



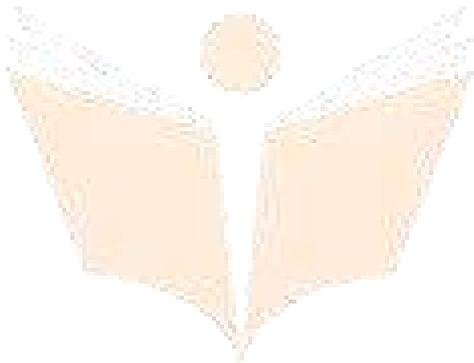
**INSIGHTSIAS**  
SIMPLIFYING  
IAS EXAM PREPARATION

# Insights into Yojana: July 2018

Resurgent India

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## Affordable Housing: Future of Urban Development

### Introduction

- **Pradhan Mantri Awas Yojana (PMAY)** or Affordable Housing for All mission was launched with the vision of providing pucca house with water connection, toilet facilities, 24\*7 electricity supply and access for every family by the time the nation completes 75 years of its independence.
- The target for PMAY (Urban) is to build approximately 1.2 crore affordable homes in the urban centres by the year 2022.
- The **Ministry of Housing and Urban Affairs** has already sanctioned the construction of over 47.5 lakh homes and over 8 lakh homes have been completed and handed over to the respective beneficiaries.

### Embracing Urbanization

- To understand the success of PMAY (U), it is important to understand the **philosophical change taking place in India vis-a-vis urbanization**.
- It is for the first time in the country's history that the union government has embraced the concept of urbanization.
- Today while agriculture employs over 40% of India's workforce, its contribution to India's Gross Value Added has fallen to 16.4%. On the other hand the **contribution of services has significantly increased** and it is at 55.2%. The **services sector resides in the urban areas**.
- Given the **growing aspirations of India's citizens**, it is natural they would seek employment in services and thereby seek out urban centres – it is **estimated that by 2030 almost 40% of India's population will live in Indian cities**.
- Elements of **goal 11 of SDGs**, titled "**make cities and human settlements inclusive, safe, resilient and sustainable**", were incorporated by India in its development efforts and plans even before the SDGs were adopted by the UN in 2015.
- While the SDGs seek to achieve their objectives by 2030, PMAY (U) looks to ensure each Indian has a home by 2022.
- Through a PMAY (U) home, families not only have a roof over their heads, but have access to all amenities that will allow them to **lead a life of dignity, security and prosperity**.

### PMAY (U) Implementation

- The implementation of PMAY (U) is undertaken through four verticals – **in-situ slum redevelopment; Affordable housing in partnership (AHP); Credit linked subsidy scheme (CLSS) and Beneficiary led consortium (BLC)**.
- Through these verticals, the mission covers the entire canvas of affordable housing – from slum dweller living in inhumane conditions; to those belonging to economically weaker sections and middle income groups; and to those who own a piece of land but require additional funding to build their house.
- By offering a bouquet of options to choose from, the PMAY (U) makes a significant departure from previous top-down models.
- PMAY (U) is thriving under the **cooperative federalism model** – in earlier housing schemes the state governments needed the federal government to approve their projects.

- Under PMAY (U), the state governments themselves accord these approvals, with only minor suggestions if any, made at the central level.

### Government as Catalyst

- In a marked departure from past frameworks, the central government has chosen to play the role of a catalyst – the budget for 2017-18, **affordable housing was given infrastructure status** and the budget for 2018-19 institutionalized an **Affordable Housing Fund** under the national housing bank to boost financing in the sector.
- In addition to these measures, section 80-IBA of the Income Tax now provides for **100% deduction of profits for affordable housing projects**, to encourage private participation in the mission.

### Regulatory Framework

- Any mission of the scale and size of PMAY (U) necessitates adequate regulatory frameworks to ensure its smooth functioning.
- The real estate sector in India has historically been characterised as one where unscrupulous behaviour is rewarded, and honesty punished.
- A politician-bureaucrat-builder nexus and any individual wanting to buy a home were forced to indulge in corrupt practices, and even then there was no guarantee that the property purchased would be handed over to its true owner.
- To put an end to this culture of impunity, the government enacted the **Real Estate (Regulation and Development) Act 2016 or RERA**.
- The **Insolvency and Bankruptcy Code**, which bars wilful defaulters from submitting a resolution plan, and which puts the **home buyer alongside financial creditors**, has given a further fillip to weed out corrupt actors in the sector.

### Questions

1. Why is India facing a housing crisis despite governments spending huge money through centrally sponsored schemes? Also discuss what course correction is needed.
2. In your opinion, what needs to be done in order to make the 'Housing For All by 2022' programme successful? Discuss.
3. Rapid urbanisation brings with it enormous challenges. Examine measures initiated by the present union government to address these challenges
4. The 'City Liveability Index' was recently launched by
  - (a) Ministry of Housing and Urban Affairs
  - (b) Ministry of Health and Family Welfare
  - (c) Ministry of Drinking Water and Sanitation
  - (d) Ministry of Environment, Forest and Climate Change

#### Solution (a)

## Meeting the Energy Needs of the Future

### Introduction

- The **renewable energy sector** in India has emerged as an **integral part** of the solution to meet the **nation's energy needs**.
- There has been a visible impact of renewable energy in the Indian energy scenario during the last few years as **India is on its way to achieving the 175 GW target** for installed Renewable Energy capacity by 2022.

### Recent Initiatives

- The Ministry of New and Renewable Energy has taken several steps for a clean energy future by taking up the **largest renewable capacity expansion programme** in the world.
- Till March 2018, a capacity addition of 37.33 GW of renewable energy has been reported during the last four years with a total of 69 GW renewable energy installed capacity.
- In order to achieve the target of 175 GW by the year 2022, the ministry launched schemes on development of **wind-solar hybrid power projects**, biomass power and bagasse cogeneration, biomass gasifier for industries, scheme for development of **solar parks and ultra-mega solar power projects**, grid connected solar PV power plants on canal banks and canal tops and biogas based grid power generation programme.
- Among all, the **National Solar Mission** is the most ambitious program which aims to promote solar energy for power generation with an aim of making levelized cost of solar energy competent with coal/gas based power generation.
- Historical low tariffs for solar and wind was achieved giving a big push to the renewable sector.

### Government Support

- The government is providing **generation based incentives**, capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc. for providing **financial support** to various schemes.
- Ministry has taken steps for strong enforcement of **Renewable Purchase Obligation (RPO)** and providing **Renewable Generation Obligation (RGO)**, incorporating measures in Integrated Power Development Scheme (IPDS) for encouraging distribution companies and making net-metering compulsory and raising funds from bilateral and international donors as also the Green Climate Fund to achieve the target.

### Major Initiatives

#### Solar Power

- Capacity of the scheme for **Development of Solar Parks and Ultra Mega Solar Power Projects** has been enhanced from 20 GW to 40 GW.
- Amendments in building by-laws for **mandatory provision of roof top solar** for new construction or higher floor area ratio and making **roof top solar as a part of housing loan** by banks.
- Provision of roof top solar system and 10% renewable energy as mandatory under guidelines for development of smart cities.
- Raising **tax free solar bonds** for managing equity to setup solar projects.

- Tariff based competitive bidding process for purchase of solar power.
- **Surya-Mitra programme** for creation of qualified technical workforce.

### Wind Power

- In terms of wind power installed capacity, India is globally placed at 4<sup>th</sup> position after china, USA and Germany.
- The wind power potential of the country has been reassessed by the National Institute for Wind Energy (NIWE). It has been estimated to be 302 GW at 100-meter hub-height.
- India has **long coastline** where there is a **good possibility for developing offshore wind power** projects. The cabinet has cleared the **National Offshore Wind Energy Policy**.

### Bio-Energy

- Central financial assistance for biomass power project includes **biomass gasification and bagasse co-generation**.
- Promotion of off-grid biogas power project for captive power generation.
- Family size biogas plants mainly for rural and semi-urban households are setup under the **National Biogas and Manure Management Programme (NBMMP)**.

### Amendments in Tariff Policy

- Enhancement in solar renewable purchase obligations to 8% by March 2022.
- Introduction of renewable generation obligation for new coal/lignite based thermal plants.
- Waving off inter-state transmission charges for solar and wind power.

### Other Initiatives

- Formation of **International Solar Alliance (ISA)** which became a legal entity in December 2017. India has been playing a leading role in the International Renewable Community along with France, with its headquarters in India.
- Bank loans for purposes like solar based and biomass based power generators, wind power systems, micro-hydel plants and for renewable energy based street lighting systems and remote village electrification.
- **Foreign Direct Investment up to 100%** is permitted under the automatic route for renewable energy generation and distribution projects.

### Questions

1. **Why solar tariffs are falling and what they mean for India's renewable energy sector? Discuss.**
2. **It is argued that even with growth in renewable energy generation, coal will remain indispensable. But, to address adverse environmental impact of coal plants in India, what measures need to be taken? Do you think completely doing away with coal plants is a viable solution? Critically comment.**
3. **Discuss the advantages and disadvantages of using renewable energy in India. Elucidate the challenges and strategies for maximizing the use of renewable energy resources.**

4. Consider the following statements related to the International Solar Alliance (ISA).

- 1) ISA is the first International intergovernmental treaty-based organization headquartered in India.
- 2) It was jointly launched by India and France in November 2015.
- 3) The focus of the ISA is to encourage the usage of solar energy in industries.

Which of the above statements is/are correct?

- a) 1 and 2 only
- b) 2 and 3 only
- c) 1 and 3 only
- d) All of them

**Solution (a)**

5. Which of the following statements about the recently issued 'National Wind-Solar Hybrid Policy' by the Ministry of New and Renewable Energy is/are correct?

1. In a 'hybrid project', the rated power capacity of any one of the components must be at least 40 percent of the total power capacity of the project
2. The policy seeks to promote new hybrid projects as well as hybridisation of existing wind/solar projects

Select the correct answer using the code given below:

- a) 1 only
- b) 2 only
- c) Both 1 and 2
- d) Neither 1 nor 2

**Solution (b)**

6. The nodal agency for implementing the Wind Auction Scheme is

- (a) Solar Energy Corporation of India
- (b) Indian Renewable Development Agency Ltd.
- (c) Central Pollution Control Board
- (d) Energy Efficiency Services Ltd.

**Solution (a)**

## Involving Youth in Community Welfare

### Introduction

- Youth has been defined in the **National Youth Policy, 2014** as a person in the age group of 15 to 29 years. But youth cannot be termed as a homogenous group; it is bound to be heterogeneous owing to the reasons emanating from society, cultural background, socio-economic status, educational status, geographical areas that they come from and above all their own perceptions and aspirations.
- Youth is the age group that witnesses **transition from adolescence to adulthood and from skill or education to employment.**
- The youth organises himself for working to realise his objectives and aspirations and the areas in which he explores to meaningfully engage himself.

### Priority Areas for the Group

Objective	Priority
1. Create a productive workforce that can make a sustainable contribution to India's economic development	Education Employment and Skill Development Entrepreneurship
2. Develop a strong and healthy generation equipped to take on future challenges	Health and Healthy Lifestyle Sports
3. Instil social values and promote community service to build national ownership	Promotion of Social Values Community Engagement
4. Facilitate participation and civic engagement at all levels of governance	Participation in politics and governance
5. Support youth at risk and create equitable opportunity for all disadvantaged & marginalized youth	Inclusion Social Justice

### Promotion of Social Value

- Youth constitute the **productive workforce** and with experience would become the **leaders in their respective walks of life.**
- India as a nation is diverse in culture, ethnicity, language, society and religion. But despite these diversities there are common threads running through different societies and ethnicities of the country.
- The youth today talks about development, communication, engagements, opportunities to demonstrate their potential irrespective of their nativity or ethnicity.
- India as a nation has one distinct culture and centres on certain traditions and customs that have been preserved through the ages which constitute the social values.
- These social values are the binding material for the Indian society in general and the Indian youth in particular.

### Community Engagement

- Community engagement indeed traverses through a diverse arena of activities as the activities undertaken by National Service Scheme (NSS) and Nehru Yuva Kendra Sangathan (NYKS) demonstrate.

### Nehru Yuva Kendra Sangathan (NYKS)

- NYKS launched in 1972 is one of the largest youth organisations in the world. The objective is to **develop the personality and leadership qualities** of the youth and to engage them in **nation-building activities**. They are:
  - **Training on youth leadership and community development:**
    - The programme aims at enhancing the capacity of young people to take up leadership roles to help others to live a meaningful life and contribute towards nation building.
  - **Youth Convention and Yuva Kriti:**
    - The programme is organised annually by all district NYKS to provide opportunity and platform to rural youth leaders to display products and express themselves, share experiences and suggest best practices for youth empowerment.
  - **Yuva Aadarsh Gram Vikas Karyakram:**
    - The programme aims at developing one village in selected districts as a **model village** by the youth for the youth.
    - The activities include making the villages open defecation free, 100% immunisation, 100% enrolment of children in primary school, cleanliness, preventive healthcare etc.
  - **Tribal Youth Exchange Programme:**
    - The programme is organised every year with funding from the **Ministry of Home Affairs**.
    - The youth drawn from areas affected by **left-wing extremism** are taken to other parts of the country to sensitise them to the rich cultural heritage of the country, to expose them to development activities and to enable them to develop emotional linkage with the people in other parts of the country.
  - **Ek Bharat Shreshtha Bharat Programme:**
    - The programme aims to promote the **spirit of national integration** through a deep and structured engagement between all Indian states and union territories through a yearlong planned enagemnet between states, to showcase the rich heritage and culture of either state for enabling people to understand and appreciate the diversity of India.

### National Service Scheme (NSS)

- NSS was launched in 1969 with the primary objective of **developing the personality and character of the student youth** through voluntary community service. '**Education through Service**' is the purpose of the NSS.
- The ideological orientation of the NSS is inspired by the ideals of Mahatma Gandhi. The motto of NSS is '**Not Me, But You**'.
- Some areas in which NSS volunteers work are education, health, family welfare and sanitation, environment conservation, social service programmes, programmes for improving the status of women, relief and rehabilitation during disasters etc.

### Voluntary Engagements

- Voluntary social engagement has some enviable benefits. It helps the youth to know and understand the community, its surroundings and difficulties as well as its advantages.

- Voluntarism contributes in enhancing the **‘emotional quotient’** that is instrumental in handling the issues facing the adolescent’s transition to adulthood. Some of the examples of such activities by NYKS/NSS volunteers are:
- **Girivikas Project:**
  - Realising the role **that education can play in enabling the tribal population** to mingle with the national mainstreams, the Girivikas project was taken up on an experimental basis by Nehru yuva kendra, Palakkad, Kerala with the support of the district administration.
- **Prevention of Drug Abuse and Alcoholism:**
  - NYKS implemented a yearlong pilot project entitled **‘Awareness and Education for the Prevention of Drug Abuse and Alcoholism’**, with the financial support of ministry of social justice and empowerment.
- **Namami Gange and Youth:**
  - NYKS has signed an MOU with **National Mission for Clean Ganaga** for creating awareness on abatement of pollution, rejuvenation of River Ganga on 8<sup>th</sup> June 2015 and is implementing the project **‘Involvement of Youth in Namami Gange Programme’**.

## Questions

**1. Government of India should create human capital by empowering youth through skilling and quality education to avert anti-reservations sentiment that’s spreading across country. Analyse.**

**2. The social values are the binding material for the Indian society in general and the Indian youth in particular. Do you agree? Comment.**

**3. Essay Topic: Should Youth in India Consider Politics as Career?**

**4. National Youth Day marks the birth anniversary of**

**(a) Jawaharlal Nehru**

**(b) Rukhmabai Raut**

**(c) APJ Abdul Kalam**

**(d) Swami Vivekananda**      **Solution (d)**

**5. The ‘Global Youth Development Index’ has been developed and is compiled by the**

**(a) UN Department of Economic and Social Affairs (UN DESA)**

**(b) Ministry of Youth Affairs and Sports, Government of India**

**(c) Alliance for International Youth Development (AIYA)**

**(d) Commonwealth Secretariat**      **Solution (d)**

## **Sports talent search portal launched**

- The portal provides a transparent platform for talented youth to share their achievements. It also gives a boost to budding sportspersons

## **National Sports University in Manipur**

- National Sports University in Manipur will be first of its kind to promote sports education in the areas of sports science, sports technology, sports management, sports coaching and will also function as national training centre for selected training centres

## Farmers' Welfare: Priority with Commitment

### Introduction

- Millions of diligent farmers are the mainstay of Indian economy; however, their welfare remained a marginalised issue for long. The government has the target to **double farmers' income by 2022** when India celebrates its 75<sup>th</sup> year of Independence.
- In pursuance, Ministry of Agriculture and Farmers' Welfare devised a **seven-point strategy** which includes critical and potential components for increasing the income of farmers.

### Marketing Mantras

- In the Union budget 2018-19 the government declared to keep MSP of kharif crops at one and half times of their production cost.
- Government has also committed to buy the surplus produce of farmers in case of glut.
- **'Bhavantar Bhugtan Yojana'** (Price-deficit financing scheme) launched by Madhya Pradesh Government hedges price risk of eight agricultural commodities in case of market fluctuations. The ground report suggests replication of this scheme in other states as well.
- More than 85% of our farmers belong to the small and marginal category who have less marketable surplus and have to bear high transaction cost.
- Hence the government launched electronic **National Agriculture Market (e-NAM)** in 2015 with the objective of easing licensing and enhancing farmers' returns. However, farmers having no access to APMCs were deprived of e-NAM benefits.
- Recently the government decided to develop and upgrade 22,000 rural haats into **Gramin Agricultural Markets (GrAMs)**.
- These GrAMs electronically linked to e-NAM will be exempted from regulations of APMCs so that farmers of even remote areas may have access to e-NAM benefits.

### Value Addition Facilities

- **Pradhan Mantri Kisan Sampada Yojana** is a flagship programme which aims at welfare and prosperity of farmers by providing **processing and value addition facilities** along with marketing support.
- Government is encouraging and **promoting the food processing sector** by providing various tax incentives, allowing 100% FDI and creating a special corpus in NABARD of Rs. 2,000 crore by providing easy loans to agri-processing units.
- A large number of farmers earn their livelihood by growing tomato, onion and potato. However, being perishable in nature the variability in seasonal and regional production often lead to distress among farmers and consumers both.
- In this backdrop, Government has recently launched **'Operation Greens'** on the lines of 'Operation Flood'.
- Under this scheme, agri-logistics, processing facilities and professional management for marketing of these crops will be promoted to safeguard interest of farmers and consumers as well.

### Financing Farmers

- Despite several banking reforms, generally farmers face many challenges in getting institutional credits for their farming needs.
- Hence, government is steadily increasing the volume of institutional credit for agricultural sector.
- Recently the facility of **Kisan Credit Cards** was extended to **fisheries and animal husbandry** farmers to help them meet their working capital needs.
- Besides, **interest subvention for short term crop loans**, enhancement of collateral-free farm loans and promotion of joint liability groups are some other initiatives to ensure that all eligible farmers are provided with hassle-free and timely credit.
- A **Model Agricultural Land Leasing Act, 2016** offers a bunch of benefits to lessee cultivators. Now land tenants are entitled to obtain loans from financial institutions, crop insurance, disaster relief or any other benefits provided by Central or State Government.
- Government is also promoting **Farmer Producer Organisations (FPOs)** and women self-help groups by incentivising their activities for increasing income of associated small holders.

### Towards Secured Livelihood

- Various natural calamities, attack of pests and diseases and variable weather conditions pose a threat to income and livelihood of farmers.
- **Pradhan Mantri Fasal Bhima Yojana** was launched to protect farmers against such risks.
- Farmers of all ecological zones are being trained to face the challenges of climate change and keep their livelihood safe and sound.
- **Krishi Vigyan Kendras (KVKs)** is regularly organising training and demonstrations at field level on identified climate-smart technologies.
- **National Mission for Sustainable Agriculture** is also active on dissemination of climate change related information and knowledge through its networks.

### Integrated Farming Models

- Integrated farming models **blend field crops with horticulture, animal husbandry and aquaculture**, have potential to secure livelihood of farmers even during adverse conditions.
- This new farming approach increases profitability per unit of land and minimizes risk by assuring income from one or other farming component.
- The new Mission on Integrated Development of Horticulture is comprehensively supporting various components, such as mechanization in horticulture, development of cold chains and value chains, development and transfer of appropriate technologies and availability of quality planting materials.
- The new cluster approach is developing the entire chain from production to marketing at one place.



## Add-ons to Income

- Government is focusing on various ancillary agricultural activities which have shown promise in adding income to farmers.
- Increased financial allocations and establishment of **Integrated Bee Keeping Development Centres** have given a fresh impetus to honey production.
- Similarly, **Bamboo** often referred to as **“Green Gold”** is re-classified as **‘Grass’** when grown outside **forest areas** making it free for cultivation, harvest, transport and its use as raw material for handicrafts.
- Recently a **re-structured National Bamboo Mission** was launched to promote the bamboo sector in a holistic manner.
- **Mushroom** is another crop with immense business potential due to its high demand and remunerative price in domestic and overseas markets.
- Financial and technical support is being provided to farmers for growing mushroom mainly under indoor conditions with very limited resources.
- Government is also encouraging backyard poultry, piggery and pisciculture in ponds for additional income to farmers.
- Under an innovative scheme **‘Mera Gaon, Mera Gaurav’**, agricultural scientists in groups of four each, are selected and adopting five villages for demonstration of new technologies in agriculture and allied activities. Farmers are being empowered with knowledge, skill and information to enhance their income.
- Government is working on modalities to encourage farmers for using their fallow land to harvest solar energy. It will serve a dual purpose – installation of solar pumps to irrigate their fields and supply of surplus power to grid for additional income.
- To double farmers’ income by 2022 and realise higher farm income from the same land, central and state governments, cooperatives, farmers’ organisations, related industries and farmers must work in unison and synergically in mission mode.

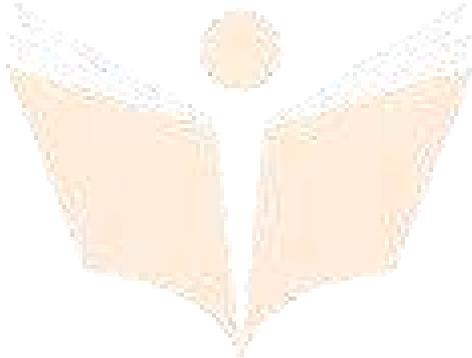
## Questions

1. It is said that Aquaculture, along with crop production and dairy and livestock farming, has an important role to play in ensuring nutrition and food security. Discuss its potential, especially in India.
2. For sustained livelihood, it is said that one should undertake mixed farming, intercropping, and integrated farming practices. Explain these practices and their benefits.
3. It is said that Information and Communications Technology (ICT) has immense potential for agriculture and empowering farming communities. Discuss.
4. The government has the target to double farmers’ income by 2022 when India celebrates its 75<sup>th</sup> year of Independence. Is the target achievable? What more needs to be done to achieve the target?
5. The Ministry of Agriculture’s ‘Seven-point Strategy’ to double farmers’ income by 2022 does *not* include which one of the following?
  - (a) Promotion of value addition through food processing
  - (b) Giving impetus to allied agricultural activities such as dairy processing and inland fisheries
  - (c) Replacing the Minimum Support Price framework with a Deficiency Payments framework

**(d) Reducing risks faced by farmers by way of providing insurance coverage**      **Solution (c)**

The Seven-point Strategy includes:

- Increasing production (by improving irrigation efficiency)
- Effective use of input cost (through initiatives such as the Soil Health Card Scheme and Neem-coated Urea)
- Reduction of post-harvest losses (by providing loans against negotiable warehouse receipts with interest subvention benefits, building storage facilities and integrated cold chains in rural areas)
- Value addition (through food processing)
- Reforms in agriculture marketing (through initiatives such as e-NAM, circulating a model APMC act)
- Risk, Security and Assistance (PM Fasal Bima Yojana)
- Promotion of Allied Activities (such as horticulture, integrated farming, white and blue revolution, agro-forestry, Beekeeping and rural backyard poultry development)



## Giving Wings to Small Town India

### Introduction

- India has a unique phenomenon in having hundreds of ‘ghost’ airports, which always had the potential to service flights but have remained unused because of variety of reasons.
- India which is the fastest growing aviation market in the world now, majority of air traffic is still concentrated at airports in its biggest cities.
- Six airports – Delhi, Mumbai, Bangalore, Chennai, Kolkata and Hyderabad – have two-thirds of the country’s air traffic in terms of passengers and almost 60% of the total aircraft movements.

### UDAN Scheme

- The flying is almost entirely **concentrated in the big cities** while smaller ones lie idle, is what the government wanted to correct. That means launching flights to **tier 2 and 3 cities** and ensuring that fares remain affordable.
- This not only allows redundant airport infrastructure to become useable but also provides air connectivity to businesses and individuals residing in India’s hinterland. Since the ‘UDAN’ scheme was launched, this is precisely what has been happening.
- Small towns, inaccessible hilly regions and the north-east of the country-all these territories are being slowly brought onto the aviation map under the UDAN scheme.
- Under the UDAN scheme, the state government and the centre are providing subsidy as per a pre-defined formula as **Viability Gap Funding (VGF)**.
- Under the VGF there is subsidy for 50% of the seats on each flight, exclusive route monopoly for the airline for three years and host of other concessions.
- The airline operator is bound to cap fares for the UDAN seats at Rs 2500 per seat per hour or for about 500 kms of flying.

### Success Factors

- The success of UDAN can be gauged from the fact that in 12 months from the date of launch, the Shimla-Delhi flight has carried about 12,000 passengers in all with average load factor of 90% (number of occupied seats from total available seats).
- Not just ghost airports, even some airports which have existing flight operations but in a limited way, are seen benefitting under the UDAN scheme.
- **India is the world’s fastest growing domestic aviation market and regional connectivity is critical if this high growth is to be sustained.**
- Adding airport capacity at metros is important, but for high growth developing regional connectivity is the way forward.

#### **Exponential growth in aviation**

- India emerges as the world’s third largest aviation market. Passenger traffic growth in the range of 18-20 per cent over the past three years.
- For the first time ever in India, more people traveled in airplanes than in AC trains. Domestic air passengers crossed 100 million for the first time in 2017
- In 75 years since independence, we had 75 operational airports, UDAN added 25 airports just since December 2016
- UDAN provides regional air connectivity to unserved and underserved airports at a subsidized fare of Rs. 2,500 per hour

## Challenges

- Not all the underserved and unserved airports which were envisaged to become operational have been revived, not all the routes which airlines had placed bids have been started and there is still **no helicopter service under the UDAN scheme**.
- Some of the airlines which came alive under UDAN have little previous experience, are short on funding and seem to be **struggling with the economics and logistics** of offering connectivity from remote locations.
- Then even the **quality of service** under UDAN is not quite upto the mark. As per DGCA data, some flights had the highest cancellation rates among all domestic airlines and naturally, maximum complaints from passengers.
- The operators who have bagged the UDAN routes of their choice may find it tough to sustain these after the Viability Gap Funding (VGP) period of three years ends, especially since **oil prices are already heading north**.
- To make UDAN flights more attractive the government has already begun allowing waiver of the three year exclusivity clause, if the operator working the route does not object, but still **concerns on long term viability remain**.

## Questions

1. Write a note on government's UDAN scheme, its objectives and its likely impact of various stakeholders.
2. How does the UDAN scheme tackle the skewed air connectivity in India? Elaborate.
3. UDAN is a refreshing for improving connectivity but some challenges still remain. Comment.
4. Consider the following statements about the UDAN Scheme:  
It aims to bring the TIER-2 and TIER-3 airports into the country's aviation network  
The scheme is based on market-based mechanism in which airlines bid for seat subsidies  
Which of the above statements is/are correct?  
a) 1 Only  
b) 2 Only  
c) Both 1 & 2  
d) Neither 1 nor 2

**Solution (c)**

## Targeting Economic Offenders

### Introduction

- Indian businesses have grown, they have spread their wings all over the world and to fund their expansion many have gone to the banks for capital.
- Banks too have given loans to their clients in good faith in expectation of growth. Unfortunately they are now feeling the pinch in many ways.
- The government felt that despite the existence of the **IPC, Prevention of Corruption Act and Prevention of Money Laundering Act, a specific act targeting economic offenders is the need of the hour.**
- Hence the government announced in the budget that a specific law targeting **fugitive economic offenders** was soon to be brought about which would give **government powers to seize properties and appropriate the sale proceeds toward the loan creditors.**
- After the Punjab National Bank was hit by the fraud the union cabinet immediately approved the bill to boost the confidence of the investors and bank customers in the banking system.

### Rationale

- Due to business deals going awry and inability of the customers to service their loans in time the banking sector has been impacted. Many of these defaulting fraudsters flee the country.
- The **existing civil and criminal provisions of law are not entirely adequate** to deal with these severe problems that have a critical impact on the economy.
- The government thought to address the loopholes and lacunae in the present laws and lay down clear cut and stringent measures to deal with these economic offenders who flee the country and are in effect fugitives from the law.
- Further this legislation will prove to be a deterrent to those contemplating to take steps to flee to some other country and abscond after committing economic white collar crimes.
- Non conviction based asset confiscation for corruption related cases are enabled under the provisions of the United Nations Convention.

### The Bill

- **Fugitive Economic Offenders Bill, 2018** would help in laying down measures to deter economic offenders from evading the process of Indian law by remaining outside the jurisdiction of Indian courts.
- A Fugitive Economic Offender is a person against whom an arrest warrant has been issued



Cabinet Decision  
March 01, 2018

**Fugitive Economic Offenders Bill, 2018**

**Salient features of the Bill-**

- i. Application before the Special Court for a declaration that an individual is a fugitive economic offender;
- ii. Attachment of the property of a fugitive economic offender;
- iii. Issue of a notice by the Special Court to the individual alleged to be a fugitive economic offender;
- iv. Confiscation of the property of an individual declared as a fugitive economic offender resulting from the proceeds of crime;
- v. Confiscation of other property belonging to such offender in India and abroad, including benami property;
- vi. Disentitlement of the fugitive economic offender from defending any civil claim; and
- vii. An Administrator will be appointed to manage and dispose of the confiscated property under the Act.



in respect of a scheduled offence and who has left India so as to avoid criminal prosecution, or being abroad, refuses to return to India to face criminal prosecution.

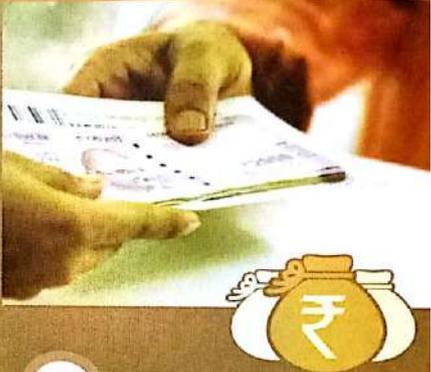
- **The cases where the total value involved in such offences is Rs.100 crore or more will come under the purview of this Bill.**
- The Bill is expected to **re-establish the rule of law** with respect to the fugitive economic offenders as they would be forced to return to India to face trial for scheduled offences.
- A scheduled offence refers to a list of economic offences contained in the Schedule to this Bill.
- This would also help the banks and other financial institutions to achieve higher recovery from financial defaults committed by such fugitive economic offenders, improving the financial health of such institutions.
- It is expected that the **special forum to be created for expeditious confiscation** of the proceeds of crime, in India or abroad, would coerce the fugitive to return to India to submit to the jurisdiction of Courts in India to face the law in respect of scheduled offences.
- If at any point of time in the course of the proceeding prior to the declaration, however, the alleged Fugitive Economic Offender returns to India and submits to the appropriate jurisdictional Court, proceedings under the proposed Act would cease by law.
- All necessary constitutional safeguards in terms of providing hearing to the person through counsel, allowing him time to file a reply, serving notice of summons to him, whether in India or abroad and appeal to the High Court have been provided for.
- Further, provision has been made for appointment of an Administrator to manage and dispose of the property in compliance with the provisions of law.
- The Bill makes provisions for a Court ('**Special Court**' under the **Prevention of Money-laundering Act, 2002**) to declare a person as a Fugitive Economic Offender.
- Further, in order to ensure that Courts are not over-burdened with such cases, only those cases where the total value involved in such offences is 100 crore rupees or more, is within the purview of this Bill.

### Conclusion

- It is hoped that the bill will help the central government recover the properties of those high net worth individuals who have fled from the country to avoid prosecution and other legal proceedings after committing economic frauds.
- The exchequer will be

### Stringent action against corruption & black money

- 01** Special Investigation Team set up at the First Cabinet Meeting after the present Government assumed office
- 02** Demonetisation led to India's highest ever unearthing of suspicious transactions and deposits. The current proportion of High Denomination notes in our economy is much less than what it would have been without Demonetisation
- 03** Double Taxation Avoidance Agreement with Mauritius, Cyprus and Singapore
- 04** Agreement on real time information sharing with Switzerland
- 05** Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act 2015 enacted
- 06** PMLA amended to allow confiscation of property equivalent in value of black money stashed abroad



- 07** Benami Property Act blocking a major avenue for generation and holding of black money in various forms
- 08** Action taken against around 3 lakh shell companies
- 09** Fugitive Economic Offenders Bill introduced to empower law enforcement agencies to confiscate the assets of economic absconders. This would also help the banks and other financial institutions to achieve higher recovery from fugitive economic offenders

bolstered after recovery from the sale proceeds.

- It is also expected to act as a deterrent to those who are contemplating or who are in the brink of committing economic offences and evading law.

### Questions

**1. Discuss critically features and shortcomings of the Fugitive Economic Offenders Bill 2018.**

**2. Who is a 'fugitive economic offender'? What are the reasons for which the Fugitive Economic Offenders Bill, 2018 has been introduced? Are the provisions in the bill enough to solve the problem of economic offences? What measures do you suggest to avoid such economic offences?**

