

IAS PARLIAMENT

A Shankar IAS Academy Initiative

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1. THE STORY OF NEW INDIA

India is rewriting its growth story in the global geopolitical economic landscape, charting new courses in its governance paradigm and striving to demolish the old images and impressions as viewed through coloured lenses in the comity of nations to evolve into a '**New India**'.

Resurgent India: A move to purge the economy of the toxic black cash not only induces more efficiency and reduces corruption, but also gives room for the government and the central bank to cut tax rates and interest rates respectively, spurring up investments while being on track to attain the fiscal deficit and growth targets.

Digital India: The government is committed to establishing Bharat broadband, connecting 2.5 lakh panchayats to the Internet. As on January 29, 2017, Optical Fibre Cable has been laid to 76,089 gram panchayats with a total length of 1,72,257 kilometres. As many as 16,355 gram panchayats have been provided with broadband connectivity.

It is heartening to note that about 1.5 crore people have adopted the BHIM app so far in just over 2 months time of its launch. Around 12.5 lakh people have won under the Lucky Grahak Yojana and 70,000 traders bagged prizes under the Digidhan Vyapar Yojana.

Demonetization gives us a unique opportunity to harness this digital revolution to deal a mortal blow to corruption and black money. Payment through online channels significantly reduces the need for cash and brings about transparency in financial dealings.

Inclusive India: The opening of accounts under PMJDY, in turn, facilitated the channelizing of Liquefied Petroleum Gas (LPG) subsidy to targeted beneficiaries under the Direct Benefits Transfer (DBT) scheme or PAHAL. It is a reform initiative that has great potential to emerge as global best practice in benefit transfers to poor households.

Demonetisation and other decisions taken in the economic sphere have gone hand in hand with the aggressive drive towards achieving universal financial inclusion and bringing every citizen into the formal banking net.

Incorruptible India: On the flip side of the PAHAL scheme is the 'Give it Up' campaign. This scheme encouraged customers who earn more than Rs. 10 lakh per annum, to voluntarily give up the LPG subsidy. Over 1 crore users voluntarily gave up the subsidy benefit and saved the government exchequer to the tune of nearly Rs. 5000 cr.

Investor-friendly India: The 'Make in India' Campaign is one of the flagship schemes of the government that aims at making India a global manufacturing hub and reaping the economic spin offs thereon in terms of better infrastructure, better employment opportunities and leveraging on India's massive demographic dividend.

Transformational India: The passage of the historic GST legislation is set to simplify the tax regime, create a nationwide market for goods and services and broaden the tax base giving a fillip to economic growth. Government revenues are set to rise, Logistics, Inventory costs, tax evasion will fall and manufactured goods would be cheaper. The dream of One nation, One tax is now a reality.

Clean India: One initiative which is synonymous with the government is the Swachh Bharat Abhiyan which can be hailed as a transformational move that sets the lofty goal of achieving an open defecation free India by 2019. The infrastructure in terms of the number of toilets constructed has been augmented manifold under this scheme.

Skill India: On the skill development front, Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the government launched with the objective of enabling a large number of Indian youth to take up industryrelevant skill training that will help them in securing a better livelihood.

Transparent India: The government believes in the maxim of ‘Minimum government, Maximum governance’ and this can be witnessed in the changed work ethic of the government. The current leadership has a professional work style and has ‘corporatized’ the governance by invigorating a new work culture in the government. The biggest achievement of the government has been to curb widespread corruption in the system and eliminate delays and administrative bottlenecks as seen in decisions such as coal block allocations.

Transforming India: The schemes in the agriculture sector such as Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Krishi Sinchayee Yojana, Soil Health Card scheme, Neem coated urea, augmenting the minimum support prices among other initiatives have served the ‘Kisans’ of our nation in good stead even in the face of vagaries of the monsoon.

On the infrastructure front, initiatives such as the Smart Cities project, AMRUT Mission, Pradhan Mantri Awas Yojana, Credit Linked Subsidy Scheme,

Pradhan Mantri Sansad Adarsh Gram Yojana, Pradhan Mantri Gram Sadak Yojana, passage of RERA among others have enhanced the performance of the sector.

Beti Bachao Beti Padhao, Atal Pension Yojana, Jeevan Jyoti Bima Yojana (PMJJBY), Krishi Sinchai Yojana, MUDRA Bank Yojana, Sukanya Samridhi Yojana, Nayi Manzil Yojana among others try to ensure a well balanced development of all sections of the society, be it the girl child, senior citizens, farmers, minorities, urban house dwellers or rural villagers.

Emerging India: In her multilateral engagements, India’s bid to become a permanent member of the United Nations Security Council found many backers and significant progress has also been made for entry into the Nuclear Suppliers Group. India’s engagement in regional groupings such as BRICS, SAARC, BIMSTEC has been fruitful.

Apart from engaging with traditional allies, this government’s focus has been on building strategic ties with the newly emerging countries in Central Asia and Africa; countries plush with natural resources and significant strategic importance. India has taken the step in the direction to emerge as a natural leader.

Caring India: Whether it is an earthquake in Nepal, or Indians stranded in Yemen, floods in Kashmir, or a fire in a Kerala temple, the government has always reached out to the people with relief and rescue measures. India’s soft power has been on full display by effectively leveraging events like the International Yoga Day.

2. AGRICULTURAL INPUTS TOWARDS NATIONAL GROWTH

Inputs have contributed immensely to the growth of production and productivity in India's agriculture and inputs form the backbone of Indian agriculture. It was the inputs which brought the green revolution to India and studies show that inputs particularly high yielding variety seeds, fertilizers, and irrigation played a huge role in increasing yields and rapidly boosting country's economy.

Rising population and incomes coupled with the security of basic natural resources such as land and water have been major drivers for the modernisation of agriculture and input growth in India.

Irrigation: Water is a fundamental input for agriculture and the net irrigated area has increased substantially from 38 million hectares in 1980 to 66 million hectares in 2012. The reasons for the better growth in irrigated area could be the effort made in the recent years to improve the conservation of water resources and improve the efficacy of water usage.

Promotion of Participatory irrigation management, watershed development, and the use of water conservation technologies such as drip irrigation and sprinkler irrigation promoted the growth of irrigation potential.

Fertilizer : Fertilizer is a very important modern input for agriculture since it addresses the problem of soil infertility. The fertilizer use has grown quite rapidly at the rate of 4.5 times from 55 million tonnes to 255 million tonnes between 1980 and 2012.

With a shift to nutrient based subsidy policy the quantum of subsidy on potassic fertilizers and phosphatic fertilizers has been substantially reduced. At the same time, their prices have been decontrolled and these changes have resulted in a sharp increase in prices of P and K fertilizers. Due to this the usage of fertilizers reduced sharply and proper usage is seen in many parts of India.

Seeds: The input of quality certified seeds of significant importance for increasing agricultural production. The use of certified seeds have grown in the recent years shows that farmers are eager to use latest technology and high quality seeds.

Pesticides: The consumption of Pesticides has increased from 45,000 tonnes in 1980 to 75,000 tonnes in 1990 and again the usage slowed due to introduction of pest resistant varieties like Bt cotton and the concerns over the usage of pesticides on environmental degradation.

The insecticides show a significant negative trend and fungicides show a positive trend in the recent years. The negative trend in insecticide use appears to be due to environmental concerns and their highly toxic in nature, as well as the development of pest resistant varieties.

The fungicide use appears to grow due to the increase in the importance of plant diseases for which resistant varieties are not available and the weedicide use is growing due to the high cost of labour for weeding.

Needed : Policy changes are required to monitor the land use; else diversion of agricultural land will further constrain agricultural growth. This also calls for further emphasis on yield and productivity increase.

This sector will also need to deal with the decline in the agricultural workforce calling for different means of enhancing labour productivity such as appropriate machines and mechanisation.

Improvement is evident on the irrigation front but the growing scarcity of the resource calls for continuing efforts to promote water conservation strategies and its judicious and sound use.

On the seed front new technology is strongly needed and new advances including from biotechnology can provide many solutions and play a major role.

The major shifts in agriculture and food demand towards high value products such as vegetables fruits and livestock products also needs to be seriously addressed.

3. TOWARDS A CLEAN AND TRANSPARENT ECONOMY

According to World Bank corruption is a public enemy number one in developing world and the poor pay the highest percentage of their incomes in bribes. India has been no exception. Interestingly, government while mounting a frontal attack on black money hoarders, has simultaneously initiated steps for insulating poor from corruption and bribery by innovating delivery systems.

Towards a Clean Economy: Following are the breathtaking measures have been taken to address the menace of black money

Special investigation team headed by former SC judge M.B. Shah was formed to probe the black money.

The Black Money (Undisclosed foreign income and assets) and Imposition of tax Act 2015 with stringent penal provisions including rigorous

imprisonment of 3 - 10 years has been enacted to deal effectively with the issue of black money stashed away abroad.

Multi Agency group was set up for facilitating coordinated and speedy investigation of cases related to Panama Papers. Signing of Double taxation Avoidance Agreement and Tax information Exchange Agreement with other countries promotes hassle free information obtaining mechanism.

Though Participatory Notes bring foreign investment but they have been red flagged as a conduit to route black money back to the country by SIT on black money. SEBI mandated increased disclosure requirements and restricted transfer of PN to curb black money laundering in order to keep track of their beneficial owners.

Cash expenditure upto Rs 10,000 only is allowed as deduction to business. Charitable trusts can receive cash donations upto Rs 2,000 only from a single source. Restricting cash expense to Rs 2 lakh only for a single transaction and in case of violation a penalty of equal amount would be levied.

Primary Agricultural Credit societies which are susceptible to misuse by parking black money are to be computerised and integrated with the core banking system of district central cooperative Banks.

Demonetisation of high denomination currency led to a regime shift of punitively raising the cost of tax evasion and striking the roots of corruption. Giving a chance to come clean Government announced Pradhan Mantri Garib Kalyan Yojana under which those who declared cash deposits could pay a tax of 50 percent and deposit 25 percent of the amount in noninterest bearing account and this would be utilised for the social welfare schemes.

The National Payments Corporation of India has successfully implemented the United Payments Interface platform which facilitates inter-operability; BHIM and Aadhar Pay will facilitate peer to peer transactions and digital payments over the counter respectively.

GST, one of the biggest tax reforms post independence aimed at simplifying the complicate indirect tax regime. With state of art GST information technology architecture and provision of stringent penalties and prosecution of tax evasion, India may see a surge in tax to GDP ratio in medium to long term.

Further Focus needed on: Simplification of tax laws and procedures for an effective tax free and corruption free administration. It should leave small scope for discretion and litigation.

Prevention of misuse of legal persons in another area that requires strengthening. Shell companies have mushroomed over a period of time abusing the simplified corporate procedures. This must be checked to prevent tax evasion.

Reduce human interface between the tax men and the tax payers. Minimal interaction that is permitted should be standardised and amendable to oversight by higher authorities.

FATF, in which India is a member has recommended that the nations should consider requiring their financial institutions to identify their business relationships with politically exposed persons and put appropriate risk management system in place as preventive measure.

4. TRANSFORMING INDIA INTO A DIGITALLY EMPOWERED SOCIETY

At the backdrop of creating a participative, inclusive, responsive and transparent government, Digital India beckons a new innings in transforming the largest democracy into a deepening democracy by empowering citizens digitally.

Digital India Program: The vision of this program is to transform India into a digitally empowered society and knowledge economy.

"Digital infrastructure as a core utility to every citizen" as a vision point helps to achieve larger goals of digital India. This ensures the delivery of eGovernance services to every citizen, social benefits and financial inclusion can be accomplished.

The second vision area "governance and services on demand" focuses on the transparency and speed in the governance processes. In India eGovernance got its initiation when state and central governments started computerisation of paper works and automation of policy making processes.

The third vision focus area on "digital empowerment of citizens". The Digital India programme aims to transform India into a digitally empowered society by concentrating on digital literacy, digital resources and collaborative digital platforms.

The Building Blocks of Digital India Program:

Broadband Highway the first pillar of Digital India Program aims to connect 2.5 lakh village panchayats via National Optical Fibre Network. This will provide access universally to all citizens across Panchayats.

The second pillar **Universal access to mobile Connectivity** intends to provide mobile connectivity to all inaccessible regions in the country.

Under the third pillar **Public Internet Access Program** the government plans to create 2.5 lakh common service centre mapping one centre to each village panchayat.

Under the fourth pillar **e-Governance reforming government through technology** enables the government to use IT to simplify and transform government processes more efficiently so that delivery of government services can be more effective across various government departments.

Under the fifth pillar **e - Kranti - Electronic delivery of services** government offers various services amounting to 3325 and made into a huge success.

Information to all is the sixth pillar of digital India drives transparency in governance. Online hosting of information and documents facilitates open and easy access to information.

The seventh and most important pillar is **Electronics Manufacturing**. Government launched many initiatives for promotion of electronics sector and it is yielding results.

The eighth pillar **IT for jobs** focuses on providing necessary training to the youth in smaller towns and villages for availing employment opportunities in the IT/ITES sector.

Finally the ninth pillar **Early Harvest Program** comprises the projects which can be implemented within a short time line. Some projects would include Wi-Fi Hot spots, secure e mail within government etc.,.

5. SOCIAL SECTOR INITIATIVES OF THE GOVERNMENT

Schemes for Welfare of Minorities:

Nai Roshni: A scheme for Leadership Development of Minority Women has been launched from 2012-13 with the objective to empower and instill confidence in women, by providing knowledge, tools and techniques to interact with Government systems, banks, and intermediaries at all levels so that they are emboldened to move out of the confines of home and assume leadership roles. The scheme is implemented through Non-Governmental Organizations (NGOs).

Seekho Aur Kamao: The Ministry has launched “Seekho Aur Kamao (Learn and Earn)” a new 100% Central Sector Scheme for Skill Development of minorities in September 2013. The scheme is implemented by private professional skill development organizations/companies. The scheme ensures employment of minimum 75% trained candidates, and out of them 50% in organized sector. The scheme reserves minimum 33% seats for minority women.

Upgrading the Skills and Training in Traditional Arts/Crafts for Development (USTTAD): Aims at upgrading Skills & Training of minority communities by preservation of traditional ancestral Arts and Crafts. Envisages boosting the skill of craftsmen, weavers & artisans who are already engaged in the traditional ancestral work. Assistance will be provided to traditional artisans to sell their products in order to make them more compatible with modern markets. It is fully funded by Union Government & Union Ministry of Minority Affairs is nodal agency in implementing it.

Nai Manzil Scheme: It is an integrated Education and Livelihood Initiative for the Minority Communities. The scheme aims to benefit the minority youths who are school-dropouts or educated in the community education institutions like Madrasas, by providing them an integral input of formal education (up till Class VIII or X) and skill training along with certification. This will enable them to seek better employment in the organised sector and equipping them with better lives. The scheme covers the entire country.

Nai Udaan Scheme : The Ministry of Minority Affairs implements Free Coaching and Allied Scheme under which free coaching is given to the minority students through empanelled coaching institutions/ organisations for preparation of various entrance examinations including prelims examinations for recruitment to Group ‘A’, ‘B’ and ‘C’ services and other equivalent posts under the Central and State Governments including public sector undertakings, banks, insurance companies etc.

Hamari Dharohar : Ministry launched this scheme to preserve the rich heritage of minority communities of India. The scheme aims at curating iconic exhibitions, supporting calligraphy, preservation of old documents, research and development, etc.

Padho Pardesh-scheme of interest subsidy on educational loans for overseas studies for the students belonging to the Minority communities: This is a Central Sector Scheme to provide Interest Subsidy to Meritorious Students belonging to economically weaker sections of notified Minority Communities so as to provide them better opportunities for higher education abroad and enhance their employability to pursue study in courses approved in the Scheme.

Initiatives for welfare of SC/ST Communities:

Institutional Support for Subaltern Entrepreneurship: This has been achieved through MUDRA Bank, to provide microfinance to entrepreneurs in rural hinterland of India. National

Hub for SC/ST entrepreneurs has been created to support the entrepreneurs coming from the marginalized communities.

Venture Capital Fund for Scheduled Caste Entrepreneurs: The objective of this Scheme is to promote entrepreneurship among the Scheduled Castes and to provide concessional finance to them. The scheme would be implemented by the Industrial Finance Corporation of India (IFCI) Limited for which Rs. 200 cores has been allotted.

Swachhta Udyami Yojana: As an integral part of ‘Swachh Bharat Abhiyan’, the National Safai Karamcharis Finance & Development Corporation(NSFDC) has launched a new Scheme ‘Swachhta Udyami Yojana’ for financing viable community toilet projects and sanitation related vehicles to collect garbage.

Green Business Scheme: The scheme has been started by NSFDC, with the aim of promoting green businesses to support sustainable livelihoods of Scheduled Castes and Safai Karamcharis. Financial assistance would be provided for those economic activities that could address the challenges of climate change, e.g., E-rickshaw, solar pumps and other instruments working on solar energy etc.

Stand up India: This scheme was recently launched to boost the spirit of entrepreneurship among the most vulnerable groups of the society. The specific groups are Scheduled caste, scheduled tribes and women. Under the umbrella of this scheme every single branch of a public sector bank is asked to support one entrepreneur each from women and SC/St. category.