



65 HRD → WEAKER SECTION → MINORITIES, SC/ST

65.1 [G][T] MINORITIES (अल्पसंख्यक समुदाय)

65.1.1 [G][T] Minorities → Constitutional Protection (संवैधानिक संरक्षण)

Constitution did not define the 'minority', but

- ✓ Art 25-28: Right to freedom of religion.
- ✓ Article 25(2): Sikhs have the right to wear and carry kirpans.
- ✓ Article 29(1): Conserve distinct language, script or culture.
- ✓ Article 30(1): Minorities' right to establish and administer educational institutions.
- ✓ Article 350B: Commissioner for Linguistic Minorities (भाषाई अल्पसंख्यकों के लिए आयुक्त).

65.1.2 [G][T] Minorities → Legal Protection (कानूनी संरक्षण)

- ✓ 1992: National Commission for Minorities Act (राष्ट्रीय अल्पसंख्यक आयोग) → Section 2(c): we've 6 national minorities: Muslims, Christians, Buddhists, Sikhs, Zoroastrians (Parsis) & _____ (Latest added in 2014).
- ✓ 1995: Waqf Act → Waqf Councils @Union & State levels. When a Muslim donates property for the society, it's called Waqf.
- ✓ 2002: Haj Committee Act
- ✓ 2004: Minority Educational Institutions Act

65.1.3 [G][T] Minorities → Census-2011

- Out of total population: Hindu (79.8%) > Muslim(14.2%) > Christian(2.3%) > Sikh (1.7%) > Buddhist (0.7%) > Jain(0.4%) > Parsis (0.06%) > Animist & others (0.72%)
- Decadal population growth rate of religious groups (2001-2011): Hindus: 16.8%; Muslim: 24.6%; Christian: 15.5%; Sikh: 8.4%; Buddhist: 6.1% and Jain: 5.4%.
- % Jains out of total state population: Maharashtra (1.3%) > Rajasthan (1.2%) > Delhi (1.1%) > Gujrat (1.0%). Elsewhere in the country their proportion is negligible.

Where Non-hindus are Majority	Where Hindus are Minority
<ul style="list-style-type: none"> - Muslims: J&K & Lakshadweep - Sikhs: Punjab - Buddhists: _____ 	Lakshadweep, Mizoram, Nagaland, Meghalaya, J&K, Arunachal, Manipur and Punjab

65.1.4 [G][T] [Yearbook] Ministry of Minority Affairs (अल्पसंख्यक कार्य मंत्रालय)

Dept / Attached	N/A
PSU	National Minorities Development and Finance Corporation (NMDFC) : A 'non-for-profit' company under Companies Act, fully owned by Govt.
Autonomous	Maulana Azad Education Foundation (MAEF). Maulana Abul Kalam Azad, the first Education Minister of India
Statutory	1) National Commission for Minorities 2) Waqf Council 3) Haj Committee
Constitutional	350B: Commissioner for Linguistic Minorities

65.1.5 [G][T] → Minority Schemes → PM Janvikas Karykram (2018)

- 2005-06: PMO → Justice (Retired) Rajinder Sachar Committee for social, economic and educational status of the Muslims in India.



- 2005: Prime Minister's New 15 Point Programme for the Welfare of Minorities= "We'll apply existing schemes in better manner" + some ₹ ₹ for upgrading Madressa, skilling etc. in areas with 25% /> minority population.
- 2008: Manmohan starts Multi-sectoral Development Programme (MsDP)

ManMohan (2008) →	Modi (2018)
Multi-sectoral Development Programme (MsDP)	renamed it into PM Janvikas Karykram
for village-clusters where minority population was 50%/> & high level of backwardness. ~90 districts covered	Minority population 25%/> (So more areas covered)

- **Boss?** Ministry of Minority Affairs
- Centrally sponsored scheme → ----- Schemes (Umbrella Scheme for Minorities) → not 100% funded by Union. 60:40, 90:10.
- ₹ ₹ Health, Education, Skills, Community Hall, Sadbhav Mandap, Marketshed, Rural Housing, Water, Toilets etc.
 - 80% of the ₹ ₹ to be used for Health (more PHC, Anganwadi centres), Education (more schools, more classrooms & labs), Skill programs (more ITI, Polytechnics) etc.
 - 33-40% for women centric projects (which could also have overlapping objectives of education / health / skilling.).

65.1.5.1 **PMJVK** → **Sub-component** → -----

- **Boss?** Ministry of Minority Affairs.
- Students in Madarsas / Schools having no facility of computer education → Government will give them computer training.

65.1.6 → **Minority Scheme** → **Education / Exams**

Nai Roshni	<ul style="list-style-type: none"> – Minority Affairs Ministry's leadership development among minority women. – Training them on how to interact with Govt organizations, banks, etc. so they can be more assertive about their rights and more confident to use their talent.
Nai Manzil	<ul style="list-style-type: none"> – Madressa Passout & School-dropout minority youth (aged 17-35) – They've face difficulty in getting jobs because they don't have 'school Leaving Certificate' or a proof of having class 8 or 10 level education – So, Nai Manzil scheme gives them employable skills in computer, accounting etc. + National Institute of Open Schooling (NIOS) certification so they can get jobs in organized sector. – Minimum 30% seats are earmarked for minority girls.
Competitive Exam	<ul style="list-style-type: none"> – Central Sector Scheme: 100% Union Funded – Naya Savera: Govt gives ₹ ₹ to public & private institutes for giving free coaching to minority students for competitive exams. – Nai Udaan: Govt gives ₹ ₹ to minority students IF they clear Prelims stage of UPSC, SSC and StatePCS Gazetted-. Provided family annual income is not >6 lakh, and he'll not claiming it for more than once. Only 2000 students given this ₹ ₹ annually, on first-cum-first-serve basis.
Padho Pardesh	<ul style="list-style-type: none"> – Interest Subsidy for minority students who take education loans to pursue higher education courses overseas. Family income must not be more than 'x' lakhs.
Fellowship	Maulana Azad National Fellowship for M. Phil & Ph.D. minority students.



65.1.7 [G][T] → **Minority Skilling → USTTAD Master Trainers**

USTTAD abbreviation: Upgrading the Skills and Training in Traditional Arts/Crafts for Development

- ⇒ **Boss?** Ministry of Minority Affairs. Central Sector Scheme: 100% Union Funded
- ⇒ Minority craftsman aged of 30 years and having 10 years experience in his field. → They are given further training + marketing skills + stipend → they will become Ustad (Master Trainer) → Ustad will give training to younger generation to preserve their craft.
- ⇒ Examples: Phulkari embroidery (Sikh), Kashmiri Shawl-Carpets & Aligarh's handmade locks (Muslims), Thangka Painting (Buddhist), Parsi Gara Hand Embroidered Saree etc.

Related Scheme: **Hunar Haat**: Govt organizations trade mela, marketing exhibition to help the minority craftsmen display their work & connect with the buyers.

65.1.8 [G][T] → **Minority Skilling → Seekho Aur Kamao**

- ⇒ **Boss?** Ministry of Minority Affairs. Central Sector Scheme: 100% Union Funded.
- ⇒ **Beneficiary?** Minority person who is min. class 5 pass, aged 14-45.
- ⇒ They're given training with stipend for
 - A) modern trades (saloon, restaurant, computer data entry operator etc) or
 - B) traditional crafts (Carpet, handicraft etc).
- ⇒ Then, Government helps them get placement / self-employment.

65.1.9 [G][T] → **Minority Skilling → MANAS Academy**

Boss? Ministry of Minority Affairs → National Minorities Development & Finance Corporation (NMDFC) → Maulana Azad National Academy for Skills (MANAS)

- ⇒ MANAS receives ₹ ₹ from various government schemes for minorities' education / skill / poverty removal + ₹ ₹ from donations. MANAS uses those ₹ ₹ to
 - To setup training institutes in PPP mode.
 - To give Concessional loans to minorities for skill courses and to start businesses.
- ⇒ + Technical & Marketing Support to new entrepreneurs.
- ⇒ + online portal to monitor the (private) training institutes, in collaboration with Skill Ministry.

65.1.10 [G][T] → **Preserving a community / culture / pilgrimage?**

Boss? Ministry of Minority Affairs [Central Sector: 100% funded by Union]

Jiyo Parsi (2013)	<ul style="list-style-type: none">⇒ Beneficiaries- Parsi married couples encouraged to produce children- to reverse the falling population of Parsis.⇒ ₹ ₹ for infertility treatment / IVF baby etc.⇒ Advocacy, Counselling, awareness generation.
Hamari Dharohar	<ul style="list-style-type: none">⇒ Ministry of Minority Affairs (with help of Culture Ministry).⇒ To preserve minorities' culture, heritage, manuscripts.

65.1.11 [G][T] → **Pilgrim → Hajj → Subsidy**

- 1932: British Indian Government started subsidized sea-transport Muslims going for Hajj to Mecca, Saudi Arabia.



- In Modern times, Civil Aviation Ministry gave 'Hajj Subsidy' to Air India to provide cheap transport, free meal etc. to them. (The beneficiaries selected by Haj Committees under Minority Ministry).
- 2012: Supreme Court ordered Govt to gradually phase out Hajj subsidy & use ₹ ₹ for educational and social development of Muslims instead.
- 2018: Government finally cancelled Hajj Subsidy based on Afzal Amanullah committee (2017) report.

65.1.12 ☞ ☞ → Pilgrim → Hajj → Mehram

- Earlier, Muslim women were not allowed to go for Hajj without 'Mehram' i.e. husband, son or a male first blood relation as guardian.
- But PM Modi allowed Muslim women aged 45/> to go without Mehram, in a group of at least four women, based on Afzal Amanullah committee (2017) report.

65.2 HRD → WEAKER SECTION → SCHEDULED TRIBES

65.2.1 ST → Constitutional Protection

- ✓ _____ : Abolish human trafficking and bonded labour (मानव तस्करी और बंधुआ मजदूरी)
- ✓ Art 164(1): _____ to have Minister for Tribal welfare.
- ✓ Art 330 & 332: SC/ST reservation in Lok Sabha & Vidhan Sabha
- ✓ Art 243D & T: Reservation in PRI & ULB
- ✓ Art 338A: National Commission for ST (राष्ट्रीय अनुसूचित जनजाति आयोग). Originally we had a combined National Commission for SCs and STs (NCSC) → 89th Constitutional (Amendment) Act, 2003 → SC and ST commissions bifurcated.
- ✓ 5th and 6th Schedule areas (Ref: Laxmikanth Ch. 41)

65.2.2 ST → Legal Protection

- ✓ 1955: Protection of Civil Rights Act (नागरिक अधिकारों का संरक्षण अधिनियम)
- ✓ 1976: Bonded Labour System Abolition Act
- ✓ 1989: Prevention of Atrocities Act for SC & ST (अत्याचार निवारण अधिनियम)
- ✓ _____ - Panchayats Extension to Scheduled Areas Act
- ✓ 2006: Scheduled Tribes and Other Traditional Forest Dwellers Recognition of Forest Rights Act (वन अधिकार कानून)

65.2.3 ST → Census 2011

8.6% Indian Population is ST (अनुसूचित जनजाति).

- Among ST, sex ratio is 990, which is better than All India sex ratio of 943.
- Among ST, literacy rate is 59% which is worse than All India (73%)
- ST (%): Lakshadweep > Mizoram > Nagaland > Meghalaya > Dadra & Nagar Haveli.
- ST (Absolute): Madhya Pradesh > Maharashtra > Odisha > Jharkhand > Gujarat > Rajasthan
- ST list is 'state wise'. Punjab, Haryana, Chandigarh, Delhi & Puducherry have no notified Scheduled Tribes.



65.2.4 [Yearbook] Ministry of Tribal Affairs (जनजातीय कार्य मंत्रालय)

Dept/Statutory	N/A
Cooperative	Tribal Cooperative Marketing Development Federation of India (TRIFED-1987), a cooperative registered under Multi-State Cooperative Societies Act. It deals with Minor Forest Produce, Tribal handicraft & sells them under brand name 'TRIBES INDIA'.
PSU	National Scheduled Tribes Finance and Development Corporation, a not-for-profit company under Companies Act. (राष्ट्रीय अनुसूचित जनजाति वित्त और विकास निगम)
Constitutional	Art 338A: National Commission for ST (राष्ट्रीय अनुसूचित जनजाति आयोग)

65.2.5 ST → Particularly Vulnerable Tribal Groups (PVTGs)

- 1960s: Dhebar Commission → certain tribes identified with pre-agricultural level of technology (i.e. hunting and gathering), extreme isolation & shyness from outsiders, negligible literacy, declining/stagnant population etc.
- Initially, they were called Primitive Tribal Groups (आदिम जनजातीय समूह) but it's a derogatory term, later changed Particularly Vulnerable Tribal Groups (PVTGS).

State	Notable PVTs (विशेष रूप से कमजोर जनजातीय समूह)
Andhra & Telangana	1. Bodo Gadaba 2. Bondo Poroja 3. Chenchu 4. Dongria Khond 5. Gutob Gadaba 6. Khond Poroja 7. Kolam 8. Kondareddis 9. Konda Savaras 10. Kutia Khond 11. Parengi Poroja 12. Thoti
Gujarat	1. Kathodi 2. Kohvalia 3. Padhar 4. Siddi 5. Kolgha
Karnataka	1. Jenu Kuruba 2. Koraga
MP & Chhattisgarh	1. Abujh Macias 2. Baigas 3. Bharias 4. Hill Korbas 5. Kamars 6. Saharias 7. Birhor
Maharashtra	1. Katkaria (Kathodia) 2. Kolam 3. Maria Gond
Rajasthan	1. Seharis
Tamil Nadu	1. Kattu Nayakans 2. Kotas 3. Kurumbas 4. Irulas 5. Paniyans 6.. Todas
Andaman	4 _____ tribes: Great Andamanese, Onge, Jarawa & Sentinalese
Nicobar	2 _____ tribes: Nicobarese and Shompens

65.2.6 ST → Tribal Sub Plan (1974: जनजातीय उप-योजना)

- Tribal Sub-Plan (TSP) is a strategy for the rapid Socio-economic development of of schedule tribes.
- Union ministries are required to design TSPs and allot money to states in proportion of the ST population therein.
- Such ₹ ₹ helps in development of tribal area with creation of public infrastructure e.g. HRD Ministry → schools (Eklavya School, Ashram-Schools), Road Ministry → Roads, Health Ministry → Hospitals.
- While Planning Commission (योजना आयोग) has been abolished and plan vs non-plan budget has been merged, but the system of TSP is still continued.

Note: Schemes given below are part of Centrally Sponsored Schemes → Core of the Core Scheme → Umbrella Program for Development of ST= NOT 100% Union funded.

65.2.7 ST → Vanbandhu Kalyan Yojana (2014)

- Boss?** Ministry of Tribal Affairs.



- It covers the areas with significant tribal population: 'We'll implement the existing schemes in better manner', and few extra ₹ ₹ to setup school, hospital, road, irrigation, housing etc infrastructure.
- + extra focus on Sickle Cell Anaemia- a genetic disorder passed from generation to generation.
- Preserve Tribal Cultural Heritage; Promotion of Sports in Tribal Areas etc.

65.2.8 ST → Van Dhan Yojana

- **Boss?** Ministry of Tribal Affairs → TRIFED
- Government to setup Van Dhan Vikas Kendras in forested tribal districts.
- These Kendras will form Self Help Groups (स्व-सहायता समूह) of tribal gatherers for non-timber based forest produce (गैर-लकड़ी आधारित वन उपज) e.g. Tamarind, Mahua flowers, Chironjee etc.
- SHG given training & finance for value addition on such forest produce.
- +Marketing linkage so they can sell it within the state and outside the state.

65.2.9 ST → MSP for Minor Forest Produce (लघु वन-उपज के लिए न्यूनतम समर्थन मूल्य)

- 2013: Tribal Ministry announces Minimum Support Price (MSP) for 20+ Minor Forest Produce (MFP), based on recommendations of TRIFED's Pricing Cell.
- It covers Chironji, Tamarind, Wild Honey, Mahua Seeds, Karanj Seeds, Baheda, Shikakai Pods, Guggul, Arjuna Bark Etc. State agencies procure them @MSP.
- Benefit? Prevent the exploitation of Schedule Tribes by forest contractors / merchants.

65.3 WEAKER SECTION → SCHEDULED CASTES (अनुसूचित जाति)

65.3.1 SC → Constitutional Protection

- ✓ Art 17: Abolish untouchability (अस्पृश्यता निवारण)
- ✓ Art 23: Abolish human trafficking and bonded labour (मानव तस्करी और बंधुआ मजदूरी)
- ✓ Art 25(2)(b): Entry in Hindu Temples
- ✓ Art 330 & 332: SC/ST reservation in Lok Sabha & Vidhan Sabha
- ✓ Art 243D & T: Reservation in PRA & ULB
- ✓ Art 338: National Commission for Scheduled Castes (राष्ट्रीय अनुसूचित जाति आयोग)

65.3.2 SC → Legal Protection

- ✓ 1955: Protection of Civil Rights Act (नागरिक अधिकारों का संरक्षण अधिनियम)
- ✓ 1976: Bonded Labour System Abolition Act (बंधुआ मजदूर प्रणाली उन्मूलन अधिनियम)
- ✓ 1989: Prevention of Atrocities Act for SC & ST (अत्याचार निवारण अधिनियम)
- ✓ 2006: Central Educational Institutions Reservation in Admission Act
- ✓ 2013: Prohibition of Employment as Manual Scavengers and their Rehabilitation Act.
हाथ से मैला ढोने वाले कर्मियों के रूप में नियोजन पर प्रतिबंध तथा उनका पुनर्वास, 2013

65.3.3 SC → Census 2011

- Census 2011: 16.6% Indian Population is SC. (While 8.6% is ST)



- SC (%): Punjab > West Bengal > Himachal > UP > Haryana
- SC (Absolute figures): UP > WB > Bihar > Tamil Nadu > Andhra Pradesh > MH
- SC list is state wise. _____ have no notified Scheduled Castes.

65.3.4 [Yearbook] Ministry of Social Justice And Empowerment

सामाजिक न्याय एवं सशक्तिकरण मंत्रालय Consists of... <list not exhaustive>

Dept	<ul style="list-style-type: none"> - Dept of social Justice and empowerment. - Dept of empowerment of persons with disabilities. (दिव्यांगजन सशक्तिकरण विभाग, previously called निःशक्त कार्य विभाग but Modi felt it derogatory so changed name.)
Constitutional Bodies	<ul style="list-style-type: none"> - Art _____ : National Commission for Scheduled Castes (NCSC: राष्ट्रीय अनुसूचित जाति आयोग) - Art 338B: National Commission for Backward _____ (NCBC: राष्ट्रीय पिछड़ा वर्ग आयोग) via _____ amendment Act. 2018. Originally, it was setup as a statutory body in 1993.
Statutory	<ul style="list-style-type: none"> - 1992: Rehabilitation Council of India Act (for PH)
Non-statutory	<ul style="list-style-type: none"> - National Commission for Safai Karamcharis (NCSK). Its Act expired in 2004, since then functioning as a 'non-statutory body' through Gazette notification. - National Commission for Denotified, Nomadic and Semi-Nomadic Tribes 2003, reconstituted in 2005..... 2015 formed under Chairmanship of Bhiku Ramji Idate to prepare state-wise list of DNTs. British Government had notified some tribes as 'Criminal Tribes' under Criminal Tribes Act (CTA), 1871. Post-Independence this act was removed and such tribes were 'denotified'. Most DNTs are categorized as SC/ST/OBC though a few of the DNTs are not covered in any of these categories.
Autonomous Bodies / Foundations	<ul style="list-style-type: none"> - 2019-Feb: Development and Welfare Board for De-notified, Nomadic and Semi-Nomadic Communities (विमुक्त, घुमंतू और अर्द्धघुमंतू समुदायों के लिए विकास एवं कल्याण बोर्ड) under Society Registration Act - Dr. Ambedkar Foundation - Babu Jagjivan Ram National Foundation - National Institute of Social Defence (सामाजिक रक्षा), Delhi
PSU	<ul style="list-style-type: none"> - National Scheduled Castes Finance and Development Corporation (NSFDC): A 'non-for-profit' company under Companies Act, fully owned by Govt. - Similar Corporations for Backward Classes, Safai Karamcharis. - Artificial Limbs Manufacturing Corporation (ALIMCO)
Imp Days	<ul style="list-style-type: none"> - From 2015 onwards: 26th November is observed every year as Constitution Day, because on 26/11/1949 Constituent Assembly adopted the Constitution. - 14th April: Dr. Ambedkar's B'day.

65.3.5 SC → Welfare Schemes

Most of the following schemes are part of Centrally Sponsored Schemes → Core of the Core Scheme → Umbrella Program for Development of SC= NOT 100% Union funded.



Schemes	<ul style="list-style-type: none"> - SC Scholarship, fellowship, hostel facility; loans for self-employment named after Dr. Ambedkar, Babu Jagjivan Ram & Rajiv Gandhi but nothing particularly MCQ worthy. - Similar situation in ST and OBC schemes.
SCDC (1979)	States encouraged to setup Scheduled Castes Development Corporations (SCDCs) with shareholding Union:States = 49:51. Their main task is to give concessional loans to beneficiaries
Inter caste marriages	<ul style="list-style-type: none"> - Dr. Ambedkar scheme for Social integration through Inter Caste Marriages - Social Justice ministry → Ambedkar foundation → gives ₹ 'x' lakh to a couple in two installments if one is SC and the other spouse is non-SC.
PM Adarsh Gram Yojana	Govt to focus on villages with than 50% Scheduled Caste (SC) population. Develop these villages through better implementation of existing schemes. (Ref: Pillar #5: infrastructure.)

65.4 WEAKER SECTION → OBC & EWS

- Polity angles are plenty but rarely asked. Economy / Schemes points of view not much.
- 2019: 103rd Constitutional Amendment Act to provide 10% reservation to Economically Weaker Sections (EWS: अनारक्षित श्रेणीमें आर्थिक रूप से कमजोर वर्ग) among the unreserved category i.e. those not in SC/ST/OBC list. Gujarat became the first state to implement the 10% EWS quota after this amendment. Union Social Justice ministry looks after the matters related to EWS.

66 HRD → WEAKER SECTION → WOMEN & CHILDREN

66.1.1 🇮🇳 → Constitutional Provisions (संवैधानिक संरक्षण)

- ✓ 14: Equality before law
- ✓ 15: No discrimination. Although State allowed to make special provision for women and children
- ✓ 15/3 : Special provision in favour of women and children
- ✓ 16: Equal opportunity in Govt jobs
- ✓ 23: Prohibit forced labour & human trafficking (मानव तस्करी)
- ✓ 39/d: equal pay for equal work for both men and women
- ✓ 39/A: Equal justice and Free Legal Aid
- ✓ 42: Just & humane conditions of work & for maternity relief.
- ✓ 44: State shall endeavour for a Uniform Civil Code (समान नागरिक संहिता).
- ✓ 46: State to promote educational and economic interests of the weaker sections, and protect them from social injustice and exploitation.
- ✓ 47: raise nutrition level & standard of living of people
- ✓ 51/A/e: Duty to renounce practices derogatory to the dignity of women
- ✓ 243: 1/3rd reservation to women in PRI / ULBs. [Some states have already kept even higher- 50% reservation e.g. Gujarat, Bihar, Madhya Pradesh]



66.2 → LEGAL PROVISIONS (कानूनी संरक्षण)

- ✓ 1860: Indian Penal Code: Section Rape (376), Dowry torture (498-A), Sexual Harassment (509). SC removed 'Section _____' in 2018.
 - ✓ 1956: Immoral Traffic (Prevention) Act, amended in 1986
 - ✓ 1986: Indecent Representation of Women (Prevention) Act
 - ✓ 1961: Dowry Prohibition Act (दहेज निषेध अधिनियम), amended in 1986
 - ✓ 1961: Maternity Benefit Act (मातृत्व लाभ अधिनियम)
 - ✓ 1971: Medical Termination of Pregnancy Act
 - ✓ 1976: Equal Remuneration Act (समान पारिश्रमिक अधिनियम)
 - ✓ 1986: Muslim Women (Protection of Rights on Divorce) Act
 - ✓ 1987: Sati (Prevention) Act
 - ✓ _____ : **National Commission for Women Act**
 - ✓ 1992: Infant Milk Substitutes & Feeding Bottles & Infant food Act
 - ✓ 1994: Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection)- PCPNDT Act
 - ✓ 2000: Juvenile Justice Care and Protection of Children Act & its amendment in 2015
 - ✓ 2005: **Commission for Protection of Child Rights Act**
 - ✓ _____ : Protection of Women from Domestic Violence Act (घरेलू हिंसा अधिनियम)
 - ✓ 2006: Prohibition of Child Marriage Act, replaced previous Act of 1929.
 - ✓ _____ : The Protection of Children from Sexual Offences (POCSO) Act
 - ✓ 2013: Prevention of Sexual Harassment of Women at Workplace (POSH) Act.
- [Related term: Supreme Court's **Vishakha guidelines 1997**].

66.3 → CENSUS-2011

- Sex ratio higher than All India 943: Kerala > Puducherry > TN > Andhra > Chhattisgarh
- Lowest sex ratio: Daman-Diu < Dadra-Nagar < Chandigarh < Delhi < Andaman < Haryana < J&K < Sikkim < Punjab.

66.4 [YEARBOOK] MINISTRY OF WOMEN & CHILD DEVELOPMENT

महिला एवं बाल विकास मंत्रालय consists of <list not exhaustive>

Dept /Attached / PSU	N/A or not MCQ worthy
Statutory Bodies	<ul style="list-style-type: none"> - National Commission for Women (NCW:राष्ट्रीय महिला आयोग) - National Commission for Protection of Child Rights (NCPCR:राष्ट्रीय बाल अधिकार संरक्षण आयोग) - Central Adoption Resource Agency (CARA:केंद्रीय दत्तक ग्रहण संसाधन प्राधिकरण): originally autonomous body later given statutory status under Juvenile Justice Act 2015
Autonomous	<ul style="list-style-type: none"> - Rashtriya Mahila Kosh (RMK) - Central Social Welfare Board (CSWB) - National Institute of Public Cooperation and Child Development

- 2001: National Policy for the Empowerment of Women. New policy in 2016 but it's still in 'draft' stage.



- International Women's Day : **8th March**. WCD Ministry gives annual **Nari Shakti Puraskar Awards** named after Rani Rudramma Devi, Rani Gaidinliu Zeliang, Mata Jijabai, Kannagi Devi, Devi Ahilya Bai Holkar.

66.5 REPORT → SON META PREFERENCE (पुत्री के बाद पुत्र की चाह)

- Due to strict implementation of Pre-Conception and Pre-Natal Diagnostic Techniques (PCPNDT) Act in India, the sex-selective abortion of female foetus have become difficult.
- So, couples have adopted a different strategy where they'll continue to produce children until desired number of sons are born. Economic Survey 2017-18 used the term 'Son Meta-Preference' to describe this phenomenon.
- According to this survey, there are _ _ _ _ _ 'unwanted girls' in India.

66.5.1 Son Meta Preference: why bad?

- As such girls and women are neglected in their food and health needs. Majority of them suffer from anaemia and malnutrition. When wife is often forced to produce more children to have a son → detrimental to her health → high MMR.
- Since daughters are seen as burden, poor parents are keen to marry them off as soon as possible. Child Marriages → early pregnancy before the age of 19 → high MMR.
- Girl married off early → she becomes mother at early age → can't pursue higher studies / career ambitions → low labour force participation rate.
- Economic Survey 2017-18 noted Economic Development is not an antidote to gender inequality or Son Meta preference because per-capita income and GSDP wise Punjab is better than North Eastern states YET Punjab's gender indices (sex ratio, violence against women) etc. are pathetic.

As a result India lags behind in UNDP's GII Index & WEF's Global Gender Gap report.

66.6 REPORT → UNDP → GENDER INEQUALITY INDEX (GII)

In UNDP's Annual Human Development Report, लिंग असमानता सूचकांक (GII) measures inequality between women and men in three dimensions: reproductive health, empowerment and the labour market.

Dimension	Indicators & Data: 2018's Report →	India	Norway
Reproductive Health (प्रजनन स्वास्थ्य)	Maternal Mortality Ratio: Number of deaths due to pregnancy-related causes per 100,000 live births.	174** (although NITI says _ _ _ _)	5
	Adolescent Birth Rate: Number of births to women ages 15–19 per 1,000 women in that age group	23	6
Empowerment	% of females aged 25/> who at least enrolled till Secondary Education	39% (for men its 63%)	96% (for men 95%!)
	Share of seats in parliament	_ _ %	41%
Labour Market	Labour Force Participation Rate (LFPR: श्रम शक्ति की भागीदारी दर)	27% (for men its 79%)	61% (for men its 68%)



	Proportion of the females (15 years/>) who're employed or seeking work as a % of the total female working-age population.		
Plug above values in GII formula, you get score →		0.524	0.048

- Lower GII score = less inequality = better rank will be given.
- 2018's Ranking: Switzerland #1, Norway #5, India #127..... Yemen #160.
- While UNDP's HDI index ranks 180+ nations, GII covers 160 due to lack of data for some nations / some nations don't have system of parliament.

66.7 REPORT → WEF → GLOBAL GENDER GAP REPORT

Annual report by the World Economic Forum since 2006, to measure

Gender Gap Across Four Pillars & India's Rank →	India in 2017	2018
1) Economic Opportunity: Female labour force participation rate, wage equality, number of women in managerial / senior executive position.	139	142
2) Educational Attainment: female literacy, enrollment rate at primary secondary tertiary level	112	114
3) Health & Survival: Life Expectancy at Birth, Sex Ratio.	141	147
4) Political Empowerment: How many females in Parliament, how many ministers, how many became Prime Minister or President?	15	19
Overall Rank of India →	108	108

2018-Ranking: #1: Iceland > Norway > Sweden... > #108: India (same rank as previous year) > > #148: Pakistan > #149 = Yemen (Bottom)

66.8 SDG GOAL #5: GENDER EQUALITY & EMPOWERMENT

India's Baseline for SDG Goal#3	Target-2030
Sex Ratio at birth: 898 females / 1000 males	954. Chhattisgarh & Kerala achieved
Ratio of female : male wages for equal work: 0.7	1
% of women in 15-49 age who experience domestic violence: 33%	0
% of women in 15-49 age using modern family planning methods: 54%	100%
Percentage of seats won by women in Lok Sabha & Vidhan Sabha: 9%	50%
Ratio of femaleLFPR to maleLFPR = 0.32	1

66.9 WOMEN SCHEMES → HEALTH

Umbrella ICDS By WCD Ministry	Seen in health section. Core Scheme: not 100% funded by Union. It's sub-components include: 1. Anganwadi Services Scheme 2. Pradhan Mantri Matru Vandana Yojana (₹ 5k + ₹ 1k for birth of first live child) 3. SABLA: Scheme for Adolescent Girls (11-18 years)
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	4. POSHAN Abhiyan 5. National Creche Scheme (शिशु-गृह): to setup Creches for working women. 6. Child Protection Scheme: for children in difficult circumstances.
Janani Suraksha Yojana By Health Ministry	<i>Seen in health section.</i> BPL mothers given conditional ₹ ₹ for delivering child in public hospital. No limit on age or number of children.
Stree Swabhiman	<ul style="list-style-type: none"> - Ministry of Electronics & IT's Common Service Centres (CSC) will provide affordable sanitary napkins to adolescent girls and women in rural areas. - MEITY will also help village level entrepreneur and self help groups to manufacture sanitary napkins. - Generate awareness about menstrual hygiene among girls etc.

66.10 🧑 WOMEN SCHEMES → BETI BACHAO BETI PADHAO (2015)

All India Child Sex Ratio (CSR: 0-6 years) declined from 927 (2001) → ____ (2011). So, 2015: BBBP launched to improve it by targeting 161 districts with lowest CSRs.

- ⇒ **Boss?** WCD Ministry with coordinated efforts of Health Ministry, HRD Ministry.
- ⇒ Stronger enforcement of PCPNDT Act to stop female infanticide.
- ⇒ Digital Guddi-Gudda Board to display birth statistics of boy : girl births in a given district.
- ⇒ HRD ministry: separate toilets for girls in schools.
- ⇒ IEC, Awareness programs, campaigns in TV, Radio, Social Media etc.
- ⇒ _____ **Yojana:** Bank savings account in the name of girl child that offers more interest rate than ordinary bank accounts. Interest rates decided by **Dept of Economic Affairs.** (Ref: Pillar1D: Financial Inclusion → Small Savings Schemes).
- ⇒ **UDAAN:** CBSE's scheme to give free coaching for girls appearing in entrance exams of IIT/ technical courses.
- ⇒ **PRAGATI:** AICTE's scholarship to girls who qualify in entrance exams of IIT/ technical courses.
- ⇒ **Gender Champions scheme: WCD Ministry** → Boys & girls aged 16 years/> nominated as 'Gender Champions'. They'll try to spread awareness in their school / college / society for gender sensitization, dignity and respect for women etc.

66.11 🧑 WOMEN SCHEMES → VIOLENCE / SKILLING / MISC.

In following table, **by default the boss is WCD Ministry, unless mentioned otherwise:**

SHe-Box (2017)	<ul style="list-style-type: none"> - Online portal where Women employees (both in public and private sector jobs) can register sexual harassment complaints. → Govt initiates action under the POSH Act 2013.
Pradhan Mantri Ujjawala Yojana	<ul style="list-style-type: none"> - Petroleum Ministry gives free LPG connection for BPL women. Ref: Pillar#5: Infra handout
Ujjawala Scheme (2007)	<ul style="list-style-type: none"> - WCD Ministry scheme for women-children trafficking / prostitution - Prevention, rescue and rehabilitation of victims: send them to



	shelter homes or reconnect with family, give skill training to former prostitutes etc.
Swadhar Greh Scheme	– To setup 1 Swadhar Greh Shelter home in each district to provide shelter, food, clothing and skill training for women in distress.
Sakhi One Stop Centres (2015)	– Setup using ₹ ₹ from Nirbhaya Fund. These centres provide assistance to women victims of domestic abuse / rape / prostitution / trafficking etc. (and depending on case they may be sent to Swadhar Greh Shelter homes or reconnected with family.)
PM Mahila Shakti Kendra (2017)	– This is for all women who want to enroll in Govt schemes - be it for education, skill, entrepreneurship, LPG connection etc. – NCC/NSS/Students are placed as 'Volunteers' in these centres to help women fill up forms etc.
STEP (1986) for skilling	– 'Support to Training and Employment Programme for Women (STEP) Scheme'. – Girls aged 16/> are given skill training and support for Agriculture, Horticulture, Food Processing, Handlooms, Tailoring, Stitching, Embroidery, Zari etc, Handicrafts, Computer, spoken English, Gems & Jewellery, Travel & Tourism, Hospitality etc.
Entrepreneurship	– Social Justice Ministry: National Backward Classes Finance & Development Corporation (NBCFDC) → Mahila Samridhi Yojana → Concessional Loans for female entrepreneurs. – Department of Financial Services → credit guarantee through NCGTC Ltd → Standup India : SC/ST & Women entrepreneurs given loans from 10 lakh to 1 cr in each SCB Bank branch. – MSME Ministry: Public procurement quota for women entrepreneurs' Micro & Small Enterprises.

66.12 WOMEN FUNDS

Rashtriya Mahila Kosh (1993)	<ul style="list-style-type: none"> - Autonomous body registered under the Societies Registration Act 1860. Chairman? WCD Minister. - It gives loan ₹ to Microfinance institutes → loans to women self-help groups so they can achieve economic independence.
Nirbhaya Fund (2013)	<ul style="list-style-type: none"> - Non-lapsable fund administered by the Department of Economic Affairs of the Finance ministry. - Govt dept / NGOs propose women safety projects to WCD ministry (e.g. CCTV cameras, panic button in public buses etc) → ₹ ₹ given from Nirbhaya Fund.

66.12.1 Women / Gender Development: Conclusion-Template

- Sustainable Development Goal SDG# 5 requires India to achieve gender equality and empower all women and girls. Both human and economic development of India, it's imperative that we address the rampant gender inequality in India on war-footing. OR
- While initiatives such as Beti Bachao Beti Padhao and Sukanya Samridhi Yojana are important steps in gender empowerment, yet, India's poor ranking in the global report



indicates that Govt schemes alone can't reduce the gender inequality until the collective will and mindset of Indian society is changed.

66.13 WEAKER SECTION → CHILDREN (👶)

66.13.1 👶 → Constitutional Protection

- ✓ Art. 15/3 : No discrimination but special provision in favour of women and children allowed.
- ✓ **21A: Right to free & compulsory education for children aged 6-14.
- ✓ Art. 23: Prohibition of human trafficking & bonded labour.
- ✓ Art. _____ in factory, mine or any other hazardous occupation.
- ✓ Art. 39 (f): State shall ensure that Children are given opportunities for healthy development and protected against exploitation, moral and material abandonment.
- ✓ Art. 45: State to provide early childhood care and education for all children.
- ✓ **51A(k): Fundamental duty of parents & guardians to provide right to education for 6-14 aged children.

** = inserted by _____ Act, 2002

66.13.2 👶 → Legal Protection

- ✓ 1986: Child Labour (Prohibition and Regulation) Act. → Amendment in 2016: <14 aged can't be employed anywhere except TV/ Cinema /Sports (but not circus) and Non hazardous family enterprise work after school hours. Adolescents (aged 14 to 18) can be employed but only in non-hazardous work.
- ✓ 2000: Juvenile Justice Care and Protection of Children Act (किशोर न्याय देखभाल और बच्चों का संरक्षण अधिनियम). It was replaced by new Act in 2015 → gives Juvenile Justice Board certain powers against the 16-18 years old child offenders who commit heinous offences (जघन्य अपराध) like rape and murder.
- ✓ 2005: National Commission for Protection of Child Rights (NCPCR) Act in 2005, setup in 2007.
- ✓ 2006: Prohibition of Child Marriage Act. Replaced earlier act of 1929.
- ✓ 2012: Protection of Children against Sexual Offences (POCSO: यौन अपराधों के खिलाफ बच्चों का संरक्षण) Act
- ✓ 2015: Central Adoption Resource Authority (CARA: केंद्रीय दत्तक ग्रहण संसाधन प्राधिकरण). It was originally set up as an autonomous body but given statutory status in 2015, under the Juvenile Justice Act & given certain powers to enforce **Hague convention** on protection of children during inter-country adoption. CARA falls under WCD Ministry.

66.13.3 👶 → Child Portals & Festivals

For the health / education schemes, refer to previous sections of Handout

Carings Portal	WCD Ministry → CARA's portal for adoption of orphans .
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Khoya-Paya Portal	WCD Ministry's portal for missing children information.
Portal	Labour Ministry portal for child labour complaints
E-box	National Commission for Protection of Child Rights (NCPCR)'s portal for child sex abuse complaints .
Children's Day	<ul style="list-style-type: none"> - India celebrates on 14th November, Nehru's B'day. - UN celebrates on 20th November
Hausala 2018	Sports / Drama / Arts Competition of orphans, abandoned children living in Child Care Institutions by WCD Ministry @ Delhi.
Policies	<ul style="list-style-type: none"> - 2013: National Child Policy. - 2018: (draft) National Child Protection Policy - against sexual abuse.

66.14 HRD → WEAKER SECTION → PH (🏠)

Boss? Social Justice Ministry → Department of Empowerment of Persons with Disabilities (दिव्यांगजन सशक्तिकरण विभाग)

66.14.1 🏠 PH → Constitutional Protection:

- Art. 16: Equal opportunity in Govt jobs.
- Art. 41: The State shall, within the limits of its economic capacity make effective provision for the right to work, right to education and right to public assistance in cases of unemployment, old age, sickness and disablement.
- Art. 46: State to promote educational and economic interests of the weaker sections, and protect them from social injustice and exploitation.
- 7th Sch: State List Entry 9: Relief of the disabled and unemployable.

66.14.2 🏠 PH → Legal Protection:

- 1987: Mental Health Act
- 1992: **Rehabilitation Council of India Act** (भारतीय पुनर्वास परिषद अधिनियम).- A statutory body under Social Justice Ministry.
- 1999: National Trust for the Welfare of Persons with. Autism, Cerebral Palsy, Mental Retardation and Multiple Disabilities Act
- ~~1995: Persons with Disabilities Equal Opportunities, Protection of Rights and Full Participation Act (replaced with new act in 2016)~~
- 2016: Rights of Persons with Disabilities Act: (दिव्यांग अधिकार अधिनियम 2016) It increases PH reservation from 3% to 4%, and recognizes new types of disabilities like Acid Attack victim, Sickle Cell disease etc. <Full list given below>

Legally recognized Disabilities: →

<ul style="list-style-type: none"> ✓ Blindness, Low-vision ✓ Mute / Speech and Language disability ✓ Hearing Impairment (deaf and hard of hearing), Locomotor Disability, Dwarfism ✓ Leprosy Cured persons, Intellectual Disability, Mental Illness ✓ Autism Spectrum Disorder, Cerebral Palsy 	<ul style="list-style-type: none"> ✓ Muscular Dystrophy ✓ Chronic Neurological conditions, Parkinson's disease, Specific Learning Disabilities, Multiple Sclerosis ✓ Thalassemia, Hemophilia, Sickle Cell disease ✓ _____ victim
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66.14.3 PH → Welfare schemes

Ministry of Social Justice runs following schemes →

Scheme	features
Accessible India	2015: launched to make the public buildings & websites more accessible to PH. Ref: Pillar#5 Infra
ADIP (2005)	<ul style="list-style-type: none"> - Assistance to Disabled Persons for purchase of Fitting Devices (ADIP) e.g. Tricycles, Wheelchairs, Crutches, Walking Sticks, Brail kits, Hearing Aids etc - Social Justice Ministry → Artificial Limbs Manufacturing Corporation of India (ALIMCO) implements it.
DDRS (1999)	Deendayal Disabled Rehabilitation Scheme (DDRS) <ul style="list-style-type: none"> - It has subschemes like Samarth, Nirmaya, Sahyogi, Gharaunda, Gyan Prabha, Uddyam Prabha etc. for scholarships for students with disabilities, Skill training, rehabilitation, awareness generation etc.

66.15 HRD → WEAKER SECTION: ELDERLY, DRUG ADDICTS, LGBT

Social justice ministry is also responsible for 'social defense' (सामाजिक सुरक्षा)...

66.15.1 Elderly (व्यस्क)

- Senior citizen is a person aged 60 / >
- 2007: Maintenance and Welfare of Parents and Senior Citizens Act. Children / heirs can't abandon elderly, else penalty through special tribunals.
- 2012: National Council of Senior Citizens (NCSrC) headed by Minister of Social Justice & Empowerment. Neither statutory nor constitutional but set up via gazette notification.
- **2017: Rashtriya Vayoshri Yojana:** Social Justice Ministry → Artificial Limbs Manufacturing Corporation (ALIMCO) gives free assisted living devices such as Walking Sticks, Crutches, Hearing Aids, Wheelchairs, Artificial Dentures and Spectacles at FREE of cost to BPL senior citizens only.
- **2017: Pradhan Mantri** _____ scheme that we learned in Pillar#1: Insurance.

66.15.2 Drug Addicts (नशे के लती)

- Narcotic Drugs and Psychotropic Substances Act (NDPS-1985: स्वापक औषधि एवं मनःप्रभावी पदार्थ अधिनियम) contains provisions for punishment for drug-peddlers and rehabilitation of drug addicts.

66.15.3 **LGBT: Lesbian, Gay, Bisexual, Transgender (समलैंगिक और किन्नर)**

- 2016: Transgender Persons (Protection of Rights) Bill- passed in Lok Sabha in 2018. to prohibit discrimination against them in education / employment / residence; National Council for Transgender (NCT) for their welfare. While SC earlier directed Govt to give reservation to TG but bill doesn't have such provisions.
- 2018: Supreme Court declares Indian Penal Code (IPC) _____ unconstitutional. Consensual homosexual acts between consenting adults are decriminalized.



67 HUMAN DEVELOPMENT & SUSTAINABLE DEVELOPMENT

Introduction: Human development measures the 'richness' of human life, rather than measuring 'richness' of the economy. It stands on three foundations 1) To live a healthy and creative life 2) to be knowledgeable 3) A decent standard of living.

67.1 UNDP's HUMAN DEVELOPMENT REPORT (मानव विकास रिपोर्ट)

- New York: United Nations → Economic and Social Council (ECOSOC) → United Nations Development Programme (UNDP:संयुक्त राष्ट्र विकास कार्यक्रम) prepares this annual report since 1990, based formula devised by Economists Mahbub ul Haq (Pak) & Amartya Sen (India).
- **2018's** Report published in 2018-Sept. It didn't have any 'theme', just a statistical update.
- **2019's** Report, not yet published but UNDP says it'll focus on focus on **inequality**.

UNDP's report provides **FIVE** indices of Human Development viz.

Started from	FIVE INDICES	2018 Report: Statistical Update		
		#1	India	#bottom
1990	Human Development Index (HDI)	Norway	130: (improved from 131)	189: Niger
2010	Inequality Adjusted HDI	Not important		
2010	Gender Inequality Index (GII) (Ref: Women section)	1: Switzerland 5: Norway	127	160: Yemen
2014	Gender Development Index (GDI). It doesn't give 'rank' but clubs nations into group 1 to 5	Norway, Swiz, US, UK etc in Group#1	India, Niger, Chad & their friend-circle in Group#5	
2010	Multidimensional Poverty Index (MPI). It doesn't give 'rank' but % of poor people. (Ref: Poverty section)	Doesn't measure rich nations	~28% Indians are Poor	92% South Sudanese are poor

67.1.1 UNDP → Human Development Index (HDI:मानव विकास सूचकांक)

It's the geometric average of three basic dimensions of human development:

पैदा होता → पढ़ता → पैसे कमाता

Dimension	Indicators	India	Norway
Healthy Life	Life expectancy at birth yrs (आयु संभावित)	69	82
Knowledge	Expected years of schooling	12	18
	Mean years of schooling	6	13
Standard of Living	Per capita gross national income (GNI:सकल राष्ट्रीय प्रति व्यक्ति आय) in US\$(PPP Exchange rate)	\$6,353	\$68,012
Plug above values in HDI formula you get HDI score between 0.000 to 1.000 (higher score is better)→		0.640	0.953



Based on above HDI Score,

- Nations are given rank: Norway #1, India #131 in 2018's Report.
- Nations are clubbed into groups: 1) Very High Human Development (उच्चतम मानव विकास) 2) High Human Development 3) Medium Human Development (India is here) 4) Low Human Development.

67.1.2 UNDP → Inequality Adjusted HDI

- Since HDI is a geometric mean, it hides internal inequality of a country. So, using another formula, UNDP will adjust the HDI score with inequality among rich and poor in those 3 dimensions.
- So while India's HDI score = 0.640 but inequality adjusted HDI (असमानता समायोजित मानव विकास सूचकांक) = 0.468. Lower score = more inequality. Separate rank is given but NOT IMP.

67.1.3 UNDP → Gender Development Index (GDI: लैंगिक विकास सूचकांक)

It's simply the (Female HDI) divided by (Male HDI) for a given country.

- For India = $0.575 / 0.683 = 0.841$. Based on this score, nations are not 'ranked' but clubbed into five groups. India is in bottomest group #5 along with Niger, Chad et al.
- GDI value could even be even greater than 1 if female life expectancy, education, income) is more than men e.g. Estonia, Latvia where more men dropout of school and die early by desi-liquor addiction.

67.2 UNSDSN → WORLD HAPPINESS REPORT

Annual report by United Nations Sustainable Development Solutions Network since 2012

- Citizens are asked to give score 0 to 10 on how happy they're for following parameters: income, freedom, healthy life expectancy, social support by friends & relatives, generosity and corruption.

Ranking	2018	2019
Theme / focus area	migration within & between countries.	Happiness And Community:
Most Happy #1	Finland	Again Finland
India*	@133	@140
Most unhappy	Burundi	South Sudan

** India has been progressively growing sadder with each passing year: 140 (2019), 133 (2018), 122 (2017), 118 (2016), 117 (2015), while China, Pakistan, Nepal, Bhutan, Sri Lanka, Bangladesh - all are more happier than us. ये बात कुछ हजम नहीं होती है.

67.3 WORLD BANK → HUMAN CAPITAL INDEX (2018)

2018: World Bank's first ever report on Human Capital Index (HCI: मानव पूंजी सूचकांक)

- It measures a nation's progress in health and education for the productivity of its next generation of workers using following components:
 - a. Survival rate of children (under-5 mortality)



- b. Expected years of schooling (अनुमानित विद्यालयी शिक्षा के वर्ष)
- c. Overall health measured in A) under-5 stunting B) adult survival rate.
- **Ranking 2018:** #1: Singapore>> (China, Nepal, Sri Lanka, Myanmar and Bangladesh)> #115: India> ...> #157: Chad (bottomest).

Government of India has rejected this report citing “*World Bank methodology doesn’t take into account (our fancy-abbreviation-walli) schemes launched by India.*”

MCQ. Human capital formation as a concept is better explained in terms of a process which enables (Asked in UPSC-Pre-2018)

1. Individuals of a country to accumulate more capital.
2. Increasing the knowledge, skill levels and capacities of the people of the country.
3. Accumulation of tangible wealth.
4. Accumulation of intangible wealth.

Answer Codes: (a) 1 and 2 (b) 2 only (c) 2 and 4 (d) 1, 3 and 4

67.3.1 Human Development: Conclusion-Template

- Human development is fundamentally about giving more opportunities and freedom to people.
- Gandhi-ji noted, “*A nation's greatness is measured by how it treats its weakest members. Every human being counts, and every human life is equally valuable.*” - This universalism is also at the core of our Constitution.
- While India has done well in terms of economic growth but aforementioned report(s) / index indicate(s) that more needs to be done to ensure our economic growth translates into human development for all.

67.4 SUSTAINABLE DEVELOPMENT GOALS (SDG)

- ✓ **1980s:** UN’s _____ Commission on Environment and Development → “Our Common Future” Report → defined “*Sustainable development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.*”
- ✓ **2000:** UN General Assembly approved 8 Millennium Development Goals (MDG:सहस्राब्दी विकास लक्ष्य) with 18 associated targets, to be achieved by 2015.
- ✓ **1992:** Earth Summit @Rio, Brazil → 2012: Rio+20 summit: leaders announced to prepare “Sustainable Development Goals” (SDG:संधारणीय/सतत विकास लक्ष्य) for post-2015 era when MDG goals expired.
- ✓ **2015:** United Nations General Assembly (संयुक्त राष्ट्र महासभा) approved 17 goals (लक्ष्य) with 169 associated targets (संबद्ध लक्ष्यांक). They became effective from 1/1/2016 & to be achieved by 2030.

67.4.1 SDG → India’s Implementation / Monitoring

India has tasked NITI Aayog to monitor the SDG implementation in India, tie up with Union ministries, State governments, academia, civil society and other stakeholders.



- ✓ **2018-Dec:** NITI prepared 'Baseline (आधार रेखा) Report of the SDG India Index', which contains baseline vs targets to be achieved for each goal & how much progress has been made by the States.
- ✓ Accordingly, NITI assigns "SDG Goal Score (0-100)" to each State & UT and classifies them into following categories:

67.4.1.1 NITI's SDG India Index (2018): overall scoring

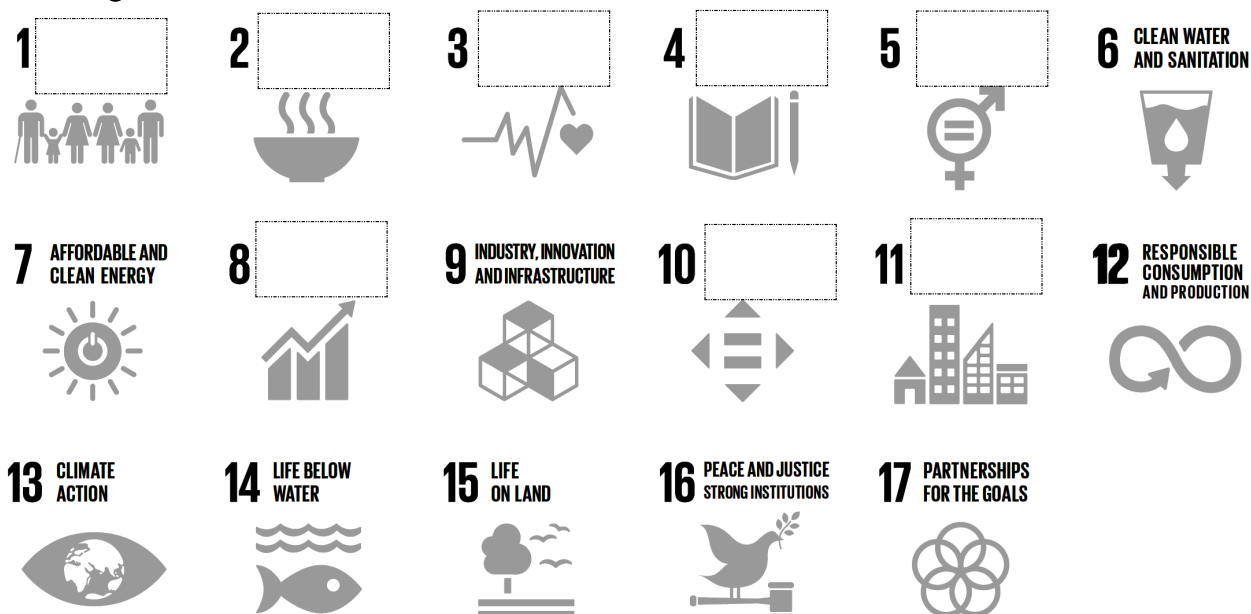
Aspirant: 0-49	आकांक्षी: _ _ _ _ _
Performer: 50-64	<ul style="list-style-type: none"> - अच्छा प्रदर्शन: Remaining State/UT - 2018: Haryana became the first state in India whose State-budget has specific allotments for SDG-goal achievements..
Front Runner: 65-99	अग्रणी: _ _ _ _ _ , Chandigarh and Puducherry
Achiever: 100	सफल: all SDG goals achieved but no one here YET.

For example, SDG Goal#3 Ensure Healthy Lives & Promote Well-being For All

Associated Targets under Goal#3	SDG Goal#3 States/UT categorization
<ul style="list-style-type: none"> ✓ Reduce MMR (Baseline:130) → Target 70 (by 2030), Kerala already achieved. ✓ Eliminate TB by 2030 (No State Yet Achieved) ✓ Reduce Under-5 Child Mortality Rate (Baseline:50) → Target 11 (by 2030),Kerala, Maharashtra, Tamilnadu achieved. ✓ Increase no. of Govt doctors , nurses and midwives per 1,00,000 population: (Baseline:221) → Target 550 (by 2030). Kerala already achieved. 	<ul style="list-style-type: none"> ✓ Achiever: None achieved all targets ✓ Frontrunners: Kerala, TN, Puducherry etc ✓ Performer: MH, Gujarat etc. ✓ Aspirants: Bihar, UP etc.



67.4.2 SDG Goals vs India's Notable Schemes



SDG	Goal	India's Notable Schemes <List not exhaustive>
Goal 1	<i>End poverty in all its forms everywhere</i> <i>गरीबी की पूर्णतः समाप्ति</i>	<ul style="list-style-type: none"> ✓ MGNREGA and the National Livelihood Missions ✓ Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBY) and Pradhan Mantri Jeevan Suraksha Beema Yojana (PMJSBY), National Social Assistance Programmes (NSAP) which provides pension to the elderly, widows, PH in BPL category. ✓ PMJAY ₹ 5l health insurance that reduces healthcare burden on poor people.
Goal 2	<i>End hunger, achieve food security and improved nutrition and promote sustainable agriculture</i> <i>भुखमरी की समाप्ति</i>	<ul style="list-style-type: none"> ✓ Green Revolution — Krishonnati Yojana and its 11 sub-schemes, esp. National Mission for Sustainable Agriculture, National Food Security Mission ✓ Food Security Act, Mid-day Meal (MDM), POSHAN Abhiyaan.
Goal 3	<i>Ensure healthy lives and promote well-being for all at all ages</i> <i>अच्छा स्वास्थ्य और जीवनस्तर</i>	<ul style="list-style-type: none"> ✓ National Health Mission and its rural, urban components, various schemes for Communicable and noncommunicable diseases ✓ Ayushman Bharat: 1) transform PHC 2) PMJAY ₹ 5l health insurance that reduces healthcare burden on poor people. ✓ Intensified Mission Indradhanush vaccination. ✓ PM Matru Vandana Yojana (₹ 5k+₹ 1k), Janani Suraksha Yojana (₹ 1k to BPL) Janani Shishu



		Suraksha Karyakram (Free delivery) etc.
Goal 4	<i>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</i> गुणवत्तापूर्ण शिक्षा	<ul style="list-style-type: none"> ✓ Samagra Shiksha by merging 1) Sarva Shiksha Abhiyan (SSA) 2) Rashtriya Madhyamik Shiksha Abhiyan (RMSA) 3) Teacher Education (TE). ✓ SWAYAM online portal for free learning etc.
Goal 5	<i>Achieve gender equality and empower all women and girls</i> लैंगिक समानता	<ul style="list-style-type: none"> ✓ Gender Budget Statement from 2005 onwards ✓ Beti Bachao, Beti Padhao, Sukanya Samridhi (Bank Savings) Yojana ✓ Pradhan Mantri Ujjwala Yojana (LPG connection to BPL women), ✓ Procurement quota for MSME owned by Women, Standup India loan scheme
Goal 6	<i>Ensure availability and sustainable management of water and sanitation for all</i> साफ पानी और स्वच्छता	<ul style="list-style-type: none"> ✓ Swachh Bharat Mission, National Rural Drinking Water Programme.
Goal 7	<i>Ensure access to affordable, reliable, sustainable and modern energy for all</i> सस्ती और स्वच्छ ऊर्जा	<ul style="list-style-type: none"> ✓ LPG: PAHAL subsidy, Pradhan Mantri Ujjwala Yojana (LPG connection to BPL women), ✓ Deen Dayal Upadhyaya Gram Jyoti Yojana → Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) to give electricity connection to all ✓ National Solar Mission, Green Energy Corridor etc.
Goal 8	<i>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</i> अच्छा रोजगार, आर्थिक विकास	<ul style="list-style-type: none"> ✓ Make India, Startup india, Skill India → Pradhan Mantri Kaushal Vikas Yojana ✓ Mudra loans, Standup India loans ✓ Prime Minister's Employment Generation Programme (PMEGP): credit linked subsidy for Micro enterprises in non-farm sector.
Goal 9	<i>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</i> उद्योग, नवाचार और बुनियादी सुविधाओं का विकास	<ul style="list-style-type: none"> ✓ Pradhan Mantri Awas Yojana, Pradhan Mantri gram Sadak Yojana, Bharat Mala, Sagar Mala, ✓ Digital India, Smart City, AMRUT.



Goal 10	<i>Reduce inequality within and among countries</i> देशों के भीतर और देशों के बीच असमानता में कमी	<ul style="list-style-type: none"> ✓ To reduce inequality within the country- all the schemes schemes that are focusing on rural area and weaker section e.g. MNREGA, Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), Standup India loans for SC/ST & Women, Pradhan Mantri Jan Dhan Yojana (PMJDY) Rurban Mission ✓ To reduce inequality among countries - Technical and Financial Assistance given by India to its neighbouring countries, and least developed countries
Goal 11	<i>Make cities and human settlements inclusive, safe, resilient and sustainable</i> टिकाऊ शहरी विकास	<ul style="list-style-type: none"> ✓ Smart City, AMRUT, Rurban Mission, PM Awas Yojana, Swachh Bharat Mission
Goal 12	<i>Ensure sustainable consumption and production patterns</i> जिम्मेदारी के साथ उपभोग और उत्पादन	<ul style="list-style-type: none"> ✓ PM Ji-Van Yojana: biowaste → biofuel; GOBAR-DHAN) scheme, UJALA LED. ✓ NITI has set no quantitative targets for this because lack of comparable baseline data across states.
Goal 13	<i>Take urgent action to combat climate change and its impacts</i> जलवायु परिवर्तन और उसके प्रभावों से निपटने के लिए तत्काल कार्रवाई	<ul style="list-style-type: none"> ✓ National Action Plan on Climate Change (NAPCC) and its 8 missions. ✓ National Air Quality Monitoring Programme ✓ NITI has set no quantitative targets for this because lack of comparable baseline data across states.
Goal 14	<i>Conserve and sustainably use the oceans, seas and marine resources for sustainable development</i> समुद्री संसाधनों का संरक्षण	<ul style="list-style-type: none"> ✓ Marine protected areas, Coastal Regulation Zone, National oil spill disaster contingency plan, ✓ NITI has set no quantitative targets for this because lack of comparable baseline data across states.
Goal 15	<i>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</i> स्थलीय पारिस्थितिकीय	<ul style="list-style-type: none"> ✓ NAPCC → National Mission for a Green India, ✓ National Mission for Sustaining the Himalayan Ecosystem ✓ Project Tiger, Elephant etc. ✓ Target-2030: increase Land area under forest from 21.54% (Baseline) to _ _ _ _



	प्रणालियों, भूमि क्षरण और जैव विविधता का संरक्षण	
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels शांतिपूर्ण समावेशी समाजों को बढ़ावा देना, सभी के लिए न्याय तक पहुंच सुनिश्चित करना	<ul style="list-style-type: none"> ✓ Target-2030: ✓ Reported murders per 1 lakh population (from 2.4 To 1.2) ✓ Reduce reported corruption crimes per 1 crore population (from 34 to 17) ✓ increase number of courts per 10 lakh persons (from 12 to 34) ✓ Cover 100% population with aadhar card ✓ Etc. so accordingly more ₹ funding, amending criminal laws etc.
Goal 17	Strengthen the means of implementation and revitalize the global partnership for sustainable development सामूहिक साझेदारी- वैश्विक भागीदारी को पुनर्जीवित करना	<ul style="list-style-type: none"> ✓ While India has joined International Solar Alliance, India has committed to Paris deal on Climate Change etc. but NITI has set no quantitative targets for this Goal because MOSPI is unable to frame statistical methods to capture it. (e.g. SDG Target 17.15: 'Respect each country's policy space' - difficult to quantify & compare!)

Pitfalls in Essay: In Human Development / Gender Development / Sustainable

Development topic essays Students merely give a long index of constitutional articles, laws and schemes like a parrot. But you're required to 'describe' how it actually helps and what more can be done to improve the development. Read Yojana, Kurukshetra, Eco. Survey, Newspaper columns to gather such 'fodder' points.

67.4.3 📌 SDG: Conclusion-Template

- SDG goals recognize that
 - ending poverty requires **economic growth**,
 - while ending socio-economic disparities requires **economic development**
- But neither the economic growth (वृद्धि) nor the economic development (विकास) should come at the cost of harming future generations.
- Accordingly, the 17 goals have been framed to provide education, health, social protection, and job opportunities to all, **while** tackling climate change and environmental protection.
- Achievement of SDG goals is therefore necessary for
 - reaping India's demographic dividend,
 - reducing India's socio economic disparities
 - and at the same time protecting India's vast biodiversity.

OR



As Gandhi-ji noted, “*The earth, air, land and water are not inheritance from our forefathers but on loan from our children. So we have to handover to them at least as it was handed over to us. Earth provides enough to satisfy every man's needs, but not every man's greed.*”
Therefore, timely achievement of SDG goals must become India's top priority.

67.5 QUESTIONS IN PAST UPSC MAINS PAPERS

GSM1 Syllabus Topic: Role of women and women's organisation;

'Women's movement in India has not addressed the issues of women of lower social strata. Substantiate your view.	2018
How do you explain the statistics that show that the sex ratio in Tribes in India is more favourable to women than the sex ratio among Scheduled Castes?	2015
How does patriarchy impact the position of a middle class working woman in India?	2014
Discuss the various economic and socio-cultural forces that are driving increasing feminization of agriculture in India.	2014
Why do some of the most prosperous regions of India have an adverse sex ratio for women? Give your arguments.	2014
Male membership needs to be encouraged in order to make women's organization free from gender bias. Comment.	2013

GSM2 Syllabus Topic: Welfare Schemes

Identify the Millennium Development Goals (MDGs) that are related to health. Discuss the success of the actions taken by the Government for achieving the same. <Think of 17 similar Mock questions on each SDG Goal!>	2013
Examine the main provisions of the National Child Policy and throw light on the status of its implementation.	2016

GSM3 Syllabus Topic: Indian Economy (issues re: planning, mobilisation of resources, growth, development, employment); Inclusive growth and issues therein, Infrastructure

What are the salient features of 'inclusive growth'? Has India been experiencing such a growth process? Analyze and suggest measures for inclusive growth.	2017
Comment on the challenges for inclusive growth which include careless and useless manpower in the Indian context. Suggest measures to be taken for facing these challenges.	2016
Women empowerment in India needs gender budgeting. What are the requirements and status of gender budgeting in the Indian context?	2016
Access to affordable, reliable, sustainable and modern energy is the sine qua non to achieve Sustainable Development Goals (SDGs). Comment on the progress made in India in this regard.	2018

67.6 QUESTIONS IN PAST UPSC ESSAY PAPERS

67.6.1 Women Related:

- Greater political power alone will not improve women's plight. -1997
- Women's reservation bill would usher in empowerment for women in India. -2006
- The new emerging women power: the ground realities. -1995
- If women ruled the world -2005; The hand that rocks the cradle -2005
- Fulfilment of 'new woman' in India is a myth. -2017
- If development is not engendered, it is endangered. -2016
- Whither women's emancipation? -2004; Empowerment alone cannot help women. -2001
- Women empowerment: challenges and prospects. -1999



- Woman is god's best creation. -1998; Men have failed: let women take over. -1993
- Managing work and home – is the Indian working woman getting a fair deal ?-2012

67.6.2 Education Related

1. Destiny of a nation is shaped in its classrooms. -2017
2. Education without values, as useful as it is, seems rather to make a man more clever devil-2015
3. Independent thinking should be encouraged right from the childhood. -2007
4. Are the standardized tests good measure of academic ability or progress? -2014
5. Irrelevance of the classroom. -2001
6. Is the growing level of competition good for the youth? -2014
7. Literacy is growing very fast, but there is no corresponding growth in education. -1996
8. Is an egalitarian society possible by educating the masses ? -2008
9. What is real education? -2005
10. "Education for all" campaign in India: myth or reality. -2006
11. Restructuring of Indian education. -1995; Privatization of higher education in India. -2002
12. Credit – based higher education system – status , opportunities and challenges -2011

67.6.3 Economy related

67.6.3.1 Growth vs Development

- Poverty anywhere is a threat to prosperity everywhere. -2018
- Digital economy: A leveller or a source of economic inequality. -2016
- Innovation is the key determinant of economic growth and social welfare. -2016
- Near jobless growth in India: An anomaly or an outcome of economic reforms. -2016
- Crisis faced in India – moral or economic. -2015
- Was it the policy paralysis or the paralysis of implementation which slowed the growth of our country? -2014
- GDP (Gross Domestic Product) along with GDH (Gross Domestic Happiness) would be the right indices for judging the wellbeing of a country-2013
- Can capitalism bring inclusive growth? -2015; Resource management in India -1999
- Economic growth without distributive justice is bound to breed violence. -1993

67.6.3.2 MNCs

- Globalization would finish small-scale industries in India. -2006
- Multinational corporations – saviours or saboteurs -1994
- Special economic zone: boon or bane -2008
- Is the criticism that the 'Public-Private-Partnership' (PPP) model for development is more of a bane than a boon in the Indian context, justified ?-2012

67.6.3.3 Sectors of Economy

- Farming has lost the ability to be a source of subsistence for majority of farmers in India. -2017
- BPO boom in India. -2007; Tourism: Can this be the next big thing for India? -2014
- Are our traditional handicrafts doomed to a slow death? -2009
- For all topic-wise essays lists Ref: <https://mrunal.org/2018/09/dl-upsc-csm18-essay.html>



40 (PILLAR #4Z) MICROECONOMICS

मुख्य परीक्षा में इसका काम नहीं इसलिए हिंदी शब्दावली की ज्यादा जरूरत नहीं।

IAS Prelims →	2012	2013	2014	2015	2016	2017	2018
Microeconomics	0 MCQ	0 MCQ	0 MCQ	0 MCQ	0 MCQ	0 MCQ	1 MCQ

Economics is the science which studies human behaviour in areas of consumption, production and exchange. Depending on its 'scope' of study, economics is subdivided into:

Microeconomics (व्यष्टि अर्थशास्त्र)	Macroeconomics (समष्टि अर्थशास्त्र)
when the economics study relates to an individual unit or part of the economy.	<ul style="list-style-type: none"> - When the study relates to the whole / aggregate economy. - It gained focus after the British economist John Maynard Keynes published '<i>The General Theory of Employment, Interest & Money</i>' (1936)
Focus on Production, Consumption, Supply-Demand, Price Determination	Focus on Income, Savings, Investment, Unemployment, GDP, Inflation, Budget, Balance of Payment etc.
	2018 Nobel (Sveriges Riksbank) Prize in Economics given to US Economists Nordhaus & Romer for ' <i>integrating climate change & technological innovations into long-run macroeconomic analysis</i> '.

40.1 TYPES OF GOODS

40.1.1 Goods where No one pays directly & No one is excluded

Types→	Free goods	Common goods	Public goods
Examples	Air	Fish ponds, grazing land	Street light, Defence
Free or Paid?	Free	Free	Free
Can anyone be excluded from using?	No	No	No
Rivalry in consumption?	No	Yes (1 farmer grazing his herd= less grass for others)	(usually) No.
Opportunity Cost?	No	No	Yes, Govt could have used that ₹ to develop a new app/portal with a fancy name

Tragedy of Commons: In common goods (fishing pond, grazing land) there is rivalry in consumption - one farmer grazes sheep → less grass for next farmer. Too many farmers & sheep → grassland can't replenish & no one cares about it → negative externality for the grasshoppers, snakes etc. **Solution?** Tax on grazing rights, ceiling on number of sheep etc.

**MCQ. What is meant by 'Public Good'? (Asked in UPSC-CDS-II-2015)**

- a) A commodity produced by the Government
- b) A commodity whose benefits are indivisibly spread among the entire community
- c) A Government scheme that benefits the poor households
- d) Any Commodity that is very popular among general public

MCQ. Which one of the following is not a "Public Good"? (Asked in UPSC CDS-2016/1)

- (a) Light House (b) Public Parks (c) Electricity (d) National Defense

MCQ. If a commodity is provided free to the public by the Government, then (Q32 in UPSC Prelims 2018 Set-D)

- a) the opportunity cost is zero.
- b) the opportunity cost is ignored.
- c) the opportunity cost is transferred from the consumers of the product to the tax-paying public.
- d) the opportunity cost is transferred from the consumers of the product to the Government.

40.1.2 Goods where you've to pay ₹ ₹ else you're excluded

Types→	Private / Economic Good 🏠	Club Good / Artificially Scarce Good 🏠
Free or Paid?	Paid	Paid
Can anyone be excluded from using?	Yes you can't use without paying.	Yes you can't use without paying.
Rivalry in consumption?	Yes, one person buying textbook means less units of textbook available for purchase for the next customer. Similarly TV, Fridge, Mobile etc.	No. Quantity available for purchase doesn't decline e.g. Kindle Ebooks, iTunes, Netflix, Google play-store paid / freemium apps.

These goods can also be subclassified into:

- A. Merit Good (हितकारी वस्तुएँ) e.g. textbook & ebooks or
- B. Demerit Good (अवगुण / अहितकारी वस्तुएँ) e.g. tobacco & violent video games.

40.1.3 Price Discrimination (मूल्य में भेदभाव करना ✂)

It happens when a Company charges different price to different groups of consumers for an identical good. Example,

- Microsoft & Adobe giving '**educational-discount**' to students for purchasing softwares. (Because most students can't afford the regular price, & software serial key is a 'club-good' so cost of producing 'additional unit' is almost zero for the Company.)
- Self-financed colleges charging extra fees for **NRI quota students** for the same course. (to make more profit on limited seats).
- ✂ **Airfares** differ based on how early you book the ticket. (To ensure that all seats get filled.)
- Jio prepaid plans are different for **non-prime customers** vs prime-customers. (To lure customers into buying the prime-pack.)

MCQ. What is meant by price discrimination? (Asked in UPSC-CDS-II/2015)



- a) Increase in price of a commodity over time
- b) A situation where the same product is sold to different consumers for different prices
- c) Subsidization of a product by the Government to sell it at a lower price
- d) General decrease in price of a commodity over time

41 MICROECONOMICS → DEMAND (मांग)

41.1 DEMAND TYPES FOR ECONOMIC GOOD

Individual Demand	⇒ Demand by one person / household e.g. 10 kg onion.
Market Demand	⇒ Total Sum of all households' demands e.g. 1 lakh kg onions + 1 lakh kg Potatoes..
Ex Ante	⇒ Actual need of a consumer. He wanted to buy 10 kg onion
Ex Post	⇒ Need of consumer changed due to market factors. Although he wanted to buy 10 kg but bought only 5 kg due to price rise / supply shortage.
Joint Demand 	⇒ Items used together and bought together. E.g. Car-Petrol, Tea-Sugar, Bread-Butter, Cigarette-lighter. These are examples of 'joint-demand'. ⇒ Here, If car becomes expensive then demand of petrol also falls as less people buy car. And vice versa.
Composite Demand 	⇒ Total demand of a good with multiple alternative uses. ⇒ E.g. Steel → demanded by spoons & cutlery factories, pipemakers, automobile industry etc.
Derived Demand	⇒ Customer wants to buy an apartment → A builder starts constructing an apartment, then ⇒ It leads to demand of steel + wood + cement = this is 'derived demand'. ⇒ Also leads to demand of Land + Labour + Capital to build that apartment. Therefore, 'Demand for factors of production' is said to be a 'derived demand'.

MCQ. The demand for a “factor of production” is said to be derived demand because (Asked in UPSC APFC/EPFO-2016)

- (a) It is a function of the profitability of an enterprise
- (b) It depends on the supply complementary factors
- (c) It stems from the demand for the final product
- (d) It arises out of means being scarce in relation to wants

DEMAND ELASTICITY : RESPONSIVENESS TO PRICE/INCOME

आप की पगार या वस्तु की कीमत में बदलाव आने पर उस वस्तु की मांग पर क्या असर होता है... वह मांग कितनी तेजी से बढ़ती या कम होती है... उसका लचीलापन (elasticity) देखना है।



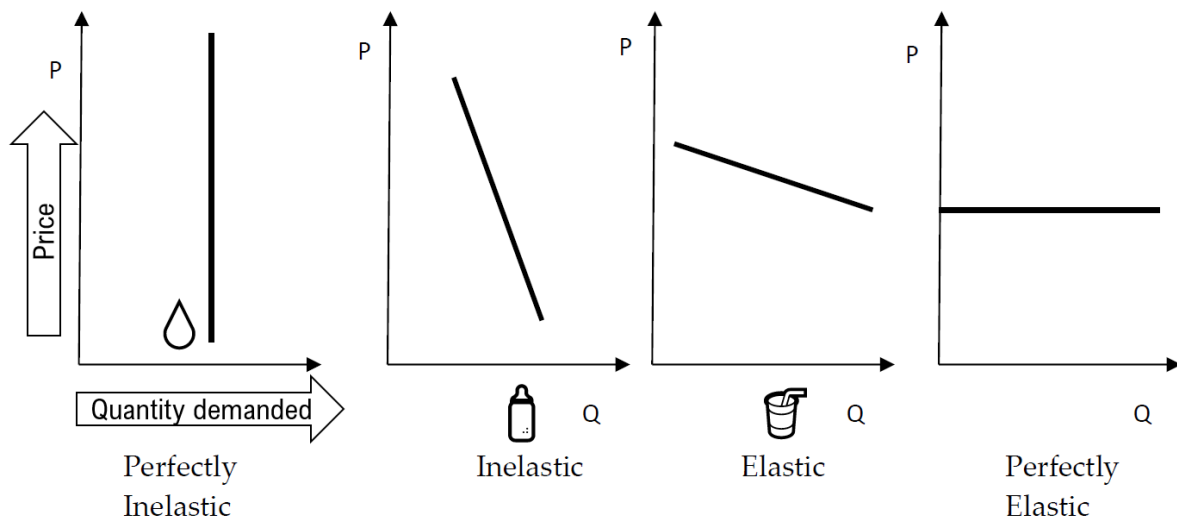
41.2 DEMAND ELASTICITY TYPE#1: AGAINST PRICE OF THE GOOD

Law of demand: Consumer's demand for a good is _____ to the price of the good (at '**Ceteris Paribus**' meaning all other things remaining same / constant- his salary doesn't increase, he doesn't fall ill, there is no new fashion for clothes, rival brand's mobile phones have not changed their price / product features etc.)

MCQ. Which one of the following is not an assumption in the law of demand? (Asked in UPSC-CDS-2019-i)

- There are no changes in the taste and preferences of consumers
- Income of consumers remains constant
- Consumers are affected by demonstration effect
- There are no changes in the price of substitute goods.

For normal goods (bread, butter, soap, shampoo, icecream etc.), following could happen:



41.2.1 💧 Normal Good: Demand may be Perfectly inelastic ($e_P=0$)

- When increase or decrease in price doesn't change demand.
- E.g. If a company had monopoly on drinking water. Demand will be inelastic, because people will be (forced) to buy about the same amount whether the price drops or rises. Here slope will be _____.

41.2.2 🍼 Normal Good: Demand may be (Relatively) inelastic ($e_P < 1$)

- Price ▲ by 10% = demand falls, BUT by less than 10%
- E.g. Milk because no close substitute, Railways by monopoly, Tobacco by addiction.

41.2.3 🍹 Normal Good: Demand may be (Relatively) elastic ($e_P > 1$)

- Price ▲ by 10% = demand ▼ by more than 10%
- Happens if close substitutes (करीबी विकल्प) available e.g. Pepsi gets expensive → people start drinking Coca Cola → Pepsi's demand falls significantly. Similarly Pizza Hut to Domino; Asus mobile to Xiaomi etc.
- This is more prevalent for Luxury / Comfort items: TV, AC, Organic Food.
- If time-period is longer → R&D → new substitutes → more fall in original item's demand (e.g. Blackberry phones in the aftermath of multiple Chinese brands)



- If buying can be postponed (e.g. jeans) then price rise → more fall in demand.

41.2.4 Normal Good: Demand may be Unitary elastic ($E_p=1$)

- For a good when price increased by 10% = demand falls by 10%; and
- when price decreased by 20% = demand increases by 20%,
- then its Elasticity of Demand with respect to price is 'Unitary' = 1.
- Elasticity = How responsive one variable (Demand) is to a change in another variable (Price). Since the two variables are measured in percentage changes, the units of each variable are cancelled, and the resulting elasticity has no units.
- Here Price rise (y-axis) vs quantity demanded (x-axis): Curve shape= Rectangular Hyperbola (Banana shape 🍌)

41.2.5 Normal Good: Demand may be Perfectly elastic ($E_p=\infty$)

- Customers willing to buy all they can at "x" price, but will buy zero quantity at slightly higher price. Hypothetical scene, happens during Perfect competition. Here slope will be horizontal.

41.2.6 Veblen Good: Higher price → Higher Demand

- For normal good, price of good (y- axis) vs quantity demanded (x-axis) shows a negative slope i.e. As the prices increase, the demand decreases. However in certain good or situation: when price increases, demand also increases! So it will show a positive slope ↗. (which is called 'exceptional Demand Curve'). For example:
- During **Curfew / Indira-Gandhi-walli-Emergency**: People expect there will be more shortage in future & prices will rise even more, so they continue to demand (& buy) more and more, even if price (of rice, petrol, LPG cylinder) keeps increasing.
- **Snob Appeal Good or Veblen Good** (named after US Economist Thorstein Veblen)
 - **Diamond, Iphone, Paintings**: higher price is seen as status symbol, so when company increases price, demand also increases.
 - Thinking expensive item = Better quality & more status (Iphone 6 to 6s)

MCQ. What is the slope of exceptional demand curve? (Asked in UPSC-CDS-2015-I)

(a) Downwards to right (b) Upwards to right (c) Horizontal (d) Upwards to left

41.2.7 🍌🍌 Giffen Good: Higher Price = ↑ Demand; Lower Price = ↓ Demand

Scottish economist Robert Giffen (1800s) observed:

- If there is an inferior good without substitutes e.g. potato, rice, jowar, bajra then its higher prices will increase the demand (because poor people fear even more shortage in future, and they don't have any 'alternative' food to replace potato, rice.) So they'll demand (& buy) more quantity as buffer.
- Giffen good's lower price will decrease its demand. Because then poor people will use their (sparred) income to buy superior good in daily-diet such meat, wheat etc.
- Some economist debate Giffen Goods are hypothetical, they don't exist in real life.

Veblen and Giffen goods are special type of goods which do not follow law of demand.

- **In Veblen Good: higher price = higher demand, lower price will decrease demand because 'status symbol effect will decline' but it'll still not greatly decrease demand, because people will still buy paintings / iphones for their resale value in future.
- ***In Giffen Good: lower price = greater fall in demand because people prefer to use income for better quality foods so 'income effect' dominates.



Price effect on Demand:	Higher price will result in	Lower price will result in
Normal Good	Lower Demand	Higher Demand
----- Good	Higher Demand	**Demand will fall but greatly fall
----- Good	Higher Demand	***Greater fall in demand
Inferior Good (Kerosene, coarse grains)	Higher INCOME = Lower Demand	Lower INCOME = Higher Demand

41.3 DEMAND ELASTICITY TYPE#2: AGAINST INCOME OF PEOPLE

- Effect of people's income on demand of a good is called '**Income Effect**'.
- Graphs showing the relationship between income and demand are called, "**Engel Curves**" named after German Statistician Ernst Engel.
- For Normal good, Income of people (y- axis) vs Quantity demanded (x-axis) shows a positive slope () i.e. As your income increases, the demand of that good increases. (that is the definition of a 'normal good')

41.3.1 Normal Good: Demand Elasticity with respect to income

- **Ei = 1**: Demand may **unitary** elastic IF 10% salary rise = 10% demand rise.
- **Ei > 1**: Demand may relatively **more elastic** IF 10% salary rise → More than 10% demand rise e.g. mobile phones, movie tickets, Swiggy food orders, air travel & other luxury goods.
- **0 < Ei < 1**: Demand may **relatively inelastic** IF 10% salary rise → demand grows but at less than 10% e.g. daily necessities like soap, toothpaste because salary increase doesn't mean daily you'll brush & bath four times a day.
- **Ei = 0**: Demand may **perfectly inelastic** for inexpensive essential items: salt, matchbox. So, increase or decrease in salary may have no effect on its demand.

41.3.2 Inferior Good: Demand Elasticity with respect to Income

- When a Gullyboy becomes a famous Rapstar, he'll shift (substitute / replace) consumption pattern from Maize to Wheat, Kerosene stove to LPG stove.
- So, Inferior goods (with substitutes) like Maize, Bajra, Kerosene will show negative Income elasticity e.g. 10% salary rise → "x%" fall in their demand. Accordingly, they'll have a **Negative-slope** () . ----- .
- Thus, we can say demand for normal goods is directly related to the income of the buyer but demand for inferior goods is inversely related to the income of the buyer.

MCQ. Income elasticity of demand for inferior good is (Asked in UPSC-CDS-2013-II)

- (a) Less than one (b) Less than zero (c) Equal to one (d) Great than one

MCQ. In view of the fact that kerosene is an inferior good in India, what is/are its implication(s)? (Asked in UPSC-CDS-2015-II)

1. As households get richer, they consume less kerosene.
2. Over time there is a decline in quality of kerosene.






3. Government needs to stop subsidies on kerosene.

Codes: (a) 1 only (b) 1 and 2 only (c) 2 and 3 only (d) 1, 2 and 3

MCQ. Which of the following modes of transportation has the highest elasticity? (Asked in UPSC APFC/EPFO-2016): (a) Air (b) Rail (c) Road (d) Water

41.3.3 Demand Elasticity Type#3: Cross-Price Elasticity

It measures the responsiveness of demand for one good with respect to a change in the price of another good:

+ve Cross elasticity (Demand increase)	 Substitutes: Coffee and tea. If tea price increases then people will shift to coffee → coffee demand increases.
-ve Cross elasticity (Demand decrease)	 Goods: Increase in bread price will reduce the demand of bread and butter both. Similarly, Pizzabread & Cheese, Car & Petrol, Cigar & Lighter.
_____ Cross elasticity (No effect on demand)	 Unrelated Goods: Cheaper tea → no impact on corn demand.

42 MICROECONOMICS → SUPPLY (आपूर्ति)

- Stock (भण्डार) = Available quantity of goods at a particular date with the seller.
- Supply (आपूर्ति) = Quantity of goods (stock) that a seller is willing to sell.
- Total Sum of individual firms' supply = Market supply.

42.1 SUPPLY ELASTICITY AGAINST PRICE OFFERED

- For a normal good, more price offered → more entrepreneurs will manufacture → more supply.
- So for normal good, Price offered (y- axis) vs Quantity supplied (x-axis) shows a _____ (↗) i.e. As price increases, the supply increases, at *ceteris paribus* (all other things remaining same- no war, disaster, hoarding etc.)
- **Break-even point** is the point on the supply curve at which a firm earns normal profit

Elasticity of Supply is	when
Perfect Inelastic $E_s=0$	<ul style="list-style-type: none"> - Price change can never change supply. e.g. _____ Painting. Medieval / Colonial era's Philately, Numismatics, Museum collections. - Here supply curve will be _____ (↑).
(Relatively) Inelastic $E_s < 1$	<ul style="list-style-type: none"> - 10% price rise = supply will increase eventually but less than 10% - E.g. Milk, Tomatoes, Pulses, Electricity etc. because inputs are finite (land / cattle / coal) or its time consuming to produce more quantity.
Unitary Elastic $E_s = 1$	<ul style="list-style-type: none"> - 10% increase in price offered = 10% increase in supply.



(Relatively) Elastic $E_s > 1$	<ul style="list-style-type: none"> - 10% increase in price offered = supply will increase MORE THAN 10%. - For durable, non-perishable goods because seller will unload stock from godown. - In long run, supply will greatly increase with new plants, rival companies, R&D (e.g. mobile phones in 1990s vs 2010s)
Perfect Elastic $E_s = \infty$ (Hypothetical)	<ul style="list-style-type: none"> - At "x" price- seller willing to supply infinite quantity. At any price less than "x" - he completely stops the supply. - Here supply curve will be HORIZONTAL.

Supply Curve: Backward sloping when

Wages offered (y- axis) vs hourly labour supplied (x-axis) shows a backward slope (=mirrored 'C'), because beyond a point, labourer would prefer to spend time on rest / leisure instead of working more.

MCQ. When some goods are completely fixed in amount, regardless of price, the supply curve is (Asked in UPSC-CDS-2019-i)

a) horizontal b) downward sloping to the right c) vertical d) upward sloping to the right

43 MICROECONOMICS → MARKET & COMPETITION TYPES

Market (बाजार) is a place / platform where buyer and seller strike a deal. Doesn't need geographical location. Market can be classified by on type of competition:

प्रतियोगिता	Buyers	Sellers
Perfect Competition	INFINITE Buyers	<ul style="list-style-type: none"> - INFINITE sellers with identical products. So, even little change in price will shift ALL buyers to another seller. - So, buyer is the PRICE MAKER, Seller is the PRICE TAKER (बेचना है तो बेच, वरना फुट इधर से)
Monopolistic Competition	MANY Buyers	<ul style="list-style-type: none"> - MANY sellers. Each seller has slightly different version of product (iphone vs Samsung Galaxy vs Oneplus) each with some loyal fans. So, a little change in price will not instantly shift all buyers to another seller. - So, Seller is the PRICE MAKER not Price TAKER (upto a level depending on brand loyalist fans)
----- अल्पाधिकार	MANY Buyers	<ul style="list-style-type: none"> - Few sellers with identical product & but with intense competition among themselves e.g. SpiceJet, Jet Airways, IndiGo, Vistara so price wars, discount-offers, advertisement cost high. - Cartel (उत्पादक संघ)= when they form a gang to restrict the supply / raise prices e.g. OPEC oil producing nations. - To fight against cartelization / price fixing once we had Monopolies & Restrictive Trade Practices Act (MRTP: 1969) → 2002 replaced by Competition Commission of India (CCI: भारतीय प्रतिस्पर्धा आयोग), a statutory body under the Ministry of -----.
Monopoly एकाधिकार	MANY Buyers	<ul style="list-style-type: none"> - ONLY ONE Seller e.g. Indian Railways. - No close substitute or competition for a particular price



		/ service / region. - Marketing / Advertising cost = 0 - Seller is the PRICE MAKER, Buyer is the PRICE TAKER (लेना है तो ले वरना फुट इधर से) - Duopoly= a market with just two firms. But if they form a cartel, then it'll become as if it's 'monopoly'. - Monopoly firm can restrict output, raise prices, and enjoy super-normal (= abnormally high) profits in the long run. Ofcourse, that does not happen in Indian Railways because of cross subsidization of passenger fares for populism.
-----	ONE Buyer	- MANY Sellers but only ONE Buyer. e.g. Indian Railways buying seats for railway; or Indian Army buying Uniforms / Insignia / Machineguns. - Buyer is the PRICE MAKER. Seller is the PRICE TAKER. (बेचना है तो बेच, वरना फुट इधर से) —Term was coined by British Economist Dr. Joan Robinson, she was teacher of both ManMohan & Amartyasen.

MCQ. Which one of the following is an example of a 'natural monopoly'? (Asked in UPSC-CDS-2015-II)

- (a) Indian Airlines (b) Delhi Jal Board
(c) Delhi Transport Corporation (d) Steel Authority of India

MCQ. Market with large number of sellers but each selling somewhat differentiated but close product, is termed as (Asked in UPSC-CDS-2014-II)

- (a) Perfect competition (b) Monopoly (c) Oligopoly (d) Monopolistic competition

44 MICROECONOMICS → PRODUCTION (उत्पादन)

- **'Production Function'** is the relationship between inputs used and output produced by a firm. This production function is determined by **the given** _____.
- Since technological knowledge determines the maximum output that can be produced using different combinations of inputs, so, If the technology improves → Production Function will definitely change.
- **'Cost Function'** is the relationship between cost incurred while producing output. This cost function is determined **by level of output**. To produce more output you'll have to engage more factors of production → have to bear more cost (as wages to workers, rent on bigger factory, interest on capital).

MCQ. The production function of a firm will change whenever (Asked in UPSC-CDS-2013-II)

- (a) input price changes (b) the firm employs more of any input
(c) the firm increases its level of output (d) the relevant technology changes

Social Cost	Factories emit smoke → local residents fall ill, their cars / clothes require more frequent washing. Those are 'social cost', not recorded in company's balance sheet.
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Private Cost	₹ ₹ Amount a factory owner has to spend to produce goods. Recorded in company's balance sheet.
Real Cost	A producer takes a lots of pain, stress, sacrifices and toils to establish business. This is 'real cost', CANNOT be measured in monetary terms.
Money Cost	Wage to labour, rent for building, interest on borrowed funds etc. are paid in monetary units and hence called money cost
Explicit Cost	Farmer's Cost of buying fertilizer, insecticide etc from market
Implicit Cost / Imputed cost	Farmer's (imputed) Cost of self provided inputs like farmer's own land, water, seeds saved from last crop, his own family's labour.
Normal Profit	<ul style="list-style-type: none"> - 'Normal profit' is producer's minimum expectations from a business. So long as he gets this minimum, he will continue to do this business, ELSE he will shift to another business. - So, to remain in a business, he must recover his Explicit Cost + Implicit Cost + Normal Profit.

To Produce Vimal Gutka

Fixed Cost, Supplementary Cost, Overhead Cost, Unavoidable Cost	<p>Irrespective of how many Gutka packets are produced, industrialist will have to pay:</p> <ul style="list-style-type: none"> ⇒ Property tax, Rent on building, Depreciation of machinery ⇒ Salary to permanent employees ⇒ Interest on loan. ⇒ License fee / royalty if Gutka formula patent bought from Manikchand. <p>Here the Fixed Cost (y-axis) vs Quantity produced (x-axis): slope will be a horizontal line.</p>
Variable Cost, Prime Cost, Direct Cost, Avoidable Cost	<ul style="list-style-type: none"> - Raw Material, Gst, Casual Workers, Electricity. - These costs will increase or decrease depending on how many Gutkha packets are to be produced <p>Here the Variable Cost (y-axis) vs Quantity produced (x-axis): slope will be a positive slope (↗).</p>
Total Cost	It is the sum of above things (fixed + variable cost)
Average Cost	Total Cost divided by Total Units produced
Average Fixed Cost	<ul style="list-style-type: none"> - Total fixed cost divided by Total units produced. - It'll be a _____ (🍌 banana shape). - Average fixed cost will fall with the increase in output because now the fixed cost is spread over more number of Gutka packets.

MCQ. Which one among the following is a fixed cost to a manufacturing firm in the short run? (Asked in UPSC-CDS-2013-I)

- (a) Insurance on buildings (b) Overtime payment to worker
(c) Cost of energy (d) Cost of raw materials

MCQ. The average fixed cost curve will always be (Asked in UPSC-CDS-2013-II)

- (a) a rectangular hyperbola (b) a downward sloping convex to the origin curve
(c) a downward sloping straight line (d) a U-shaped curve



44.1 PRODUCTION → RETURNS TO SCALE

- It's a set of laws to measure relations between increase in inputs (land, labour, capital, raw material) to increase in production of final goods / services.
- Depending on a company's size & technological progress, it could be A) increasing B) constant C) decreasing.

44.1.1 Economies of Scale: बड़े पैमाने पर उत्पादन करने होने वाली किफायतें

- As the firm grows in size, its average fixed cost continues to decline → Production starts to become 'More PROFITABLE'.
- This happens due to better R&D, managerial & operational efficiency = less wastage of raw material, upstream expansion (e.g. Vimal buying farms in Kashmir to cultivate KESAR)
- Result: 10% increase in inputs (of land, labour, capital, raw material) brings more than 10% increase in production.

44.1.2 Diseconomies of scale

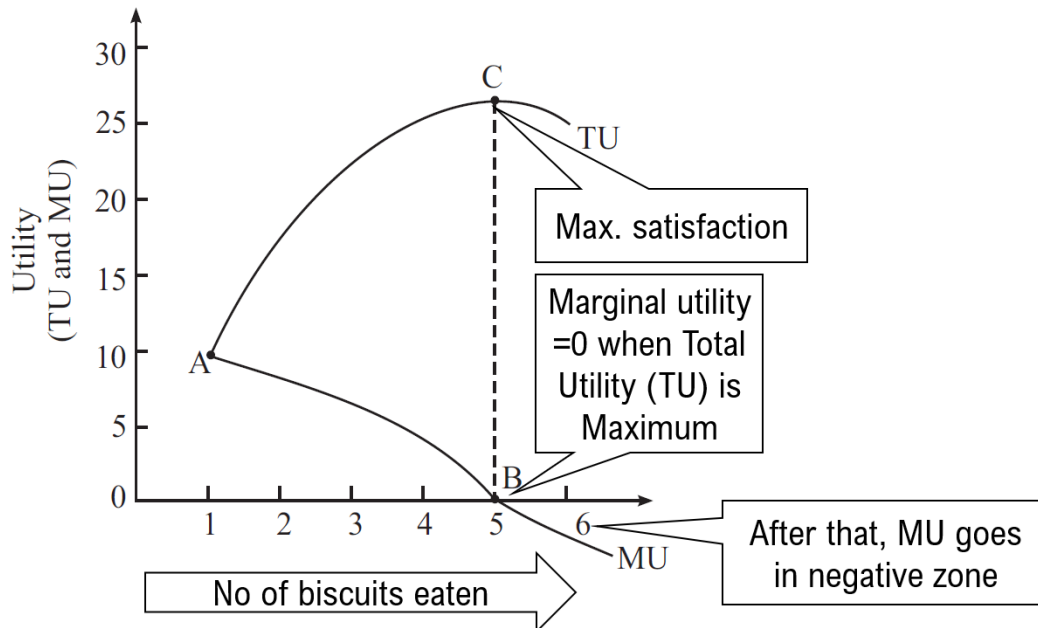
- Beyond a point, if firm grows bigger in size → production starts to become 'LESS PROFITABLE' with increased Average Fixed Cost.
- E.g. Vimal's A'bad factory increasing production from 20 lakh to 100 lakh Gutka packets but Addicts in local market are limited so Vimal must send cargo to Maharashtra's market = added transportation cost + have to hire new salesmen to tie up with their pan-parlours etc.

MCQ. The way total output changes due to change in all inputs in same proportion is known as law of (Asked in UPSC-CDS-2014-II)

(a) Returns to scale (b) Diminishing returns (c) Increasing returns (d) Constant returns

45 MICROECONOMICS → UTILITY, PREFERENCES & MISC.

- Need (जरूरत): demand of a particular good whose absence will cause death e.g. Food / Water / Air.
- Want / Desire (चाहत/इच्छा): demand of a good whose absence may not cause death e.g. Shelter, Clothing, Mobile etc.
- Utility (उपयोगिता): power of a good to satisfy your 'need / want / desire'. Utility is relative in nature. Hungry man will value a Roti more than a non-hungry man. Utility is free of morality & ethics. Customer buys knife for cutting vegetables or doing murder-utility doesn't say it's 'right' or 'wrong'.
- **Marginal Utility (सीमांत उपयोगिता):** It is the additional satisfaction from consuming one more unit. Marginal utility is usually _ _ _ _ _ because with every piece of biscuit your belly will start to fill up & your hunger will start to decrease. (*However this law does not apply to a mad collector of rare stamps or a miser (कंजूस) who likes accumulating wealth etc.*)
- **Total Utility (TU) =** Sum of Marginal Utilities (MU). When total utility is **maximum**, marginal utility is _ _ _ _ . Beyond this point, total utility will decline and marginal utility will enter negative zone.



MCQ. Demand of a particular commodity refers to (Asked in UPSC-CDS-2015-I)

- (a) Desire (b) Need (c) Quantity demanded
(d) Quantity demanded at certain price during a particular period of time.

MCQ. According to the law of diminishing marginal utility, as the amount of a good consumed increases, the marginal utility of that good tends to (UPSC-CDS-2018-1)

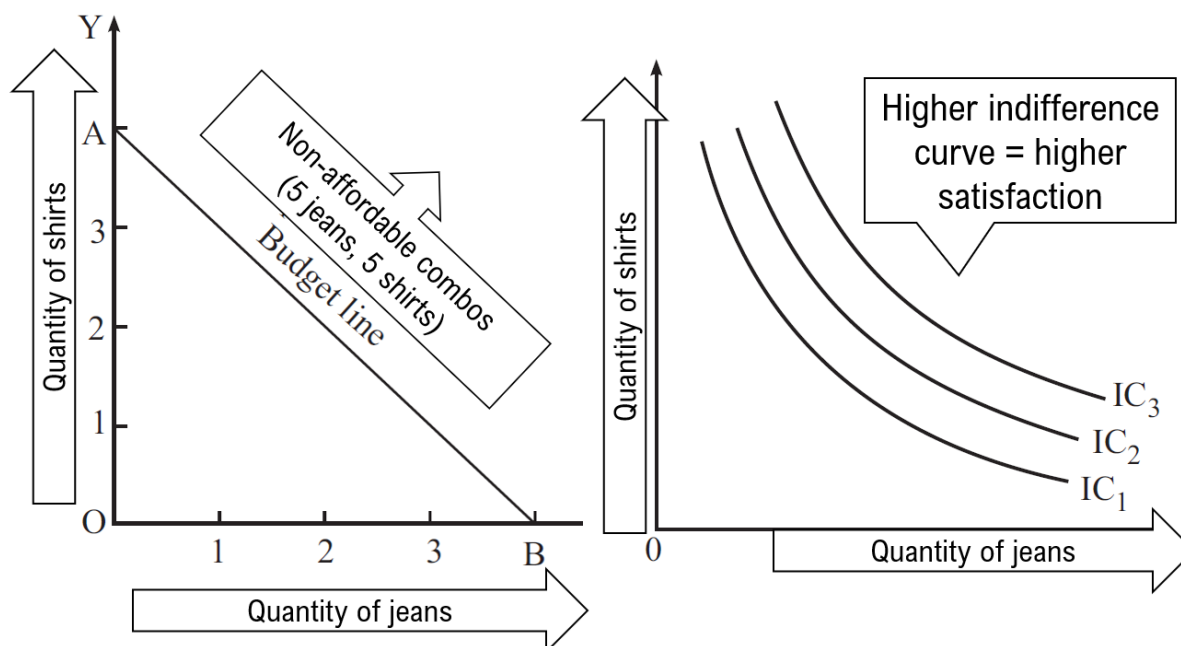
- (a) improve (b) diminish (c) remain constant (d) first diminish and then improve

MCQ. Which one of the following statements is not correct? (UPSC-CDS-2019-i)

- a) When total utility is maximum, marginal utility is zero
b) When total utility is decreasing, marginal utility is negative
c) When total utility is increasing, marginal utility is positive
d) When total utility is maximum, marginal and average utility are equal to each other.

45.1 PREFERENCES, INDIFFERENCES (वरीयता, उदासीनता)

- **Budget set** is the collection of all bundles that the consumer can buy with his income at the prevailing market prices. E.g. (2 jeans, 2 shirts), (4 books, 0 movie) etc.
- **Budget line** consists of all bundles which cost exactly equal to the consumer's income. Bundles above the budget line are 'not-affordable' e.g. (5 jeans, 5 shirts).
- When a consumer consumes various goods, then there are some combinations (bundles) which may give him same satisfaction (1 jeans, 2 shirts) (2 jeans, 1 shirt). The graphical representation of such combinations is termed as **Indifference Curve**. It's _____ (🍪). If there are multiple **Indifference Curves** then higher curve will give more satisfaction. Indifference curves run parallel, they don't cut / intersect each other.



- **Marginal rate of Substitution (MRS)** refers to the rate at which consumer is willing to give up number of jeans to obtain one extra shirt without affecting total satisfaction. E.g. IF (5 jeans, 3 shirts) → (2 jeans, 4 shirts) → same satisfaction, then $MRS = 5 - 2 = 3$
- **Non-monotonic preference:** For some goods, there is a perfect optimal amount beyond which it'll give negative utility / experience e.g. salt in a soup, sugar in a tea. Accordingly he will not purchase some bundle even if his budget permits e.g. (50 bags sugar, 1 bag tea).
- **Preference:** For some goods, consumer will continue to buy more and more quantity (within his income limit) because it'll give him more utility /satisfaction. E.g more clothes & shoes for an instagram-selfie addict. More guns & ammunition for an army, So, if their budget permitted (2 guns, 50 bullets).....(1 guns, 25 bullets) → they'll always buy (2 guns, 50 bullets).

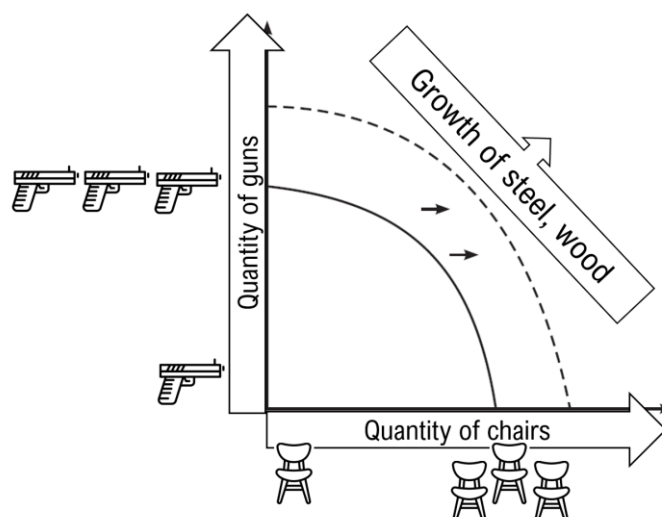
MCQ. Find correct statement(s) about indifference curves : (Asked in UPSC-CDS-2019-i)

1. Indifference curves are convex to the origin.
2. Higher indifference curve represents higher level of satisfaction.
3. Two indifference curves cut each other.

Codes: a) 1 only b) 1 and 2 c) 2 and 3 d) 3 only

45.2 PRODUCTION POSSIBILITY CURVE

- The basic / central **Economic Problem** faced by every nation is: our resources finite, but our wants are infinite.
- If we have 100 kg steel and 100 kg wood what should we produce? (200 guns for army, 0 chairs for students), (150 guns, 50 chairs), (0 guns, 200 chairs).
- When this is plotted on a graph, the resultant curve is called **Production Possibility Curve or Production Possibility Frontier (PPF) or Transformation curve**. It is concave from origin and slopes downward: This means that more of a good can be produced only by sacrificing some quantity of the other good.



- **Opportunity cost** is the 'gain' foregone from the "Activity A" when you're doing "Activity B". More chairs = more comfort to students, but you've forgone the national security by NOT producing guns. Thus, the sacrifice of 'guns for army/ national security' is the 'opportunity cost' of producing chairs.
- If the economy functions at a point inside the production possibility curve (e.g. 20 guns, 20 chairs), then it indicates either underutilization or inefficient utilization of resources.
- If there is growth of resources (100 kg steel and 100 kg wood → 200-200 kgs) there will be an outward shift of the production possibility curve = higher levels of outputs possible.

45.3 PARETO OPTIMAL

- Named after Italian Economist Vilfredo Pareto.
- Once an economy is in a Pareto Optimal state...then beyond this point one person/sector can't be made more happier / efficient / profitable without making others unhappy.
- E.g. during Pareto optimal situation, all the disguisedly unemployed workers from agriculture have been given skill training and shifted to the industrial sector. So, agricultural sector is producing maximum output and industrial sector is also producing maximum output, And all the (domestic) customers are happily buying the their desired goods / services at the best prices.
- So beyond on this equilibrium, if an industrialist wanted to increase output (so as to increase his profit through exports etc.), he may have to offer higher wages shifting agro labourers to factories= agro production down = food inflation = unhappiness for customers = inefficient economy.

MCQ. Which of the following statements (s) are true with respect to the concept of "EFFICIENCY" as used in mainstream economics? (Asked in UPSC-CDS-2016-I)

1. Efficiency occurs when no possible reorganisation of production can make anyone better off without making someone else worse off
2. An economy is clearly inefficient if it is inside the Production Possibility Frontier (PPF)
3. At a minimum, an efficient economy is on its Production Possibility Frontier (PPF)



4. The terms such as 'Pareto Efficiency', 'Pareto Optimality' and 'Allocative Efficiency' are all essentially one and same which denote 'efficiency in resource allocation'

Codes: (a) 1 and 4 only (b) 1 and 3 only (c) 2 and 3 only (d) 1, 2, 3 and 4

45.4 ADAM SMITH'S DIAMOND-WATER PARADOX

- In his book 'Wealth of Nations', the father of Economics Adam Smith wrote about the '**invisible Hand**' - an unseen forces that moves the supply, demand and free market economy.
- He also observed that water has high 'Value in Use' - from survival, to cooking and bathing. So, water has little 'value in exchange' e.g. sold for just ₹ 10-15 a bottle.
- Whereas diamond, which has little 'value in use' - ladies wear only on special occasions yet it has great 'value in exchange' - diamonds are sold for lakhs & crores of rupees.
- The reason behind this "**Value paradox (मूल्य का विरोधाभास)**" is 'Scarcity (दुर्लभता)' because water is abundantly available whereas diamonds are scarce / rare.
- Therefore, we also have '**Paradox of _____ (बहुतायत का विरोधाभास)**': more the crop production = farmer will earn lesser, because crop prices will crash with excess supply- just like the water.
- '**Paradox of _____ (मितव्ययता का विरोधाभास)**': John Maynard Keynes noted that when an individual begins to save more → he buys less TV/fridge/Computer → industrialist's profit declines → he'll throw out employees / reduce their wages → those employees will be able to save less ₹ ₹ . Thus, when individual's saving increases, 'TOTAL Savings' in economy decreases.
- **Average propensity to consume** (उपभोग करने की सामान्य सहजप्रवृत्ति) = $\text{Total Consumption} \div \text{Total Income}$
- **Marginal Propensity to consume** = what is the % change in your consumption with the % Change in your income?
- **Avg. Propensity to Save** = $\text{Total Saving} \div \text{Total Income}$
- **Marginal Propensity to save** = % Change in yours saving with the % change in your income?

45.5 COMMODITY THEORY OF MONEY (KARL MARX)

MCQ. Rise in the price of a commodity means (Asked in UPSC-CDS-2015-I)

- (a) rise in the value of currency only
- (b) fall in the value of currency only
- (c) rise in the value of commodity only
- (d) fall in the value of currency and rise in the value of commodity.

In his book Das Kapital, Karl Marx observed: 2 primary functions of money are 1) measure of value and 2) medium of exchange.

- We measure volume in litres, weight in kilograms, similarly we measure value of a commodity in ₹. E.g. 1 litre milk = \$ 50.
- Suppose we've a gold-standard currency system where \$1 = US promised to pay bearer on demand 14gm of gold.



Money's value	Commodity's 'use-value'	Impact on 'price' of commodity
If unchanged	If Increased (e.g. milk required not just for tea but also in ice-cream industry)	Milk price increased
If decreased (e.g. overprinting of \$ disregarding gold-std, or reducing underlying gold quantity \$1= 10gm)	If unchanged	Milk price increased
If increased (e.g. new gold std \$1=15 gm of gold)	If unchanged	Milk price decreased
If unchanged	If decreased (e.g. new diet-fashion where people sip black coffee without milk)	Milk price decreased

45.6 LIQUIDITY TRAP (J.M. KEYNES)

- We measure value of '(borrowed) money' in terms of interest rate.
- To fight deflation, RBI should pursue cheap money policy: cut the repo rate / increase the money supply → cheaper loan interest rates → more car loans / home loans / biz.loans → more demand → deflation is fought.
- During a severe and long lasting depression (= Recession) there is fall in demand of goods and services. So, even if RBI tries to increase money supply (by cutting repo rate, engaging in OMO etc.), it merely increases the idle cash balances of (liquid) money in the hands of banks/NBFC/people. It'll not result in further reduction in loan interest rates because they have already fallen very low. This phenomenon is called '*Liquidity Trap*'.

Thus, Liquidity trap refers to a situation in which an increase in the money supply does not result in a fall in the interest rate but merely in an addition to idle cash balances.

45.7 INCOME HYPOTHESIS: 4 TYPES

1. _____ **Income Hypothesis by J.M. Keynes:** It deals with how consumer divides his disposable income between consumption and saving. Rich people consume a lower proportion of their income (= save more portion of their income), compared to poor people. However American Economist Simon Kuznets found this hypothesis wrong in his experiment, it's called '**Kuznets Paradox**'.
2. **Relative Income Hypothesis:** A person's present consumption or saving pattern is not dependent on his current income but relative income compared to previous years. E.g. after recession → economy grows → Workers getting more salaries but still they're not immediately increasing consumption because they've to repay old debts, they fear of another recession hence saving more and consuming less.
3. **Permanent Income Hypothesis by Milton Friedman:** people will spend money at a level consistent with their expected long-term average income.
4. _____ **Hypothesis:** Young people take (education / car / home) loans hoping that future income will allow them to repay it. Whereas middle aged people spend



less & prefer to save more for their retirement planning / child-education / child-marriage etc.

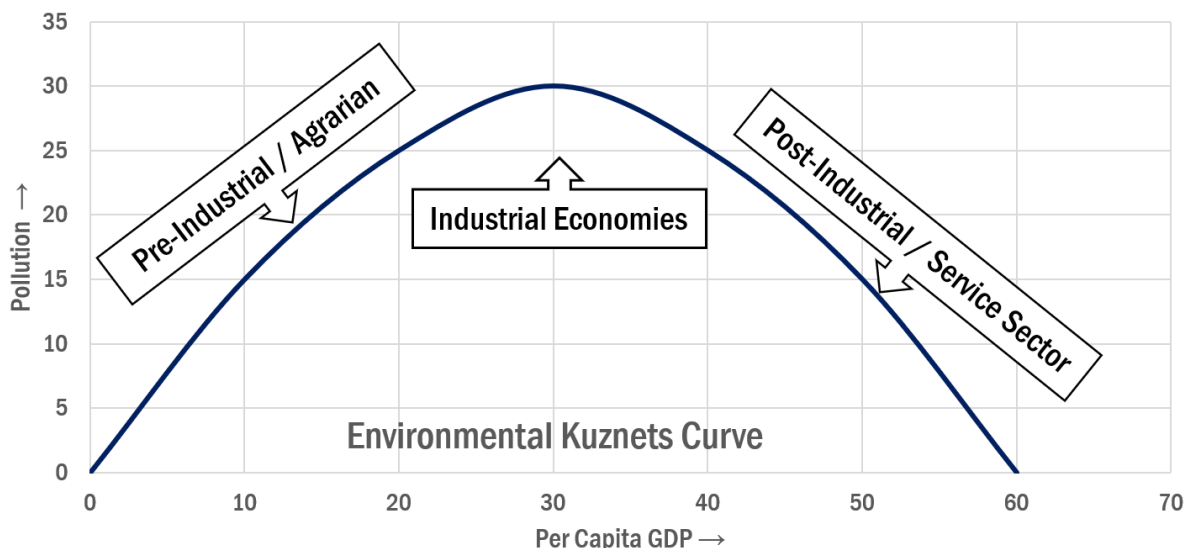
MCQ. Which one of the following hypothesis postulates that individual's consumption in any time period depends upon resources available to the individual, rate of return on his capital and age of the individual? (Asked in UPSC-CDS-2019-i)

- a) Absolute Income Hypothesis b) Relative Income Hypothesis
c) Life Cycle Hypothesis d) Permanent Income Hypothesis

45.8 KUZNETS CURVE (BY US ECONOMIST SIMON KUZNETS)

- As an economy develops, market forces will first increase inequality and then decrease inequality among people. (because growth will percolate towards rural areas and poor people)
- Inequality (Y axis) vs per capita GDP (X axis) will be an inverted U shape curve.

45.9 ENVIRONMENTAL KUZNETS CURVE



- Pollution / environmental degradation (Y axis) vs per capita GDP (X axis) will be an inverted U curve.
- As countries develop from agriculture to industrial economy → Pollution increases. But with further development → industrial to service sector led-economy (while industrial production is outsourced to a third world country & people have become more climate-conscious) → pollution declines in the given country.

MCQ. Find correct statement(s) in the context of income-environment relationship (Asked in UPSC-CDS-2015-II)

1. Pollution trends tend to follow an inverse-U shaped relationship across different stages of economic development.
 2. In the beginning stage, pollution increases due to urbanization and industrialization.
 3. In the later stage, pollution declines due to structural changes towards services sector.
- Codes: (a) 1 only (b) 1 and 2 only (c) 1, 2 and 3 (d) 2 and 3 only

Bolo, we are finally at the last page of handout, & it's not ending at page 420! As new current affairs develop, insert blank pages with handwritten / printed notes in between & (hopefully) this material should serve well atleast for next 2-3 years. But try to get selected before that.
~~ My Best wishes to all Serious Players ~~