enhanced in quantity & quality.

III. Distribution stage

- ① Targeting of beneficiaries by ensuring social involvement of PRIs to eliminate exclusion errors. Trade policy to be dovetailed with MSP
- ② Efficient functioning of Fair Price shops: opening regularly & disbursing quality grains.
- ③ Prevent leakages to black market.

Thus these steps will ensure PDS is effective for farmers as suppliers & consumers.

Shanku Kumar
recomen

4.5

Remarks

Q19. What is precision agriculture? How precision agriculture can help in improving the resource use efficiency in agriculture, with special focus to irrigation? (12.5 Marks)

Precision Agriculture

① It means more directed & targeted application of inputs in agriculture to yield maximised use of resources & increased yield.

② Reduces cost Eg: precise quantities of fertilisers used reduced cost of farmer & enhances the yield.

RESOURCE USE EFFICIENCY

① Optimal use of resources

→ Just the exact, right amount of input is used - not more & not less.

→ In irrigation - Micro irrigation techniques like sprinklers, sprayers etc. use minimal water to irrigate land.

- While flood irrigation uses 2 to 4 times the water than that which is required leading to wastage of resources

② Reduces cost of farmer hence benefits higher income

→ If less water is used in micro irrigation, digging of tube wells, is lessened, cost of power used is also decreased.

③ Output is enhanced with less input

→ This enhances overall efficiency of resources.

→ In micro irrigation processes the fertilisation ensure effective applicability of fertilisers to plants & hence

Remarks

variable inputs

Geo mapping

Automated systems

Satellite Farming

Site specific management

IT services

Predictive analysis

SW

semi auto

pin control

high precision positioning systems

AI/ML

④ Include technical aspect with

increases yield.

Thus employment of precision Agriculture can go a long way in ensuring optimal use of resources & ~~also~~ also safeguard Food security.

⑤ Benefits the environment overall as less resources are exploited & wasted:

Eg: Use of chemical fertilisers.

→ Especially for water saving in micro irrigation

Remarks

Q20. How pink revolution can supplement farmer's income? Critically analyse, how the developments of recent years coupled with steep inflation in animal feed prices have impacted the development of sector? (12.5 Marks)

PINK REVOLUTION - supplementing farmer's income.

- ① Livestock rearing is more inclusive than agriculture.
 - Landless agriculturalists can avail them more easily than land.
 - women are also employed in this sector on a large scale.

Starts about cattle.

- ② It is not seasonal in nature unlike agriculture.
 - Here can supplement income even when weather conditions are unfavourable.

- ③ Provides dung for green manure and other benefits like milk, wool etc, drought power etc.
 - can supplement income by selling the same.

- ④ Value added processing of all products in the slaughter houses can enhance income.
 - domestic & export market for meat etc is expanding.
 - animal products like fish oil, chicken etc is expanding.

U

CRITICALLY ANALYSE

- ① Increasing demand for animal protein
 - Domestic & export market for animal processed products like food, medicines, leather etc are expanding.
 - Nutritional needs of people, increasing income directed at animal products.

Drought hitting reduced competitive advantage

my friend's disorientation of abethan

Remarks

② Decreasing land for grazing & high prices for animal feed.

→ Conflict between agriculture & livestock land with increasing population & concern for food security.

→ This hampers pink revolution as animal fodder becomes expensive.

③ Technological advancements in scientific optimal use of animal products, efficient machinery, health care, artificial insemination etc. is beneficial to pink revolution.

④ Research studies that prove ^{is invested} more water & Green house gas emissions are resulted from diverting agri land to livestock rearing dampens its growth.

Thus an appropriate balance between Agriculture for food & livestock rearing for Pink Revolution (meat) is required.

Remarks