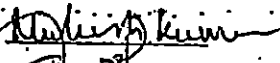


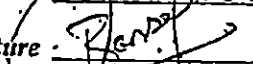
INDIAN ECONOMY AND AGRICULTURE

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 compulsory• The 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 Sitendra Pratap Singh

Roll No. _____

Mobile No. Date 02/09/2017Signature Sitendra Singh

REMARKS

GS SCORE
GS MAINS TEST SERIES 2017

~~XXXXXXXXXXXX~~

20

~~XXXXXXXXXXXX~~

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)

The term logistics stands for arrangements for storage and transportation of goods and services produced in an economy.

India has one of the highest logistics cost in the world which makes Indian goods uncompetitive in the global market.

Multimodal Logistics approach - Multimodal logistics approach adopts an integrated approach having road, railways, ports and waterways integrated in a manner that they complement each other rather than competing with each other. Its advantages are -

- 1) It helps in reducing the logistics cost.
- 2) It helps in reducing the traffic congestion in the presence of roads and reducing pollution.
- 3) Reducing delays it paves the way for efficient production.

create market

for growth

regional - equal growth - efficient logistic network

Remarks

Challenges in Present Logistics Sector

1) No sense of integration among different modes of transportation. eg. Roads have been found to be competing with railways.

2) Infrastructure deficit. eg. We have only 68000 kms of railway line. Also there are no development of waterway. Though recently government has increased the number of national waterways to 104.

lack of development in waterway
best connect

Lack of investment and slow take-off of PPP in India.

Some transboundary multimodal projects -

1. BCIM Corridor - It will run through India, China, Bangladesh & Myanmar. It is expected to hasten the process of development of North East.

2) International North South Corridor - Recently India signed an agreement to be a part of this. This will improve India's connectivity to central & west Asia.

5/12

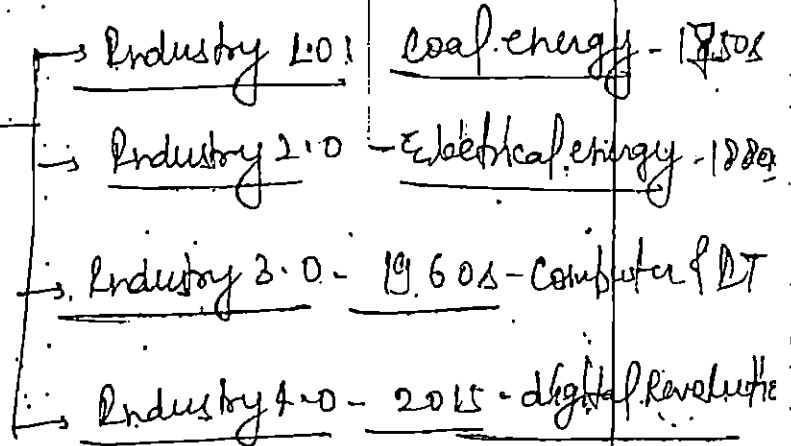
Thus, India's logistics sector needs investment and policy push.

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 is a term associated with transformation in industrial sector due to digital revolution.

Industrial Revolution



Impact on employment Generation India

Industry 4.0 is expected to induce greater automation in industrial sector.

- 1) Greater automation may lead to loss of jobs in industrial sector. separating into high skill /
- 2) Automation will require changes in job profile and hence the skill development and education paradigm with need a shift. At present in India only 2% of workers are skilled & trained. high pay and low skill / low pay /

Remarks.

Inequality

3) However this change over is at least 40 years away in India and that too the change will take place in big industries so we need to enhance our skill training programmes.

Possible Steps

1) Need to focus on skilling of workers in industrial sector. Recently launched National Skill development mission is a step in right direction.

2) Providing new avenues for employment eg. re-skilling

of unskilled & MSME sectors which are labour

focus
small
several
3)
innovation
system

intensive
measures
hope skilling workers will also help India

become labour supplier of the world

4) As suggested by economic survey ideas like Universal Basic Income can be adopted.

Thus, industrial transformation

will require action on multiple fronts.

5

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

- (a) 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. 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) Bibek Debroy committee was formed to recommend for restructuring the railways to make it more efficient.

Major recommendations-

- 1) merge separate railway budget with General budget. Demeritisation
Indian Railway
- 2) Private sector participation in platform development as well as railway operations. Manufacturing
Company as
- 3) exclusive focus on Railway safety. as per
- 4) Rationalisation of railway tariff, eg. elimination of cross subsidies.

Government accepting the recommendation merged railway budget with general budget from 2017-18. Other recommendations like PPP of private sector participation in railways are

Remarks:

forward looking and needs wider consultation. The issue of cross subsidy should also be looked after on a priority basis.

(B) Rail Development Authority - Government

Recently set up Rail development authority with following purpose-

1) Recommend upon the policy aspects for turnaround

Policy services
2) of railways commensurate with cost
3) To recommend tariff revision from time to time

4) To take holistic view of all the issues facing the railways eg. Modernisation, track enlargement, rail safety, bullet train, high speed rail etc.
open access freight corridor

Setting up of RDA will certainly help in reducing populism in the railways but only concern is that its recommendations are non-binding.

Empay reliance on Govt
- However, setting up of RDA is a forward looking step which will help in the revival of railways.

Remarks from interview person

4/2

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 is an idea where every citizen living in a country is assured of a certain minimum amount to sustain his living.

The concept of UBI came into discussion primarily in the developed countries due to rising automation which is being seen as a threat to employment.

However, the recent economic survey discussed about feasibility of UBI in India as well.

Estimated Fiscal Impact of UBI -

There are two differing views on estimated fiscal impact of UBI.

1) One set of economists have argued for transferring ₹ 3,000 per year to every individual based on 130 crore population.

3 components of UBI

- Universality
- Unconditional
- Agency

Remarks

this turns out to be around 5% of GDP.

2) Other set of economists have argued for transferring 10,000-12,000 rupees ^{per year} to every individual which is in sync with Pendulkar committee's poverty line. This is estimated to have cost 12% of GDP to the country. The figure is roughly same as Union budget for a year.

Feasibility in India-

As per Arvind Panagariya the vice chairman of NITI Aayog, UBL costing around 12% of GDP is infeasible in India.

But as estimated by few economists government is spending around 5% of GDP on non-core subsidy. Government can replace subsidy by UBL. Also the Pilot experiment in Madhya Pradesh have shown encouraging results.

True UBL is a forward looking idea and can be considered for poverty

Remarks

Sticker country like India,

(5)

practically difficult to take forward

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) Services sector in India has grown on an average around 10% growth rate in past decade. It also contributes to 62% of GDP of the country, a major chunk of which is contributed by IT sector.

However in recent times, the IT sector has been in news for job losses.

Reasons:-

- 1) Global economic crisis of 2008 & "euro zone" crisis of 2011 has reduced the demand for Indian IT products from these countries which were out prime consumers.
 ✓ Protectionist environment all over world
- 2) Sluggish global growth and rise of protectionist etc.
 eg. H1B visa issue with U.S. etc.

Remarks

3) Lack of demand in domestic economy,
Corrective steps -

1) Trade Facilitation Agreement in services needs
to be negotiated by India in WTO as well as in
bilateral & multilateral agreements like RCEP.
2) Diplomatic action against protectionism.

Altering Indian Skill System

(B) H1B visa was given by U.S. to skilled
professionals to work in U.S. But recently certain
changes have taken place in H1B visa policy -

- 1) Increase in visa fee and threshold earnings.
- 2) Limiting the number of visa.

Impact on Indian IT Industry -

(4/2)

1) Indian IT Industries located in U.S (Infosys) will
have to ~~employment~~ employ US workers which
are less skilled and demand more pay. This may
reduce their profit & productivity.

Position
Employment

2) IT Industries in India may be affected due to loss
of outsourcing business.

Indian govt. However, a leading IT Industrialist
commented that there will not be any
significant impact of Trump policies on Indian

Remarks
incentive
to local
industry
of

IT sector. Also the industries may think
of locating themselves at some other place

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)

Digitization stands for carrying out transactions in digital mode. This requires connecting the various stakeholders (eg. Citizen, business etc). through online facilities and providing them with bank accounts and internet connectivity among others.

Due to extensive efforts of government (like Demonetisation, Launching of BHIM, PMJDY etc) there has been spurt in digitisation.

Digitisation for inclusive growth -

Digitisation can certainly help in bringing inclusive growth.

1) It provides avenues to the government to connect with the government digitally.

eg. Direct Benefit transfer scheme where funds are directly transferred to beneficiaries bank accounts by government.

2) It helps in reducing administration cost.

Remarks

provides platform to tackle
Collection activities
faster

Recent studies show that Rs 1 worth of food grain through PDS requires Rs 3 as administration cost.

It helps in reducing corruption & leakages and funds reach to intended beneficiaries.

However issues like low level of literacy and digital divide can impede digitisation.

Inclusive Growth in Digital economy-

Digital divide needs to be bridged. The Digital India programme is a good step in this regard.

Increased banking facilities and actions like Direct Benefit transfer can be promoted.

For identification of beneficiary Aadhaar can be of huge help.

Data from socio-economic caste census needs to be utilized for promoting inclusive growths.

Thus holistic actions are required to promote digitised inclusive growth.

Remarks

5

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)

RBI has recently issued licenses under differentiated bank system, wholesale and Long Term Finance Banks (WLTF).
Need for Specialized Banks

1) Specialized banks can cater to the need of specific sector by financing those sectors.
 eg. HDFC - Housing & Development Finance Corporation, or Oriental bank of Commerce

2) These banks can also become repositories of knowledge & give policy directions.
 eg. NABARD provides both finance & training facilities to SHGs.

3) Specialized banks facilitate the targeted ^{Unable to meet the needs of} approach to development.
^{corporates currently}

Remarks

Scope & benefit of WLTB Banks-

WLTB banks will provide finances for longer period. Their scope is in - -

Scope
out as
market
instrument
like
corporate bonds

long gestational project like road sector. They can fund climate mitigation projects.

In Indian scenario, WLTB banks provide immense benefits

1) funding for long term will bridge the fund deficits in infrastructure sector.

can also
raise funds
through
debt
and
equities

2) These can reduce the load on traditional banks which have generated huge amount of NPA due to long term funding.

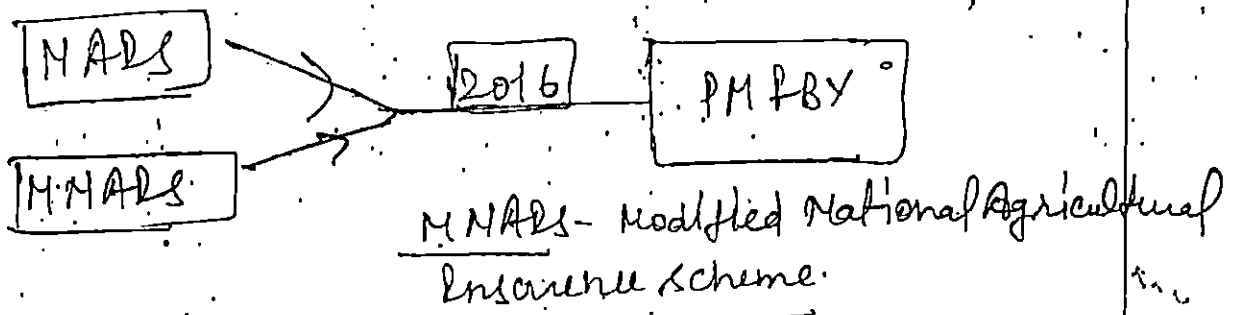
Thus proper success of WLTB banks can bring immense benefits to India.

(4)

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)

Agricultural insurance has been a big issue in India. Despite launch of multiple insurance schemes, the agricultural insurance penetration has been less than 20% in India.



Major provisions of PMFBY-

- 1) low premium rates. For Rabi - 1.5%, Kharif - 2% and for horticulture crops it may go upto 5%.
- 2) Comprehensive - covers not only harvest but post harvest losses as well as losses due to disasters / Natural calamities.
- 3) Coverage - Pan-India coverage (100%).
- 4) Government will provide rest of the amount.

Remarks

even if the premium amount is 90% which is to be paid.

5) Integrated - Replacing all other agricultural insurance schemes.

6) Private sector participation is promoted.

Performance & challenges

increased of 18.5% of crop ^{income} The scheme has taken-off in a quite good fashion. Its coverage is

more than 6 times ^{increasing} associated.

at present there is a lack of awareness among farmers.

Certain state governments have abolished

their insurance schemes leading to hardships. eg. last year Haryana abolished its agricultural insurance scheme without proper take-off of PMFBY.

Thus the scheme is quite forward looking but there is one suggestion that the coverage year needs to be enhanced from present 1 to 2 years otherwise private

insurance providers may not be willing to insure in an expected draught year

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 is one of the major economic activities in advanced nations. Tourism is quite labour intensive and it earns foreign revenue. Thus promotion of tourism becomes imperative for India.

Though India is catching up with the sector and has taken several steps in recent years-

- 1) Launching of e-visa scheme.
- 2) Schemes like HRIDAY & Buddha Circuit & Ramayana circuit are intended towards tourism promotion.

However India's potential in tourism sector is still untapped.

Reasons:-

- 1) No integrated tourism promotion policy has been adopted by government. This

Remarks

has led to fragmented schemes for tourism promotion.

2) lopsided development - Tourism is predominant in certain sectors like medical and certain regions like Agra (in U.P.) and southern

lack of automated
unimproved
predominant
lack of
basis
hygiene amenities

regions

Not much focus on intra-state tourism and more focus on foreign tourism.

Neglect of education tourism; nature tourism etc.

hygiene amenities

India is a diverse country and its potential in tourism development is

immense. Thus government needs to come out with a proper policy to promote

tourism to promote development of the country.

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 recently projected that 8% compound annual growth rate till 2031-32 will lead to transformation of Indian economy. The various policy actions for this are as under-

1) Agricultural Sector-

a) Improving the productivity of agricultural sector. For this GM crops can be considered. Added to this 2nd Green Revolution as suggested by MS Swaminathan needs to be promoted.

b) Sustainable development of agricultural sector in the sense that it is not affected by climate change. Organic farming through 'Paramparagat Kheti Vikas Yojana' are good actions in this regard.

c) Mechanisation of agricultural sector.

Remarks

27 Industrial Sector-

a) India needs to increase investment in Industrial sector. Investment in large Industrial sector will lead to export growth and increased income. Startup India & Stand up India schemes and Make in India scheme are actions in right direction.

b) M&B sector needs a push. MIDRA Xojana needs a proper implementation.

c) There is a need to skill the labour force and labour law reforms are also required.

Good

3) Services sector-

Services sector is the driver of Indian economy at present contributing to 62% of GDP. with rising protectionism there is a need to increase innovation to take a competitive edge. Also skill level of Indian technical work force needs enhancement.

Added to this there is a need for engendered and balanced regional development with special focus on North-east.

Remarks

This action on multiple front is required to achieve sustainable growth of 8%.

(6)

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 manufacturing products are low in quality and standards when compared to their counterparts like China, Japan & western countries.

This adversely affects the competitiveness of Indian products in global market.

Issues pertaining to low quality:-

1) Obsolete technology - The technological equipments like wheels in powerloom sector are obsolete. They go back to around post independence times. This leads to low quality output.

2) Low Skill Level - The workforce especially in MSME sector is hardly skilled so this impacts the quality of output.

3) Fund Availability - Availability of funds for domestic industry through formal channels is low. This forces protectionist environment.

Remarks

the entrepreneurs to stick to old age technology.

4) Behavioural Issues - The tendency of Indians not to focus on quality.

Zero Defect-Zero Effect (ZD-ZE) Scheme

The scheme was launched by PM with twin objectives-

1) Producing products with zero defect i.e. focus on quality.

2) Producing products with less carbon footprint.

The scheme is intended to promote quality in Indian products through awareness activities and promotional works. A few other steps that can be taken to improve quality are

1) Providing with the finances to upgrade technology. eg. MUDA Xojana.

2) Formal training to work force

3) change in attitude of people

Thus multipronged actions are required to make our products

more competitive in global market

Remarks

(5/2)

create
intermediaries
to augment
the
capacity
of
MSMEs.

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)

Twin balance sheet problem is a situation where bank's balance sheets are stressed and they are not able to forward new loans and at the same time corporate balance sheets are also stressed and they are not able to repay the loan.

Indian characteristics to TBS problem

problem is problem with Indian characteristics because

1) The problem is persisting when India is the fastest growing economy in the world.

2) TBS problem is not a new one and it has been brewing for about a decade. The root of the problem goes back to high demand for credit before 2008 crisis and sluggish recovery after 2008 crisis. This problem

Indias characteristics
Absence of bankruptcy
Absence of bankruptcy
Absence of economic
The TBS economic
clouds.

Remarks

has historical roots.

Steps Required:-

1) Economic survey suggested for creating a separate agency PARA to handle to bad loans.

2) Other similar ideas include bad bank, Asset Reconstruction company etc.

3) Giving banks the power to renegotiate the terms of loans & clearing their balancesheets.

4) RBI schemes like sustainable structuring of stressed assets (SAA) etc.

5) Strong political will power.

Government recently passed an

ordinance empowering RBI to tackle situation

of NPA. This may help RBI to take

some tough measures against banks and also

may provide some leeway to RBI to negotiate with Banks.

But at the end of the day it needs

to be remembered that NPA problem has to be solved one day.

Remarks

3/2

Requires
re-orientation
of
results
&
reforms

Write
points
and
challenges
and
solutions

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.

(12.5 Marks)

(A) World Bank is a part of Bretton wood Institution and, it has recently changed its spending pattern from Infrastructure to healthcare.

The effort of WB can augment effort towards achievement of SDGs.

1) In 17 goals of SDG as many as 6 goals are related to health and hence increased funding may help achieve these goals.

2) World Bank also provides expert advice to countries on policy front. So expertise of world Bank can help achieve their SDGs.

3) The emphasis shown by WB can help make SDG a global movement which

Remarks

It's very much required for these commitments
4) World Bank can also provide model institutional architecture which can help achieve these goals

Thus WB can help achieve SDGs and its involvement is a welcome step

(B) The ~~open~~ funding available with international humanitarian agencies is far less.

Reasons:-

1) Many of the developed countries are not willing to give money to these institutions, e.g. funding for environmental mitigation.

Brexit and pulling out of US

2) Developing countries are not in a situation to fund these agencies.

disbursement of funds on basis of performance to

3) Many countries see the humanitarian agencies as a ploy of west to interfere in their internal affairs.

4) Increasing humanitarian crisis worldwide is way forward.

5) Focusing on local community entire development

2) Democratisation of these funding agencies

Remarks

like WB & IMF etc.

5

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)

BRICS sponsored NDB and AIIB sponsored by China are two emergent institutions which can challenge the hegemony of Bretton Woods Institutions.

However, this requires a cooperation among the BRICS countries and not a unilateral attitude of China.

1) China is the biggest contributor to AIIB and one of the biggest contributor to NDB hence there are apprehensions that it may adopt a unilateral attitude.

2) The major funding of AIIB is expected to go to 'One Belt One Road' initiative and India has apprehensions with this initiative hence it may impede the emergence of AIIB as a global institution.

Remarks

B) Both NDB & AIIB are located in China and hence China may be able to enjoy locational advantage.

However the threat of hegemony are less than substantial because

1) In NDB; India, China, Russia & Brazil are equal partners and hence co-operation is more likely.

2) India is second biggest contributor to AIIB and hence they both can co-operate on that.

Conclusively China knows that co-operation only with pave the way for NDB & AIIB emerging as challenge to WB & IMF, so co-operative attitude is more likely from China.

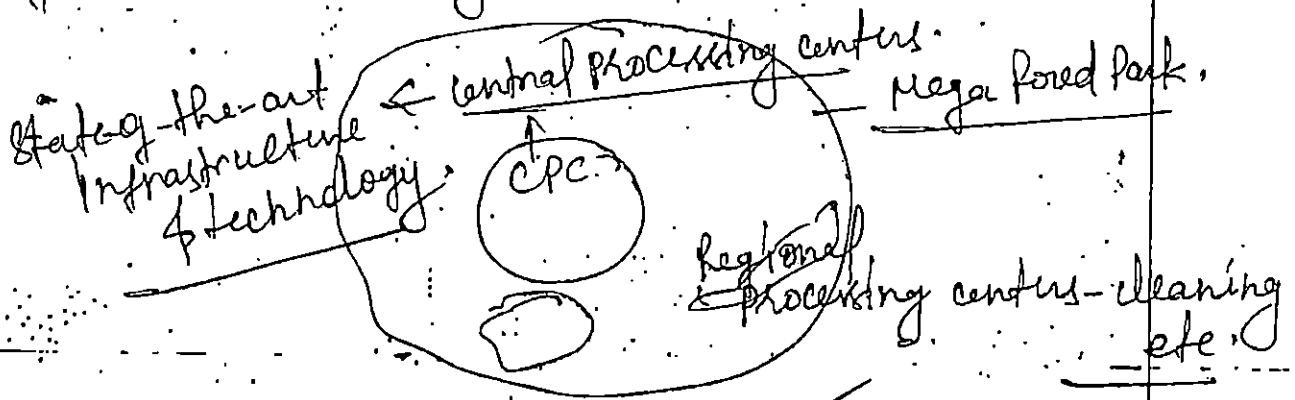
(5)

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)

Food Processing sector is a labour intensive sector. Due to its potential for growth it has been recognised as sunrise sector.

Mega Food Park Scheme was started under 12th FYP with an aim to develop state of the art processing architecture in certain regions.



Reasons for Failure of MFP Scheme -

1) Land acquisition issue - many of the MFP centres are marred with land acquisition issues. Land Acquisition Bill (LAFB), 2013 made their job even tougher.

No incentive to promoters

must linked to govt

Remarks

value chain

2) Availability of Infrastructure - eg,
MPP in Amethi (U.P.) was shut down
due to lack of electricity.

3) Lack of political will and administrative
issues like bureaucratic inertia.

4) Less availability of funds.

Government recently launched

SAMPADA scheme to promote the food

processing sector. This is a Mega scheme
containing food Park scheme under itself.

This needs to be implemented properly to

develop the food processing sector.

Steps

increase

grant

small

enterprises

time

period for

closure should

be brought down.

(3)

Remarks

Q16. Recent Farmers' agitations and suicide once gain 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?

(12.5 Marks)

Farmers' agitations and suicides are increasing in recent years. eg. Tamil Nadu farmers protesting at Jantar Mantar Delhi; farmers protesting in Rajasthan & Madhya Pradesh.

These events highlight the discrepancies in inclusive development.

As per the NCRB Report various factors behind farmers suicides are as under-

1) Debt Burden & Crop failure - Due to two success draught years in 2014 & 2015 the crops failed in many areas in the country. This led to many farmers committing suicide.

2) Individual problems - eg. family issues, depression etc.

Family related issues
problems in maintaining livestock farm

Remarks

Steps to break the cycle-

1) Increasing agriculture income- Government has targeted to double the agricultural income by 2022. Various steps like PM Kisan Bima Yojana, P.M. Kisan Sanchay Yojana and Interlinking of rivers project are steps in right direction.

2) Provide alternate income facilities- like promotion of SHGs, horticulture, animal husbandry, fisheries, food processing etc.

3) Providing for proper counselling centers to distressed individuals.

4) Proper identification of affected areas and area specific action. eg, Andhra Pradesh, Maharashtra & Kerala require targeted action.

Thus cooperative effort of both center & state can help in reducing farmers suicides.

Remarks

5/2

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)

Micro Irrigation is a method of irrigation under which irrigation is provided to crops through methods like sprinkler. This is an effective way to reduce wastage of water in irrigation.

Advantages of Micro-Irrigation-

- 1) It is water efficient and consumes less water. This is important because India is water scarce country and around 90% of water is used by agriculture sector. reduce salinity hazard
- 2) It helps in providing nutrients to crops through sprinkler in efficient way. offers flexibility in fertilization
- 3) Micro-irrigation involves less cost once the set-up has been provided.

Challenges Associated with Micro-Irrigation-

- 1) It is technology centric and consumes

Remarks

lot of cost in initial setting. Farmers in India do not have that much money to invest.

lack
dedicated
team
at
IT
bank
for

1) It is mainly good for horticulture sector which is less developed in India.

2) Continuous power supply is a problem in India. It consumes huge electricity.

3) Fragmented landholdings make it unfeasible.

Government Initiatives-

Government launched PM Kishu Sinchayi Yojana with an aim to promote 'Per drop more crop'. Micro irrigation is a part of this scheme.

Also, government is

promoting horticulture production where micro irrigation can be employed.

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)

Indian Farmer is vulnerable to natural vagaries like drought, flood, cyclone etc.

But the defective procurement policy make the farmer more vulnerable.

Problems of Procurement Policy-

1) The procurement policy is wheat and rice based. The MSP is provided for select products only and it is only certain regions like Punjab & Haryana that have benefited from MSP policy. Pulses are out of MSP and hence their prices keep on fluctuating.

2) Problems of APMC where first sale of farmer is mandatory. APMCs have been acting as cartels. In recent times providing lower prices to farmers for their produce.

Remarks

Exclusion of

Shortage of

3) Lack of proper cold storage chains leads to wastage of huge amount of foodgrains.

Steps to Reform the Public Procurement System-

1) Rationalisation of MSP and covering more items like pulses under MSP.

Also the procurement should not be region based.

Diversification of Agriculture
 Reforming APMC. Recent step of launching e-NAM is action in right direction but it has yet not taken off properly. This should be promoted.

Redressal Mechanism for farmers
 Paying subsidies out of APMC as suggested by various committees.

Thus these steps can be taken to reform the ~~the~~ procurement policy by the government.

Remarks

3/2

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)

Remarks.

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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 is about increasing the meat production in the country.

Pink revolution can supplement farmers' income. modernisation and tech. revolution in poultry and meat processing. It can provide more diversification in farmers' activities in rural areas. eg. poultry form has emerged as a good business in certain quarters. Similarly inland fisheries is a large untapped resource.

Activities related to meat production are not very expansive and they can be started with less income.

But some recent developments have adversely affected the development of this sector.

1) Cow protection movements have led

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many to fear about meat business.

2) Irresponsible political statements and policies of certain governments have aggravated the situation.

3) Animal feed prices have increased due to inflation. This has adversely affected the sector.

However certain positive developments have also taken place in recent years-

1) Focus on illegal abettors which were selling unhygienic meat.

2) Increase in availability of finances to fund the activities like poultry form etc.

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 Thus there is a need to take out this sector from the clutches of population as this has immense potential to increase farmers income.

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