

GS Answer Writing Module 2023

Test 8

Time Allowed: 1.5 Hour

Max Marks: 125

Name: AAKRITI

Test Submission Date: 9/12/22

Email Address: [REDACTED]

Instructions:

1. All questions are compulsory.
2. Question 1-5 10 marks each & Word Limit 150.
3. Question 6-10 15 marks each & Word Limit 250.
4. Answers must be written in the medium authorized in the admission Certificate, which must be stated clearly on the cover of the booklet in the space provided.
5. Content of the answer is more important than its length.
6. Any page or portion of the page left blank in the Question-Cum-Answer Booklet must be clearly struck off.
7. All parts of the question should be written at one place itself.
8. Filling all the details in BLOCK LETTERS is mandatory.

Q. No.	Marks	Q. No.	Marks
Q1		Q6	
Q2		Q7	
Q3		Q8	
Q4		Q9	
Q5		Q10	
Total Marks:		Evaluator Code:	



Que.1

What is Green Budgeting? Do you think that formulating a green budget can help in tackling the problem of climate change? Justify. (10 Marks, 150 Words)

'Green budgeting' refers to the process of allocating budgetary finances to support green projects eg. plantation drives, R&D for carbon-efficient technology, CNG plants etc.

This can be done as:

- (a) explicit green project eg. Nagar Vans.
- (b) earmarking tax concessions to support green endeavours.

Green budget solving problem of climate change

- (i) It will channelize finance for climate change mitigation & adaptation eg. ~~Sw~~ seaweed park project in Tamil Nadu.

- ② It will attract private investment to support green projects
- ③ It will support sustainable & inclusive development eg. carbon efficient machines will reduce air pollution.
- ④ It will help in gradual transition to low-carbon economy without sudden job losses.
- ⑤ It will fuel use of renewable energy eg. KUSUM, National Solar Mission

Challenges

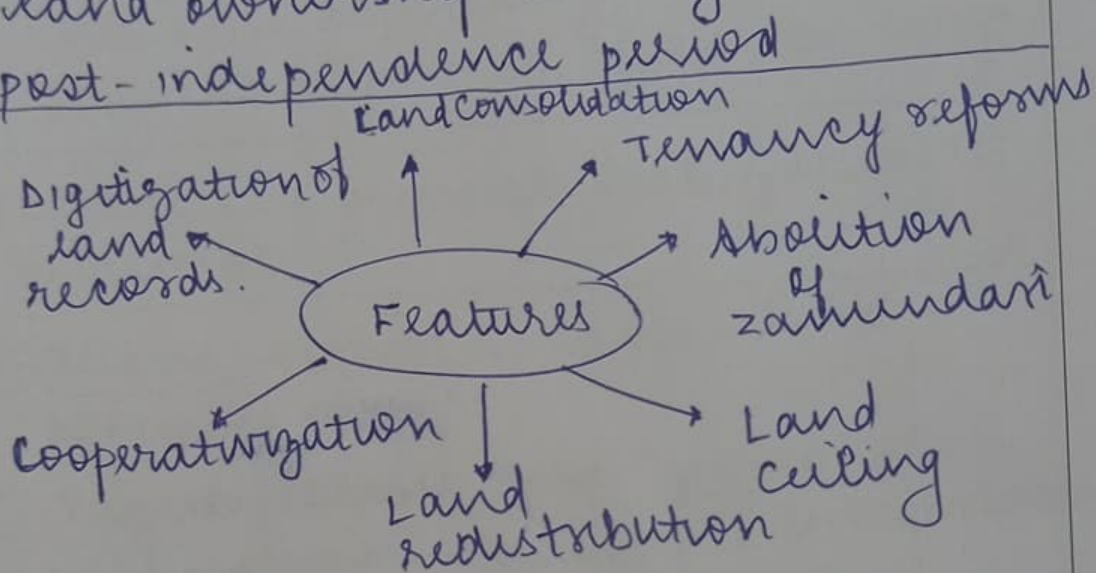
- ① Resistance among companies to make transition
- ② Fiscal deficit might increase as cost of adaptation is still high.

Thus, green budgeting can support India's 'Panchamrit' goals but attitude change programmes are also needed.

Que.2

Though land reforms in India have led to agricultural efficiency and social equity, various obstacles have prevented it from acting as a transformative tool. Comment.
(10 Marks, 150 Words)

Land reforms refer to a set of initiatives in the domain of land ownership during the early post-independence period



Agriculture efficiency

- ① Increased the area under cultivation
- ② Enabled access to credit for investment
- ③ It helped leverage cooperativization to increase profitable farming
- ④ Green Revolution → agriculture surplus.

Social equity

- ① It ended exploitation of laborers
- ② It redistributed the land → prevent wealth concentration
- ③ It gave rights to various stake-holders especially tenants, sharecropper eg operation Barga.

Obstacles → prevent realization of potential

- ① Nexus between zamindars & officials
- ② Vague terms like "personal cultivation" → multiple interpretation
- ③ Presence of exemptions in land ceilings was exploited
- ④ Bureaucratic hassles & judicial delays → slowed process.

Thus, while land reforms was a well-intended effort to achieve social justice, it did have limitations preventing its true impact



Que.3

Critically evaluate whether nationalization of banks was an economic success that transformed India's growth story or was an economic disaster. (10 Marks, 150 Words)

Nationalization refers to the process of transforming a privately owned entity into a public entity by transfer of shares to government.

Bank nationalization happened into two phases:

1969 → 14 banks nationalized

1980 → 6 banks nationalized

Nationalization as a success

- ① It diluted the concentration of power in the hands of few
- ② It put checks on rising unscrupulous and relative-lending
- ③ It helped state increase penetration of banking services in remote areas & achieve regionally balanced distribution



④ It helped in development of priority sectors eg. agriculture green revolution

⑤ It generated employment at mass scale with safety nets

Economic issues fuelled by it

① It led to an increase in populist loan waivers → fiscal deficit

② It reduced the efficiency of banking sector due to government intervention

③ It led to a rapid rise in Non-performing assets (NPA's)

④ It became an avenue for corruption by political class

⑤ Reduced professionalism & increased red tapism

Seeing the economic issues, government accepted recommendation of Narsimha committee and supported privatization.



Que. 4

Faulty and corrupt public distribution system in many states, has denied right to food to millions of poor people in India. In light of this discuss various issues in Public Distribution System (PDS). Suggest some solutions to improve efficiency of PDS. (10 Marks, 150 Words)

Public Distribution System refers to a system of distributing subsidized food grains to nearly 67% of Indian population under the National Food security Act 2013. It upholds the legal right to food under this:

5 kg food grains per month per family to priority household;
35 kg food grains per month per family to Antodaya families

Issues with PDS

- ① Rampant corruption & leakages → blackmarketing of food grains
- ② Large exclusion & inclusion errors
- ③ Poor quality of food grains due to unscientific storage

- ④ subsidized food given to those who can afford it
- ⑤ Low prevalence of e-POS in some states affects pan India portability
- ⑥ urban bias with respect to presence of Fair Price Shops (FPS).

Solutions

- ① linking Aadhar will help weed out ghost beneficiaries
 - ② GPS on trucks → clutch leakages
 - ③ Smart cards can replace ration cards.
 - ④ NITI Aayog has recommended revising beneficiary coverage to reduce it
 - ⑤ Block chain Technology based supply chain management.
 - ⑥ Scientific storage facilities
 - ⑦ Transfer of PDS officials periodically to reduce chances of corruption via fiefdom development
- Thus, PDS of India is a remarkable initiative to uphold right to food; the errors must be overcome quickly for max-benefit

Que.5

The food processing industry is affected by logistical challenges. Elaborate. How can contract farming provide a sustainable solution to this problem? (10 Marks, 150 Words)

The food processing industry of India is a rapidly growing industry contributing approximately 11% to the Indian exports, which is poised to increase. While it has a high growth & high profit potential, it continues to face logistical challenges

Logistical challenges

- ① Regionally skewed cold storage infrastructure eg. North → 75% of total
- ② High cost of transportation lowers competitiveness
- ③ Absence of cold supply chain → vehicles, stores etc
- ④ Suboptimal downward linkages



disincentivises the informal food processing units

- ⑤ Absence of common warehouses for collective food processing clusters.

Solution of contract farming

- ① It will lower transport cost as produce will be taken from farm gates
- ② It will strengthen the downward linkage & assure market to small scale producers.
- ③ It will even promote cluster processing through contracts
- ④ It will in investments with cold storages due to finance availability
- ⑤ Reduce risk of price volatility

Thus, contract farming can be viewed as a potential solution to support development of food processing sector.

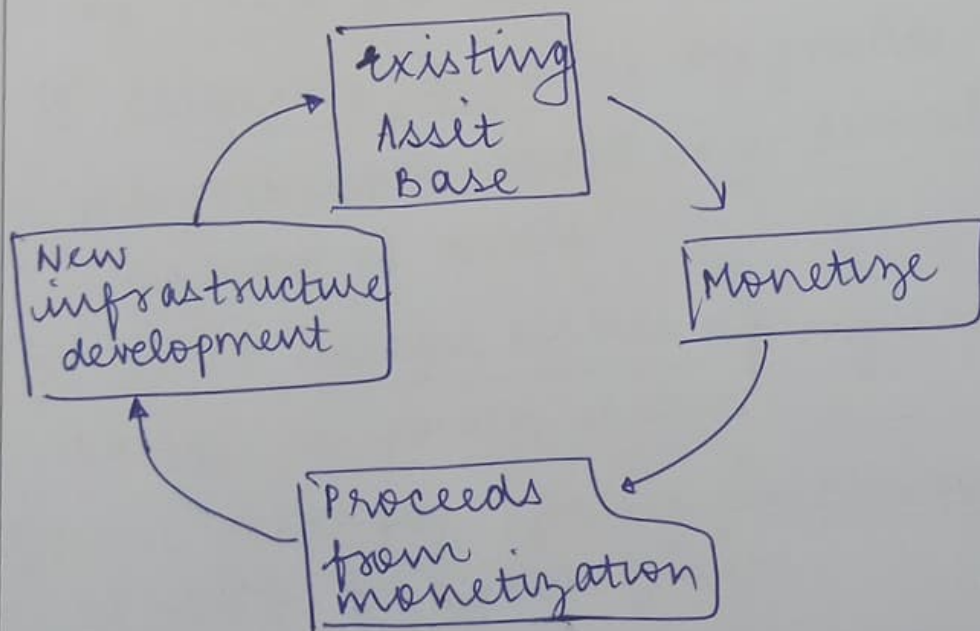


Que. 6

Recently launched initiative of National Monetization Pipeline (NMP), face various challenges in its implementation. Elaborate. Suggest some measures for effective implementation of NMP. (15 Marks, 250 Words)

National Monetization Pipeline (NMP) is an initiative of the centre to monetize its unused assets to create a revenue generation stream for its National Infrastructure Pipeline (NIP).

Government has set the target to realize ₹ 6 lakh crore in a period of 4 years (2021-25)





Challenges to NMP

- ① crunched liquidity in the market will impede achievement of the aim
- ② concerns over withdrawal of private entities eg. case of Delhi airport express link will cause disruption
- ③ Attracting private investments will be a challenge due to economically unviable assets eg. BPL, Air India case.
- ④ Collusive bidding by private players can result in undervaluation of assets
- ⑤ asset specific issues eg. regulated tariffs in power sector,
- ⑥ The need for effective implementation is a prerequisite.

Measures for success

- ① Development Finance Institutes (NABFID) can support private players make heavy investments
 - ② Transparent bidding should be conducted to prevent any perceptions of favoritism
 - ③ Effective dispute resolution mechanism to prevent any sudden withdrawals.
 - ④ Investor-friendly taxation e.g. unpredictable retrospective taxes should be avoided
 - ⑤ Foreign investments should be attracted via ease of doing business, concessions on raising finances via masala bonds etc
- Thus, NMF can help India generate revenue for infrastructure development which will fuel economic growth. The challenges must be addressed

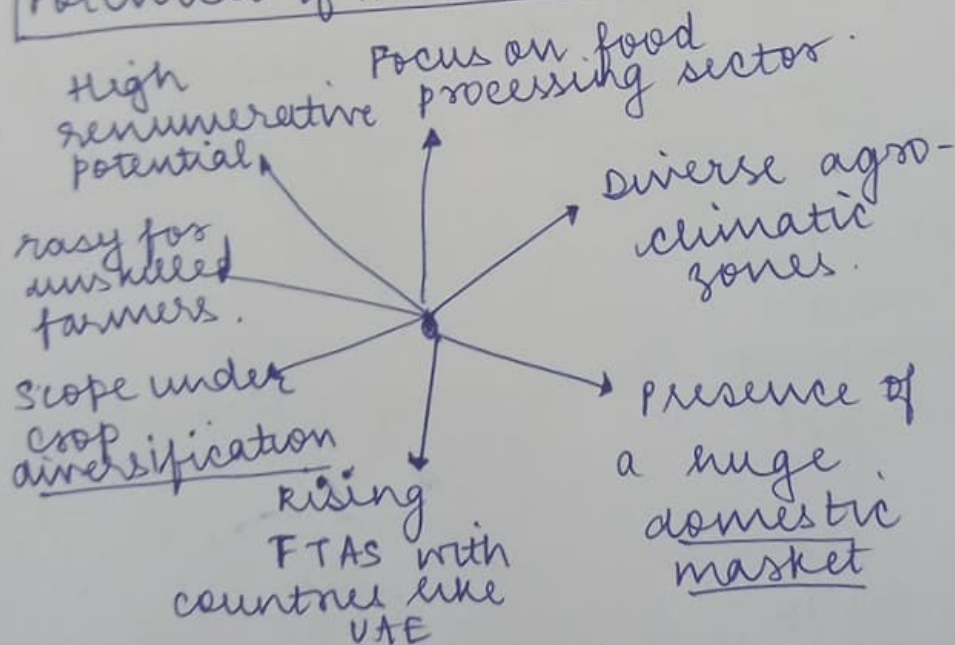
Que.7

The Horticulture sector, though has potential to transform agriculture landscape of country, is beset with several challenges. Examine. (15 Marks, 250 Words)

India is the second largest producer of horticulture crops, accounting for 12.1% of the world's vegetable & fruits' produce.

There is tremendous scope for enhancing the horticulture produce to cater to the projected demand of 650 MMT by 2050.

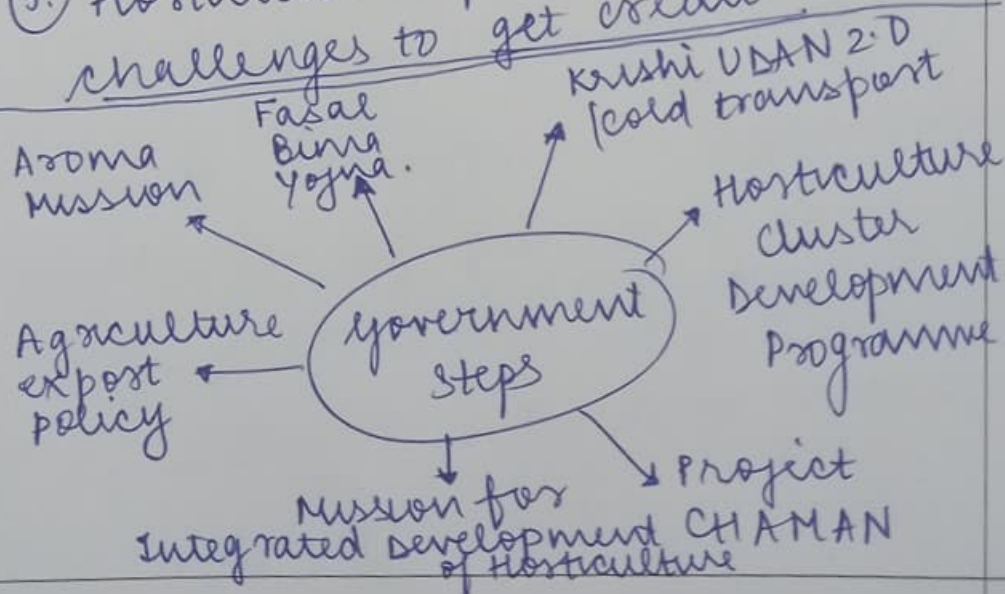
Potential of horticulture sector





Challenges

- ① Absence of adequate cold storage warehouses & transport facilities
- ② The quality parameters of horticulture crops remain low → export potential reduces.
- ③ Lack of assured market demand as procurement policy favours food grains (rice etc)
- ④ Absence of adequate use of technology eg irradiation
- ⑤ Horticulture farmers often face challenges to get credit.



Suggestions

- ① Increase the use of technology
eg. drone surveillance,
GM horticulture crops, space
technology for decision support
- ② Provide easy credit facilities
- ③ Focus on food processing
industry as horticulture
forms an upward link
- ④ Capital linked subsidy for
cold storage under ^{Agriculture} Infrastr-
-ucture Development Fund (AIFD)

Thus, to transform the agriculture
landscape by promoting horticul-
-ture sector, an integrated
and holistic outlook is needed.



Que.8

Discuss how developing a robust coastal economic ecosystem can help India in achieving an inclusive economic growth. Also, highlight major constraints in developing coastal economic ecosystem in India. (15 Marks, 250 Words)

Coastal economic ecosystem refers to the economic landscape along 7156 Km ~~to~~ long coastline and 2.02 million square km of exclusive economic zone (EEZ)

In the context of rising climate change and rising challenges related to sand and water scarcity of inland economic ecosystem eg. agriculture; developing a robust coastal ecosystem can help in inclusive growth.

Coastal economic ecosystem → Inclusive growth

① It will help India leverage blue economy for sustainable development (SDGs).



- ② It will prevent coastal displacement due to extreme weather events; support climate adaptation
- ③ It will boost income of coastal communities eg by promoting tourism, cage farming etc.
- ④ It will generate employment eg. seaweed cultivation
- ⑤ It can help unlock the unconventional energy eg coal Bed Methane in coastal & offshore basins $\Rightarrow$ energy security
- ⑥ It will support food security;
It is projected that $\frac{2}{3}$ rd of food will come from oceans by 2050.
- ⑦ Internal security will be supported via increased economic activity & surveillance along coast.

Constraints

- ① Economic development can

full environmental degradation

② Lack of adequate centre-state coordination

③ encroachments from mariners of other nations eg Pakistan, Sri Lanka

④ Top down coastal zone management is an issue

⑤ Extreme weather events along the coast

Way Forward

① Promote R & D into development of Blue economy so that a balance between economic growth & environment is created

② Setup inter-state platforms for better centre-state coordination

③ Local governments should take lead role in coastal economy for inclusivity

Thus, the potential of Indian coastal economy is huge; overcoming challenges should be an initial focus to ensure robustness.

Q9] GST has been hailed as the biggest indirect tax reform since independence. How has GST lived upto its expectation? Examine (15m)

GST has been regarded landmark reform in the Indian tax history.

It replaced a myriad of taxes into a single, simple and federal indirect tax system, establishing "One Nation One Indirect Tax".

Features

- ① Replaced 17 local taxes eg. excise, service & 13 cesses
- ② It has a four stage structure with 5%, 12%, 14% and 28% tax rates
- ③ It provided for establishment of GST Council & GST Network

GST living upto its expectation



- ① It has increased registrations and return filing from small enterprises
- ② Its collection surpassed direct taxes during covid 19 lockdown
- ③ It has increased the level of tax compliance in the country
- ④ It has minimized the cascading effect by offering same base rate for state & centre taxes
- ⑤ It has increased ease of doing business through e-way bill system, simple ITC etc
- ⑥ It has promoted fiscal federalism by bringing states & centre at a joint decision making platform.

Concerns with GST

- ① It is a destination based tax benefitting exporting states
- ② It is a regressive tax so it puts



burden on middle class

③ There are concerns related to multiplicity of tax, delayed ITC etc (Finance Commission)

④ The tax subsumed major revenue source of states → decline in states income → centre-state tensions

⑤ Irrespective of state's size, the vote value is equal to $\frac{2}{3}$ rd collectively

⑥ Internet glitches & need for professionals to tackle GST → cost increase

Way Forward

① Revenue guarantee to states by centre.

② GST can be improved by harmonizing tax & limiting exemptions (as in Canada).

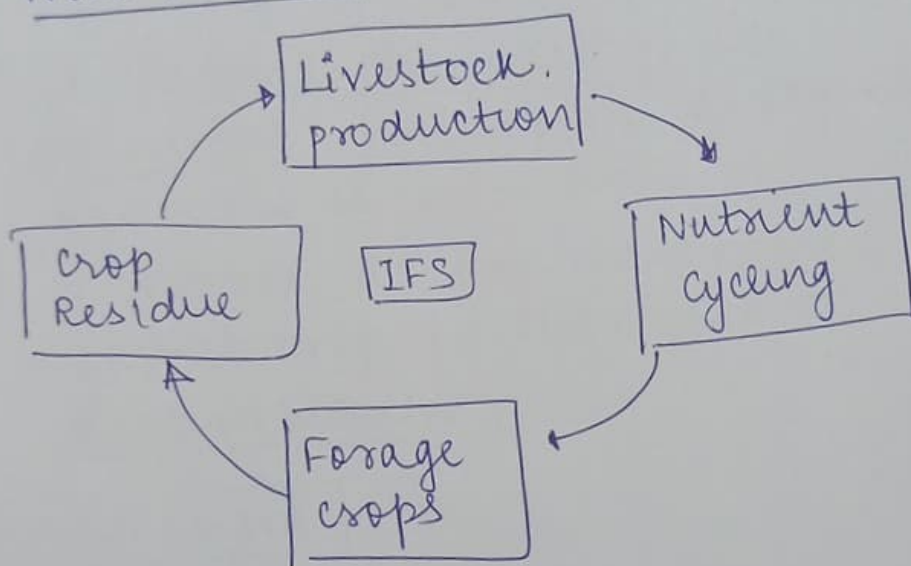
③ Information technology → for efficient ITC system (as in Malaysia).
Thus, GST must be reformed to be able to ensure maximum benefit for all.



Q.10

While integrated farming system has potential to double farmer's income and ensure nutritional security of farmers, however it is not free of challenges. Examine. (15 Marks, 150 Words)

An Integrated Farming system (IFS) is a system of integrated traditional farming with livestock, eg. wheat with fish pond (aquaculture) or mushroom with chickens



Potential of IFS.

- ① Livestock farming serves as a subsidiary income source, especially for small farmers.



- ② It reduces input cost by recycling of waste from one system to other.
- ③ It is an environmentally sustainable system
- ④ It also serves as a source of nutritious food for farmer's family eg. eggs, milk, fish
- ⑤ It reduces the need to use chemical fertilizers as organic manure is available.
- ⑥ It serves as an insurance against crop failure risk → income security.

Challenges

- ① The livestock related activities are not under MSP regime eg bee keeping, poultry
- ② The initial investment for IFS is high → resistance to adoption



- ③ The acceptance is also low because there ~~is~~ are religious concerns and lack of role models in fisheries, duck farming etc. with non-coastal farmers.

Way forward

- ① Financial support can be given in form of subsidies, easy credit etc for livestock rearing

- ② Government schemes can assure market by adding eggs, honey, milk in PM Posham

- ③ Livestock enterprises can be encouraged

- ④ Extension services can ^{be used to} guide and hand hold ~~is~~ for beekeeping, fisheries, duck farming

IFS. has been regarded as the best sustainable solution to transform the agriculture sector by ICAR. Due emphasis should be given.