



An Institute for Civil Services

IAS TOPPER'S

TEST COPY

AGRAWAL SUSHIL RAVINDRA

RANK - 198

GS MAINS ESSAY

ESSAY MOCK TEST

Time Allowed: 3 hrs.

Max. Marks: 250

Instructions to Candidate

- Both sections are compulsory.
- Attempt one essay from each section.
- Each essay carries 25 marks.
- Write each essay in about 1000-1200 words.
- After finishing the first essay, attempt the next on a fresh Page.
- Any page left blank in the answer-book must be crossed out clearly.

(Examiner will pay special attention to the candidate's grasp of his/her material, its relevance to the subject chosen, and to his/her ability to think constructively and to present his/her ideas concisely, logically and effectively).

RemarksName SUSHIL AGRAWAL

Mobile No. _____

Date _____

Signature 

1. Invigilator Signature _____

2. Invigilator Signature _____

SECTION - A

1. Robotics is both the biggest challenge and opportunity for world.
2. Female participation in Indian agriculture: Empowerment or Marginalization.
3. Market is efficient, but prone to failures if irrationality or cronyism permeates the system.
4. Development will lead to peace and prosperity, only if it is humane, just and sustainable.

SECTION - B

1. A country neither belongs to its political class nor fortune 500 companies; it belongs to people.
2. A civilized society must recognize that a woman is a mother, a daughter, a life partner, but above all she is an individual.
3. It is not always the same thing to be a good man and a good citizen.
4. Chanakya may have been from India, but its Indians who never followed his advice.

Section A

3. MARKET IS EFFICIENT, BUT PRONE TO FAILURES
IF IRRATIONALITY OR CRONYISM PERMEATES THE SYSTEM

The year is 1928, the New York Stock Exchange has just reached dizzying heights. The wealth of the people has multiplied by over five times in last year alone. The performance was just such that people from all walks of lives, be it a business man, or a milkman, a lawyer or a cobbler had invested in the stock market.

Suddenly, however by 1929, the markets crashed.

Nearly 60% of people in America were unemployed, people lost their life savings in that crash. The impact was such, it spread to across the Atlantic to Europe. The devastation ^{caused} and economic ripples ^{were} felt for years later.

In such a scenario, rationality predicted for factory owners to slow down production and downsize for the recession ahead. They further lowered the wages of their employees to protect their profit margins. The loss of livelihood, coupled with decrease in purchasing power lowered the demand ~~further~~ ~~is~~ worsening recession. further.

The seemingly rational step, permeated irrationality into the system and brought about a Complete failure of market. Contemporary instances of market failure around the world, highlights one another culprit, that of CRONYISM.

Remarks

The Genesis of Market Efficiency

The contemporary notion of efficiency of market dates back to the 18th century England, wherein Adam Smith propounded his theory of "Market Efficiency".

In his book, "The Wealth of Nations", Adam Smith talks about an invisible hand. An invisible hand which distributes the resources and means of production in the most efficient manner.

According to him, this invisible hand was that of the "Market". He propounded "laissez faire" — owing to their efficiency, the markets ought to be left alone, and Governments must not interfere in business. This became the basis of capitalism.

Fast forward a few centuries, the basis of capitalism remains the same. Various alternative social, political and economic systems like socialism

Remarks

~~Capitalism etc~~ Communism etc, have come but none is as efficient as Capitalism, as evident by the fact that almost all the developed countries follow the market. Even China, became rapid rising only after it embraced the Market.

This efficiency of the market arises from the fact that markets decide on the most efficient allocation of resources. Take for instance the shale gas boom in United States. When oil crossed 100 \$ a barrel, various companies began investing in alternative extracting techniques which led to the birth of shale industry. Today, thanks to that resource allocation, USA is the world's fifth largest producer of oil.

Another reason for market efficiency is Competition. Competition brings out the genius of human intelligence and makes things at a fraction of cost. For example, Indian Mangalyaan Mission was possible

Remarks

at a fraction of comparable cost of the west. It was possible by ingenious modelling, use of off the shelf resources and the brain power of Indian Scientists. Similarly, SpaceX uses modular ~~use~~ dual use equipments to deliver space flights at a tenth of the NASA cost.

The efficiency of market also arises due to the fact that, markets follow the law of demand and supply. An exponential rise in demand of a particular product, raises its prices. The raised price fuels research into alternatives for that product bringing its price down to reasonable levels. For example, the rise in prices of tea in USA during their independence movement, made people switch to coffee instead.

Having established the efficient credentials of the market, the question then emerges is what causes the failure of the market?

Remarks

MARKET FAILURE: A DEADLY COCKTAIL

The efficiency of the Markets have witnessed in a widespread boom and prosperity world wide. No other form of economic model has brought so many of human population out of poverty. India and China alone in the last three decades have brought more people out of poverty, than that in the entire human history.

Despite its success, market failures have occurred from time to time. From, the Great depression in 1929, to the dot com bubble in the 2000s, to the housing market collapse of 2008. There were many factors, but none as strong as the permeation of "irrationality" and "Cronyism" in the market.

Remarks

Irrationality

Irrationality, creeps in when individuals take seemingly rational decisions. As a part they seem completely normal, but when combined as a whole they become irrational. The case of lowering wages by the shop floor managers has already been mentioned at the start.

Irrationality may further, arise ~~due~~ due to sentiments. Man after all is a social being and often is affected by the happenings around us. The rush of a bull market, may make the bubble burst due to extreme sentiments of the people.

The dot com bubble saw the valuation of internet companies rise to even 100 times in a matter of months without any change in fundamentals. Even today experts are unable to decide, whether BTCoin is yet another bubble or a way to redefine how we transact.

Remarks

Markets often are made to behave irrationally due to governmental regulations. These may be due to policies like the license permit raj or political considerations. During the 1990's often there was a waitlist of a few years to get a new telephone land line connection. Government on one hand was the sole provider due to a state license with a government entity. At the same time government regulated the number of new connections that can be provided, based on arbitrary bureaucratic quotas. This led to a market, which failed to account for the potential of telecom in India.

Additionally, while market must decide on the location of new industries based on proximity to source or final sale, political considerations may shift such project into an entirely different area. For instance, the proposed petroleum refinery in some select VIP constituencies of UP, remained non-starter for years, as they were based on irrational considerations, which defied the market rationality.

Remarks

CRONYISM

Market failure is not restricted to irrationality but extends to cronyism too. Cronyism refers to a mutually beneficial relationship based on ~~under~~ the understanding of you scratch my back, I will scratch yours.

The most glaring example of cronyism is witnessed when a small number of players have a substantial control over the market. Before the entry of Jio in the Indian Telecom space, 3G data charges were exorbitant and out of the reach of common man. Tariff rates of 35 ₹ for a 1gb of data plan was common to all players. By artificially inflating the prices, the ^{telecom} players across the market defeated the market. Cronyism based on collusion prevented the market from bringing prices down of telecom services before the entry of jio.

Remarks

Another market failure ~~can~~ occurs due to Cronyism arising out of a symbiotic relationship.

Company accounts are meant to be audited by independent ^{auditors} ~~companies~~ to ensure the authenticity of these accounts.

These independent audit companies are existing due to the fees earned by auditing of accounts. Failure of governance norms and fear of losing business can cause these auditing companies to sign off on dubious accounts. The Satyam Scam happened due to this collusion between the promoters and the auditing company Price Water Cooper.

Apart from all these, the failure of markets due to cronyism arises due to the nexus between the political class and the corporates. ~~also~~

Coal block allocations, spectrum allocations, strategic disinvestment to a few favoured corporates are all instances wherein market fails to deliver the goods.

Remarks

Despite its various shortcomings, market still remains the most efficient medium. However the question needed to be asked is whether efficiency is always desired? What about equity? And how can we ensure a balance between the two.

Efficiency per se, is good, but may not be desirable in all instances. Efficiency may dictate that government close down schools with less number of children, or it may close down schools in far flung inaccessible areas, where the cost of operating the school is high. However it would not be advisable as the value system of governance demands that government keeps that school open. The government has a responsibility to all sections of population.

Remarks

Efficiency

Markets may decide on the most efficient allocation of resources; but they cannot determine the most equitable. Markets are blind to Human Equity.

For market the way to decide between the two is whoever can pay more, it cannot decide on who needs it more than the other.

These shortcomings of the market by ensuring a balance between efficiency and equity.

Government regulations instead of chaining the markets must be enacted for ensuring more equity like

the Compulsory Licensing regime for the making the patented medicines available at a lower cost. Also, the understanding of the markets, keeps evolving with

Remarks

time. The government needs to be abreast of these changes and be more proactive than reactive.

In conclusion, while markets remain the most efficient medium. However, they fail when irrationality and cronyism permeates the system. While Adam Smith may have talked for a free market and its ability to do good, experience suggests otherwise.

Also, the present times of democratic and inclusive governance demands that governments work for all sections of the society, taking along all the stakeholders — "SABKA SABTH, SABKA UKAR" is the motto of these times. ~~Thus~~ Therefore the need is for proactive regulation of the

Remarks

market, that ensures both efficiency and meets the requirement of equity. Gandhiji used to say that our actions must bring about a change in the life of the poor and vulnerable, it must make their present better than their past, it must bring a smile on their faces. So our actions must be to ensure that the market helps us in achieving those goals, and make our nation into the vision as seen by Mahatma Gandhi.

Remarks

Remarks

Remarks

Remarks

Section B

3. IT IS NOT ALWAYS THE SAME THING
TO BE A GOOD MAN AND A GOOD CITIZEN.

Mr A is a man of principles. He respects his wife and doesn't cheat on her. He goes to church regularly and does not drink alcohol. He is a strict vegetarian and often stands true to "his beliefs".

Mr B, on the other hand is a serial womaniser. He regularly cheats on his wife, has multiple extramarital affairs. He drinks alcohol regularly and is a non-vegetarian.

The common census would come out with Mr A as the Good man and Mr B not so. Mr. A was Adolf Hitler and Mr. B Martin Luther King Jr. One brought world war II for his nation, the other fought against racism.

Remarks

In his book, "The difficulty of being good", Ramchandra Guha talks about how difficult it is for us to remain good in today's society. He: ~~has~~ ^{has} questions on the premise of what constitutes as good and otherwise. However, inspite of this difficulty a common acceptance can be reached that good is ~~an~~ something that is desirable. Good is something that is justifiable, morally & ethically. ~~we all agree to certain attributes to be good, but being a good man doesn't necessarily translate to being a good citizen~~

We all 'desire' to be a good man. There is no debate about it. But the question is what separates a good man from a good citizen? Does being a good man necessarily translates

Remarks

into becoming a good citizen? What must we
as a nation and as a society desire? How do
we achieve it?

GOOD MAN (GS) GOOD CITIZEN

A "Good Man" has all the desirable characteristics of a good human being. He can have the values of selflessness, caring, empathy etc. He can be mindful of his duties as a son, father, husband, brother, worker etc. For some, he can even be a religious person.

A "Good Citizen", on the other hand must be one who uses his knowledge to solve the problems of the society. He must be one who contributes to the growth and development of the nation, rather than being a drag on the nation's

Remarks

resources. He must love his country and must be a patriot (doesn't mean he cannot criticize his country)

Many of the characteristics of being a good man, translate into being a good citizen.

For when a man upholds his duty as a son, father, brother, employee, he in all possibility can uphold his duty towards the society and the nation. By doing so he translates from being a good man to a good citizen.

For certain philosophers like Aristotle and the Greek sophists, a civic sense of duty and the duty towards your society were among the most essential virtues, of even being a good man. So for some, the goodness of being a good man would automatically translate into being a good citizen. We can find several examples and instances

Remarks

of individuals who were both good men and good citizen, but this simultaneity is not necessary true in every case.

GOOD MAN \nRightarrow GOOD CITIZEN

Being a Good Man many a times translates into being a good citizen. But this has to be externally forced and made a part of our habit. For instance, a good man would keep his house clean and not litter, but it takes a good citizen to worry about his streets and undertake efforts to ensure their cleanliness.

A Good student may be diligent and intelligent. He may use that intelligence and hardwork to earn copious amounts of money, but unless that knowledge is used for the betterment of the society, it does not translate into him being a good citizen. Using the knowledge of biotechnology one can either

Remarks

create a potent vaccine to cater to diseases in Western populations like ALS to earn money or one can use the same knowledge to find a cure for Malaria. While surely both are good men but are both of them good citizens for a country like India?

Also, one can be a good citizen, even if one is not a good man. Notwithstanding the example of Martin Luther King Jr., history is replete with many such examples where despite their individual shortcomings, people have turned up to be a good citizen.

Winston Churchill is widely regarded as the man who won the World War II for Britain. He was in a position to save his nation at the highest level, one can possibly dream of. But he

Remarks

was also responsible for the manmade famine in Bengal in 1943, by directing food grains meant for poor Indians in Bengal, to stockpiling them in Europe for the possibility of war. Churchill was a good citizen but not necessarily a good man.

Many a times, in the quest of being a good citizen. In the quest of fulfilling his duty towards the nation, an individual may have to take steps that may exclude him from being a good man. A soldier may have to kill an enemy at the border, a spy may have to steal secrets of other nations, a police man may have to order a lathi charge over his fellow citizens to maintain law and order.

Therefore one can be a good citizen without necessarily being a good man. But

Remarks

this brings us to our next question, as to what must we as a society and as a nation desire?

OUR DESIRE: A GOOD MAN OR A GOOD CITIZEN

Surely as a nation we would desire a good citizen. He would protect the ~~that~~ interests of our nation and work towards taking it forward.

As a society one would desire a good man, as his ~~own~~ adherence to values would benefit not only him, but also his family and ultimately the society.

Remarks

However, if given a chance we would desire our man to be both a good man and a good citizen. For there are many complementarities between them and by extended efforts we can ensure that our population not only emerge as good human beings but also as Good citizens.

How To ACHIEVE

Before trying to understand how do we ensure the combination of both the good man and a good citizen. we must first ensure that our population desires to achieve the goodness that is inherent in man and this can be achieved by Education.

Swami Vivekananda used to say about education according to him, education is nothing but the

Remarks

perfection of good that is ~~for~~ already there within the man. Using education we can bring out this good.

Secondly, this has to be imbibed with a civic sense and a love for our country.

On being asked, ~~a class~~ to a class 4 Japanese student, who does he live for, he aptly replied that, he lives for Japan. Same civic sense and love must be inculcated among our children right from their school days.

The elder population while being aware of the good attributes often do not ~~act~~ act upon them. The way to translate them into good citizens would be via persuasion

Remarks

and influence. For instance, when the population sees the Prime Minister of our Country and various celebrities take up brooms to clean our streets ^{for Swachh Bharat}, it automatically registers among one to not litter in the streets and if possible even clean them. The entire stigma of being a cleaner just washes away and a person is transformed into a good citizen.

In conclusion, A nation may make do with good citizens, however a society will survive only if ~~that~~ there are good men. Our goal should be to ensure that our nation and society thrives and not merely survives, and for that to happen we cannot remain satisfied ~~as~~ ^{just} by being good men, we must take active steps to transform

Remarks

ourselves into good citizens too! Love for our Country and a sense of duty to our fellow beings must guide us. In words of J.F Kennedy, "we must not ask what our Country can do for us, rather we must ask what we can do for our Country". Taking inspiration from these words, we must all do our part for the betterment of our society and our nation. For a bright future of our country, we must all transform ourselves to be not only a good man, but also a good citizen. Such a Country would be able to stand true to words of Rabindra Nath Tagore —
"where the mind is without fear and the head is held high
Into that heaven of freedom, my Father, let my Country awake"

Remarks

Remarks

of Public & Private Goods

MARKETS IS EFFICIENT, BUT PRONE TO FAILURE

IF IRRATIONALITY OR CRONYISM PERMEATES THE SYSTEM

Types

- Sentiment
- Govt Regulations
- Extra market competition

Ex: - Trade War India & Pakistan.

Types

① Symbiotic Relationship

↳ You scratch my back, I will scratch yours

Govt.
Society (Buyers)
Companies / (Sellers)

② Monopolistic / Oligopolistic

34 prices in India before entry of Jio.

Introduction - 1928 - 1929 Glenn

Temper - Adam Smith Wealth of Nations

↳ defined by capitalism

Markets - provided unprecedented prosperity however failures

Irrationality

- Sentiment
 - dotcom bubble
 - 2008 housing crash
- Govt Regulations
 - License Permit Raj (continued production)

However markets efficient

Resources
Competition
alternatives

Rather generic

2001 housing crash

CRONYISM - Satyam Scam

① Symbiotic Relationship

② Monopolistic / Oligopolistic

③ Coal block allocation

Social Goods

Extra market competition

Remarks its importance or how to priu them

fails miserably

India/Pak trade

despite this being

However not just

Conclusion

Soln

Section A

MARKET IS EFFICIENT, BUT PRONE TO FAILURES IF IRRATIONALITY OR CRONYISM PERMEATES THE SYSTEM

1929 - (1929) stock market bust

Great Depression

irrational premise that lowering wages would lead to more profit

Temper - A76 - Wealth of Nations

↳ Power of Markets

↳ Invisible hand

Market of Goods service

How will this irrationality arise

Govt. regulation sentiment in market

Govt seeds sudden market crash

① Market is efficient: not just suddenly different use of the commodity and prices just shoot up.

② Cannot decide who is more deserving.

Failure of Market

Irrationality

1) Asset bubble cycle

↳ 2001 dotcom bust

↳ 2008 Depression

(Housing asset bubble)

(Based on the over extend simplification that price will go up)

2) Irrationality may creep in

↳ Enron bubble

③ Indian License Permit Reg

Cronyism

① Coal block allocations

② Spectrum allocations

③ CFI report on (PSI) Jodhpur defense purchase

④ Corporate

↳ Satyam scam

↳ Cronyism by auditor

① Market - how is it efficient? - more efficient with solution of resources & supply < interplay between demand

Ex: Oil and shale boom

Electric cars

② Brings out competition and hence the application of best of mind. Fraction of cost

Ex: Space

Indian Mangalore ship program

↳ Fraction of cost

Remarks

IT IS NOT ALWAYS THE SAME THING TO BE
A GOOD MAN AND A GOOD CITIZEN

Intro-

Hitler

Martin Luther King Junior

Does a good man translate into becoming a good citizen

Good Man

How does one translate
into being a Good
Citizen.

Good Citizen

What Cons

① adherence to values

②

① Service to the nation

② Positive worth to the society

③ Putting using his knowledge
to solve the problems of
the society

④

Being a good man, does
not necessarily translate into
being a good citizen

However, to a large extent if one can ensure he
becomes a good man, there is a greater probability that
he will emerge as a Good Citizen

Remarks

IT IS NOT ALWAYS THE SAME THING TO BE
A Good Man and a Good Citizen

Intro. ← Luther, Hitler

Thesis The difficulty of being good - Cite — what translates into
good is subjective. However, basic general consensus
can be achieved

What differentiates between a Good Man from
a Good Citizen? Does being a good man necessarily
translate into becoming a Good Citizen? ~~How~~ What does
our nation desire and how do we achieve it?

Good Man (vs) Good Citizen ←

Good Man \Rightarrow Good Citizen ^{but not a} (2)

Good Citizen but not a Good Man

~~What do we desire~~ OUR DESIRE AND HOW TO ACHIEVE IT

- ① Civic sense along with morality
- ② A sense of duty towards our country
- ③ ~~Ability~~ To be more giving rather than

Remarks

demanding — Fennedy