QUESTIONS AND ANSWERS FROM INSIGHTS WEBSITE ON GENERAL STUDIES PAPER – 3 (ECONOMY)

(All answers are indicative and are written by the aspirants themselves)

This document is for candidates writing Mains 2013. All questions are from current events published in The Hindu. We expect few questions to come from this document. Wish you all the best.

Economy

1) Comment on the financial relations between the Union and the states in India. Has post-1991 liberalization in any way affected it? (250 Words)

The constitution gives primacy to Union vis-a-vis the states in India. It mandates, the distribution of resources to the Finance Commission, to be appointed by the President periodically. The spirit of delineation sought by the Constitution, however, has come under tension and due to certain bypassing institutions, laws and schemes, being favoured by the Union, and burdening the state governments along with containing their financial autonomy. Institutional setups like Planning Commission, a non-statutory body, has circumscribed the role of Finance Commission, giving more discretionary powers to Union. Centrally Sponsored Schemes, made on the State List Subjects, have been imposed on State Governments, without financing them completely and even insufficient consultation is carried out by the Union. The practice of directly transferring the funds to Local bodies has further eroded the accountability and autonomy of States with respect to functions assigned to them by the Constitution. In the post-1991 liberalization era, where market borrowings, short term loans have gained significance and new taxes such as service tax, GST, VAT etc have been brought forth by the Union, the states still feel dependent on Union. In wake of implementing Global conventions such as Climate Change, MDG’s etc, Central government expects state governments to fulfill their obligations, but does not compensate them with adequate resources. Such trend can also be found in royalty earned in mineral extraction, spectrum allocation etc.

On the other hand, periodic obligations such as rising incomes of employees so as conform with Pay Commissions, and restricting expenditure to comply with FRBM Act, has proven more contentious to states vis-a-vis union. Therefore, a more holistic, rational and democratic financial distribution needs to be done, with proper consultation and in accordance with federal character of the Indian polity prior to nationalization of banks in India, financial sector was largely controlled by the small & big commercial private banks. Most of these banks worked under the discretionary power of owners and used to support the corporate & industrial interests. Such practices led to the exclusion of majority of the population. Political leaders of India identified the need to nationalize the bank so that credit could be made available for the larger population. Intention was to increase the flow of credit to rural & semi urban areas and low & middle class people. But scheme such as Priority sector lending benefitted the rich farmers at the cost of poor farmers. Influence of business houses grew in India and elite emerged as the main beneficiaries of such banks. PS lending has become a costly obligation for the banks. Most of the banks prefer to invest in shares, debentures and issues guarantees to elite to sustain their business. To further improve financial inclusion, GOI has decided to allow industrial houses to participate in banking sectors that was once restricted due to well-known reasons. Industrial banks will eye only the growing middle class customers of the country. Such reforms will also result in the control of banking sector in hands of few elite group. Majority of the population will have no say in financial sectors and continue to remain deprived of financial inclusion in real sense in absence of economic democracy.

2) “The talk of financial inclusion and inclusive growth is meaningless in the absence of a mass movement for economic democracy.” Critically comment. (200 Words)

3) “A decentralist form of market socialism is different from mixed economy and has become a prominent feature of some countries post communism.” Examine. (20 Words)

Mixed economy, comprises of both capitalistic i.e. free markets, entrepreneurship, and socialistic character such as welfare and equality principles. Post Communism era, after fall of Berlin Wall, the disintegration of USSR, saw the emergence of Market Socialism, different from mixed economy. It emphasised on ownership and management of enterprises, absent in the latter type. Here, instead of allowing private ownership of means of production, public or social ownership of means of production are encouraged. Cooperatives, social enterprises, which promote authority to the workers and it’s their consensus which decides about their supervisors, decision making process, working hours, remunerations, shares, profits/losses etc. This type of workplace democracy or economic democracy to workers is the cornerstone of Market Socialism. Just like mixed economy, free markets are there, limited government intervention in means of procurement of goods and working of enterprises are present. The difference is, Market socialist economies are complete and self-regulating. Mixed economies, aim at achieving stability through welfare schemes, taxes, subsidies, but in contrast, Market socialism aims at them, through changing patterns of enterprise ownership and management.
Hence, overall concern remains for socialist democratic principles, but in market socialism, people are made managers of their enterprises and taking own decisions. Therefore it is different from mixed economies, where such authority is not given to the workers of enterprises.

Analyze the employment trends in India as revealed by NSSO’s 68th round survey.

1. The Employment and Unemployment surveys of National sample Survey (NSS) are primary sources of data on various indicators of labour force at National and State levels. These are used for planning, policy formulation, decision support and as input for further statistical exercises by various Government organizations, academicians, researchers and scholars. Three reference periods used in NSS surveys are (i) one year (ii) one week and (iii) each day. About 40 per cent of population belonged to the labour force 41 per cent in rural areas and 37 per cent in urban areas. males was nearly 56 per cent and it was 23 per cent for females. Worker Population Ratio 39 per cent at the all India level 40 per cent in rural areas and 36 per cent Wage Rates of Regular Wage This was Rs. 299 in the rural areas and Rs. 450 in the urban unemployment rate was 9per for entire country.

4) while economic growth is an important boon for enhancing living conditions, its reach depends greatly on what we do with the fruits of growth.” Comment (250 Words):

Economic growth generates more revenue which translates to more disposable income available with private & public entities. Additional income can be helpful to improve the living standards considering it is utilized in right way. Due to economic growth, Indian government could afford to implement several program such as MNREGA, NRHM, food security bill etc. for the upliftment of living standards among poor & vulnerable. Economic growth accompanied by the job creation has brought millions of poor out of poverty in last 2 decades. But India ability in utilizing the full potential of economic growth to enhance living conditions remains doubtful when compared with other countries. For ex: Bangladesh per capita GDP and economic growth has remained lesser than India, but their performance in improving the living standards has been far better than India. Bangladesh ranks better than India in several aspects of living standard such as Life expectancy, maternal & infant mortality etc. In India, combined central & state expenditure in social sector is near 7% as compare to average 14% in several developed countries. Inadequate investment accompanied by underutilization due to institutional & procedural bottlenecks have deprived several poor of the benefits of higher economic growth. Economic growth of India has benefitted the smaller segment of Indian middle class. Economic growth led by the service sector which employs a miniscule population has led to concentration of wealth in hands of a very small segment. Economic growth of India is also been termed as job less growth as service driven growth creates lesser jobs than labor intensive manufacturing sector. Inadequate public expenditure & unequal income distribution has further undermined the significance of economic growth in enhancing living standards in context of India.

5) Do you agree with the assessment that the state capitalism, a form of capitalism practiced by emerging market economies, in recent years has gained the upper hand over the liberal capitalism of the west? Analyze. (250 Words):

State capitalism is a form if economy where state plays a role not only in fiscal management but actively engages in production process through state owned enterprise and protecting local private enterprises by creating conducive environment. Therefore it is different from lassies fair economy.

The debate of State and Liberal Capitalism gained momentum recently as the emerging countries practicing state capitalism were able to sustain high growth rate in event of global economic crisis. Therefore it is projected as a more stable. On the other hand liberal capitalism has an inherent tendency of following cyclic process of boom and slowdown. Therefore it is considered unstable.

The stable owned enterprises of Russia, India and Brazil have global presence and these engage in business with MNCs and are profitable. These are no more managed by bureaucrats and politician but managed by efficient managers. The government support gives them stability and broadened investor base promotes efficient management.

However State Capitalism must be viewed in the context of its evolution, either from Socialism or Welfare State. Therefore it has changed the nature of State in these countries. Political intervention and inefficient use of state resources for furthering private interest by the political class are the flaws of State Capitalism. Also State enterprises are allowed lesser freedom and not suitable for innovations and creativity.

Therefore even though State Capitalism is presently preferred form of economy in emerging markets, the importance of private sector in growth cannot be neglected

“Broad economic stability, competitive markets, and public investment in physical and social infrastructure are widely recognized as important requirements for achieving sustained economic growth and a reduction in rural poverty.” Critically analyze. (250 Words)

Sustained economic growth and a reduction in rural poverty are the soul for the envisioned Inclusive development of the country. Broad economic stability, competitive markets, and public investments are some of the parameters which should be ensured to achieve the twin goals. India also have focussed on them, although different approaches, initially through firm state control and later through a more liberal public-private partnership. Macro-economic stability is essential for the overall
development of economy. Inflation, directly bites the individuals of the society irrespective of their status has to be regulated. Even after social welfare schemes by government, high inflation can keep large essential services out of the reach of many due to high prices. Other concerns such as fiscal deficit, CAD, Exchange rate, public debt etc should be stable and be efficiently regulated by the state. In the highly globalised world, when foreign investments and foreign exchange required to complement domestic needs can be hampered if these factors are not stable. Such events can lead to burdening government, taking the focus away from welfare and further burdening of citizens through taxes and interconnected economic ills. Competitive markets ensure that there is variety of choices for people, controlled prices, no monopoly, and efficient delivery of services. Various competitors ensure such standards thus benefitting consumers. Similarly, in countries where unemployment and poverty are towering concerns, Public investments are extremely crucial. In the era of LPG, both the private and public sector has to contribute towards these deficiencies, which can be either through infrastructure, welfare schemes, free educational and health centres, Corporate social responsibility etc. All these are pre-requisite, although not the end of work, for the emancipation of poor through a sustained economic growth and forward path to development of the country.

7) **To date, India has issued compulsory licenses or revoked patents for eight advanced pharmaceuticals. Do you think these measures will affect investors and undermine research into the innovative cures of tomorrow? Critically comment.**

**IPR are given to recognize the effort of the patent holder for its research and innovation. But lately, it has been observed that such rights have been abused by their holders, leading to uncompetitive environments thus impeding public welfare. With a right, there comes a duty also and compulsory licensing tries to live up to this notion, and provides a remedy for such abuse. Although they might affect investors and innovative research, hence a fine balance between IPR and competition has to be maintained. Compulsory licensing in case of pharmaceuticals was much called for, as essential drugs, for instance Nexavar, patented in cancer drugs, was available to only 2% of the cancer patients in India, owing to its exorbitant prices. Thus such patenting is exploitative, harms the wider public welfare and needs to be curbed. Now the drug is available for just 6% of its earlier cost, thus allowing much wider public affordability. Similar trend can be seen in other areas such as seeds, technology etc where patent holders usually tend to practice activities so as build their unhealthy monopolies. As far as the interest of investors is concerned, then no doubt such steps will affect them, hence they need to be taken as the last resort only when national interest, or wider people's interest in underlying. Royalty fee earned by patent holder will provide some relief for its efforts and will not completely discourage them to carry out research. Even surety of their IPR should be given, but with certain conditions and obligations. Hence Compulsory licensing is much called for in cases of patent abuse and even mandated by different countries and organisation around the globe.**

8) **The promise of more effective global economic governance aftermath the 2008 Financial crisis remains unfulfilled.** Critically comment on the steps taken by the key global institutions in the light of the given statement. **(250 Words)**

With shackling of the invincibility of high claims made by towering companies and banks, leading to a financial crisis in 2008, more effective global economic governance was declared. Provisions such as strengthening IMF and World Bank apart from easing more money to non developed countries was promised. Regulatory mechanisms in the form of Financial Stability Board came into existence. More capital adequacy by banks through Basel-3 norms were desired. But still these measures seem spineless and hollow. IMF’s most resources and decision making power is still concentrated in Europe, although the contribution of BRIC nations to the NABs(New Arrangements to Borrow) share has increased significantly. Countries like Portugal, Greece, Italy have taken much of the resources in form of bailouts, leaving dismal security for other nations. World Bank, the backbone behind every crisis solution, has not been enriched with sufficient resources. Although Development banks for Asia, Africa, Inter-America regions have been strengthened, but IDA(International Development Association), the poor feeding arm of WB, was given only a moderate, inadequate increase. Further the powerful trustees of WB have put constraints on it over the lending, making the resources for poor nations even more restricted.

Financial Stability Board, promising a more regulatory environment, remains weak. Devoid of any legal mandate or enforcement powers, it also lacks universal access, although deemed to be a global bank. Intensive financial lobbying, by effected parties have even crippled the powerful nations to take decision. Even the Basel-3 norms have been diluted. Hence, although taking much hype, these provisions demand much more resources, will power and binding decisions to enforce a much better economic governance.

9) **Evaluate the track record of land reform in India in its various aspects, bringing out inter state differences. How would you interpret this record?** **(250 Words)**

Immediately after Independence, Indian government realized the importance of land reform in improving the agriculture development & bringing in social justice in the country. Land reforms were aimed to abolish Zamindari, distribution of excess land by imposing ceiling, protection of tenants and consolidation of land holdings. Land being a state
subject, reform laws were passed by all the state government in 1950s. Even after 67 years of independence Land reforms implementation has been far from satisfactory.

Tenancy reform laws have been a failure in most of the states. Tenancy reforms led to massive eviction of tenants or passive contract between Tenants and land owners. Tenancy reforms and redistribution of land has been the most successful land reforms in West Bengal, Kerala & Tripura.

As far as consolidation of holding is concerned State of UP, Punjab, Haryana have achieved a good success. Land ceiling difference is quite high between the states. States such as Haryana, Punjab had land ceiling limit at least twice of Haryana, Punjab. Liberal definition of family was largely misused by land owners to get exemption from the law. Land ceiling reforms have been disappointing throughout the country except for J&K and WB. West Bengal alone contributes 40% of the beneficiaries of ceiling laws. Redistribution of government land benefitted the large upper caste land owners while the SC/ST landless laborers allocation has remained only on paper. In Several regions, SC/STs have been prevented from taking possession. Across all the states, land laws have been implemented with gender bias that has deprived women of their property & tenure rights.

Current status is that 60% of the country’s population has rights over only 5% of the country’s land while 10% of the population has control over 55% of the land. Over all Impact of land reform have been negative due to the half hearted implementation of Land reforms.

10) What do you think has been the impact of Targeted Public Distribution System in India on food security for the poor? Justify your answer. (200 Words)

Targeted Public distribution system was implemented in year 1997.Main aim behind the TPDS was to transfer the benefits to needy and restrict the food subsidies within control. TPDS was designed to transfer food grains 20 Kg at subsidized rate to poor households and task of identification of poor was left on the state agencies. State government issues the BPL cards to identified beneficiaries and the food grains are distributed through fair price shops. Though the intent of moving away from universal PDS to targeted PDS was right but the implementation of TPDS suffering from ghost cards, targeting issue and corruption have failed the objective.

Some of the states have issued more cards than the households in their states. States such as Karnataka, Gujarat, Bihar etc. have issued more BPL cards than households. States such as Karnataka, AP, Tamilnadu where more than 40% of the card have been issued to the above poverty line households. States such as Maharashtra, Gujarat, Orissa, UP have nearly 1/3rd of their poor excluded from any sort of identification.

Over all estimates says that only 40% of the intended food subsidy reach the real beneficiaries. Most of the Fair price shop’s business model is unviable and they rely of siphoning off food grain to maintain their profitability. More than 40% of BPL households still remain untargeted due to TPDS. Not to mention the inefficiency in whole supply chain where government need to spend 1 rupees to send the subsidy worth of 30 Paise to households. TPDS has fell short of its promise to make India a food secure nation.

11) Analyze the impact of MGNREGA on rural and urban wages and rural migration. (200 Words)

MGNREGA was implemented in 2005 to give adult members of each household a right to seek at least 100 days of guaranteed wage if he agrees to do unskilled manual work. MGNREGA also has provisions for SC/ST & women empowerment with rule that 1/3 rd of beneficiaries should be SC/ST and women. Guaranteed wage under MGNREGA has set the base price for laborers in rural areas. MGNREGA has improved the bargaining power of rural laborers and that has resulted in rise in unskilled and temporary labor cost. Agriculture dependent states such Haryana, Punjab have more visible wage hike in rural areas. There are certain sectors such as construction, unorganized sectors etc. that compete with agriculture for labor forces. MGNREGA has compelled these sectors to increase the minimum rate to maintain the pull for rural migrants to urban areas. MGNREGA has been successful to stop the distress migration but overall NREGA has failed to play an effective role in checking rural to urban migration.

Women form a major chunk of employees under MGNREGA scheme who were considered unproductive earlier. In most of the states, average wages paid are below the stipulated minimum price and sometime wage are delayed or denied. Male members from family still need to migrate to earn sustainable living due to poor implementation of the scheme.

12) Critically examine the impact of New Industrial policy initiated in 1991 in India. (150 Words)

The New Industrial policy impacted India primarily economically but also socially, culturally and ecologically.

The positive impact was rise in GDP by 2% points for the coming decades, mainly by the services sector. It created much-needed employment and allowed the space for private sector to grow. Globalisation eroded conservative values to an extent and made the society less stratified. India leveraged global economic growth. In fact, exports and imports today constitute 40% of our GDP. Technology transfer, investments and managerial efficiency were other benefits.

However, on the other side, the values of consumerism and commodification have been on the rise. This has contributed to ecological degradation and decay in traditional values. On the economic front, growth has mainly been driven by less labour intensive sectors like Services, not helping the problem of rampant unemployment much. The Indian economy has become vulnerable to both global shocks and recovery, mainly from the west. Stiff competition...
from domestic giants and MNCs have stifled the growth of MSMEs hindering entrepreneurship. Thus, the policy has impacted us both positively and negatively.

13) **Distinguish between cooperative, contractual and corporate farming. Which of these is best suited for India and why? (250 Words)**

Cooperative farming is a system whereby farmers contribute resources and labour as a group for crop production, to ultimately share it equitably. This leverages collectivism and is suited for a group of small and marginal farmers. For they own small tracts of land and are short of technical inputs.

Contractual farming is based on an agreement between the farmers and the corporate to tailor farmer's output suiting the corporates. The later provides both technical and non-technical inputs. It may be contracted with a group or an individual.

Whereas, in corporate farming, the corporate themselves undertake crop production by employing labour. They own everything unlike cooperative and contractual farming.

India is home to 74% small and marginal farmers, those owning less than 1 & 2 hectares of land respectively. It is clear that cooperatives rely on big producers, as evidence suggests, and not on many small producers. Thus, cooperative farming is suited for these farmers.

Whereas, other farmers (about 10%) own large tracts of land and are technologically capable and aware enough to deal with the corporates. They can not be exploited unlike the small and marginal farmers. Therefore, contractual farming provides them an avenue to enhance their income and productivity.

Corporate farming is suited for those areas where the farmers do not own any land, i.e. for agricultural and landless labourers. However, government’s intervention would be required to enforce the work contract and prevent exploitation.

Thus, all three approaches are suitable for India depending on the farmer's socio-economic status.

14) **How are non-banking financial institutions important in Indian economy? Analyze. (200 Words)**

NBFC are the institutions that provide banking services such as loan & credit service, retirement plans, acquisition of shares, hire purchase, insurance services etc. NBFC have been classified in to hire-purchase Company, infrastructure financing company, loan and investment companies. Effective & efficient functioning of financial system is must to improve & sustain the economic growth.

NBFC plays a complementary role in the economy.

NBFC segment serve the customers who are not served by the banks. For example: most of the micro, small and medium enterprises are not served by the banks and NBFC fund this segment to get access to machinery & equipment.

NBFC plays a complementary role in mobilization of savings. NBFC can provide more attractive return than the bank deposits. Their participation improves the money flow in the economy. Specially the middle class segment prefer to invest in NBFC offered products otherwise their money otherwise would have been put in to unproductive investment such as gold. NBFC are capable to produce innovative products that are in sync with customer needs. They work in proximity of the customers and they have better understanding of customer need than the traditional banks.

Retail finance segment such as commercial vehicles, housing loans, Car financing or personal loan in India is dominated by the NBFC. NBFC create a competitive environment and challenges the traditional banks to innovate and improve quality and efficiency of their delivery.

15) **“During the Eleventh Plan period, India slipped from 127th rank to 134 rank in the HDI rankings despite the ‘inclusive growth’ strategy adopted during the period.” Critically comment. (250 Words)**

Now the reasons for this slip in rank can be analysed. The three components of HDI are income, health and education. Now, in terms of health, as India had a remarkable growth rate, score on this section was comfortably high. In terms of health and education, therefore lies the lacunae.

Health spending in this plan period was not sufficient enough to make any noticeable change. Even though schemes and programmes like ASHA, ANM, JSSY, routine immunization, setting of primary and secondary health cares etc were introduced and strengthened under NRHM, these were not implemented with full efficiency as one would have expected. Focus on rural health alone and neglect of urban areas again was not helping the cause. Sanitation programmes are yet to find their objective, thereby not able to mitigate the spread of diseases among children, which adds and deepens the malnourishment problem in the country.

In education sector, RTE was enacted and upheld by Supreme court in this period. But the fruits of this act will take some time to be achieved. The delay and unwillingness of the some school managements coupled with the gaps in accountability aggravates the issue.

But despite all these issues, there is a silver lining. Government has increased the health spending considerably in the 12th plan period, an Urban Health Mission is proposed and RTE, RMSA and SSA are set to be implemented with more vigour.

16) **“The Monterrey Consensus of the International Conference on Financing for Development places the mobilization of domestic financial resources for development at the centre of the pursuit of economic growth, poverty eradication and sustainable development.” Examine the role of banks in resource mobilization in India. (250 Words)**

In Indian economy, resource mobilisation plays a key role in financing development programmes, projects. Banks as financial intermediaries take the responsibility of mobilisation and financing.
Banks mobilise resource in a variety of ways like deposits from household sectors, corporate sector, borrowing from capital market. Various factors help in this. These include the decentralised working of banks as HQ-branch model, inadequate economic literacy of people to participate in capital market, dominance of PSU banks (which gives confidence to rural people). They also mobilise resources through domestic and foreign borrowings.

RBI as the regulator, from time to time forms the rules, guidelines. The interest rates were deregulated which helped in competition, thus increasing the deposits.

On financing side, banks mainly finance short-term development projects. These include SMSE, self-employment programmes of GoI, agriculture loans, loans to entrepreneurs. There are aimed at employment generation, economic growth and reducing poverty.

RBI formulated the policy of “priority sector lending”. The purpose is to route the resource towards the key sectors, which are otherwise not served, due to low profit. These include education loans, SMSE, SHG, petty vendors, housing loans.

Despite their key role and evolution, banking sector has limitations. These are preference of depositors in hedging inflation. People are preferring to invest money in physical assets like land, gold, which is unproductive for economy. RBI announced the introduction of inflation-indexed savings instruments by Nov 2013.

Absence of large banks when compared with international standards are severely restrict the ability of long term finance to infrastructure projects. The strategy formulated was mergers and acquisitions.

17) “Resort to PPPs in the social sector often raises concerns about the commercialization of services that are normally expected to be provided free or highly subsidized.” Comment. (250 Words)

Government budgetary allocation to social sector has been far below the actual requirement. Government encourages PPPs to fill this gap so that basic services could be provided to majority of population. For ex: Number of government schools fall short of meeting the country’s requirement. Government has thus encouraged private entities to operate the educational institution as non-profit organizations.

Government has encouraged the private sector participation in institution of higher learning. PPP model has been successful to improve the enrolment ratio at primary level but has been that successful at higher education level. ‘Well to do’ section of society has benefitted the most out of services provided by private institutions in technical & management fields. Such institution remains outside the reach of poor due to higher fees. Government colleges have lesser seats and sometime available courses are not in sync with the market demands. Due to lack of government funding, poor are still deprived of quality higher education.

PPP model in healthcare is of utmost importance. Government budgetary allocation to healthcare (below 1% of GDP) is far below the actual requirement. Private participation in health care has definitely filled the infrastructure gap in terms of number of clinics, beds, pharmacy shops etc. PPP model has complemented the government efforts in providing basic health care services. In absence of government support, people at BPL line are at higher risk to slipping back to poor category in case of medical emergency. Specialized health care services remains outside the reach of poor in absence of government support.

PPP model have served India very well in infrastructure projects like road, transport, telecommunication etc. But social sectors like education, healthcare are still not financially sustainable for private entities and require adequate government support for quality service.

18) How does depreciating Rupee affect the CAD and Fiscal deficit? Explain. (250 Words)

CAD and Fiscal deficit are twin concerns of Indian economy as the former deals with difference between import and export of goods, services and transfers while the latter deals with borrowing of the government to bridge the gap between expenditure and revenue.

Rupee depreciation has both negative as well as positive impact on Current account deficit. It increases the cost of imports like crude oil, gold and goods and services. It makes the overseas tourist costlier and students studying abroad face the brunt of rupee depreciation due to higher cost of living. It increases yield on NRI accounts. On the positive front, it makes the export competitive in the global market and increase the foreign tourism footfall. It also helps in the generation of more revenue of IT cos through BPO to India. However, as Indian imports are mainly of subsistence nature and they outweighs positive effect of rupee depreciation on exports, it leads to negative consequences.

On fiscal front, imports of fuel due supply side inflation leads to escalation of prices thereby requiring the government to increase subsidies on crude oil, fertilizers etc. It leads to burgeoning of non plan expenditure. Further, heavy investment in gold and other non productive revenue in a hedge against rupee depreciation decrease the saving base thereby decreasing investment which ultimately lead to slowdown and impact capital expenditure. It forces govt. raise property tax in order to spur demand. It also increases interest payment on liability of government on loans and increases debt service ratio. Therefore both CAD and FD are inextricably linked with rupee depreciation and the latter has cascading effect on both.
19) “The Liberty Reserve case shows that data thefts, hacking attacks and online scams are replacing the traditional crimes and the digital currency is now at the center of the money laundering operations.” Do you think measures taken by the Indian government and RBI are effective in preventing cases like Liberty Reserve in India? Give your opinion. (250 Words)

Liberty Reserve case shows yet another example of increasing digitization of money laundering and associated crimes. The question that it poses is in light of technological developments across the world, can money laundering be tamed specially in developing countries like India? Indian government and RBI has taken a slew of measures to tackle the menace. The government recently amended prevention of money laundering act which not only enhance the definition of money laundering, it also provided for stringent punishments and fast tracking of cases. RBI has strengthened the KYC norms and better oversight on the system is being maintained. So much so even the Financial action task force has acknowledged Indian efforts in this regard.

However still much needs to be covered as recent controversy regarding overlooking of KYC norms for various market instruments and even for wealth management services. The regulatory framework for this sector needs to be overhauled and comprehensive enforcement of laws to check benami transactions, further strengthening of KYC norms, core banking solutions, professional analysis of Data mining don by IT dept, addressing infrastructural problems, clamping down shell companies, making PAN numbers mandatory for high end transactions etc. Thus in conclusion it can be said that the situation is not so bleak regarding tackling of money laundering however the pace should be increased as money laundering in itself poses great risk to the country. In the era of strong interlink ages, money laundering if not checked would have ramifications in the political and socio cultural sphere also besides the economic one.

20) Write a note on National Mission on Micro Irrigation (150 Words)

National Water Policy 2002 laid emphasis on the introduction of micro irrigation system to the maximum possible extent to achieve the food security. Consequently, the implementation of the existing Micro Irrigation Scheme (MIS) was approved as the National Mission on Micro Irrigation (NMMI) during the Eleventh Plan period.

NMMI is expected to boost converge of micro irrigation activities under major government programmes such as National Food Security Mission (NFSM), Integrated Scheme of Oilseeds, Pulses, Oil palm & Maize (ISOPOM), Technology Mission on Cotton (TMC) etc. for increasing water use efficiency, crop productivity and farmers income. The new guidelines would enhance water use efficiency, productivity in crops, and provide answer to water salinity and water logging issues.

The salient features of the scheme are:
* Small & marginal farmers would get subsidy of 60 per cent and for other beneficiaries, 50 per cent for an area up to 5 hectare under the Government of India share.
* Introduction of new components with advanced technologies on micro irrigation like semi permanent sprinkler system, fertigation system, sand filter, different types of valves etc.
* Release of Central share to the State Implementing Agencies instead of districts.

The scheme also has an effective delivery mechanism that calls for close coordination among the beneficiaries, the PRIs, the State Implementing Agencies and the registered system suppliers for the increased area under gross cultivation.

21) Do local bodies enjoy autonomy in performing their role in the field of economic development and social justice? Comment. (200 Words)

Local bodies are the institutions of self-governance. They govern the areas of relatively smaller size such as village, towns, cities etc. 73rd & 74th amendment of constitution of India has provision to establish the local bodies in rural & urban areas of the country. Local bodies have been successful to empower the weaker section of the societies through the reservation policy and improve the community participation in local development programs. But Local bodies don’t have any specific list of subject where they can exercise their power or authority. They hardly have any say in the regulatory environment of the states. Their power remains heavily dependent on the discretion of state governments and Unclarity of power/functions limits their capability to deliver social justice.

Constitutional amendments have ensured the creation of local bodies in different region of country but local bodies have failed to evolve as institutions of local governance due to several constraints. Local bodies do not even have any administrative control on the members who serves the Panchayat. These members are only responsible to the state government. Local bodies do not have adequate financial resource and manpower to carry out economic development program. Local bodies are dependent on taxes and state government transfer to carry out their development activities. Revenue from state government is major chunk of their financial resources. Wide variation in financial autonomy can be observed in different states of India. Local bodies lack financial and administrative autonomy that limits their role in economic and social development.

22) “The increasing trend of Western countries moving their manufacturing functions to low-cost countries, and the likely prospect of India emerging as a manufacturing outsourcing hub, is expected to contribute to the growth of
24) Write a critical note on recently approved proposals for brownfield FDI in the pharmaceutical sector. (150 Words)
During 1970-2005, several domestic pharmaceutical companies were established in the country. Domestic Indian companies went on to achieve phenomenal success by providing drugs at affordable prices. Government allowed the 100% FDI in pharmaceuticals sector in 2002. Majority of FDI investment has come as brownfield investment where many of major domestic firms have been gobbled by foreign companies. Domestic capital has just been replaced by the foreign capital with no major R&D development.
DIPP had been pushing for long to put the restriction on FDI in brownfield projects. On the DIPP insistence foreign investment promotion board has put the US based pharmaceuticals firm Mylan proposal to acquire Indian generic drug company Agila specialties. DIPP later softened its stance mentioning that it would favour FDI in brownfield if the target domestic company’s market share is below a particular threshold. Later based on discussion with inter-ministerial group, FIPPB has approved all the pending proposals. Recent acquisition is the third largest FDI in pharmaceuticals sectors. Recent approval has opened opportunities for more acquisitions. Government might approve the brownfield investment with additional conditions. For example: the foreign companies will have to maintain the R&D expenditure equivalent to the R&D expenditure by target company in last 3 years. Under the mounting pressure of current account deficit, ministerial group had taken the decision to allow the FDI in brownfield investments. Considering the high impact of pharmaceutical sector on the public health, government needs to extra cautious while approving the FDI. Monopoly of foreign firms may lead to high cost of medicines. Considering the poor public expenditure on health, the affordable medicines prices is the bare minimum thing that people expect from the government.

23) "In India, the fragmented and unreliable supply chain corrodes the profitability of food processing sector and makes it unattractive for large investments." Critically comment. (250 Words)
The food processing sector has a tremendous growth opportunities in India, owing to high production and consumer base. The food processing sector would can be attractive section for investment due to minimal competition present, high agricultural base in India, cheap availability of labour, positive prediction of consumer demand growth in future. But some barriers such as fragmented and unreliable supply chain takes the shine of the good prospect in the food processing industry. The disintegrated logistics in India, multi window clearances, lack of infrastructure such as cold storages or warehouses, unfavourable location of industries adding to the stresses for further development. Lack of complementarity between rail, road, airways impede the chance of quality delivery of food in given time. Lack of Cold storages and warehouses add to the wastages. Inefficient tax structure lead to unfavourable location of industries. Deficient work force required for an effective supply chain. Non availability of multi-logistic hubs and single window system for clearances required for development of supply chain etc., all add to the woes of fragmented supply chain in India. An efficient supply chain apart from reducing wastages and increasing productivity would also provide value addition, eliminating unnecessary middlemen, cost effectiveness, and reliability. All these are a pre-requisite for the culmination of food processing industry. No Walmart can rely on the contractors present today and taking around 40% wastage. This neither provides a security nor is profitable. Lack of technology in supply impedes value addition. Hence government needs to provide tax holidays, incentives, single window clearance system to attract infrastructure development in supply chain. This would act as bridge in allowing the food processing industry to prosper.

the country’s marine industry” – Has Indian marine industry lived up to the expectation? Critically examine the problems and recent regulatory and policy measures taken by the government to develop this sector. (250 Words)
The low cost benefits available in the developing countries are luring the western countries to outsource their manufacturing functions. India, one of the fastest emerging economies, needs to take a lead as favourite destination for outsourcing. The entry of any trade in any country is through the channel of ports i.e. marine industry. The Marine Agenda 2010-20 and the Port Regulatory Authority Bill are the evidences of foresighted growth required, by Indian Government, in the marine industry. The marine industry, growing robustly in last decade, as 5 major ports completing their first phase in 2011, which would add to the existing tally of 13 major ports and 200 minor ports. The PPP model has been successful and many private initiatives have been taken both domestically and foreign. The government allows 100% FDI in port development along with tax exemptions and other concessions. All these signify the sensitivity of the industry for the required growth. However, various institutional, systematic, environmental, financial, land, logistics, storage, and other infrastructural impediments have acted a speed breaker in the growth process. Various stringent tariff laws, large no. of clearances required, inadequate work force, lack of technology and automation of ports, implementation problems etc have added to Woo’s. All these show the other side of the coin. The Agenda replacing incumbent NMCP and the regulatory bill are positive steps. Although the desired regulatory authority which seeks to monitor performance also, has given some stomach aches to private partners, but still it would harness better efficiency, standards, competitiveness and fertile environment for growth of Marine Industry in India.

2010-
25) “The APMC Act, designed to protect farmers from the vagaries of the market, has been turned on its head to enrich traders and harm farmers.” Critically comment. (250 Words)

Indian economy is primarily agrarian and serves as bedrock for industrial growth and employment generation. Agriculture, a state subject, is amenable to legislation by state government only. APMC Act, legislated to alleviate the plight of farmers has paradoxically turned out to be the bane for farmers currently. Agricultural produce marketing committee (APMC) Acts, in general, allows traders and buyers to participate in purchasing in notified commodities APMC Mandis by paying a small fee. The traders, as envisaged in legislated, would have ensured fair price for farmers on account of competition unleashed between them.

Further, post-harvest losses would, in absence of cold-storage infrastructure, have also been reduced – particularly in perishable produces – as the onus of marketing produce shifts to traders. Inefficiency in supply chain also pushes the retail prices stroking retail inflation.

However, APMC Acts have emerged to be coercive apparatus in the hands of Mandi traders. Frequent cartelization between traders in Mandis is rampant which eliminates competition and reduces remunerative prices for farmers.

Further, the element of coercion is compounded by prohibiting farmers to sell the notified committee outside APMC Mandis. Direct selling to customers or to MNCs by contract farming are expressly prohibited. Thus, the situation calls for urgent reforms. FDI in multi-brand retail, approved recently, is likely to bring long term capital to augment managerial and technical capabilities and increase efficiency in supply chain.

Contract Framing and direct selling of produce outside Mandis should be allowed by suitably amending APMC Acts. Farmers should be free to sell the produce where maximum remunerative price is given.

Famer income security is paramount for food security of a 1.2 billion strong nation. State governments should be taken on board by central government to remedy the situation. Alternatively, Framework law under Article 252 of constitution can be brought which can be progressively adopted by state

26) Domestic resource mobilization, though central to the process of Indian economic growth, is constrained by various constraints. Explain. (CSJE 2012/150 words)

Natural resources such as land, coal, water etc; human and financial resources are domestic resources that are required for economic growth. Mobilization of land is constrained by problems related to land acquisition such as development displacement; protests; consequent rehabilitation and resettlement; lack of clear policies etc.

Besides, with increasing industrialization land and water have become highly polluted. The problem is compounded by their scarcity owing to higher economic growth and rising population.

Other than these, coal supplies to power plants are marred for lack of Fuel Supply Agreements (FSA), other issues and scams related to mining. They include: environmental degradation; tribal displacement; mining bans by the Supreme Court etc.

Much more important than these are human resources. But, India is suffering from a paradox of high unemployment and shortage of skilled workers. Archaic education system; low levels of penetration of higher education etc are responsible for this.

Besides, low levels of financial inclusion; bad business climate and decreasing domestic savings hamper mobilization of financial and other resources.

27) Explain the various population problems of India and suggest as to how this large human-resource can be made useful in the economic development of the country. (250 Words)

Population health & education profile in India is worrisome. More than 40 % of the children are undernourished, maternal mortality rates in India are higher than some of the least developed countries. Enrolment in primary education has improved but the participation ratio in secondary & higher education is far less.

Nearly 400 Million plus population does not have access to electricity. More than 60 % of the population does not have access to toilets. Majority of population residing in rural area lacks access to safe drinking water while the cities have converted in to slums supporting the urban poor. Majority of the population is below poverty line and dependent on government run welfare schemes and program to sustain its living. Increasing population is putting more pressure on the existing natural resources. India economic growth has not been able to create the jobs in sync with the population growth. Majority of the population is unemployed or underemployed.

Overall, quality of life has only deteriorated with the growth in population. Better healthcare and education programs are the most important to convert this vast human resource into human capital. Government should provide the universal health care with special attention to women & children health care. Government should provide safe drinking water & sanitation facilities to poor as these are major reason for poor health profile among poor. India cannot aspire to become an economic power with malnourished children. Quality education is key to inclusive development and reap the benefits of demographic dividend India currently has. Education among women has direct impact on the fertility rate and children health. Community awareness program are needed to make
the marginalized section women, SC/ST etc. a party in to mainstream development of India.

28) **Analyze the functioning of PDS in India and bring out its limitations.**
The PDS was institutionalized in the country in the 60s to achieve multiple objectives including ensuring stability of prices, rationing of essential commodities in case of deficit in supplies, ensuring availability of basic commodities to the poor and needy and to check the practice of hoarding and black marketing. But it failed to deal malnutrition and death due to starvation. PDS failed to translate the macro level self sufficiency in food grains achieved through green revolution by the country into household level food security to the poor. Quantum of PDS to family is low than requirement. PDS failed to serve poor in the poorer states.

To address all this limitations TPDS was introduced in 1997 under which two PDS issue prices is granted for BPL at 50% of economic cost and APL families at economic cost. This is for the first time drastic increase in prices. PDS instead of insulating poor from rising open market prices it has become an instrument for pushing up prices. This act narrowed the difference between the free market and PDS price. In some cases PDS price of APL was more than market

Decentralization of PDS took place in 2001-02 where centre instead of giving subsidized food grains financial assistance is given to states to procure and distribute to BPL. Most of the states opposed this pointing out lack of necessary infrastructure and financial resources at the beginning. PDS is also suffering out of leakages and diversion. This is due to inclusion of people who are not eligible, ghost cards, and shadow ownership. Recent surveys showed BPL received 84% of PDS entitlements, where as APL quota suffering out of leakages this is due to dumping out of excess food grains stocks. Recent amendments to Food security bill helps PDS to resolve errors, leakages of APL and wastage of public resources. when the bill comes to force abolishes APL quota and gives entitlements to 75% of rural and 50% of urban. Despite of benefits bill has problem like per capita entitlements

29) **In the Indian context, sustainable development and urbanization are antithetical to each other**, Comment;

Sustainable development is a mode of human development which do not compromise with the social, natural and environmental cost. The concept gains importance in the light of fast depleting resources, threatened biodiversity and acceleration of urbanization and human needs. There has been a spurt in the process of urbanization in the past 2 decades because of increased industrial activities in major towns and cities which is percolating to other small towns as well. Migration of large chunk of population towards these towns for employment has led to sustainability crunch because of mushrooming of slums, non availability of low cost housing, sanitation, lack of infrastructure and public transport facility and absence of services like drinking water and electricity etc. All these factors have been overlooked by the government in search of growth and lack of awareness on the part of civil society organization. The ever increasing population with ever increasing demands for better services is poised to become a challenge to the growth of environmentally sustainable and productive cities. The lack of coordination on the part of the government, municipal corporations and CSO led to rise of unplanned development, unorganized growth and unfeasible infrastructure. The report published by UN ranking India's metros as low on prosperous list hold testimony to the fact that despite tall claims by the government in the form of JNNURM, nothing substantial has been achieved. Most of the cities lack viable environment and absence of even threshold investment in areas which define the standard of living like services and inclusive growth.

30) **In India, despite consistent economic planning and robust economic growth in recent years, there is a consistent increase in economic inequality. Explain why?**
The LPG reforms introduced way back in 1991 has contributed to the prosperity with country clocking a growth of more than 8% in the time when the world in reeling under recession but the rich have become richer faster than the poor improved. That is; even while poverty levels reduced impressively, inequality has grown too.

The reasons for steep inequality are multifarious:
1. Income growth is concentrated in certain urban centres leading to urban rural divide. It has created islands of prosperity in the ocean of poverty.
2. More than 50% of the population still rely on agriculture and allied sector with a mere contribution of around 12% in GDP. Obsolete and outdated technology coupled with lack of technology transfer and research and development in agriculture has led to perpetuation of poverty.
3. Low education standards damaging the long term prospect as it restricts the no. of person who can join market
4. Dismal health indicators and low public investment in the primary health care infrastructure leading to out of pocket expenses of the poor.
5. Most of the growth was the result of services sector with stagnation in manufacturing and industrial base. Lack of labour intensive growth and lackadaisical approach towards MSME with low skill and training capacity has created wide income gaps.

31) **Highlight the nature of the land reforms still needed in the country.**

Land reforms was a major political agenda of Congress to be implemented after independence. The
unjust agrarian structure imposed by British caused great loss to agriculture. Although, the reforms implemented had some success like abolition of intermediaries, promotion of self cultivation, a large number of objectives remained unfulfilled.

One of them was implementing ceiling on the land and distributing the surpluses to the landless peasants. The loopholes in Ceiling Act need to be fixed and the process for distributing surpluses needs to be sped up.

Another area is the co-operativization of land holdings. Majority of farmers in India have small land holdings which are not viable for increased production using modern technological inputs. The strength of co-operatives has not been exploited fully in India so far.

Also, with growing industrialization and urbanization, land has gained huge importance. However, archaic laws which don’t consider the rehabilitation and adequate compensatory aspects have created a lot of controversy in the recent years. Therefore a legislation is required in this area. Land Acquisition, Rehabilitation and Resettlement Bill works towards that direction.

In addition to these institutional reforms, there is a growing need to extend the technological reforms to other parts of country. Bringing Green Revolution to Eastern India (BGREI) is a step in this regard.

Thus the land reforms which started with great enthusiasm but lost energy mid way need to be revived again. With about 55% population dependent on agriculture and pressing need of “Food Security”, this matter requires urgent attention. As Planning Commission has noted that the failure of Land Reforms was not the failure of laws but effective implementation. Hence a strong will is required to achieve success in land reforms.

32) How is agricultural price policy is determined in India? Does the process take note of agricultural subsidies? (200 words)

Agriculture price policy comes in wake of food grain crisis, drought and price fluctuation in 1960-70s. Policy focus on the availability of food grains at affordable prices, minimum support price (MSP) for procurement, minimize fluctuation in prices, increase agricultural productivity which will provide food security and enhance export of agri-products. Agricultural price commission established in 1960s followed by Food Corporation of India and Commission for Agricultural Costs and Prices are responsible for policy. To set up MSP for different agri-products, above agencies consider the buffer stock of food grains, requirements under PDS system, inflation (Mainly CPI related), domestic and international market intervention and contain the fluctuations in the prices, enhance technology.

Main focus of policy is to make availability of food grains to PDS at reasonable prices to achieve this, it constantly checks its buffer stocks and according take decision to export or import of food grains. It try to bridge gap between regional agri-production, prices, availability at pan-India level. It will focus on demand supply balance for various agri-commodity. Some times it promote discretionary policy for certain crops to increase yield of such commodity ex. pulses, oil etc. This has to take note of the agricultural subsidies since on the recommendation of CACP, government set up MPS for different agri-product. It also need to consider PDS availability of food grain at subsidized rate. MSP is something which should be viable for farmers hence CACP need to consider what all subsidy farmer gets to come up with MSP for different crops ex. cotton, wheat, rice, sugarcane. It also promote certain crops which is subsidized to attract farmers to grow and increase production.

Agricultural price policy makes sure consumers and producers are getting benefit. It aims that food should be available to weaker section of the society through PDS. In this goal achievement it need to consider subsidy.

33) Examine the causes of fiscal deficit in India. (150 words)

Fiscal deficit is the difference between the expenditure and receipts of the government. This deficit is generally financed by the borrowings, loans, and non tax receipts of the government. The various causes are:

1. High spending of various subsidies including food, fertilizer, kerosene, diesel, electricity etc.
2. Inefficient tax structure, policies, and compliance leading to insufficient receipts.
3. Huge social expenditure on schemes and flagship programmes like MGNREGS, MDM, JNNURM etc.
4. Inefficient management of resources leading to wastages in food, power, water etc along with corrupt practices prevalent in the society.
5. Highly politically motivated subsidised rates on various services like power, water, travel expenses etc.
6. Inadequate technologies and resources to efficiently use the present inventory of the country leading to reduced production and productivity.

Although the developing countries in theory have a deficit financing but a large deficit may cause problems like inflation. Hence it should remain within acceptable limits.

India’s public distribution system to some extent has helped in reduction of rural poverty. Evaluate the performance of PDS and analyze what ails it. (250 words)

PDS in India has been the main delivery arm of the governmental social promises to the poverty stricken citizens. PDS is delivering food to the BPL people in the country along with the poorest of the poor under Antyodaya Anna Yojana. With allocations to the tune of 35 kg per household at subsidized rates, it has ensured the minimum nutritional requirements of the population. The PDS supplies have also ensured the delivery of food to Children through Mid day meal schemes thus enabling greater nutritional support and also higher school attendance. Further, it has also ensured food to the adolescent girls in the country who are vulnerable to malnutrition. The nutritional component of SABLA scheme ensures this. Similarly, for pregnant and lactating mothers too, it is only
through PDS delivered food that the special dietary needs are met. In these and other efforts, role of PDS is commendable.

However, there are certain lacunae. Throughout the supply chain, there are leakages to the tune of even 40-50%. It dilutes the efforts and further constricts the limited resources for the poor. Moreover, there is a nexus prevailing between the fair-price shops and the officials leading to diversion of foodgrains in the market thus denying the rights of the beneficiaries. Further, the beneficiaries are often not properly identified leading to exclusion of large number of people. Also, the corruption in such delivery system and lack of political will for meaningful reforms further strengthens the ills.

Owing to these issues, there have been efforts to ensure proper inclusion – the buzzword of India’s 21st century development story. The recently enacted Direct benefit transfer scheme too is a step in the same direction to minimize human interactions in the supply chain and thus cap leakages. Through such and other efforts, hopefully, a better functioning PDS can be created.

"The Reserve Bank of India’s (RBI) decision not to prohibit corporate/industrial houses from applying (unlike in 1994 and 2001) for banking licences threatens to take us back to the days before bank nationalisation.” What is the ‘threat’ involved in giving new bank licences to corporate/industrial houses? Comment. (200 Words)

The decision of RBI to not prohibit the industrial houses in banking sector will lead the industrial houses to broaden their base in banking industry. In 1969 banks were nationalised on the cause that the private sector is profit seeker and will devote its effort to that only. At that time most of the Indian populace was poor and rural thus vast masses were almost no where in scheme for private sector. Banks got concentrated in few pockets and servicing the privileged class. Thus masses were excluded.

With its aim towards making the banking services accessible to poor, the government decided to nationalise the banks. But still much a part of population remains outside the banking reach. The decision of RBI looks a retro-step whereby the industrial houses are suspected not to be diverted towards the poor and rural areas where the costs would be higher but rewards not such. Again the 1970s problem would loom.

But there is other side also. As the middle class is expanding and rural classes are also changing their tastes, industrial houses would be attracted towards the rural and remote areas. Further RBI has certain compulsory branch policy directed towards remote areas. Also even if they remained more inclined towards the urban populace, it will provide a chance for nationalised banks to cater to the needs of masses. Hence if directed positively it may work out a success.

“There is probably no other example in the history of world development of an economy [India] growing so fast for so long with such limited results in terms of broad-based social progress.” Do you agree with this view? Explain Why? (250 Words)

Liberalization, privatization and globalization helped India to achieve faster economic growth along with agriculture and industrial based five year plans, resulted vast changes including growth in GDP and replacing its maximum contributor agriculture sector by service sector. But the economy raised was not distributed evenly and no desired contribution seen in broad based social progress. Reasons include; Disturbance aroused mainly due to failure in generation of employment with social security so unskilled people as large number employed in labour work, lagging in infrastructure development constrains to development, population growth burden on budget increased subsidies, faster urbanization developed slums, regional politics developed disintegration of nation, corruption led more scams, migration from other countries started sharing welfare schemes, growth is not inclusive as elites were dominated at upper position, policies with short vision, agriculture practice without scientific principles, education system not trained human resource production, poor health practices so declining periods of working times, poor incentives to develop industries and de-motivated through high taxes.

Life expectancy, literacy rates, mortality rates, social status of women, happiness, standards of living, poverty lines, skilled human resources etc are the factors which denote social progress of a country. But due to above prescribed failures we lagged in all these traits. Adding to this, internal and external security problems creating much more strains to social progress. Policies schemes programmers should concentrate on development of skilled human resource with secured employment having supportive infrastructural, educational, healthy, etc facilities. Thus broad based social progress is seen only on implementing plans which meets to achieve inclusive and sustainable economic growth.

Analyze how can countries like India address the challenges and benefit from the opportunities in the domestic and the global cyber security market? (250 Words)

Cyber space, comprising computers and mobiles all connected via internet, depicts the world as “Global Village”. It is growing by leaps and bounds as 40% of world populace has been entered into this virtual nexus of global community. India, among the the fastest growing internet user space, has reached the level of 12% from 7% in last 5-6 years. The e-governance is penetrating deeper into the social and economic spheres of people like
Banking, Telecom directly and in other fields like Transport, Retail indirectly. But, this border less communication is facing challenges of Security domestically and globally. Globally, national security has been under persistent threat of cyber attack which can not be forecast, making the situation more appalling. In India, infrastructure for ICT is major challenge along with security as most of the internet protocol are open to cracked. The involvement of state and non-state actors in domestic violence is evident. Rising Smart phones has been imposing Application level threat. New cloud computing revolution can face severe blow in terms of data and application infiltration.

However, India has started its mission of cyber security in the form of National Cyber policy 2013 and implementation of Adhar using bio metric data is positive omen. Further, Indian govt should have stake in privately owned ICT infrastructure which can make it more resilient from non-state players. Moreover, such threats can be seen as opportunities for IT firms in developing better OS, providing secure application with multiple layer identification. Better identification cracking software by IT firms can check hacking of govt or banking portal. In coming, 68th UN general assembly is expected to address this issue globally and if so, would be a sound to make Cyber space bullet proof.

**Infrastructure is India’s biggest supply chain challenge.” Comment**

1. India is one the largest country in the Asia and having a surplus population of 1.2 billion and building up the infrastructure is a huge task for the govt and infrastructure plays a crucial role in investment and building up the manufacture sector and it also fuels for the GDP growth in India. India allotted 65 lac crores in 12th plan to build up the infrastructure and it also went into a joint venture with Japan to build up DMIC (Delhi Mumbai infrastructure corridor) project to create a Industrial hub in this sector and India is also building up the dedicated railway corridor project along the east and west coast to improve the fright movement in India. Recently India went into PPP (Private and Public partnership) with companies like GMR to improve the infrastructure along the Roadways. India decided to build up the Green Field Airport with PPP along several tier2 in India. Along also developed several SEZ (Special economic zone) to improve the export India had issued new Land Reform Law which make to acquire the land to build up infrastructure in a faster way. India is lagging behind the skilled workers to build up the Infrastructure and India also enhancing to improve its major port and

Infrastructure is much needed for the manufacturing sector which creates millions of job in India

What, in your view, are the causes for the continual fluctuations/fall in the value of the India Rupee in Dollar terms in recent times? Suggest possible mitigation strategies. (200 Words)

In the recent times Indian rupee fluctuated in the value in terms of dollar affected its growth and which was caused due to global economy crisis due to which protective measures adopted by developed countries, lack of infrastructure increasing production cost and low productivity so unable to compete with export sector, Dollarization of economy: rise in economic growth led to a greater rise in imports than in exports as the investments in the economy could not match the rising consumption rate, leading to a trade deficit. No improvement in the productivity of export oriented industries failed to curb falling rupee, Oil imports, Gold imports affected the rupee as it decreases the savings which plays important role as investment in building infrastructure and curb inflation and Twin deficit affecting economic growth which initiates the cycle of depreciation. Precautions include reducing imports especially gold, shifting focus to reducing current account deficit. Stable economy growth is possible only through improving structural factors which curbs inflation through productivity and makes external sector without FD and CAD. All this helps to India to have sustainable economic growth.

**Critically assess the role of FDI in insurance and pension funds. (250 Words)**

Government insurance amendment bill which increases FDI limits from 26% to 49% and also passed pension fund bill which makes not statutory authority into statutory which have powers to punish on violations. The bill correlates pension fund FDI limits with that of insurance sector. These step helps improves long term capital investments which are required for expanding and its growth and also provides funds for infrastructure development, innovation in product offering, more foreign exchange, better global practice and reduce premium for most. Such decision also has some demerits include global companies may hike premium to make profits, may come up with complex products beyond to the knowledge of layman, and they may take back money at any circumstances as they are here to make profits. Despite of demerits FDI in insurance and pension fund can improve our economic growth and falling rupee. So government should take optimistic measures to utilize benefits and minimize demerits.

“The continuing tragedy is that the Indian system is not able to deliver the ‘surplus’ food grain to the hungry.” Comment

With Green Revolution India moved shed “ship to mouth” cynicism. Today, India is self sufficient and ensured food security for one billion population. However, this increase in production has not led to
increase in accessibility of food grains to all sections of population. Child malnutrition, cases of anemia among women, Infant mortality rate, MMR are a testimony to it. The GoI through FCI procures the foodgrains to ensure adequate stock of food grains are available in case of “unforeseen” situations. It also functions as procuring agency for the grains that would be available for various social sector food distribution schemes- AAY, MDM, PDS distribution. Time and again the SC has issued orders to release the excessive (more than required) food grains stocked, unscientific storage leading to wastage, shortage of storage capacity. These practices have been accused for food inflation too. PDS, which was decentralised in 1998 has failed to perform in to the potential. The states with political like Chattisgarh and Tamil Nadu have performed where have northern states which have low HDI have even failed to uplift the minimum stocks from the FCI. Even after initiatives like digitization of PDS, end to end use of GPS, the Targeted- PDS has loopholes of unscientific management of grains, lack of storage facilities at District level, elimination of the bogus card holders, pilferage, corruption, adulteration have led to the failure of the scheme in letter and spirit. The use of AADHAR, Direct cash benifit transfer along with NFSA are expected to make food distribution more efficient. Thus, subsequently improving the accessibility of food grains for the needy and the HDI.

**Examine how ‘smart grids’ can be a solution to India’s power woes.**

Smart grids are sophisticated digitally enhanced power systems involving communication, IT and power technologies allows much greater robustness efficiency and flexibility than today’s power system. It has a smart metering system which helps consumers to have knowledge about amount of consumption based on time and price for the consumed power. This brings awareness among the people. By their direct involvement helps in reduction of power consumption levels causing energy efficiency and also improves the quality of life in society. Smart grids enable electricity industry to flourish. It makes the power infrastructure robust, self healing, adaptive, interactive and cost effective. Currently in puduchery first smart grid is generated. Power is crucial for development and growth of Indian economy. Smart grid saves at least 10-15% of energy. In that lines smart grids helps in curbing power problems through modern technology and innovative ways to conserve energy. As a result it reduces the usage of non renewable energy which releases green house gases leading to climate change. Therefore it is efficient in supporting inclusive and sustainable growth of India.

**Science and technology**

1) **Comment on the role of ISRO in making India a space power and briefly explain on its proposed initiatives for the future.**

ISRO is the pioneering space research institution of the modern India which shoulders the responsibility of design, production and development of launch vehicles, propulsion systems and satellites. It has been instrumental in bringing India on par with industrialized arena in the space arena through its PSLV and GSLV models and successful missions. Its success can be gauged from the fact that it recently launched the 100th satellite mission in a short period of about 40 years. The success story lies with the growing attractiveness of India as a satellite launching junction with more countries looking forward to join hand in different areas. It had developed and launched many significant satellites from remote sensing which helped in data collection to providing services such as telecommunication, broadcasting etc through its geosynchronous base. It also launched mission to moon to collect data about the origin and evolution of moon. Its propulsion system is in advanced stage of development. The recent launching of Indian regional navigation system has brought it to elite group of nations. The success of re entry vehicle will provide India with much needed manned missions. The ISRO had many operations in pipeline with much awaited Chandrayaan II mission to moon and Mars orbital in near future. Further it is planning to launch the 6 more regional navigation satellites which will make India capable of indigenous navigation and increase its defense capability. In addition to that, ADITYA which is poised to study Sun; an exclusive satellite navy is in conduit. It has been working on producing its 3 stage cryogenic propulsion system that capable of indigenous navigation and make India a space power and briefly explain on its}

2) **Critically comment on the extent, scope and implications of Non-Communicable Diseases (NCDs) in India.**

Non communicable Diseases cannot transmit from one person to another through any medium like air, water etc. Some examples of NCDs include cancer, asthma, diabetes, heart problems etc. According to WHO, there has been a shift in health burden of NCDs in India due to growing culture of consumerism and lack of adequate health facilities. This led to an increase in the number of people infected by the chronic yet deadly diseases. The extent of NCDs lies in the changing behavioral pattern of the Indian society with economic prosperity and rise of income which led to marked shift in eating habits. The unhealthy diet pattern, tobacco and alcohol use, insufficient physical activities coupled with urbanization and increased pollution have enormously contributed for loaded numbers.
The NCDs have infested to every social group whether rich or poor. The stressed social life leading to hypotensions has increased the death, diseases, disability to the people. The limited scope due to insufficient hospitals data and political will to enforce rules regulating sale of harmful substances have added to the woes of the government. In addition to that, lack of better and affordable health care infrastructure and human expertise with lack of awareness about the diseases have made India a rising global disease hub. The prevalence of NCDs results in a higher burden with low productive labor having high mortality and morbidity. It leads to high out of pocket expanses resulting in extreme poverty accelerating a vicious cycle. It has social costs in the form of lack of education facilities to children, lack of employment opportunities etc. India needs a practical approach for establishment state of art facilities for early diagnosis and treatment coupled with proper legal measure for containing the sale of tobacco products and creating awareness about healthy dietary fibrous food.

3) Briefly explain how fast breeder reactors differ from regular nuclear power plants? Comment briefly on their significance for India's nuclear energy programme.

Regular nuclear power plants use U-235 as its fuel to generate electricity whereas fast breeder reactors use natural uranium (U-238), bombard it with fast neutrons to convert it into reactor grade neutron (U-235). Need for a fast breeder reactor arises because U-238 is abundant in nature but not U-235. So, in order to generate electricity, it is required to enrich U-238 with U-235. Not only uranium, but thorium & plutonium can also be used to generate nuclear fuel. India’s nuclear energy program is in a developing stage. The 3 stage nuclear energy program, as was proposed by Mr. bhabha, has reached up to its second stage. While in first stage, he proposed generation of electricity using natural uranium. In second stage, he had proposed generation of nuclear fuel using Thorium & plutonium through FBR. In last stage, we will generate electricity using thorium as a fuel. The huge importance given to thorium is due to large reserves found in monazite sands of southern states of TN etc. India will be self sufficient in the field of nuclear energy as there will be no need of nuclear fuel imports. In fact, by exporting thorium as a fuel, India can gain a lot of foreign reserve in future. Apart from this, breeder reactors use the spent up fuel of regular nuclear reactor to further generate fuel which can again generate power. This is a huge relief in the worry of disposal of nuclear waste as the waste will get reduced with reusal of fuel. Future prospects are very bright if we are able to use thorium as a fuel. Then, it can be used in our space programs too as the fuel will be abundant. Lesser geopolitical pressure will enable government to establish more & more nuclear power plants in the country that will eventually pull the country out of energy crisis.

4) What is BEE rating? What is it used for? (100 Words)

BEE is an institution that works under the ministry of power in India. BEE main objective is to promote energy efficient consumption and adopt measures to conserve the energy. BEE has come out with a scheme that rate the appliances such as AC, refrigerators, TV, Geyser etc. and other products of industrial use on the basis of their energy efficiency. Appliances are labeled (with stars) accordingly to highlight their energy efficiency. BEE rating helps to raise the awareness among the public and make people to buy the products with higher rating. BEE rating influenced buying behavior can result in conservation of huge saving in form of electricity usage.

5) 3 “GSLV launch is dubbed as a game changer given the critical urgency of its success for future Indian space odysseys.” Comment. (250 Words)

While India’s PSLV, dubbed as ISRO’s workhorse, has consistently demonstrated India’s prowess in field of satellite launching, yet Indian capabilities are restricted due to inability to develop a heavy satellite (>2 tonnes) launcher, the GSLV. Early development and deployment of an indigenous GSLV is, therefore, imperative to India for the following reasons:
1. For launch of its sensitive defence-related satellites, India cannot depend upon foreign powers for security/strategic reasons.
2. It would save huge revenues for the country that India currently pays for launch from foreign platforms.
3. With international space-launch industry expected to grow fast over coming decades, it would secure a larger consumer-base for India and thus ensuing economic dividends.
4. With special focus on its yet- underdeveloped neighbours who are making their forays into the space India would be able to use it from a strategic point of view to reduce the neighbours’ dependability on China for space launches and thereby contain China’s sphere of influence.
5. It would demonstrate India’s status as a developed technological-power to the world and thereby improve its manuevability in world affairs.

6) Explain in layman’s terms how nanotechnology promises to make computers faster, efficient and robust in future. (200 Words)

Nanotechnology is the science of particles at a scale of 1 nm (10-9m) to 100 nm and using these to develop applications of human use. Moore’s law states that the number of transistors on a single chip will double every 18 months to 2 years, thus doubling the speed of the computer. However, in recent years, chip manufacturers have been facing ever greater difficulties in living upto the law. However, with the scales at which nanoparticles operate, the Moore’s law can be more than satisfied once again. The nanotechnology frontier is led by carbon nanotubes that allow development of single atom transistors that increase computing speeds exponentially. Further, the field of photonics in nanotechnology promises data transfer at a higher
bandwidth with lower energy consumption and heat production, thus increasing computing efficiency. Latest research in quantum computing, which is the cutting edge of nanotechnology, has revealed a whole new paradigm in computing. The quantum mechanical phenomena of superposition and entanglement allow for data operations unheralded before. The quantum bits (qubits) will allow simultaneous multiple calculations that would make today’s super computers look like children’s toys. The recent research in nanotechnology has proven once again that human capabilities are limited only by our ability to think.

**7.** "The winner in the GOP’s effort to defund or delay implementation of the Patient Protection and Affordable Care Act (PPACA) was the Act itself.” Comment. (200 Words)

The Patient Protection and Affordable Act, also more famously called as ‘ObamaCare’ is a flagship welfare programme introduced for the American citizens as a social security initiative in health. This was rebuked by the Republicans, the GOP, right from the beginning. They say that, this initiative would be very costly and cannot be implemented as the government wouldn’t afford it. But, the Democrats, under President Obama wouldn’t budge, so they brought out the legislation to the Congress. But, since the Republicans were in majority in the lower house, they voted against it, stalling the budget in the process. This has caused the American federal government to shutdown, as the budget was not legally passed. So, in the process of delaying or defunding the Act, the whole government was shutdown. Now, both the Democrats and the Republicans are in a fix. They have to resolve this issue amicably. They should put all their differences aside and must sort out this problem diplomatically. So, if a compromise is made, the Act HAS to pass. Hence, by voting against Obamacare, the GOP now has to come for a compromise, making the winner of this debacle, the Act itself.

**8.** According to Michale Sandel of Harvard University, although screening for disease is ethical, using DNA to select other (desired) characteristics edges close to eugenics. Do you think it is unethical to use new tools of genomics to choose a desired offspring? What are the criticisms of eugenics? Critically comment. (250 Words)

Eugenics, a technique to implant preferable genes in the offspring, so as eliminate potent diseases and acquire best possible traits like intelligence, health and looks. Using DNA to select other characteristics is somewhat, anomalous to Eugenics and come under severe criticisms. Infallible confirmation of gene inheritance, subjectivity in desirable traits, complications of gene transfer, threat to biodiversity and most importantly it being an ethically questioned technique need to be enquired. A bird fly with a ‘white eye’ from the ‘red eye’ bird-fly family has raised questions on the completely affirmed inheritance of genes by the offspring. Moreover, the traits like intelligence, looks, health etc are very much subjective and cannot be asserted along any one voice. Secondly, the gene transfer to avoid a disease or mutation, can also be detrimental. For instance, sickle cell disease and cystic fibrosis provide immunity against malaria, so if they are taken care of, then a person devoid of them would be very prone to malaria, in areas such as Africa and other equatorial regions. Furthermore, some genetic disease like haemochromatosis, can be extremely detrimental for the offspring’s future health. Then, Eugenics if done, would lead to a particular homogenous society, thus a huge blow towards the nature’s gifted biodiversity to us. The different races, ethnicities, features would not be present, making the world highly monotonous and uncalled for. Finally, the ethical question, i.e. the decision of majority group will always prevail over a minority in deciding the least intelligent person, which would eventually be from the latter, will be highly unethical and harsh. Therefore, eugenics, needs to be scrutinised more, and a consensus should be arrived at before allowing such activities to any companies and sections.

**Comment on the EIA process for nuclear facilities in India with an example:**

Environmental impact assessment is the process of identifying and assessing the social and environmental impact of the proposed and committed project before it is given approval by the environment ministry. In doing so, MOEF derives its powers from various acts concerning water and air pollution and mainly the environment protection act, 1986. When it comes to the setting up of nuclear power plants, which Indian government is keen to do owing to achieve the required energy security the EIA has become much more important post Fukushima disaster. The EIA has to consider the geography, eco system impact, population impact, marine ecology, forest cover presence, pollution of the water bodies, fuel waste management etc in determining the effect of a proposed nuclear power plant. To reach an honest assessment, the EIA has to be prepared by an independent third party apart from the NPCIL which operates all nuclear power plants India. If the assessors are also the government companies or agencies, then it is hard to believe that a fair judgment was made. For example, the jaitapur nuclear plant EIA was done by NEERI(national environment energy research institute) which attracted criticism for not considering all factors. The mithivirdi nuclear plant, EIA was done by EIL(engineers india limited) whose report lacked critical assessment about the rock strata beneath the reactor structure, impact of the kaplasar dam due for construction in the gulf of cambay which is at a throw away distance from the plant wall, impact on the fisheries, fuel waste management etc. these dilemmas are further assisted by the lack of sufficient and reliable environment data and over enthusiasm of the

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government in going ahead due to international obligations.

**Environment**

1) **In the light of WGEEP report and HLWG report on Western Ghats, discuss the major recommendations and their implications - if implemented – on the stakeholders of the region.**

The conservation of one of the richest biodiversity hotspots of the world prompted Ministry of Environment and forests (MOEF) to constitute Madhav Gadgil headed panel -WGEEP. The main recommendations include:

* entire western ghats to be ecologically sensitive zone (ESZ) with highly sensitive ESZ 1 forming 60% of the area.
* participation of local communities in environmental protection
* complete moratorium on new mining licenses in ESZ 1 and ESZ 2. In zone 1 all existing mines to be phased out and in zone 2 mining to be carried under strict regulation and social audit.
* polluting industries, thermal power projects, large scale dams not allowed in zone 1 and 2. However in the wake of severe opposition to the radical recommendations of Gadgil committee by states and industries, new panel under Kasturirangan was formed. This panel reduced the ESZ to only 37% of the western ghats and did not oppose hydel power projects. Also it proposed financial incentives for promoting green growth in remaining 63% on non-ESZ regions. Also it did not involve local communities in decision making on environment conservation.

Major implications of Gadgil report if implemented:

* For the first time in history, local communities will play a leading part in protection, which till now was the exclusive privilege of central and state bureaucracy.
* Banning of mining and polluting industries will protect delicate ecosystem
* Social audit of all activities will ensure fruits of development will be shared by all.
* prevent deforestation
* lead to greater research on biodiversity and commercialization of the research rather than plundering minerals i.e. more value addition and less pollution
* Minor employment loss due to prohibition of mining and industries.

Major implication of Kasturirangan report:

* Big hydel projects will come which may lead to Uttarakand like scenario.
* large scale deforestation
* no role of local communities
* this unrestrained exploitation without benefits to local people may encourage extremism which is till now a latent force.

2) **"Global warming and a race for resources could spark a new 'cold war' in the Arctic". Critically analyze.**

The rising temperature due to global warming has resulted into the melting of ice in the Arctic region. This has opened up avenues for new trade route and exploitation of region for the extraction of mineral resources and hydrocarbons.

Every littoral state of arctic region is claiming an upper hand for harnessing the economic potential of the region. This had led to a standoff which resulted in the formation of arctic council for a coordinated approach in the region. If the shipping routes through the Arctic become more dense, the countries that lie astride these routes, will gain in importance.

The exploitation of the rich resources of the region will add to the wealth and economic significance of the already affluent U.S., Canada and northern European countries.

Russia may be the most prominent beneficiary of this shift, not only because it occupies the largest part of the Arctic, but also because it has the most experience in dealing with the harsh conditions that will continue to prevail in the region. The geopolitical centre of gravity may well swing back from the Asia-Pacific to the trans-Atlantic. It is ironic that while on the one hand the world is grappling with global warming triggered by climate change, the world’s major powers are scrambling to profit from its consequences in the fragile Arctic zone. However the creation of arctic council is a right mechanism to avert any confrontation between the states. Further, what is required is an all inclusive approach like that of Antarctic template in which every country has a stake and the region should not be monopolized for getting economic benefit.

3) **Discuss the causes and consequences of desertification in India.**

Desertification as defined by UNEP in 1992 and adopted by UNCCD is a process of land degradation in arid, semi-arid and dry sub humid areas from various factors including climatic various factors including climatic variations and human activities. According to the recent report submitted by ministry of environment to UN one fourth of Indian geographical area is undergoing desertification despite of combat measures.

The causes of desertification are: change in frequency and amount of rainfall, reduction in vegetal cover, wrong agricultural management practices, cultivation on marginal lands, over-exploitation of the natural resources, excessive grazing, incorrect irrigation practices causing build up of salt in soil etc. Environmental consequences:

Soils in arid and semi-arid regions tend to be fragile, with topsoil relatively thin compared with regions with more rainfall. Loss of topsoil is both a cause and a consequence of desertification. While over-farming removes organic matter from the soil, removing tree cover and overgrazing reduce the amount of organic matter that gets returned to the soil. As soil becomes depleted, it becomes more prone to erosion. Desertification also leads to increased flooding during heavy rains, as land fails to absorb water, further...
increasing erosion problems. Erosion in turn threatens remaining plant life. Human consequences: Desertification tends to occur in areas with high levels of poverty. As land becomes less productive, human societies experience higher levels of poverty, food insecurity, water scarcity and disease. As agricultural yields drop or water becomes more scarce, poor communities often react by increasing the over-exploitation of remaining resources. As environmental degradation progresses and human communities become more desperate, crises can develop, including famine, wars and mass migrations. Steps to combat include controlling wind erosion, sand dune stabilization, shelter belt plantation, management of permanent pastures and range lands etc.

4) “The rise of Environmental Crimes in spite of Environmental Legislations is due to absence of adequate punitive methods of sentencing.” Discuss. (200 Words)

Government of India enacted first environment protection law in 1986.Under which, environment Impact assessment was made mandatory for the range of industries to obtain the clearance. In actual, EIAs are done by independent agencies hired by project proponents .EIA reports has been frequently blamed for being biased or ignoring the facts. Industries easily bypass the laws due to flawed implementation. In 1995, India established National environment tribunal to impose the liabilities for the damages caused by the inappropriate handling of the hazardous substances. But the act has not been implemented in its true spirit. National environment appellate authority was established to hear the project clearance issued by the state and center government. NEAA has off late been chaired by former bureaucrats who are sometimes accused of favoring the government agencies over the public interest. State & central undertakes maximum steps to expedite the disposal of environment related cases through them would also sensitise political decision makers as well.

In 2010, India established National green tribunal to expedite the disposal of environment related cases and giving adequate compensation for the damages. Some of the provisions of acts are objectionable. As act fails to establish who will be liable to pay the damage in case of an accident and people can claim the damage only within first five years of inception of problem. Several environment damages latent in nature for long period of time and 5 years clause is totally not in sync with realities. Industries can also appeal to the tribunal in case they don’t get the environmental clearance that raised the doubt on intent of setting up such tribunal. Environment laws suffer from content & coverage shortcomings and their implementation has remained more a paper work than of a strict regulator.

5) IPCC’s summary document of Fifth Assessment Report for policymakers, which was released recently, did not evoke public, media and political interest as much as it had evoked in 2008. In fact, Apathy, lack of interest and even outright denial are more widespread than they were in 2008. Why in your opinion, the rational arguments of science and economics are failing to win the public and policymakers’ attention? (250 Words)

IPCC’s recent report did not evoke much public and political interest owing to the lack of correct strategy pursued by the Green messengers like IPCC. Their scientific and economic figures no longer mobilize the policymakers, rather counter arguments start pouring in, leading to dirty politics of authentication. Thus, there is a need to follow the values and interests of the people and policy makers which would be self sustained in contributing towards the cause. The arguments such as decrease in ice cover or increase in some mm’s of sea level no longer affects anyone. Depletion of ozone cover, pollution, extreme climates etc even though the increase in diseases like asthma, cancer and frequent disasters also do not make the people pro-active, rather they remain reactive only. Business lobbying, Political decisions, International Relations, Nuclear supremacy etc are proving to be much stronger than the appeals of such science and economics. Policy decisions such as emission cuts, land acquisition, avoiding deforestation etc seem to not shaking the will of decision makers, although superficially desiring sustainable development. Hence , the values of people such as desiring a beautiful local environment should propagated for mobilizing them. Energy security and long term returns if resorted to greener norms, could mobilize industries and governments to follow such paths. Traditional values, such as in India, should be propagated widely, which would bring more sensitisation of people towards them. Good values such as fairness, avoiding wastefulness and consciousness of duties should be promoted rather than just depending upon science. Such an approach of values leading to science will be more productive and bring public perception in day to day life. Else annual reports and long term conventions neither interest people nor their bulky figures and arguments inspire them. Such value based awareness would sensitize people and eventually through them would also sensitize political decision makers as well.

Disaster management

1) Which parts of India have been identified as Drought-prone? Mention the norms for such identification. (150 words)

India is a vast country with about 20% of its area under threat to drought. This is due to scant precipitation over a long period of time in certain pockets of country like Western Haryana, Gujarat, and Rajasthan due to variation in monsoon rainfall pattern and arid conditions. The rain shadow area in the peninsula is also responsive for drought like conditions. Though variation in rainfall pattern in the main...
reason, Central water commission suggested some broad criteria based on identification of taluqars rather than district, according to agriculture irrigation commission recommendation. It considers an area drought prone if it receives less than 70% of the rainfall over 20% period in a year. Other criteria include when the net sown area under the cultivable land is less than 80%. Others provisions involve water balance technique which involves precipitation, evaporation and soil moisture. It also defines certain index like Aridity Index and Standard precipitation index for better implementation of drought control programs.

Drought is a region of rainfall deficiency. In India, at sub-divisional level, Drought is defined as condition where deficiency of rainfall is 25 % or more than long term average of rainfall of a particular sub-division. Drought prone area is the region where probability of occurrence of drought year is more than 20 %. If the probability of occurrence is more than 40 %, such are classified as chronically drought prone area. Nearly 16 % of India’s geographical area falls under drought prone area. Majority of this area falls under arid-semi arid region, sub humid region. Regions of Gujarat & Rajasthan, western U.P., western M.P. are drought prone where the annual rain fall is less than 75 cm. Rain shadow zone situated east of Western Ghats is also drought prone area. It consists of South Telangana, Rayalseema region of A.P., Interior regions of Karnataka & parts of Tamil nadu. Apart from this, Drought prone areas are also found in patches spread across the country. Western Gujarat & Rajasthan region falls under category of chronically desert prone areas. Such areas are characterized by lowest rainfall and major variability in rainfall.

2) Why do rivers flood? State the areas of occurrence of floods in India. (150 Words)

The seasonal floods in major river basins are a continuing disaster in India. The recent trends and changes in climate pattern further make this complicated. In India, nearly 75% of rainfall occurred during the monsoon season of July and October. This much of amount of rain within short span can’t be evacuated by the river channel. There is no comprehensive mapping and monitoring of gali nears and lakes in Himalayas. The floods in Brahmputra, Ganga, Kosi basin comes under this. The terrian of north India is flat, hence large dams can’t be built. But, with the building of major dams on major rivers this phenomenon could have reduced in South India. Even then, the floods remained as a recurrent phenomenon. The central water commission receives the data from state government over the rain from catchment areas and give flood warnings and management of water flow at major dams. The data collected for this purpose is inadequate and insufficient to determine the flood situation. Hence, the floods in the southern river basins kept occurring. The recent changes in Monsoon phenomenon due to Climate Change makes the predictions unviable. The monsoon in this year 2013, is prolonged for 1 month. The Uttarakand floods is another example. The occupation of flood plains for housing and tourism are other causes. The destruction of wet lands, swamps in coastal areas, which are acted as a cushion is also cause of this. Hence, there is an urgent need to form a comprehensive policy to combat the floods. The spending on these is minute, compared to economic and social loss in floods.

A flood is a situation when water level in the river rises and it goes on to submerge the surrounding areas of river bank. River may flood due to several reasons. Most prominent of them is metrological factors, India receive majority of its rainfall during 3-4 months of monsoon. Heavy precipitation during a short span of time results in flooding. Tropical cyclone driven heavy rain also creates flood situation in Indian rivers. Geomorphic factors such as slope & river gradient, drainage system, catchment areas also leads to floods. In recent times human activities such as deforestation, dams, embankment or rapid urbanization etc. has also resulted in to flooding of rivers. As observed during Uttarakhand flood, region has become prone to landslides due to mining and hydro projects. Frequent landslides during rainfall season increase the suspended mass in water & raise the water level of river. Deforestation results in accumulation of silt in river bed and make it vulnerable to flooding. Mumbai flood in Mithi river had occurred due to construction activities in the river bed itself. State of Assam, West Bengal, Bihar, UP are more prone to flooding due to natural factors such as Monsoons. Bihar is a special case where heavy rain fall in Nepal catchment region of rivers and frequently changing course of Kosi River has been a major cause of flood. Coastal areas of India are also flood prone in wake of annual tropical cyclones. While the plains of Haryana & Punjab & parts of Rajasthan have become prone to flooding due to poor drainage caused by human activities.

3) Explain the working of Tsunami Warning System in India. (200 Words)

The earthquake and following Tsunami of 2004 exposed the vulnerability of Indian coasts to tsunami threats. Thus Government of India setup a Indian Tsunami Early Warning System(ITEWS) in the Indian Centre of Ocean Information System(INCOIS), at Hyderabad. The System consists of real-time network of seismic stations, Bottom Pressure Recorder(BPR), tide gauges and 24x7 operational surveillance to such threats. This warning system provides tsunami advisories and alerts to the vulnerable communities. It gives the tsunami bulletin within 10 minutes of an Earthquake thus leaving a sufficient response time to the people. It maintains a database of the previous movements and provides forecasts. The identification of the

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vulnerable areas also falls under its mandate. With the help of satellites and seismic stations it is capable of generating geospatial maps and providing necessary information for a planned rescue operation. More people can subscribe to its alerts if they desire so. The 2004 disaster led to a massive loss of life and property in Indian Subcontinent, especially in Andaman & Nicobar Islands. This system now ensure sufficient prior watch over such incidents so that any future disaster can be managed effectively. It also coordinates with the systems of other regional countries and verifies the information.

4) Write a critical note on “National Cyclone Risk Mitigation Project” (NCRMP) (150 Words)

National Cyclone Risk Mitigation Project (NCRMP) was launched to mitigate the effects of cyclones in the country. It seeks to build suitable infrastructure, mechanisms, capacity, awareness, preparedness to meet the risk of cyclones. National Disaster Management Authority (NDMA), as a nodal agency, will work in coordination with state governments, identified with varying vulnerability to cyclones. The project, funded by World Bank as a Adaptable program loan, will be financed as Centrally sponsored scheme on a 75:25 basis. The project will include building of cyclone shelters for safety to people during along with adequate roads etc easy access to them. Efficient Early Warning and Communication System is to be installed in the prone areas. The local inhabitants will be trained and made disaster prepared. Of the 13 identified states work has started in Orissa and Andhra Pradesh. Past cyclones and high risk in future necessitates the project and if implemented would be a major success in Disaster Management.

**Internal security**

1) Examine the important features of the National Cyber Security Policy 2013. (250 Words)

21st century has witnessed a connectivity revolution riding piggyback on the spread of information and communication technologies to the less developed world. India has emerged as a major global hub for IT and related products and is one of the fastest growing internet users in the world. The technologies have also posed a increased risk in the form of cyber attacks, frauds etc. In this light the Indian government has unveiled the Cyber Security policy. With the main aim of creating a secure and resilient cyber ecosystem in the country the policy outlines the need for using infrastructures, processes, technologies to achieve the aim. The policy proposes setting up of National critical information infrastructure protection centre to develop the mechanism and Computer emergency response team as nodal agency to deal with crisis management. The policy aims at realizing effective public private partnerships in developing indigenous facilities including research and development facilities, education of the human resources and also an aim to create a workforce of 500,000 professionals in next 5 yrs to tackle the challenge. It also looks into seminars, workshops etc to popularize the agenda.

2) Examine how internet is used as a tool to spread and propagate terrorism in India. (250 Words)

Virtual cyber space has the real power the vitiate and derail the social, political and economic milieu of the country. There has been growing incidence of propagation of terrorism from this virtual platform due to increasing security and intelligence on the traditional ways. There are numerous examples like the attack on critical infrastructure like service delivery and power grids and e-governance initiatives. This can lead to loss of strategic information to vested interest. The recent example of defacing of govt websites by Chinese and Brazilian hackers is one such example. The inflammatory speeches and hate videos on social networking sites can also create terror. The mass ethnic exodus of N-E people and the recent uploading of a fake video that ignited muzaffanagar communal violence is case in hand. Internet is also used to hacking the personal account information of social networks accounts and also used as a framework for increasing money theft from bank accounts and fake transactions that are used for funding terrorist activities abroad. Fake advertisements for money and subsequent loss of savings of common man has terrified has general public. Recently, it has been pointed out that online websites are also used for recruiting the youths for terrorist activities and are providing relevant data for bomb making etc. Further most of the satellite and defense infrastructure is linked to internet in one way or the other and this can be used by terrorist organizations. Internet has opened new avenue for creating terrorism in the minds of people and government. It is using new ways of disrupting the normal life of a country in different fields ranging from defense to communication and economic to political and governance related matters.

3) “While development is a useful tool against Maoist extremism, it is imperative that a semblance of order precede injection of resources into the extremist-affected areas.” Critically comment. (250 Words)

Critically comment.
One of the grave internal security challenges faced by the country is Maoist extremism. Maoists are naxals who are inspired by the political philosophy of China’s late Chairman Mao Zedong, with the vision of upholding the rights of poor Indian peasants and landless farmers. The movement which started as a peaceful tribal protests soon after independence changed into a fierce armed protests with the intent to topple the present government. It is seen to be rapidly infected throughout regions called the ‘red corridors’ in the country.

This indeed led to governmental attention to these areas, which were seen to be both development and democracy deficient. Ever since then several initiatives through dialogues, negotiations, development programmes have been undertaken in order to restore peace and tranquility in these extremist affected regions.

Though there were some bottlenecks relating to the in-coordination and inefficiencies from the government’s side, majority of these initiatives have been seen to be constantly disrupted by violent Maoists attacks leading damage to both man and matter. And also loss of life. Hence it became imperative to think of military action, even which dint turn out to be a good solution.

For a successful settlement, it is a precursor to maintain harmony for the development to seep in. Hence there arises a dire need to look for a judicious mix of military action and diplomatic negotiations. Also its the demand of the hour to extend and embrace ex-Maoists in rehabilitating them with employments and giving them a chance to live a better life.

4) Discuss about the linkages between organized crime and terrorism, and potential threats emanating from such linkages in the Indian and global context. (250 Words)

Terrorism has become highly institutionalised with shades of modern personnel system, financial architecture and global networking. It is clear that the massive funding required for this sophisticated terror machinery can not come from legitimate sources. Hence, organised crime, which is consciously coordinated and pre-planned crime, has become the route of financing these operations.

Organised crimes like drug trafficking, extortion, illicit trade including in arms, human trafficking etc. generate heavy resources for sustaining the terror machinery. The, thus, wealthy so called ‘business-men’ indulging in these invest in the terror groups and often seek political or economic returns.

In the global context, Syria would perhaps be the best example. Here, Al-Qaeda and other terrorist outfits were allegedly funded to bring about regime change. Similar shades are visible in Afghanistan, Libya etc. where trade in drugs sustains them and thus extremism is common in the rural hinterlands. Spillovers from these can be witnessed throughout the globe in Africa, Asia and now even Europe.

For India, neighbouring hubs of extremism like Afghanistan, Pakistan and Bangladesh, potential threat from such linkages are always visible. For instance, the motive behind the recent Hyderabad blasts as touted by Indian Mujahaedeen was to thwart foreign investment in India. Terrorist groups may not have such primary objectives unless some group finances and exhorts them for the same, to eliminate competition.

The threats from organised crime and its linkages deal a double blow any nation disturbing both the socioeconomic life as public order.

5) “India’s internal security challenges are inextricably linked with border management.” Examine the statement in the light of various security challenges being faced by India at its borders and their threat to internal security. (250 Words)

The concept of security is a very wide and comprehensive one. When seen from human perspective, a wide gamut of measures is to be included for security and its maintenance. In this context border management is inextricably linked to internal security.

The most prime factor is of transnational terrorist activities. Indian western, particularly in Jammu and Kashmir region this problem has been endemic. The militancy has led to alienation of Kashmiris and at same time hurt the economic development of the region. Recent incident at Keran and previous ones of Kargil are significant ones.

Further illegal immigration coupled with human trafficking poses a big risk to the social fabric inside the country. The problem is more persistent along the indo-bangla border. The demographic inversion in Tripura, kokrajhar riots and continuous strain on social cohesion in north east and northern Bengal is testament to the fact. Many a times the migrants are able to secure voting and identity cards with help of administrative corrupt machinery thus posing a risk to national security and orientation of the government as a whole.

Further smuggling of various materials ranging from Narcotics, Arms, Cash etc affects the society as a whole, besides having a corrupting influence on the society it also serves as linkup with criminal syndicates in the country. Thus border management needs to be continuously updated to tackle rising contemporary problems. The linkages are often reinforcing forming strong supply chain mechanism thus making it important to step up vigil at the start point.

6) “India’s procurement of weapons platforms and other equipment as part of its plans for defence modernization, must simultaneously lead to a transformative change in the country’s defence technology base and manufacturing prowess.” Critically analyze. (250 Words)

Weapons and armaments have served to assure nation-states against the security deficit of the
international order. India has been a major importer of arms and ammunition. However increasing the emphasis on creation of domestic industry and strengthening the linkages with modern technology is critically important.

The procurement agreement should definitely include clauses for transfer of technology and joint production. The benefits of a domestic industry are many; it saves the country from disruption in supply chains for any reason. Recent delay of INS Vikramaditya would have placed India in a difficult situation specially in context of the lone Indian carrier on the verge of retirement. INS Viraat in this light serves to act as backup for national security. Further linkages with creation of jobs, contribution to economic growth, revenue etc. Moreover with a continous and stable demand by the Indian armed forces domestic production makes economic and strategic logic. The case of Brahmos and recent talks with USA, Russia for joint production is a decision in right direction. Further India could high grade technology, best management practices and could also emerge as a major exporting nation. Thus with more strategic weight, we can extend credible help to our friends and in turn get much more benefits. Case of supply of Indian weapons to Mauritius, Vietnam and role of Vietnam in India-Asean FTA, allocation of south china sea oil block are discernibly linked. Thus one can say that by improving and increasing the domestic production of equipment, India can reap benefit in the sphere of security as well as economic and associated ones.

"Either terrorism triumphs or Civilization triumphs." Comment on the above statement (200 Words)

Violence or rebellion by armed means as an expression of disagreement with/opposition to ideologies have been an integral part of mankind since time immemorial. However, terrorism as we know it today is a more recent phenomenon, evolving specifically towards the latter half of the 20th century, with a ferocity seldom known to mankind before. While violent movements have indeed caused much loss of human life, they have mostly been restricted to specific pockets geographically as well as ideologically. The scary aspect of terrorism today is simply its scale and reach across the globe. Disparate groups are often brought together and coordinated attacks take place. The impact too is on a scale not seen before. September 9, 2001 will go down as a pivotal moment in world history, with people finally waking up to the real dangers posed by terrorism. In a single group of coordinated events, many thousands died, that too in the heart of the most developed nation of the time.

Civilization refers not only to human life but also their way of living. The destruction of the Bamiyan Buddhas indicate that motives of terrorists today are far deeper than before and they are better-equipped than before. Little wonder then that years of war with terrorists have largely been futile. With many nuclear weapons available today, threat to civilization by terrorism is real. Essentially, only one of the two can survive. Both cannot coexist.

. What is International Terrorism? Discuss various actions taken by the United Nations in to eliminate the causes underlying international terrorism. (200 Words)

Earlier terrorism was considered as local phenomenon where group of people were involved in violent activities to topple the ruling government or spread fear. Post 1990s, terrorist activities have spread across all the regions the world. Terrorists grouped have forged alliance with the other criminal such drug traffics, smugglers etc. located in different regions. Even some of the states allow their territories/weak states are used by terrorists to commit crimes against other states. Terrorist activities which operates in different geographies or have consequences in several regions are been termed as international terrorism. International terrorist groups such as Al Qaeda has been involved in attacks in more than 10 countries geographically located in different continents.

United Nations has enacted several measures to control the international terrorism. Some of them are highlighted as under:
- Providing technical/financial support to weaker states to counter terrorists.
- Promoting social/political rights of people and address issues such as poverty/unemployment, Political grievances etc. that push people in to terrorism.
- Promoting information sharing among the states about suspected activities, financial transactions etc.
- Making diplomatic pressure on states to refrain from allowing their territories to be support terrorist activities.

India is fighting war on many fronts. Analyze the basic causes of terrorism and insurgency and the effectiveness of state response in dealing with these threats.

Ans

India is facing many challenges to its internal and external security in the form of terrorism, insurgency, naxalism and cyber security threats etc. Terrorism and insurgency is the most potent threat of these as they had been instrumental in nipping the democratic governments in bud and destroying the social and economic fabric of the countries. The causes of terrorism are mostly inconclusive though researches have pointed out that it may be due to social and political injustice, dehumanization, nationalism and separatism etc. These groups whether terrorist or insurgent enjoys ideological, religious or cultural etc affiliations. These threads are needed to be faced with iron hand as they stigmatize the people, disrupt normal life and destabilize the government, violate human rights and impede upon the freedom of people.
The recent terrorist attacks in India pointed out the sad state of affairs in tackling such problems. The main reason is the disjunction between intelligence agencies and local police. There is lack of information sharing and swift action and this deficit is used by terrorist to carry out their operation. Further India has a long boundary and porous borders and there is no close collaboration in averting terrorism and insurgency with neighbouring country except with Bangladesh. The military operation requires support from local people and they must be bought into confidence so that anti-national elements do not find a hedge but because of certain draconian laws like AFSPA there is gross human rights violations and illicit killing which only ignite separatist tendencies. India has failed on most of fronts like curbing black money which are used to fund terrorist activities and providing alternative avenues like employment for youths so that they do not take up arms. Lack of institutional mechanism like NCTC, close collaboration between centre and state and harmonization between intelligence agencies and local police have render the efforts of the government ineffective.