

APPROACH TO MAINS ECONOMY

BY

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BREAKING THE MYTH

- VERY COMPLEX
- CAN WE GUESS QUESTIONS.
- WILL UPSC REPEAT QUESTIONS.
- DO I HAVE TO MEMORIZE FACTS.
- WILL GRAPHS & FLOWCHARTS ADD VALUE.

BREAKING THE MYTH

- WILL UPSC TEXT BOOKS HELP?
- SHOULD I INTERPRET DIFFICULT HINDU EDITORIALS.
- SHOULD I FOLLOW EVERY CURRENT AFFAIRS VIDEO .
- CAN I WRITE GS1 ANSWERS IN GS3.
- IS IT A GAME OF KNOWLEDGE.

HOW TO INTERPRET PYQ's

Identify the theme into which the question fits in

Read the theme along with extensions of the theme

Make a Note of Sideheadings in the Answer

Recent facts and schemes to be used .


Is a Way Forward possible (Current Affairs)

What else can be asked from the extensions.

THEME: Effects of liberalization on the Indian Economy, Changes in Industrial Policy and their effects on Industrial growth.

Q) Faster Economic Growth requires increased share of the manufacturing sector in GDP, particularly of MSME's . Comment on the present policies of the Government in this regard.

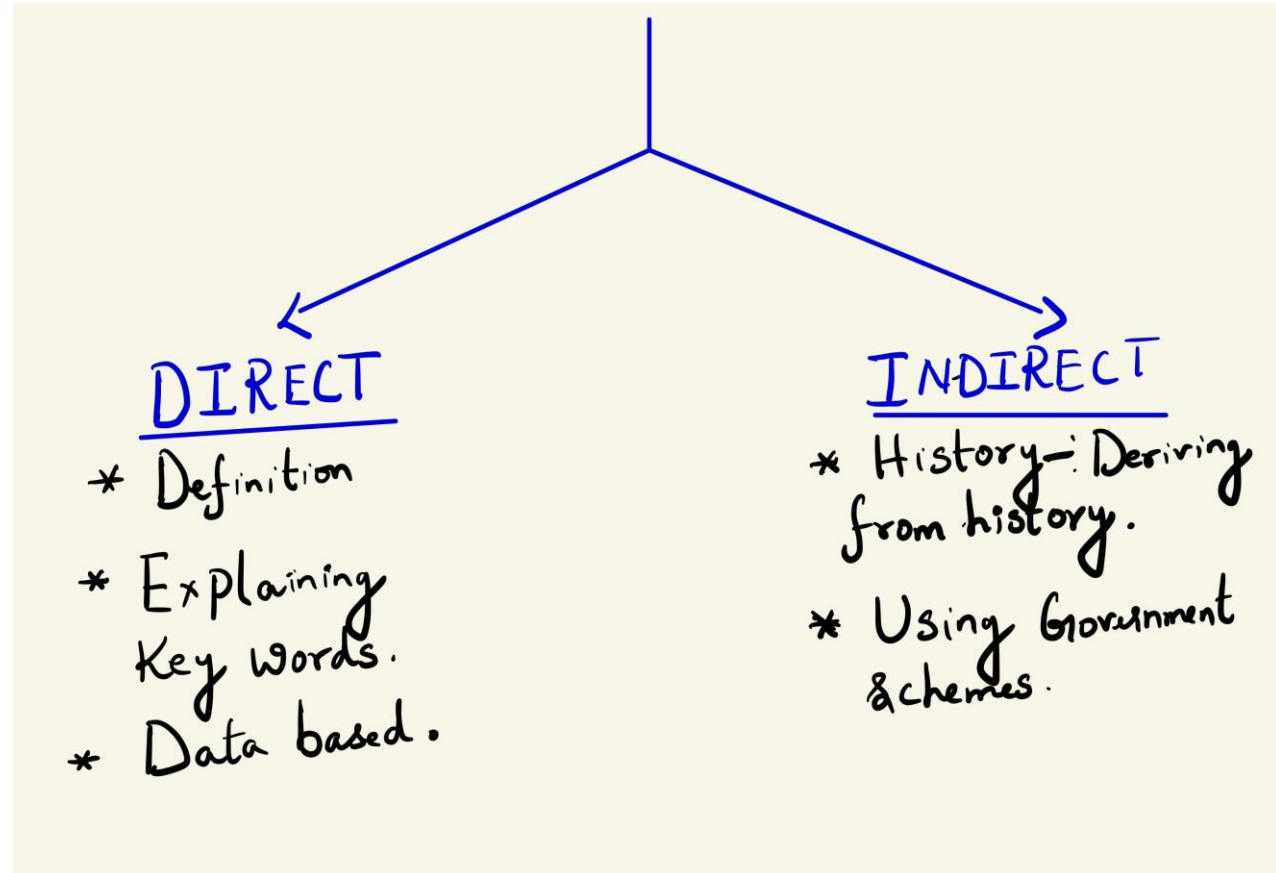


A decorative graphic on the left side of the slide. It features a vertical line with four unlit light bulbs hanging from it. Below these, a single light bulb is shown in a yellow, glowing state with radiating lines, suggesting an idea or expansion.

SUB THEMES & EXPANSIONS.

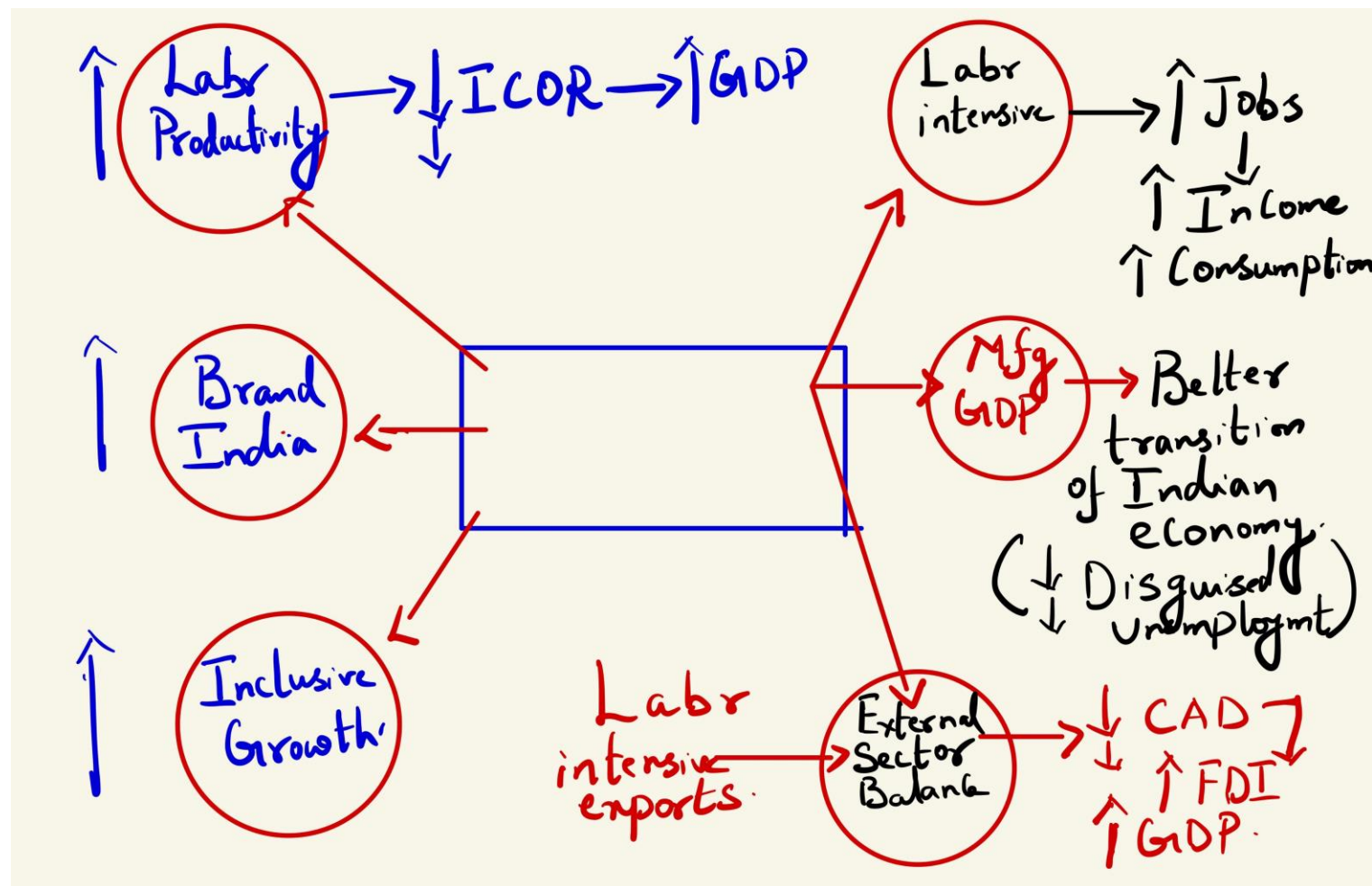
- Impact of liberalization on Indian Economy
- Role of MSME'S in Economic growth and Inclusiveness.
- Previous year questions on similar lines.
- Role of Manufacturing in Economic growth & Employment.

Deriving Introductions & Conclusions.

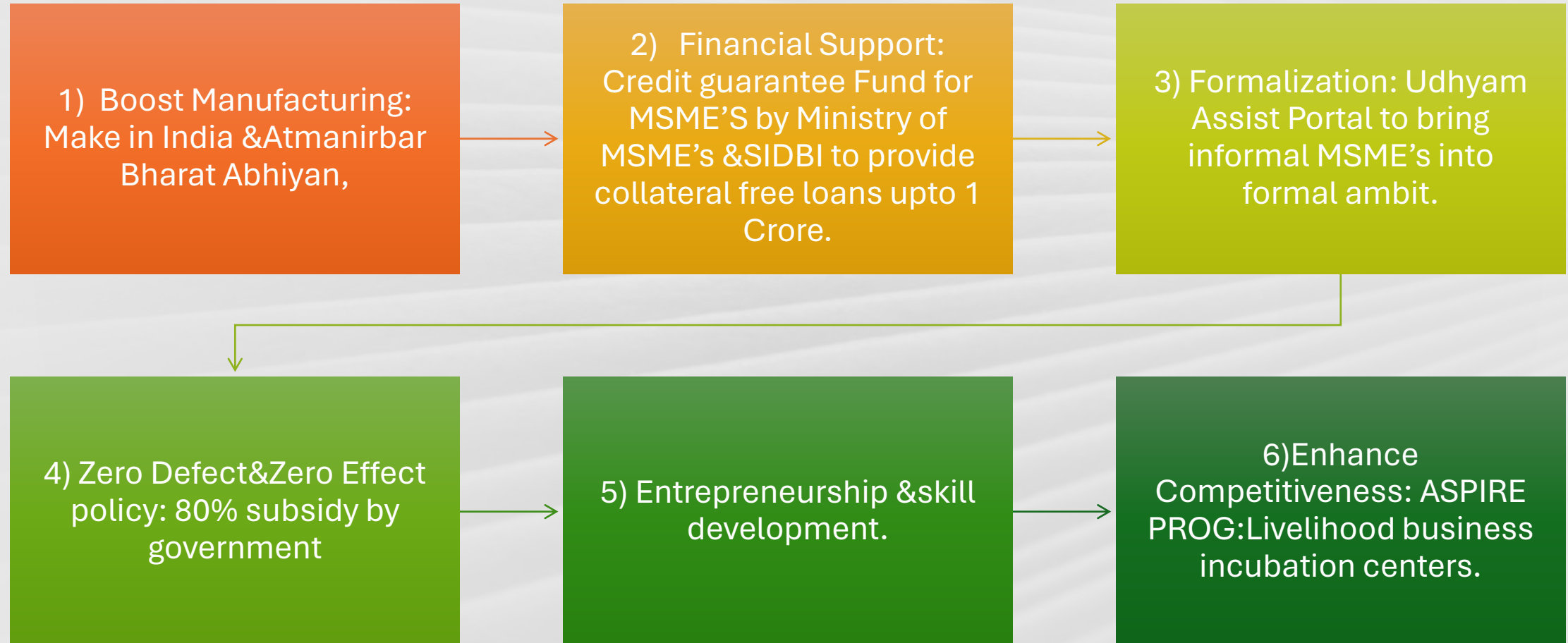


- MSME'S contribute to 6.11% of manufacturing GDP, 24.6% OF SERVICES GDP, 40% of TOTAL EXPORTS. It has the potential to contribute to 1 Trillion \$ exports by 2028.

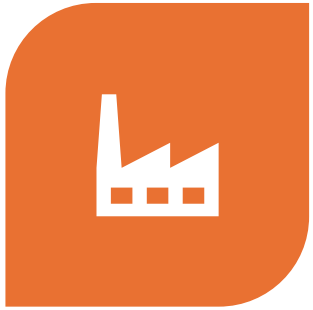
Link
between
MSME's
& Growth.



KEYWORDS & SCHEMES TO FETCH MARKS.



KEYWORD BASED CONCLUSIONS:



CAPITAL INTENSIVE TO
LABOUR INTENSIVE



BALANCED REGIONAL
DEVELOPMENT.

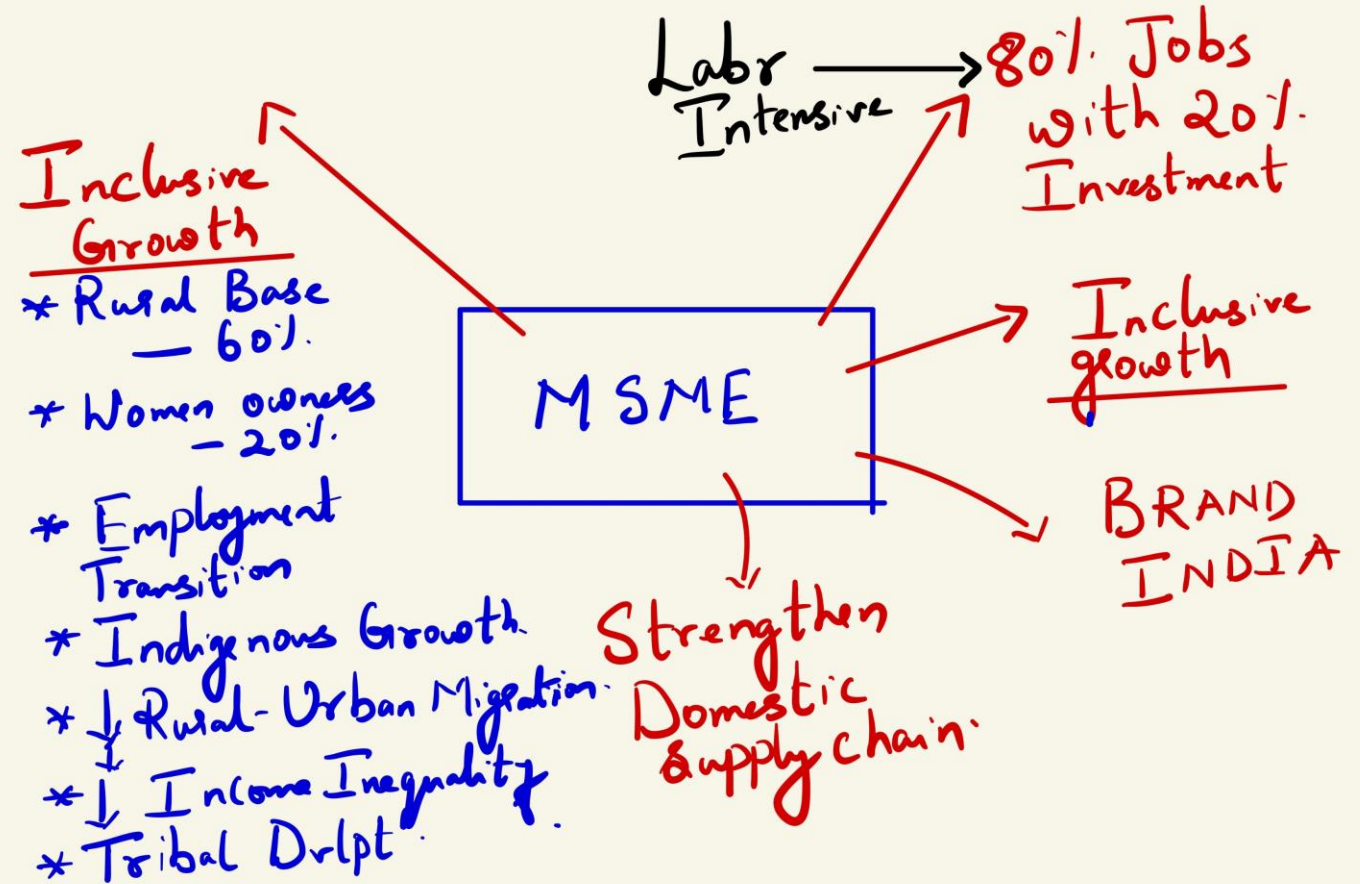


BRIDGING RURAL
URBAN DIVIDE.



ECONOMIC GROWTH
(5T\$)WITH
DEVELOPMENT.

MSME & INCLUSIVE GROWTH

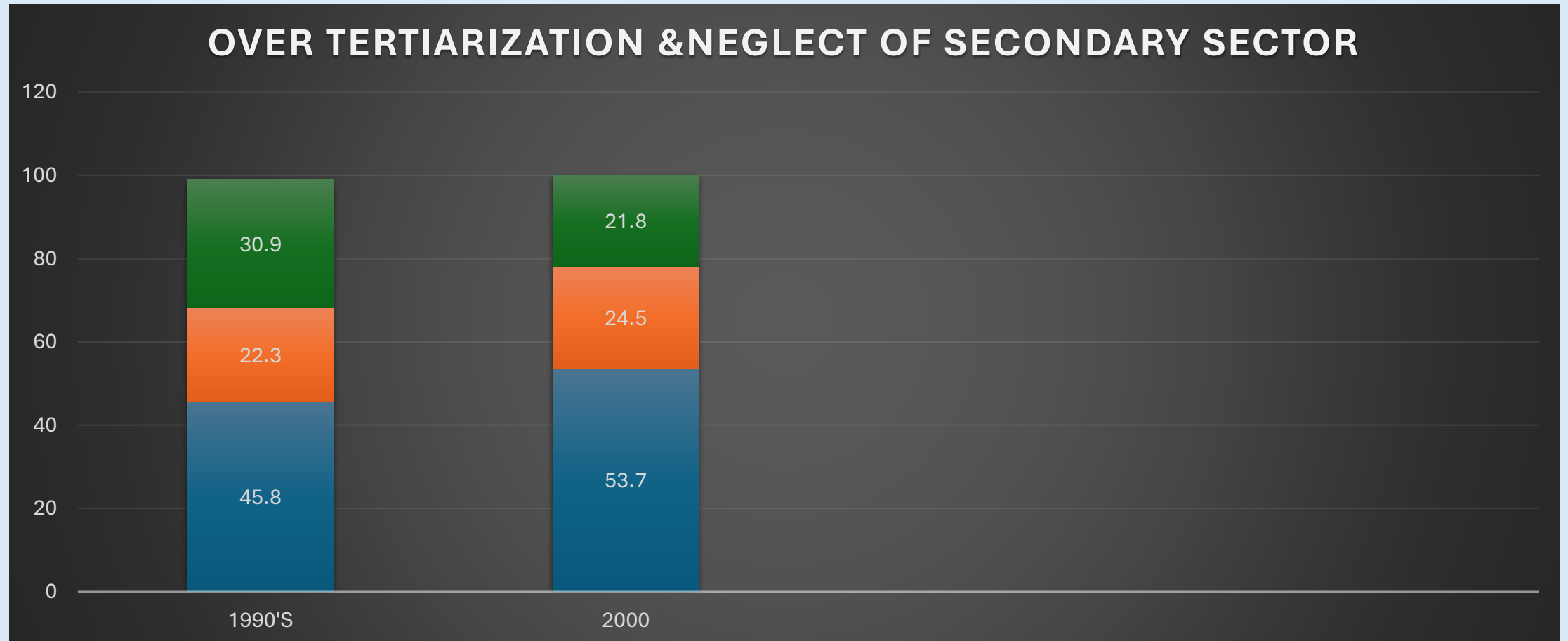


THEME: Effects of liberalization on the Indian Economy, Changes in Industrial Policy and their effects on Industrial growth.

Q) Industrial growth rate has lagged behind in the overall growth of Gross Domestic Product in the post reform period. Give reasons. How far the recent changes in Industrial policy are capable of increasing the industrial growth rate?(2017)

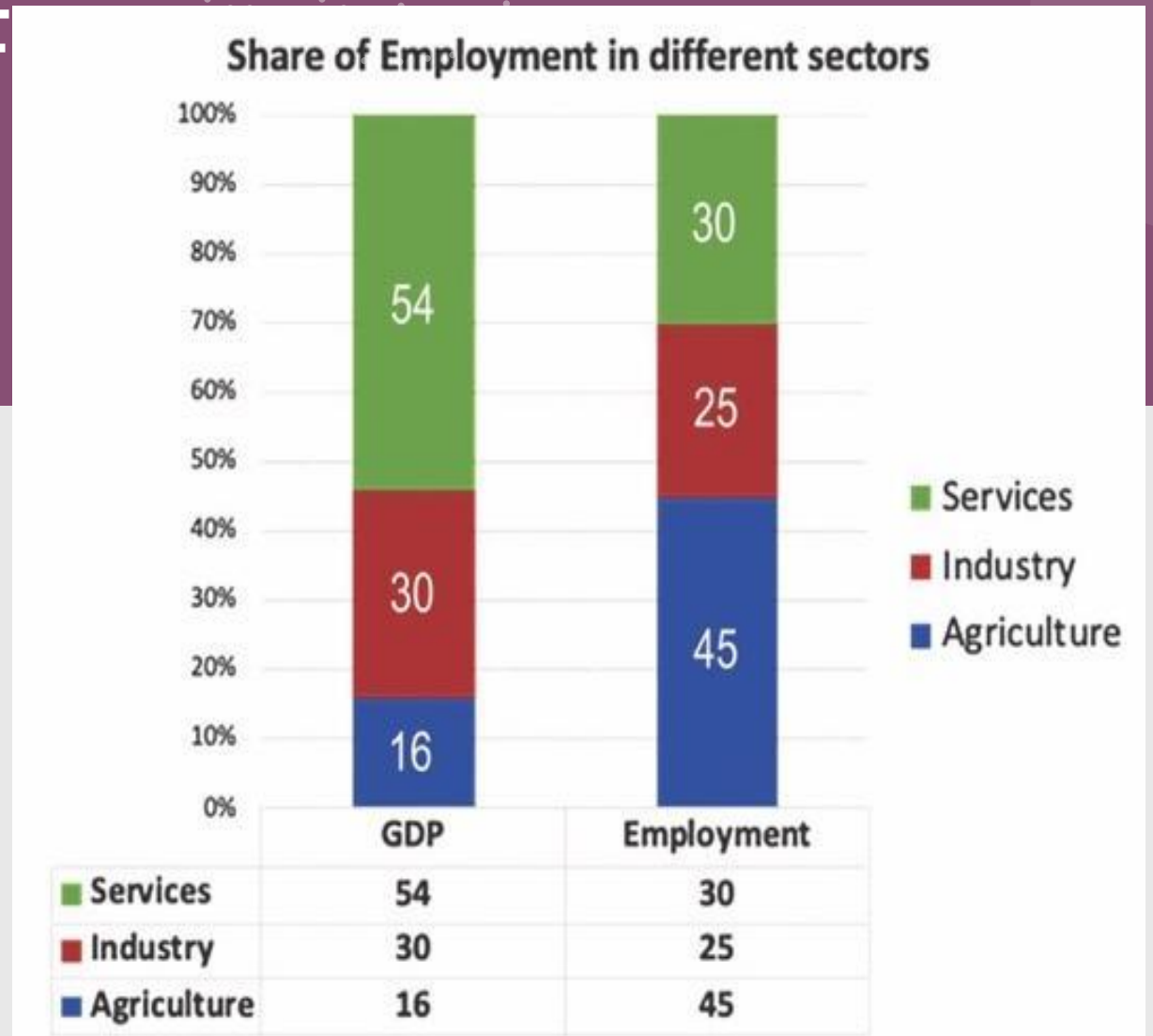


IMPACT OF LIBERALISATION ON DIFFERENT SECTORS.



CONTRIBUTION OF SECTORS TO EMPLOYMENT

- **QUESTIONS**
- Labour intensive growth.
- Liberalization & overt tertiarization
- Liberalisation & Jobless Growth
- Role of service sector in job creation



THEME: Effects of liberalization on the Indian Economy, Changes in Industrial Policy and their effects on Industrial growth.

Q) How globalization has led to the reduction of employment in the formal sector of the Indian economy? Is increased informalization detrimental to the development of the economy. (2016)



THEME 2: Food Processing & related industries in India, scope & significance, location, upstream & downstream requirements, Supply Chain Management.

Q) Elaborate the policies taken by government of India to meet the challenges of the food processing sector(15)(2019)





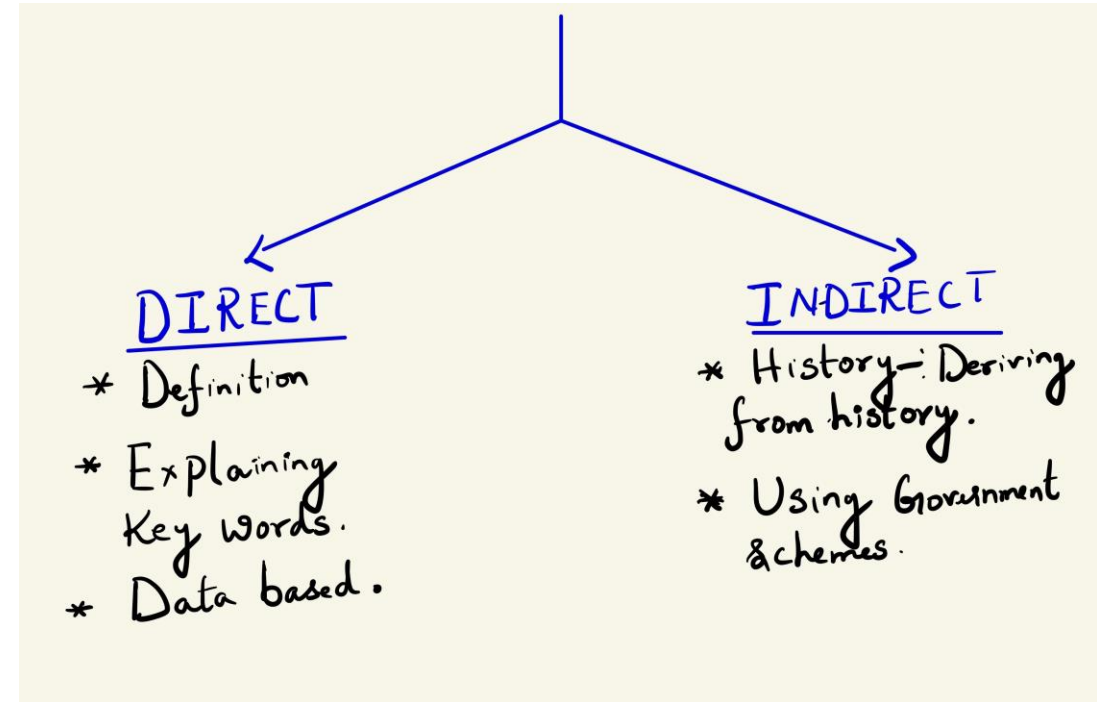
SUB THEMES & EXPANSIONS.

- SCOPE & SIGNIFICANCE OF FOOD PROCESSING INDUSTRIES.
- ROLE OF FOOD PROCESSING IN INCLUSIVE GROWTH.
- CHALLENGES OF FOOD PROCESSING SECTOR.
- IMPACT OF FOOD PROCESSING ON FARMERS INCOME AND EXPORTS.

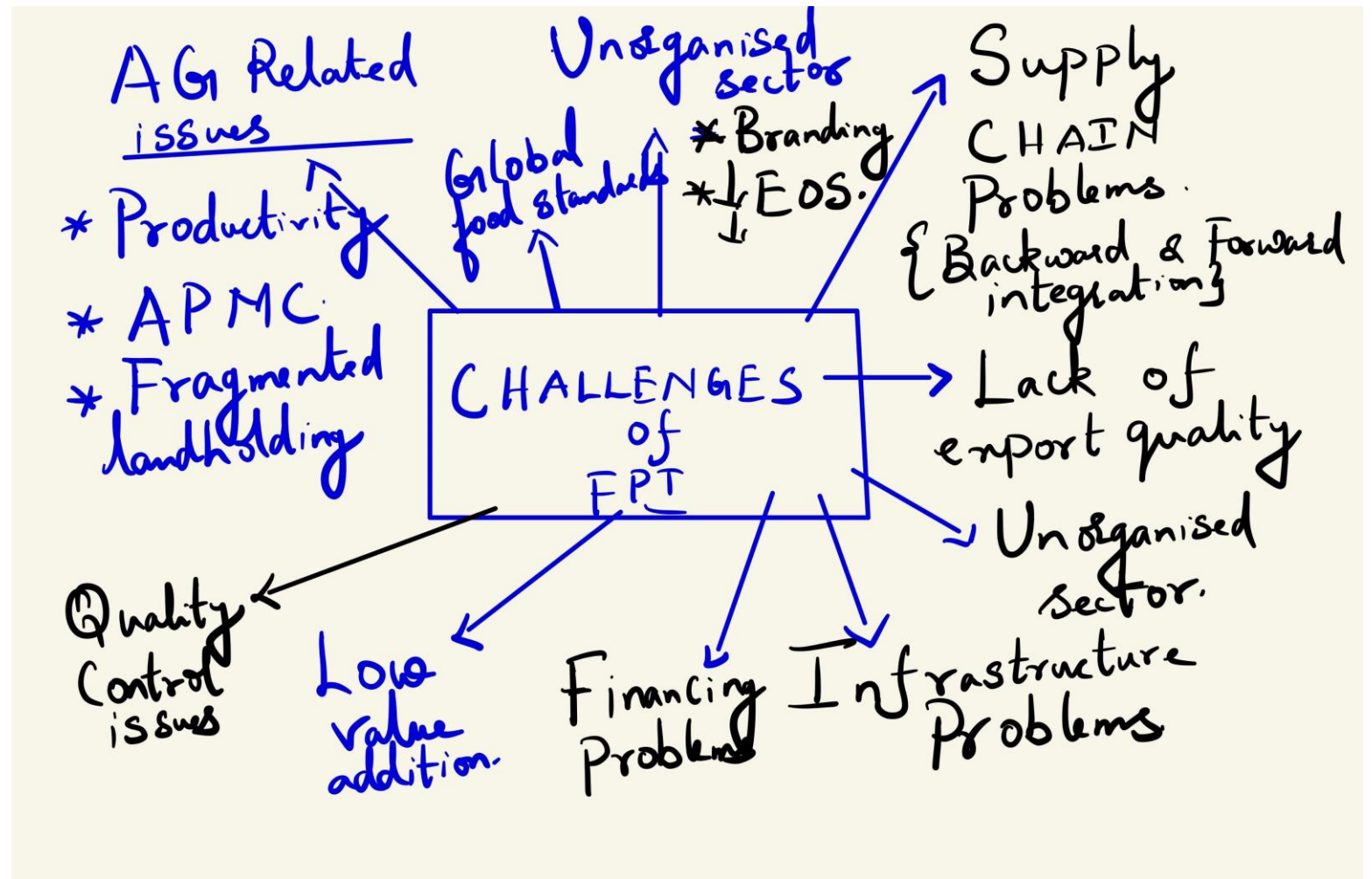
Deriving Introductions & Conclusions.

* Food Processing sector contributes to 1.69% of the total GVA of the country and it is a sunrise sector whose output is expected to reach 535B\$ by 2025-2026.

* Food Processing is an interlinking sector between Agriculture and Industry employing 12.8% of workforce in the organized sector. The sector contributes to 11% of agricultural value addition and 9% of manufacturing value addition.



CHALLENGES OF FOOD PROCESSING INDUSTRY.





POLICY INITIATIVES –MAJOR FOCUS



1) MEGA FOOD PARK SCHEME



2) FPI under Priority Sector Lending Targets.



3) E-NAM



4) Automatic approval of foreign equity upto 100%



5) PMKSY



6) PLI scheme for food processing.



7) PM Formalization of Micro Food Processing Enterprises Scheme.



8) Dedicated grievance cell.

Key word based conclusion.

DOUBLING
FARMER's
INCOME.

SUNRISE
SECTOR
&EFFECTIVE
TRANSITION OF
INDIAN
ECONOMY.

LABOUR
INTENSIVE
&DEMOGRAPHIC
DIVIDEND.

DOUBLING
AGRICULTURE
EXPORTS
THROUGH VALUE
ADDITION.

THEME 2: Food Processing & related industries in India, scope & significance, location, upstream & downstream requirements, Supply Chain Management.

Q) What are the challenges and opportunities of Food Processing sector in the country? How can Income of Farmers be substantially increased by encouraging food processing.



OPPORTUNITIES IN FOOD PROCESSING SECTOR.

INCREASED INVESTMENTS:
Potential to attract 33 B\$ of investment in the next 10 years.

STRONG DOMESTIC DEMAND: Changing consumption pattern , Urbanisation & increase in health and value seeking urban consumer.

INCREASED PRODUCTION: LIVESTOCK, LONG COASTLINE etc

HUGE UNTAPPED MARKET: Second largest producer of fruits and vegetables ,but hardly 2% of the produce is processed. Level of processing is low (<10%), (8% marine), 35% Milk ,6% poultry etc

INCREASE IN ORGANISED RETAIL.

FOOD PROCESSING AND FARMER'S INCOME.

Effective backward and forward integration.

ADDITIONAL MARKET BEYOND MANDIS.

CONTRACT FARMING will reduce middlemen.

Farmers backward integrated under Mega Food Park Scheme.

Huge export potential for farmers(Trickle down effect of Farmer's Income)

Increasing demand for Agro Products.

Localized Processing & Employment opportunities.

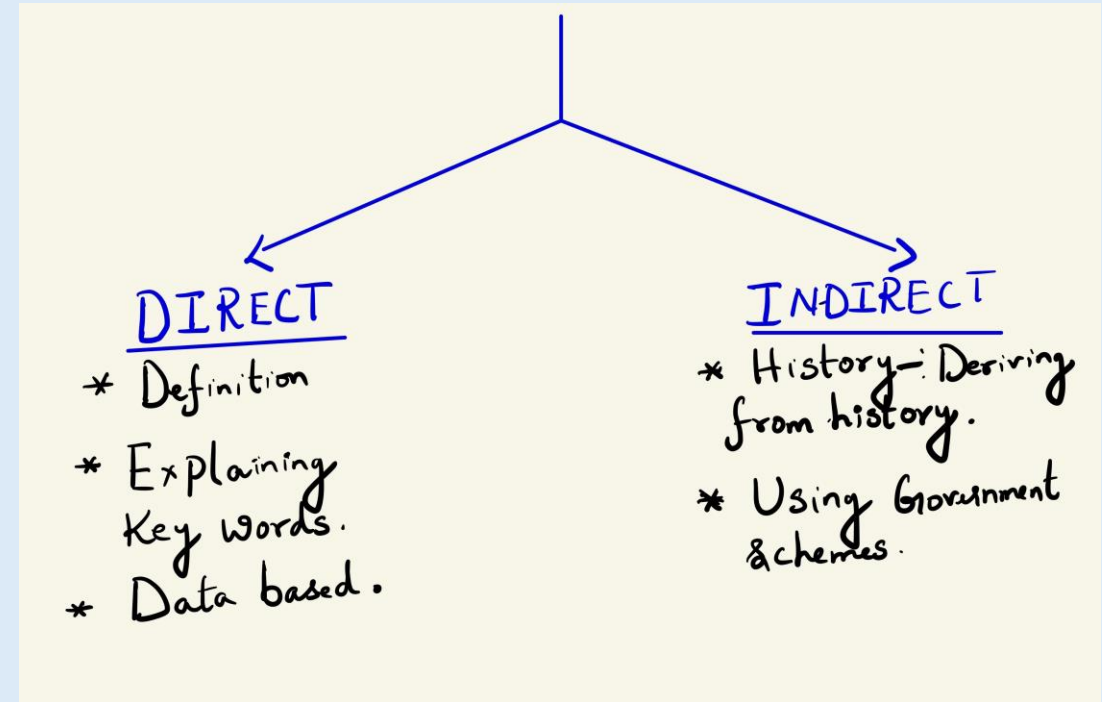
THEME 2: Food Processing & related industries in India, scope & significance, location, upstream & downstream requirements, Supply Chain Management.

Q) Elaborate the scope and significance of Food Processing Industry in India. (10) (2022)



Deriving Introductions & Conclusions.

*Food Processing is simply a method by which agricultural products are transformed into food products that are fit for consumption .It is a sunrise industry with a contribution of 2.37 lakh crore GVA at a CAGR of 9.97%.



SCOPE OF FOOD PROCESSING SECTOR



INCREASING DEMAND DUE TO
EXPLODING POPULATION AND INCREASE
IN PER CAPITA INCOME.



CHANGING CONSUMPTION PATTERN &
VALUE SEEKING URBAN CONSUMERS.

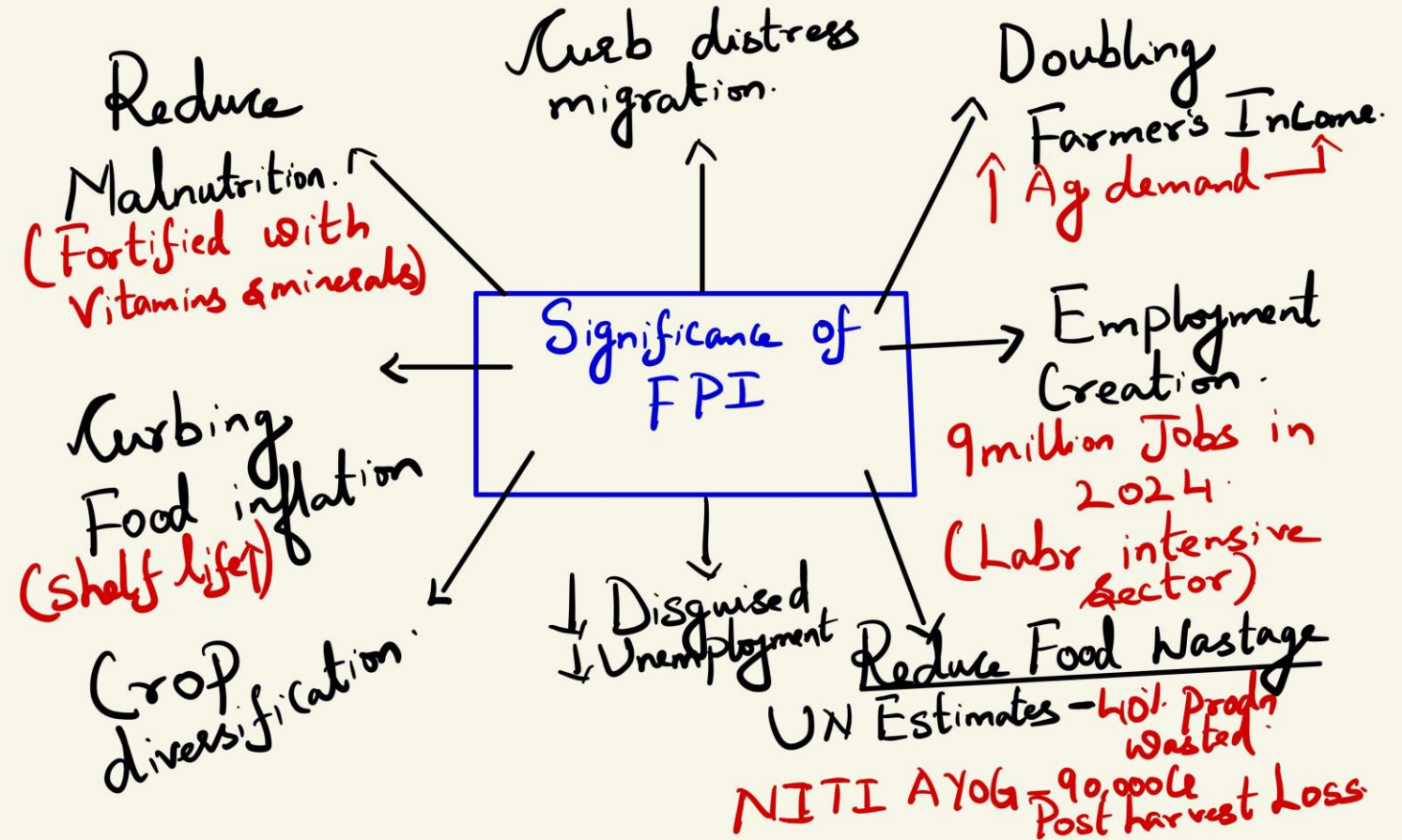


INCREASE IN ORGANISED RETAIL.



SUNRISE SECTOR & GOVERNMENT
INITIATIVES.

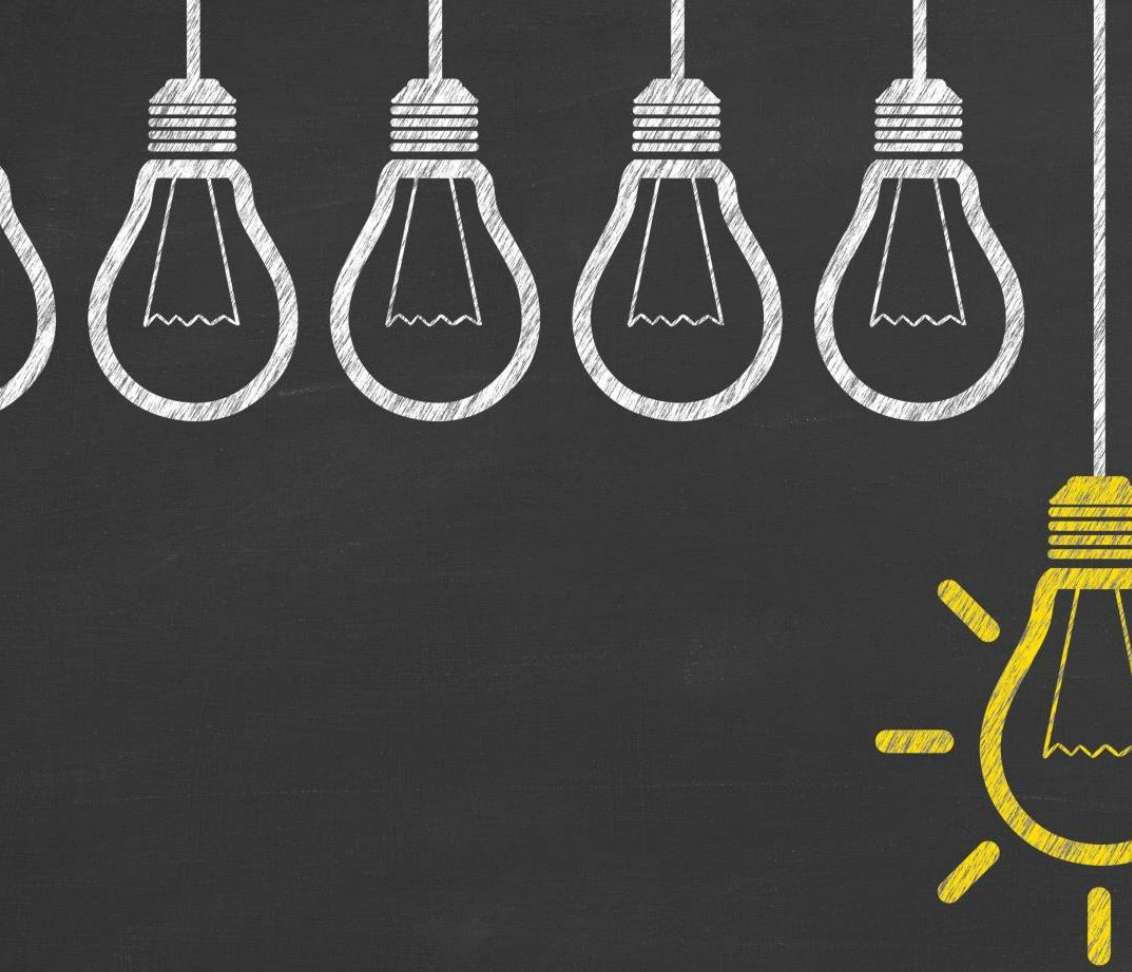
SIGNIFICANCE OF FPI.



THEME 3: LAND REFORMS.

Q) State the objectives and measures of land reforms. Discuss how land ceiling policy on land holding can be considered as an effective reform under economic criteria.



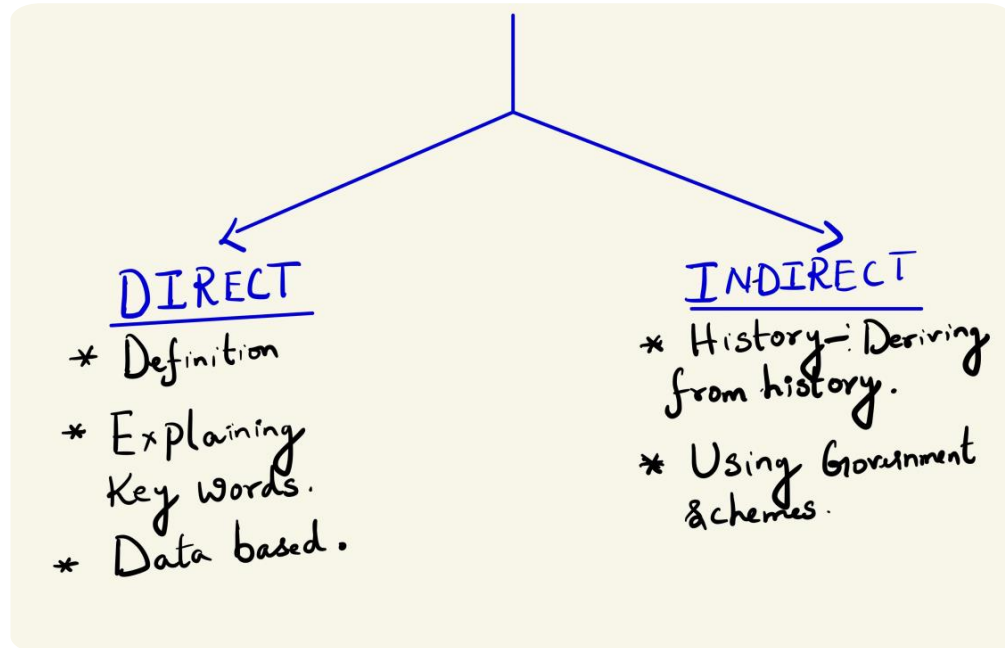


SUB THEMES & EXPANSIONS.

- 1) AGRICULTURE FRIENDLY LAND REFORMS.
- 2) LAND REFORMS AND FARMER'S WELFARE.
- 3) LAND REFORMS AND INCLUSIVE GROWTH.
- 4) REASONS FOR SUCCESS OF LAND REFORMS .
- 5) PROBLEMS OR CHALLENGES OF LAND REFORMS.
- 6) LAND CEILING :Economic &Social Impact.

Deriving Introductions & Conclusions.

. Land reforms deals with redistributing land to the landless. In an agrarian socialistic set up, land reforms was seen as a mechanism to ensure equitable distribution, reducing rural distress and exploitation.



OBJECTIVES OF LAND REFORMS.

ABOLITION OF
ZAMINDARS

CHANGE IN AGRARIAN
STRUCTURE.

PROVIDE SECURITY TO
THE TILLER OF THE SOIL.

TO REMOVE
INTERMEDIARIES AND
INCREASE THE
EFFICIENCY OF
AGRICULTURAL
PRODUCTION.

ENSURE EQUALITY OF
STATUS AND
OPPORTUNITIES TO ALL
SECTIONS OF THE
POPULATION.

PREVENT EXPLOITATION.

MEASURES :



ABOLITION OF INTERMEDIARIES



TENANCY REFORMS



REORGANISATION OF LAND HOLDINGS.



REORGANISATION OF AGRICULTURE.

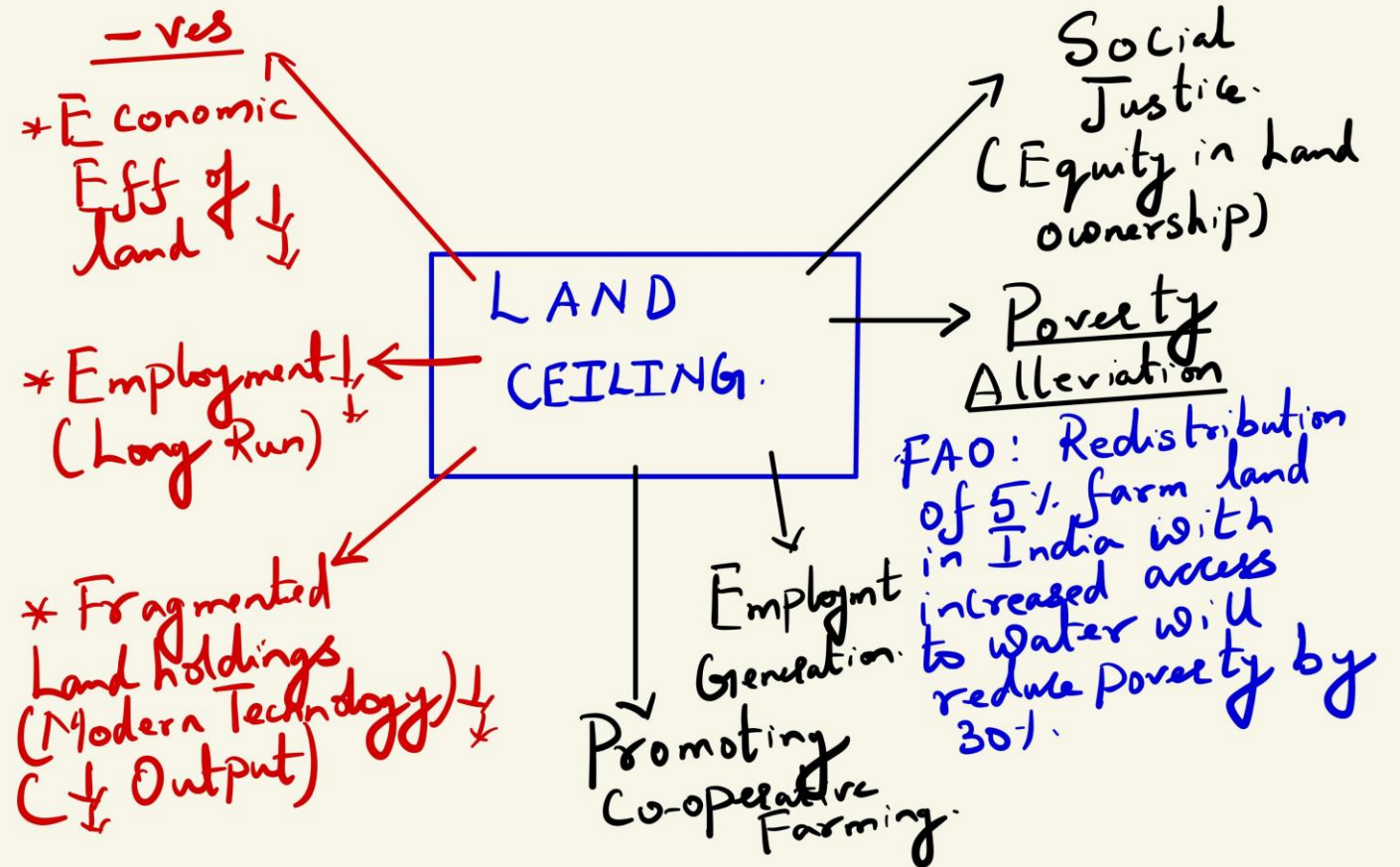


DIGITALISATION OF LAND RECORDS(NATIONAL LAND RECORDS MODERNIZATION PROGRAM.



RIGHT TO FAIR COMPENSATION AND TRANSPARENCY IN LAND ACQUISITION ,REHABILITATION & RESETTLEMENT ACT.

LAND CEILING AND ECONOMIC ARGUMENT.





CONCLUSION:

- SUCCESS OF LAND REFORMS AND CEILING DEPENDS ON POLITICAL WILL & ADAPTABILITY OF FARMERS TO COOPERATIVE FARMING & INCREASED AWARENESS OF FARMERS

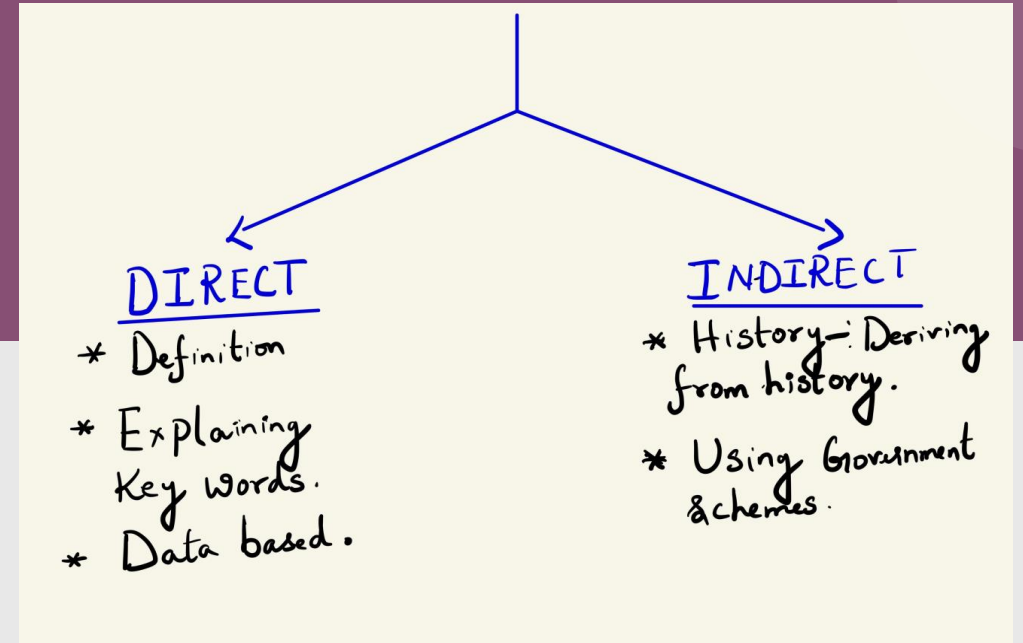
THEME 3: LAND REFORMS.

Q) How did land reforms in some parts of the country help to improve the socio –economic conditions of marginal and small farmers?(10))(2021)



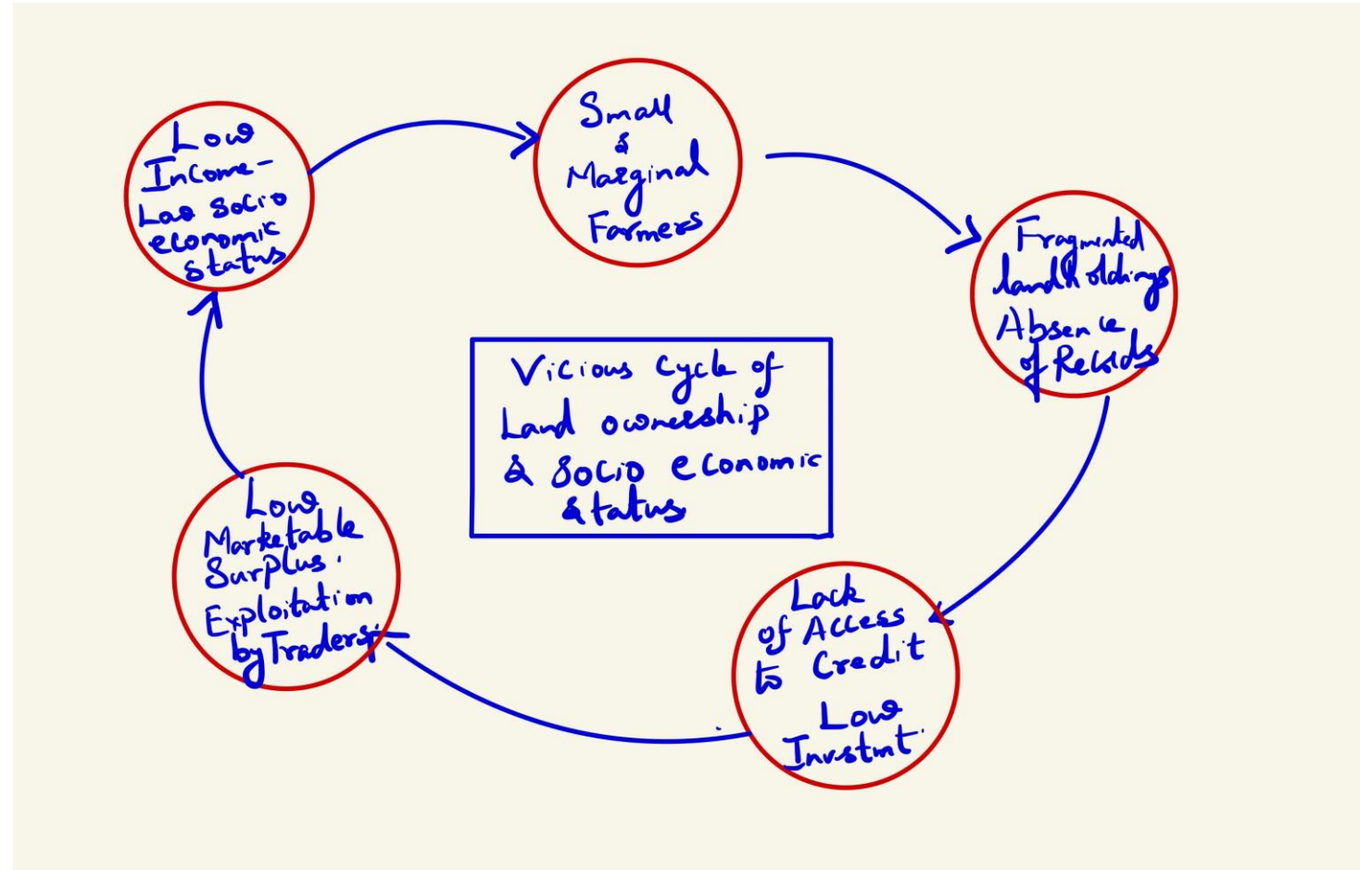
Deriving Introductions & Conclusions.

. Land reforms since independence was seen as a tool to improve land efficiency and ensuring social justice. Land reforms was partially successful barring few states like WB, KERALA, PUNJAB, HARYANA



Socio Economic Conditions of Small Farmers.

- Abolition of Intermediaries
- Tenancy Reforms.
- Consolidation of Land Holdings to improve efficiency increasesing farmer's income per acre.
- Equitable reorganisation of Land Holdings: Land ceiling
- Dissolution of social stratification.



WAY FORWARD

- Asking states to consider the Model Land Leasing Law, 2016.
- Updation and Modernisation of Land Record System.
- Strengthening initiatives like digital India, SVAMITVA (Survey of villages and mapping with improved Technology in Village Areas).



REASONS FOR SUCCESS OF LAND REFORMS(SUB THEME)

BHOODAN & GRAMDAN
MOVEMENTS

SPIRIT OF FREEDOM STRUGGLE

9 th Schedule: Beyond Judicial
intervention.

Farmer Societies and Civil Society
Participation.

New Land Ceiling Act 1972

Political will.

THEME 4: INVESTMENT MODELS

Q) Explain the meaning of investment in an economy in terms of Capital Formation. Discuss the factors to be considered while designing a concession agreement between a public entity and a private entity.(2020)





SUB THEMES & EXPANSIONS.

- 1) Investment and Economic growth.
- 2) Investment led growth.
- 3) PPP & ECONOMIC GROWTH
- 4) BENEFITS AND CHALLENGES OF PPP.

INTRODUCTION:

- DIRECT: EXPLAIN THE TERM INVESTMENT IN TERMS OF CAPITAL FORMATION.
- Capital formation is nothing but accumulation of capital goods which can be used to produce other goods. The term investment includes capital investment by firms, inventory investment by firms, real estate investment by households and public investment into infrastructure.



CONCESSION AGREEMENT & FACTORS:

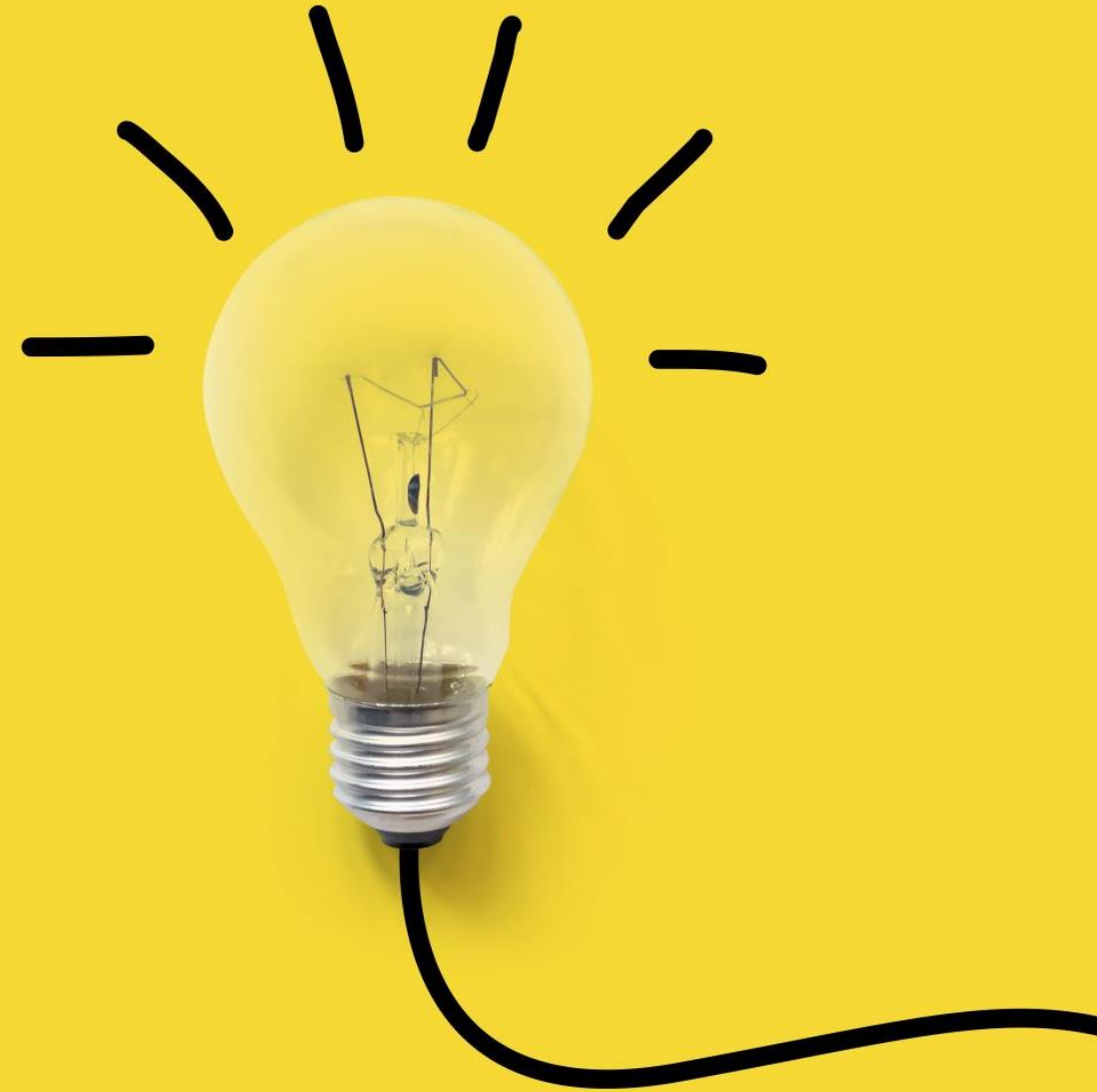
. A concession agreement is an agreement between a government authority and a private entity through which the government grants certain rights to the private entity for construction of infrastructure projects.

FACTORS:

- 1) FAIR RISK ALLOCATION.
- 2) ECONOMIC VIABILITY OF THE PROJECT.
- 3) DISPUTE RESOLUTION .
- 4) CONTRACT UNCERTAINTIES
- 5) COMPLETION AND TRANSITION.

CONCLUSION:

- India has taken various efforts towards developing a Model Concession agreement including the setting up of B.K Chaturvedi Panel . Success of concession agreements can go a long way in investments and capital formation of the country.



THEME 4: INVESTMENT MODELS

Q) Why is PPP required in infrastructure projects? Examine the role of PPP model in the development of Railway stations in India.



INTRODUCTION

- **INDIRECT:** Since 1990's there has been a rapid rise of PPP across the globe. Governments in developing as well as developed countries are using PPP arrangements for improved delivery of infrastructure projects.

WHY PPP:

PPP models in the redevelopment of Railway stations:

- INVESTMENT: 1253 +Railway stations require huge investment.
- IMPROVING INFRASTRUCTURE:
- RISK SHARING :
- INCREASING FISCAL BURDEN OF GOVERNMENT.
- NEW INNOVATIVE MODELS CAN BE USED FOR MODERNISATION.



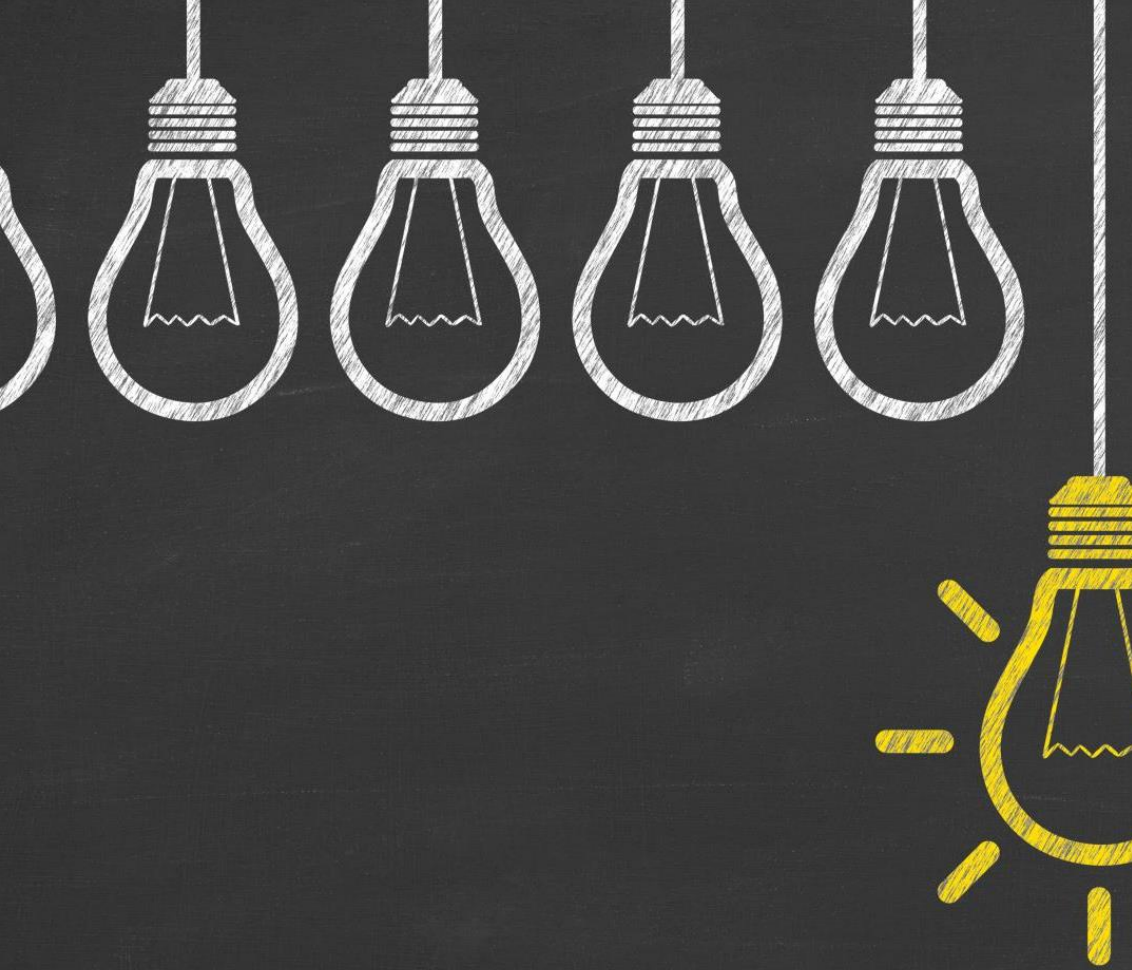
CONCLUSION:

*COMBINATION OF
EPC &PPP BASED ON
FEASIBILITY.

THEME 5: ENERGY ,PORTS ,ROADS,AIRPORTS,RAILWAYs etc

Q) “Investment in infrastructure is essential for more rapid and inclusive economic growth. Discuss in the light of India’s experience.(15)(2021)





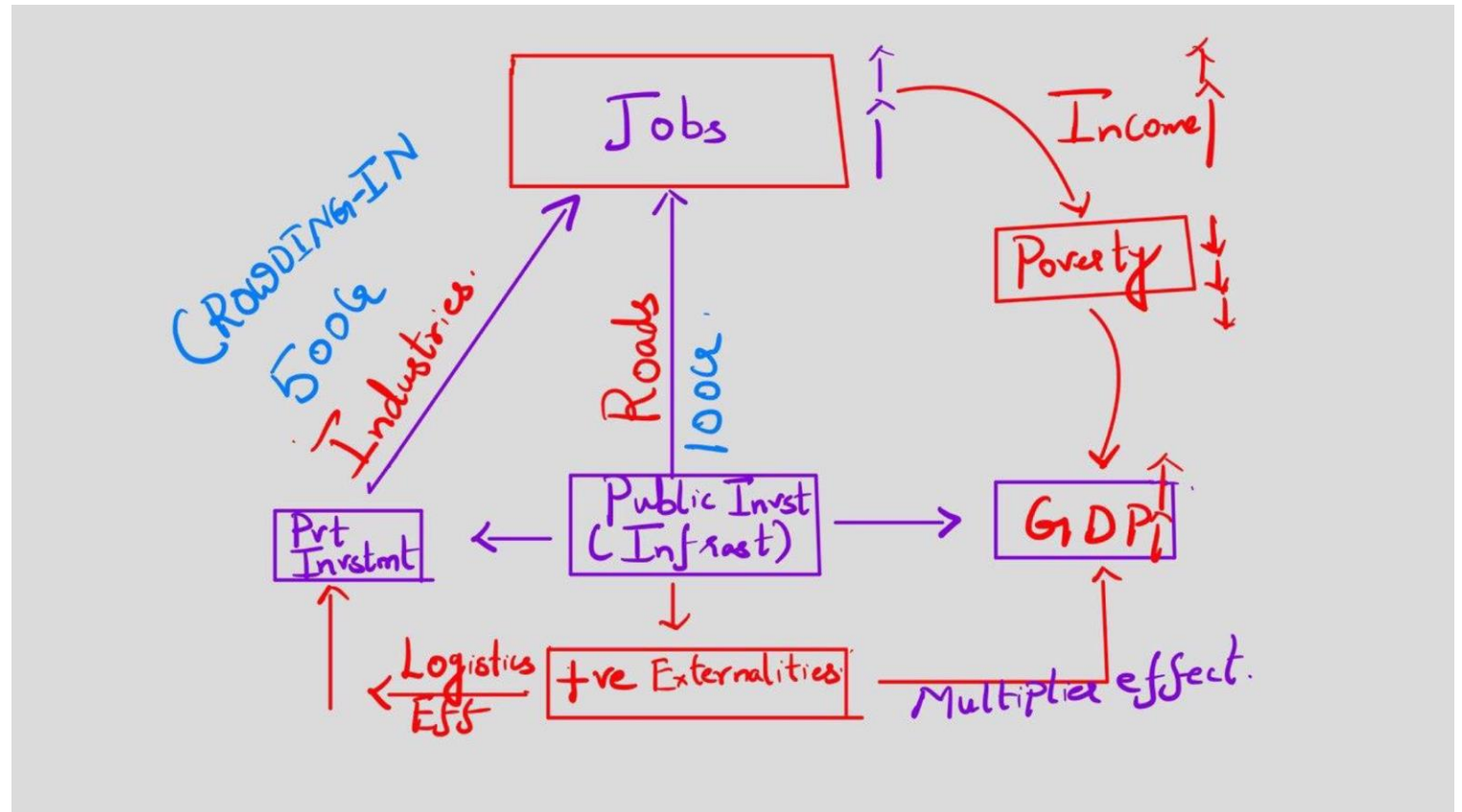
SUB THEMES & EXPANSIONS.

- 1) INFRASTRUCTURE & ECONOMIC GROWTH
- 2) INFRASTRUCTURE & INCLUSIVE GROWTH.
- 3) ROLE OF INFRASTRUCTURE IN ACHIEVING 5T\$ ECONOMY.
- 4) PROBLEMS OF INFRASTRUCTURE FINANCING.

INTRODUCTION:

- Government's capital expenditure has increased 4 times from 2016 to 2022. In FY 21, infrastructure operations accounted for 13% of overall FDI inflows of US \$81.72 billion. This shows the potential of the sector.

Importance of Infrastructure:





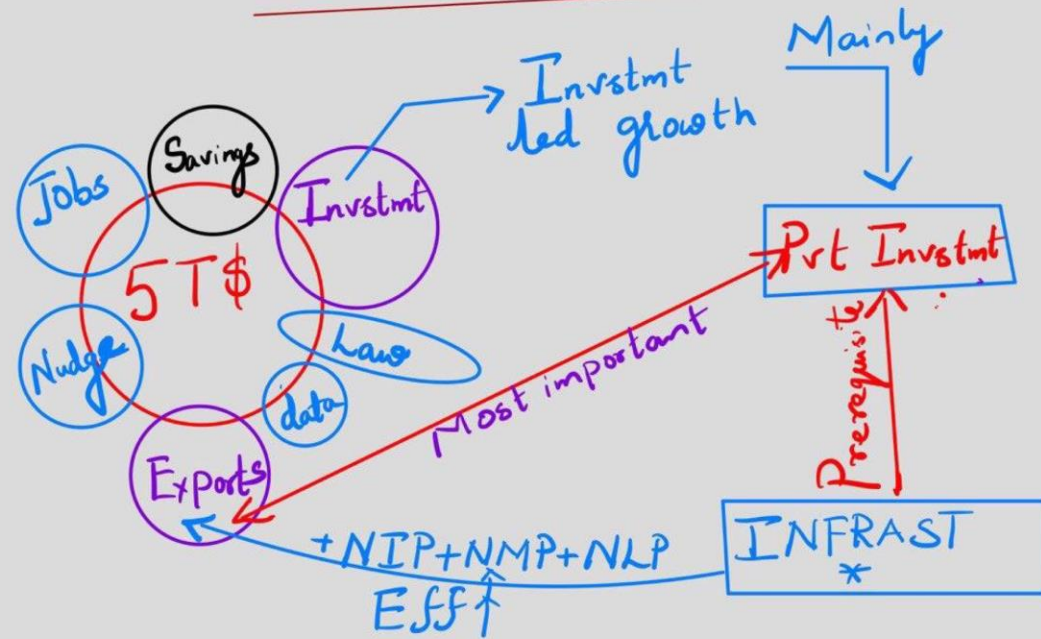
CHALLENGES IN INFRASTRUCTURE:

BRAINSTORM:

CONCLUSION

Physical & Digital Infrastructure : Lifting Potential Growth

BASIC UNDERSTANDING!



RAMSUDHIR K

THEME 5: ENERGY ,PORTS ,ROADS,AIRPORTS,RAILWAYs etc

Q) Do you think India will meet 50 percent of its energy needs from renewable energy by 2030? Justify your answer .How will the shift of subsidies from fossil fuels to renewables help achieve the above objective ?Explain(15)(2022)



SUB THEMES:

- SOLAR ENERGY,NUCLEAR ENERGY ,RENEWABLE ENERGY
- CIVIL AVIATION ,RAIL ROAD etc.





INTRODUCTION:

Introduce with India's commitment for renewable energy.

Recently ,India updated its Nationally Determined contribution(NDC) submitted to the UNFCCC.India's updated targets include achieving 50% cumulative electric power installed capacity from non fossil fuel based energy resources by 2030.

Challenges:

- 1) Lack of coordination in policy implementation: Electricity being a concurrent subject.
- 2) LAND ACQUISITION CHALLENGES FOR RE:LAND RECORDS, OBTAINING PERMISSION FROM LOCAL BODIES.
- 3) INADEQUACY OF TRAINED MANPOWER: COST OVER RUNS
- 4) COAL DEPENDENCY: The pace of decommissioning coal based plants does not match the pace of rise of renewable energy. Presently more than 70% of power produced comes from coal plants.
- 5) FINANCIAL CONSTRAINTS : AROUND 30-33B\$ per year.
- 6) INTEGRATION OF DISTRIBUTED ENERGY SYSTEMS.



SHIFT OF SUBSIDIES FROM FOSSIL TO RENEWABLE:

- 1) REDUCE FINANCIAL CONSTRAINTS FOR RE: As per IMF ,ABOUT 5.9 T \$ was spent on subsidizing the fossil fuel industry in 2020 alone.
- 2) Reduce Carbon Emissions: Phasing out global fossil fuel subsidy will lead to a carbon emission decline of 2.32% by 2030.
- 3) SUSTAINABLE ECONOMIC GROWTH.
- 4) Accelerating sectoral transitions by providing timely financial incentives for RE,strengthening the associated infrastructureto achieve 50% of its energy needs from renewable energy by 2020.