

GS FOUNDATION (2023-24)

GOVERNANCE

HANDOUT 05

Government Policies & Interventions

Government Policies & Interventions and issues arising out of their design.

➤ Public Policy

- ✓ Actions & Decisions made by the government in order to address various issues in the society.
- ✓ Example: National Health Mission; RTI Act, 2005; MGNREGA 2005; GST Act, 2017; E-commerce Policy; Policy to regulate Online Games etc.

➤ Types of Public Policy

- ✓ Distributive Policies – policies that target specific individuals or groups [Ex. – Subsidies, Grants for research etc.]
- ✓ Redistributive Policies – Policies aimed at promoting social equity or social justice [Income tax, Social security policies]
- ✓ Regulatory Policies – policies aimed at restricting or encouraging certain type of behaviour within the society [Environmental Regulations, Consumer Protection etc.]
- ✓ Constituent Policy – policies aimed at creating new executive structures such as establishing a new govt. agency [Lokpal, NITI Aayog etc.]

Government Policies & Interventions and issues arising out of their design.

➤ Public Policy : Building Blocks

- ✓ Problem Identification
- ✓ Policy Formulation
- ✓ Decision Making & Adoption
- ✓ Policy Implementation
- ✓ Policy Evaluation

➤ Importance of Public Policy

- ✓ Deliver Public Services
- ✓ Facilitate Order
- ✓ Address various Societal issues
- ✓ Protect Rights
- ✓ Allows participation of people

Government Policies & Interventions and issues arising out of their design.

➤ Policies & Intervention in various Sectors

- ✓ Health
- ✓ Managing Urbanization
- ✓ Industry
- ✓ Infrastructure Connectivity
- ✓ Energy
- ✓ Agriculture & Allied Sector
- ✓ Rural Development
- ✓ MSME
- ✓ Natural Resources & Environment
- ✓ Water & Land Resources
- ✓ Poverty Alleviation

Government Policies & Interventions and issues arising out of their design.

- Health Sector
- ✓ Primary
- ✓ Secondary
- ✓ Tertiary
- ✓ Budget - 2% of GDP (FY 2023-24)

Important Govt. Initiatives regarding Health

- ✓ National Health Mission
- ✓ Pradhan Mantri Jan Arogya Yojana (PMJAY – Ayushman Bharat)
- ✓ Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)
- ✓ Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)
- ✓ Pradhan Mantri Atma Nirbhar Swasth Bharat Yojana (PMANSBY)
- ✓ National Digital Health Mission (NDHM)

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National Health Mission

- Components
 - ✓ National Rural health Mission
 - ✓ National Urban health Mission
- Objective
 - ✓ Promote health of Reproductive-Maternal-Neonatal-Adolescent health of Individuals plus communicable & non-communicable diseases.
 - ✓ Universal access to equitable, affordable & quality health care services that are accountable & responsive to peoples need.

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Goals of National Health Mission

- ✓ MMR – 1/1000 live birth
- ✓ IMR – 25/ 1000
- ✓ TFR – 2.1 %
- ✓ Prevention & reduction of anaemia in women aged 15-49 years
- ✓ Prevent and reduce mortality & morbidity from communicable & non-communicable diseases
- ✓ Reduce out of pocket expenditure
- ✓ Reduce incidence & mortality from tuberculosis by half
- ✓ Reduce prevalence of leprosy by less than one in 10000

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Pradhan Mantri Jan Arogya Yojana (PMJAY – Ayushman Bharat)

- ✓ Insurance for poor families up to Rs. 5 lacs / year / family
- ✓ Secondary & tertiary hospitalisation
- ✓ Reduce out of pocket expenditure

Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- ✓ To correct regional imbalances in the availability of tertiary healthcare services (AIIMS – Regional)
- ✓ To augment facilities for quality medical education in the country

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Pradhan Mantri Swasthya Suraksha Nidhi (PMSSN)

- ✓ Single non-lapsable fund for health
- ✓ Flagship schemes to be funded
- ✓ National Health Mission
- ✓ Ayushman Bharat – PMJAY
- ✓ PMSSY
- ✓ Emergency & disaster preparedness and responses during health emergencies
- ✓ Program that targets SDG's

Pradhan Mantri Atma Nirbhar Swasth Bharat Yojana (PMANSBY)

- ✓ Developing capacities of health systems and institution at all levels - primary, secondary and tertiary
- ✓ Preparing health systems in responding effectively to the current and future pandemics/disasters

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National Digital Health Mission (NDHM)

- ✓ Objective - to provide the necessary support for integration of digital health infrastructure in the country
- ✓ Components - Health ID; Digi Doctor; Health Facility Registry; Personal Health Records; Consent manager & gateway etc.

Issues related to health Sector in India

- ✓ Poor Budgetary allocation (app. 2% of GDP)
- ✓ Lack of Infrastructure (Primary, Secondary & Tertiary)
- ✓ Lack of trained manpower (0.7 doctors / 1000 persons; 2.5 doctors per 1000 persons)
- ✓ High out of pocket expenditure
- ✓ Lack of preventive care
- ✓ Overlap & lack of co-ordination between centre & states.

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Managing Urbanization

- ✓ Parameters – Population, Population Density & Economic activities
- ✓ UN Report – 2018 to 2050 [450 Million to 875 Million]

Major Policy Interventions

- ✓ Atal Mission for Rejuvenation & Urban Transformation [AMRUT 2.0]
- ✓ Swachh Bharat Mission [2.0]
- ✓ Smart City Mission
- ✓ Pradhan Mantri Awas Yojana [Housing for all]

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Swachh Bharat Mission 2.0 & AMRUT 2.0

- ✓ Garbage free status to all cities through 100% source segregation
- ✓ door to door collection & scientific management
- ✓ Safe disposal in scientific landfills
- ✓ Used water management
- ✓ Remediation at dump sites
- ✓ Reduction in single use plastics
- ✓ Open Defecation free
- ✓ Social Infrastructure [Parks, Street Lights, Public Transport]

Government Policies & Interventions and issues arising out of their design.

Smart City Mission

- ✓ Urban Mobility
- ✓ Waste & Water management
- ✓ Energy management
- ✓ E-governance & citizen services
- ✓ Housing
- ✓ Sustainable development, Safety & security

Challenges

- ✓ Convergence of various Schemes
- ✓ Special Purpose Vehicles [Lack of Participation]
- ✓ Finances
- ✓ Co-ordination [Centre-State]
- ✓ Urban Problems

Government Policies & Interventions and issues arising out of their design.

1. Though India's rapid urbanisation presents an economic opportunity it's not without challenges.
Comment [15 Marks]

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Agriculture & Allied sector

- ✓ Importance – 50% workforce & 18% GDP ; Multiplier effect [Poverty & Hunger, Malnutrition; Demand led Growth – Manufacturing & Services]

How to Improve Agriculture or Farmers Income?

- ✓ Agriculture & Allied Activities [Poultry, Dairy, Fisheries etc.]
- ✓ Crop Diversification & Organic Farming [PMKVY]
- ✓ Price Incentives [MSP]
- ✓ Infrastructure & Public Investments [Irrigation (PMKSY), Roads, Cold Storage, Markets, R&D, Insurance (PMFBY)etc.]
- ✓ Rationalise Farm subsidies [Direct Farm Subsidy]

Initiatives in budget 2023

- ✓ Digital public infrastructure for Agriculture [Crop sown data]
- ✓ Agriculture accelerator Fund [Agriculture Entrepreneurship & Innovation]

Government Policies & Interventions and issues arising out of their design.

Industry Sector

- National e-commerce Policy [Draft]
- Online Gaming Sector Regulation

E-commerce

- ✓ Buying & selling of goods over internet [200-300 billion export potential by 2030]
- ✓ E-Commerce policy ecosystem – [Data, Infrastructure Development, Stimulating domestic digital economy, Regulatory issues, Export promotion]
- ✓ Stakeholders – Investors, Manufacturers, MSME's, Traders, retailers, Consumers etc.

Government Policies & Interventions and issues arising out of their design.

Important Aspects of E-commerce Policy [Draft]

- ✓ Objective – to provide conducive environment for inclusive & harmonious growth through streamlined regulatory framework, adoption of modern technology and integration of supply chains & enhancing exports.
- ✓ Regulatory – data Localization; contain sale of counterfeit products, Pirated & Prohibited items.
- ✓ Export through e-commerce

Issues to be addressed

- ✓ Violation of FDI Norms [Marketplace Vs Inventory Model]
- ✓ Co-ordination between multiple legislations & Policies [Consumer protection Act, IT Act & Rules, Competition Commission Act, Digital data protection act, e-commerce policy]

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Online Gaming sector – Regulation

- ✓ KPMG report – 650 million users / \$3.5 bn [2025]
- ✓ Proposal – Legislative & Central regulatory framework
- ✓ Reasons for Growth
 - Internet connectivity
 - Smart phone penetration
 - UPI / Digital Payments
 - Socialisation pattern
 - Generational change
- ✓ Why regulation required?
 - Gambling under State List
 - No Proper definition of Gambling – [competition that requires a pre-ponderance of skills to be successful are not gambling]
 - Rummy & Online fantasy games are protected [Art. 19(1)(g)]
 - Negative Impact – Social Behaviour; Physical Health & Compulsive disorder etc.

Government Policies & Interventions and issues arising out of their design.

Proposals under regulatory mechanism

- ✓ Definition – Games of Skill & Chances
- ✓ Implementation of mandatory KYC norms
- ✓ Shutting down unregistered gaming platforms
- ✓ Grievance redressal authority
- ✓ Advertising Guidelines for private channels, digital news publishers & OTT platforms

Advantages

- ✓ Boost Economy
- ✓ Tax resources [28% GST]
- ✓ Foreign Direct Investment
- ✓ Job creation [Gaming publishers, smart phone makers, payment solution providers, network service providers etc.]

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2. Do you think regulation of on-line gaming sector is required in the coming times? Explain with reasons & also suggest suitable regulatory framework. [10 Marks]

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Energy Sector

- ✓ Energy demand to double by 2040; electricity demand 3 times
- ✓ Renewable energy source – 23%

Positives in Energy Sector [IEA]

- ✓ Large scale renewable energy
- ✓ Open coal mining to private sector
- ✓ Promotion of FDI in Oil & Gas markets
- ✓ Rationalisation of energy subsidies
- ✓ Strong regulators to enforce non-discriminatory access

Government Policies & Interventions and issues arising out of their design.

Energy Sector – Renewable Energy Initiatives

- ✓ Solar Power parks [Ultra Mega Solar Power Projects]
- ✓ PM-KUSUM [de-dieselise the farm sector & provide energy & water security to farmers]
- ✓ Green energy corridors [Inter-state Grid connectivity]
- ✓ Solar Roof top
- ✓ Wind Energy
- ✓ Bioenergy [Urban, Industrial & Agricultural waste]
- ✓ National Green Hydrogen mission

Problems & Policy Interventions

- ✓ Investment & Finances
- ✓ Co-ordination with states
- ✓ High Transmission losses
- ✓ Skewed growth [Solar – Gujarat & Rajasthan; Wind – T.N & Maharashtra]
- ✓ Interventions – Sovereign bond by govt.; Investor friendly Policy etc. [Net Zero emission target – 2070]

Government Policies & Interventions and issues arising out of their design.

Infrastructure Connectivity Sector

- ✓ Lifeline of Indian economy
- ✓ India – 4.3 % GDP compared to China – 20 % of GDP
- ✓ Challenges – [Implementation delays, Cost overrun due to bureaucratic delays, complicated land acquisition, lack of centre-state coordination, Financing etc.]
- ✓ Interventions – [Policies to minimise delays (Online Computerised Monitoring System – OCMS; Simplify compliance & procedures; Improve Transparency; Simplification of land acquisition; PPP models etc.)]

PM Gati Sakthi National Master Plan

- ✓ Objective – cut down logistic cost & enable cargo handling capacity by improving multi-modal connectivity.
- ✓ Bharatmala, Sagarmala, Bharat Net, UDAN etc.

Advantages

- ✓ Promote manufacturing & modernise infrastructure; Promote investment & global competitiveness; promote export etc.

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Rural Development Sector

- ✓ Holistic & multi-pronged strategy – poverty alleviation, infrastructure, access to education & health care, livelihood mission, skill development, agrarian reforms, women empowerment etc.
- ✓ Key Interventions
 - Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM)
 - Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY)
 - Pradhan Mantri Gram Sadak Yojana (PMGSY)
 - Saansad Adarsh Gram Yojana (SAGY)
 - Pradhan Mantri Awas Yojana-Gramin (PMAY-G)
 - Shyama Prasad Mukherji Rurban Mission (SPMRM)
 - Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)
 - National Social Assistance Programme (NSAP)

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3. Rural development in India is crucial not only for the well being of the rural population but also for overall socio-economic progress of the country. However, rural development in our country requires a comprehensive & an integrated approach. Elaborate [15 marks]

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MSME Sector

- ✓ Classification – Investment & Turnover
 - < 1 Cr & < 5 Cr
 - < 10 Cr & < 50 Cr
 - < 50 Cr & < 250 Cr
- ✓ Significance
 - 1/3rd GDP; 110 Million Jobs; 1/3rd manufacturing products; 2/5th exports
- ✓ Issues
 - Access to Credit [NBFC or MFI]
 - Lack of formalisation
 - Technological disruptions [AI, Robotics, Data Analytics etc]
 - Regulatory Hurdles [Labour laws, compliance etc.]

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Government Interventions

- ✓ Access to Credit – Credit Guarantee Scheme
- ✓ Infrastructure & Capacity building – [MSE – Cluster Development Program]
- ✓ Procurement Policy – 25%
- ✓ Marketing Support – [Training, Portal etc.]
- ✓ Access to Technology – [Technology Centre]
- ✓ Skilling
- ✓ Promotion of Khadi, Village Industries & Coir
- ✓ RAMP Program [Raising & Accelerating MSME Performance – Credit access, centre & state coordination, addressing delayed payments etc.]

PM Vishwakarma Scheme

- ✓ central sector scheme for holistic development of artisan & craftsman [18 categories]
- ✓ Focus Area – Free Credit, Skill Upgradation (incentives); Tool Kit incentives; Incentive for digital transaction; Marketing platform (GeM)

Government Policies & Interventions and issues arising out of their design.

4. The MSME ministry implements various schemes and programmes aimed at promotion and development of the sector in the country. Highlight the potential of the sector in accelerating economic growth and interventions made by the government in this regard. [10 Marks]

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Natural Resources & Environment

- ✓ Objective – formulation of policies & strategies for sustainable management of forests, protection of wildlife & habitats, maintenance of a clean, green & healthy environment, mitigation of climate change.
- ✓ e-waste management
 - electrical or electronics equipment that is discarded
 - E-waste management rules, 2022
 - Extended producer responsibility [EPR]

Government Policies & Interventions and issues arising out of their design.

Water & Land Resources Sector

- ✓ 18% population & 4% ground water resource
- ✓ Atal Bhujal Yojana
 - Ground water conservation through community participation
 - 7 states – Implementation [over-exploited & Water Stressed]
 - Components – capacity building & Incentives

Government Policies & Interventions and issues arising out of their design.

Poverty Alleviation

- ✓ Definition - State or condition in which a person lacks financial resources & the other essentials for certain standard of living.
- ✓ State of deprivation of wellbeing & comprises of multiple dimensions (low Income, Health & Education, Lack of opportunities & Social Security, Poor access to facilities like clean drinking water, health facilities etc.) – World Bank

Causes for Poverty in India (World Bank)

- Poor Health Services (Vicious cycle)
- Child Malnutrition & undernourishment
- Insufficient Education & Training
- Inequality
- Population Growth
- Low Agricultural Productivity
- Unemployment
- Low rate of economic development
- Environmental Degradation
- Corruption

Government Policies & Interventions and issues arising out of their design.

Govt. Initiatives to eradicate Poverty

- Mahatma Gandhi National Rural Employment Guarantee Act, 2005
- National Rural Livelihood Mission (2011)
- Deendayal Antyodaya Yojana – National Urban Livelihood Mission (DAY-NULM - 2013)
- Saansad Aadarsh Gram Yojana (SAGY - 2014)
- Pradhan Mantri Ujjwala Yojana (PMUJ - 2016)
- National Health Mission (NHM – 2013)
- National Social Assistance Scheme

Government Policies & Interventions and issues arising out of their design.

MGNREGA, 2005

Objective

- ✓ ensure livelihood security in rural areas
- ✓ create durable rural assets
- ✓ Increase economic security & reduce rural to urban migration

Positive outcomes

- ✓ Reduction in gender inequality
- ✓ Purchasing powers & access to basic needs

Problems

- ✓ Delay in payments
- ✓ Large number of incomplete & poor quality assets created
- ✓ Malpractices & corruption
- ✓ Insufficient involvement of PRI's