

**MPSC
Prelims**
(English)



Economy



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Meaning

- National Income refers to the aggregate monetary value of all final goods and services produced within a country during a given period (usually one year).
- Excludes intermediate goods
- Calculated at current prices or constant prices

Early Attempts to Estimate National Income in India

- During the British period, several economists attempted to estimate India's national income.

■ Important Estimates

- Dadabhai Naoroji (1867–68)
 - Estimated per capita income: ₹20
- Findlay Shirras (1911)
 - Estimated per capita income: ₹44
- Wadia and Joshi (1913–14)
 - Estimated per capita income: ₹44.30
- Dr. V. K. R. V. Rao (1931–32)
 - Estimated per capita income: ₹63
- These estimates were individual efforts
- No uniform methodology used
- Mainly focused on limited sectors

Methodological Features of Early Estimates**◎ Emphasis on:**

- Agricultural production
- Income from services
- Objective:
 - To derive National Income and Per Capita Income
- Industrial sector coverage was weak
- Data reliability was low

■ Contribution of Dr. V. K. R. V. Rao

- First economist to use a scientific and systematic approach.
- Adopted a combined method:
 - Product (Output) Method
 - Income Method
- According to his estimates:
 - Per capita income during 1925–1929 ≈ ₹67
- Considered father of national income accounting in India

- His method later influenced official estimates

National Income Committee

- Established by the Government of India in August 1949 (post-Independence).
- Composition
 - Chairman: Prof. P. C. Mahalanobis
- Members:
 - Prof. D. R. Gadgil
 - Dr. V. K. R. V. Rao
- First official body for national income estimation
- Objective: Standardisation of methods

■ Work of the National Income Committee

- Studied national income for 1950–51.
- Submitted its final report in 1954.
- Recommended:
 - Net Production Method
 - Net Income Method
- Laid foundation for modern national accounts
- Reduced regional and sectoral bias

■ Major Findings of the National Income Committee

1. In 1950–51, agriculture and allied sectors contributed nearly 50% of national income.
2. Mining, manufacturing, and handicrafts together contributed about 18.6%.
3. Transport, communication, and trade had a share slightly above 18.6%.
4. The services sector contributed around 13%.
5. After deducting net factor income from abroad, government sector share was about 7.4%.
6. Estimates:
 - National Income: ₹ 8,450 crore
 - Per Capita Income: ₹ 246.10
7. Shows primary sector dominance in early planning period
8. Basis for Five-Year Plans

Summary Table: National Income Estimation Attempts

Economist / Institution	Year	National Income (₹ crore)	Per Capita Income (₹)
Dadabhai Naoroji	1867-68	—	20
Wadia & Joshi	1913-14	1,056	44.30
Dr. V. K. R. V. Rao	1931-32	1,658	63
National Income Committee	1948-49	8,450	246.10

■ Present Status:

- Today, national income is estimated by the National Statistical Office (NSO).
- India follows the UN System of National Accounts (SNA).

Economic Year (Financial Year)**■ Concept of Economic Year**

- Before 1867, India followed the economic year from 1 May to 30 April.
- From 1867 onwards, the economic year was changed to 1 April – 31 March, which continues till today.
- Present Indian Financial Year → 1 April to 31 March
- Followed for budgeting, accounts, and taxation

■ Committee for Change in Economic Year

- To examine the need for change in the economic year, the Government of India appointed a committee in 1984 under the chairmanship of L. K. Jha.
- Reason for review → Monsoon impact on agriculture
- Aim → Better economic planning

■ Recommendations of L. K. Jha Committee

- Considering the impact of monsoon on the economy, the committee recommended shifting the economic year to 1 January – 31 December.
- January–December system aligns with calendar year
- Practiced by many countries

■ Government Decision

- Despite advantages, the committee felt that changing the financial year would create administrative difficulties.
- Hence, it recommended continuation of the existing system.

- Government accepted the recommendation.
- Therefore, India continues with 1 April – 31 March.
- Financial year unchanged till date

■ Later Developments

- On 6 July 2016, the Government of India again appointed a committee to examine the issue of changing the financial year.
- Chairman
 - Dr. Shankar Acharya (former Chief Economic Advisor)
- Members
 - K. M. Chandrasekhar
 - P. H. Rajashekar
 - Dr. Rajiv Kumar
- Shows recurring debate on financial year reform

■ Report of Shankar Acharya Committee

- Examined advantages and disadvantages of the existing system.
- Also studied possible alternative economic year formats.
- Submitted its report to the Finance Ministry on 28 December 2016.
- However, the report was not officially implemented.

■ No change in financial year even after 2016

- Financial Year Followed by Some Countries

Financial Year	Countries
1 January – 31 December	Russia, China, France, Norway, Sweden, Austria, Belgium, Denmark, Brazil, Malaysia, Philippines, Indonesia, UAE, Saudi Arabia, Zimbabwe, Sri Lanka
1 April – 31 March	India, England, Canada, Japan, Singapore, Hong Kong, South Africa
1 July – 30 June	Australia, Mauritius, Pakistan, Kenya
1 October – 30 September	USA, Thailand

- India follows British system
- USA follows October–September

Unification of NSSO and CSO

- The Central Government decided to merge NSSO and CSO under the Ministry of Statistics and Programme Implementation (MoSPI).
- The decision was taken on 26 May 2019.
- Objective → Single statistical authority
- Reduce duplication of work

■ Outcome of Merger

- A new organisation named National Statistical

- Office (NSO) was formed.
- The decision was based on recommendations of the Rangarajan Commission.
- NSO = NSSO + CSO
- Operational from 2019

■ Central Statistical Office (CSO)

- Background
- Central Statistical Institute (CSI) was established in 1951.
- In 1954, it was given responsibility for national income estimation and renamed Central Statistical Organisation (CSO).
- Later, its name was changed to Central Statistical Office (CSO).
- CSO played key role in GDP and NI estimates
- Headquarters
 - Kolkata

■ Major Functions of CSO

- Estimation of National Income
- Publication of National Accounts Statistics
- Collection and publication of macro-economic data
- Preparation of:
 - National Income
 - Annual Industrial Survey
 - Index of Industrial Production (IIP)
- Consumer Price Index (Rural & Urban)
- Economic statistics
- Social statistics
- CSO was responsible for IIP & CPI

■ National Sample Survey Office (NSSO)

- Established in 1950 as National Sample Survey (NSS).
- Reorganised in March 1970 and renamed National Sample Survey Organisation (NSSO).
- Later renamed National Sample Survey Office.
- NSSO conducts large-scale sample surveys

■ Functions of NSSO

- Conducts sample surveys related to:
 - Land holdings
 - Village facilities
 - Household surveys
 - Employment–Unemployment
 - Consumer expenditure

■ Key source for poverty & employment data

- Departments of NSSO
- Data Processing Division – Kolkata
- Survey Design & Research Division – Kolkata
- Coordination & Publication Division – New Delhi
- Field Operations Division – New Delhi & Faridabad

- Field work handled by Field Operations Division
- Survey Reports
- NSSO surveys conducted every 5 years
- Publishes reports under “NSSO Reports”

■ National Statistical Commission (NSC)

- Established in 2000
- First Chairman: Dr. C. Rangarajan
- NSC is an advisory body
- Objective
 - Review statistical systems in the country
 - Identify weaknesses
 - Suggest measures to improve efficiency and credibility
- Ensures professional independence of statistics
- In its August 2001 report, NSC recommended:
 - Establishment of a permanent and autonomous statistical commission

■ Permanent National Statistical Commission

- Establishment
 - 12 July 2006
- First Chairman
 - Prof. Suresh Tendulkar
- Eligibility & Tenure
 - Chairman must be an economist or social scientist
- Age limit: 65 years
- Tenure: 3 years or till 70 years
- Recent Chairpersons
 - February 2013 – Dr. Pronab Sen
 - 4 May 2016 – Radha Vinod Barman
 - 15 July 2019 – Bimal N. Roy

1. GDP – Gross Domestic Product

■ Concept

- The basic concept of GDP is derived from the ideas of Prof. John Maynard Keynes.
- GDP is a flow concept
- Measured annually
- Nature of GDP
 - GDP is a quantitative (measurable) concept ✓
 - It is not a qualitative indicator ✗
- Indicates economic size, not welfare

■ Definition

- GDP is the total monetary value of all final goods and services produced:
 - Within one financial year
 - Within the geographical boundaries of a country
- Valued at final prices
- Intermediate goods excluded

ECONOMIC

- Final value added counted

■ Key Feature of GDP

- Geographical area is important, nationality is not.
- "Domestic" = territory-based
- Included in GDP (Within India)
 - Income earned by Indians in India
 - Income earned by foreigners in India
 - Foreign companies' production in India → Included
- Excluded from GDP
 - Income earned by Indians abroad, because it is outside India's geographical boundary
 - Indians working abroad → Excluded from GDP

■ Base Year

- Base Year earlier: 2011–12
- From 2017–18, new base year adopted for measurement
- Base year is used for real GDP calculation
- Illustrative Example (as given)
 - 2011–12 GDP = ₹100
 - 2022–23 GDP = ₹110
 - GDP growth = 10%
- Growth rate = % change in GDP

■ GDP Measurement

- GDP at Market Price (MP) → Current prices
- GDP at Factor Cost (FC) → Base year prices
- Real GDP = Constant prices
- Nominal GDP = Current prices

Sectoral GDP

■ 1. Primary Sector (Agriculture Sector)

- Production from natural resources (agriculture, fishing, forestry, mining).

■ 2. Secondary Sector (Industrial Sector)

- Transformation of raw materials into finished goods (manufacturing, construction, etc.).

■ 3. Tertiary Sector (Service Sector)

- Services like:
 - Distribution services
 - Business services
 - Customer services
 - Non-profit services

■ 4. Quaternary Sector

- Information-based services such as:
- Research, IT, Information management

■ 5. Quinary Sector

- High-level decision making and intellectual property creation

GDP Deflator

- Definition: Measures the change in price level (inflation) of all goods and services produced domestically.

■ Formula:

$$\text{GDP Deflator} = \frac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$$

- Shows inflation from base year to current year.
- Broader than CPI or WPI as it covers all goods & services in GDP.

2. NDP – Net Domestic Product

■ Definition

- NDP is the net value of final goods and services produced:
 - Within one year
 - Within the domestic territory
- "Net" means after depreciation

■ Relationship

- $\text{NDP} = \text{GDP} - \text{Depreciation}$
- Depreciation = Consumption of fixed capital
- Meaning of Depreciation
 - While producing goods/services, machines, tools, and capital assets wear out
 - The value lost due to wear and tear is called depreciation
 - This value must be deducted to get net product
 - Depreciation ≠ cash expense
 - It is a non-cash cost

3. GNP – Gross National Product

■ Definition

- GNP is the total value of final goods and services produced:
 - In one year
- Based on nationality, not territory
- "National" = citizenship-based

■ Key Characteristics

- In GNP, nationality matters, not geographical location.
- GDP + income earned by Indians abroad is included.
- Income earned by foreigners in India is excluded.
- Foreign citizens are not counted as nationals.
- GNP helps compare domestic vs foreign income contribution.
- Net Factor Income from Abroad (NFIA) is crucial

GDP vs GNP (Core Difference)

GDP	GNP
Income earned within India's territory	Income earned by Indian nationals anywhere in the world
GDP → Location-based	GNP → Ownership-based
	GNP is not directly measurable ×

- Nature of GNP
 - GNP is a derived concept ✓
 - GNP requires NFIA data
- Comparison Situations
 - If Indians earn more abroad → GNP > GDP
 - If Indians earn less abroad or foreigners earn more in India → GDP > GNP
 - Developing countries usually have GDP > GNP

4. NNP – Net National Product**■ Definition**

- NNP = GNP – Depreciation
- NNP shows true national income

■ Importance

- NNP represents the real national income
- It shows the actual income available to citizens
- Used for long-term welfare analysis

■ Reason for Deducting Depreciation

- Capital assets lose value during production
- Deducting depreciation gives net usable income
- **NNP is most accurate indicator among aggregates**

Important Concepts**■ 1.PER CAPITA INCOME (दरडोड़ उत्पन्न)**

- Definition: Average income earned per person.
- Per capita income = GDP/Population

■ 2.MARGINAL INCOME (सीमांत उत्पन्न)

- Definition: Change in total income due to change in output.
- Marginal Income = Change in Income/Change in Output

■ 3.MARGINAL PRODUCTIVITY (सीमांत उत्पादकता)

- Definition: Additional output produced when one extra unit of labour is employed, keeping other factors constant.

■ 4.PERSONAL INCOME (वैयक्तिक उत्पन्न)

- Personal Income = National Income + Transfer Payments (Undistributed Corporate Profits + Social Security Contributions)

- Transfer Payments: Government payments like pensions, scholarships, etc.
- Social Security Contributions: Deductions for welfare and insurance schemes.

5.DISPOSABLE INCOME (व्ययशक्य उत्पन्न)

- Disposable Income = Personal Income - Direct Taxes and Other Deductions
- Amount available for consumption and savings after taxes.

GREEN GDP (हरित GDP)

- Definition: GDP adjusted for environmental degradation and resource depletion.
- Green GDP = GDP - R - A
 - R = Cost of restoring environmental capital
 - A = Cost of pollution abatement and environmental protection

■ Features:

- Promotes sustainable economic growth.
- Ensures equitable distribution of development benefits.
- Encourages long-term environmental welfare.

■ Historical Points:

- Introduced: 1990s
- First Experiment: Goa (1999-2000) – Natural resource accounting
- China's attempt: 2006 (included environmental valuation)
- 2004: India's GDP reduced by 3% when adjusted for environmental costs

■ Reports:

- 2010 – Dr. Kirti Parekh Committee (State-level studies)
- 2011 – Partha Dasgupta Committee operationalized Green GDP assessment

■ Important facts:

- **Chhattisgarh** became the first Indian state to integrate Green GDP by linking the economic value of forest ecosystem services with its Gross State Domestic Product (GSDP).
- **Uttarakhand** pioneered India's first state-level Green GDP initiative in 2013.

SUSTAINABLE NET NATIONAL PRODUCT (NNPs)

- Net national income adjusted for capital depreciation and environmental degradation.
- Formula: NNPs = GNPDmDn
- Where:
 - Dm = Depreciation of man-made (produced) capital
 - Dn = Depreciation / degradation of environmental resources

ECONOMIC

- Reflects sustainable income, not just economic output.

GROSS NATIONAL HAPPINESS (GNH)

- Concept proposed by: King Jigme Singye Wangchuck (Bhutan) – 1972
- 1975: Adopted as a development philosophy
- Institutional mechanism: GNH Commission

United Nations Recognition

- 2012: UN General Assembly recognised GNH as an important development indicator
- World Happiness Report published annually since 2012
- 20 March: International Day of Happiness

WORLD HAPPINESS INDEX (WHI)

- Published since 2012
- By UN Sustainable Development Solutions Network (SDSN)
- Scale: 0 to 10
- Rank 1 = Highest happiness
- India's Rank
 - 2023: 126th
 - 2024: 126th

PROBLEMS IN MEASUREMENT OF NATIONAL INCOME IN INDIA

A) THEORETICAL / CONCEPTUAL DIFFICULTIES

- Transfer Payments
- Pensions, subsidies, allowances
- Government expenditure but not production-based income
- Illegal / Unreported Activities
- Smuggling, black market trade, gambling
- Have value but excluded due to lack of official recognition
- Free Services
- Household services by women
- Child care, elderly care
- Social services without market price
- Self-consumption
- Agricultural produce consumed by farmers themselves
- Not sold in the market
- Income of Foreign Companies
- Output counted where produced
- Profits counted in home country of company (as per IMF norms)
- Public Sector Valuation
- Difficulty in fixing market value of public services
- Price Variations
- Inflation and regional price differences distort valuation

B) PRACTICAL / OPERATIONAL DIFFICULTIES

- Double Counting
- Difficulty in distinguishing between intermediate and final goods
- Example: Milk → sold to bakery (intermediate) vs household (final)
- Existence of Non-Monetised Sector
- Large subsistence agriculture
- Barter system and self-use production
- Inaccurate & Unreliable Data
- Incomplete reporting
- Informal sector dominance
- Depreciation Measurement
- Difficult to estimate exact capital wear and tear
- Capital Gains & Losses
- Not production income but affect wealth
- Illiteracy & Ignorance
- Poor record keeping
- Lack of Occupational Specialisation
- Valuation of Inventories (Stock)

TRADE / BUSINESS CYCLES

- Periodic fluctuations in economic activity, output, prices and employment.
- PHASES OF BUSINESS CYCLE
 - Expansion / Boom
 - Peak
 - Contraction / Recession
 - Depression / Trough
 - Recovery / Revival

Definitions by Economists

1.Prof. J. M. Keynes

- Business cycle is a recurrent sequence of:
- Boom (rising prices, falling unemployment)
- Depression (falling prices, rising unemployment)

2.Prof. Joseph Schumpeter

- Business cycle represents wave-like movements around a long-term equilibrium
- Caused by innovation and economic dynamism

PREVIOUS YEAR QUESTIONS

70. सहकारी संस्थाचे आर्थिक वर्ष _____ हे असते.

(1) 1 एप्रिल ते 31 मार्च
(2) 1 जानेवारी ते 31 डिसेंबर
(3) 1 जुलै ते 30 जून
(4) 1 मे ते 30 एप्रिल

The Financial year of a Co-operative organization is _____.

(1) 1st April to 31st March
(2) 1st January to 31st December
(3) 1st July to 30th June
(4) 1st May to 30th April

→ 2015

Answers:- (1)

RBI, Banks → Same
World Bank → July 1 to June 30
IMF → May 1 to April 30

2024

50. ज्या समाजात उत्पन्न वितरणामध्ये आर्थिक _____ असते तेथे भूतभर व्यक्तींमधळ अभाव पैसा असतो.
- (1) समानता (2) विषमता (3) कमतरता (4) विपुलता
- In a Society where the income distribution is excessive _____ the handful individual there has unlimited money.
- (1) Equality (2) Asymmetry (3) Deficiency (4) Abundance

2021

44. निव्वळ राष्ट्रीय उत्पादन संबंधात कोणते/ती विधान/ने अयोग्य आहे/त ?
- (a) हे विशिष्ट आर्थिक वर्षात केलेले वस्तु व सेवांचे उत्पादन मूल्य व परदेशातून येणाऱ्या निव्वळ उत्पादन घटकांचे उत्पन्न (factor income) दाखविते.
- (b) ह्याच्यात निर्यात, आयात यांचा समावेश असतो परंतु परदेशातून येणाऱ्या निव्वळ उत्पादन घटकांचे उत्पन्न समाविष्ट नसते.
- (c) ह्याला 'निव्वळ' उत्पन्न म्हणतात कारण यामध्ये सकल राष्ट्रीय आर्थिक उत्पन्नातून भांडवली धसाऱ्याची वजावट केली असते.
- पर्यायी उत्तरे :** # Cancelled
- (1) (c) (2) (a) (3) (b) (4) (a) आणि (c)
- Which of the following statement/s is/are incorrect about Net National Product (NNP) ?
- (a) It shows net production of goods and services produced in a given financial year adjusted for net factor income from abroad.
- (b) It includes exports, imports but not factor income from abroad.
- (c) It is called 'net' because it deducts capital depreciation from total National Income.
- Answer Options :**
- (1) (c) (2) (a) (3) (b) (4) (a) and (c)

Answer:- #

↳ Question get cancelled because, it didn't mention in option (a) and (c) that at which price → market cost or factor cost

50. खालीलपैकी कोणते विधान/विधाने अयोग्य आहे/आहेत ?
- (a) विशिष्ट कालखंडात देशाच्या नागरिकांनी उत्पादित केलेल्या वस्तु व सेवांचे एकूण पैशातील मूल्य दर्शवते स्थूल राष्ट्रीय उत्पादन (GNP) होय.
- (b) उत्पादका असा भाग जो देशात उत्पादित होतो, परंतु परदेशी नागरिकांना प्राप्त होतो. त्याचा समावेश स्थूल राष्ट्रीय उत्पादनात (GNP) केला जातो.
- (c) प्रति माणसो उत्पन्न हे देशातील लोकांचे सीमांत उत्पन्न दर्शविते.
- पर्यायी उत्तरे :**
- (1) (a) आणि (b) (2) (a) आणि (c)
- (3) (b) आणि (c) (4) वरील तीनही विधाने खरोबर आहेत
- Which of the following statement/s is/are incorrect ?
- (a) GNP is the total money value of goods and services produced by the nationals during the given year.
- (b) The part of income produced in the country but earned by foreigners is included in GNP.
- (c) Per capita income shows the marginal income of the people in the country.
- Answer Options :**
- (1) (a) and (b) (2) (a) and (c)
- (3) (b) and (c) (4) All the three above are correct

2020

Answer: (3) → Can use elimination technique here

Nominal income → per capita income of the people in the country.

Disposable income → marginal income of the people.

29. ह्रीत राष्ट्रीय उत्पन्नाचे (GNI) गणनाती पुढीलपैकी कोणते घटक संबंधित आहेत ?

अ. राष्ट्रीय उत्पन्न
ब. नैसर्गिक संसाधनांमध्ये घट
क. पर्यावरणीय नुकसान

पर्यायी उत्तरे :

- (1) फक्त अ आणि क (2) फक्त अ
- (3) फक्त अ आणि ब (4) वरील सर्व

Which of the following factors is/are concerned in the calculation of Green National Income (GNI) ?

- a. National Income
b. Depletion of Natural Resources
c. Environmental Degradation

Answer Options :

- (1) Only a and c (2) Only a
- (3) Only a and b (4) All of the above

2018

Answer: (4)

China - 2006

Partha Dasgupta

Committee → 2011

↓
to include Green GDP

■ Meaning of Economic Growth

- Economic growth refers to a sustained increase in a country's total output and income over time.
- It is generally measured by the increase in GDP, GNP, or Per Capita Income.
- Growth is a flow concept
- Measured over one year
- Mainly quantitative

Core Components of Economic Growth

■ Economic growth manifests through:

- Increase in employment opportunities
- Increase in production of goods and services
- Increase in national income
- Increase in tax revenue
- Increase in government expenditure on basic facilities

■ Explanation:

- When production rises, income rises.
- Higher income increases tax collection.
- Higher tax enables government spending on infrastructure and welfare.
- Growth strengthens fiscal capacity of the state

■ Negative Economic Growth

- Decline in employment
- Decline in production
- Decline in income
- Reduction in tax revenue
- Fall in expenditure on basic services
- Persistent negative growth → Recession
- Severe recession → Depression

Traditional View of Economic Growth (Trickle-Down Effect)

■ Concept

- Economic growth initially benefits upper sections of society.
- Benefits gradually "trickle down" to poorer sections.

■ Explanation:

- Rich invest more → production increases → jobs created → poor benefit indirectly.

■ Limitations:

- Benefits do not automatically reach the poor
- Leads to income inequality
- Assumption-based model
- Failed in many developing countries

Jobless Growth

■ Meaning

- Situation where GDP grows without a corresponding increase in employment.

■ Causes:

- Capital-intensive growth
- Automation
- Technology-driven production
- Weak labour absorption

■ Consequences:

- Rising unemployment
- Social unrest
- Growth without welfare
- India has experienced phases of jobless growth post-1991

■ Characteristics of Economic Growth

1. GDP growth rate of 6–7%
 2. Rapid industrialisation
 3. Increase in total output
 4. Structural transformation (agriculture → industry)
 5. Emphasis on quantitative expansion
- Growth does not guarantee equity

Economic Development Perspective

■ Meaning of Economic Development

- Economic development refers to economic growth plus qualitative improvement in living standards.

■ Includes:

- Employment generation
- Reduction of poverty
- Reduction of regional imbalance
- Social justice
- Balanced sectoral growth
- Development = Growth + Welfare

■ Growth vs Development

- Economic growth is necessary but not sufficient for development.
- Development requires:
 - ◆ Education
 - ◆ Health
 - ◆ Equality
 - ◆ Social security
- Growth is a means
- Development is an end

Modern / New Concept of Economic Development

■ Background

- Majority of countries are developing economies.
- Around 40% of the global population remains economically deprived.
- Led to shift from income-based to human-centric models

HDI-Based Development

■ Human Development Index (HDI)

- **Focuses on:**
 1. Poverty eradication
 2. Health & sanitation
 3. Education, nutrition, drinking water
 4. Housing & basic amenities

■ Explanation:

- Income alone cannot reflect human welfare.
- Human capabilities matter more.
- HDI introduced by UNDP
- Created by Mahbub-ul-Haq

■ Quality Human Development

- Emphasises:
 - ◆ Human dignity
 - ◆ Capability expansion
 - ◆ Sustainable welfare
- Sectoral shift (agriculture → industry → services) must be inclusive.
- Linked with Sustainable Development Goals (SDGs)

Growth Without Development (विकास विरहित वाढ)

■ Concept

- Proposed by Robert Clower.
- Highlights situations where economic growth occurs without social progress.

■ Characteristics

- Rise in GDP and per capita income
- No structural transformation
- Weak infrastructure
- Poor health and education
- Persistent poverty

- Also called non-inclusive growth

■ Relevance

- Common in:
 - ◆ Resource-rich countries
 - ◆ Capital-intensive economies
 - ◆ Highly unequal societies

Classical Theory of Economic Growth

■ Classical Economists

- Adam Smith
- David Ricardo
- Thomas Malthus
- Period: 18th–19th century

■ Core Classical Idea

- Relationship between:
 - ◆ Population growth
 - ◆ Output growth
- Economy gravitates towards subsistence equilibrium.

■ Mechanism

- GDP increases → population increases
- Population pressure → wages fall
- Demand rises → GDP falls
- Population declines → GDP stabilises
- Called Malthusian Trap

Adam Smith's Theory of Economic Development

■ Central Philosophy

- Free market economy
- Invisible hand
- Competition

■ Key Features

1. Capitalism
2. Division of labour
3. Capital accumulation
4. Laissez-faire
5. Free competition
6. Open economy
7. Profit motive
8. Entrepreneurial role
- State role → minimal

Ricardo's Theory of Economic Development

■ Core Idea

- Growth depends on distribution of national income.

■ Key Emphasis

- National income must increase
- Fair distribution between:
 - ◆ Wages
 - ◆ Profits

ECONOMIC

- ◆ Rent

■ Assumptions

1. Pure capitalist economy
 2. Profit as growth driver
 3. Land is limited
 4. Labour & capital are key inputs
 5. Labour demand depends on capital
- Focus on long-run stagnation

Karl Marx's Theory of Economic Development

■ Philosophical Base

- Marxism
- Dialectical materialism

■ Key Principles

1. Historical materialism
2. Surplus value theory
3. Planned economic development

■ Class Struggle

- Capitalists vs workers
- Exploitation leads to revolution
- Labour eventually controls means of production
- Foundation of socialist economies

Theory of Balanced Growth

■ Core Idea

- Simultaneous investment in all sectors of the economy.

■ Rationale

- Demand and supply are interdependent.
- Growth in one sector alone creates imbalance.
- Prevents demand-supply mismatch

Nurkse's Theory of Balanced Growth

■ Vicious Circle of Poverty

- Low income → low savings → low investment → low production → low income

■ Demand-Supply Trap

- Low income → low purchasing power
- Low demand → low investment
- Low investment → low output

■ Solution

- Simultaneous expansion of:
 - ◆ Demand
 - ◆ Supply
 - ◆ Infrastructure
 - ◆ Capital formation
- Suitable for underdeveloped economies

Rosenstein-Rodan's Balanced Growth Theory

■ Contribution

- Proposed in 1943
- Work: The Problem of Industrialisation

■ Main Ideas

- Large-scale industrial investment
- Industrial clusters
- Creation of trust

■ Significance

- Maximum utilisation of capital
- Simultaneous growth of:
 - ◆ Industry
 - ◆ Trade
 - ◆ Labour

Economic Thinkers and Development Concepts

■ 1. Joseph Schumpeter

◎ Core Idea

- Development means a sudden and discontinuous change in a normally stable economy.
- This happens because of innovation, not because of slow changes like population growth or savings.

◎ Growth vs Development

- Growth: gradual, continuous, stays within the existing economic structure.
- Development: disruptive, creates a new economic equilibrium.

◎ Role of the Entrepreneur

- The entrepreneur is the driver of change.
- He introduces innovations that break the stationary flow of the economy.

◎ Types of Innovations

- New product
- New method of production
- Opening a new market
- New source of raw material
- New form of organization

◎ Creative Destruction

- Innovation destroys old industries and replaces them with new ones.
- Keeps capitalism dynamic but unstable.

◎ Business Cycles (Schumpeterian)

- Cycles occur in waves because of clusters of innovations
- boom, saturation, decline.

◎ Prediction

- Capitalism will weaken itself through innovation

and lead to eventual rise of socialism.

● Criticism

- Too much focus on innovation, ignores the role of government and institutions.
- Modern Relevance
- Startup India, digital economy, AI revolution, tech-based disruptions.

■ 2. Gunnar Myrdal

- Nationality: Swedish economist and sociologist
- Key Works: Asian Drama (1968), Economic Theory and Underdeveloped Regions

● Main Ideas

- Cumulative Causation Theory: development and underdevelopment reinforce themselves unless checked.
- Underdevelopment grows due to social, institutional and policy failures, not just economic issues.
- Strong emphasis on government intervention, planning, and social justice.

● Famous Line

- "Development is not automatic, it is cumulative."

● Focus Areas

- Inequality
- Regional imbalance
- Institutional reforms

■ 3. Lionel Robbins

- Nationality: British economist
- Key Work: An Essay on the Nature and Significance of Economic Science (1932)

● Main Ideas

- Defined economics as the science of scarcity and choice.
- Economics studies human behaviour as a relationship between ends and scarce means with alternative uses.
- Focus on allocation of scarce resources, not welfare.

● Contribution

- Shifted economics into a value free, scientific discipline.

■ 4. Alfred Marshall

- Nationality: British economist
- Key Work: Principles of Economics (1890)

● Main Ideas

- Founder of Neoclassical Economics.

● Introduced key concepts

- elasticity of demand, consumer surplus, partial

equilibrium, time factor in pricing.

- Viewed economics as both a science and an art used to improve human welfare.

● Focus Areas

- Welfare economics
- Demand and supply analysis
- Price determined by time period (market period, short run, long run)

VARIOUS DEVELOPMENT INDICATORS

■ Human Development Reports include five major indices:

Index	Introduced
HDI (Human Development Index)	1990
IHDI (Inequality-adjusted HDI)	2010
GII (Gender Inequality Index)	1995
MPI (Multidimensional Poverty Index)	1997
GDI (Gender Development Index)	—

HUMAN DEVELOPMENT INDEX (HDI)

■ Origin and Concept

- Introduced in 1990 under the United Nations Development Programme (UNDP).
- Conceptualised by:
 - ◆ Dr. Amartya Sen
 - ◆ Mahbub ul Haq
 - ◆ Gustav Ranis
 - ◆ Lord Meghnad Desai
- Human Development is defined as:
 - ◆ "A process of enlarging people's choices and expanding human freedoms."

■ Purpose

- Focuses on people-centred development, not only economic growth.
- Highlights health, education, and standard of living.
- Used as an alternative to GDP-centric measurement.

Dimensions and Indicators of HDI

■ 3 Dimensions – 4 Indicators

Dimension	Indicators
Long and Healthy Life	Life expectancy at birth (minimum 25 years, maximum 75 years)
Knowledge (Education)	1) Mean years of schooling (25+ population) 2) Expected years of schooling (below 18 years)

ECONOMIC

Decent Standard of Living	Per capita GNI (PPP based)
---------------------------	----------------------------

■ Significance

- HDI highlights social sector outcomes, especially:
 - ◆ Nutrition
 - ◆ Education
 - ◆ Health
- Helps in comparative analysis between countries and regions.

India and HDI (Current Data)

■ Global Ranking

- 2023–24: Rank 134 out of 193 countries
- 2025: Rank 130 out of 193

■ 2025 Human Development Report

- Theme:
- *"A Matter of Choice: People and Possibilities in the Age of AI"*
- India's GNI per capita: \$9,046.76
- HDI Score: 0.685

■ HDI in India (National Level)

- First India HDR: 2001
 - ◆ Highest HDI: Delhi
 - ◆ Lowest HDI: Jharkhand
- Latest India HDR: 2011
 - ◆ Theme: "Towards Social Inclusion"

■ HDI in Maharashtra

- First Maharashtra HDR: 2002
- Latest Maharashtra HDR: 2012
 - ◆ Theme: "Towards Inclusive Human Development"
- IHDI (India, 2019): 0.475

GENDER INEQUALITY INDEX (GII)

■ Background

- Introduced in 1995, replacing:
 - ◆ GDI (Gender Development Index)
 - ◆ GEM (Gender Empowerment Measure)
- Since 2010, published by UNDP in HDRs.

■ Dimensions and Indicators of GII

Dimension	Indicators
Reproductive Health	Maternal Mortality Ratio (MMR), Adolescent Fertility Rate
Empowerment	Share of seats in Parliament, Secondary education attainment
Labour Market	Female and male labour force participation

■ India's GII Performance

- HDR 2020 (GII 2019):
 - ◆ Rank: 123
 - ◆ Score: 0.488

MULTIDIMENSIONAL POVERTY INDEX (MPI)

■ Institutional Framework

- Prepared by UNDP in collaboration with OPHI (Oxford Poverty & Human Development Initiative).
- In HDR 1997, Human Poverty Index (HPI) was introduced.
- From 2010 onwards, HPI was replaced by MPI.

■ Dimensions and Indicators of MPI

1. Health

○ Indicators

- Nutrition
- Child Mortality

2. Education

○ Indicators

- Years of Schooling
- School Attendance

3. Standard of Living

○ Indicators

- Cooking Fuel
- Sanitation
- Drinking Water
- Electricity
- Housing
- Assets

■ Deprivation Cut-offs (as given)

- 20% – 33.33% deprived → Vulnerable to multidimensional poverty
- More than 33.33% deprived → Multidimensionally poor
- More than 50% deprived → Severely multidimensionally poor

MPI Reports & India

■ 2020 Report

- 2015–16 data
- India rank: 67th out of 107 countries

■ 2022 Report

- Between 2005–06 and 2019–21,
- 41 crore 50 lakh people in India moved out of multidimensional poverty.

■ Methodology of MPI

- Global MPI is based on the Alkire–Foster (AF) Methodology.

- Developed by Sabina Alkire and James Foster.
- Uses a dual cut-off approach:
- 1. Poverty Cut-off – defines deprivation in each indicator.
- 2. Dimensional Cut-off – determines how many deprivations qualify a person as multidimensionally poor.

MULTIDIMENSIONAL POVERTY IN INDIA (NITI AAYOG)

■ Study Details

- Titled: “Multidimensional Poverty in India Since 2005–06”
- Authors:
 - ◆ Prof. Ramesh Chand (Member, NITI Aayog)
 - ◆ Dr. Yogesh Suri (Senior Adviser, NITI Aayog)
- Technical support:
 - ◆ UNDP
 - ◆ OPHI

■ Data Source

- Estimated using National Family Health Survey (NFHS):
 - ◆ NFHS-3
 - ◆ NFHS-4
 - ◆ NFHS-5

■ Dimensions & Indicators used in India's MPI

1. **Health**
 - Nutrition
 - Child & Adolescent Mortality
 - Maternal Health
2. **Education**
 - Years of Schooling
 - School Attendance
3. **Standard of Living**
 - Cooking Fuel
 - Sanitation
 - Drinking Water
 - Electricity
 - Housing
 - Assets
 - Bank Account

Poverty Estimates (Last 9 Years: 2013–14 to 2022–23)

■ Head Count Ratio (%)

● Maharashtra

- 2005–06: 40.07%
- 2015–16: 14.80%
- 2019–21: 7.81%
- 2013–14 (Projected): 18.06%
- 2022–23 (Projected): 5.48%
- People escaped MPI poverty: 159.07 lakh

● India

- 2005–06: 55.34%

- 2015–16: 24.85%
- 2019–21: 14.96%
- 2013–14 (Projected): 29.17%
- 2022–23 (Projected): 11.28%
- People escaped MPI poverty: 2482.16 lakh

■ Overall Trend

- Sharp decline in poverty headcount ratio:
 - ◆ 2013–14: 29.17%
 - ◆ 2022–23: 11.28%
- Largest decline in number of MPI poor recorded in:
 - ◆ Uttar Pradesh
 - ◆ Bihar
 - ◆ Madhya Pradesh
 - ◆ Rajasthan

GENDER DEVELOPMENT INDEX (GDI)

■ Basic Information

- Introduced by UNDP from 2014 onwards.
- Earlier, HDR 1995 focused on gender inequality
- India (HDR 2022)
 - India Rank: 132
 - GDI Value: 0.493

$$GDI = \frac{\text{Female HDI}}{\text{Male HDI}}$$

Physical Quality of Life Index (PQLI)

- Developer: Morris David Morris, 1979
- Purpose: Measures social well-being without using income.
- Components
 - Life expectancy at age one
 - Infant mortality rate
 - Basic literacy rate
- Formula
 - $PQLI = (\text{Life Expectancy Index} + \text{Infant Mortality Index} + \text{Literacy Index}) / 3$
- Scale: 0 (worst) to 100 (best)
- Income excluded to avoid economic bias.
- Comparison with HDI
 - HDI includes income.
 - PQLI focuses only on health and education, so it reflects social progress more directly.

Human Capital Index (HCI)

- Released by: World Bank in 2018
- Purpose: Measures future productivity of today's children as tomorrow's workers.
- Background
 - Idea of human capital measurement first introduced by Paul Romer.
- Focus Areas
 - Health

ECONOMIC

- survival to age 5, stunting rates
- Education
- years of schooling, quality of learning
- Range
 - 0 to 1, higher score means stronger human capital.
- Components
 - Survival to age 5
 - Expected years of schooling
 - Harmonised test scores
 - Adult survival rate
 - Healthy growth (no stunting)
- Latest Known Data (as per your notes)
 - India's HCI score (2022): 0.44
 - India's rank: 115 of 174 countries
 - Top performer: Singapore
 - Last: Niger

IMPORTANT INTERNATIONAL & NATIONAL INDICES (EXAM READY CHART)

Index Name	Published By	Starting Year	Conditions / Indicators	Ranking / Key Facts
1. Human Development Index (HDI)	UNDP (United Nations Development Programme)	1990	1. Life Expectancy at birth 2. Expected & Mean Years of Schooling 3. Gross National Income (PPP)	1. Switzerland 2. Norway 3. Ireland India: 132 / 191
2. Multidimensional Poverty Index (MPI – Global)	UNDP & OPHI (Oxford Poverty & Human Development Initiative)	2010	1. Living Standards 2. Education 3. Health	India: 22.8 crore people multidimensionally poor (reduced significantly)
3. Global Hunger Index (GHI)	Concern Worldwide & Welthungerhilfe	2006	1. Undernourishment 2. Child Stunting 3. Child Wasting 4. Child Mortality	1. Belarus 2. Bosnia 3. Chile India: 107 / 121 (Serious category)
4. World Competitiveness Index (WCI)	IMD (Switzerland)	1989	1. Economic Performance 2. Government Efficiency 3. Business Efficiency 4. Infrastructure	1. Denmark 2. Ireland 3. Switzerland India: 40 / 64
5. Global Gender Gap Index	World Economic Forum	2006	1. Economic Participation 2. Educational Attainment 3. Health & Survival 4. Political Empowerment	1. Iceland 2. Norway 3. Finland India: 127 / 146
6. Global Liveability Index	Economist Intelligence Unit	1946	1. Stability 2. Healthcare 3. Culture & Environment 4. Education 5. Infrastructure	1. Vienna (Austria) 2. Copenhagen 3. Melbourne Indian Cities: Low ranks
7. Energy Transition Index (ETI)	World Economic Forum	1971	1. Economic Development 2. Environmental Sustainability 3. Energy Security 4. Energy Affordability	1. Sweden 2. Denmark 3. Norway India: 67 / 120

8. World Press Freedom Index	Reporters Without Borders	2002	1. Political Context 2. Economic Context 3. Socio-cultural Context 4. Safety of Journalists	1. Norway 2. Ireland 3. Denmark India: 161 / 180
9. Economic Freedom Index	Heritage Foundation	1995	1. Rule of Law 2. Government Size 3. Regulatory Efficiency 4. Market Openness	1. Singapore 2. New Zealand 3. Australia India: 121 / 176
10. Logistics Performance Index (LPI)	World Bank	2010 (Biennial)	1. Customs Efficiency 2. Infrastructure Quality 3. Logistics Competence 4. Timeliness	1. Singapore 2. Finland 3. Germany India: 38 / 139
11. Passport Index	Henley / Arton Capital	2006	1. Visa-free access 2. Visa-on-arrival access	1. UAE 2. Sweden 3. Germany India: 144 / 199
12. Global Terrorism Index	Institute for Economics & Peace	2007	Terror incidents, deaths, injuries, property damage	1. Afghanistan 2. Burkina Faso 3. Somalia India: 131 / 163
13. Crime Index	World of Statistics	—	1. Cyber Crime 2. Financial Crime 3. Violent Crime	1. Venezuela 2. Papua New Guinea 3. Afghanistan India: 77 / 136
14. National Multidimensional Poverty Index (India)	NITI Aayog	2021 (2nd Edition)	1. Health 2. Education 3. Living Standards	Rural poverty declined faster than urban; major decline in BIMARU states
15. Export Preparedness Index	NITI Aayog	2019	1. Policy 2. Business Ecosystem 3. Export Infrastructure 4. Export Performance	Top States: 1. Tamil Nadu 2. Maharashtra 3. Karnataka
16. Community Spirit Index	Gallup (USA-based platform)	—	Volunteering, donations, social trust	Top Cities: Toronto, Sydney, Edinburgh Indian cities rank moderate
17. Global Innovation Index (GII)	WIP	2007	1. Human Capital & Research 2. Infrastructure 3. Knowledge & Technology Output	1. Switzerland 2. USA 3. Sweden India: 40 / 132

(1) Ricardo and Malthus (2) Keneyes and Karl Marks
(3) Karlail and Raskin (4) Chamberlein and Robinsons

(1) Only a (2) Only c (3) Only d (4) Only a and b

(1) a only

(1) G. Myrdal (2) Ragnar Nurks (3) Robbins (4) Marshall

(6)	Amount Mortality	(7)	Survival

(1) Only (a) and (b)
 (2) Only (b)
 (3) None of the above
 (4) All of the above

(3) both (a) and (b) are incorrect (4) both (a) and (b) are correct

(4) None of the above

Answer Option

(4) None of the above

(3) Food, clothing, shelter, drinking water, sanitation

19

39. "फक्त उत्पादनात होणारी वाढ म्हणजे आर्थिक वृद्धी होय" हे विधान कोणी केले ?

(1) प्रो. एडिसन (2) प्रो. किंडलबर्गर **2025**

(3) ए.डी. गोरवाला (4) प्रो. जोसेफ शुम्पेटर

"Economic growth is the increase in output only" whose statement was this ?

(1) Prof. Edison (2) Prof. Kindleberger

(3) A.D. Gorwala (4) Prof. Joseph Schumpeter

36. कोणत्या निर्मितीमध्ये पर्यावरणाच्या नावापेक्षा _____ या विकासाला जास्त प्राधान्य दिले जाते. **2024**

(1) मानवी (2) सांस्कृतिक (3) राखणे (4) सामाजिक

development is prioritized over environment degradation in energy generation.

(1) Human (2) Cultural (3) Political (4) Social

Logic :- It is in economy section → so if we guess only (1) fits correctly.

Answer : (1)

40. भारतीय अर्थव्यवस्थेबाबत खालील विधाने विचारात घेऊन योग्य पर्याय निवडा.

अ. जागतिकीकरणानंतर भारतीय अर्थव्यवस्थेतील बदल लक्षात घेता 'ट्रिकल डाऊन थिअरी' भारतीय अर्थव्यवस्थेला तंतोतंत लागू होते.

ब. जागतिकीकरणानंतर विशेषतः 2005 पासून, भारताने गाढलेला उच्च विकास दर 'ट्रिकल डाऊन थिअरी' वर प्रश्नचिन्ह उपस्थित करतो.

(1) विधान अ बरोबर आहे

(2) विधान ब बरोबर आहे **2025**

(3) दोन्ही विधाने अ व ब बरोबर आहेत

(4) दोन्ही विधाने अ व ब चुकीची आहेत

Consider the following statements and choose the correct option regarding Indian economy.

A. Considering the economic changes in India after globalisation, 'Trickle Down Theory' is precisely applicable to Indian economy.

B. The high growth rate of Indian economy after globalisation, especially since 2005, poses question about applicability of the 'Trickle Down Theory'.

(1) Statement A is correct

(2) Statement B is correct

(3) Both statements A and B are correct

(4) Both statements A and B are incorrect

43. गुनार मर्दोल यांनी जागतिक विकासाला साकाराची भूमिका पुढीलप्रमाणे असली:

(a) प्रतिस्पर्धाकेंद्रित विकास करून विकासाला पोषण देण्याची कार्ये.

(b) विकासाला पोषण देण्यास बळकट करून प्रतिस्पर्धाकेंद्रित विकास प्रचालीत करणे.

(c) प्रतिस्पर्धाकेंद्रित विकास आणि विकासाला पोषण देण्यास प्रचालीत करणे.

(d) विकासाला पोषण आणि प्रतिस्पर्धाकेंद्रित विकास करणे.

यापैकी सही :

(1) केवळ (a) (2) (a) आणि (c) (3) (b) आणि (c) (4) (c) आणि (d) **→ 2024**

According to Gunnar Myrdal the role of Govt. in economic development should be as follows :

(a) Effecting the spread effect by neutralizing backward effect.

(b) Neutralizing spread effect by effecting the backward effect.

(c) Effecting spread effect and backward effect.

(d) Neutralizing spread effect and backward effect.

Answer options :

(1) Only (a) (2) (a) and (c) (3) (b) and (c) (4) (c) and (d)

Answer :- (1)

20 **E21**

41. "विकासनशील जगातील जवळजवळ 40% लोकसंख्येला 1950 आणि 1960 च्या दशकांमध्ये झालेल्या आर्थिक वृद्धीचा लाभ झालेला नाही." हे विधान कोणाचे आहे ?

(1) रॉबर्ट मॅकनामारा

(2) रॉबर्ट क्लोवर

(3) चार्ल्स किंडलबर्गर **2025**

(4) जिन ड्रेजे

"About 40% of the population of the developing world did not benefit from economic growth during the 1950's and 1960's." Who made this statement ?

(1) Robert McNamara

(2) Robert Clover

(3) Charles Kindleberger

(4) Jean Dreze

24 **E21**

49. खालील विधाने विचारात घ्या :

अ. लिंगाधारित मानव विकास निर्देशांक हा आरोग्य, शिक्षण, सबलीकरण आणि श्रम बाजार यांचा संयुक्त निर्देशांक आहे.

ब. वरील चार घटकांचा विचार केल्यास स्त्री-पुरुषांतील असमानतेमुळे मानव विकासावर प्रतिकूल परिणाम होतो.

(1) फक्त अ बरोबर आहे (2) फक्त ब बरोबर आहे

(3) अ आणि ब दोन्हीही बरोबर आहेत (4) अ आणि ब दोन्हीही चुक आहेत

Consider the following statements :

A. Gender Development Index is a composite index of health, education, empowerment and labour market.

B. When the above four factors are considered together, inequality in women and men has adverse impact on Human Development Index.

(1) Only A is correct (2) Only B is correct

(3) Both A and B are correct (4) Both A and B are incorrect

CHAPTER 03

PLANNING IN INDIA

Historical Background of Economic Planning in India

- Since the 19th century, elements of short-term and medium-term planning were visible under British rule.
- The Government of India Acts of 1919 and 1935 increased provincial autonomy, which highlighted the need for systematic planning.
- In 1934, M. Visvesvaraya proposed the idea of a planned economy for India in his book *Planned Economy for India*.
- He also proposed a 10-year plan focusing on industrialisation.
- In 1938, Jawaharlal Nehru announced that economic planning was essential for independent India.
- The National Planning Committee (1938) was set up under the chairmanship of Jawaharlal Nehru.
- The committee had 29 sub-committees covering different sectors of the economy.
- In 1944, leading industrialists prepared the Bombay Plan to accelerate industrial growth.

Major Recommendations

1. 15-year long-term planning framework
2. Preparation of National Income Estimates
3. Creation of a Central Planning Authority

Planning Commission of India

Establishment

- Date: 15 March 1950
- Established by: Government of India
- Nature: Extra-constitutional & Non-statutory
- Approval: Cabinet Resolution

Status

- Apex body for economic planning
- Functioned as an advisory body

Composition of the Planning Commission

Post	Details
Chairman	Prime Minister of India
Vice-Chairman	Appointed by PM (full-time)
Members	5 to 8 (experts)
Secretary	Cabinet-rank officer

Nature	Advisory, not constitutional
--------	------------------------------

National Development Council (NDC)

Establishment

- Year: 1952
- Nature: Extra-constitutional body
- Chairman: Prime Minister

Members

- Union Cabinet Ministers
- Chief Ministers of all States
- Administrators of Union Territories

Functions

1. Approval of Five-Year Plans
2. Coordination between Centre and States
3. Ensuring balanced regional development

NITI Aayog (National Institution for Transforming India)

Establishment

- Announced: 1 January 2015
- Replaced: Planning Commission
- Nature: Think Tank (Policy advisory body)

Objectives of NITI Aayog

- Promote cooperative federalism
- Shift focus from allocation of funds to policy formulation
- Encourage state participation in development
- Long-term strategic planning instead of rigid Five-Year Plans
- Use data, technology, and innovation in governance

Organisational Structure of NITI Aayog

1. **Chairperson**
 - Prime Minister of India
2. **Vice-Chairperson**
 - Appointed by Prime Minister
3. **Full-Time Members**
 - Experts in economics, policy, governance
4. **Part-Time Members**
 - Leading scholars, professionals
5. **Ex-Officio Members**
 - Union Ministers (Home, Finance, Railways,

Agriculture)

6. CEO

- Appointed by Prime Minister
- Rank: Secretary to Government of India

Governing Council

Chairman

- Prime Minister

Members

- Chief Ministers of all States
- Lieutenant Governors of UTs

Role

- High-level policy coordination
- Strengthening Centre-State cooperation

Regional Councils

- Formed to address regional or sector-specific issues
- Chaired by Prime Minister or nominee
- Includes selected Chief Ministers & Union Ministers

Functions of NITI Aayog

1. Formulation of national development agenda
2. Promoting cooperative & competitive federalism
3. Policy support to States
4. Monitoring & evaluation of schemes
5. Acting as knowledge & innovation hub
6. Encouraging private sector & civil society participation
7. Developing long-term vision documents

Planning Commission vs NITI Aayog

Aspect	Planning Commission	NITI Aayog
Nature	Centralised	Decentralised
Role	Fund allocation	Policy advisory
Five-Year Plans	Yes	No
Federalism	Top-down	Cooperative
State Role	Limited	Strong
Financial Powers	Yes	No
Approach	Command economy	Market-oriented

Development Agenda for New India - 2022

- Introduced by NITI Aayog
- Replaced the Five-Year Plan framework
- Focus areas:
 - ◆ Poverty elimination
 - ◆ Education & health
 - ◆ Infrastructure

- ◆ Governance reforms
- ◆ Sustainable development

FIVE YEAR PLANS IN INDIA (12)

First Five-Year Plan (1951-1956)

Main Focus

↓
Agriculture & Irrigation
Development Model

↓
Harrod-Domar Growth Model
Economic Growth Target

- Target Growth Rate: 2.1% per annum
- Achieved Growth Rate: ~3.6% per annum

Objectives

- Establish a planning mechanism for economic development
- Achieve rapid but balanced economic growth
- Expand agriculture and irrigation facilities
- Increase employment opportunities and national income
- Rebuild the economy weakened due to Partition and World War II, and lay the foundation of economic development

Public Sector Expenditure Pattern

- Irrigation & Power Projects: ~29%
- Transport & Communications: ~26%
- Social Services (Health, Education, Housing): ~24%
- Agriculture & Community Development: ~15%

Major Reforms / Institutional Developments

- 1951: First coal mine established at Sindri (Jharkhand)
- 1951: Community Development Programme launched
- 1952: National Extension Service Programme started
- 1952: All India Handloom Board established
- 1953: Khadi and Village Industries Board set up
- 1953: Nationalisation of Air Transport → formation of
 - ◆ Air India International
 - ◆ Indian Airlines
- 1953: University Grants Commission (UGC) formally established
- 1955: Imperial Bank nationalised → renamed State Bank of India (SBI)
- 1955: ICICI established
- 1956: Establishment of Indian Institutes of Technology (IITs)

Major Multipurpose River Valley Projects

■ (Based on the Tennessee Valley Authority (TVA) model of the USA)

- Bhakra–Nangal Project (Sutlej River, Himachal Pradesh)
- Hirakud Project (Mahanadi River, Odisha)
- Kosi Project (Kosi River, Bihar)
- Damodar Valley Project (Damodar River, Jharkhand–WB)

■ Major Industrial Establishments

- Chittaranjan Locomotive Works – Railway engines
- Kandla Port – Gujarat
- Pimpri–Chinchwad – Hindustan Antibiotics Ltd.
- Perambur – Railway Coach Factory (Tamil Nadu)
- Visakhapatnam – Shipbuilding Yard

Second Five-Year Plan (1956–1961)

■ Plan Period

- Duration: 1 April 1956 – 31 March 1961

■ Plan Model

- Mahalanobis Model
- Emphasis on Heavy Industry–led Industrialisation
- **Exam relevance:** Capital goods model → long-term self-reliant growth

■ Plan Leadership

- Chairman (Planning Commission): Jawaharlal Nehru
- Deputy Chairman: T.T. Krishnamachari

■ Ideological Orientation

- Socialistic Pattern of Society
- Dominant role of Public Sector
- Industrial base for economic independence

■ Main Priority / Maximum Allocation

- Basic & Heavy Industries

■ Objectives

- Give special emphasis on basic and capital goods industries
- Increase national income and industrial output
- Create new employment opportunities
- Achieve self-reliance in industrial production
- Reduce income and wealth inequalities
- Raise standard of living of the people

■ Target Growth Rates

- Target Growth Rate: 4.5% per annum (GDP)
- Achieved Growth Rate: ~4.3% per annum

Sectoral Growth Performance (GDP %)

Sector	Growth Rate
Agriculture	~3.1%
Industry	~5.7%
Services	~4.4%
Savings Rate	~12.4%
Investment Rate	~14.8%

Plan Outlay & Allocation

■ Total Plan Outlay

- Planned Outlay: ₹4,800 crore
- Actual Expenditure: ~₹4,600 crore

■ Sector-wise Allocation

- Industry: ~24%
- Energy: ~10%
- Transport: ~27%
- Agriculture: ~20%
- Social Services: ~18%

Major Industrial & Institutional Achievements

■ Heavy Industry Projects

- Durgapur Steel Plant (West Bengal)
 - ◆ Built with UK assistance
- Bhilai Steel Plant (Chhattisgarh)
 - ◆ Built with USSR assistance
- Rourkela Steel Plant (Odisha)
 - ◆ Built with German assistance
- **Exam tip:** Foreign collaboration pattern is frequently asked

■ Key Institutions Established

- 1956: Life Insurance Corporation of India (LIC)
- 1957: Balwant Rai Mehta Committee
 - ◆ Recommended Democratic Decentralisation (Panchayati Raj)

■ Major Programmes Launched

- Community Development Programme (1956–61)
- National Extension Programme
- Khadi and Village Industries Programme (1957–58)

Important Policy Decision

■ Second Industrial Policy Resolution, 1956

- Declared Public Sector as the commanding height of the economy
- Categorized industries into:
 - ◆ Schedule A – State monopoly
 - ◆ Schedule B – Mixed sector
 - ◆ Schedule C – Private sector

■ Evaluation / Growth Outcome

- Growth target almost achieved
- Industrial sector performed better than agriculture
- Savings and investment rates increased
- Industrial base of India strongly established

■ Limitations / Criticism

- Neglect of agriculture led to food shortages later
- Heavy dependence on foreign aid
- Inflationary pressures increased
- Regional imbalances persisted

Third Five Year Plan (1961–1966)

■ Plan Period

- 1 April 1961 – 31 March 1966

■ Top Priority

- Agriculture and Basic Industries

■ Plan Model

- P.C. Mahalanobis Model

■ Chairman

- Pandit Jawaharlal Nehru (1961–1964)

■ Objectives

- Achieve self-reliant and self-sustaining economy
- Attain 5.6% annual economic growth
- Reduce income and wealth inequalities
- Increase agricultural production and productivity
- Expand employment opportunities
- Promote balanced regional development
- Control inflationary pressures
- Strengthen the base for industrial growth

Plan Outlay and Sectoral Allocation

■ Total Expected Outlay

- ₹7,500 crore

■ Actual Plan Expenditure

- ₹8,577 crore

Sector	Allocation
Energy	14%
Industry	23%
Transport	25%
Agriculture	29%
Social Services	19%

Targeted vs Achieved Growth Rate

■ Overall Growth

- Target Growth Rate: 5.6%
- Achieved Growth Rate: 2.8%

■ Sector-wise Growth

Sector	Growth Rate
Agriculture	3.15%
Industry	4.49%
Services	4.45%
Savings Rate	12.4%
Capital Formation	14.4%

Major Achievements during the Plan

■ Agricultural Reforms

- Agricultural Price Commission (APC) established in 1965
- APC renamed as CACP (Commission for Agricultural Costs and Prices) in 1985
- Beginning of institutional price support mechanism

■ Green Revolution – Initial Phase

- Kharif 1966: Start of Green Revolution
- HYV seeds introduced
 - ◆ International: Norman Borlaug
 - ◆ Indian scientist: M.S. Swaminathan

■ Food Security

- Food Corporation of India (FCI) established on 14 January 1965
- Objective:
 - ◆ Procurement
 - ◆ Storage
 - ◆ Public Distribution System (PDS)

■ Financial Institutions

- UTI (Unit Trust of India) – 1964
(to mobilise small savings)
- IDBI (Industrial Development Bank of India) – 1964
(long-term industrial finance)

■ External Shocks Affecting the Plan

- 1962 Indo-China War
- 1965–66 Indo-Pakistan War
- Severe drought (1965–66)
- Heavy defence expenditure
- Food shortages and inflation
- **Because of these, the plan is known as:**
- **“Most unsuccessful Five Year Plan”**

■ Key Outcomes

- Lowest achieved growth rate among early plans
- Agriculture affected badly due to drought
- Industrial growth comparatively better
- Inflation increased sharply
- Foundation laid for Green Revolution
- Necessitated Annual Plans (1966–69)

ECONOMIC

• Annual Plans (Planning Holiday)

■ Period

- 1966–1969

■ Chairperson

- Indira Gandhi

■ Objectives

- Overcome food crisis
- Control inflation
- Achieve economic stability
- Prepare base for Fourth Five Year Plan

Fourth Five Year Plan (1969–1974)

■ Plan Period

- 1 April 1969 – 31 March 1974

■ Chairperson

- Indira Gandhi

■ Deputy Chairpersons

- D. R. Gadgil (up to 1971)
- C. Subramaniam (1971–72)
- D. P. Dhar (from July 1972)

■ Main Objective

- Achieving stability with economic growth (Balanced Regional Development)

■ Plan Strategy / Model

- Alan Mann and Ashok Rudra Model

■ Objectives

- Build a self-reliant economy
- Achieve balanced regional development
- Increase national income and employment
- Increase agricultural production
- Garibi Hatao slogan announced in 1971
- Bhagwati Committee (1973) constituted to study unemployment

Major Policy Decisions / Structural Reforms

■ Bank Nationalisation

- 19 July 1969:
 - 14 major commercial banks (with deposits over ₹50 crore) nationalised

Important Acts, Schemes and Institutions

■ MRTP Act

- 1969:
 - Monopolies and Restrictive Trade Practices (MRTP) Act
- Objective:
 - ◆ Prevent concentration of economic power
 - ◆ Control monopolies and unfair trade practices

■ Lead Bank Scheme

- 1969: Introduced by RBI
- Based on Gadgil Committee and Narasimham Committee
- Objective:
 - ◆ Promote rural credit and financial inclusion

■ Bokaro Steel Plant

- Established in 1972 with Russian assistance
- Located in Jharkhand
- Now under SAIL

■ Trade Balance Improvement

- 1972–73:
 - India achieved favourable balance of trade
- Exports exceeded imports by about ₹104 crore

■ Steel Authority of India Ltd. (SAIL)

- Established on 24 January 1973
- Maharatna PSU

■ FERA

- Foreign Exchange Regulation Act (1973)
- Objective:
 - ◆ Conservation of foreign exchange
 - ◆ Regulation of foreign capital

■ Drought Prone Area Programme (DPAP)

- 1973
- Objective:
 - ◆ Development of drought-prone regions
 - ◆ Environmental balance and rural development

■ Plan Outlay and Sectoral Allocation

- Expected Outlay - ₹15,900 crore
- Actual Expenditure - ₹15,779 crore

Sector	Allocation
Energy	15%
Industry	23%
Transport	18%
Agriculture	24%
Social Services	17%

Targeted vs Achieved Growth Rate

■ Overall Growth

- Target Growth Rate: 5.7%
- Achieved Growth Rate: 3.3%

■ Sector-wise Growth

Sector	Growth
Agriculture	2.7%
Industry	4.1%
Services	3.2%
Savings Rate	17.3%
Capital Formation	18.9%

Problems Faced During the Plan

■ India-Pakistan War (1971)

- War expenditure increased fiscal burden

■ Creation of Bangladesh

- Rehabilitation of refugees affected resources

■ Oil Crisis (1973)

- Arab-Israel war → OAPEC oil embargo
- Crude oil prices rose by around 400%
- Severe impact on growth and inflation

■ Overall Assessment

- Moderate economic growth achieved
- Strong emphasis on social justice and public sector
- Foundation laid for poverty alleviation programmes
- Impact of external shocks limited performance

Fifth Five-Year Plan (1974–1979)

- **Plan Period:** 1 April 1974 – 31 March 1979
- **Chairperson:** Indira Gandhi
- **Vice-Chairperson:** D. R. Gadgil

■ Main Theme:

- Garibi Hatao (Poverty Eradication), Self-reliance

■ Planning Model:

- Based on Alan Man & Ashok Rudra Model
Draft prepared by D. D. R.

■ Objectives

- Priority to poverty eradication and self-reliance
- Fulfilment of minimum basic needs
- Expansion of Public Distribution System (PDS)
- Reduction of poverty and inequality
- Reduction of economic, social, and regional disparities
- Promotion of social justice with economic growth
- Reduction of regional imbalance
- Acceptance of selective import substitution

Major Programmes / Initiatives

■ Twenty Point Programme

- Launched by Prime Minister Indira Gandhi (1975–76)
- Focus: Poverty removal and inclusive development

■ Regional Rural Banks (RRBs)

- 26 September 1975
- Objective:
 - ◆ Banking services in rural areas
 - ◆ Reduction of regional disparities

■ First National Population Policy (1976)

- Declared on 16 April 1976
- Announced by Karan Singh

■ Trade Liberalisation

- During 1972–73 and 1976–77
- Trade deficit reduced by ₹58 crore

■ Desert Development Programme (DDP)

- 1977–78
- Objective:
 - ◆ Control desertification
 - ◆ Employment through labour-intensive works

■ Integrated Child Development Scheme (ICDS)

- 2 October 1975
- Objectives:
 - ◆ Health, nutrition, education
 - ◆ Physical, mental & social development of children and mothers

■ Problems During the Plan

- Poverty eradication remained incomplete
- 1975 Emergency
- 1977 change of government
→ Plan terminated one year earlier
- 1 April 1978: Janata Government announced Rolling Plan

Expenditure Pattern

■ Estimated Outlay

- ₹39,250 crore (GDP%)
- Actual Plan Expenditure: ₹31,426 crore

■ Sector-wise Allocation

- Agriculture – 22%
- Energy – 11%
- Industry – 26%
- Transport – 18%
- Social Services – 17%
- **Growth Performance (GDP%)**
- **Target Growth Rate:** 4.4%
- **Achieved Growth Rate:** 4.7%

ECONOMIC

■ Sector-wise Growth

- Agriculture – 3.2%
- Industry – 6.4%
- Services – 5.6%
- Savings – 21.6%
- Investment – 22.2%

Related Schemes (During Plan Period)

■ Food for Work Programme

- Started in 1977
- Objective:
 - ◆ Employment generation in rural areas
 - ◆ Payment through food grains

Non-Formal Education Programme (1979–80)

■ TRYSEM (Training of Rural Youth for Self-Employment)

- 15 August 1979
- Skill development and self-employment for rural poor

■ Antyodaya Scheme

- Targeted poorest of the poor
- Objective: Self-reliance of rural poor households

■ Major Challenge

- Second Oil Shock (1979)
→ Severe impact on economy and planning

Sixth Five-Year Plan (1980–1985)

■ Plan Period

- 1 April 1980 – 31 March 1985

■ Chairperson

- Indira Gandhi
(1980–84; March 1985)

■ Vice-Chairpersons

- S. D. Tiwari (till August 1981)
- Shankar Rao Chavan (1981–84)
- P. V. Narasimha Rao (1984–85)

■ Main Theme / Priority

- Poverty Alleviation and Employment Generation

■ Plan Model

- Alan Man – Ashok Rudra Model

■ Objectives

- Accelerate overall economic growth
- Achieve economic and technological self-reliance
- Reduce poverty ratio
- Create 30 crore person-days of employment
- Reduce income inequality
- Promote modernisation
- Reduce poverty-unemployment

- Improve standard of living
- Control population growth

Plan Outlay & Sectoral Allocation

■ Total Outlay

- Expected Outlay: ₹1,40,000 crore
- Actual Expenditure: ₹1,03,212 crore

■ Sector-wise Allocation

Sector	Allocation
Agriculture	24%
Energy	28%
Industry	16%
Transport	16%
Social Services	16%

Growth Performance

■ GDP Growth

- Target Growth Rate: 5.2%
- Achieved Growth Rate: 5.5%

■ Sector-wise Growth

Sector	Growth
Agriculture	2.5%
Industry	5.3%
Services	4.8%
Savings Rate	20.9%
Investment Rate	21.6%
Transport	16%

Major Programmes / Projects

■ Integrated Rural Development Programme (IRDP)

- Launched on 2 October 1980
- Objective: Provide assets and credit to rural poor for self-employment

■ National Rural Employment Programme (NREP)

- Started on 2 October 1980
- Objective: Generate employment in rural areas

■ Bank Nationalisation (Second Phase)

- 15 April 1980
- Six banks with deposits over ₹200 crore nationalised

■ Visakhapatnam Steel Plant

- Andhra Pradesh
- Foundation laid in January 1982

■ Salem Steel Plant

- Tamil Nadu
- Established under SAIL (1982)

■ NABARD (National Bank for Agriculture & Rural Development)

- Established on 12 July 1982
- Based on Shivraman Committee (1977)
- Apex institution for agriculture and rural development

■ EXIM Bank

- Established on 1 January 1982
- Objective: Promote foreign trade and exports

■ DWCRA (Development of Women and Children in Rural Areas)

- Launched in September 1982
- Focus: Self-employment for poor rural women

■ RLEGP (Rural Landless Employment Guarantee Programme)

- Objective: Guarantee 100 days of employment
- Target group: Landless rural labourers

■ Important Exam Pointers

- First plan after return of Congress in 1980
- Strong focus on poverty + employment
- NABARD and EXIM Bank created during this plan
- Second phase of bank nationalisation
- Shift from growth-only to growth with social justice

Seventh Five-Year Plan (1985–1990)

■ Plan Period

- 1 April 1985 – 31 March 1990

■ Chairman

- Rajiv Gandhi

■ Vice-Chairman

- P. Shiv Shankar

■ Plan Name

- Employment-Oriented Growth Plan

■ Main Focus

- Reduction of poverty, unemployment, and regional imbalance

■ Plan Model

- Based on Brahmananda and Vakil Wage-Goods Model

■ Objectives

- Increase agricultural production and productivity
- Reduce regional disparities
- Reduce poverty and unemployment
- Improve production technology

- Protect industries
- Environmental protection

Plan Outlay and Allocation

■ Total Expected Outlay

- ₹1,80,000 crore (GDP%)

■ Actual Plan Outlay

- ₹1,80,730 crore

Sector	Allocation
Agriculture	22%
Energy	28%
Industry	13%
Transport	11%
Social Services	11%

■ Growth Rate (GDP%)

- Target Growth Rate: 5.0%

■ Achieved Growth Rate: 5.6%

Sector	Growth Rate
Agriculture	3.4%
Industry	6.7%
Services	6.7%
Savings	20.4%
Investment	22.8%

Major Programmes / Initiatives

■ Indira Awas Yojana

- Started during 1985–86 as part of RLEGP
- Objective: Provide housing assistance to rural poor

■ Kishori Balika Yojana

- Introduced in 1985
- Health, nutrition, and education support for poor adolescent girls

■ Comprehensive Crop Insurance Scheme

- Launched to compensate farmers for crop losses

■ CAPART (Council for Advancement of People's Action and Rural Technology)

- Established in 1986
- Rural technology and voluntary organisation support

■ National Rural Employment Programmes

- Jawahar Rozgar Yojana launched by merging NREP and RLEGP

ECONOMIC

■ Million Wells Scheme (MWS)

- Irrigation facilities for SC/ST and small farmers

■ IRDP Strengthening

- Continued support for self-employment among rural poor

Two-Year Plan (1990–1992)

■ Chairman

- P. V. Narasimha Rao

■ Vice-Chairman

- Mohan Dharia, Pranab Mukherjee

■ Finance Minister

- Manmohan Singh

■ Plan Name

- Self-Reliance Plan (Economic Reforms Background)

■ Special Events

- Oil Price Shock (Mini Oil Shock) due to Gulf War (1990–91)
- Initiation of economic liberalisation
- Beginning of New Industrial Policy

Eighth Five-Year Plan (1992–1997)

Aspect	Details
Plan Period	1 April 1992 – 31 March 1997
Chairman	P. V. Narasimha Rao (till March 1996), H. D. Deve Gowda (after March 1996)
Deputy Chairman	Pranab Mukherjee (till March 1996), Madhu Dandavate (after March 1996)
Main Theme	Human Development / Manav Vikas
Model / Approach	Rao–Manmohan Economic Reform Model
Nature of Plan	First plan after Economic Liberalisation (1991)

■ Objectives

- Control population growth
- Generate employment opportunities
- Provide safe drinking water
- Develop basic infrastructure
- Improve health facilities
- Achieve universal literacy (age group 15–35 years)
- Reduce poverty and inequalit

■ Plan Expenditure & Sectoral Allocation

Component	Details
Estimated Outlay	₹4,38,000 crore
Actual Outlay	₹4,85,680 crore

Sector	Allocation (%)
Agriculture	22%
Energy	27%
Industry	10%
Transport	22%
Social Services	22%

■ Growth Rate (GDP%)

Indicator	Rate
Target Growth Rate	5.6%
Achieved Growth Rate	6.5%

Sector	Growth Rate
Agriculture	4.0%
Industry	7.3%
Services	7.8%
Savings Rate	23.3%
Investment Rate	24.6%

■ Major Policy Decisions & Reforms

Policy / Reform	Details
First Foreign Trade Policy	Announced on 31 March 1992
Partial Convertibility of Rupee	Introduced in 1992
Full Convertibility on Trade Account	Implemented in 1993
Liberalisation	Reduction of licensing, deregulation

■ Major Schemes & Programmes

Scheme / Programme	Year & Purpose
Prime Minister Employment Scheme	1993 – Self-employment for educated unemployed
Employment Assurance Scheme	1993 – Minimum 100 days of employment
Mid-Day Meal Scheme	1995 – Nutrition for primary school children

Gandhi Gram Yojana	1995-96 – Rural infrastructure development
Rural Drinking Water Scheme	1996-97 – Safe drinking water
Rural Nutrition Programme	1996-97 – Reduce child malnutrition
Ganga Kalyan Yojana	1997 – Groundwater & irrigation
National Social Assistance Programme	15 Aug 1995 – Pension & assistance to poor
National Family Benefit Scheme	Financial aid after death of breadwinner
Sangam Yojana	1996 – Assistance to disabled persons
Women Dairy Programme	1991-92 – Women employment
Ambedkar Village Development Programme	1991-92

■ Significance of the Plan

- First plan based on Human Development
- Strengthened economic reforms
- Shift from state control to market-oriented economy
- Focus on social security and welfare
- Higher growth than target

Ninth Five Year Plan (1997-2002)

■ Plan Period

- 1 April 1997 – 31 March 2002

■ Chairman

- I.K. Gujral (till March 1998), Atal Bihari Vajpayee

■ Deputy Chairmen

- Madhu Dandavate, Jaswant Singh, K.C. Pant

■ Objectives

- Improvement in standard of living
- Employment generation through technological progress
- Reduction of regional imbalance
- Self-reliance in agriculture, industry, technology and foreign trade

■ Plan Expenditure & Sectoral Allocation

Sector	Allocation (%)
Agriculture	12.8%
Energy	15.4%

Industry	26.1%
Transport	14.2%
Social Services	20.7%

- **Expected Plan Outlay:** ₹8,59,200 crore
- **Actual Plan Expenditure:** ₹9,41,048 crore

■ Targeted vs Achieved Growth Rate (GDP %)

Sector	Growth Rate
Agriculture	2.4%
Industry	4.2%
Services	7.6%
Savings Rate	23.7%
Investment Rate	24.23%
Target Growth Rate: 6.5%	

- **Achieved Growth Rate: 5.5%**

■ Major Programmes & Reforms

- Swarna Jayanti Shahari Rozgar Yojana (SJSRY) – Urban employment
- Jawahar Gram Samridhi Yojana (JGSY) – Rural employment
- National Crop Insurance Scheme
- Swarna Jayanti Gram Swarozgar Yojana (SGSY)
- Annapurna Yojana
- FEMA Act (1999) replaced FERA
- Sarva Shiksha Abhiyan (2000)
- SEZ Policy announced
- Janani Suraksha Yojana
- Pradhan Mantri Gramodaya Yojana
- Sampoorna Gramin Rozgar Yojana (SGRY)
- VAMBAY (Urban Slum Housing Scheme)

■ Key Features

- Strong focus on human development
- Shift towards market-oriented reforms
- Emphasis on employment, education and social security

Tenth Five-Year Plan (2002-2007)

- **Plan Period:** 1 April 2002 – 31 March 2007
- **Chairman:** Atal Bihari Vajpayee
- **Deputy Chairman:** K. C. Pant
- **Plan Name / Focus:** Education Plan
- **Declared Focus Areas:** Employment, Energy generation, Social development

■ Objectives

- Promote employment generation, energy development, and social sector growth
- Achieve 8% annual GDP growth
- Reduce poverty by 20% by 2007
- Reduce environmental pollution by 2007
- Increase literacy rate to 75% by 2007

ECONOMIC

- Raise domestic savings to 26.8% of GDP

Plan Expenditure & Sectoral Allocation

■ Financial Outlay

- Expected Outlay: ₹15,12,300 crore
- Actual Expenditure: ₹16,53,084 crore

■ Sector-wise Allocation

- Agriculture – 20.2%
- Energy – 22.4%
- Industry – 4%
- Transport – 16.3%
- Social Services – 20%

■ Growth Performance

- Target Growth Rate: 7.9%
- Achieved Growth Rate: 7.7%

■ Sector-wise Growth

- Agriculture – 2.3%
- Industry – 7.5%
- Services – 8.3%
- Savings – 33.8% of GDP
- Investment – 28.4% of GDP

Major Reforms & Important Schemes

■ Value Added Tax (VAT)

- Implemented from 1 April 2005, based on the Kelkar Committee recommendations

■ Jayaprakash Narayan Employment Guarantee Scheme

- Launched in February 2002 in backward districts
- Aim: Employment guarantee for the unemployed

■ National Food for Work Programme (NFFWP)

- Launched on 14 November 2004 in 150 backward districts
- 100% centrally sponsored
- Later merged with rural employment programmes

■ Vande Mataram Scheme

- Launched on 1 February 2004
- Provided free health services to women from poor families
- Implemented through public-private partnership

■ Bharat Nirman Programme

- Launched on 16 December 2005
- Based on the slogan “Chalo Gaon Ki Ore”
- Focus: Rural infrastructure and holistic development

■ Janani Suraksha Yojana

- Launched on 1 April 2005
- 100% centrally sponsored
- Aim: Reduce maternal and infant mortality and protect poor pregnant women

Eleventh Five Year Plan (2007–2012)

■ Period

- 1 April 2007 – 31 March 2012

■ Chairman

- Manmohan Singh

■ Deputy Chairman

- Montek Singh Ahluwalia

■ Theme / Strategy

- Towards Faster and More Inclusive Growth

■ Objectives of the Eleventh Plan

1. Achieve inclusive economic growth.
2. Provide education, health services, clean drinking water, and basic services to all, especially in rural areas.
3. Improve service delivery through Panchayati Raj Institutions and involve NGOs in urban areas.
4. Increase public expenditure to improve the quality of public services.
5. Accelerate growth in agriculture and industry.
6. Promote diversification of agriculture.
7. Strengthen Bharat Nirman Programme for rural development.

■ Targets of the Eleventh Plan

1. Average GDP growth rate – 8.5% per year.
2. Agricultural growth – 4% per year.
3. Industrial growth – 10% per year.
4. Service sector growth – 9% per year.
5. Increase investment rate to 36.7%.
6. Increase domestic savings to 34% of GDP.
7. Reduce fiscal deficit to 3% and control inflation.

■ Other Major Targets

1. All villages to be connected with Broadband connectivity by 2012.
2. Universalisation of primary education by 2010.
3. Safe drinking water to all villages by 2009.
4. Population growth rate to be reduced to 1.9%.
5. Infant mortality rate to be reduced by 28%.
6. Malnutrition among children (0–3 years) to be reduced by 50%.
7. Improve sex ratio (0–6 age group) to 935 by 2011–12.
8. Reduce educated unemployment to 5%.
9. Reduce poverty to 10%.
10. Increase higher education enrolment from 10% to 15%.
11. Provide full vaccination to all BPL children.

12. Increase forest and tree cover by 5%.

■ Important Programmes / Initiatives

1. New Aam Aadmi Insurance Scheme

- (Started: 2 October 2007)
 - Social security scheme for BPL rural households, especially non-farmer families.

2. National Rural Livelihood Mission (NRLM)

- (Launched: 3 June 2011)
 - Started in Baran district of Rajasthan to reduce rural poverty through self-employment.

3. Pandit Deendayal Upadhyaya Employment Generation Programme

- (Launched: 15 August 2008)
- Objective: Employment generation through self-employment.
- **Components:**
 1. Self-Employment Programme
 2. Rural Employment Generation Programme

4. SABLA Scheme

- (Launched: 19 November 2010)
 - For adolescent girls (11–18 years) to improve nutrition, health, and life skills.

Twelfth Five Year Plan (2012–2017)

■ Plan Period

- 1 April 2012 – 31 March 2017

■ Chairman

- Manmohan Singh

■ Deputy Chairman

- Montek Singh Ahluwalia

■ Theme

- Faster, Sustainable and More Inclusive Growth

■ Targets of the Twelfth Plan

1. Economic Growth

1. Average GDP growth target: 8%
2. Sector-wise growth targets:
 - ◆ Agriculture – 4%
 - ◆ Industry – 7.6%
 - ◆ Services – 9%
3. States expected to achieve higher growth than the 11th Plan

2. Poverty and Employment

1. Reduce poverty by 10% by 2017
2. Create 5 crore non-farm employment opportunities
3. Provide skill development certification to 5 crore persons

3. Health

1. Reduce Infant Mortality Rate (IMR) to 25
2. Reduce Maternal Mortality Ratio (MMR) to 1 per 1000

3. Improve sex ratio (0–6 age group) to 950

4. Education

1. Eliminate social and gender gaps (SC/ST/OBC, male–female) by 2017
2. Increase average years of schooling to 7 years

5. Basic Infrastructure

1. Increase expenditure on infrastructure to 9% of GDP
2. Connect all villages with all-weather roads
3. Expand irrigation by 10 million hectares
4. Provide electricity to all villages
5. Ensure 40% rural population gets piped drinking water
6. 50% Gram Panchayats to achieve Nirmal Gram status
7. Clean 80% polluted rivers by 2017 and 100% by 2020

6. Environment & Sustainable Development

1. Increase forest cover by 1 million hectares per year
2. Add 30,000 MW renewable energy capacity

7. Service Delivery

1. Provide banking services to 90% households
2. Implement Direct Benefit Transfer (DBT) for subsidies and welfare schemes

◎ Major Initiatives / Special Features

1. National Food Security Act – 12 September 2013
2. Nirmal Bharat Abhiyan – 1 April 2012
3. Swachh Bharat Mission – 2 October 2014
4. Sansad Adarsh Gram Yojana – October 2014

◎ Sector-wise Share in Total Plan Expenditure

1. Social Services – 34.7%
2. Energy Sector – 18.5%
3. Agriculture & Allied Activities – 17.2%
4. Transport – 15.0%

PREVIOUS YEAR QUESTIONS

37. वार्षिक पंचवर्षिक योजनाओं की दर की तुलना में प्रतिशत वृद्धि का दर कितना होना आवश्यक है?

- (1) 4.5 से 5.0% (2) 3.5 से 5.0% (3) 4.0 से 5.0% (4) 4.5 से 5.5%

What percentage of the rate of price increase was required to be kept as per the objectives of the 12th Five Year Plan?

- (1) 4.5 to 5.0% (2) 3.5 to 5.0% (3) 4.0 to 5.0% (4) 4.5 to 5.5%

→ 2024

Answer: (1)

38. निम्नलिखित योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (a) 20 से 25 वर्षों की अवधि के लिए
(b) 15 से 20 वर्षों के लिए
(c) 15 से 20 वर्षों के लिए
(d) 15 से 20 वर्षों के लिए

पंचवर्षीय योजना :

- (1) केवल (b) (2) केवल (c) (3) (a) और (c) (4) (a) और (d)
(a) Long run planning for 20 to 25 years.
(b) Long range targets are set in advance for a period of 15, 20 or 25 years.
(c) One plan for entire period of 15 to 20 years.
(d) Broader objectives and targets are achieved within one or two years.

Answer Options :

- (1) only (b) (2) only (c) (3) (a) and (c) (4) (a) and (d)

→ 2024

Answer: (1)

39. भारत की पंचवर्षीय योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (1) ऊर्जा और परिवहन क्षेत्र
(2) औद्योगिक और परिवहन क्षेत्र
(3) ऊर्जा क्षेत्र
(4) परिवहन और परिवहन क्षेत्र

The largest share of allocation in the Seventh Five Year Plan went to the :

- (1) Agriculture and Communication Sector
(2) Industrial and Communication Sector
(3) Energy Sector
(4) Transport and Communication Sector

→ 2024

Answer: (3)

40. निम्नलिखित योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (1) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(2) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(3) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(4) ऊर्जा क्षेत्र, परिवहन क्षेत्र

The long-term objectives of economic planning, as spelt out in various plan documents have been as follows :

- a. Economic growth, self-reliance
b. Removal of unemployment, reduction in income inequalities
c. Elimination of poverty, modernization
d. Inclusiveness and sustainability of growth
(1) a only (2) b only
(3) c only (4) a, b, c and d

→ 2023

Answer: (4)

41. निम्नलिखित योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (1) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(2) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(3) ऊर्जा क्षेत्र, परिवहन क्षेत्र
(4) ऊर्जा क्षेत्र, परिवहन क्षेत्र

The formulation and success of a plan require the following :

- a. Planning Commission, Statistical data, Objectives
b. Fixation of Targets and Priorities, Mobilisation of Resources
c. Incurrupt and Efficient Administration, Proper Development Policy
d. Economy in Administration, Education base
(1) a only (2) a and b
(3) a, b and c (4) a, b, c and d

→ 2023

Answer: (4)

42. निम्नलिखित योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (1) 6 मॉडल (2) 5 मॉडल (3) 4 मॉडल (4) 9 मॉडल

Under 11th Five Year Plan, 27 monitorable targets were divided into how many main categories?

- (1) 6 categories (2) 5 categories (3) 4 categories (4) 9 categories

→ 2021

Answer: (1)

43. निम्नलिखित योजनाओं में से _____ को 'लॉन्ग रन' माना जाता है।

- (1) सन् 2022 तक किसानों के आय में वृद्धि करनी।
(2) सन् 2022 तक किसानों के आय में वृद्धि करनी।
(3) सन् 2022 तक किसानों के आय में वृद्धि करनी।
(4) सन् 2022 तक किसानों के आय में वृद्धि करनी।

पंचवर्षीय योजना :

- (1) (a) फसल क्षेत्र बढ़ाना। (2) (b) औद्योगिक क्षेत्र बढ़ाना।
(3) (c) औद्योगिक क्षेत्र बढ़ाना। (4) (d) औद्योगिक क्षेत्र बढ़ाना।
The three year action agenda of NITI Aayog for 2017-2020 aimed at :
(a) Doubling farmers' income by 2022.
(b) Provision of electricity to all households by 2022.
(c) Establishing central universities in all states by 2022.

Answer Options :

- (1) (a) only is correct. (2) (b) and (c) only are correct.
(3) (a) and (c) only are correct. (4) (a) and (b) only are correct.

→ 2021

Answer: (4)

44. निम्नलिखित विधानों में से सही को चुनिए :

- (a) भारतीय नियोजन आयोग की जगह निति आयोजन 2015 में प्रतिस्थापित किया गया।
(b) प्रत्येक पंचवर्षीय (पंचवर्षीय) नियोजन में निति आयोजन के दिशानिर्देश शामिल होते हैं।

सही विकल्प :

- (1) (a) फसल क्षेत्र बढ़ाना। (2) (b) फसल क्षेत्र बढ़ाना।
(3) (a) और (b) दोनों सही। (4) (a) और (b) दोनों गलत।

Consider the following statements :

- (a) Planning Commission of India was replaced by NITI Aayog in January, 2015.
(b) Normative Planning is a guiding principle of NITI Aayog.

Answer Options :

- (1) (a) only is correct (2) (b) only is correct
(3) both (a) and (b) are correct (4) both (a) and (b) are incorrect

→ 2020

Answer: (3)

45. निम्नलिखित विधानों में से सही को चुनिए :

- (a) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(b) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(c) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(d) भारत में निम्नलिखित विधानों में से सही को चुनिए :

सही विकल्प :

- (1) (a) और (b) दोनों सही। (2) (b) और (c) दोनों सही।
(3) (a) और (c) दोनों सही। (4) (a) और (d) दोनों सही।

In the context of planning era (i.e. 1961 to 2011), take into consideration the following statements :

- a. Food production increases fourfold, diversified industrial growth takes place.
b. Import substitution, diversified export promotion and science and technical educational expansion takes place.
c. Achievement in reducing poverty and unemployment ratio.
d. Reduction in concentration of economic power, decentralization of income and wealth takes place.

Which of the above statements are true?

Answer Options :

- (1) b, c and d (2) b and c
(3) a and b (4) c and d

→ 2019

Answer: (2)

elimination method

46. निम्नलिखित विधानों में से सही को चुनिए :

- (a) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(b) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(c) भारत में निम्नलिखित विधानों में से सही को चुनिए :
(d) भारत में निम्नलिखित विधानों में से सही को चुनिए :

सही विकल्प :

- (1) (a) और (b) दोनों सही। (2) (b) और (c) दोनों सही।
(3) (a) और (c) दोनों सही। (4) (a) और (d) दोनों सही।

Under the Eleventh Plan, some of the monitorable targets reflecting inclusiveness include

- a. infrastructure b. environment
c. income and poverty d. education and health

Answer Options :

- (1) Only c and d (2) a, b, c and d
(3) Only c (4) Only b, c and d

→ 2019

Answer: (2)

47. निम्नलिखित विधानों में से सही को चुनिए :

- (1) औद्योगिक क्षेत्र बढ़ाना। (2) औद्योगिक क्षेत्र बढ़ाना।
(3) औद्योगिक क्षेत्र बढ़ाना। (4) औद्योगिक क्षेत्र बढ़ाना।

Which of the following was the aim of the Twelfth Five Year Plan (2012 – 17)?

- (1) To achieve economic growth and stable development
(2) To achieve faster growth and development
(3) To achieve faster and more inclusive growth
(4) To achieve faster, sustainable and more inclusive growth

→ 2018

Answer: (4)

48. निम्नलिखित विधानों में से सही को चुनिए :

- (1) औद्योगिक क्षेत्र बढ़ाना। (2) औद्योगिक क्षेत्र बढ़ाना।
(3) औद्योगिक क्षेत्र बढ़ाना। (4) औद्योगिक क्षेत्र बढ़ाना।

सही विकल्प :

- (1) (a) और (b) दोनों सही। (2) (b) और (c) दोनों सही।
(3) (a) और (c) दोनों सही। (4) (a) और (d) दोनों सही।

At which of the following places was an iron and steel factory not started during the Second Five Year Plan?

- a. Bhilai (Chhattisgarh) b. Bhilai (Chhattisgarh)
c. Durgapur (West Bengal) d. Bokaro (Jharkhand)

Answer Options :

- (1) Only a and b (2) Only c
(3) Only d (4) Only a and d

→ 2018

Answer: (3)

49. निम्नलिखित विधानों में से सही को चुनिए :

- (1) औद्योगिक क्षेत्र बढ़ाना। (2) औद्योगिक क्षेत्र बढ़ाना।
(3) औद्योगिक क्षेत्र बढ़ाना। (4) औद्योगिक क्षेत्र बढ़ाना।

Which of the following was the theme of the Eleventh Five Year Plan (2007 – 12)?

- (1) Towards growth and development
(2) Towards faster growth and development
(3) Towards faster and more inclusive development
(4) Towards faster, inclusive and sustainable growth

→ 2017

Answer: (3)

50. निम्नलिखित विधानों में से सही को चुनिए :

- (1) औद्योगिक क्षेत्र बढ़ाना। (2) औद्योगिक क्षेत्र बढ़ाना।
(3) औद्योगिक क्षेत्र बढ़ाना। (4) औद्योगिक क्षेत्र बढ़ाना।

सही विकल्प :

- (1) (a) और (b) दोनों सही। (2) (b) और (c) दोनों सही।
(3) (a) और (c) दोनों सही। (4) (a) और (d) दोनों सही।

The Twelfth Five Year Plan emphasizes the following dimensions of inclusiveness :

- a. Inclusiveness as poverty reduction
b. Inclusiveness as group equality
c. Inclusiveness as regional balance
d. Focus on income inequality

(1) Only a and d
(2) All four a, b, c, d above
(3) Only a and c
(4) Only a, b and c

→ 2017

Answer: (2)

37. 'योजना अवकाश' म्हणून ओळखल्या जाणाऱ्या वार्षिक योजना _____ चा काळात राबविण्या गेल्या.
 (1) 1965 - 66 (2) 1966 - 69 (3) 1967 - 70 (4) 1968 - 71
 The Annual Plan described as 'Plan Holiday' were implemented during
 (1) 1965 - 66 (2) 1966 - 69 (3) 1967 - 70 (4) 1968 - 71

→ 2017

Answer:- (2)

38. भारताने विकासोन्मुख निवेदनरचना घेण्यातील सुवातीच्या काळात खालीलपैकी कोणत्या तीन बाबी होत्या ?
 अ. दीर्घकालीन दृष्टि प्रक्रियेची सुरवात करण्यासाठी सुयोग्य पाया ठरवा करणे
 ब. विकास प्रक्रिया जेव्हा सुरू होईल तेव्हा बऱ्याचदाही देशात प्राथमिकता (प्रधान) देणे
 क. मांडवली वस्तू उत्पादन क्षेत्राचा धा
 ख. उपभोग्य वस्तू उत्पादन क्षेत्राचा धा

- (1) फक्त अ, ब आणि क (2) फक्त अ, क आणि ख
 (3) फक्त ब, क आणि ख (4) फक्त अ, ब आणि ख

The strategy of planning adopted in India in the earlier period had which of the following three aspects ?

- a. Developing sound base for initiating the process of long-term growth
 b. A high priority to industrialization when actual development began
 c. Emphasis on development of capital goods industries
 d. Emphasis on development of consumer goods industries
 (1) Only a, b and c (2) Only a, c and d
 (3) Only b, c and d (4) Only a, b and d

→ 2017

Answer:- (1)

45. 9 व्या व 10 व्या पंचवर्षीक योजनांमधील भारतातील वित्त वाढीचा वार्षिक दर हा होतः

- (1) 4% व 5% अनुक्रमे
 (2) 5% व 7% अनुक्रमे
 (3) 4% व 7% अनुक्रमे
 (4) 7% व 5% अनुक्रमे

→ 2015

Answer:- (1)

Annual rate of inflation during 9th and 10th Plan in India was

- (1) 4% and 5% respectively
 (2) 5% and 7% respectively
 (3) 4% and 7% respectively
 (4) 7% and 5% respectively

46. पन्नाह सालाची सुरुवातला असलेल्या अर्थव्यवस्थेतील विविधता उद्दिष्ट ठरवून देणे हे कुठल्या पंचवर्षीक योजनेचे वैशिष्ट्य होते ?

- (1) 10वी पंचवर्षीक योजना
 (2) 8वी पंचवर्षीक योजना
 (3) 12वी पंचवर्षीक योजना
 (4) 11वी पंचवर्षीक योजना

→ 2015

Answer:- (1)

Which Five Year Plan had a unique feature to lay down specific targets for each state in consultation with the State Government ?

- (1) 10th Five Year Plan
 (2) 8th Five Year Plan
 (3) 12th Five Year Plan
 (4) 11th Five Year Plan

49. 11व्या पंचवर्षीक योजनातील राष्ट्रीय कृषी विकास योजनेचे प्रमुख उद्दिष्ट कोणते ?

- (1) राज्य सरकारला कृषी व इतर क्षेत्रातील सार्वजनिक गुंतवणुकीसाठी प्रोत्साहन देणे.
 (2) भारतीय कृषी निर्यातदारांना सवलती देणे.
 (3) सरकारसाठी महसूल निर्माण करणे.
 (4) परीवारिकी कोणतीही नाही.

→ 2013

Answer:- (1)

The main objective of Rashtriya Krishi Vikas Yojna in 11th five year plan was :

- (1) To incentivise the states to increase public investment in agriculture and allied sectors.
 (2) To provide incentive to Indian agricultural exporters.
 (3) To generate revenue for the Government.
 (4) None of the above

POVERTY (दरिद्र्य)**■ Meaning of Poverty**

- Poverty is a condition in which an individual is unable to satisfy minimum basic needs such as:
 - Food
 - Clothing
 - Shelter
 - Education
 - Health
- Poverty is both an economic and social problem
- Can be absolute or relative

Definitions of Poverty by Institutions**■ 1. United Nations (UN)**

- A person is considered poor if he/she cannot fulfil minimum requirements of food, clothing, shelter, education, and health.
- Focuses on basic human needs

■ 2. World Bank

- Poverty is measured on the basis of daily consumption expenditure.
- Poverty Line:
 - 2022 → \$1.90 per day
 - 2023 → \$2.15 per day

■ Meaning:

- A person unable to spend this minimum amount per day is considered poor.
- World Bank poverty line is international
- Expressed in PPP dollars

■ 3. Asian Development Bank (ADB)

- Earlier poverty line → \$1.90
- Revised poverty line → \$2.15 per day
- Used mainly for Asia-Pacific region

■ 4. Planning Commission (India)

- Poverty is defined on the basis of minimum consumption expenditure required to obtain:
 - Food
 - Clothing
 - Shelter
- Poverty Line:

➤ Rural → ₹2400 per year

➤ Urban → ₹2100 per year

- Planning Commission followed calorie-based approach

Poverty Measurement**■ Responsibility**

- Poverty measurement is the responsibility of State Governments.
- States follow guidelines issued by the Central Government.

■ Methodology

- Uses household survey method
- Main criterion → Consumption Expenditure
- Income is not directly used
- Consumption reflects actual living standard

■ Major Items Considered

- Food expenditure
- Health
- Housing
- Clothing
- Education
- Other essential expenses

■ Below Poverty Line (BPL) List

- Prepared by government officials under District Collector and Tehsildar.
- Gram Panchayat prepares and verifies BPL list.
- Final list published at Tehsil office.

■ Importance:

- BPL families become eligible for:
 - Subsidies
 - Welfare schemes
 - Government benefits

Poverty Measurement Before Independence**■ Dadabhai Naoroji**

- Book: Poverty and Un-British Rule in India
- Estimated per capita income between ₹16–₹35
- Emphasised:
 - Nutrition-based poverty
 - “Minimum subsistence diet” concept
- First systematic poverty analysis in India

■ Indian National Planning Committee (1938)

- Chairman: Subhash Chandra Bose
- Objective: Ensure minimum standard of living
- Poverty line:
 - ₹15–₹20 per month
- Based on minimum nutritious diet

■ Bombay Plan (1944)

- Prepared by:
 - J. R. D. Tata
 - G. D. Birla
 - Purshottamdas Thakurdas
 - Ardeshir Dalal
 - Others
- Poverty line:
 - ₹75 per capita per year
- First private industrial plan for India

Poverty Measurement After Independence

■ 1. P. D. Ojha

- The P. D. Ojha Committee is one of the early committees associated with the measurement of poverty in India.

◎ Key Features

- Basis: Per capita, per month consumption expenditure
- Approach: Nutritional / Calorie-based approach
- Minimum calorie norm: 2250 calories per person per day
- Reference year: 1960–61

◎ Poverty Estimates (1960–61)

- Overall poverty: 44%
- Rural poverty: 51.6%
- Urban poverty: 7.4%

◎ Significance

- One of the earliest systematic attempts to estimate poverty in India.
- Focused mainly on food and nutritional requirements.
- Laid the foundation for later poverty estimation committees like Dandekar–Rath and Alagh Committee.

■ 2. Dandekar and Rath Committee

- Poverty line based on:
 - 2250 calories per day
- Monthly expenditure used for poverty estimation

◎ Poverty Estimates (1960–61):

- Rural → ₹15–₹16 per month
- Urban → ₹18–₹19 per month

◎ Poverty Ratio:

- Rural → 47.6%
- Urban → 35.6%
- India → 44% (approx.)

■ 3. V. M. Dandekar & N. Rath (Updated)

- Revised estimates (1977–78):
 - Rural → ₹28.5 per month
 - Urban → ₹40 per month
- Poverty Ratio:
 - Rural → 40%
 - Urban → 50%
 - India → 45%

■ 4. B. S. Minhas Committee

- Used NSSO data
- Poverty line:
 - ₹240 per year (≈ ₹20/month)
- Rural poverty (1969) → 50.6%

■ 5. P. K. Bardhan Committee

- Used wage index of agricultural labourers
- Poverty higher in:
 - Bad agricultural years
- Lower in:
 - Good agricultural years

■ 6. Montek Singh Ahluwalia Committee

- Rural poverty:
 - ₹240 per year
- Urban poverty:
 - ₹260 per year
- Rural poverty rate → 38.9%

■ 7. Minhas–Jain–Tendulkar Committee

- Separate poverty lines for:
 - Rural
 - Urban
- Used:
 - Agricultural labour price index
 - Industrial worker price index

◎ Poverty Ratios:

- 1970–71:
 - Rural → 56.3%
 - Urban → 49.1%
 - India → 55.4%
- 1977–78:
 - Rural → 44.4%
 - Urban → 36.5%
 - India → 42.7%

Relative Poverty (सापेक्ष दारिद्र्य)

■ Concept

- Poverty is defined relative to others in society.
- Focuses on income inequality, not absolute deprivation.

■ Key Features

- More common in developed countries
- Measured using:
 - Gini coefficient
 - Lorenz curve

■ Limitations:

- Does not reflect actual hunger or deprivation
- India does not officially follow relative poverty

Absolute Poverty (निरपेक्ष दारिद्र्य)

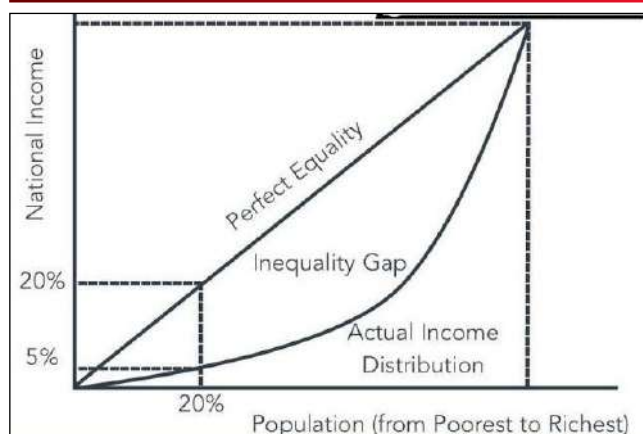
■ Concept

- Based on minimum subsistence level
- Common in developing and underdeveloped countries

■ Features:

- Considers:
 - Income
 - Consumption
 - Nutrition
- Reflects real poverty
- India follows absolute poverty approach

■ Lorenz Curve



● Meaning

- Graphical representation of income or wealth distribution.

● Key Points:

- X-axis → Population
- Y-axis → Income
- Perfect equality → 45° line
- Greater curve deviation → greater inequality

- Used along with Gini coefficient

■ Gini Coefficient

● Concept

- Proposed by Corrado Gini (1912).
- Measures degree of inequality.

● Scale:

- 0 → Perfect equality
- 1 → Perfect inequality
- Multiplied by 100 → Gini Index

■ Amartya Sen Index

● Contribution

- Proposed poverty measurement including:
 - Income inequality
 - Poverty gap
 - Headcount ratio

● Features:

- Goes beyond income
- Includes capability deprivation

■ Raghuram Rajan Committee (2013)

● Objective

- Identify backward and lagging states
- Basis for regional development policies

● Indicators Used

- Consumption expenditure
- Education
- Health
- Poverty ratio
- Female literacy
- Urbanisation
- Employment
- Infrastructure

● States Identified as Lagging:

1. Odisha
2. Bihar
3. Madhya Pradesh
4. Chhattisgarh
5. Jharkhand
6. Arunachal Pradesh
7. Assam
8. Meghalaya
9. Uttar Pradesh
10. Rajasthan

Poverty Measurement Using NSSO

■ Uniform Recall Period (URP)

- Consumption recorded for 30 days
- Used till 1993-94

■ Mixed Recall Period (MRP)

- Adopted after 1999–2000
- Monthly + annual recall used
- Includes:
 - Food (monthly)
 - Clothing, education (annual)
- MRP gives more realistic poverty estimates

■ Modified Mixed Recall Period (MMRP)

- Introduced from 2009–10
- Weekly, monthly, and annual recall combined

Poverty Measurement Committees in India (दारिद्र्य मोजमाप विषयक समितियाँ)

■ 1. Y. K. Alagh Committee (1979)

◎ Background

- Established: 1979 by the Planning Commission
- Report Submitted: 1979
- Approach: Calorie-based poverty line

◎ Norms Fixed

- Rural Areas:
 - 2400 calories per person per day
- Urban Areas:
 - 2100 calories per person per day

◎ Why the difference?

- The rural population performs physically intensive work, hence higher calorie requirement.

◎ Expenditure Threshold

- Rural poverty line: ₹49 per month
- Urban poverty line: ₹56.64 per month
- (based on consumption expenditure needed to meet calorie norms)

■ Poverty Estimates (1973–74)

- All India: 48.9%
- Rural: 56.4%
- Urban: 49%

◎ Key Feature

- Did NOT allow states to fix separate poverty lines.
- Single national poverty line applied uniformly.
- First official poverty line committee in India
- Strongly criticised for ignoring health, education, housing

■ 2. D. T. Lakdawala Committee (1993)

◎ Background

- Established: 1993 (Planning Commission)
- Chairman: Prof. D. T. Lakdawala
- Report Year: 1993

◎ Core Approach

- Continued calorie-based poverty line
- Introduced price index correction across states

◎ Calorie Norms (Same as Alagh)

- Rural: 2400 calories/day
- Urban: 2100 calories/day

◎ Methodology Improvements

- Used URP (Uniform Recall Period) and MRP (Mixed Recall Period)
- Poverty line adjusted using:
 - CPI-AL (Agricultural Labourers) for rural
 - CPI-IW (Industrial Workers) for urban

◎ Expenditure Thresholds

◎ 1973–74

- Rural: ₹49/month
- Urban: ₹56/month

◎ 1993–94

- Rural: ₹229.30/month
- Urban: ₹264.66/month

◎ Poverty Ratios (New Poverty Line)

- All India: 36%
- Urban: 32%
- Rural: 37%

◎ Important Feature

- Separate poverty lines for rural and urban areas
- States still did not get independent poverty lines

◎ *Exam Trap Point:

- Lakdawala = calorie based + price adjustment
- Not multi-dimensional

■ 3. Suresh Tendulkar Committee (2004)

◎ Background

- Established: 2004
- Chairman: Prof. Suresh Tendulkar
- Report Submitted: 2009

◎ Why the New Committee?

- Calorie-only approach was outdated
- Poverty is not only hunger, but also:
 - Health
 - Education
 - Shelter
 - Transport

◎ Major Shift in Approach

- Rejected calorie norm as sole criterion
- Adopted expenditure-based poverty line
- Included:
 - Education

- Health
- Clothing
- Transport

● **Methodology**

- Used MRP (Mixed Recall Period)
- Poverty line based on urban consumption basket
- Same basket used for rural & urban with price adjustment

● **Poverty Line (2004-05)**

- Rural: ₹446.68/month
- Urban: ₹578.80/month

● **Poverty Ratios (2004-05)**

- All India: 37.2%
- Rural: 41.8%
- Urban: 25.7%

● **Poverty Ratios (2009-10, NSSO 66th Round)**

- All India: 29.8%
- Rural: 33.8%
- Urban: 20.9%

● **Poverty Line (2011-12)**

- Rural: ₹816/month (₹27.20/day)
- Urban: ₹1000/month (₹33.33/day)

● **Poverty Ratio (2011-12)**

- All India: 21.9%
- Rural: 25.7%
- Urban: 13.7%

● **State-wise Poverty (2011-12)**

- **Highest Poverty:**
 - Chhattisgarh
 - Jharkhand
 - Manipur
 - Arunachal Pradesh
 - Bihar
- **Lowest Poverty:**
 - Punjab
 - Himachal Pradesh
 - Kerala
 - Goa

● **Critical Observations**

- Poverty reduced significantly, but:
 - Poverty line considered too low
 - Ignored quality of life fully

■ **4. C. Rangarajan Committee (2012)**

● **Background**

- Established: 2012
- Chairman: Dr. C. Rangarajan
- Report Submitted: 2014

● **Why Rangarajan Committee?**

- Government felt Tendulkar poverty line underestimated poverty
- Need for realistic poverty estimation

● **Conceptual Shift**

- Poverty defined using consumption expenditure on:
 - Food (calories)
 - Education
 - Health
 - Clothing
 - Housing
 - Transport

● **Calorie Norms**

- Rural: 2155 calories/day
- Urban: 2090 calories/day

● **Poverty Line (2011-12)**

- Rural: ₹972/month (₹32/day)
- Urban: ₹1407/month (₹47/day)

● **Poverty Ratios (2011-12)**

- All India: 29.5%
- Rural: 30.9%
- Urban: 26.4%

● **Population Below Poverty Line**

- Total: 36.21 crore
- Rural: 26.5 crore
- Urban: 10.24 crore

■ **State-wise Poverty (Rangarajan, 2011-12)**

● **Highest Poverty (%):**

1. Chhattisgarh – 47.9%
2. Manipur – 46.7%
3. Odisha – 45.1%
4. Madhya Pradesh – 44.3%
5. Jharkhand – 42.4%

● **Lowest Poverty (%):**

- Goa
- Kerala
- Punjab
- Himachal Pradesh
- Andhra Pradesh

● **Key Feature**

- Allowed separate poverty lines for each state
- Considered real consumption needs

■ Comparison: Tendulkar vs Rangarajan

Aspect	Tendulkar	Rangarajan
Year	2004-09	2012-14
Basis	Expenditure (Urban basket)	Expenditure + calories
Poverty Line	Lower	Higher
Poverty Ratio	Higher	
Criticism	Too low	More realistic

◎ Key points:

- Till 2004-05, poverty was measured mainly using calorie intake
- Tendulkar introduced non-food essentials
- Rangarajan expanded poverty definition further
- No official poverty line after 2014 (policy shift)

◎ Maharashtra Poverty (2011-12)

- Poverty Ratio: 20%
- Poor Population: ~2.8 crore

◎ Important Facts:

- Alagh → First official poverty line
- Lakdawala → Price adjustment
- Tendulkar → Health & education included
- Rangarajan → More realistic poverty
- Poverty is multi-dimensional
- Calorie-only approach is inadequate
- Poverty lines are policy tools, not absolute truth
- Shift from poverty line to welfare targeting

UNEMPLOYMENT

■ 1. Concept of Unemployment

◎ Meaning

- **Unemployment refers to a situation where:**
 - A person is able to work
 - Willing to work
 - Seeking work
 - But does not get employment
- **UN Definition (used by NSSO)**
- **Persons in the 15-59 age group who are willing and available for work but do not get work are treated as unemployed.**

■ 2. Agencies Measuring Unemployment in India

- **Primary Agency**
 - NSSO (National Sample Survey Office)
- **Other Sources**
 - Decennial Census
 - Ministry of Labour & Employment
 - Periodic Labour Force Survey (PLFS)

- Since 2017-18, NSSO labour surveys have been merged into PLFS under NSO.

■ 3. Eligibility / Criteria for Being Counted as Unemployed

- **A person must have:**
 - Ability to work
 - Skill / qualification
 - Willingness to work
- **If any one is missing → not counted as unemployed**

■ 4. NSSO - Background

- Established: 1950
- Under: Ministry of Statistics & Programme Implementation
- First Employment-Unemployment Survey: 1950-51
- 7th Survey: 1977-78
- 68th Survey: 2011-12 (last full NSSO E-U survey)

■ 5. NSSO Methods of measuring unemployment

A. UPPS - Usual Principal and Subsidiary Status

◎ Concept

- Time reference: 365 days
- Person is considered:
 - Employed if worked for ≥183 days
 - Subsidiary employed if worked ≥30 days

◎ What it Captures

- Chronic / long-term unemployment
- Hides seasonal & disguised unemployment
- UPPS shows the lowest unemployment rate among all methods.

B. CWS - Current Weekly Status

- Time reference: 7 days
- If worked for at least 1 hour in the last week → employed
- Used for short-term unemployment trends

C. CDS - Current Daily Status

- Time reference: each day
- If unemployed even for part of the day → counted
- CDS shows highest unemployment rate

■ 6. Causes of Unemployment

◎ Demographic Causes

- Rapid population growth
- Young population pressure

◎ Educational Causes

- Lack of skill-based education
- Degree-job mismatch

◎ Economic Causes

- Low industrial growth

ECONOMIC

- Capital-intensive industries
- Decline in traditional sectors

● Structural Causes

- Regional imbalance
- Shift from agriculture → industry → services

● Social Causes

- Social rigidity
- Preference for white-collar jobs

■ 7. Measures to Reduce Unemployment

● Human Capital

- Literacy & skill development
- Vocational training

● Economic Measures

- Labour-intensive industries
- MSME promotion
- Startup ecosystem

● Policy Measures

- Industrial decentralisation
- Rural employment schemes
- Credit availability from banks
- MGNREGA addresses rural disguised & seasonal unemployment

■ 8. Types of unemployment

A. Voluntary Unemployment

- Person does not want to work
- Due to:
 - Low wages
 - Lack of interest
 - Social security support
- **Not considered serious economic problem**

B. Involuntary Unemployment

- Willing & able to work
- But no job available
- **True unemployment**

C. Partial / Underemployment

- Working less than full capacity
- Income insufficient

● Example:

- Daily wage labour getting work for only few hours

D. Full Unemployment

- No work at all
- Even after continuous search

E. Frictional Unemployment

- Temporary
- Due to:
 - Job change

- Migration
- Entry of fresh workers

- **Exists even in full employment economy**

F. Structural Unemployment

- Mismatch between:
 - Skills of workers
 - Skills demanded

● Reasons:

- Technological change
- Change in economic structure

● High in developing economies

G. Urban Unemployment

1. Educated Unemployment

- Degree holders without jobs
- Very common in urban India

2. Open Unemployment

- Jobless for more than 6 months

H. Cyclical Unemployment

- Due to business cycles
- Occurs during:
 - Recession
 - Depression
- Rare in developing economies, common in capitalist economies

■ 9. Rural Unemployment

A. Disguised Unemployment

- More workers than required
- Marginal productivity = Zero

● Example:

- 10 people working where 5 are sufficient
- **Most prevalent in agriculture**

B. Seasonal Unemployment

- Work available only in specific seasons

● Examples:

- Agriculture
- Sugar industry
- Construction

■ 10. PHILLIPS CURVE

● Concept

- Shows inverse relationship between:
 - Inflation
 - Unemployment

87. लेखक: सलीम ब. त्यांच्या दारिद्र्यरेष्या संकल्पना खालील कोणत्या दोघांना :
 अ. आर्थिक बँक I. दारिद्र्य रेषे विकासातील भाग 2400 उपलब्ध आणि शहरी भागात
 ब. श्री गौतम दत्त II. दारिद्र्यरेष्यातील अंश (दारिद्र्यरेष्यातील अंश)
 क. लक्ष्मणदास सलिली (1993) III. दारिद्र्य रेषे विकासातील भाग 2250 उपलब्ध आणि शहरी भागात
 ड. डॉ. दांडेकर आणि डॉ. रा. IV. 1973-74 च्या किफायीतून नंतर दारिद्र्य रेष्यातील भाग 49-09 आणि शहरी भागात 57 उपलब्ध आणि शहरी भागात

पुढील तक्त्यात :
 अ. I II III IV
 (1) I II III IV
 (2) II I IV III
 (3) III I II IV
 (4) IV III I II

Match the author/committee and their poverty concept :
 a. World Bank I. Per capita per day, the availability of food in village 2400 calories, in city 2100 calories.
 b. Shri Gaurav Datt II. Poverty gap
 c. Lakshmanadas Salilali (1993) III. Availability of food is less than 2250 calories per day
 d. Dr. Dandekar and Dr. Rath IV. According to 1973-74 prices, who do not get per capita per month in village ₹ 49-09 and in city ₹ 57 for food

Answer Options :
 a. I II III IV
 (1) I II III IV
 (2) II I IV III
 (3) III I II IV
 (4) IV III I II

→ 2019
 Answer:- #

88. कुटुंब बहुआयणी टीडी इन्डेक्सची संज्ञा आलेखी तऱ्हेने ठरवून देण्यात येते.
 अ. 20% पेक्षा जास्त पर 33.3% पेक्षा कमी आहे
 ब. 33.3% पेक्षा जास्त पर 50% पेक्षा कमी आहे
 क. 50% पेक्षा जास्त पर 50% पेक्षा कमी आहे
 (1) फक्त ब (2) फक्त ड
 (3) फक्त अ (4) कोणतेही एकही नाही

The household is vulnerable to become multi-dimensionally poor if the Household Deprivation Index score is
 a. greater than 20% but less than 33.3%
 b. greater than 33.3% but less than 50%
 c. greater than 50% but less than 50%
 (1) Only a (2) Only b
 (3) Only c (4) None of the above

→ 2017
 Answer:- (3)
 Multi dimensionally poor: more than 33.3%

41. सन 2009 मध्ये दारिद्र्यरेष्या मोजक्या करणाऱ्या पद्धतीचा आढावा घेण्यासाठीच्या तज्ज्ञ समितीचा अहवाल कोणी सादर केला.
 (1) प्रो. एस.डी. तेंदुलकर (2) डॉ. विजय केडकर
 (3) अशोक सेन गुप्ता (4) टी. सुब्बाराव

The Report of the Expert Group to review the methodology for estimation of poverty (2009) was submitted by
 (1) Prof. S.D. Tendulkar (2) Dr. Vijay Tendulkar
 (3) Ashok Sen Gupta (4) D. Subbarao

→ 2017
 Answer:- (1)

89. पी.डी. ओजा (1960-61) समितीने दारिद्र्यरेष्या मोजक्यासाठी खालीलपैकी कोणता निकष विचार घेतला होता ?
 (1) प्रति व्यक्ती, प्रति महिना, निव्वला उत्पन्न
 (2) प्रति व्यक्ती, प्रति महिना, उपभोग खर्च
 (3) प्रति व्यक्ती, प्रति महिना, उत्पन्न
 (4) प्रति व्यक्ती, प्रति महिना, उत्पन्न

Which of the following criteria was considered by P.D. Oja Committee (1960-61) for calculating poverty line ?
 (1) Per capita, per month income
 (2) Per capita, per month consumption expenditure
 (3) Both of the above
 (4) None of the above

→ 2019
 Answer:- (2)

41. जनगणना 2011 मधील शहरी लोकसंख्या आणि दारिद्र्य रेष्यातील जनता यांच्यातील संबंध खालीलप्रमाणे आहे.
 (1) ज्या पद्धतीने शहरीकरण झाले आहे त्याच पद्धतीने दारिद्र्यरेष्यातील जनताही वाढत आहे
 (2) शहरीकरणामुळे दारिद्र्यरेष्यातील जनताही वाढत आहे
 (3) शहरीकरणामुळे दारिद्र्यरेष्यातील जनताही वाढत आहे
 (4) शहरीकरणामुळे दारिद्र्यरेष्यातील जनताही वाढत आहे

As per the Census 2011, correlation between urban population and percentage of people below the poverty line is - 0.38. It indicates that
 (1) The pattern of urbanization did not make much of an impact on reduction of poverty
 (2) Urbanization has made deep impact on poverty reduction
 (3) Urbanization has resulted in increase in poverty
 (4) None of the above

→ 2015
 Answer:- (1)

23. पुढीलपैकी कोणत्या घटक दारिद्र्यरेष्यातील कारणांमुळे आहेत ?
 अ. फलान्ता अर्थव्यवस्था
 ब. मुद्रास्फीती
 क. फलान्ता अर्थव्यवस्था
 ड. मुद्रास्फीती

पुढील तक्त्यात :
 (1) फलान्ता अर्थव्यवस्था (2) फलान्ता अर्थव्यवस्था
 (3) फलान्ता अर्थव्यवस्था (4) फलान्ता अर्थव्यवस्था

Which of the following factors are not responsible for poverty ?
 a. Inflation b. Increase in Government expenditure
 c. Deficit Financing d. Short savings and Capital formation

Answer Options :
 (1) Only a and c (2) Only a, c and d
 (3) Only b and d (4) Only b and c

→ 2018
 Answer:- (4)

40. 2011 च्या मानवी विकास अहवालाने 109 देशांचा बहुआयणी दारिद्र्य निर्देशांक अंदाज सादर केला. त्या अहवालानुसार, या देशांमध्ये किती प्रमाणात लोकसंख्या बहुआयणी दारिद्र्य अनुभवी आहे ?
 (1) 1/2 (2) 1/3 (3) 1/4 (4) 1/5

Human development report of 2011, presented Multidimensional Poverty Index (MPI) estimates of 109 countries. What proportion of population according to this report, in these countries experience multidimensional poverty?
 (1) 1/2 (2) 1/3 (3) 1/4 (4) 1/5

→ 2014
 Answer:- (2)
 Almost - 31%

33. 'मानवी दारिद्र्य निर्देशांक' ही संकल्पना प्रथम कोणी सादर केली होती.
 (1) मानव विकास अहवाल, 1990
 (2) मानव विकास अहवाल, 1997
 (3) मानव विकास अहवाल, 2001
 (4) मानव विकास अहवाल, 2014

The concept of Human Poverty Index (HPI) was introduced in the
 (1) Human Development Report, 1990
 (2) Human Development Report, 1997
 (3) Human Development Report, 2001
 (4) Human Development Report, 2014

UNDP published HPI in 1997 in HD Report
 criteria -
 ① Health
 ② Education
 ③ Living expenses } 1/3 each

→ 2018
 Answer:- (2)

36. अनेकदा दारिद्र्य निर्देशांक 1997 मध्ये कोणत्या निर्देशांकाचा जागा घेतला ?
 (1) आर्थिक निर्देशांक (2) भारतीय दारिद्र्य निर्देशांक
 (3) दारिद्र्यरेष्यातील निर्देशांक (4) मानवी दारिद्र्य निर्देशांक

Which of the following was replaced by multi-dimensional poverty index in 1997 ?
 (1) Consumer Index (2) Indian Poverty Index
 (3) Below Poverty Index (4) Human Poverty Index

→ 2013
 Answer (4)

24. "कितीही न्यूनतम उत्पन्न नसले तरी जीवनाच्या गरजा पूर्ण करणे गरजेचे आहे" या संकल्पनेचा अर्थ कोणत्या दारिद्र्यरेष्या मोजक्यासाठी केला गेला ?
 (1) निरपेक्ष दारिद्र्य (2) सापेक्ष दारिद्र्य
 (3) प्रति व्यक्ती, प्रति महिना (4) प्रति व्यक्ती, प्रति महिना

"Absence of minimum income to get the minimum needs of life" is concerned with which of the following types of poverty ?
 (1) Absolute poverty (2) Relative poverty
 (3) Both of the above (4) None of the above

current global standards - \$ 2.15 per person per day
 Replaced \$ 1.90 (2011)
 persistent poverty : 1/3 family income low in current year and 2 out of 3 previous year
 By Charles Karelis

→ 2018
 Answer:- (1)
 Already discussed

38. खालीलपैकी कोणत्या विधानाचे विरोध मानवी दारिद्र्य निर्देशांक संकल्पनेने केलेला आहे.
 (a) मानवी दारिद्र्य निर्देशांक मानवी दारिद्र्य निर्देशांक असतो.
 (b) मानवी दारिद्र्य निर्देशांक मानवी दारिद्र्य निर्देशांक असतो.
 (c) मानवी दारिद्र्य निर्देशांक मानवी दारिद्र्य निर्देशांक असतो.
 (d) मानवी दारिद्र्य निर्देशांक मानवी दारिद्र्य निर्देशांक असतो.

Following statements are regarding Planning Commission's estimates of poverty.
 (a) Poverty is showing high concentration in major states of India.
 (b) Rate of fall in urban poverty is higher than that in rural poverty.
 (c) Poverty ratio has increased in the states of Himachal Pradesh, Haryana and Bihar.
 (d) Planning Commission has accepted Lakshmanadas Salilali's estimates of poverty.
 Which of the above statements are correct ?
 (1) (a) and (c) (2) All the above (3) (b) and (d) (4) (c) and (d)

→ 2013
 Answer:- (2)
 Logic - Now focused on NITI Aayog MPI data - High probability

32. दारिद्र्य रेष्या मोजक्यासाठी खालीलपैकी कोणत्या संकल्पनेचा अर्थ मानवी दारिद्र्य निर्देशांक मोजक्यासाठी केला गेला ?
 (1) निरपेक्ष दारिद्र्य (2) सापेक्ष दारिद्र्य
 (3) प्रति व्यक्ती, प्रति महिना (4) प्रति व्यक्ती, प्रति महिना

In any poverty reduction strategy there is a need to incorporate both self-employment and wage employment, because
 a. Self-employment is a major form of employment in rural areas.
 b. Dependence on wage employment will lead to total dependence on the employer.
 c. Otherwise it will increase the gap between the rich and the poor.
 d. It will strengthen the asset base of the rich.

Answer Options :
 (1) Only a and b (2) Only b and c
 (3) Only c and d (4) All of the above

→ 2018
 Answer:- (4)

40. दारिद्र्य रेष्या मोजक्यासाठी खालीलपैकी कोणत्या संकल्पनेचा अर्थ मानवी दारिद्र्य निर्देशांक मोजक्यासाठी केला गेला ?
 (1) निरपेक्ष दारिद्र्य (2) सापेक्ष दारिद्र्य
 (3) प्रति व्यक्ती, प्रति महिना (4) प्रति व्यक्ती, प्रति महिना

Poverty Gap is a better measure of absolute poverty than Head Count Ratio because
 (1) Household income data is not available.
 (2) It is difficult to define minimum health standards.
 (3) It indicates total income shortfall that needs to be corrected to remove absolute poverty.
 (4) None of the above

→ 2013
 Answer:- (3)
 Logic - many time Repeat concept

CHAPTER 05

DEMOGRAPHY (Population Studies)

1. Principles of Demographic Transition Theory

- In the 19th century, scholars studying causes of population change proposed the Demographic Transition Theory.
- The theory explains how population growth changes with economic development.
- Important contributors:
 - Landy
 - Thompson
 - Blackar
 - Notestein
- It explains the transition from high birth & death rates to low birth & death rates as societies develop.

2. Thomas Robert Malthus (1798)

● Work

- 1798 – “An Essay on the Principles of Population”

● Key Propositions

- Population growth increases in Geometric Progression (e.g., 1, 2, 4, 8, 16 ...)
- Food production increases in Arithmetic Progression (e.g., 1, 2, 3, 4, 5 ...)

● Malthusian Trap

- When population grows faster than food supply:
 - Per capita income stagnates
 - Poverty persists
- This condition is called the Malthusian Trap
- Result: Economic growth cannot sustain population growth

3. Harvey Leibenstein – Theory of Population (1963)

- Proposed an inverse relationship between:
 - Population growth
 - Per capita income
- If population increases → per capita income falls
- If per capita income falls → population increases
- Explains the vicious cycle between poverty and population growth.

4. A.J. Coale & E.M. Hoover (1958)

● Work

- “Population Growth and Economic Development in Low Income Countries” (1958)

Three Stages of Demographic Transition

Stage	Birth Rate	Death Rate	Characteristics
Stage 1	High	High	All underdeveloped societies
Stage 2	High	Declining	Population explosion
Stage 3	Declining	Low	Developed countries; stable population

5. Frank Notestein – Demographic Transition Theory

- First scholar to systematically explain the theory
- Identified 5 stages of population transition:

Stages Explained

1. High Stationary Stage

- Birth Rate ↑
- Death Rate ↑
- Population growth negligible

2. Early Expanding Stage

- Birth Rate ↑
- Death Rate ↓
- Population Explosion

3. Late Expanding Stage

- Birth Rate ↓
- Death Rate ↓
- Population continues to grow but at a slower rate

4. Low Stationary Stage

- Birth Rate ↓
- Death Rate ↓
- Population stabilizes

■ 5. Declining Stage

- Birth Rate ↓↓
- Death Rate ↓
- Population decline begins

■ 6. Key Exam Keywords

- Birth Rate (BR) – Number of births per 1000 population
- Death Rate (DR) – Number of deaths per 1000 population
- Population Explosion – High BR + Rapid fall in DR
- Stabilisation of Population – Low BR ≈ Low DR

■ 7. Value-Added Points

- Demographic Transition Theory is descriptive, not predictive.
- It is based mainly on European experience.
- Developing countries may not follow all stages sequentially.
- India is currently in the Late Expanding Stage.

INDIA: POPULATION CHANGE & CENSUS (DEMOGRAPHY)

I. Population Transition in India

■ A) High Stationary Stage (1891–1921) – Stagnant Phase

- Net population increase: only 1.5 crore
- 1911 population: 25.20 crore
- 1921 population: 25.13 crore
- Net change: –0.07 crore (–0.31%)
- 1921 is known as the “Year of Great Divide” (महाविभाजनाचे वर्ष)

◎ Reasons:

- Poor nutrition
- Lack of medical facilities
- Epidemics
- High infant mortality
- High maternal mortality
- Climatic hardships
- Child marriage
- Poverty and illiteracy
- Religious and social customs
- **The birth rate was high, but the death rate was also very high, hence population stagnation.**

■ B) Early Expanding Stage (1921–1981)

◎ 1) Steady Growth Phase (1921–1951)

- Gradual decline in death rate
- Improvement in health conditions

◎ 2) Rapid High Growth Phase (1951–1981)

- 1961–71 growth rate: 24.8%
- Known as Population Explosion period

■ C) Late Expanding Stage (1981–2011)

- Characterised by:
 - High population growth
 - Clear signs of slowing down
- Birth rate declining
- Death rate already low

II. Demographic Dividend

- Situation where:
 - Proportion of working-age population is highest
 - Dependent population (children + elderly) is lower
- Results in:
 - Faster economic growth
- **“For developing countries, a large and growing population is always beneficial.” — Colin Clark & Ester Boserup**

III. India and World Population Milestones

Year	World Population
1804	1 Billion
1927	2 Billion
1960	3 Billion
1974	4 Billion
11 July 1987	5 Billion
12 Oct 1999	6 Billion
31 Oct 2011	7 Billion
15 Nov 2022	8 Billion

- World Population Day: 11 July
- Accepted since 1989
- First observed: 11 July 1990
- India's population is nearly 17% of the world's total population.

IV. Census in India – Key Facts

- First Census (non-synchronous): 1872
- First Synchronous Census: 1881
- Bhor Committee: 1946 (Health status & population)
- Census Act: 1948
- Administrative control:
 - Registrar General → Ministry of Home Affairs
- First Census Commissioner of India: Mrityunjay Kumar Narayan

V. Census 2027 (Upcoming Census)

- Will be:
 - 16th Census of India
 - 8th Census after Independence

- Conducted in two phases
- Caste enumeration included

■ Reference Date

- 00:00 hrs of the first day of MARCH, 2027.

■ Special Reference Date

- For:
 - Ladakh (UT)
 - Jammu & Kashmir (UT)
 - Himachal Pradesh
 - Uttarakhand
- Reference date: 00:00 hrs, first day of October 2026

■ Phase-wise Details

◎ Phase 1: House-listing & Housing Census

- Household condition
- Assets
- Amenities

◎ Phase 2: Population Enumeration

- Demographic
- Socio-economic
- Cultural information of each individual

■ Digital Mode

- Census to be conducted using mobile application
- Self-enumeration facility provided to citizens

CENSUS 2011 & POPULATION STATISTICS -

■ 1. Census of India 2011

- Census Commissioner of India (2011): Dr. C. Chandramouli
- Census Motto: "Our Census, Our Future"
- Total Questions in Census Schedule: 34
- Houselisting Data:
 - Houses: 33.08 crore
 - Households: 24.95 crore

■ 2. National Population Register (NPR)

- Coverage:
 - House listing + Individual details
- Additional Requirement:
 - Photograph and biometric data of persons above 15 years
- NPR is prepared under the Citizenship Act framework.

■ 3. Population of India (2011)

◎ Total Population:

- 121 crore (Exact: 121,08,54,977)
- Decadal Growth Rate (2001-2011): 17.7%

◎ Absolute Increase:

- 18.22 crore

■ 4. Decadal Growth Rate (States & UTs)

• Highest Decadal Growth (2001-2011)

State / UT	Growth (%)
Dadra & Nagar Haveli	55.88%
Daman & Diu	53.76%
Puducherry	28.08%
Meghalaya	27.95%
Arunachal Pradesh	26.03%

• Lowest Decadal Growth

State / UT	Growth (%)
Nagaland	-0.58% (Negative growth)
Kerala	4.91%
Lakshadweep	6.30%
Andaman & Nicobar	6.86%
Goa	8.23%
Andhra Pradesh	10.98%

■ 5. Maharashtra - Decadal Growth (2001-2011)

- Maharashtra Growth Rate: 15.99%

◎ Growth by Region & Gender

Category	Growth
Rural	12.3%
Urban	31.8%
Male	17.1%
Female	18.3%

■ 6. Population Density (Persons per sq. km.)

◎ India & Maharashtra

Area	2001	2011	Increase
India	325	382	+57
Maharashtra	315	365	+50

◎ Highest Population Density (2011)

State / UT	Density
Delhi	11,320
Chandigarh	9,258
Puducherry	2,605
Daman & Diu	2,172
Lakshadweep	2,015

Bihar	1,106
West Bengal	1,028
Kerala	860
Uttar Pradesh	829

⊙ **Lowest Population Density**

State / UT	Density
Arunachal Pradesh	17
Andaman & Nicobar	46
Mizoram	52
Sikkim	86
Nagaland	119

7. Important Population Formulae (VERY IMPORTANT FOR PRELIM)

1. Population Growth Rate (%)

$$\frac{\text{New} - \text{Old}}{\text{Old}} \times 100$$

2. Sex Ratio

$$\frac{\text{Females}}{\text{Males}} \times 1000$$

- Optimal Sex Ratio: 950

- Fisher's Principle: 1 : 1

3. Literacy Rate

$$\frac{\text{Literate population}(7+ \text{years})}{\text{Total population}(7+ \text{years})} \times 100$$

4. Migration Rate

$$\frac{\text{Migrants}}{\text{Total population}} \times 100$$

5. Crude Birth Rate (CBR)

$$\frac{\text{Number of Births}}{\text{Total Population}} \times 1000$$

6. General Fertility Rate (GFR)

$$\frac{\text{Number of Births}}{\text{Women aged 15-49}} \times 1000$$

7. Total Fertility Rate (TFR)

- Average number of children a woman would bear during her reproductive age, assuming current age-specific fertility rates.

8. Reproductive Rate

- Number of female children born per woman.

SEX RATIO & LITERACY - INDIA (CENSUS 2011)

■ **1. Sex Ratio (लिंग गुणोत्तर)**

⊙ **Definition**

- Sex Ratio = Number of females per 1000 males

⊙ **Formula:**

$$\text{*Sex Ratio} = \frac{\text{No. Of females}}{\text{No. Of males}} \times 1000$$

$$\text{* Child sex Ratio} = \frac{\text{Females (0-6 yrs)}}{\text{Males (0-6 yrs)}} \times 1000$$

$$\text{*Literacy Rate} = \frac{\text{Total no. Of literates}}{\text{Total population} \geq 7 \text{ yrs}} \times 100$$

- Optimal Sex Ratio (exam value): 950

- Fisher's Principle: 1 : 1

■ **2. Sex Ratio Trend in India**

Census Year	Sex Ratio
1991	927
2001	933
2011	943

⊙ **Continuous improvement since 1991**

- Rural vs Urban (2011)

➤ Rural: 949

➤ Urban: 929

■ **3. Highest & Lowest Sex Ratio (2011)**

⊙ **Highest Sex Ratio (States/UTs)**

State / UT	Sex Ratio
Kerala	1084
Puducherry	1037
Tamil Nadu	996
Andhra Pradesh	993
Chhattisgarh	991
Meghalaya	989

⊙ **Lowest Sex Ratio (States/UTs)**

State / UT	Sex Ratio
Haryana	879
Jammu & Kashmir	889

Sikkim	890
Punjab	895

4. Religion-wise Sex Ratio (2011)

Religion	Sex Ratio
Christian	1023
Buddhist	965
Jain	954
Muslim	951
Hindu	939
Sikh	903

- Highest among Christians, lowest among Sikhs

5. Child Sex Ratio (0-6 years)

- Declining continuously since 1961
 - India (2011)
 - Total: 918
 - Rural: 923
 - Urban: 905

○ Highest Child Sex Ratio (0-6 years)

State	Sex Ratio
Arunachal Pradesh	972
Mizoram	970
Meghalaya	970
Chhattisgarh	969

○ Lowest Child Sex Ratio (0-6 years)

State / UT	Sex Ratio
Haryana	834
Punjab	846
Jammu & Kashmir	862
Delhi	871
Chandigarh	880
Rajasthan	888
Gujarat	890
Uttarakhand	890

6. Literacy - Definition

- Age: 7 years and above
- Ability to read and write in any language

○ UN Definition:

- "Ability to read and write with understanding."

○ Census of India (1971 definition):

- A person who can read and write in any language is treated as literate.

7. Literacy Rate - India

Census Year	Literacy Rate
2001	64.84%
2011	72.98%

○ Male vs Female Literacy

Year	Male (%)	Female (%)
2001	75.26	53.67
2011	80.88	64.63

○ Rural vs Urban Literacy (2011)

- Rural: 67.77%
- Urban: 84.11%

8. Highest & Lowest Literacy (2011)

○ Highest Literacy (%)

State / UT	Literacy
Kerala	94%
Lakshadweep	91.85
Mizoram	91.33
Goa	88.7
Tripura	87.22

○ Lowest Literacy (%)

State	Literacy
Bihar	61.8%
Arunachal Pradesh	65.38
Rajasthan	66.11
Jharkhand	66.41
Manipur	66.82

○ Maharashtra

- Literacy Rate: 82.34%
- Rank: 6th among Indian states

MIGRATION, URBANISATION, RELIGION & AGE STRUCTURE

1. Migration in India (Census 2011)

- Total Migrants (India, 2011): **37.8% of population = 45.36 crore**

○ Gender-wise Migration

- Female: 69%

- Male: 31%

● Type of Migration (Descending Order)

- GG > GS > SS > SG

● Where:

- GG – Rural to Rural
- GS – Rural to Urban
- SS – Urban to Urban
- SG – Urban to Rural

● Key Insight:

- Marriage is the biggest reason for female migration → explains high GG migration.

■ 2. Urban Population in India

● Types of Urban Areas

1. Statutory Town (Urban Town)
2. Census Town
 - Criteria of Census Town

● A place is a Census Town if:

1. Population ≥ 5,000
2. 75% of male workers engaged in non-agricultural activities
3. Population density ≥ 400 persons per sq km

● Urban Population (%), State-wise (2011)

• Highest Urban Population

- Goa – 62%
- Mizoram – 52%
- Tamil Nadu – 48.45%
- Kerala – 47.72%
- Maharashtra – 45.22%

• Lowest Urban Population

- Himachal Pradesh – 10%
- Bihar – 11.36%
- Assam – 14%

● Rural-Urban Population Change

Year	Rural (%)	Urban (%)
1951	82.71	17.29
2011	68.86	31.14

- Clear trend: Urbanisation increasing, rural share declining

● Million Plus Cities (≥10 lakh population)

- Mumbai > Pune > Nagpur > Nashik > Vasai-Virar > Aurangabad
- Mumbai, Delhi, Kolkata = 1 crore + cities

■ 3. Religion-wise Population (Census 2011)

Religion	% Share	Population (crore)	% Change	Growth Rate
Hindu	79.8%	96.63	-0.7%	16.8C

Muslim	14.2%	17.22	+0.8%	24.6
Christian	2.3%	2.78	—	15.5

■ 4. Religion: State-wise Distribution

● Hindu

- Highest %: Himachal Pradesh (90%+)
- Other states: HP, Dadra & Nagar Haveli, Odisha, Chhattisgarh, MP, Daman & Diu
- Highest numbers: Uttar Pradesh > Maharashtra > Bihar > Andhra Pradesh > MP

● Muslim

- Highest %: Lakshadweep
- Then: Jammu & Kashmir > Assam > West Bengal
- Highest numbers: Uttar Pradesh > West Bengal > Bihar > Maharashtra > Assam

● Christian

- Highest %: Nagaland > Mizoram > Meghalaya > Manipur
- Highest numbers: Kerala > Tamil Nadu > Meghalaya > Nagaland > Jharkhand

● Sikh

- Highest %: Punjab > Chandigarh > Haryana
- Highest numbers: Punjab > Haryana > Rajasthan > Uttar Pradesh

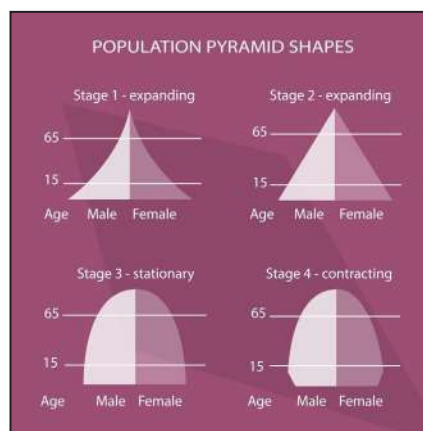
● Buddhist

- Highest %: Sikkim (27.4%) > Arunachal Pradesh
- Highest numbers: Maharashtra > West Bengal > MP > Uttar Pradesh

● Jain

- Highest %: Maharashtra (1.2%) > Delhi > Gujarat
- Highest numbers: Maharashtra > Rajasthan > Gujarat > MP

■ 5. Population Age Structure (Age Pyramid)



◎ Uses of Age Pyramid

- Population composition
- Stage of demographic transition
- Sex ratio
- Population projection

◎ Age Group Distribution (India)

Age Group	2001	2011
0-14 years	35.35%	30.76%
15-64 years (Working Age)	—	63.4%
65+ years	4.77%	5.47%

Projection

- Working age population (2026 estimate): 68.4%
- Indicates Demographic Dividend phase

■ 6. Birth Rate (Crude Birth Rate – CBR)

- India: 21.8
- Maharashtra: 16.7
- Highest Birth Rate (2011)
Uttar Pradesh (27.8) > Bihar (27.7) > Maharashtra > Rajasthan > Dadra & Nagar Haveli

■ 7. Total Fertility Rate (TFR)

- Replacement Level: 2.1

◎ States Achieving Replacement Level

- Kerala – 1988
- Tamil Nadu – 2000
- Maharashtra – 2009

CAUSES OF POPULATION GROWTH IN INDIA

■ 1. Universality of Marriage

- Marriage is socially compulsory and almost universal in India.

■ 2. Practice of Early Marriage

- Leads to a longer reproductive span and higher fertility.
- Marriage-related Laws:

◎ Sharda Act (1929)

- Minimum marriage age:
 - Male: 18 years
 - Female: 14 years

◎ Amendment (1978)

- Male: 21 years
 - Female: 18 years
- Prohibition of Child Marriage Act – 2006

■ 3. High Birth Rate and Declining Death Rate

- High fertility combined with reduced mortality increases population.

■ 4. Scientific and Medical Progress

- Advances in medicine, vaccination, and public health reduce death rates.

■ 5. Migration

- Internal migration contributes to population concentration and growth in certain regions.

■ 6. Poverty in India

- Poverty encourages larger families for economic security and labour.

■ 7. Religious and Social Beliefs

- Social customs and religious views often discourage family planning.

■ 8. Joint Family System

- Children are considered an economic asset in joint families.

■ 9. Low Acceptance of Family Planning Programmes

- Limited awareness and resistance reduce effectiveness of population control measures.

■ 10. High Net Reproduction Rate

- “Number of daughters born to 1000 mothers in the next generation”
- Higher NRR leads to population expansion.

■ 11. High Infant and Child Mortality

- Families tend to have more children to compensate for child deaths.

■ 12. Low Literacy Rate

- Lower literacy, especially among women, results in higher fertility.

■ Conclusion:

- High birth rate is the most important cause of population growth in India.
- Other contributing factors include joint family system, climate, poverty, illiteracy, unemployment, inadequate medical facilities, early marriage, low use of contraception, and low social awareness.

MEASURES TO CONTROL POPULATION GROWTH

1. Regional Redistribution of Population
 - Suggested by Dr. Chandrashekhar and Radhakamal Mukerjee
2. Raising the Standard of Living
 - Availability of adequate and nutritious food reduces reproductive capacity
– Dr. D. D. Karve
3. Expansion of Education
4. Family Planning Programmes
5. Increasing the Age of Marriage

ECONOMIC

6. Development of Industries and Occupations
7. Development of Agriculture
8. Use of Incentives and Disincentives
 - Rewards for small families and penalties for large families
9. Emphasis on Urbanisation

■ MORTALITY (DEATH RATE)

- India (2011): 7.1
- Formula: $CDR = D / P \times 1000$
- State Order (High to Low):
Odisha > Madhya Pradesh > Assam > Uttar Pradesh > Chhattisgarh

■ TYPES OF MORTALITY

1. Infant Mortality Rate (IMR)
 - Deaths of infants below 1 year per 1000 live births
2. Child Mortality Rate (CMR)
 - Deaths of children below 5 years
3. Maternal Mortality Rate (MMR)
 - Maternal deaths per 1 lakh live births
 - Includes deaths:
 - ◆ During pregnancy
 - ◆ During childbirth
 - ◆ Within 42 days after delivery
 - ◆ Within 42 days after abortion
4. Neonatal Mortality Rate (NMR)
 - Deaths of newborns in the early neonatal period

MAHARASHTRA POPULATION (CENSUS 2001 & 2011)

■ Comparative Overview

Indicator	2001	2011
Total Population	9.69 crore	11.24 crore
Decadal Growth Rate	22.57%	15.99%
Share in India's Population	9.42%	9.29%
Sex Rati	922	929
Child Sex Ratio (0-6 years)	913	—
Population Density (per sq km)	315	365
Literacy Rate	76.88%	82.34%

■ Population Composition (2011)

- Total population: 11,23,74,333
- Male: 51.8%
- Female: 48.2%

- Households: 3.35 crore
- Families: 2.3 crore

■ DISTRICT-WISE POPULATION GROWTH (%)

◎ Highest Decadal Growth (%)

- Thane – 36
- Pune – 30.4
- Aurangabad – 27.33
- Nanded – 25.5
- Nashik – 22.3

◎ Negative / Lowest Growth (%)

- Mumbai City – -7.6
- Ratnagiri – -4.8
- Sindhudurg – -2.2
- Wardha – +4.80
- Bhandara – +5.52

■ DISTRICT-WISE POPULATION SIZE

◎ Highest Population

- Thane – 1 crore
- Pune – 94.29 lakh
- Ahmednagar – 93.56 lakh
- Nashik – 61.07 lakh
- Nagpur – 46.53 lakh
- Ahmednagar – 45.43 lakh

◎ Lowest Population

- Sindhudurg – 8.4 lakh
- Gadchiroli – 10.5 lakh
- Hingoli – 11.77 lakh
- Washim – 11.97 lakh
- Bhandara – 12 lakh

■ POPULATION DENSITY (2011 = 365 persons/sq km)

◎ Highest Density

- Mumbai Suburban – 20,980
- Mumbai City – 19,652
- Thane – 1,157
- Pune – 603
- Kolhapur – 504

◎ Lowest Density

- Gadchiroli – 74
- Sindhudurg – 163
- Chandrapur – 192
- Ratnagiri – 196

SEX RATIO – MAHARASHTRA

■ Overall Sex Ratio

- 2001 – 922
- 2011 – 929

■ Rural-Urban Sex Ratio (2011)

- Rural – 952

- Urban – 903

■ Districts with Highest Sex Ratio

- Ratnagiri – 1122
- Sindhudurg – 1036
- Gondia – 999
- Satara – 988

■ Districts with Lowest Sex Ratio

- Mumbai City – 832
- Mumbai Suburban – 860
- Thane – 886
- Pune – 915

■ DISTRICTS WITH SAME SEX RATIO

Districts	Sex Ratio
Bhandara & Gadchiroli	982
Dhule, Akola & Wardha	946
Buldhana & Nashik	934
Nagpur & Amravati	951

■ CHILD SEX RATIO (0-6 YEARS)

○ Maharashtra

- 2001 – 913
- 2011 – 894 (decline)

○ Rural-Urban (2011)

- Rural – 890
- Urban – 899

○ Highest Child Sex Ratio

- Gadchiroli – 961
- Gondia – 956
- Chandrapur – 953

○ Lowest Child Sex Ratio

- Beed – 807
- Jalgaon – 842
- Ahmednagar – 852

Literacy in Maharashtra (Census 2011)

■ Overall Literacy

- Total literacy rate: 82.34%
- Male literacy: 88.4%
- Female literacy: 75.9%

■ Rural-Urban Literacy

- Rural: 77%
- Urban: 91.3%

■ District-wise Literacy Rate (%)

○ Highest Literacy Districts

District	Literacy %
Mumbai Suburban	89.9%
Mumbai City	89.2%
Nagpur	88.4%
Akola	88.0%
Amravati	87.4%

○ Lowest Literacy Districts

District	Literacy %
Nandurbar	64.4%
Jalna	71.5%
Dhule	72.8%
Parbhani	73.3%

■ Urbanisation in Maharashtra

- Rank among Indian states:
 - 5th among states
 - 11th overall (states + UTs)
 - Urbanisation Ranking
Goa > Mizoram > Tamil Nadu > Kerala > Maharashtra

■ Urban Population Growth

Year	Urban Population %	Urban Population (crore)
2001	42.2%	—
2011	45.2%	5.08 crore

■ District-wise Urban Population (%)

○ Highest Urban Population

District	%
Mumbai Suburban	100%
Mumbai City	100%
Thane	76.99%
Nagpur	68.31%
Pune	60.99%

○ Lowest Urban Population

District	%
Hingoli	15.2%
Nandurbar	16.71%

Religious Composition – Maharashtra (2011)

- Order of Population Share
Hindu > Muslim > Buddhist > Jain > Christian >
No religion > Sikh > Others

Religion	%
Hindu	79.83%
Muslim	11.54%
Buddhist	5.81%
Jain	1.25%
Christian	0.96%

- Districts with Highest Share of Each Religion

Religion	District	%
Hindu	Nandurbar	92.31%
Muslim	Mumbai	25.06%
Christian	Mumbai Suburban	3.45%
Buddhist	Akola	18.08%
Jain	Mumbai	5.38%

Caste-wise Population – Maharashtra (2011)**○ Scheduled Castes (SC)**

- Total %: 11.8%
- Population: 1.33 crore
- Highest % district: Akola (20.8%)
- Highest number district: Pune (12 lakh)

○ Scheduled Tribes (ST)

- Total %: 9.4%
- Population: 1.05 crore
- Highest % district: Nandurbar (69.3%)
- Highest number district: Nashik (16 lakh)

POPULATION POLICY & LAWS (INDIA)**Meaning of Population Policy**

- According to Thomson and Lewis, population policy means planned efforts by the State to regulate the size, structure, and distribution of the population.

Leaders Supporting Population Control

- R. D. Karve
- Rabindranath Tagore
- P. N. Saprú
- Jawaharlal Nehru
- Bhor Committee
→ All supported birth control and population regulation.

Early Initiatives in India

- 1925
 - India's first family planning clinic started in Mumbai
 - Started by Maharashtra's social reformer Prof. R. D. Karve
- 1930
 - Mysore Government started the world's first government-run family planning clinic

Family Planning Programme

- 1952 - Family Planning Programme
 - Initiated on the recommendation of Dr. R. A. Gopalaswami
- **1956**
 - Establishment of Central Family Planning Board
 - A sub-committee for population studies was appointed
 - Chairman: Dr. D. K. R. Rao
 - As per recommendations:
 - Four Population Research Centres to be set up in India
 - In 1956, Population Research Centre, Mumbai established
 - This centre later gained international recognition

○ 1963

- First Asian Population Conference held at New Delhi

○ 1966

- Population Department created

First Population Policy

- 16 April 1976
- Health Minister: Karan Singh

Legal Changes in Marriage Age

- 1977 (Janata Government)
- Amendment to child marriage law:
 - Male – 21 years
 - Female – 18 years

Evolution of Family Welfare Approach

- Shift from Family Planning → Family Welfare
- 6th Five Year Plan slogan: "Small family, happy family"
- 7th Five Year Plan continued the approach

Committees

- 1992 – Kalyan Committee
- 1993 – Swaminathan Committee

■ SECOND POPULATION POLICY

- 15 February 2000

● Background

- India's population:
 - ~23 crore at start of 20th century
 - 100 crore on 11 May 2000
- World population:
 - Increased from 200 crore to 600 crore
- Conclusion:
 - India's population grew 2.5 times
 - World population grew 3 times

● Objectives of Population Policy

1. Immediate Goals
 - Family planning
 - Infrastructure
 - Health services
2. Medium-term Goals (up to 2010)
 - TFR = 2.1 (Replacement Level)
 - Slogan: "Hum Do, Hamare Do"
3. Long-term Goal
 - Population stabilisation by 2045
 - (Recommended by Swaminathan Committee in 2015)

● Targets up to 2010

- MMR ↓ to 100
- IMR ↓ to 30
- Universal immunisation
- Encouragement of delayed marriage
- Institutional deliveries
- Trained manpower
- Registration of:
 - Birth
 - Death
 - Marriage
 - Pregnancy
- CBR reduced to 21

POPULATION COMMISSION

■ National Population Commission

- Established: 11 May 2000
- (Day India's population reached 100 crore)
- Chairman: Prime Minister
- First meeting: 22 July 2000

■ State Population Commission

- Chairman: Chief Minister

NATIONAL HEALTH POLICY

■ First National Health Policy

- 1983
- Based on Alma-Ata Declaration (1978)
- Goal: Health for All by 2000

■ Second National Health Policy

- 2002
- To achieve population policy targets of 2000

NATIONAL POPULATION STABILISATION FUND (NPSF)

- Established: 22 March 2005
- Autonomous body under Health & Family Welfare
- Chairman: Union Minister

MEDICAL TERMINATION OF PREGNANCY (MTP) ACT

- Original Act – 1971

● Provisions

- Up to 12 weeks → 1 doctor
- 12–20 weeks → 2 doctors

● Amendment – 2021

- Up to 12 weeks → 1 doctor
- 12–20 weeks → 1 doctor
- 20–24 weeks → 2 doctors
- Above 24 weeks → Approval by Medical Board

PREVIOUS YEAR QUESTIONS

45. 2011 च्या जनगणनेनुसार, सन 2011 मध्ये देशातील एकूण शहरी लोकसंख्येपैकी 13% लोकसंख्या खालीलपैकी कोणत्या शहरात राहत होती ?

अ. मुंबई
ब. चेन्नई
क. कलकत्ता
ड. दिल्ली

(1) अ आणि ड (2) अ, क आणि ड
(3) अ, ब आणि ड (4) अ, ब आणि क

As per the 2011 Census, 13% of the total urban population of the country was living in which of the following cities in 2011 ?

a. Mumbai
b. Chennai
c. Kolkata
d. Delhi

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

2025

46. 2011 च्या जनगणनेनुसार, भारताची लोकसंख्या एकूण जागतिक लोकसंख्येच्या _____ टक्के आहे.

(1) 2.4 (2) 17.5
(3) 31.9 (4) 25.1

As per the 2011 Census, India's population percentage is _____ of the total Global population.

(1) 2.4 (2) 17.5
(3) 31.9 (4) 25.1

2025

47. भारताच्या राष्ट्रीय लोकसंख्या धोरण, 2000 संदर्भात खालीलपैकी कोणते/कोणती विधान/विधाने बरोबर आहे/त ?

अ. जागतिक जास्त दोन अयत्ये नुसार 2050 साला पर्यंत देशाच्या लोकसंख्येत स्थिरता आणणे.
 ब. सार्वत्रिक लसीकरण.
 क. अर्भक मृत्यूचे प्रमाण प्रति हजार 30% पेक्षा खाली आणणे.

(1) विधाने अ, ब व क बरोबर आहेत
 (2) विधाने अ व क बरोबर आहेत
 (3) केवळ विधान अ बरोबर आहे
 (4) केवळ विधान ब बरोबर आहे

Which of the following statement/s is/are correct in relation to India's National Population Policy, 2000 ?

A. Stabilizing the population of the country by 2050 with maximum two children norm.
 B. Universal immunization.
 C. Reduction of infant mortality rate below 30% per thousand.
 (1) Statements A, B and C are correct
 (2) Statements A and C are correct
 (3) Only statement A is correct
 (4) Only statement B is correct

2025

27. भारतीय घटक राज्ये/केंद्रशासित प्रदेश (यादी - I) व त्यांचे लिंग-गुणोत्तर (यादी - II) यांच्या जोड्या लावा.

यादी - I घटक राज्ये/केंद्रशासित प्रदेश	यादी - II लिंग गुणोत्तर (जनगणना - 2011)
अ. केरळ	i. 996
ब. तामिळनाडू	ii. 1037
क. पुदुचेरी	iii. 1084
ड. आंध्र प्रदेश	iv. 993

अ व क ड
 (1) ii iii i iv
 (2) iv i ii iii
 (3) i ii iv iii
 (4) iii i ii iv

Match the Indian States/Union Territory (List - I) with their Sex-Ratio (List - II).

List - I States/Union Territory	List - II Sex-Ratio (Census - 2011)
a. Kerala	i. 996
b. Tamil Nadu	ii. 1037
c. Puducherry	iii. 1084
d. Andhra Pradesh	iv. 993

a b c d
 (1) ii iii i iv
 (2) iv i ii iii
 (3) i ii iv iii
 (4) iii i ii iv

2025

19. 2011 च्या जनगणनेनुसार, कोणत्या केंद्रशासित प्रदेशात अनुसूचित जमातीच्या लोकसंख्येची टक्केवारी सर्वाधिक आहे ?

(1) चंडीगड (2) लक्षद्वीप
 (3) दादरा-नगर हवेली (4) दिल्ली

According to the 2011 census, which Union Territory has the highest percentage of scheduled tribe population ?

(1) Chandigarh (2) Lakshadweep
 (3) Dadra-Nagar Haveli (4) Delhi

2023

47. निम्नलिखित घोषणे मध्ये लोकसंख्येतील होणारी वाढ ही _____

(a) निव्वनित देशात प्रचलित होणारी वाढ आहे.
 (b) अर्धनिव्वनित देशात प्रचलित होणारी वाढ आहे.
 (c) निव्वनित देशात प्रचलित होणारी वाढ आहे.
 (d) निव्वनित देशात प्रचलित होणारी वाढ आहे.

उत्तरी उत्तरे :
 (1) (a) आणि (b) (2) केवळ (a) (3) केवळ (b) (4) (b) आणि (c)

According to Highest Population growth can be _____

(a) A motivator for autonomous investment in developed countries.
 (b) A motivator for induced investment in under-developed countries.
 (c) A motivator for only induced investment in developed countries.
 (d) Demotivate for autonomous investment in a developed countries.

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

> Related to develop countries

2024

49. गावांकरिता कृषि

अ. गावांकरिता लोकसंख्येचे केंद्रिकरण
 ब. गावांकरिता लोकसंख्येचे विकेंद्रिकरण
 क. गावांकरिता लोकसंख्येचे केंद्रिकरण
 ड. लोकसंख्येच्या घटनेत वाढ

(1) फक्त अ (2) फक्त अ आणि ब
 (3) फक्त अ आणि ड (4) सर्वांकरिता सर्व

Urbanization means

a. Centralization of population in the cities
 b. Decentralization of population in the cities
 c. Centralization of population in villages
 d. Increase in density of population

(1) Only a (2) Only a and b
 (3) Only a and d (4) All of the above

2023

Answer: (1)

26. 2011 मध्ये खालीलपैकी कोणत्या राज्यात बाळ लिंग गुणोत्तर सर्वात कमी होते ?

(1) कर्नाटक (2) महाराष्ट्र (3) केरळ (4) मध्य प्रदेश

Which of the following States had the lowest child sex ratio in 2011 ?

(1) Karnataka (2) Maharashtra (3) Kerala (4) Madhya Pradesh

2022

Answer: (2)

48. भारताचे लोकसंख्येच्या बाबतीत खालीलपैकी काय खरे आहे ?

(a) वार्षिक लोकसंख्या वाढीवर धरत आहे.
 (b) लोकसंख्येतील लक्ष्य लोकसंख्येचा हिस्सा कमी होण्यास सुरुवात झाली आहे.

उत्तरी उत्तरे :
 (1) (a) फक्त बरोबर आहे. (2) (b) फक्त बरोबर आहे.
 (3) (a) व (b) दोन्ही बरोबर आहेत. (4) (a) व (b) दोन्ही चुक आहेत.

Which of the following is true regarding Indian population ?

(a) Annual population growth rate has been declining.
 (b) Share of India's young population has started declining.

Answer Options :
 (1) (a) only is correct. (2) (b) only is correct.
 (3) (a) and (b) both are correct. (4) (a) and (b) both are incorrect.

2021

Answer: (3)

50. खालीलपैकी कोणते विधान/विधाने राष्ट्रीय लोकसंख्या धोरण, 2000 च्या श्रेय प्राप्त करण्याच्या संदर्भात योग्य आहे/आहेत ?

(a) मुले आणि मुली या दोघांच्या बाबतीत प्राथमिक आणि माध्यमिक शाळा पात्रावरील गळी 30 टक्केपेक्षा खाली आणणे.
 (b) नवजात मृत्यूचा दर इतकाच कमी करणे की दर 20 पेक्षा कमी करणे/खाली आणणे.
 (c) नवजात मृत्यूचे मर्यादित मर्यादित दर प्रत्येक दर 100 पेक्षा कमी करणे.
 (d) कन्या, कुटुंब, विवाह आणि प्रसूतीच्या या सर्वोच्च मर्यादा 100 टक्के पर्यंत प्राप्त करणे.

उत्तरी उत्तरे :
 (1) (a) आणि (c) (2) (b) आणि (d) (3) (b) फक्त (4) (c) आणि (d)

Which of the following statement/s is/are correct about goals to be achieved under the National Population Policy, 2000 ?

(a) Reduce dropouts at the primary and secondary school levels to below 30 percent for both boys and girls.
 (b) Reduce infant mortality rate to below 20 per 1000 live births.
 (c) Reduce maternal mortality ratio to below 100 per 1,00,000 live births.
 (d) Achieve 100 percent registration of births, deaths, marriage and pregnancy.

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

2021

Answer: (4)

96. 2011 च्या जनगणनेनुसार पुढील शहरे व त्यांची लोकसंख्या यांची योग्य जोडी लावा :

शहरे	लोकसंख्या (हजारानुसार)
अ. मुंबई	I. 8.7
ब. दिल्ली	II. 14.1
क. कोलकाता	III. 16.3
ड. चेन्नई	IV. 18.4

उत्तरी उत्तरे :
 (1) III IV II I
 (2) I II III IV
 (3) II I IV III
 (4) IV III II I

As per the 2011 census, match the cities according to their population.

Cities	Population (In millions)
a. Greater Bombay	I. 8.7
b. Delhi	II. 14.1
c. Kolkata	III. 16.3
d. Chennai	IV. 18.4

Answer Options :
 (1) III IV II I
 (2) I II III IV
 (3) II I IV III
 (4) IV III II I

2019

Answer: - (4)

26. भारतीया जनगणना अन्वये, 2011 मध्ये लक्ष्य बाळक लोकसंख्येच्या निम्नी टक्के भारतीय लोकसंख्या आहे ?

(1) 16.5 टक्के (2) 17.3 टक्के (3) 17.5 टक्के (4) 17.7 टक्के

What is the percentage of Indian population in the population of the world according to the Indian Census Report, 2011 ?

(1) 16.5 percent (2) 17.3 percent (3) 17.5 percent (4) 17.7 percent

2018

Answer: - # (3)

27. पुढीलपैकी कोणत्या लोकसंख्या घोरानुसार भारतीय पुष्पांचे विवाहाचे किमान वय 21 वर्षे व स्त्रियांचे किमान वय 18 वर्षे निश्चित करण्यात आले ?

(1) राष्ट्रीय लोकसंख्या धोरण, 1976 (2) राष्ट्रीय लोकसंख्या धोरण, 1977
 (3) राष्ट्रीय लोकसंख्या धोरण, 2000 (4) लोकसंख्या प्रक्षेपणे (2001 - 2026)

Which of the following population policies decided the minimum marriage age as 21 years for males and 18 years for females ?

(1) National Population Policy, 1976 (2) National Population Policy, 1977
 (3) National Population Policy, 2000 (4) Population Projections (2001 - 2026)

2018

Answer: (1)

42. लोकसांख्यिकीय दृष्टीने ह्यामुळे घडते :

अ. कमी होणारा जन्मदर आणि त्या अनुषंगाने होणारे वयोवृद्धांच्या संख्येतील होणारे बदल.
 ब. कमी होणारा जन्मदर आणि त्या अनुषंगाने होणारे वयोवृद्धांच्या संख्येतील होणारे बदल.
 क. कमी होणारा मृत्यूदर.
 (1) फक्त अ (2) फक्त ब
 (3) फक्त क (4) फक्त ब आणि क

The demographic dividend occurs due to

a. falling birth rate and consequent shift in the age structure.
 b. falling birth rate and changes in the age structure towards the adult working ages.
 c. falling death rate.

(1) Only b (2) Only a
 (3) Only c (4) Only b and c

2017

Answer: (1)

34. 'सिगाफलाचक शहरे' चांची झालेली घडनसत वाद हे एक मोडे आगहन आशे कारण असो शहरांगमे

- अ. शहर अतुलाने संरचना यलगत
 ब. आवसक त्या नगरी घावपूर सुनिधा यलगत
 क. शहरांची वाद ही केवने वादनाया लोबसंछेपुळे झालेली असो

पर्यायी जसो :

- (1) अ, ब आनि क (2) अ आनि ब
 (3) ब आनि क (4) अ आनि क

The phenomenal growth of 'census towns' is a challenge as these towns

- a. Do not have urban governance structure
 b. Do not have the requisite urban infrastructure
 c. Result out of rapid population growth

Answer Options :

- (1) a, b and c (2) Only a and b
 (3) Only b and c (4) Only a and c

→ 2018

Answer: (1)

47. शहरिकरण हे आर्थिक विकासामाटी उपयोनी ठाले नाही. वासाठी घालीलेली कोणले घटक कारणीपूर आशे ?

- अ. निरीकन शहरांगल प्रोपवर्डीकडे दुर्लस.
 ब. असंगठित क्षेत्रांची भोडनलदा, बपीनदार व बंवाटारंमकुन चिखनपूक.
 क. भोडनलदाती संरचित लंखानमुळे बेरोजगारीत आलेली वाद.
 द. आर्थिक वादीध्या वापराची सवायत केलेली असामय वादली.

- (1) फल अ आनि ब (2) फल ब आनि क
 (3) फल अ आनि क (4) बरोल्लेकी सब

Urbanisation has not helped in economic development due to which of the following factors ?

- a. The neglect of slums in urban areas in planning strategies.
 b. The unorganised sectors are exploited by capitalists, landlords and contractors.
 c. Increasing use of capital intensive technologies resulting in unemployment.
 d. The benefits of growth are unequally shared by various sectors of society.

- (1) Only a and b (2) Only b and c
 (3) Only a and c (4) All of the above

→ 2018

Answer: (4)

CHAPTER 06

MONEY & INFLATION

FUNCTIONS OF MONEY

A. Primary Functions

1. Medium of Exchange
 - Money is universally accepted as a medium for buying and selling goods and services.
 - It eliminates the difficulties of the barter system.
2. ii) Measure of Value / Unit of Account
 - Money acts as a common measure to express the value of goods and services.
 - It serves as a unit of account for maintaining economic records.

B. Secondary Functions

1. Store of Value
 - Purchasing power can be stored in the form of money for a long period.
 - Money allows storage of value unlike goods and services, which may perish or depreciate.
2. Transfer of Value
 - Money enables transfer of purchasing power from one person to another.
- **Example:**
 - Government transfers purchasing power from people to itself through taxation.
 - Through subsidies, the government transfers purchasing power back to the people.
3. Standard of Deferred Payments
 - Money is used to settle future payments such as loans, rents, wages, and installments.
 - It acts as a standard for deferred (delayed) payments.

C. Contingent Functions

1. Basis of Credit
 - Credit creation is based on money → banks → credit creation.
 - Money provides the foundation of modern banking and credit system.
2. Option Bearer
 - Money provides freedom of choice.

- A person can decide what, when, and where to buy goods and services.
3. Liquidity to Wealth
 - Wealth can be easily converted into money.
 - Liquidity order:
 - Money > Demand Deposits > Fixed Deposits > Property
 4. Distribution of Income
 - Money facilitates distribution of national income among factors of production (wages, rent, interest, profit).
 5. Measurement of Macro-Economic Variables
 - Macro variables such as:
 - ◆ GNP
 - ◆ Total savings
 - ◆ Total investment
 - ◆ Overall economic activity
 - are measured in monetary terms only.

MONEY SUPPLY AND CREDIT CREATION

■ Types of Money / Deposits

1. Currency Money
 - Notes and coins in circulation.
2. Demand Deposits
 - Deposits withdrawable on demand.
- **Two types:**
 - Current deposits
 - Savings deposits
3. Time Deposits (Term Deposits)
 - Deposits withdrawable after a fixed time period.
- **Types:**
 - Up to 1 year
 - 1 year and above

■ Credit Creation vs Liquidity

- Credit Creation → increases from less to more
- Liquidity → decreases from more to less

BASE MONEY & HIGH-POWERED MONEY

- Monetary Aggregates (Conceptual Structure)
- M_0 (Base Money / Monetary Base / High Powered Money)

● **Includes:**

- Currency with the public (notes + coins)
- Cash reserves with banks
- Banks' deposits with RBI

● **M₀ is also called:**

- Base Money
- Reserve Money
- High Powered Money

● **Key Point:**

- M₀ is the foundation on which the entire money supply (M₁, M₂, M₃) is created.

■ **Relationship between Monetary Aggregates**

- M₀ → determines the supply of M₁, M₂, M₃
- Increase in M₀ → increase in overall money supply
- RBI directly controls M₀, not M₁/M₂/M₃

■ **Components of Money Supply (as per Diagram)**

- M₁ – Narrow Money

● **Includes:**

- Currency with the public
- Demand deposits with banks
- Other deposits with RBI
→ Most liquid form of money

- M₂

- M₁ + Savings deposits with post offices

- M₃ – Broad Money

● **Includes:**

- M₁
- Time deposits (Term deposits) with banks
 - Up to 1 year
 - Above 1 year
→ Widest definition of money supply

■ **Classification Summary**

- M₀ → Base / High Powered Money
- M₁ → Narrow Money
- M₃ → Broad Money

MONEY MULTIPLIER

Formula

$$\text{Money Multiplier} = \frac{\text{Money Supply}}{\text{Reserve Money}}$$

i.e.,

$$= \frac{M_3}{M_0}$$

- When Does Money Multiplier Increase?
- Money Multiplier increases when:
 - People deposit more money in banks
 - CRR ↓ (Cash Reserve Ratio decreases)

- SLR ↓ (Statutory Liquidity Ratio decreases)

- Banks can lend more
- Credit creation increases
- Money supply expands

● **One-Line Prelims Takeaways**

- M₀ is controlled by RBI
- M₁ = Narrow Money
- M₃ = Broad Money
- Money Multiplier = M₃ / M₀
- CRR ↓, SLR ↓ → Credit creation ↑

CENTRAL BANK – RESERVE BANK OF INDIA (RBI)

- The Reserve Bank of India was established in 1935.
- RBI is wholly owned by the Government of India.

■ **Functions of RBI**

1. Issuer of Currency
 - RBI has the sole authority to issue currency notes in India.
 - Controls money supply using:
 - ◆ Bank Rate
 - ◆ Repo/Reverse Repo
 - ◆ Cash Reserve Ratio (CRR)
 - ◆ Statutory Liquidity Ratio (SLR)
2. Banker to the Government
 - Acts as banker, agent, and financial advisor to the Central and State Governments.
 - Manages government accounts, receipts, and payments.
3. Banker's Bank
 - Commercial banks keep their reserves/deposits with RBI.
 - RBI:
 - ◆ Provides funds to banks in need.
 - ◆ Advises banks on monetary and banking matters.
4. Lender of Last Resort
 - RBI provides short-term loans to banks and eligible institutions:
 - Facing financial stress
 - Near collapse or considered high-risk
5. Custodian of Foreign Exchange Reserves
 - RBI manages India's foreign exchange reserves.
 - Ensures exchange rate stability.

Governor of RBI

■ **Appointment**

- Appointed by the Central Government.
- Appointment is based on the recommendation of:
 - Financial Sector Regulatory Appointments

Search Committee (FSRASC)

- Headed by the Cabinet Secretary.

■ Tenure

- As per Section 8(4) of RBI Act, 1934:
- Term not exceeding 3 years.
- Eligible for re-appointment.

■ Powers & Removal

- Governor derives powers from RBI Act, 1934.
- RBI Act does not prescribe any specific qualification for Governor.
- Governor can be removed by the Central Government.

■ Government's Power over RBI

- Section 7 of RBI Act, 1934:
- Central Government may issue directions to RBI
- Must consult the Governor
- Only in public interest
- No such provision exists in the Constitution of India.

■ Minimum Reserve System (MRS) of RBI

- Introduced in 1957.
- RBI must hold minimum reserves of:
 - ◆ ₹200 crore in gold
 - ◆ ₹115 crore in gold bullion
 - ◆ ₹85 crore in foreign currencies
- The remaining currency issue is backed by government securities held by RBI.

RBI Publications

■ Annual

- Report on Trend and Progress of Banking in India

■ Half-Yearly

- Financial Stability Report
- Monetary Policy Report
- Report on Foreign Exchange Reserves

■ Other Regular Publications

- Bi-monthly Monetary Policy Statement
- Industrial Outlook Survey – Quarterly
- Consumer Confidence Survey – Quarterly
- Report on Financial Review

■ Important RBI Committees

1. Usha Thorat Committee (2004)
 - Recommended RBI should maintain 18% of total assets as reserves.
2. Malegam Committee (2014)
 - Recommended transfer of entire net profits annually to RBI.
3. Bimal Jalan Committee (2019)
 - Surplus distribution should consider total

realized equity.

- If realized equity is above required range (5.5% – 6.5%):
 - ◆ Entire net income should be transferred to the Government.

■ High-Powered Money

- Currency issued by RBI is called:
 - ◆ High-powered money
 - ◆ Reserve money
- It forms the basis for credit creation in the economy.

DEPOSIT INSURANCE AND CREDIT GUARANTEE CORPORATION (DICGC)

■ Establishment & Status

- Deposit Insurance and Credit Guarantee Corporation
- Established under DICGC Act, 1961
- It is a wholly-owned subsidiary of the Reserve Bank of India

■ Deposit Insurance Coverage

- DICGC insures all bank deposits, including:
 - ◆ Savings deposits
 - ◆ Fixed deposits
 - ◆ Current deposits
 - ◆ Recurring deposits
- Insurance limit: ₹5,00,000 per depositor per bank
- If a depositor has multiple accounts in the same bank, the maximum payout remains ₹5 lakh only (not per account).
- Bank failure = max ₹5 lakh, not customer-wise account wise

■ Premium Payment

- Bank pays the insurance premium, not the depositor.

■ Mandatory Coverage (Entities Covered)

- Deposit insurance from DICGC is mandatory for:
 - ◆ All Scheduled Commercial Banks (SCBs)
 - ◆ Local Area Banks (LABs)
 - ◆ Foreign banks with branches in India
 - ◆ Co-operative Banks

■ Deposits NOT Covered by DICGC

- No insurance cover is provided for:
 - ◆ Deposits of Foreign Governments
 - ◆ Deposits of Central / State Governments
 - ◆ Inter-bank deposits
 - ◆ Deposits received outside India
 - ◆ Deposits of State Land Development Banks with State Co-operative Banks
 - ◆ Any deposit specifically excluded with prior RBI approval

COMMERCIAL BANKS**■ Governing Law**

- Governed under Banking Regulation Act, 1949

■ Classification of Commercial Banks

- Commercial banks in India are divided into:
 - ◆ Scheduled Commercial Banks (SCBs)
 - ◆ Non-Scheduled Commercial Banks

■ Scheduled Commercial Banks (SCBs)**◎ Legal Status**

- Listed in the Second Schedule of the RBI Act, 1934
- Regulated under the Banking Regulation Act, 1949

◎ Eligibility Conditions (Two Key Factors)

- Minimum paid-up capital and reserves: ₹5 lakh
- Operations must be:
 - ◆ Financially sound
 - ◆ In the interest of depositors, as judged by RBI

◎ Categories of Scheduled Commercial Banks

- SCBs in India are classified into five groups:
 - ◆ State Bank of India (SBI)
 - ◆ Nationalised Banks
 - ◆ Indian Private Sector Banks
 - ◆ Foreign Banks
 - ◆ Regional Rural Banks (RRBs)

REGIONAL RURAL BANKS (RRBs)**■ Establishment**

- Based on Narasimham Working Group (1975)
- Established under Regional Rural Banks Act, 1976

■ Ownership Pattern

- 50% – Central Government
- 35% – Sponsor Bank
- 15% – State Government

CO-OPERATIVE BANKS**■ Governing Law**

- Co-operative societies governed by Co-operative Societies Act, 1904
- Banking regulation strengthened through RBI (post reforms)

■ Structure (Four Types)

1. Central Co-operative Banks
 - Operate at district level
 - Provide loans mainly to Primary Co-operative Societies
2. State Co-operative Banks

- Operate at state level
3. Primary Co-operative Banks
 - Operate in urban and semi-urban areas
 - Focus mainly on non-agricultural activities
 4. Land Development Banks
 - Provide long-term credit to farmers
 - Structured at Primary, State and Central levels

■ Regulatory Changes

- Co-operative banks recently brought under National Bank for Agriculture and Rural Development (NABARD) supervision instead of only RBI and State Governments.

■ Urban Co-operative Banks (UCBs)

- After Banking Regulation (Amendment) Act, 2020:
 - ◆ Major regulatory powers transferred to RBI
 - ◆ Some powers remain with Registrars, but RBI overrides them
- RBI allows UCBs to:
 - ◆ Raise funds via equity shares, preference shares and debt instruments
- Large co-operative banks with:
 - ◆ Paid-up capital and reserves of ₹1 lakh
 - ◆ Covered under Banking Regulation Act, 1949 (effective 1 March 1966)

DIFFERENTIATED BANKS**■ Background**

- Concept introduced in 2013
- Based on recommendations of the Nachiket Mor Committee
- Aim: Serve specific customer segments

SMALL FINANCE BANKS (SFBs)**■ Establishment & Regulation**

- Set up on recommendations of Nachiket Mor Committee
- Licensed under Banking Regulation Act, 1949
- Governed by RBI Act, 1934

■ Promoters

- Individuals
- Corporates
- Trusts
- Societies
- Existing NBFCs
- MFIs
- Local Area Banks (LABs)

■ Lending Norms

- 75% of loans must go to priority sector
- At least 50% of loans must be below ₹25 lakh

■ Activities Allowed

- Accept deposits of any amount
- Issue ATM / Debit cards
- Provide remittance services
- Provide credit cards and loans
- Accept NRI deposits

PAYMENT BANKS

■ Background

- Recommended by Usha Thorat Committee
- Licensed under Banking Regulation Act, 1949

■ Capital Requirement

- Minimum paid-up capital: ₹100 crore
- Promoter stake:
 - ◆ Minimum 40% for first 5 years

■ Who Can Promote

- Existing PPI issuers
- Telecom companies
- MFIs
- NBFCs
- Small Finance Banks

■ Functions Allowed

- Open Savings and Current Accounts
- Issue ATM / Debit cards
- Accept demand deposits only
 - ◆ Maximum ₹2 lakh per individual
- Distribute:
 - ◆ Mutual funds
 - ◆ Insurance
 - ◆ Third-party financial products

■ Restrictions

- Cannot provide loans or credit cards
- Cannot accept:
 - ◆ Time deposits
 - ◆ NRI deposits
- Cannot set up subsidiaries for non-banking activities

■ Conversion

- Can apply for conversion into Small Finance Bank after 5 years

■ FDI

- FDI is allowed in Payment Banks

DEVELOPMENT BANKS

■ Concept

- Provide long-term financial assistance
- Focus on infrastructure and priority sectors

■ Major Development Banks

1. NABARD
 - Established in 1982

- Based on B. Sivaraman Committee
- Fully owned by Government of India
- 2. SIDBI
 - Small Industries Development Bank of India
 - Established in 1990
 - Owned by Government of India
- 3. EXIM Bank
 - Export-Import Bank of India
 - Established in 1982
 - Wholly-owned subsidiary of Central Government
- 4. National Housing Bank (NHB)
 - Established in 1988
 - Under National Housing Bank Act, 1987
 - Wholly owned by Government of India
- 5. MUDRA Bank
 - Set up under Pradhan Mantri MUDRA Yojana
 - Provides low-interest loans to:
 - ◆ MFIs
 - ◆ Non-banking financial institutions
 - Does not lend directly to farmers

INFLATION (चलनवाढ)

■ Inflation: Meaning & Definitions

6. Crowther
 - Inflation is a situation in which the value of money falls and prices rise continuously.
7. Keynes
 - Inflation is a phenomenon that occurs after the stage of full employment.
8. Hawtrey
 - When a large quantity of money remains in circulation, inflation occurs.

◎ Types of Inflation

1. Creeping Inflation
 - Inflation rate 3% or less
2. Walking / Trotting Inflation
 - Inflation rate 3% to 10%
 - Considered useful for economic growth
3. Running / Galloping Inflation
 - Inflation rate 10% to 20%
4. Hyper / Runaway Inflation
 - Inflation rate above 20%

◎ Deflation

- Money supply in the market ↓
- Demand for goods ↓
- Prices ↓

Disinflation

- Inflation continues, but rate of increase declines
- Achieved through contractionary fiscal policy / contractionary monetary policy

Reflation

- Continuous deflation may lead to economic depression
- To avoid this, expansionary fiscal policy / expansionary monetary policy is adopted to increase inflation

Stagflation (Stagnation Inflation)

- Inflation on one side and low or no economic growth on the other
- Structural inflation is mostly seen in developing countries

DEMAND-PULL INFLATION

- Meaning
 - When prices rise due to an increase in demand for goods caused by factors like
 - ◆ Investment
 - ◆ Government expenditure
 - ◆ Deficit financing
- such inflation is called Demand-Pull Inflation.

Causes of Demand-Pull Inflation

- Increase in demand for goods and services
- Increase in public and private expenditure
- Deficit financing
- Credit creation
 - RBI's expansionary monetary policy
 - CRR ↓, SLR ↓, Bank Rate ↓, Repo ↓
- Policy of cheap money
- Reduction in tax rates
- Lower interest rates
- Uncontrolled economic growth
- Decline in people's savings
- Black money
- Foreign investment

COST-PUSH / SUPPLY-SIDE INFLATION

Meaning

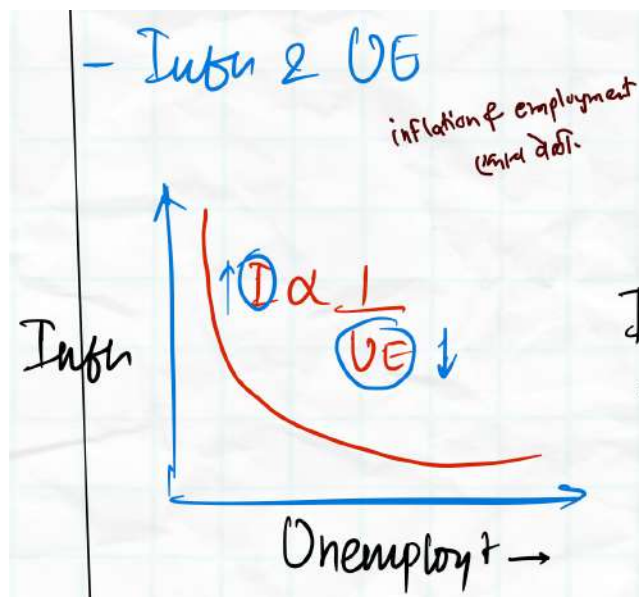
- When prices of goods increase due to a rise in production / supply costs, it is called Cost-Push Inflation.

Causes of Cost-Push Inflation

- Natural calamities – drought, floods, earthquakes, etc.
- Inadequate basic infrastructure
- Fall in production, insufficient industrial growth
- Industrialisation-related issues
- Increase in wage rates

- Hoarding (साठेबाजी)
- Exports (reducing domestic supply)
- LOP-sided production (imbalanced production structure)

PHILLIPS CURVE (फिलिप्स वक्ररेखा)



- Shows inverse relationship between inflation and unemployment
- As demand for goods ↑ → production ↑ → inflation ↑ → unemployment ↓
- Therefore:
Inflation ↑ ⇒ Unemployment ↓

NATURAL RATE OF UNEMPLOYMENT

- The rate at which actual inflation rate = expected inflation rate, and
- Unemployment remains constant,
- That rate is called the Natural Rate of Unemployment.

EFFECTS OF INFLATION

Economy	Household Sector	Foreign Trade
Creeping inflation	Producers benefit	Imports & Exports
Production ↑	Industrial investors benefit	Exchange Rate
Investment ↑	Debtors → Gain	
Employment generation ↑	Creditors → Loss	
New industries ↑	Salary earners & Pensioners → Loss	
Tax collection ↑	Labour → Unorganised sector → More impact	

Savings ↓	Labour → Organised sector	
Interest rate	Self-employed → Neutral impact	

MONETARY, FISCAL AND DIRECT MEASURES

A. Monetary Measures (Monetary / Credit Policy)

- According to J. K. Shaw,
"The policy adopted by the monetary authority regarding the availability of money supply is called monetary policy."
Hence, the policy accepted by the Central Bank regarding money supply in the economy is called monetary policy.
- RBI's Dear Money Policy (Contractionary Monetary Policy)
- Increase in rates:
 - CRR ↑
 - SLR ↑
 - Bank Rate ↑
 - Repo Rate ↑
 - Reverse Repo Rate ↑
- Sale of government securities by RBI (Open Market Operations)
- FDI – Market Stabilisation Scheme, 2004
- Control over black money

B. Fiscal Measures

○ Contractionary Fiscal Policy

- Reduction in public expenditure → Cut in unproductive expenditure and subsidies
- Increase in revenue → Higher tax collection (Taxation policy)
- Encouragement to savings
 Keynes suggested:
 - Compulsory savings
 - Deferred wages
 Due to this, savings increase and purchasing power of people decreases
- FRBM Act, 2003
- Surplus Budget
 When government revenue is more than expenditure, it is called a surplus budget. During inflation, acceptance of a surplus budget results in:
 - Money from people → transferred to the government

C. Direct Measures

- Minimum Support Price (MSP)
- Action against hoarding
- Dual Pricing System
 - Separate prices for poor / rich

- Increase in domestic production of scarce goods
- Liberal import policy for essential commodities

WHOLESALE PRICE INDEX (WPI)

■ Authority & Release

- Released by: Office of the Economic Adviser (OEA)
- Administrative Ministry:
 Department for Promotion of Industry and Internal Trade (DPIIT),
 Ministry of Commerce & Industry, Government of India.

■ Meaning & Coverage

- WPI represents price changes at the wholesale level, i.e. prices of goods:
 - Sold in large quantities
 - Traded between producers, wholesalers, and institutional buyers
- It does not represent retail (consumer) prices.

■ Base Year

- Current Base Year: 2011–12
- Effective from: April 2017

■ Nature of Prices Considered

- WPI (2011–12):
 - Considers basic prices only
 - Excludes:
 - ◆ Taxes
 - ◆ Rebates / trade discounts
 - ◆ Transport charges
 - ◆ Other incidental charges

■ Use of WPI

- Measures average movement of wholesale prices
- Primarily used as a GDP deflator
- Used for:
 - Inflation analysis
 - Policy formulation
 - Price trend monitoring

■ Coverage of Commodities

- Only goods are included
- Total commodities covered: 697

COMPONENTS / MAJOR GROUPS (WPI – 2011–12)

1. Primary Articles

- Includes:
 - Food articles
 - Non-food articles
 - Minerals
- Reflects price changes at the initial stage of production

2. Fuel & Power

- Weight: 13.15
- Includes:
 - Coal
 - Petroleum products
 - Electricity
- Indicates cost pressure across all stages of production

3. Manufactured Products

- Covers finished and semi-finished goods
- Shows price rise at every stage of industrial production

IMPORTANT FACTS & COMMITTEES

■ Earlier Base Year

- 2004-05
- Effective from September 2010
- Based on Abhijit Sen Committee recommendations

■ New Series Committee

- Chairman: Soumitra Choudhury Committee (2012)
- Responsible for revising:
 - Base year
 - Commodity basket
 - Weight structure

■ WPI-BASED INFLATION

- All-India WPI Inflation (Provisional):
 - 3.36%
 - June 2024 (over June 2023)

■ FOOD INDEX (UNDER WPI)

- WPI Food Index Weight: 24.38%
- Introduced from 2017
- Consists of:
 - Food articles (Primary Articles group)
 - Food products (Manufactured Products group)

■ GDP DEFLATOR

- WPI is used as GDP deflator
- Helps convert nominal GDP into real GDP

■ REMESH CHAND COMMITTEE

- Gave recommendations:
 - Regarding improvements in WPI
 - Suggested inclusion of services in WPI (not implemented yet)

Consumer Price Index (CPI)

■ Meaning & Coverage

- CPI measures prices of goods and services consumed by households.
- It reflects retail-level inflation.
- Used as a Cost of Living Index.

■ Publishing Authority

- Published by: National Statistical Office (NSO)
- Base year: 2012 = 100
- New CPI series operational: February 2015

■ Use in Monetary Policy

- Since April 2014, CPI inflation is used for monetary policy targeting.
- Based on recommendations of the Urjit Patel Committee.

■ CPI Components & Weights

Component	Weight (%)
Food & Beverages	45.86%
Pan, Tobacco & Intoxicants	2.38%
Fuel & Light	6.84%
Clothing & Footwear	6.53%
Housing	10.0% (Only in CPI-Urban)
Miscellaneous	28.32%

■ Key Features of CPI

- Measures inflation only at retail level
- Includes both goods and services
- Reflects actual consumer expenditure pattern

■ Important CPI Variants

1. Headline CPI
 - Includes all goods and services
2. Core CPI
 - Excludes Food and Fuel
3. Consumer Food Price Index (CFPI)
 - Introduced May 2014
 - Covers only food products

■ Types of CPI in India

1. CPI-IW (Industrial Workers)
 - Published by: Labour Bureau
 - Base year: 2016
 - Implemented from September 2020
 - Covers manual workers, irrespective of income
- **Industries covered (7):**
 - A. Factories
 - B. Mines
 - C. Plantations
 - D. Railways
 - E. Public motor transport

- ### ■ Definitions (As per CPI Methodology)

Aspect	CPI	WPI
Level	Retail	Wholesale
Covers services	Yes	No
Used for policy	Yes	No
Tax included	Yes	No

House Price Index (HPI) / RESIDEX

PREVIOUS YEAR QUESTIONS

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84. ऑस्ट्रेलियाच्या विक्टोरिया राज्यात कार्यालय असणारी पहिली भारतीय बँक कोणती ?

- (1) देना बँक (2) एस.बी.आय.
(3) सी.ओ.बी. (4) पी.एन.बी.

Which bank has become the first Indian Bank to have an office in Australia's Victoria State ?

- (1) Dena Bank (2) SBI
(3) BOB (4) PNB

→ 2022

Answer: (2)

88. पुढील विकास वित्त संस्थांची मांडणी त्यांची स्थापना झाल्या प्रमाणे करा :

- अ. भारतीय औद्योगिक विकास बँक, IDBI
ब. भारतीय औद्योगिक गुंतवणूक बँक, IIBI
क. भारतीय औद्योगिक पत्र आणि गुंतवणूक महासंघ, ICICI
ड. भारतीय औद्योगिक वित्त महासंघ, IFCI

- (1) ड, अ, ब, क (2) ड, क, ब, अ
(3) ड, क, अ, ब (4) ड, ब, अ, क

Arrange the following development finance institutions according to the order in which they were established :

- a. Industrial Development Bank of India, IDBI 1964
b. Industrial Investment Bank of India, IIBI 1947
c. Industrial Credit and Investment Corporation of India, ICICI 1955
d. Industrial Finance Corporation of India, IFCI 1948

- (1) d, a, b, c (2) d, c, b, a
(3) d, c, a, b (4) d, b, a, c

→ 2016

Answer: (2)

84. भारतीय रिझर्व बँकचा पाल दिविली विभाग भारतीय रिझर्व बँकच्या पूर्णतः स्वतः आवक आहे ?

- (1) 85 कोटी ₹
(2) 115 कोटी ₹
(3) 200 कोटी ₹
(4) बँकेच्या एकही नाही

Note issuing department of RBI should always possess a minimum gold stock worth

- (1) ₹ 85 crores
(2) ₹ 115 crores
(3) ₹ 200 crores
(4) None of the above

→ 2015

Answer: (2)

Total = 200cr < 115 cr → Gold
85 cr → Bond, debt (foreign)

21. भारतीय पदव्यवस्थापन प्रणाली कायद्याच्या धार्याने प्रत्येक उद्योगाला भारतीय उद्योगातील धोरण प्रणाली ठरवणे.

- (a) बदलती प्रणाली ठरवणे
(b) स्थिरता असणे धोरण
(c) बाह्यद्वारे धोरण
(d) गंतव्य वस्तुसंगती बाह्यद्वारे धोरण

Which of the following is correct ?

- (1) धोरण (a) आणि (b) (2) धोरण (b) आणि (c)
(3) धोरण (c) आणि (d) (4) धोरण सर्व

Given the importance of supply side factors in determination of inflation in India, following long-term policies are likely to help.

- (a) Changing production patterns
(b) Calibrated import policy
(c) Focus on transportation
(d) Storage infrastructure for perishable commodities

Which of the above options is/are correct ?

- (1) Only (a) and (b) (2) Only (b) and (c)
(3) Only (c) and (d) (4) All of the above

→ 2022

Answer: (4)

35. पुढील विधाने विचारात घ्या :

- (a) रोटी पालावट ही अर्थव्यवस्था वाढी आणि अनुकूल परिणामांसाठी सार्वजनिक अनुदाने.
(b) पालावट ही अर्थव्यवस्था वाढीसाठी अनुदाने.
(c) पालावट ही अर्थव्यवस्था वाढीसाठी अनुदाने.
(d) पालावट ही अर्थव्यवस्था वाढीसाठी अनुदाने.

Which of the following is correct ?

- (1) (a) फक्त (2) (b), (c) आणि (d) (3) (b) आणि (d) (4) (a) आणि (c)

Consider the following :

- (a) Creeping inflation is conducive for economic growth and may have favourable effects.
(b) During inflation value of money increases.
(c) Inflation benefits debtors.
(d) Inflation decreases the inequality of income.

Which of the statement/s given above is/are correct ?

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

→ 2021

Answer: (4)

88. पाश्चात्य विक्री मंडळाच्या (WPI) पुढीलपैकी कोणत्या वस्तुच्या किमतीचा विचार केला जातो ?

- अ. प्राथमिक वस्तु
ब. इंधन
क. उपयुक्त वस्तु
द. सर्व वस्तु

Price of which of the following commodities are considered in Wholesale Price Index (WPI) ?

- a. Primary Goods
b. Oil
c. Manufactured Goods

Answer Options :

- (1) Only a and c (2) Only a and b
(3) Only b (4) All of the above

→ 2019

Answer: (4)

22. विकासवादीस कारणीभूत असणारे पुढीलपैकी कोणते धोरण प्रभावकारक नाही ?

- अ. निर्यात
ब. साठे
क. परिवर्तित वस्तु
ड. दुष्काळ

Which of the following is not the supply-side factor responsible for inflation ?

- a. Increase in export b. Store
c. Increase in credit creation d. Famine

Answer Options :

- (1) Only a and b (2) Only c and d
(3) Only d (4) Only c

→ 2018

Answer: (4)

39. आर्थिक प्रगतीसाठी वित्त उभे करणारा खालीलपैकी कोणत्या पद्धतीमुळे भाववृद्धी नियंत्रित होऊ शकते ?

- (1) अंतर्गत आणि बाह्य कर्ज (2) प्रगतीशील कर
(3) पुढील वित्तव्यवस्था (4) सरकारी कर्ज

Which of the following methods of financing economic development can lead to inflation ?

- (1) Internal and External Borrowings (2) Progressive Taxation
(3) Deficit Financing (4) Government Bonds

→ 2013

Answer: (3)

CHAPTER 07

INCLUSION

ECONOMIC INCLUSION & RURAL EMPLOYMENT SCHEMES (INDIA)

1. Concept of Inclusion

- Inclusion is a multi-dimensional concept involving:

A. Environmental Inclusion

- Focus on sustainable development.

B. Economic Inclusion

- Emphasis on material and infrastructural efforts.

C. Social Inclusion

- Improvement in the social sector.

D. Regional Inclusion

- Balanced regional development.

E. Financial Inclusion

- Financial incentives and access to financial services.

2. Types of Government Schemes

A. Central Schemes

- 100% funded by the Central Government.

B. Centrally Sponsored Schemes (CSS)

- Planning by Centre, but
- Expenditure shared between Centre and States.

○ Sub-categories:

- Core of the Core Schemes
- Core Schemes

C. State Schemes

- Fully designed and funded by State Governments.

3. Economic Inclusion

○ Poverty Alleviation Approach

- Three-Dimensional (Tri-Dimensional) Strategy:
 1. Growth-based approach
 2. Targeted poverty alleviation programmes
 3. Provision of minimum basic facilities

4. Major Rural Employment & Poverty Alleviation Schemes

○ National Rural Employment Programme (NREP)

- Launched: 2 October 1980
- Objective:
 - Provide productive employment to the rural poor.

○ Rural Landless Employment Guarantee Programme (RLEGP)

- Launched: 15 August 1983
- Target Group:
 - Landless rural labourers

○ Jawahar Rozgar Yojana (JRY)

- Formed by merging:
 - NREP + RLEGP
- Launched: 1 April 1989
- Objectives:
 - Creation of productive assets in rural areas
 - Increase in rural wage employment
 - Reduction in agricultural distress

○ Restructuring of JRY

- JRY was restructured into:
 - Jawahar Gram Samridhi Yojana (JGSY)
- Effective from: 1 April 1999

5. Employment Assurance Scheme (EAS)

- Launched: 2 October 1993
- Coverage:
 - Agricultural lean / slack season
- Assurance:
 - 100 days of employment per family
 - Minimum 2 adult members per family

6. Sampoorna Grameen Rozgar Yojana (SGRY)

- Formed by merging:
 - JGSY + EAS
- Date: 25 September 2001
- Objectives:
 - Reduction in unemployment
 - Employment with wage assurance
 - Development of rural infrastructure

7. National Food for Work Programme (NFFWP)

- Launched: 14 November 2004
- Funding Pattern:
 - 100% Centrally Sponsored
- Main Objective:
 - Employment generation + Food security

8. Development Philosophy

- Demand-based infrastructure creation
- Leads to:
 - Sustainable asset formation
 - Long-term rural development

MGNREGS (Mahatma Gandhi National Rural Employment Guarantee Scheme)

■ Legal Status

- Act: Mahatma Gandhi National Rural Employment Guarantee Act, 2005

■ Launch & Coverage

- Started on: 2 February 2006
- Merger: SGRY + NFFWP → MGNREGS
- Initial coverage: 200 districts
- Present coverage: All rural districts of India
 - Total districts: 741

■ Naming

- Scheme and Act named after: Mahatma Gandhi

■ Administrative Ministry

- Ministry of Rural Development, Government of India

■ Objectives / Principles

- To provide wage employment guarantee to unskilled rural labourers
- Every rural household (adult members) is guaranteed:
 - Minimum 100 days of wage employment per financial year
- Focus on strengthening livelihood resource base of the rural poor
- Special emphasis on:
 - Scheduled Castes (SCs)
 - Scheduled Tribes (STs)
 - Women-headed households
 - Other marginalized groups

■ Funding Pattern

◎ Centre : State

- Wages → 100 : 0
- Material & skilled wages → 75 : 25
- Unemployment allowance → 0 : 100 (State pays)

◎ Workers' Rights & Entitlements

- Registration → Job Card
- Employment to be provided:
 - Within 15 days
 - Within 5 km radius
- If work is provided beyond 5 km:
 - 10% additional wage
- If work is not provided within 15 days:
 - Unemployment allowance payable
- Facilities at worksite:
 - Drinking water
 - Shade
 - First aid

◎ Women & Social Justice Provisions

- Minimum 33% participation of women
- Equal wages for men and women
 - As per Minimum Wages Act
- Wages paid only through:
 - Bank / Post Office accounts

◎ Transparency & Monitoring

- Work identification:
 - Gram Sabha
- Mandatory:
 - Worksite inspection
 - Social Audit

◎ Important Developments

- Muster Roll (MH Roll):
 - Introduced 28 March 1972
 - By V.S. Page
- MGNREGA 2.0: 8 May 2012
- Geo-MGNREGA: 1 September 2016
- JANMANREGA App: 19 June 2017
- Active workers (2025-26): As per latest official data (asked as current affairs)

■ MGNREGS Components / Sub-Initiatives

1. Project UNNATI

- Objective: Skill upgradation of MGNREGS beneficiaries
- Two components:

A. Skilling for Wage Employment

- DDU-GKY
- Age group: 18–35 years

B. Skilling for Self-Employment

- RSETI & KVK
- Age group: 18–45 years

2. Cluster Facilitation Project

- Objective:
 - Provide rural livelihoods under MGNREGA
- Target areas:

- Aspirational districts
- Backward regions

3. Barefoot Technician (BFT)

- Trained local persons for:
 - Measurement
 - Record-keeping
 - Technical support at village level

4. District-Level Provision

- As per Section 30 of MGNREGA Act:
 - One designated officer per district for implementation

5. Mission Amrit Sarovar

- Launched on: 24 April 2022
- Target:
 - 75 water bodies (Sarovars) per district
- Objective:
 - Water conservation
 - Groundwater recharge

■ Other Rural Development Schemes

○ Integrated Rural Development Programme (IRDP)

- Launched: 2 October 1980
- Nature: Umbrella poverty alleviation programme
- Focus: Asset creation and income generation for rural poor

○ Training of Rural Youth for Self Employment (TRYSEM)

- Launched: 15 August 1979
- Target group: Rural youth 18–35 years
- Objective: Skill training for self-employment

○ Development of Women and Children in Rural Areas (DWCRA)

- Launched: September 1982
- Focus: Economic empowerment of rural women through group-based activities

○ Million Wells Scheme (MWS)

- Launched: April 1988
- Status: Implemented as a component of NREP
- Objective: Irrigation support through well construction

○ Supply of Improved Toolkits to Rural Artisans (SITRA)

- Launched: July 1992
- Status: Implemented as a sub-scheme of

IRDP

- Objective: Provide improved tools to rural artisans to enhance productivity

○ Ganga Kalyan Yojana (GKY)

- Launched: February 1997
- Focus: Irrigation and water-related support to rural households

■ Swarnjayanti Gram Swarozgar Yojana (SGSY)

○ Launch

- Based on: Hashim Committee recommendations
- Core reform: Merger of 6 schemes
 - IRDP
 - TRYSEM
 - DWCRA
 - MWS
 - SITRA
 - GKY

○ Objectives

- Poverty alleviation through self-employment
- Beneficiary-centric approach
- Formation of Self-Help Groups (SHGs) of rural poor
- Promotion of micro-enterprises for sustainable livelihoods

■ National Rural Livelihood Mission (NRLM)

- Launched: 3 June 2011
- Nature: Re-structured and re-designed form of SGSY
- Official name: Deendayal Antyodaya Yojana – NRLM (DAY-NRLM)

■ DAY-NRLM

- Renamed: 29 March 2016
- Approach: SHG-based institutional platform
- Objectives:
 - Social and economic mobilization of the rural poor
 - Capacity building and livelihood skill training
- Funding pattern: Centre : State = 60 : 40

■ State Level Scheme

- **Maharashtra State Rural Livelihood Mission (MSRLM)**
(Also known as UMED Abhiyan)

- Launched: July 2011
- Coverage:
 - 34 districts
 - 351 talukas

- Target:
 - 71 lakh poor rural households in Maharashtra
- Objective:
 - Enable poor households to come out of poverty through sustainable livelihoods

■ Sub-Schemes / Initiatives under Livelihood Promotion

1. Women Empowerment Project – 2010–11
2. Aajeevika Grameen Express Yojana – August 2017
3. Start-up Village Entrepreneurship Programme (SVEP) – January 2016
4. Deendayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) – 25 September 2014

DAY-NULM (Deendayal Antyodaya Yojana – National Urban Livelihoods Mission)

- National Urban Livelihood Mission – Background
- Earlier Urban Poverty Alleviation Schemes

1. Nehru Rozgar Yojana (NRY)

- Launched: October 1989
- Objective:
 - Provide employment to the urban unemployed
 - Urban poverty alleviation

2. Urban Basic Services for the Poor (UBSP)

- Period: 1990–91
- Objective:
 - Provision of basic services to the urban poor

3. Prime Minister's Integrated Urban Poverty Eradication Programme (PMIUEP)

- Launched: 18 November 1995

4. Swarna Jayanti Shahari Rozgar Yojana (SJSRY)

- Launched: 1 December 1997
- Formed by merging the above three schemes
- Re-structured later into National Urban Livelihood Mission (NULM)

○ National Urban Livelihood Mission (NULM)

- Launched: 24 September 2013
- Renamed as DAY-NULM (Deendayal Antyodaya Yojana – NULM) on 25 September 2014

○ DAY-NULM

- Official launch date: 19 February 2016
- Implemented in Maharashtra since August 2014

○ Objectives of DAY-NULM

- Provide:
 - Self-employment

- Skilled wage employment
- Target group:
 - Urban poor households
- Aim:
 - Formation of strong institutions of the urban poor
 - Removal of urban poverty and vulnerability

■ Rural Employment & Self-Employment Schemes (Other Important Schemes)

○ Prime Minister's Employment Generation Programme (PMEGP)

- Launched: 15 August 2008
- Formed by merging:
 - PMRY (Prime Minister Rozgar Yojana)
 - REGP (Rural Employment Generation Programme)
- Objective:
 - Promotion of self-employment
 - Creation of micro-enterprises
 - Applicable in both rural and urban areas

■ Garib Kalyan Rozgar Abhiyan (GKRA)

- Launched: 20 June 2020
- Duration: 125 days
- Place of launch: Beldaur, Bihar
- Target group:
 - Migrant workers
- Coverage:
 - 116 districts
- Employment provision:
 - 20,000+ wage employment

■ Atmanirbhar Bharat Rozgar Yojana (ABRY)

- Launched: 12 November 2020
- Valid till: 2023
- Objective:
 - Encourage employment generation
 - Support industrial revival

■ PM-SVANidhi (PM Street Vendors Atmanirbhar Nidhi)

- Implementing Ministry: Ministry of Housing & Urban Affairs

■ Key Features

Component	Details
Initial Loan	₹10,000 (for 1 year)
Next Loan Cycle	₹20,000 → ₹50,000 (on timely repayment)
Interest Subsidy	7%

Digital Incentive	₹50 – ₹100 cashback
Eligibility	Street vendors operating before 2020, valid vending certificate/LoR, age 18–60 years
Application Mode	Online portal / CSC centres
Additional Benefits	Credit card facility, relocation support

SKILL DEVELOPMENT & EMPLOYMENT SCHEMES

■ DEENDAYAL UPADHYAYA GRAMEEN KAUSHALYA YOJANA (DDU-GKY)

- Launch Date: 25 September 2014
- Target Age Group: 15–35 years
- Objective:
 - Skill development of rural poor youth
 - Enhancement of employability and productive capacity
- Mandatory Social Inclusion Norms:
 - Minimum 33% women
 - 50% SC/STs
 - 15% minorities
- Implementation:
 - Implemented by States
 - Based on Public–Private Partnership (PPP) model

■ SUB-SCHEMES / SPECIAL PROJECTS UNDER DDU-GKY

1. Himayat
 - Launched: August 2011
 - Region: Jammu & Kashmir
 - Coverage: Rural & Urban BPL/APL youth
 - Focus: Skill training & employment
2. Umeed
 - Launched: June 2013
 - Region: Jammu & Kashmir
 - Focus: Women empowerment
3. Roshni
 - Launched: June 2013
 - Area: Left Wing Extremism (LWE) affected districts
 - Age Group: 10–35 years
 - Focus: Skill training & employment
4. Parvaaz
 - Focus: Skill training for BPL minority youth

■ NATIONAL SKILL DEVELOPMENT MISSION (NSDM)

- Launch Date: 15 July 2015
- 15 July observed as: World Youth Skills Day

■ INSTITUTIONS UNDER SKILL ECOSYSTEM

1. National Skill Development Authority (NSDA)

- Established: June 2013
- Now merged into: NCVET
- Functions:
 - Supports Skill India Mission
 - Skill planning across sectors
 - Quality assurance via NSQF
 - Nodal agency for State Skill Development Missions

2. National Skill Development Corporation (NSDC)

- Established: 31 July 2008
- Model: PPP, Not-for-profit
- Functions:
 - Establish skill training centres
 - Fund skill initiatives
 - Develop ecosystem support

■ NATIONAL SKILL DEVELOPMENT POLICIES

- National Skill Development Policy: 2009
- National Skill Development & Entrepreneurship Policy: 2015

■ NATIONAL SKILLS QUALIFICATION FRAMEWORK (NSQF)

- Implemented: 27 December 2013
- Purpose:
 - Recognition of formal, informal, non-formal & vocational training
 - Outcome-based qualification framework

■ FLAGSHIP PROGRAMMES UNDER SKILL MISSION

1. SANKALP

- Skill Acquisition & Knowledge Awareness for Livelihood Promotion
- Launch: October 2017

2. STRIVE

- Skill Strengthening for Industrial Value Enhancement
- Launch: October 2017

■ NATIONAL COUNCIL FOR VOCATIONAL EDUCATION & TRAINING (NCVET)

- Established: December 2018
- Formed by merger of:
 - NCVT (1956)
 - NSDA (2013)
- Functions:
 - Regulation & oversight of skill/vocational

ECONOMIC

institutions

- Quality assurance

■ PRADHAN MANTRI KAUSHAL VIKAS YOJANA (PM-KVY)

- Launch: 15 July 2015
- Objective:
 - Skill training for youth
 - Certification & placement support
- Key Components:
 - PM Kaushal Kendras (PMKK):
 - ◆ At least one model training centre per district
 - Skill India International Centres:
 - ◆ First centre inaugurated at Bhubaneswar (2022)
 - ASEEM Portal:
 - ◆ Atmanirbhar Skilled Employee Employer Mapping

■ HUNAR SE ROZGAR TAK

- Launch: 19 June 2009
- Ministry: Tourism
- Sector: Hospitality
- Age Group: 18–28 years

■ PM VISHWAKARMA KAUSHAL SAMMAN YOJANA

- Launch: 17 September 2023
- Objective:
 - Support traditional artisans
 - Financial assistance, training, digital & marketing support
 - Holistic development of small traditional enterprises

■ MAHARASHTRA SKILL & ENTREPRENEURSHIP INITIATIVE

○ Maharashtra Pramod Mahajan Skill & Entrepreneurship Development Mission

- Launch: 18 March 2015
- Initiatives:
 - Kaushalya Maharashtra
 - Rozgar Ksham Maharashtra
- Age Group: 15–45 years

■ CREDIT & ENTREPRENEURSHIP SUPPORT

○ MUDRA BANK (Micro Units Development Refinance Agency)

- Registered as: NBFC
- Established: 7 April 2015
- Subsidiary of: SIDBI

○ Objective

- Funding the unfunded

- Refinance support to micro enterprises

■ PRADHAN MANTRI MUDRA YOJANA (PMMY)

○ Objective

- Loan for non-farm income generating activities
- Covers manufacturing, processing, trading & services

○ Loan Providers

- PSBs
- RRBs
- Cooperative Banks
- Private & Foreign Banks
- MFIs & NBFCs

○ Maximum Loan Limit

- Up to ₹10 lakh (Mudra Card enabled)

○ Types of Loans

1. Shishu: Up to ₹50,000
2. Kishore: ₹50,000 – ₹5 lakh
3. Tarun: ₹5 lakh – ₹10 lakh
4. Tarun Plus: Above ₹10 lakh (as per revised norms)

■ EDUCATION (INDIA) -

○ IMPORTANT COMMISSIONS / COMMITTEES (CHRONOLOGICAL)

- Wood's Despatch – 1854
- Hunter Commission – 1882
- Raleigh Commission (University Commission) – 1902
- Sadler Commission – 1917
- Abbott-Wood Committee – 1936–37
- Sargent Commission – 1944
- University Education Commission – 1948–49
- Secondary Education Commission – 1952–53
- National Committee on Women's Education – 1958
- Education Commission (Kothari Commission) – 1964–66
- National Policy on Education (NPE) – 1968
- National Policy on Education (Revised) – 1986
- National Knowledge Commission – 2005–09

■ CONSTITUTIONAL & LEGAL PROVISIONS

- 42nd Constitutional Amendment Act
→ Education shifted from State List to Concurrent List
- 86th Constitutional Amendment Act, 2002
 - Article 21A:
→ Free & compulsory education for children aged 6–14 years
 - Article 45 (Amended):
→ Early childhood care & education for below 6 years

- Article 51A(k):
→ Duty of parents/guardians to provide education to children 6–14 years

■ RIGHT TO EDUCATION ACT, 2009

- Implemented from: 1 April 2010
- Guarantees free & compulsory education (6–14 years)

■ MAJOR EDUCATION PROGRAMMES

- Social Education Programme – 1952
- National Adult Education Programme – 1978
- National Literacy Mission – 1988

■ SAKSHAR BHARAT MISSION

- Launched: 8 September 2009
- Objectives:
 - Increase adult literacy
 - Improve education quality
 - Promote skill development & vocational education
 - Achieve 80% literacy
 - Make 7 crore people literate
 - Reduce male–female literacy gap by 10%

■ PADHE LIKHE BHARAT ABHIYAN (2020–21)

- Target Year: 2030
- Goal: 100% literacy & numeracy
- Linked to SDG 4.6 – Universal Literacy & Numeracy
- Implemented in Rural & Urban areas

■ NEW INDIA LITERACY PROGRAMME

- Started: 2022–23
- Theme: Education for All
- Covers 15 years & above population
- Target: 5 crore learners

■ PM GRAMIN DIGITAL SAKSHARTA ABHIYAN (PMG-DISHA)

- Started: 2016–17
- Originated from:
 - National Digital Literacy Mission (2014)
 - DISHA (Digital Saksharta)
- Objective:
 - Minimum 1 digitally literate person per family
- Target Group:
 - 6 crore rural people, age 14–60
- Four Pillars of Literacy:
 1. Reading
 2. Writing
 3. Arithmetic (Numeracy)
 4. Digital Literacy

■ SAMAGRA SHIKSHA ABHIYAN (SMSA)

- Integration of:
 - Sarva Shiksha Abhiyan (SSA) – 2000–01
 - Rashtriya Madhyamik Shiksha Abhiyan (RMSA) – March 2009
 - Teacher Education
- Covers:
 - Pre-school + Primary + Secondary + Teacher Training
- Linked to SDG 4
- Education Reform Approach: 2T
 - Teacher
 - Technology

■ PRIMARY EDUCATION SCHEMES

◎ Sarva Shiksha Abhiyan (SSA) – 2000–01

- Slogan: “School Chale Hum”
- MDG-2 focused
- Goal: Universal education for 6–14 years
- Removes social, regional & gender disparities

◎ Operation Blackboard – 1987–88

- Basic infrastructure for primary schools

◎ NPEGL – July 2003

- National Programme for Education of Girls at Elementary Level
- Focus on educationally backward blocks

◎ Kasturba Gandhi Balika Vidyalaya – July 2004

- Residential schools for girls (Classes 6–12)
- 75% seats: SC/ST/Minorities
- 25% seats: Other BPL families

◎ Adarsh School / Model School Scheme – Nov 2008

- One model school at block level

◎ Padhe Bharat, Badhe Bharat (PBBB) – 26 Aug 2014

- Focus on:
 - Reading
 - Writing
 - Mathematics
- Target: Class 1 & 2 students

NATIONAL INITIATIVES

■ National Innovation Mission – 9 July 2015

- Promote science & mathematics interest
- Bridge theory & practical knowledge
- Target Group: Age 6–18 (Class 1–12)

■ Vidyanjali – 16 June 2016

- School volunteer programme
- Community & private sector participation

Maharashtra (MH) Education Schemes

1. **Attendance Allowance Scheme**
 - Launched: 3 January 1992
 - Objective: Reduce dropout rate of girls in primary schools
 - Beneficiaries:
 - ◆ Girls from BPL, SC, ST categories
 - ◆ All girls studying in tribal area schools
2. **Ahilyabai Holkar Scheme**
 - Year: 1996–97
 - Benefit: Free bus travel for girls from Class 5 to Class 10
3. **Progressive Educational Maharashtra Programme**
 - Year: 2015–16
 - Coverage: Classes 1 to 8
 - Objective:
 - ◆ Identify foundational learning gaps
 - ◆ Improve learning levels & competencies

■ **Secondary Education**

4. **Rashtriya Madhyamik Shiksha Abhiyan (RMSA)**
 - Announced: March 2009
 - Implemented: 2009–10
 - Targets:
 - ◆ 75% enrolment at secondary level
 - ◆ Universalisation by 2017
 - ◆ Reduce dropout by 2020
5. **Eklavya Model Residential School Scheme**
 - Year: 1997–98
 - Beneficiaries: ST students from remote areas
 - Classes: 6th to 10th

■ **Digital Education Schemes**

6. **SAKSHAT Portal**
 - Launched: 26 October 2006
 - Under: NMEICT
 - For: Students, teachers, lifelong learners
7. **e-Pathshala**
 - Launched: 7 November 2015
 - Beneficiaries: Students, teachers, researchers, parents
 - Languages: English, Hindi, Urdu
 - Content: Digital textbooks & learning resources
8. **SARANS (Student Assessment Review and Analysis of Knowledge Systems)**
 - Launched: 7 November 2015
 - For: Classes 9–12 (CBSE)

- Purpose: Academic performance analysis
9. **Shala Siddhi**
 - Launched: 7 November 2015
 - Objective: Self-evaluation of schools
 10. **GUNVATTA (School Quality Assessment)**
 - Launched: 18 January 2017
 - Focus:
 - ◆ Online inspection
 - ◆ Innovation & evaluation of school quality
 11. **SWAYAM**
 - Launched: 9 July 2017
 - Full Form: Study Webs of Active Learning for Young Aspiring Minds
 - Coverage: Class 9 to Post-Graduation
 - Core Principles:
 - ◆ Access
 - ◆ Equity
 - ◆ Quality
 - Delivery:
 - ◆ 40 DTH channels (24×7)
 - ◆ MOOCs (especially during COVID)
 12. **Shala-Sathi**
 - Launched: 6 November 2017
 - Approach: Coordination between NGOs, CSR funds & State Government
 13. **National Digital Library (NDL)**
 - Launched: 19 June 2018 (National Reading Day)
 - Under: NMEICT
 14. **IMPRES Scheme**
 - Launched: 25 October 2018
 - Scope: Social Science research in Higher Education Institutions
 15. **PM e-Vidya**
 - Launched: 17 May 2020
 - Broadcast: 30 May 2020
 - Objective:
 - ◆ Education through Digital, Online & DTH modes
 - Key Idea: One Nation, One Digital Education Infrastructure
 - Platform: DIKSHA (AI-based database)

■ **Higher Education Initiatives**

16. **Unnat Bharat Abhiyan**
 - Launched: 11 November 2014
 - Objective:
 - ◆ Connect higher education institutions with local communities
 - ◆ Promote rural development & capacity

building

- ◆ Mandate: Each HEI adopts minimum 5 villages

17. Udaan Scheme

- Launched: 14 November 2014
- Objective: Increase girls' enrolment in engineering
- Benefit:
 - ◆ Free CET coaching for 1000 girls from CBSE Class 12

18. Rashtriya Uchchatar Shiksha Abhiyan (RUSA)

- Launched: 2013
- Objectives:
 - ◆ Financial support to higher education institutions
 - ◆ Improve quality & accreditation
 - ◆ Reduce regional imbalance
 - ◆ Institutional performance assessment

19. PM-USHA (Pradhan Mantri Uchchatar Shiksha Abhiyan)

- Started: 2023 (Revised form of RUSA)
- Based on: NEP 2020
- Key Focus:
 - ◆ Quality improvement (NAAC/NIRF)
 - ◆ Multidisciplinary & digital education
 - ◆ Research-oriented institutions
- Beneficiaries: Universities, colleges, research institutions

20. Uchchatar Aavishkar Abhiyan (UAY)

- Objective:
 - ◆ Promote industry-oriented research at ITI level

■ Important Education Institutions

Institution	Year
IGNOU	1985
NAAC	1994
National Knowledge Commission	2005
NBA (National Board of Accreditation)	2010

● National Education Policy (NEP) 2020

○ Background

- First National Education Policy – 1968
- Second National Education Policy – 1986
- T.S.R. Subramanian Committee – Review of education framework
- Dr. K. Kasturirangan Committee – Drafting of new education policy
- National Education Policy 2020 – New education policy announced

● Vision / Aim

- Achieve SDG-4 (Quality Education)
- By 2040, make the Indian education system globally competitive and best-in-class

● Key Features of NEP 2020 School Education

- Target: 100% GER in school education by 2030

● Structural Reform

Old System	NEP 2020 Structure
10 + 2	5 + 3 + 3 + 4
Pre-school not included	Foundational Stage (5 yrs) – Anganwadi + Class 1-2 (Age 3–8)
Class 1–5	Preparatory Stage (3 yrs) – Class 3–5
Class 6–8	Middle Stage (3 yrs) – Class 6–8
Class 9–12	Secondary Stage (4 yrs) – Class 9–12

● Early Childhood Care & Education (ECCE)

- Age group: 3–6 years
- Integrated into formal education framework

● Foundational Literacy & Numeracy (FLN)

- Priority on basic reading, writing, arithmetic
- Mission-mode approach for universal achievement

● Vocational Education

- Introduced from Class 6 onwards
- Includes internships

● Multilingualism

- Three-language formula
- Flexibility in choice of languages
- Promotion of Indian languages & culture

● Assessment Reforms

- Shift from rote-based exams to competency-based evaluation
- PARAKH – New National Assessment Centre
- Regular, formative & holistic assessment

● Higher Education

- Target: Increase GER to 50% by 2035

● Multi-Entry & Multi-Exit System

ECONOMIC

- 1 year → Certificate
- 2 years → Advanced Diploma
- 3 years → Bachelor's Degree
- 4 years → Bachelor's Degree with Research

■ Major Institutions under NEP 2020

Institution / Body	Role
NTA	Conduct entrance exams for university admissions
Academic Bank of Credits (ABC)	Digital credit storage for flexible degree completion
National Educational Technology Forum (NETF)	Promote use of technology in education
Higher Education Commission of India (HECI)	Replace UGC, AICTE & other regulators

■ Higher Education Commission of India (HECI)

- Ensures transparent, accountable & quality-driven higher education

■ Four Verticals of HECI

Vertical	Function
NHERC – National Higher Education Regulatory Council	Regulation & policy enforcement
NAC – National Accreditation Council	Accreditation & quality standards
HEGC – Higher Education Grants Council	Funding & financial assistance
GEC – General Education Council	Curriculum, learning outcomes & National Curriculum Framework (NCF)

Health Sector – Key Committees & Policies

- 1943 – Bhole Committee (Health Survey & Development Committee)
- 1953 – Launch of National Health Programmes
- 1962 – Mudaliar Committee
- Alma-Ata Declaration – Primary Health Care for all
- National Health Policy –
 - First: 1983
 - Second: 2002
 - Third: 2017

National Health Policy (2017)

■ Vision

- Attainment of the highest possible level of health and well-being for all

■ Goal

- Universal access to quality health-care services

■ Core Principles

- Equity
- Affordability
- Universality
- Efficiency
- Accountability
- Inclusiveness

■ Targets to be Achieved by 2025

Indicator	Target
Maternal Mortality Ratio (MMR)	< 100 per 1,00,000 live births
Infant Mortality Rate (IMR)	< 28 per 1,000 live births
Neonatal Mortality Rate (NMR)	< 16 per 1,000 live births
Under-5 Mortality Rate	< 23 per 1,000 live births
Total Fertility Rate (TFR)	2.1 (replacement level)
Full Immunization	> 90%
HIV/AIDS	90% reduction in new infections
TB	80% reduction (from 2015 level)
Leprosy	Zero disability in children
Malaria	Elimination by 2030

Health Expenditure Targets (by 2025)

- Government Health Expenditure (GHE):
 - Increase to 2.5% of GDP
- State Health Budget:
 - 8% of state budget
- Out-of-Pocket Expenditure:
 - Reduce to 30%

■ Health Infrastructure Targets

- Doctor–Population Ratio:
 - 1:1400 (WHO norm: 1:1000)
- Health & Wellness Centres (HWCs):
 - 1.5 lakh centres (by 2022)
- Medical Colleges:
 - At least one per district

Major Health Missions & Schemes

■ National Health Mission (NHM)

- Formed in 2013 = NRHM + NUHM
- NRHM launched: 12 April 2005

■ Janani Suraksha Yojana (JSY) – 12 April 2005

- Promote institutional deliveries
- Reduce MMR & IMR

■ Janani Shishu Suraksha Karyakram (JSSK) – 1 June 2011

- Free health services to:
 - Pregnant women
 - Sick newborns (up to 30 days)
- Free food, medicines, diagnostics & transport
- C-section: Free services for 7 days

■ Rashtriya Bal Swasthya Karyakram (RBSK) – 6 Feb 2013

- Age group: 0–18 years
- Focus on 4 Ds:
 - Defect
 - Deficiency
 - Disease
 - Disability

■ Rashtriya Kishor Swasthya Karyakram (RKSK) – 7 Jan 2014

- Age group: 10–19 years
- Focus areas:
 - Nutrition
 - Mental health
 - Sexual & reproductive health
 - Gender equality
 - Life skills & leadership

■ Pradhan Mantri Surakshit Matritva Abhiyan (PMSMA)

- Assured quality antenatal care
- Free check-ups on 9th day of every month
- Goal: Reduce MMR & IMR

■ National AYUSH Mission

- Launched: 15 Sept 2014
- AYUSH: Ayurveda, Yoga, Naturopathy, Unani, Siddha, Homeopathy
- Independent AYUSH Ministry: 9 Nov 2014

■ Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)

- Announced: 2003
- Implemented: March 2006
- Objectives:
 - Reduce regional imbalance
 - Improve quality of medical education
 - Establish AIIMS-like institutions
 - Upgrade medical colleges

■ Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP)

- Started: Nov 2008 (JAY)
- 2015 → PMJAY
- 2016 → PMBJP

- Affordable generic medicines at low cost

■ AMRIT Pharmacies – 15 Nov 2015

- Affordable Medicines & Reliable Implants for Treatment
- Low-cost medicines for cancer & heart diseases

■ Kayakalp Scheme – 15 May 2015

- Promote cleanliness & hygiene in public health facilities

■ Ayushman Bharat Yojana (ABY)

- Launch Year: 2018–19
- Objective: Strengthening Primary, Secondary and Tertiary healthcare services
- Coverage:
 - 10.74 crore families
 - ≈ 50 crore population (≈40% of India's population)
- Beneficiary Identification: SECC 2011
- Aim:
 - Universal Health Coverage
 - Achieve SDG-3 (Good Health & Well-being)
- Health Insurance Cover: ₹5 lakh per family per year

Components of Ayushman Bharat (2 Pillars)

1. Health & Wellness Centres (HWCs)

- (Renamed as: Ayushman Arogya Mandir)
- Provide Comprehensive Primary Health Care
- Shift from curative-only care to:
 - Preventive
 - Promotive
 - Curative
 - Rehabilitative
 - Palliative services
- Doorstep affordable healthcare near villages
- Services include:
 - NCDs (Non-Communicable Diseases)
 - Mental Health
 - Adolescent Health
 - Elderly Care
- Focus on continuum of care at primary level

2. Pradhan Mantri Jan Arogya Yojana (PM-JAY)

- Launch Date: 23 September 2018
- Covers Secondary & Tertiary healthcare
- Health Cover:
 - ₹5 lakh per eligible family per year
- Cashless & Paperless treatment
- Available in Government & Empanelled Private Hospitals
- No age limit
- No family size limit
- Benefits can be availed in any empanelled hos-

pital across India

- Golden E-Card issued for cashless treatment

■ Mahatma Jyotiba Phule Jan Arogya Yojana (MJP-JAY)

- Earlier Name:
 - Rajiv Gandhi Jeevandayi Arogya Yojana
- Launch: November 2013
- Objective:
 - Provide high-quality and advanced health-care to BPL + APL (Yellow Ration Card holders)
- Beneficiaries:
 - Yellow, Orange, Antyodaya & Annapurna card holders
 - All farmers from 14 distressed districts
- 2018–2020:
 - MJPJAY merged with PM-JAY
- 2020 – 30 June 2024:
 - ₹5 lakh per family per year
- 28 July 2023 GR:
 - Scheme extended to all families in Maharashtra
- Covers secondary & tertiary care in empanelled hospitals
- 100% cashless treatment
- Emergency treatment allowed even with SMS / Email intimation

■ PM Atmanirbhar Swasth Bharat Yojana (PM-AS-SY)

- Launch: 2021–22
- Focus Areas:
 - Strengthening Health & Wellness Centres
 - ICU facilities
 - Diagnostic labs
 - 4 Regional National Institutes of Virology

■ CPM-ABHIM (Pradhan Mantri Ayushman Bharat Health Infrastructure Mission)

- Launch Date: 25 October 2021
- Objective:
 - Strengthening public health infrastructure
 - Pandemic preparedness
 - Surveillance systems

National Family Health Survey (NFHS)

■ NFHS-4 (2015–16) vs NFHS-5 (2019–21)

Indicator	NFHS-4	NFHS-5	Change
Institutional Deliveries	78.9%	↑	Increase
Full Immunisation (12–23 months)	62%	76.4%	Increase
Underweight Children	35.7%	32.1%	Slight Decrease
Stunted Children	38.4%	35.5%	Decrease
Anaemia (Women 15–49 yrs)	53.1%	↑	Increased – Concern
Anaemia (Men 15–49 yrs)	22.7%	25.0%	Increase
Women with Bank Accounts	53%	77.3%	Major Increase
Households with Toilets	48.5%	70.2%	Significant Increase
TFR (Total Fertility Rate)	2.2	↓	Approaching replacement level
Underweight Women (Low BMI)	22.9%	18.7%	Decrease
Women using Mobile Phones	45.9%	54.0%	Increase

FOOD / NUTRITION

■ POSHAN Abhiyan

- (POSHAN – PM's Overarching Scheme for Holistic Nourishment Abhiyan)
- Launch Date: 8 March 2018

■ Objectives:

- Improve nutritional status of children, adolescent girls, pregnant women and lactating mothers
- Eliminate Vitamin 'A' deficiency and Iron deficiency (Anaemia)
- Target age group (Children): 6 months to 6 years
- Ensure minimum 300 days of supplementary nutrition per year

■ Mission 25 by 2022:

- Reduce stunting among children (0–6 years) to 25%
- Baseline: 38.4% (in 2018)

■ POSHAN 2.0 & Saksham Anganwadi

- Introduced in: Union Budget 2021–22

■ Schemes merged under POSHAN 2.0:

- ICDS (Integrated Child Development Services) – 1975
- POSHAN Abhiyan
- SABLA Scheme – 19 November 2010
- National Crèche Scheme

■ National Mid Day Meal Scheme (MDMS)

● Historical Background:

- 1925: Started by Madras Municipal Corporation
- 15 August 1995: Introduced in selected blocks
- 1997–98: Expanded to entire country
- October 2007: Extended to Educationally Backward Blocks for Classes 6th to 8th

■ Nutritional Norms (Per Day):

Class	Calories	Protein
1st–5th	450 kcal	12 g
6th–8th	700 kcal	20 g

- 30 September 2015: Mid Day Meal Rules notified

■ POSHAN Scheme – September 2021

- (PM POSHAN Shakti Nirman)
- New version of Mid Day Meal Scheme
- Includes Pre-Primary students
- Focus on:
 - Nutritional gardens
 - Fortified food
- Funding Pattern: 60 : 40 (Centre : State)

■ Maharashtra – Dr. A.P.J. Abdul Kalam Amrut Aahar Yojana

- Launch: 15 November 2015
- Implemented in Scheduled & Additional Tribal Areas
- Objective: Elimination of malnutrition
- Beneficiaries:
 - Children 7 months to 6 years
 - Pregnant women (after 6 months)
 - Lactating mothers
- One complete nutritious meal per day

Public Distribution System (PDS)

■ Key Features:

- Initially started in urban areas, later extended to rural areas after First Green Revolution
- Joint responsibility of Centre & States

■ Centre:

- Identification of BPL households
- Allocation of ration cards
- Monitoring of Fair Price Shops

■ States:

- Procurement, storage and distribution of food-grains

■ Revamped Public Distribution System (RPDS)

- Launched: June 1992
- Implemented in:
 - High poverty states
 - Remote, hilly and desert areas

■ Targeted Public Distribution System (TPDS)

- Introduced to target food subsidies
- Different poverty groups identified
- BPL and APL households provided foodgrains at different prices

■ Antyodaya Anna Yojana (AAY)

- Target group: Poorest of the poor
- Entitlement: 35 kg foodgrains per family per month
- Objective: Make India hunger-free within 5 years

■ Annapurna Scheme

- Started in Maharashtra: 1 April 2001
- Beneficiaries:
 - Elderly 65 years and above
 - BPL senior citizens not covered under National Social Assistance Programme
- Entitlement: 10 kg foodgrains per month free of cost

■ National Food Security Act (NFSA), 2013

- Passed by Parliament: 2013
- Implemented from: 5 July 2013 (Retrospective)
- Nationwide implementation: 1 November 2016

■ Legal Entitlement to Food:

- Covers multiple food schemes under statutory backing

■ Beneficiary Categories:

- Priority Households
- Antyodaya Anna Yojana (AAY) beneficiaries

PRIORITY HOUSEHOLD (NFSA)

- Responsibility: With States (based on SECC 2011)
- Coverage: 67% of India's population (≈ 81.34 crore people)

■ Coverage Split:

- Rural: 75%
- Urban: 50%

■ Entitlements:

- Rice: ₹3 per kg
- Wheat: ₹2 per kg
- Coarse grains: ₹1 per kg
- Quantity: 5 kg per person per month

NATIONAL FOOD SECURITY ACT (NFSA) MAHARASHTRA

- Implemented in Maharashtra: 1 February 2014

■ Beneficiaries in Maharashtra:

- Total: ~ 7 crore people (62.3% population)
 - Rural: 4.7 crore
 - Urban: 2.3 crore
- In 14 drought-affected districts of MH, APL farmer families get foodgrains at subsidised / free rates.

■ Grievance Redressal:

- Food Security Allowance / State Food Commission / District Grievance Redressal Officer

■ IMPORTANT SECTIONS OF NFSA

- Section 3: Right to receive foodgrains at subsidised prices under Targeted PDS
- Section 4: Nutritional support to pregnant women and lactating mothers
- Section 5: Nutritional support to children
- Section 8: Right to receive Food Security Allowance in certain cases
- Section 13: Women (18+ years) to be head of household for issue of ration cards
- State Food Commission: 1 + 5 + 1 members
- Vigilance Committees: To be set up
- Section 30: Food security for people living in remote, hilly and tribal areas

SCHEDULES UNDER NFSA

1.	Schedule I: Subsidised prices under TPDS
2.	Schedule II: Nutritional standards
3.	Schedule III: Provisions for advancing food security
4.	Schedule IV: State-wise allocation of foodgrains

■ ONE NATION, ONE RATION CARD

- Launched: 1 January 2020 (11 States/UTs)
- Pan-India rollout: 1 February 2021

■ PM GAREEB KALYAN ANNA YOJANA (PMGKAY)

- Announced: 26 March 2020
- Coverage: Antyodaya & Priority households
- Entitlement:
 - 5 kg wheat/rice + 1 kg pulses per family per month (free)

■ FOOD SECURITY FOR MIGRANT WORKERS

- Launched: May 2021
- Entitlement: 5 kg foodgrains per family per month
- Beneficiaries: ~ 8 crore

■ SHIVBHOJAN YOJANA - MAHARASHTRA

- Launch: 26 January 2020
- Initially: District headquarters & Municipal areas
- From 1 April 2020: Statewide
- Meal Cost:
 - ₹10 per plate
 - During COVID: ₹5 per plate

DRINKING WATER & SANITATION

■ Key Dates & Policies

- World Water Day: 22 March
- 2013: International Year of Water Cooperation
- National Water Policies: 1987, 2002, 2012

■ Accelerated Rural Water Supply Programme (ARWSP)

- Started: 1972-73

■ National Drinking Water Mission (NDWM)

- Started: 1986
- Technology Mission approach

■ Rajiv Gandhi National Drinking Water Mission (RGNDWM)

- 1991: NDWM converted into RGNDWM
- Target: All rural villages with 100+ population

■ Swajaldhara

- Launch: 25 December 2002
- Decentralised rural drinking water management
- 73rd Constitutional Amendment: Water & sanitation
- Well and handpump construction included

■ National Rural Drinking Water Programme (NRDWP)

- Launch: 1 April 2009
- Norm: 40 litres per person per day
- World Bank assistance in low-coverage states
- Includes: Rural water supply & sanitation projects

■ JAL JEEVAN MISSION (RURAL)

- Launch: 15 August 2019
- Target:
 - By 2024, every rural household to get tap water connection + safe drinking water
- FHTC: Functional Household Tap Connection
- Linked SDG: SDG-6
- Slogan: Har Ghar Nal Se Jal
- Water Norm: 55 litres per person per day

■ Status (Aug 2019):

- 18.93 crore rural households
- 17% households had tap connection

■ Funding Pattern:

- Centre : State = 50 : 50 (90:10 for special states)
- Village contribution: 10%

■ Achievements:

- Goa: 1st Har Ghar Jal State
- Dadra & Nagar Haveli and Daman & Diu: 1st UT
- Buldhana (MH): 1st district in India

■ JJM Coverage (15 Aug 2019):

- India: 16.73% households
- Maharashtra: 33%

■ 100% TAP WATER CONNECTIVITY (By 2 July 2025)

- States / UTs:
Goa, Andaman & Nicobar, Dadra & Nagar Haveli & Daman & Diu, Haryana, Telangana, Puducherry, Gujarat, Punjab, Himachal Pradesh, Arunachal Pradesh, Mizoram

■ JAL JEEVAN MISSION (URBAN)

- Budget: 2021–22
- Target: Tap water connection to every urban household

■ MAHARASHTRA SPECIFIC PROGRAMMES

- Chief Minister Rural Drinking Water Programme: 2016–17
- Maharashtra Sujal & Nirmal Abhiyan: 2008–09
 - Water scarcity mitigation & sanitation facilities
- Nov 2011: Rural Dalit habitation water supply & sanitation scheme
 - SC & Neo-Buddhist → tap water & individual toilets
- Nov 2014: Maharashtra Golden Jubilee Urban Dalit Habitation Water Supply & Sanitation Scheme

SANITATION

■ Central Rural Sanitation Programme (CRSP)

- Launched: 1986

■ Total Sanitation Campaign (TSC)

- Year: 1999
- Nature:
 - Demand-driven
 - Community participation
 - People-centric approach

■ Nirmal Gram Puraskar

- Started: October 2003
- Awards started from: 2005
- Given to:
 - Open Defecation Free (ODF) villages
 - Gram Panchayats, Talukas, Districts

- Discontinued: 2013

■ Nirmal Bharat Abhiyan (NBA)

- Started: 1 April 2012
- Converted from: TSC
- Objective:
 - Achieve rural sanitation by 2022
 - Build a Nirmal (Clean) India

■ Swachh Bharat Mission (Rural)

- Launched: 2 October 2014
- Ministry: Ministry of Jal Shakti
- Target:
 - Make villages ODF by 2019
- Status: Maharashtra declared ODF

■ SBM 2.0 (Rural)

- Period: 2020–21 to 2024–25
- Focus:
 - ODF sustainability
 - Solid & Liquid Waste Management
- ODF meaning:
 - Construction & use of toilets

■ ODF+

- Use of toilets
- Solid & liquid waste management
- Clean village environment

■ Swachh Bharat Mission (Urban)

- Launched: 2 October 2014
- Target: Urban ODF by 2019
- Ministry: Ministry of Housing & Urban Affairs
- Coverage: Started in 4041 Census Towns
- Maharashtra Urban ODF: 2 October 2017

■ SBM Urban 2.0

- Period: 2020–21 to 2024–25

Swachhata Campaign – 10 Years of SBM

■ Swachhta Hi Seva (SHS) Campaign 2024

- Period: 17 September – 2 October
- Theme: “Swabhav Swachhta, Sanskaar Swachhta (4S)”
- Objective:
 - Public participation
 - Cleaner & healthier surroundings

■ Swachh Survekshan (Urban) – 2024

- (Based on 2023 data)
- **Cleanest Cities**
 - Indore, Surat
 - Navi Mumbai
- **Cities with population < 1 lakh**
 - Sawantwadi
 - Paatan

ECONOMIC

- Lonavala
- **Cleanest Cantonment**
- Mhow

■ Urban Sanitation Classifications

- ODF+
- ODF++ → Sustained toilet use, cleanliness, safe sewage & sludge management

■ Swachhata Related Initiatives

- Swachhata Pakhwada
- Namami Gange
- Swachh Iconic Places
- Satyagraha se Swachhagrah
- GOBARdhan Scheme (30 April 2018)
 - Galvanising Organic Bio-Agro Resource Dhan

HOUSING

■ National Housing Bank (NHB)

- Established: 9 July 1988
- Function: Refinance to housing finance institutions

■ National Urban Housing & Habitat Policy

- Years: 1998 and 2007
- Core Principle: Sustainable habitat development
- Final Goal: Affordable Housing for All

■ Real Estate (Regulation & Development) Act – RERA

- Year: 2016
- Implemented: 1 May 2017
- MahaRERA established: 8 March 2017

■ Indira Awaas Yojana (IAY)

- Objective: Housing for rural BPL households
- Funding Pattern (from 2016–17):
 - 60:40 (90:10 for special category states)

■ Samagra Awaas Yojana (SAY)

- Started: 1999–2000
- Objective:
 - Improve rural housing
 - Upgrade slum settlements

■ Pradhan Mantri Awas Yojana – Rural (PMAY-R)

- Renamed from: Indira Awaas Yojana
- Launched: 20 November 2016
- Implemented from: 1 April 2016
- Vision: Housing for All

■ Beneficiaries (SECC 2011)

- House-less families
- Families living in kutcha houses / kutcha roofs
- Families living in 1–2 rooms

■ Financial Assistance

- Plain areas: ₹1.20 lakh
- Hilly / difficult areas: ₹1.30 lakh

■ Targets & Progress

- Target: 2.95 crore houses
- Completed (as of 10 July 2025): 2.80 crore houses
- Future plan:
 - Additional 2 crore houses by 2029 (Cabinet proposal)

URBAN HOUSING

■ Valmiki Ambedkar Awas Yojana (VAMBAY)

- Started: 2 December 2001
- Beneficiaries: Urban BPL slum dwellers

■ Integrated Housing & Slum Development Programme

- Started: 3 December 2005
- Merged:
 - National Slum Development Programme
 - VAMBAY

■ Rajiv Awas Yojana (RAY)

- Pilot: June 2011
- Fully implemented: 1 September 2013
- Objective: Slum-free cities

■ Pradhan Mantri Awas Yojana – Urban (PMAY-U)

- Announced: Budget 2015–16
- Target: Housing for All by 2022
- Launched: 25 June 2015

■ Target Group

- 2 crore urban poor households

■ Components

1. In-situ slum redevelopment
2. Credit-linked subsidy
3. Affordable housing through PPP
4. Beneficiary-led individual house construction

■ PMAY-U 2.0

- Cabinet approval: 9 August 2024
- Target: 1 crore houses in next 5 years
- Beneficiaries: Urban poor & middle-class families

MAHARASHTRA STATE HOUSING SCHEMES

■ Rajiv Gandhi Gharkul Yojana

- Started: August 2014
- Converted from: Rajiv Gandhi Rural Housing Scheme – Phase I
- Coverage:
 - Rural areas

- 'C' class municipal councils

■ **Rajiv Gandhi Rural Housing Improved Scheme – Phase II**

- Beneficiaries: Rural APL families with low income
- Assistance: ₹90,000 grant

■ **Special Targeted Housing Schemes**

■ **Ramai Awas Yojana**

- Started: November 2008
- Beneficiaries:
 - Rural & urban SCs and Neo-Buddhists

■ **Shabari Awas / Shabari Adivasi Gharkul Yojana**

- Started: March 2013
- Beneficiaries: Rural & urban STs

■ **Pandit Deendayal Upadhyay Gharkul Yojana**

- Started: 2017
- Beneficiaries:
 - Rural landless poor
 - Not eligible under PMAY-R
- Assistance:
 - ₹50,000 for purchasing 500 sq. ft. land

FUEL (LPG)

■ **Rajiv Gandhi Gramin LPG Vitaran Yojana**

- Launched: 16 October 2009
- Coverage till 2015:
 - 75% coverage achieved
 - 5.5 crore LPG connections
- Objective:
 - To provide LPG connectivity to the rural population

■ **Pradhan Mantri Ujjwala Yojana (PMUY)**

- Launched: 1 May 2016
- Place: Ballia, Uttar Pradesh

■ **Objective**

- To provide free LPG connections to BPL households

■ **Beneficiaries**

- Identified on the basis of SECC 2011
- Rural + Urban households

■ **Benefits**

- Improvement in women's and children's health
- Women empowerment

■ **Milestones**

- Target of 8 crore connections achieved: 7 September 2019
- Total LPG connections released under PMUY:

- 10,33,46,386 connections
- (as on 23 December 2024)

■ **Ujjwala 2.0**

- Announced: 10 August 2021

■ **Key Features**

- Coverage of households left out in the first phase
- Free first LPG cylinder + free gas stove
- Target: 1.6 crore connections
- Target achieved: December 2022

■ **Total connections under Ujjwala 2.0 (till date)**

- 2 crore 34 lakh 89 thousand 757

■ **Ujjwala Plus Scheme**

- LPG connections to beneficiaries not recorded in SECC 2011
- Cost borne through contributions from institutions and individuals

Direct Benefit Transfer of LPG Subsidy (DBTL / PAHAL)

■ **PAHAL Scheme**

- Launched: 1 June 2013
- Nationwide rollout: 1 January 2015

■ **Features**

- LPG cylinder sold at market price
- Subsidy credited directly to bank account
- 12.57 crore beneficiaries linked with DBT
 - (till 30 June 2015)

■ **Give It Up Campaign**

- Launched: 4 April 2015
- Objective: Voluntary surrender of LPG subsidy by affluent citizens

■ **Kerosene Subsidy**

- Subsidy on kerosene stopped: 1 January 2021

ELECTRICITY

■ **Rajiv Gandhi Gramin Vidyutikaran Yojana (RGG-VY)**

- Launched: 4 April 2005

■ **Objectives**

- To provide basic electricity infrastructure in rural areas
- To ensure electricity to every household

■ **Targets**

- Electrification of 1 lakh villages
- Electrification of 1 crore households
- Free electricity connections to BPL households

■ **National Rural Electrification Policy**

- Year: 2006

■ Targets

- Electrification of all rural households by 2009
- Quality and reliable power supply to households by 2012

Deendayal Upadhyaya Gram Jyoti Yojana (DDU-GJY)

- Launched: 25 July 2015
- Place: Patna

■ Objective

- 100% rural electrification
- 24×7 power supply

■ Inspiration

- Gujarat's Jyotigram Yojana

■ Key Provisions

- Electrification of all villages
- Separate feeders for domestic and agricultural use
- Metering at all levels
- Primary target:
 - Electrification of all villages by 1 May 2018
- Household electrification completed: 18 April 2018

■ Funding Pattern

- Centre: 75%
- State: 25%
- Special category states: 85:15

Saubhagya Yojana / Pradhan Mantri Sahaj Bijli Har Ghar Yojana

■ Objective

- To provide free electricity connections to un-electrified households

■ Beneficiary Selection (SECC 2011)

- Urban: BPL
- Rural: APL + BPL

■ Target

- Electrification of 4 crore households

■ RDSS

- Revamped Distribution Sector Scheme (RDSS) covers households left out under Saubhagya

ROADS

■ Early Road Development

- Grand Trunk Road:
 - Sonargaon to Peshawar
 - Built by Sher Shah Suri (16th century)

■ Jayakar Committee

- Year: 1927
- Role: High-level committee for road development

■ Central Road Fund

- Established: March 1929

■ Major Road Development Plans

◎ Nagpur Plan

- Year: 1943
- Meetings of chief engineers
- Plan period: 1943–1963

◎ Bombay Plan

- Period: 1961–1981
- Meeting: Hyderabad, 1959

◎ Lucknow Plan

- Period: 1981–2001

■ Border Roads Organisation (BRO)

- Established: May 1960

■ Ministry Reorganisation (2009)

- Earlier: Ministry of Shipping, Road Transport & Highways
- Split into:
 - Ministry of Road Transport & Highways
 - Ministry of Shipping

■ India's Road Network (Basic Road Statistics of India 2018–19)

- Total road length: 63.45 lakh km
- Second largest road network in the world

■ Composition

- National Highways: 1,46,195 km (2.30%)
- State Highways: 1,79,535 km (2.82%)
- Other Roads: 60,19,723 km (94.86%)

■ Top 5 States – National Highway Length (as on 31 March 2024)

1. Maharashtra – 18,459 km
2. Uttar Pradesh – 12,292 km
3. Rajasthan – 10,706 km
4. Madhya Pradesh – 9,104 km
5. Karnataka – 8,190 km

■ Pradhan Mantri Gram Sadak Yojana (PMGSY)

- Launched: 25 December 2000

- Objective: All-weather road connectivity to all villages

■ Phases

◎ Phase I (2000):

- Plain areas:
 - 1000+ population (by 2003)
 - 500+ population (by 2007)
- Hilly areas: 250+ population

◎ Phase II (2012–13):

- Upgradation of existing rural roads

◎ Phase III (2019–20):

- Roads connecting schools, markets, warehouses, health centres

◎ Phase IV

- Cabinet approval: 11 September 2024
- Funding: Centre 70%, State 30%
- Coverage:
 - 25,000 habitations
 - Construction/upgradation of 62,500 km roads

■ Eligibility (Census 2011)

- Plain areas: 500+ population
- NE & Hill states / special areas: 250+
- LWE districts: 100+

■ Maharashtra Mukhyamantri Gramsada Yojana

- Launched: 28 October 2015
- Connect habitations not covered under PMGSY
- Improve quality of rural roads

■ Pradhan Mantri Bharat Jodo Pariyojana

- Launched: 14 January 2004
- Objective: Connect major cities through National Highways

RURAL DEVELOPMENT

1. PANTPRADHAN GRAMEEN YOJANA (Integrated Rural Development Approach)

- Year: 2000–01
- Focus: Human Sustainable Development
- Core Components:
 - Primary Health
 - Primary Education
 - Housing
 - Drinking Water
 - Nutrition
- Addition:
 - Rural Electrification added from 2001–02

2. BHARAT NIRMAN PROGRAMME

- Launch: 2005–06

- Objective:

- Development of basic and core rural infrastructure

- Six Major Components:

1. Rural Roads
2. Rural Housing
3. Rural Electrification
4. Drinking Water
5. Telecommunication
6. Irrigation

3. SAANSAD ADARSH GRAM YOJANA (SAGY)

■ (SAANJHI – Collective Responsibility)

- Launched on: Jayaprakash Narayan Birth Anniversary
- Implementing Authority:
 - Lok Sabha & Rajya Sabha MPs
- Village Adoption Targets:
 - 2016 → 1 village
 - 2019 → +2 villages
 - Total by 2019 → 2500 villages
 - From 2024 onwards → 1 village per year
 - 2016–2024 → Total 8 villages per MP
- Selection Criteria:
 - Plain areas: Population 3,000–5,000
 - Hilly areas: Population 1,000–3,000
- Exclusions:
 - MP's own village
 - MP's in-laws' village
- Objective:
 - Holistic Development
 - ◆ Personal Development
 - ◆ Human Development
 - ◆ Social Development
 - ◆ Economic Development

4. PURA (Provision of Urban Amenities in Rural Areas)

- Proposed by: Dr. A.P.J. Abdul Kalam
- Year: 2005
- Source: "India 2020 / Target 3 Billion"
- Core Concept: 5-fold Connectivity

■ Five Connectivities

1. Physical
 2. Digital
 3. Knowledge
 4. Economic
 5. Spiritual
- Objectives:
 - Provide urban-like facilities in rural areas
 - Reduce rural-urban divide
 - Prevent rural-to-urban migration

5. NATIONAL RURBAN MISSION

■ (Shyama Prasad Mukherji Rurban Mission)

- Launch Date: 21 February 2018
- Concept: Modern form of PURA → Smart Villages
- Objective:
 - Promote rural development through Rural Growth Clusters
- Key Feature:
 - Cluster-based integrated development

6. MISSION ANTYODAYA

- Launch: 10 October 2017
- Ultimate Goal:
 - Poverty-free India by 2022
- Key Features:
 - Formation of Gram Panchayat clusters (10 villages each)
 - Creation of employment-based model villages
 - Focus on environmentally sustainable development
- Approach:
 - Individual-centric development

7. RASHTRIYA GRAM SWARAJ ABHIYAN (RGSA)

- Launch: 24 April 2018
- Objective:
 - Strengthen Panchayati Raj Institutions
 - Enable Panchayats to achieve SDGs
- Funding Pattern:
 - Centre : State = 60 : 40
- Special Focus:
 - Panchayats in Aspirational Districts

URBAN DEVELOPMENT

8. JAWAHARLAL NEHRU NATIONAL URBAN RENEWAL MISSION (JNNURM)

- Launch Date: 3 December 2005
- Objectives:
 - Development of urban infrastructure
 - Planned and sustainable urban growth
 - Promotion of economic development

9. AMRUT

- (Atal Mission for Rejuvenation and Urban Transformation)
- Launch Date: 25 June 2015
- Coverage:
 - 500 cities
 - Population ≥ 1 lakh
 - State capitals
 - Heritage & cultural cities
- Objective:
 - Development of basic urban infrastructure

10. AMRUT 2.0

- Launch Date: 1 October 2021
- Duration: 2021–22 to 2025–26
- Objectives:
 - Universal water supply through functional household taps
 - Sewerage & septage management
 - Coverage of 500 AMRUT cities

11. SMART CITY MISSION

- Objective:
 - Integrate smartness into urban planning
- Core Dimensions:
 - Institutional
 - Physical
 - Social
 - Economic
- 4 Strategic Components:
 1. City Improvement
 2. City Renewal
 3. City Extension
 4. Pan-city Development
- Funding:
 1. 2015–16 to 2019–20
 2. ₹100 crore per city per year
- Maharashtra Cities (8):
 1. Pune
 2. Solapur
 3. Kalyan-Dombivli
 4. Nagpur
 5. Thane
 6. Nashik
 7. Aurangabad
 8. Pimpri-Chinchwad

12. EASE OF LIVING INDEX

- Started: 2017
- By: Ministry of Housing & Urban Affairs
- Assessment Parameters:
 - Quality of Life
 - Economic Ability
 - Sustainability

13. 20 POINT PROGRAMME

- 1st Phase: 26 June 1975 – “Garibi Hatao”
- 2nd Phase: 14 January 1982
- 3rd Phase: 1 April 1987 – Rajiv Gandhi
- 4th Phase: 1 April 2007 – Manmohan Singh

14. MPLADS

- (Members of Parliament Local Area Development Scheme)
- Launch Date: 23 December 1993
- Transferred to Ministry: October 1994
- Annual Allocation: ₹5 crore per MP
- Fund Nature: Non-lapsable
- Objective:

- Creation of durable community assets
- Eligibility:
 - Lok Sabha MP → Own constituency
 - Rajya Sabha MP → Entire state
 - Nominated MP → Anywhere in India
- Implementation & Control:
 - District Authority

1. FINANCIAL INCLUSION

○ Meaning

- Financial inclusion means providing affordable financial services (banking, credit, insurance, pension) to poor, vulnerable and excluded sections of society.

1. Rangarajan Committee (2008)

- Focus: Financial inclusion of poor and weaker sections through access to financial services.

○ Key Outcomes / Recommendations:

- Emphasis on universal banking access
- Foundation for later inclusion initiatives

2. Swabhiman Yojana

- Launched: 10 February 2011
- Objective: "Banks to the Doorstep"
- Features:
 - Banking services delivered at the village/ household level
 - Use of Bank Mitras / Business Correspondents
 - Targeted rural poor households

3. Nachiket Mor Committee

- Constituted: September 2013
- Purpose:
 - Universal financial services for small businesses and low-income households
- Key Recommendation:
 - Every Indian adult must have a bank account by 1 January 2016
 - Recommendation to introduce Payment Banks

4. Deepak Mohanty Committee (July 2015)

- Focused on last-mile financial inclusion
- Identified Direct Benefit Transfer (DBT) as the most effective tool for inclusion

II. AADHAAR & DIRECT BENEFIT TRANSFER (DBT)

1. Aadhaar

- Launched: 29 September 2010
- Unique Identification Authority of India (UIDAI) established
- First Chairman: Nandan Nilekani
- Aadhaar Act: 2016

○ Important Points:

- Aadhaar is NOT proof of citizenship or domicile
- Serves as a unique biometric identity

2. Direct Benefit Transfer (DBT)

- Recommended by: Nandan Nilekani Committee
- Pilot Launch: 1 January 2013 (in 20 districts)
- Nationwide Rollout: 12 December 2014

■ Objectives:

- Direct transfer of subsidies, benefits and services
- Accurate beneficiary identification
- Reduction in leakages, corruption and ghost beneficiaries
- Control over government expenditure

III. PRADHAN MANTRI JAN-DHAN YOJANA (PMJDY)

- Announced: 15 August 2014
- Launched: 28 August 2014 (New Delhi)

■ Pillars of PMJDY:

1. Universal access to banking
2. Basic savings bank account
 - Overdraft facility: ₹10,000 (initially ₹5,000)
3. Financial literacy
 - ATM usage, mobile banking
4. Credit Guarantee Fund
5. Micro-insurance
 - Accident insurance: ₹2 lakh (earlier ₹1 lakh)
6. Pension schemes for unorganised sector
7. RuPay Debit Card

■ Fact for Prelims:

- PMJDY is the world's largest financial inclusion programme (accounts crossed 50+ crore).

3. JAM Trinity

- JAM = Jan Dhan – Aadhaar – Mobile
- Introduced during 2014–15
- Backbone of DBT ecosystem

IV. REGIONAL INCLUSION

1. Regional Imbalance

- Recognised during Five-Year Plans
- Criteria used:
 - Population
 - Per capita income
 - Tax effort
 - Ongoing irrigation & power projects
 - Special regional problems

2. BIMAROU States

- BIMAROU =
 - Bihar
 - Madhya Pradesh
 - Assam

- Rajasthan
- Odisha
- Uttar Pradesh
- Jharkhand
- Chhattisgarh
- Uttarakhand

3. Special Category States

- Identified by National Development Council (1969)
- Based on 5th Finance Commission recommendation

● States:

- North-Eastern States (7)
- Plus: Sikkim, Jammu & Kashmir, Himachal Pradesh, Uttarakhand (Telangana added later)

● Characteristics:

- Low population density
- Hilly terrain
- Strategic international borders
- Economic & infrastructural backwardness

● Benefits:

- 90% central assistance in centrally sponsored schemes

4. EAG States (Empowered Action Group)

- Region: Ganga-Yamuna plains
- Issues: High population growth, poverty

● States:

- Uttar Pradesh
- Rajasthan
- Bihar
- Jharkhand
- Madhya Pradesh
- Chhattisgarh
- Odisha

5. Educationally Backward Blocks

- Blocks where:
 - Female literacy is below national average
 - Large gender gap in literacy

6. Health Performance Classification

- High Performing States (HPS):
 - Institutional delivery rate above 25%
- Low Performing States (LPS):
 - Institutional delivery rate below 25%

7. Left Wing Extremism (LWE) Affected Districts

- Affected due to extreme left ideology
- Coverage:
 - 10 States
 - 106 districts

V. ASPIRATIONAL DEVELOPMENT PROGRAMMES

1. Aspirational Districts Programme (ADP)

- Launched: 5 January 2018
- Objective: Rapid transformation of backward districts

● Background:

- Earlier schemes:
 - RSVY (2003-04, 10th FYP) – district inclusion
 - Backward Regions Grant Fund (2007)

● Core Strategy – 3C Model:

1. Convergence – Central & State schemes
2. Collaboration – Centre, State & District administration
3. Competition – Monthly delta ranking among districts

2. Aspirational Blocks Programme (ABP)

- Launched: January 2023
- Announced in: Union Budget 2022-23
- Covers 500 blocks across 31 States & UTs
- Over half blocks in:
 - UP, Bihar, MP, Jharkhand, Odisha, West Bengal
- Based on ADP framework

3. Sampoorna Abhiyan

- Launched by: NITI Aayog
- Duration: 4 July – 30 September 2024
- Aim: Saturation of 6 Key Performance Indicators (KPIs) in ADP & ABP areas

4. SATH (Sustainable Action for Transforming Human Capital)

- Launched: 10 June 2017 by NITI Aayog
- Objective: Transform education and health outcomes in states

VI. MAHARASHTRA – REGIONAL IMBALANCE COMMITTEES

1. Dandekar-Nilekani Committee

- Name: Committee for Study of Regional Imbalance
- Submitted report on regional disparities in Maharashtra

2. Vijay Kelkar Committee

- Established: 31 May 2011
- Report Submitted: October 2013

● Focus:

- Balanced regional development in Maharashtra
- Equitable distribution of:
 - Development expenditure
 - Resources and assets

Universal Inclusion

1. Universal Basic Income (UBI)

◎ Concept

- UBI is a social welfare idea where every citizen receives a fixed amount of money from the government on a regular basis. It doesn't depend on employment status or any conditions. The aim is to guarantee a minimum income floor.

◎ Key Points

- In India, the idea was strongly discussed by the Arvind Subramanian-led Economic Survey team.
- The 2016-17 Economic Survey made the first major official recommendation for UBI in India.
- Definition
- A system where the government provides a fixed amount of money to every citizen regularly, with no strings attached. This can be monthly or annual support.

■ Purpose / Rationale

- Reduces poverty by ensuring income security.
- Cuts down leakages from welfare schemes because the transfer is direct.
- Helps vulnerable groups without complicated eligibility checks.

2. Nyuntam Aay Yojana (NAY) – Minimum Income Scheme

◎ Background

- Proposed during the 2019 Lok Sabha elections in the Congress manifesto.

◎ Key Features

- Targeted families with annual income below ₹72,000 which is around ₹6,000 per month.
- Planned to cover 5 crore poorest families in India.
- Intended as a guaranteed minimum income support program.

◎ Objective

- To reduce extreme poverty by giving financial support to India's poorest households.
- To ensure a basic level of dignified living for all.

■ Extra Quick Additions

- UBI is universal, unconditional, and periodic.
- It differs from NAY because NAY is targeted, not universal.
- Key challenges for UBI in India:
 - High fiscal cost
 - Risk of reducing funds for existing welfare schemes
 - Identifying whether UBI should replace or supplement current subsidies

- UBI is often seen as a solution to automation-related job losses.

SOCIAL INCLUSION

- Social inclusion refers to the process of reforms at individual and group levels to ensure active-participation of all sections of society.

■ CHILD

◎ International Framework

- 20 November 1989: Adoption of UN Convention on the Rights of the Child (UNCRC).
- 20 November is observed as International Children's Day.
- 1979: International Year of the Child (by UNESCO).
- 2001–2010: International Decade for a Culture of Peace and Non-Violence for the Children of the World.

◎ National Child Policy

- National Policy for Children – 1974
- Constitutional backing:
 - Article 39(e): Protection of children from abuse and exploitation.
 - Article 39(f): Development of children in conditions of freedom and dignity.
 - Article 45: Early childhood care and education.

■ INTEGRATED CHILD DEVELOPMENT SERVICES (ICDS)

◎ Launch

- 1975 (short addition for accuracy)

◎ Beneficiaries

- Children 0–6 years
- Pregnant women
- Lactating mothers

◎ Services under ICDS

1. Supplementary Nutrition

- Children below 6 years
- Pregnant & lactating mothers

2. Pre-School Non-Formal Education

- Children 3–6 years

3. Nutrition & Health Education

- Women 15–45 years

4. Immunisation

5. Health Check-ups

6. Referral Services

◎ Implementation Structure

- Anganwadi Worker: Core functionary at village/

ECONOMIC

ward level

- Supervisor (Mukhya Sevika): Monitoring & guidance
- Child Development Project Officer (CDPO): Taluka-level administration

■ Supplementary Nutrition Norms under ICDS

◎ Children (3–6 years)

- Minimum 300 days per year
- One cooked meal per day

◎ Children (6 months – 72 months)

- 500 calories + 12–15 g protein/day

◎ Pregnant & Lactating Mothers

- 600 calories + 18–20 g protein/day

■ CHILD LABOUR (PROHIBITION & REGULATION) ACT, 1986

◎ Important Facts

- 12 June: World Day Against Child Labour
- Based on Gurupadaswamy Committee (1979) recommendations
- Amended in 2016

◎ Definition (Post-2016 Amendment)

- 0–14 years: Child
- 14–18 years: Adolescent

■ Article 3 – Two-Tier Classification

◎ Children (0–14 years)

- Employment prohibited in all occupations and processes
- Exception:
 - Helping family in non-hazardous work
 - After school hours / during vacations
 - Must not affect education

◎ Adolescents (14–18 years)

- Employment prohibited in hazardous occupations and processes only

■ ILO Norm

- Employment below 18 years prohibited in hazardous work.

■ Penalty Provision

- Violation of Article 3
- Parents/Guardians:
 - Not punished for first offence
 - Punishable for subsequent offences

■ NATIONAL CHILD LABOUR POLICY

◎ Year

- 1987

◎ Follow-up Action

- 1988: Launch of National Child Labour Programme

■ NATIONAL CHILD LABOUR PROJECT (NCLP) – 1988

◎ Objective

- Identification and withdrawal of children from hazardous work
- Educational rehabilitation
- Mainstreaming into formal education

◎ Key Components (short addition)

- Special Training Centres
- Mid-day meals
- Stipend support
- Vocational training (for older children)

■ RIGHT TO EDUCATION

- Right of Children to Free and Compulsory Education Act, 2009
- Supports implementation of:
 - Child Labour Act
 - National Child Labour Policy

WOMEN

■ INTERNATIONAL CONFERENCES ON WOMEN

1. Mexico City Conference – 1975

- Recognised women as integral participants in development process.
- 8 March declared as International Women's Day (observed since 1975).
- 1975: International Women's Year.
- 1976–1985: UN Decade for Women.
- 1976: Creation of UNIFEM (later merged into UN Women).

2. Copenhagen Conference – 1980

- 1979: UN adopted CEDAW.
- Copenhagen conference opened CEDAW for ratification.
- CEDAW: Convention on the Elimination of All Forms of Discrimination Against Women.

3. Nairobi Conference – 1985

- Emphasis on:
 - Establishing gender equality at national level.
 - Increasing women's participation in peace and development efforts.

4. Cairo Conference – 1994

- Focus on:
 - Population
 - Reproductive rights
 - Women's health and family planning.

5. Beijing Conference – 1995

- Adopted Beijing Declaration & Platform for Action.
- Declared Women Empowerment as essential for development.

■ NATIONAL COMMISSION FOR WOMEN (NCW)

- Act: National Commission for Women Act, 1990
- Established: 31 January 1992
- Composition: 1 Chairperson + 5 Members
- Chairperson (as of 19 Oct 2024): As per current notification (exam-sensitive)

■ RASHTRIYA MAHILA KOSH (RMK)

- Established: March 1993
- Purpose:
 - Micro-credit to BPL women in unorganised sector
- Nature:
 - Autonomous body under Ministry of Women & Child Development
- Credit Delivery:
 - Does not lend directly
 - Provides funds via NGOs & Micro-finance institutions

■ MAHILA-E-HAAT PORTAL

- Online marketing platform for women entrepreneurs
- Promotes women-centric products
- Linked with Rashtriya Mahila Kosh

■ NARI SHAKTI PURASKAR

- Instituted in 1999
- Awarded on International Women's Day (8 March)
- Given to:
 - Individuals & institutions
- Total Awards: 20

■ NATIONAL POLICY FOR EMPOWERMENT OF WOMEN

- Date: 20 March 2001
- Objective:
 - Mainstream gender perspective in economic & social development

■ SEXUAL HARASSMENT OF WOMEN AT WORK-PLACE ACT, 2013

- Passed: 23 April 2013
- Implemented: 9 December 2013
- Based on Vishaka Guidelines (1997)

■ SHE-BOX

- Sexual Harassment Electronic Box
- Launched: 24 July 2017
- Purpose:

- Online complaint mechanism for workplace sexual harassment

■ MATERNITY BENEFIT ACT, 1961

- Original Provision:
 - 12 weeks paid maternity leave
- 2017 Amendment:
 - 26 weeks paid maternity leave
- Additional Provision:
 - Crèche facility mandatory in establishments with 50+ employees

■ MISSION SHAKTI (2021-22)

- Umbrella scheme for all women-centric schemes
- Divided into two sub-schemes:

1. SAMBAL – Women Safety & Protection

- Objective: Protection against violence and immediate support.

⊙ Components:

- One Stop Centre (OSC)
 - Police, legal, medical & counselling services at one place
- Women Helpline – 181
 - Nationwide single helpline number
- Mahila Police Volunteers (MPV)
 - Link between police and society
- Beti Bachao Beti Padhao (BBBP)
 - Girl child survival, education & protection
- Gram-level Women Vigil Groups
 - Community-based justice mechanism (from table)

2. SAMARTHYA – Women Empowerment

- Objective: Economic, social & educational empowerment.

⊙ Components:

- Ujjwala Scheme
 - Rehabilitation of women victims of trafficking
- Swadhar Greh
 - Shelter, food, medical & counselling support
- Working Women Hostels
 - Safe and affordable accommodation
- National Creche Scheme
 - Child care centres for working women
- Gender Budgeting
 - Gender-sensitive planning & budgeting
- Mahila Shakti Kendra
- Sakhi Niwas
- Shakti Sadan

■ **INDRA GANDHI MATRITVA SAHYOG YOJANA (IGM-SY) - 2010-11**

- Target group: Pregnant and lactating mothers in the unorganised sector who lack maternity benefits.
- Objective: Compensate for wage loss during pregnancy and after delivery.
- Cash assistance:
 - Initially ₹4,000
 - Later enhanced to ₹6,000

■ **PRADHAN MANTRI MATRU VANDANA YOJANA (PMMVY)**

- Start: 1 January 2017
- Launch/Unveiling: 1 September 2017
- Objective: Partial wage compensation for working women during maternity period.
- Benefit: ₹5,000 (in instalments, subject to conditions)
- Coverage: First living child (as per scheme guidelines)

■ **BETI BACHAO BETI PADHAO (BBBP)**

- Launched on: 22 January 2015
- Place: Panipat, Haryana

◎ **Objectives**

- Eliminate gender-biased sex selection
- Ensure survival, protection and dignity of the girl child
- Promote education and participation of girls

◎ **Key Components / Initiatives**

1. Awareness & Media Campaign
2. Digital Guddi-Gudda Board
3. UDAAN – “Sapne Di Duniya De Rakh”
4. Community-based initiatives (state/district innovations)
5. “Ghar Ki Pehchan Beti Ke Naam”
6. “Beti aur Biwah” (awareness against child marriage)
7. “Aao School Chalen”
8. Local best-practice campaigns (state-specific)

■ **SUKANYA SAMRIDDHI YOJANA (SSY)**

- Account holder: Girl child below 10 years
- Account: Opened in Bank/Post Office
- Deposits:
 - Minimum: ₹250 per year (earlier ₹1,000)
 - Maximum: ₹1.5 lakh per year
- Withdrawals:
 - 50% of balance allowed after 18 years for education
- Maturity:
 - At 21 years, or
 - At marriage after 18 years, with interest

GENDER BUDGET (GENDER BUDGETING)

◎ **Concept**

- Gender is a social construct based on roles, responsibilities, privileges and expectations.
- Gender Budgeting considers all marginalised genders (women, girls, transgender persons).

◎ **Key Points**

- Not a separate budget for women
- Examination of budgetary allocations from a gender perspective
- Integrates gender concerns at every stage of policy-making

■ **India – Important Milestones**

- 2000-01: First reference to gender concerns in Union Budget Speech
- Economic Survey 2000-01: First dedicated section on gender inequality
- 2005-06: India's first Gender Budget Statement
- 2007: Gender Budgeting Cells initiated in ministries
- 2004-05: First state to adopt Gender Budgeting – Karnataka
- January 2013: Maharashtra adopted Gender Budgeting

■ **MAHARASHTRA – WOMEN POLICY (MAHILA DHORAN)**

- 1st Policy: 1994
- 2nd Policy: 2001
- 3rd Policy: 2014
- 4th Policy: 8 March 2024
 - Announced under leadership of Aditi Tatkar

MAHARASHTRA STATE SCHEMES (WOMEN & GIRL CHILD)

■ **SUMATIBAI SUKLIKAR WOMEN ENTREPRENEUR EMPOWERMENT SCHEME**

- Implemented under NRLM (National Rural Livelihood Mission).
- Objective: Empower women entrepreneurs through Self-Help Groups (SHGs).
- Financial Support:
 - Loans provided via SHGs
 - Interest subsidy: 3% to 8.5%
- Target Group: Women entrepreneurs associated with NRLM-formed SHGs.

MAJHI KANYA BHAGYASHREE YOJANA

- Started: 1 August 2017
- Earlier schemes merged:
 - Sukanya Yojana (1 Jan 2014)
 - Converted into Majhi Kanya Bhagyashree

on 8 March 2015

■ Beneficiaries

- Families with 1 or 2 girl children
- BPL and APL families
- Annual family income $\leq$ ₹7.5 lakh

■ Financial Benefits

- One girl child: ₹50,000
- Two girl children: ₹25,000 each

■ Withdrawal Conditions

- Interest withdrawal allowed after 6 years
- Full amount withdrawable after 18 years, provided:
 - Girl has passed 10th standard
 - Girl is unmarried

■ Objectives

- Increase birth rate of girl child
- Prevent sex selection
- Promote girls' education
- Improve health and nutrition status of girls

LEK LADKI YOJANA

- Applicable to girl child born after scheme notification
- Total assistance: ₹1,01,000 till 18 years
- Eligibility:
 - Family annual income $\leq$ ₹1 lakh
- Purpose: Long-term financial support for girl child.

NAVSANJEEVANI YOJANA – 1995

- Implemented in 16 tribal-dominated districts
- Main Objective:
 - Reduce MMR (Maternal Mortality Rate)
 - Reduce IMR (Infant Mortality Rate)

■ Components

- Maternity Grant Scheme
- Dai (Traditional Birth Attendant) Training
- Pre-Monsoon Health Programme
- Food & Wage Support

ASMITA YOJANA

- Target Age Group: 11–19 years
- Beneficiaries:
 - Rural women and adolescent girls
 - Girls studying in Zilla Parishad schools

■ Main Objective

- Provide sanitary napkins at affordable cost
- Promote:
 - Menstrual hygiene
 - Awareness
 - Counselling

- Clean and safe sanitation practices

◎ Secondary Objective

- Strengthen Self-Help Groups by involving them in production and distribution.

MUKHYAMANTRI – LADKI BAHIN YOJANA (2024)

- Implemented: 2024
- Financial Assistance: ₹1,500 per month

◎ Objectives

- Ensure economic independence of women
- Improve health and nutrition
- Strengthen women's decision-making role within families

◎ Eligibility Conditions

1. Must be resident of Maharashtra
2. Eligible categories:
 - Married
 - Widowed
 - Divorced
 - Deserted
 - Destitute women
 - Only one unmarried woman per family
3. Age Limit:
 - Minimum: 21 years
 - Maximum: 65 years
4. Beneficiary must have:
 - Own Aadhaar-linked bank account
5. Family annual income $\leq$ ₹2.5 lakh

BACKWARD CLASSES (MAGASVARG)

SCHEDULED CASTES (SC)

- Administered under the Ministry of Social Justice & Empowerment.

■ Civil Rights Protection Act, 1955

- Objective: Abolition of untouchability and protection of civil rights.
- SC & ST (Prevention of Atrocities) Act, 1989 (PoA Act)
- In force from: 30 January 1990
- Objective: Prevent atrocities and ensure special protection to SCs/STs.

■ NATIONAL COMMISSION FOR SCHEDULED CASTES (NCSC)

- Earlier: Combined SC–ST Commission
- 65th Constitutional Amendment: Gave constitutional status
- 89th Constitutional Amendment (Feb 2004):
 - Split into NCSC and NCST as two independent commissions

☉ Constitutional Provision

- Article 338: National Commission for Scheduled Castes

■ Composition

- Chairperson (1) + Vice-Chairperson (1) + Members (3)

■ NATIONAL COMMISSION FOR SAFKAI KARM-CHARIS (NCSK)

- Established: 12 August 1994
- Objective: Safeguard rights, dignity and welfare of sanitation workers.

■ NAMASTE SCHEME

- NAMASTE: National Action for Mechanised Sanitation Ecosystem
- Launched: July 2023
- Implementing Ministries:
 - Ministry of Social Justice & Empowerment
 - Ministry of Housing & Urban Affairs
- Objectives:
 - Ensure safety and dignity of sanitation workers
 - Formalise and rehabilitate persons engaged in hazardous cleaning of sewers and septic tanks

■ SHRESHTA SCHEME

- SHRESHTA: Scheme for Residential Education for Students in High Schools in Targeted Areas
- Objective:
 - Provide seats to meritorious SC boys and girls
 - In private residential schools
- Coverage:
 - Class 9 and Class 11
 - 3000 students per year

SCHEDULED TRIBES (STs)

■ MINISTRY OF TRIBAL AFFAIRS

- Established: October 1999
- Nodal ministry for:
 - Welfare
 - Development
 - Protection of rights of Scheduled Tribes

■ NATIONAL COMMISSION FOR SCHEDULED TRIBES (NCST)

- Established: 19 February 2004
- Formed under the 89th Constitutional Amendment Act
- Became a separate constitutional body after bifurcation of SC-ST Commission

■ Constitutional Provision

- Article 338A – National Commission for Scheduled Tribes

■ Composition

- Chairperson (1)
- Vice-Chairperson (1)
- Members (3)

■ Total: 1 + 1 + 3

■ Functions (Prelims-oriented understanding)

- Safeguards constitutional & legal rights of STs
- Monitors implementation of:
 - Safeguards
 - Welfare schemes
- Advises Government on tribal policy matters

MAJOR SCHEMES FOR STs

■ TRIFED (Tribal Cooperative Marketing Development Federation of India Ltd.)

- Full Form: Tribal Cooperative Marketing Development Federation of India Ltd.
- Works under the Ministry of Tribal Affairs

■ Role & Functions

- Acts as:
 - Service provider
 - Facilitator
 - Market developer
 - Coordinator
- Supports:
 - Forest produce of STs
 - Agricultural produce of STs
- Objective:
 - Ensure fair prices
 - Improve market access
 - Enhance tribal livelihoods

MINORITIES

■ NATIONAL COMMISSION FOR MINORITIES (NCM)

- Act: National Commission for Minorities Act, 1992
- Established: 17 May 1993
- Composition: Chairperson (1) + Vice-Chairperson (1) + Members (5)

■ MINORITIES IN INDIA

- Total recognised minorities: 6
 - Muslims
 - Christians
 - Sikhs
 - Buddhists

- Jains
- Parsis (Zoroastrians)
- Jains notified as a minority in January 2014.
- Population (Census 2011): 19.3%
- Article 30(1):
 - Grants religious and linguistic minorities the fundamental right to establish and administer educational institutions of their choice.
- Minority status is defined with reference to the State.

■ Linguistic Minority

- Defined in relation to the majority language of the State.
- Maharashtra: Any person whose mother tongue is not Marathi belongs to a linguistic minority.

■ PRIME MINISTER'S 15-POINT PROGRAMME FOR THE WELFARE OF MINORITIES

- Objective: Overall socio-economic development of minorities
- Focus areas:
 - Education
 - Employment
 - Housing
 - Credit support
 - Prevention of discrimination

■ PRIME MINISTER'S JAN VIKAS KARYAKRAM (PM-JVK)

- Implemented in minority-concentration districts
- New name (earlier): MSDP
- Started: 2006-07
- Key features:
 - Free coaching for 11th & 12th
 - Support for technical and professional education

■ New Component (2012-13)

- Women empowerment initiatives added

■ NAI UDAAN - 2013-14

- For UPSC and other competitive examinations
- Provides coaching support to students who have passed preliminary examinations

■ PADHO PARDESH - 2013-14

- Interest subsidy on educational loans
- For higher education abroad
- Eligibility:
 - Family income below ₹6 lakh per annum

■ USTTAD SCHEME

- USTTAD: Upgrading the Skills and Training in

Traditional Arts/Crafts for Development

- Launched: May 2015
- Objective:
 - Preserve and promote traditional skills, arts and handicrafts
 - Generate employment and income

■ NAI MANZIL

- Launched: 8 August 2015
- Target group:
 - Youth who have dropped out of formal education
- Objectives:
 - Provide formal education
 - Skill training
 - Enhance employability

■ JIYO PARSI

- Launched: September 2013
- Objective:
 - Reverse the declining Parsi population in India
 - Use scientific protocols and structured interventions
- Components:
 1. Medical Assistance
 2. Advocacy
 3. Health of Community

PENSION & INSURANCE SCHEMES

■ SWAVALAMBAN YOJANA (2010-11)

- Target group: Workers in the unorganised sector
- Purpose: Pension coverage
- Age eligibility: 18-60 years

■ ATAL PENSION YOJANA (APY)

- Launched: 9 May 2015
- Merged scheme: Swavalamban Yojana
- Target group: Unorganised sector workers (As per NSSO 2011-12: ~42 crore workers)
- Entry age: 18-40 years
- Pension after 60 years: ₹1,000 to ₹5,000 per month (guaranteed)

■ PRADHAN MANTRI SHRAM YOGI MAANDHAN YOJANA (PMSYM)

- Launched: 5 March 2019
- Target group:
 - Unorganised sector workers
 - Monthly income ≤ ₹15,000
 - APY-type beneficiaries

ECONOMIC

- Age eligibility: 18-40 years
- Pension: ₹3,000 per month after 60 years (fixed)

PM KISAN MAANDHAN YOJANA

- Launched: 12 September 2019
- Nodal Ministry: Ministry of Agriculture & Farmers' Welfare
- Target group: Farmers
- Age eligibility: 18-40 years
- Pension: ₹3,000 per month after 60 years

PRADHAN MANTRI VAYA VANDANA YOJANA (PM-VVY)

- Launched: 21 July 2017
- Target group: Senior citizens (60+ years)
- Nature: Pension-cum-investment scheme
- Investment: Lump sum
- Investment limit: ₹1.5 lakh to ₹15 lakh
- Tenure: 10 years
- Assured return: 8% per annum (pension form)

INSURANCE SCHEME

PRADHAN MANTRI SURAKSHA BIMA YOJANA (PMSBY)

- Launched: 9 May 2015
- Target group: Citizens not covered under accident insurance
- Age eligibility: 18-70 years
- Annual premium: ₹20
- Benefits:
 - Accidental death: ₹2 lakh
 - Permanent total disability: ₹2 lakh
 - Permanent partial disability: ₹1 lakh

PREVIOUS YEAR QUESTIONS

Q50. अटल पुनर्जन्म अभियान व शहरी परिवर्तन मिशन (AMRUT) विषयी खालीलपैकी कोणते विधान बरोबर नाही ?

(1) AMRUT हे भारत सरकारचे प्रमुख अभियान आहे
(2) गुड्रीझिंग व शहरी अवकाश योजना यांनी हे अभियान सुरू केले आहे
(3) ते देशभरातील शहरीपरिणत पाण्याच्या पुनर्वसनाची आवकते सोडविते
(4) 25 जून 2015 मध्ये देशभरातील 500 शहरांमध्ये ते कार्यान्वीत करण्यात आले

Which of the following statements about Atal Mission for Rejuvenation and Urban Transformation (AMRUT) is not correct ?
(1) AMRUT is flagship mission of Government of India
(2) It was launched by Ministry of Housing and Urban Affairs
(3) It addresses the challenges of water supply in cities across the country
(4) It was launched on 25th June, 2015 in 500 cities in the country

→ 2023
Answer: (3)

Q59. 2014 मध्ये शासनाने वित्तीय समावेशनासाठी खालीलपैकी कोणती योजना अंमलात आणली ?

(1) निव्वन्मोक्षण योजना (2) संपत्ती विवक्षा योजना
(3) प्रधानमंत्री जन धन योजना (4) वरीलपैकी सर्व

In 2014, the Government implemented which of the following Scheme for financial inclusion ?
(1) Demonetization Scheme (2) Property Disclosure Scheme
(3) Pradhan Mantri Jan Dhan Yojana (4) All of the above

→ 2023
Answer: (3)

Q40. 'नगरी नियोजन आणि प्राचीन वारसाचे ज्ञान हा उद्देश समोर ठेवून केंद्रीय गृह व नगरी खात्यांतर्गत कोणती योजना राबवली जात आहे ?

(1) स्मार्ट सिटी कार्यक्रम (2) स्वच्छ भारत मिशन
(3) अटल मिशन (4) हरित (HRIDAY) कार्यक्रम

Government of India's ministry of Housing and urban affairs is implementing which scheme for urban planning and heritage conservation ?
(1) Smart City Programme (2) Swachh Bharat Mission
(3) Atal Mission (4) HRIDAY Programme

→ Heritage city Development & Augmentation
→ Jun 2015
2021
Answer: (4)

Q44. प्रधानमंत्री जन धन योजना यामाठी सुरू केले गेले.

(a) वित्तीय समावेशन (b) वित्तीय साक्षरता
(c) निव्वन्मोक्षण कवच (d) पीक विमा

प्रधानमंत्री जन धन योजना (PMJDY) कायदेवारी :
(1) (a) व (b) फक्त (2) (b) व (c) फक्त
(3) (a), (b) व (c) फक्त (4) (b), (c) व (d) फक्त

Pradhan Mantri Jan Dhan Yojana (PMJDY) envisages :
(a) Financial inclusion (b) Financial literacy
(c) Insurance cover (d) Crop insurance

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

→ 2020
Answer: (3)

Q38. 'संसद आदर्श ग्राम योजना' (SAGY) काका खालीलपैकी कोणते विधान बरोबर नाही ?

(1) सप्टेंबर 2016 मध्ये सार्वजनिक आले.
(2) कायदा 2019 च्या 2 विभाग अंतर्गत संसदेने विधानीय कायदा ठरवला.
(3) या कायदे योजनेत 2,500 पेक्षा अधिक छोटी सार्वजनिक आले.
(4) कोणतीही एकही नाही.

Consider the following statement about "Sansad Adarsh Gram Yojana" (SAGY), which of the statement is not correct ?
(1) Introduced in September, 2016
(2) MP's can develop 2 or more model village by 2019
(3) Covering over 2,500 villages in India
(4) None of these

→ 2020
Answer: (1)
11 Oct 2014

Q99. वित्तीय सर्वसाधारणतेसाठी प्रधानमंत्री जन धन योजना खालीलपैकी कोणत्या दिवशी सुरू करण्यात आली ?

(1) 16 मे 2014 (2) 15 मे 2014
(3) 28 ऑगस्ट 2014 (4) 18 नोव्हेंबर 2014

Pradhan Mantri Jan Dhan Yojana (PMJDY) for financial inclusion was launched on which date ?
(1) 16th May 2014 (2) 15th May 2014
(3) 28th August 2014 (4) 18th November 2014

→ 2019
Answer: (3)

Q72. दुर्दैवाने कोणते विधान सत्य नाही :

अ. भारतमध्ये प्रत्येकी एक डॉक्टर लोकसंख्येप्रमाणे एक पेक्षा कमी डॉक्टर उपलब्ध आहे.
ब. जागतिक आरोग्य संघटनेनुसार डॉक्टर आणि लोकसंख्येचे स्थान भारत 3 : 1000 (1000 लोकसंख्या 3 डॉक्टर) आहे असावे.

प्रधानमंत्री जन धन योजना :
(1) फक्त अ (2) फक्त ब
(3) अ आणि ब दोन्हीही नाही (4) अ आणि ब दोन्हीही नाही

Choose the correct statement/s from the following :
a. India has less than one doctor per thousand population.
b. The World Health Organisation prescribes a minimum doctor - population ratio of 3 : 1000. (3 doctors for 1000 people)

Answer Options :
(1) Only a (2) Only b
(3) Both a and b (4) Neither a nor b

→ 2018
Answer: (1)
WHO - 1:1000
India - 1:1511
Nurse
WHO - 1:300
India - 1:700

Q45. वित्तीय समावेशनासाठी शासनाने 2014 मध्ये खालीलपैकी कोणती योजना अंमलात आणली ?

(1) संपत्ती विवक्षा योजना
(2) निव्वन्मोक्षण कवच
(3) प्रधानमंत्री जन धन योजना
(4) वरीलपैकी सर्व

Which scheme was introduced by the Government for financial inclusion in 2014 ?
(1) Property Disclosure Scheme
(2) Demonetization
(3) Pradhan Mantri Jan Dhan Yojana
(4) All of the above

→ 2017
Answer: (3)

Q46. जवाहरलाल नेहरू राष्ट्रीय नगरी पुनर्वसन प्रकल्प दोन अंशांत उद्घोषित करण्यात आले :

अ. सेवा पुनर्वसनार्थी दलीत कुटुंबांना करणे
ब. नगरी स्वच्छता संस्थांचे सत्तीकरण करणे
क. नगरीकरणाचा दर रोखत असा पाळीपुस्तार करी करणे
द. शहरी दलीत करी करणे

(1) फक्त अ, ब आणि क (2) अ, ब, क आणि द
(3) फक्त अ आणि क (4) वरीलपैकी एकही नाही

The objectives of Jawaharlal Nehru National Urban Renewal Mission II include :
a. Improve service delivery standards
b. Empowering urban local bodies
c. Slow down the rate of urbanization to the manageable level
d. Reduce urban poverty

(1) Only a, b and d (2) a, b, c and d
(3) Only a and d (4) None of the above

→ 2017
Answer: (1)

31. महिला व बालकल्याण योजनाखाले पुढीलपैकी कोणत्या योजनांचा समावेश होतो ?
 अ. अंगणवाडी सेवा योजना
 ब. प्रधानमंत्री मातृ वंदना योजना
 क. राष्ट्रीय पोषण अभियान
 ड. बाल सुरक्षा योजना
- पुढीलपैकी उल्लेखित :
 (1) फक्त अ आणि ब (2) फक्त क आणि ड
 (3) फक्त अ, ब आणि क (4) बरोबर सर्व
- Which of the following schemes are included in women and child development schemes ?
 a. Anganwadi Services Scheme
 b. Pradhan Mantri Matru Vardana Scheme
 c. National Nutrition Mission
 d. Child Protection Scheme
- Answer Options :
 (1) Only a and b (2) Only c and d
 (3) Only a, b and c (4) All of the above

→ 2018
 Answer :- (c)

32. भारत सरकारने पुढीलपैकी कोणते कार्यक्रम 'सामाजिक सुरक्षा' या उद्देशाने सुरू केले आहे ?
 अ. आम आदमी भुजा योजना
 ब. राष्ट्रीय स्वस्थता मित्र योजना
 क. राष्ट्रीय सामाजिक सहाय्य कार्यक्रम
 ड. राष्ट्रीय आरोग्य सुरक्षा योजना
- पुढीलपैकी उल्लेखित :
 (1) फक्त अ आणि ब (2) फक्त ब आणि क
 (3) फक्त क (4) बरोबर सर्व
- Which of the following programmes is/are started by the Government of India for the purpose of 'Social Security' ?
 a. Aam Aadmi Buzna Yojana
 b. Rashtriya Swasthya Mitra Yojana
 c. National Social Assistance Programme
 d. National Health Security Yojana
- Answer Options :
 (1) Only a and b (2) Only b and c
 (3) Only c (4) All of the above

→ 2018
 Answer :- (c)

33. अन्न सुरक्षा कायदा, 2013 च्या संदर्भात पुढीलपैकी योग्य विधान/विधाने निवडा.
 अ. हा कायदा 75% ग्रामीण व 50% शहरी लोकसंख्येला अन्न सुरक्षेचा लाभ देतो.
 ब. लाभार्थींना दरमाह प्र.कि. र. 3 प्रमाणे तांदूळ, प्र.कि. र. 2 प्रमाणे कोरडे धान्य व प्र.कि. र. 1 प्रमाणे गहू उपलब्ध होणार आहे.
- पुढीलपैकी उल्लेखित :
 (1) दोन्ही अ आणि ब बरोबर (2) दोन्ही अ आणि ब चुक
 (3) फक्त अ बरोबर (4) फक्त ब बरोबर
- Identify the correct statement/s in context of the Food Security Act, 2013.
 a. It gives legal entitlement of food security to 75% rural and 50% urban population.
 b. A beneficiary will be entitled rice, coarse cereals and wheat @ ₹ 3, ₹ 2 and ₹ 1 per kg per month respectively.
- Answer Options :
 (1) Both a and b are correct (2) Both a and b are incorrect
 (3) Only a is correct (4) Only b is correct

→ 2018
 Answer :- (3)

34. अन्न सुरक्षा विधेयक, 2013 च्या संदर्भात खालीलपैकी योग्य विधान/वे ओळखा. **2025**
 अ. हे विधेयक शहरी भागातील 50% आणि ग्रामीण भागातील 75% लोकसंख्येला अन्न सुरक्षेचा लाभ उपलब्ध करून देतो.
 ब. लाभार्थींना दरमाह प्र.कि.र. 3 प्रमाणे तांदूळ, प्र.कि.र. 1 प्रमाणे भरड धान्य व प्र.कि.र. 2 प्रमाणे गहू उपलब्ध होणार आहे.
- (1) अ आणि ब दोन्ही बरोबर आहेत (2) अ आणि ब दोन्ही चुक आहेत
 (3) फक्त अ बरोबर आहे (4) फक्त ब बरोबर आहे
- Identify the correct statement/s from the following regarding Food Security Bill, 2013.
 A. The Bill provides food safety benefits to the 50% of the urban population and 75% of the rural population.
 B. Beneficiaries will be provided rice at Rs. 3/-kg, coarse grains at Re. 1/-kg and wheat at Rs. 2/-kg per month.
- (1) Both A and B are correct (2) Both A and B are incorrect
 (3) Only A is correct (4) Only B is correct

44. एकात्मिक बाल विकास सेवा योजने अंतर्गत राबविण्यात येणारा/रे कार्यक्रम _____
 अ. पूरक पोषण आहार कार्यक्रम
 ब. आरोग्य तपासणी
 क. कामगार प्रशिक्षण
 ड. स्त्री-पुरुष असमानता
- (1) फक्त अ, क (2) फक्त क, ड (3) फक्त अ, ब (4) अ, ब व क
- Program/s implemented under the Integrated Child Development Services Scheme _____
 A. Nutrition supplemental program
 B. Health check-up
 C. Worker's training
 D. Gender inequality
- (1) Only A, C (2) Only C, D (3) Only A, B (4) A, B and C

2025

CHAPTER 08

SUSTAINABLE DEVELOPMENT

1. Definition

- Sustainable Development means:
- "Development that meets the needs of the present without compromising the ability of future generations to meet their own needs."
- Core idea: Inter-generational equity.

◎ Development–Poverty–Environment Link (Cause Chain)

- Economic inequality → Wealth concentration → Overuse of environmental resources
- Poverty → Deprivation → Ill-health → Population growth
- Unsustainable pressure on natural resources

◎ David Pearce's View

- Sustainable development is socially desirable growth, involving:
 - Increase in real income
 - Improvement in health & nutrition
 - Educational progress
 - Equitable use of resources
 - Proper distribution of output
 - Expansion of freedoms

2. Development vs Environment Debate

- Environmental sustainability and economic growth often appear in conflict.
- However, they are not inherently contradictory.
- Balanced view:
 - "Social + Economic + Environmental development = Sustainable Development"

— Edward Barbier

3. Kuznets Curve (Environmental Kuznets Curve – EKC)

- Proposed by: Simon Kuznets
- Shows relationship between Per capita income and Environmental degradation.

■ Stages:

1. Low income (Agriculture):

- Income rises → Inequality increases → Environmental degradation increases

2. Middle income (Industrialisation):

- Inequality and pollution peak

3. High income (Service sector):

- Better awareness, regulation & technology
- Income ↑, Inequality ↓, Environmental degradation ↓
- Inverted U-shaped curve

4. Institutional Framework (India & World)

◎ National Level (India)

- Feb 1972: National Committee on Environmental Planning & Coordination
- Under Department of Science & Technology
- Human Environment Council:
 - First to stress environment concerns in economic development

◎ Global Level

- World Commission on Environment and Development (WCED / Brundtland Commission)
- Established: 1983
- Chairperson: Gro Harlem Brundtland
- Report: "Our Common Future"
- Provided the standard definition of Sustainable Development

5. Rio Summit / Earth Summit (1992)

◎ Official Name

- United Nations Conference on Environment and Development (UNCED)

◎ Outcome: 3 Documents + 3 Conventions

■ A. Documents

1. Rio Declaration
 - 27 Principles of Sustainable Development
 - Emphasis on:
 - ◆ Global partnership
 - ◆ Equity between nations
 - ◆ Common but Differentiated Responsibilities (CBDR)
2. Agenda 21
 - Blueprint for sustainable development in the 21st century
 - Adopted: June 1992
 - Structure: 4 Sections, 40 Chapters

ECONOMIC

3. Forest Principles
 - ◆ Non-legally binding principles for sustainable forest management

■ B. Conventions

1. Convention on Biological Diversity (CBD)
 - In force: 29 December 1993
- **a) Cartagena Protocol on Biosafety**
 - ◆ Adopted: 2000
 - ◆ In force: 2003
 - ◆ Focus: Safe transfer of LMOs (GMOs)
- **b) Nagoya Protocol**
 - ◆ Adopted: 29 October 2010
 - ◆ In force: 12 October 2014
 - ◆ Focus: Access & Benefit Sharing (ABS)
2. UNFCCC
 - ◆ United Nations Framework Convention on Climate Change
 - ◆ Objective: Stabilise GHG concentrations at safe levels
 - ◆ In force: 21 March 1994
3. UNCCD
 - ◆ United Nations Convention to Combat Desertification
 - ◆ Adopted: 17 June 1994
 - ◆ In force: 26 December 1996

6. Post-Rio Developments

- **Rio+5 (1997, New York)**
 - Review of Agenda 21 implementation
- **Millennium Summit (2000, New York)**
 - Adoption of Millennium Development Goals (MDGs)
- **Rio+10 (2002, Johannesburg)**
 - Theme: Global Summit on Sustainable Development
- **Rio+20 (2012)**
 - Dates: 20–22 June 2012
 - Outcome Document: “The Future We Want”
 - Poverty eradication declared central goal of sustainable development

7. Green Economy

- Concept developed by:
 - David Pearce
 - Edward Barbier
 - Anil Markandya
- Book: “Sustainable Development: Economics & Environment in the Third World”
- Promoted by UNEP (2008)

8. Sustainable Development Goals (SDGs)

- **Open Working Group**
 - Established: 22 January 2013

- Prepared framework of:
 - 17 Goals
 - 169 Targets

○ Key Milestones

- 19 July 2014: Draft presented to UN
- September 2015: Final negotiations
- 25 September 2015:
 - Adopted by 193 countries
- Target Year: 2030

MILLENNIUM DEVELOPMENT GOALS (MDGs)

■ Background

- Adopted at the Millennium Summit (UN) in September 2000
- 189 countries participated (currently UN members: 193)
- Along with 23 international organizations and 1000+ NGOs
- Time frame: 2000–2015

■ MDG Framework

- UN Level:
 - 8 Goals
 - 21 Targets
 - 60 Indicators
- India:
 - 8 Goals
 - 12 Targets
 - 35 Indicators

■ The 8 Millennium Development Goals



1. Eradicate extreme poverty and hunger
2. Achieve universal primary education
3. Promote gender equality and empower women
4. Reduce child mortality
5. Improve maternal health
6. Combat HIV/AIDS, malaria and other diseases
7. Ensure environmental sustainability
8. Develop a global partnership for development

■ Debt Relief Initiative (2005)

- G-8 finance ministers agreed to debt relief for poor countries
- Institutions involved:
 - World Bank (IBRD)

- IMF
- African Development Bank (AfDB)
- Amount: \$40–55 billion
- Condition:
 - Funds to be used for health, education, and poverty eradication

TRANSITION FROM MDGs TO SDGs

- MDGs ended in 2015
- Need for:
 - Universal goals
 - Environmental integration
 - Inclusiveness
- Resulted in Sustainable Development Goals (SDGs)

SUSTAINABLE DEVELOPMENT GOALS (SDGs)

■ Time Period

- 2015 – 2030

■ Framework

- 17 Goals
- 169 Targets
- 231 Indicators

■ Process of SDG Formation

- 22 January 2013 – Open Working Group constituted
- Prepared report with 17 Goals & 169 Targets
- Approved by UN General Assembly on 19 July 2014
- 25 September 2015 – Adopted by 193 countries
- Targets to be achieved by 2030

■ The 17 Sustainable Development Goals



1. No Poverty – End poverty everywhere
2. Zero Hunger – Food security, nutrition & sustainable agriculture
3. Good Health and Well-being
4. Quality Education – Inclusive & lifelong learning
5. Gender Equality – Empower women and girls
6. Clean Water and Sanitation

7. Affordable and Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water – Marine ecosystem conservation
15. Life on Land – Forests, biodiversity, land protection
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals – Global cooperation

■ Key Differences: MDGs vs SDGs (Prelims Focus)

MDGs	SDGs
8 goals	17 goals
2000–2015	2015–2030
Developing countries focus	Universal (all countries)
Social sector focused	Social + Economic + Environmental
Limited indicators	Comprehensive indicators

INDIA AND SUSTAINABLE DEVELOPMENT

1. Constitutional Provisions (42nd Constitutional Amendment Act, 1976)

- Article 48A (DPSP)
 - State shall protect and improve the environment and safeguard forests and wildlife.
- Article 51A(g) (Fundamental Duty)
 - Duty of every citizen to protect and improve the natural environment including forests, lakes, rivers and wildlife.

■ 2. National Committee on Environmental Planning & Coordination (NCEPC)

- Established on recommendation of Pitambar Pant Committee
- Early institutional mechanism for environment-development coordination in India

■ 3. Major Environmental Institutions & Laws in India

○ (A) Forest & Environment Governance

- Forest (Conservation) Act – 1980
- Department of Environment – 1980
- 1985 – Creation of independent Ministry of Environment & Forests
- Later renamed as Ministry of Environment, Forest and Climate Change (MoEFCC)

ECONOMIC

- Environment (Protection) Act – 1986
→ Umbrella legislation for environmental protection in India

■ 4. National Action Plan on Climate Change (NAPCC)

◎ Basic Information

- NAPCC = National Action Plan on Climate Change
- Launched under Prime Minister's Council on Climate Change
- Framework for India's climate response

◎ Key Target

- Reduce CO₂ emission intensity of GDP by 30–35% by 2030
(compared to 2005 levels)

◎ NAPCC Core Features

- Climate action without compromising economic growth
- Focus on sustainable development
- Emphasis on equity and poverty alleviation

■ 5. Objectives of NAPCC

- Protection of BPL population
- Promote:
 - Environmental sustainability
 - Economic growth
 - Poverty eradication
- Participation of:
 - Social institutions
 - Local bodies
 - PPP (Public–Private Partnership)

■ 6. Eight National Missions under NAPCC

1. National Solar Mission
 - Started: 11 January 2010
 - Target: 100 GW solar power by 2022
2. National Mission for Enhanced Energy Efficiency (NMEEE)
 - Started: 2010
 - Focus on reducing energy intensity
3. National Mission on Sustainable Habitat
 - Started: 2010
 - Sustainable cities, transport, waste management
4. National Water Mission
 - Started: 2011
 - Target: Increase water-use efficiency by 20%
5. National Mission for Sustaining the Himalayan Ecosystem
 - Started: 2010

6. National Mission for Green India
 - Started: 2014
 - Increase forest and tree cover
7. National Mission for Sustainable Agriculture (NMSA)
 - Started: As per government notification
 - Climate-resilient agriculture
8. National Mission on Strategic Knowledge for Climate Change
 - Started: 2014

■ 7. Global SDG Index

◎ SDG Index – Overview

- Started: 2016
- Published by:
 - Sustainable Development Solutions Network (SDSN)
 - Bertelsmann Stiftung

■ 8. India's Rank in Global SDG Index

Year	Rank
2022	121st
2023	112th
2024	109th
2025	99th

- **Trend:** Gradual improvement

■ 9. NITI Aayog – SDG India Index

◎ Key Facts

- Launched: 2018
- Developed with support of:
 - Ministry of Statistics & Programme Implementation (MoSPI)
 - Global Green Growth Institute
 - United Nations

◎ Coverage

- Tracks national & state/UT progress
- 113 indicators
- Aligned with National Indicator Framework (NIF)

■ 10. SDG India Index – Classification (Score: 0–100)

Category	Score
Aspirant	0 – 49
Performer	50 – 64
Front Runner	65 – 99
Achiever	100

Year	Score
2018	57
2019–20	60
2020–21	66
2023–24	71

- Uttar Pradesh (+25)
- Jammu & Kashmir (+21)
- Uttarakhand (+19)
- Sikkim (+18)
- Haryana (+17)
- Assam, Tripura, Punjab (+16 each)

- 77 (Front Runner category)

State	Score
Top State	79
Top State	79
Top State	78
Goa	77
Himachal Pradesh	77

30. Rio-2016 संयुक्त राष्ट्र विकास विभाग द्वारा आयोजित कोलंबो शिखर सम्मेलन का उद्देश्य क्या था ?

(1) वर्ष 2014 तक ही शिखर सम्मेलन का आयोजन।

(2) वाणिज्यिक विकास को बढ़ावा देना।

(3) हरित विकास को बढ़ावा देना।

(4) वाणिज्यिक संयुक्त राष्ट्र विकास कार्यक्रमों में अंतराष्ट्रीय सहयोग बढ़ाना।

Which of the following statements is/correct about UN Conference on Sustainable Development Rio-2016 ?

(1) The conference was held in June 2014 in Brazil.

(2) The conference laid out Millennium Development Goals for the world.

(3) The conference adopted guidelines on green economy policies.

(4) The member nations de-powered UN Environment Programme in this conference.

Answer: - (3)

Q1. नीचे आयोग/संस्था द्वारा जारी किए गए विभिन्न अंतराजालक्रमों (2020 – 21), भारतीय उद्घरणिका कावर्गों को दर्शाते हैं,

(a) भारतीय विनिर्देश – 2021 में 66 चीजें सुधारित हैं। तो 2019 – 20 में 60 से 2018 – 19 में 57 होना।

(b) 2020 – 21 में कोविड संकट अंतराजाल भारतीय कावर्गों 15 चीजें 8 उद्घरणिकाओं में उलट गई हैं।

भारतीय उद्घरणिका कावर्गों को दर्शाते हैं ?

(1) केवल (a) (2) केवल (b)

(3) दोनों में (4) किसी चीजें नहीं

Goal-wise performance of India by NTI Aayog SDG India Index Report (2020 – 21) reveals that _____

(a) India's overall score improved to 66 in 2020 – 21 from 60 in 2019 – 20 and 57 in 2018 – 19.

(b) Despite 2020 – 21 being a pandemic year, India performed well on eight of the 15 SDGs.

Which of the above options is/are correct ?

(1) Only (a) (2) Only (b)

(3) Both the options (4) None of the options

→ 2022

Answer: (3)

39. भारत विकास उद्देश्यों (MDGs) प्राप्त/प्राप्त की योजनाओं की पहचान करें।
(a) भारत में उद्देश्यों प्राप्त करने में सफलता प्राप्त करने के लिए।
(b) 2015 तक उद्देश्यों को प्राप्त करने के लिए भारत सरकार द्वारा चलाए गए कार्यक्रमों की पहचान करें।
(c) भारत सरकार द्वारा चलाए गए कार्यक्रमों की पहचान करें।
(d) भारत सरकार द्वारा चलाए गए कार्यक्रमों की पहचान करें।

ANSWER:- (c)

42. **सustainable विकास ध्येयांग (SDGs)** संदर्भात खालीलपैकी कोणते विधान/विधाने **योग्य आहे/ह?**

- सustainable विकास ध्येयांग संदर्भातील संयुक्त राष्ट्रपैकी पहिले, तिसरे दो वार्षिक वेळे 2015 मध्ये झाले.
- सustainable विकास ध्येय जागतिक ध्येय यष्टीपुढील ओळखणी आहेत.
- सustainable विकास ध्येयांग (SDGs) सहस्रकाळात विकास ध्येयांग (MDGs) जगण आहेत.
- सustainable विकास ध्येय (SDGs) जानेवारी 2012 मध्ये अस्तित्वात आली.

परीक्षी उत्तर :

(1) (b) फक्त (2) (a) आणि (b) (3) (b) आणि (c) (4) (d) फक्त

Which of the following statement/s is/are correct about Sustainable Development Goals (SDGs) ?

(a) The United Nations conference on Sustainable Development was held in Rio de Janeiro in 2015.

(b) The Sustainable Development Goals are otherwise known as the Global Goals.

(c) The SDGs Replace the Millennium Development Goals (MDGs).

(d) The SDGs came in to effect in January 2012.

Answer Options :

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

49. पुढीलपैकी यापण/यांच्या सहकाराद्वय विकसन उद्दीपनापने समायोजित होत नाही ?

(a) प्राथमिक शिक्षणापे सार्वजनिकरूपे यापण करणे.
(b) स्त्री-पुरुष समानतेत प्रोत्साहन देणे.
(c) अर्थीक समुच्चये प्रमाणे यापण करणे.
(d) पर्यावरणीय सार्वजनिक (सस्टेनेबल) सुवृत्ती करणे.

पर्यायी उत्तरे :

(1) (a) फक्त (2) (a) आणि (b) फक्त
(3) (c) फक्त (4) (c) आणि (d) फक्त

Which of the following is/are not a Millennium Development Goal(MDG) ?

(a) Achieve universal primary education.
(b) Promotion of gender equality.
(c) Reducing infant mortality.
(d) Ensure environmental sustainability.

Answer Options :

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

CHAPTER 09

LPG REFORMS

LPG REFORMS & INCLUSIVE DEVELOPMENT

1. LPG REFORMS (1991 ECONOMIC REFORMS)

● LPG stands for:

- L – Liberalisation
- P – Privatisation
- G – Globalisation

2. BACKGROUND: 1991 ECONOMIC CRISIS (WHY LPG?)

● Major Causes:

- GDP growth declined to ~5.3%
- High inflation and current account deficit
- Fiscal deficit: 7.6% of GDP
- Foreign exchange reserves (Jan 1991): \$1.2 billion (barely 2 weeks of imports)
- Internal debt: 49.7% of GDP
- External debt: 5.6% of GDP
- 22% of government expenditure spent on interest payments

● Policy Response:

- New Economic Policy announced on 24 July 1991
- Prime Minister: P.V. Narasimha Rao
- Finance Minister: Dr. Manmohan Singh

3. LIBERALISATION

● Meaning:

- Reduction of government controls and regulations to promote market efficiency.

● Objective:

- Inflation control
- Balance of Payments (BoP) correction
- Efficiency & competitiveness

● Components of Liberalisation:

A. Demand-side Management

- Inflation control
- Balance of Payments adjustment
- Currency devaluation

B. Supply-side Management

1. Trade & capital market reforms
2. Industrial de-licensing
3. Tax reforms
4. Fiscal reforms (reduction of fiscal deficit)
5. Financial sector reforms

6. Planning reforms
7. Privatisation
8. Opening of banking sector to foreign banks
9. Reduction in import-export restrictions

4. INDUSTRIAL REFORMS

A. New Industrial Policy (1991)

- Industrial licensing abolished for ~85% industries
- Licensing retained for 18 industries, mainly:
 - ◆ Cigarettes & tobacco products
 - ◆ Alcohol
 - ◆ Defence equipment
 - ◆ Hazardous chemicals
 - ◆ Explosives

B. Public Sector Reforms

- 1956: 17 industries reserved
- 1991: Reduced to 8 industries
- Now: Only 2
 - ◆ Atomic Energy
 - ◆ Railway Transport
- Since 2015–16, even rail & defence opened partially

C. Competition Policy

- ◆ MRTP Act replaced by Competition Act
- ◆ Competition Act passed in 2002, implemented 2009

D. MSME / Small Industry Policy

- ◆ Simplification of procedures
- ◆ Credit & market support

E. Manufacturing & Entrepreneurship

- National Manufacturing Policy: 4 Nov 2011
- Make in India: 2014
 - ◆ Start-up India & Stand-up India
 - ◆ Atmanirbhar Bharat
 - ◆ Product Linked Incentive (PLI)
 - ◆ New MSME definition
 - ◆ Domestic manufacturing push

5. TAX REFORMS

● Key Features:

- Internal convertibility of currency
- Shift towards direct taxes
- Broadening of tax base
- Reduction in tax rates

◎ **Tax Structure (1990-91):**

- Direct taxes: 16%
- Indirect taxes: 84%

◎ **Major Tax Committees:**

1. Nicholas Kaldor Committee
 - Wealth tax
 - Expenditure tax
 - Capital gains tax
 - Gift tax
2. K.N. Wanchoo Committee (1970)
 - Direct taxes
3. L.K. Jha Committee (1976)
 - Indirect taxes
 - VAT concept
4. Kelkar Committee
 - Direct & indirect tax reforms
 - VAT implementation
 - Tax base expansion

◎ **Latest Committees:**

- GAAR (Shome Committee) – July 2012
- TARC (Tax Administration Reform Commission) – Aug 2013
- Easwar Committee – Oct 2015

6. PRIVATISATION

◎ **Meaning:**

- Transfer of ownership, management or control from public to private sector.

◎ **Objective:**

- Path towards globalisation
- Opposite of nationalisation

◎ **Routes of Privatisation:**

1. Ownership Route
 - De-nationalisation
 - Joint ventures (Govt stake 25-50%)
 - Liquidation
 - Disinvestment (below / above 51%)
2. Organisational Route
 - Administrative decentralisation
 - Leasing
 - Restructuring
3. Functional Route
 - Autonomy to PSUs

7. DISINVESTMENT

◎ **Disinvestment Committee:**

- 1993 – Rangarajan Committee

◎ **Types:**

1. Minority stake sale (Govt retains $\geq 51\%$)
2. Strategic disinvestment
 - Govt stake $< 50\%$
 - Ownership + management transfer

◎ **Institutional Structure:**

- Department of Disinvestment (1999)
- Became Ministry: 6 Sept 2001
- Again department: 27 May 2004
- Renamed DIPAM (Department of Investment & Public Asset Management)

◎ **PSU Classification (1999):**

- Strategic:
 - Defence production
 - Atomic energy
 - Railways
- Non-strategic

8. NATIONAL INVESTMENT FUND (NIF)

◎ **Purpose:**

- To park proceeds from CPSE minority stake sales

◎ **Management:**

- UTI, SBI & LIC Mutual Funds

◎ **Utilisation:**

- 75%: Education, health & social sector
- 25%: Capital requirement of CPSEs

9. GLOBALISATION

◎ **Meaning:**

- Integration of domestic economy with global economy
- Free flow of goods, capital, technology & services

◎ **Features:**

- Open trade regime
- Free movement of capital
- Role of private & foreign sector
- Global competition

◎ **Advantages:**

- Access to global markets
- Technology transfer
- Capital inflow
- Higher efficiency

◎ **Disadvantages:**

- Cultural erosion
- Job insecurity
- Impact on unskilled labour
- Regional inequalities

MANUFACTURING SECTOR REFORMS

■ Policies Used to Promote the Manufacturing Sector

- National Manufacturing Policy (2011)
- Foreign Trade Policy (2015–2020)
- Liberalised FDI Policy (2015 onwards)
- Start-up India Initiative (2016)
- Further FDI Liberalisation (2016)
- **All these policies together aim to expand the manufacturing sector under Make in India.**

◎ Why Manufacturing Matters for GDP?

- A country's GDP depends on the quantity of goods produced.
- Without increasing production, GDP growth is not sustainable.
- Therefore, Make in India encourages production within India by:
 1. Indian entrepreneurs
 2. Foreign investors
- Objective: Increase the share of manufacturing in GDP.

Make in India: Concept & Evolution

■ Present Stage

- Major Pillar of 21st Century Industrial Policy
- Make in India Initiative (2014)
- Implemented as a core component of India's Industrial Policy since 2014
- Maharashtra became the first state to form a Make in India Council.

■ Pillars of the Policy

- New Infrastructure
- New Sectors
- New Processes
- New Mindset
- Launched on 25 September 2014
- Focus on creating manufacturing hubs across India.

■ Focus Areas under Make in India

- To build strong manufacturing zones, importance is given to:
 - Foreign Trade Policy
 - FDI Policy
 - Regulatory Reforms
 - Administrative Reforms
 - Infrastructure Development
- 25 sectors were identified for focused manufacturing growth.

■ Make in India – Global Vision

- Aim: Make India a global manufacturing hub.
- Encourage creation of industrial corridors.
- Policy supported strongly by NITI Aayog.

Key Concepts Linked with Make in India

1. FDI (Foreign Direct Investment)

- Also interpreted as “First Develop India”.
- Encourages foreign capital + technology + employment.

2. 3D Concept – Three D's

- Democracy
- Demography (demographic dividend)
- Demand
- India's natural advantage in global manufacturing.

3. ZED – Zero Defect, Zero Effect

- Zero Defect: No compromise on product quality
- Zero Effect: No harm to environment
- Enhances global competitiveness of Indian products.
- Demographic Dividend & Skill Transformation
- India has a large unskilled workforce.
- Make in India focuses on:
 - Skill development
 - Transition from unskilled → skilled labour
- Skilled workers are absorbed into the 25 priority manufacturing sectors.

■ Result:

- Employment generation
- Rise in manufacturing output

◎ Targets & Benchmarks

- 2013–14: Manufacturing share in GDP – 14.8%
- Global manufacturing share (2013) – 2%
- Target (by 2022):
 - Manufacturing share in GDP → 25%
- WTO TRIPS Agreement applicable in India from 2016
- Policy support routed through NITI Aayog

Start-Up India (2016)

■ Definition of Start-up

◎ An enterprise:

- Established or registered in India
- Operating for less than 10 years
- Annual turnover below ₹100 crore

◎ Objectives

- Employment generation
- Wealth creation
- Innovation & technology adoption

◎ Key Facts

- More than 73,000 start-ups recognised by DPIIT (till Nov 2021)
- Fund of Funds created (over ₹90,000 crore mobilised)

ECONOMIC

- Dedicated TV channel for start-ups announced (2019–20)

Stand-Up India

■ Objective

- ◎ Promote entrepreneurship among:
 - SC/ST entrepreneurs
 - Women entrepreneurs
- ◎ Features
 - Loans from ₹10 lakh to ₹1 crore
 - Every bank branch to provide:
 - At least 1 SC/ST entrepreneur loan
 - At least 1 woman entrepreneur loan
- ◎ Benefits extended through 1.25 lakh+ bank branches.

CPSE_s Classification

1. MAHARATNA COMPANIES

- ◎ Eligibility / Criteria
 - Must be a Navratna company
 - Minimum public shareholding required
 - Must be listed on the stock exchange
 - Annual turnover more than ₹25,000 crore
 - Net worth more than ₹15,000 crore
 - Net profit more than ₹5,000 crore
 - Significant international presence
- ◎ Total Companies – 10
 - Coal India Ltd
 - NTPC
 - ONGC
 - SAIL
 - BHEL
 - IOCL
 - HPCL
 - GAIL
 - BPCL
 - Power Grid
- ◎ NTPC was included in Maharatna category in 2010

2. NAVRATNA COMPANIES

- ◎ Eligibility
 - Must be a Miniratna-I company
 - Excellent / outstanding performance
 - Score 60+ marks based on:
 - Net Profit
 - Cost of production per unit
 - Capital employed
 - Net worth
- Profit per share ≥ 10

- International operations ≥ 20
- Total Navratna Companies – 16

3. MINIRATNA COMPANIES

- ◎ Miniratna – Category I
 - Conditions
 - Continuous profit for last 3 years
 - Positive net worth
 - No need for government approval for expansion
- ◎ Miniratna – Category II
 - Conditions
 1. Continuous profit for last 3 years
 2. Positive net worth
 3. Expansion allowed within limits
 4. Total Miniratna Companies – 12

■ SMALL INDUSTRIES (LAGHU UDYOG)

- ◎ Key Points
 - Number of small industries indicates industrial growth and employment generation
 - Not limited to production; includes service sector
 - 1956 Industrial Policy classified industries as large and small
 - Cottage & small industries promoted for rural development
- ◎ Important Developments
 - 1954–55: Establishment of Small Industries Board
 - Included handloom, silk, khadi industries
 - After 2006, renamed as MSME

MSME DEVELOPMENT INSTITUTIONS

- Small Industries Development Organisation (SIDO)
 - Established in 1954
 - Works for research, policy formulation, and development

■ National Small Industries Corporation (NSIC)

- Established: 1955
- Functions:
 - Marketing support
 - Technology support
 - Finance & export assistance

MSME ACT, 2006 (Major Reform)

■ Key Features

- Replaced the term Industry with Enterprise
- Included Manufacturing + Services
- Unified classification
- Simplified investment norms

■ MSME CLASSIFICATION (Earlier - Investment Based)

● Manufacturing Enterprises

- Micro: up to ₹25 lakh
- Small: ₹25 lakh – ₹5 crore
- Medium: ₹5 crore – ₹10 crore

● Service Enterprises

- Micro: up to ₹10 lakh
- Small: ₹10 lakh – ₹2 crore
- Medium: ₹2 crore – ₹5 crore

● ROLE OF MSMEs IN INDIAN ECONOMY

- Contribute over 40% to exports
- Employ 45%+ of industrial workforce
- Contribute ~30% to GDP
- Largest employment-generating sector after agriculture
- Known as "Growth Engine of Employment"

■ MUDRA YOJANA (Micro Units Development & Re-finance Agency)

● Launch

- February 2015
- Announced by Finance Minister Arun Jaitley

● Ownership

- Wholly owned subsidiary of SIDBI

● Loan Categories

- Shishu: up to ₹50,000
- Kishore: ₹50,000 – ₹5 lakh
- Tarun: ₹5 lakh – ₹10 lakh
- **Loans under PMJDY overdraft also covered**

■ SMALL INDUSTRY POLICY - 1991

● Objectives

- Increase production
- Generate employment
- Boost exports

● Major Provisions

- Higher investment limits
- Technological upgradation
- Export promotion
- Financial assistance
- Skill training
- Handloom & cottage industry support

Public Sector & Industrial Policy Reforms (Post-1991)

■ Focus in Public Sector Industries

- Emphasis shifted from investment volume to quality improvement.
- Disinvestment policy adopted.
- Stress on restructuring and revival of public sec-

tor enterprises.

■ Changes Introduced During 1995-96

- Three components were de-reserved:
 - Defense
 - Railway infrastructure
 - Railways opened for PPP
 - High-speed rail, metro, terminals, electrification
- Atomic Energy
 - **Earlier these sectors were fully reserved; later partially opened.**

New Industrial Policy, 1991 (For Large Industries)

■ Announcement: 24 July 1991

- Nature: Liberalised economy, mixed economy with private sector dominance

● Main Objectives

- Generation of productive employment
- Expansion of sustainable manufacturing sector
- Optimum use of available resources
- Enhancing global competitiveness

● A) Liberalised Industrial Policy (Delicensing)

- Out of 18 industries, most were de-licensed.
- By 1995:
 - 14 industries delicensed
 - Only 4 remained reserved
- **Industries where only government can operate:**
 - Tobacco industry
 - Defence & aerospace
 - Atomic energy
 - Hazardous chemicals

● B) De-reservation of Public Sector

- Under 1956 Act, 17 industries were reserved.
- After 1991 LPG reforms, only 8 industries remained reserved.
- By 1995-96, only 3 sectors remained reserved:
 - Atomic Energy
 - Defence
 - Railways

■ SEZ & Legal Reforms

- SEZ policy (2000): Foreign investment allowed in duty-free zones.
- MRTP Act (1969) repealed in 2002 → Competition Commission empowered.
- FERA replaced by FEMA.

National Manufacturing Policy – 2011

- Announced: 4 November 2011

- **Targets**

- Increase manufacturing share in GDP to 25%.
- Create 100 million jobs in manufacturing.
- Skill development for displaced rural workforce.
- Strengthen industrial infrastructure & technology.
- Increase global competitiveness.
- Promote environmentally sustainable growth.

Committees Related to Small Industries

- **D.G. Karve Committee (1955)**

- Focus on development of small & village industries.
- Basis for Second Industrial Policy (1956).

- **P.R. Nayak Committee (1983)**

- Suggested institutional credit for small industries.

- **Abid Hussain Committee (1997)**

- Key Recommendations:
 1. Remove reservation for small industries.
 2. Increase investment ceiling to ₹3 crore.
 3. Investment limit for micro units: ₹25 lakh.
 4. Remove 24% FDI cap in small industries.
 5. Include services under small industries.

- **S.P. Gupta Working Group (1999)**

- Key Suggestions
 1. Three-tier structure: Micro, Small, Medium.
 2. Single comprehensive law for small industries.
 3. Tax exemption up to ₹1 crore turnover.
 4. Encourage MSMEs to face WTO/globalisation.

Arjun Sengupta Commission (2004)

- Recommended interest rate reduction to 8% for MSME loans.

Y.K. Sinha Committee (2011)

- **Major Recommendations**

1. Create ₹10,000 crore equity fund.
2. Provide collateral-free loans to MSMEs.
3. Increase Mudra loan limit from ₹10 lakh to ₹20 lakh.
4. Create ₹5,000 crore stress fund.
5. Simplify registration & compliance.
6. Merge laws into a single MSME Act.
7. Increase SIDBI's role.

PREVIOUS YEAR QUESTIONS

38. भारतीय सरकारचा अध्यक्ष करणामाहो मनु 1995 च्या डॉ. अब्दुल हुसैन यांच्या अध्यक्षतेखाली _____ समिती स्थापन करण्यात आली.

(1) शिक्षण (2) कृषी (3) मोठे उद्योग (4) लघु उद्योग

To study the problems of India in the year 1995 _____ committee was formed under the chairmanship of Dr. Abid Hussain.

(1) Education (2) Agriculture (3) Large Industry (4) Small Industry

→ 2024
Answer: (4)

52. जुलै 1991 च्या व्यापक अर्थव्यवस्थेतील सुधारणां बाबत सुधारणांसाठी व्यापक उद्देश्येलापेक्षा उच्च लागू केले जात आहे. खालील अधिक महत्वाचे आहेत :

अ. व्यापार आणि भांडवल प्रवाह सुधारणा
ब. औद्योगिक निव्वरण
क. निव्वरणासह अर्थव्यवस्थेतील सुधारणा
ड. वित्तीय क्षेत्र सुधारणा

(1) अ आणि ब (2) क आणि ड (3) अ, ब आणि क (4) अ, ब, क आणि ड

Since July 1991, comprehensive liberalization measures have been undertaken to improve the supply side of the economy. Among these the more important are :

a. Trade and capital flows reforms
b. Industrial deregulation
c. Disinvestment and Public Enterprises Reforms
d. Financial sector reforms

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

→ 2023
Answer: (4)

97. सन 1991 च्या विकासार्थे एल.पी.जी. प्रणाली _____ यांच्या अध्यक्षतेखाली अर्थ मंत्रालयात आणली.

(1) पी.वी. नारायण राव (2) प्रणब मुखर्जी
(3) डॉ. मनमोहन सिंग (4) पी. चिदंबरम

The LPG model of development was introduced in 1991 by then Finance Minister

(1) P.V. Narasimha Rao (2) Pranab Mukherjee
(3) Dr. Manmohan Singh (4) P. Chidambaram

→ 2019
Answer: (3)

39. एल.पी.जी. चा अर्थव्यवस्था काय ?

(1) लिक्विडिटी, प्रॉफिटॅबिलिटी आणि ग्रोथ
(2) लिक्विडिटी, प्रॉफिटॅबिलिटी आणि ग्रोथ
(3) लिक्विडिटी, प्रॉफिटॅबिलिटी आणि ग्रोथ
(4) बरितसेकी एकही नाही

LPG stands for

(1) Liquidity, Profitability and Growth
(2) Liberalisation, Privatisation and Growth
(3) Liberalisation, Privatisation and Globalisation
(4) None of the above

2017
→ Answer: (3)

40. 1991 च्या आर्थिक आंधळाची कोणती लक्षणे होती ?

अ. घटती वस्तु मूल्ये
ब. भारतीय विदेशी कार्यास अंतरराष्ट्रीय धनस्रोतकर्ता येण्याची
क. राजकोषीय घटतीला वाढ
ड. साठ्यातून सुपरफ्लिटी

(1) अ, ब आणि क फक्त (2) ब, क आणि ड फक्त
(3) क, ड आणि अ फक्त (4) ड, अ आणि ब फक्त

Economic crisis of 1991 was characterised by

a. Reduced foreign exchange reserves
b. Rolling over of Indian foreign debt by international creditors
c. Increase in fiscal deficit
d. Sale of gold from reserves

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

→ 2016
Answer: (3)

■ Background (Bretton Woods Institutions)

- The World Bank and International Monetary Fund (IMF) were established at the Bretton Woods Conference (1944).
- They are known as "Twin Sisters."

1. WORLD BANK

- Establishment
 - ◆ Date: 31 December 1945
- Original Name: IBRD – International Bank for Reconstruction and Development
- Headquarters: Washington D.C.
- Members: 189 countries
- Objective
 - ◆ To provide financial assistance for reconstruction and development of economies.
- Main Functions
 - ◆ Provides long-term loans for development projects.
 - ◆ Focus on reconstruction and economic development.
 - ◆ Provides financial assistance to low-income and middle-income countries.

◎ World Bank Group Institutions

- IBRD – 1945
- IDA (International Development Association) – 1960
- IFC (International Finance Corporation) – 1956
- MIGA (Multilateral Investment Guarantee Agency) – 1988
- ICSID (International Centre for Settlement of Investment Disputes) – 1966

2. INTERNATIONAL MONETARY FUND (IMF)

- Establishment
 - ◆ Date: 27 December 1945
- Started operations: 1 March 1947
- Headquarters: Washington D.C.
- Members: 189 countries
- Objectives
 - ◆ Promote international monetary cooperation.
 - ◆ Ensure exchange rate stability.
 - ◆ Provide assistance to correct Balance of Payments (BoP) deficits.
 - ◆ Promote international trade growth.

- ◆ Act as a central institution for global monetary stability.

○ Main Functions

- ◆ Acts as Lender of Last Resort.
- ◆ Provides short-term loans during BoP crises.
- ◆ Supervises global monetary system.

◎ IMF Core Roles

- Regulatory Role
 - ◆ IMF operates under Articles of Agreement.
 - ◆ Monitors exchange rate policies and current account transactions.
- Financial Role
 - ◆ Provides financial support to countries facing external payment difficulties.
- Advisory Role
 - ◆ Provides technical assistance and policy advice.

◎ Membership

- Any country (UN member or not) can join IMF as per Articles of Agreement.
- IMF membership is mandatory for IBRD membership.

◎ IMF Quota System

- Each member contributes a quota based on economic strength.
- Determines:
 - ◆ Voting power
 - ◆ Financial contribution
 - ◆ Access to IMF resources
- Quota Formula Weights:
 - ◆ GDP – 50%
 - ◆ Openness – 30%
 - ◆ Economic variability – 15%
 - ◆ International reserves – 5%

◎ Special Drawing Rights (SDR)

- SDR is an international reserve asset created by IMF.
- Value based on basket of currencies.
- Currency Basket (since 2016):
 - ◆ US Dollar
 - ◆ Euro
 - ◆ Japanese Yen
 - ◆ Pound Sterling

ECONOMIC

- ◆ Chinese Renminbi (Yuan)
- SDR & Voting Rights
 - ◆ SDR value is reviewed periodically.
 - ◆ Voting power is proportional to quota.
 - ◆ Countries can exchange SDRs for usable currencies.

○ Exchange Rate System

- IMF allows each country to choose its own exchange rate system.

3. WORLD TRADE ORGANIZATION (WTO)

- Establishment
 - ◆ Date: 1 January 1995
- Established under Marrakesh Agreement.
- Successor of GATT.
- Headquarters
 - ◆ Geneva, Switzerland
- Objectives / Functions
 - ◆ Promote international trade expansion.
 - ◆ Increase global production.
 - ◆ Encourage competition in world trade.
 - ◆ Set rules-based trading system.
- Membership
 - ◆ 164 members
 - ◆ Voting principle: One country – One vote

WTO AGREEMENTS

1. GATT (General Agreement on Tariffs and Trade)

- Covers trade in goods.
- Includes agreements on:
 - ◆ Import tariffs
 - ◆ Anti-dumping measures
 - ◆ Import restrictions
 - ◆ Agriculture
 - ◆ Bali Peace Clause
 - ◆ Allows developing countries to continue food subsidy programs beyond limits temporarily.

2. GATS (General Agreement on Trade in Services)

- Covers international trade in services.

3. TRIPS (Trade-Related Intellectual Property Rights)

- Deals with intellectual property rights.

AGREEMENT ON AGRICULTURE (AoA)

- Origin
 - ◆ Emerged from Uruguay Round (1986) negotiations.
- Formally accepted in 1994 (Marrakesh).
- Implemented in 1995.
- Objectives
 - ◆ Promote fair agricultural trade.
 - ◆ Reduce trade-distorting subsidies.
 - ◆ Ensure market access.
- Key Provisions
- Reduction in:
 - ◆ Domestic support

- ◆ Export subsidies
- ◆ Market access commitments.

○ Concern for India

- Reduction in agricultural subsidies may affect farmer livelihoods.
- However, provisions for food security and environmental protection exist.
- Special & Differential Treatment for developing countries.
- Agricultural Subsidy Boxes (Very Important for Prelims)

1. Amber Box

- Trade-distorting subsidies.
- Limits:
 - ◆ Developed countries: 5%
 - ◆ Developing countries: 10%
- Examples: MSP, fertilizer subsidy, irrigation, power subsidy.

2. Green Box

- Non-trade-distorting subsidies.
- Examples:
 - ◆ Agricultural research
 - ◆ Infrastructure
 - ◆ Environmental protection
- No reduction commitment.

3. Blue Box

- Subsidies linked to production limitation.
- Example: Payments to farmers for reducing output.
- Less trade-distorting.

OTHER INTERNATIONAL DEVELOPMENT BANKS

■ Asian Development Bank (ADB)

- Established: August 1966
- Headquarters: Manila, Philippines
- Functions: Loans, grants, technical assistance

■ Asian Infrastructure Investment Bank (AIIB)

- Established: October 2014
- Headquarters: Beijing, China
- Function: Infrastructure financing

■ New Development Bank (NDB – BRICS Bank)

- Established: July 2014
- Headquarters: Shanghai, China
- Function: Infrastructure and sustainable development financing

PREVIOUS YEAR QUESTIONS

८२. पुढीलपैकी संयुक्त राजसंघाच्या कोणत्या विशेषीकृत संघटनेने तिच्या स्थापनेची १०० वर्षे पूर्ण केली आहेत ?

- (1) आंतरराष्ट्रीय श्रम संघटना (ILO)
- (2) अन्न आणि शेती संघटना (FAO)
- (3) जागतिक आरोग्य संघटना (WHO)
- (4) आंतरराष्ट्रीय टपाल संघटना (UPU)

Which of the following UN specialized agencies has completed 100 years of its formation?

- (1) International Labour Organization (ILO)
- (2) Food and Agriculture Organization (FAO)
- (3) World Health Organisation (WHO)
- (4) Universal Postal Union (UPU)

→ 2022

Answer: (1)

२७. जागतिक रिकेन्वा पत्रे, भारतीय राजीकारांच्या खातीरपैकी कोणाचा महत्वाच्या संघर्शांचे विषयवस्तू करते याबद्दल आहे ?

- (a) दृष्टाव्य स्थानिक प्रक्षमन
 (b) आकलन विस्तारक
 (c) सुचिकित्सक कर्तव्य अयोग्य निष्कर्ष
 (d) वेगने प्रकाशित ज्ञान प्रकाशन दर्श
 प्रकाशित ज्ञान
- (1) प्रकाश (a) आणि (b)
 (2) प्रकाश (a), (c) आणि (d)
 (3) प्रकाश सर्व
 (4) प्रकाश प्रकाशित ज्ञान

Which of the following, according to the World Bank, are critical issues to be addressed in India's urbanisation?

- (a) Poor local governance
- (b) Weak finances
- (c) Inappropriate planning leading to high costs
- (d) Rapidly deteriorating environment

Answer options :

- (1) Only (a) and (b)
 (2) (a), (c) and (d)
 (3) All of the above
 (4) None of the above

→ 2022

Answer! - (3)

40. GATT (जलसंधि अंतर्गत अंतराष्ट्रीय व्यापार संगठन) संबंधित निम्नलिखित विधानों में से सही विधान चुनिए।

- (a) 'GATT' को स्थापना 1948 खती जारी
(b) मुख्यतः व्यापार 'GATT' में 23 देश सम्मिलित होते
(c) WTO 'GATT' में एक प्रकार के उत्तरिधारी आते
(d) विश्वीय व बहुपक्षीय व्यापार काग्रेस 'GATT' के प्रस्तावित जारी
यहोतकरके कोको विधान/विधाने जारीआत आते/आती ?

- (1) (a) आणि (d)
 (2) (a), (b) आणि (d)
 (3) (a), (b) आणि (c)
 (4) बरोबरको सर्व

Consider the following statements with reference to GATT agreement (General Agreement on Trade and Tariffs).

- GATT was established in 1948.
- Initially, the total number of members of GATT was 23 countries.
- In a way WTO is the successor of GATT.

Which of the above statement/s is/are **correct** ?

- (1) (a) and (d)
 (2) (a), (b) and (d)
 (3) (a), (b) and (c)
 (4) All of the above

→ 2020

→ Answer: (3)

74. दक्षिण पूर्व अफिरिक्ई राष्ट्र संघटन (अफिरिकन) बाबत कालील्लेकी कोणते विधान असत्य आहे ?

- અમિયાળનો અમાસા ઝેરકાં થયે 1967 થાલી પામ સરવય રાષ્ટ્રમંદુર કેલી ગયો.
- શિંગાપુર સરકારના આયોજન સરવય રાષ્ટ્રમંદુરે પુક ઝડો.
- મણા હા અમિયાળા સોયેન મેસર ઝેરકાં થયેલી થાલી ઝડો.
- અમિયાળને વડા સરવય દેશ ઝડો.

- (1) (a) ज्ञानि (c) (2) यथा (b) (3) यथा (c) (4) यथा (d)

Which one of the following statements regarding the Association of South East Asian Nations (ASEAN) is *not* correct?

- (a) ASEAN was established in the year 1967 in Bangkok by five member countries.
(b) Singapore is one of the founder members of ASEAN.
(c) India is sectoral dialogue partner of ASEAN.
(d) ASEAN has ten members.
- (1) (a) and (d) (2) only (b) (3) only (c) (4) only (d)

→ $20/3$

Answer:- #

१७. आंतरराष्ट्रीय नार्वेनिसीसंदर्भात खालीलपैकी कोणते विधान सत्य आहे ?

- (1) आ.स.पा.नि. कोणत्याही देशात कार्य देते
- (2) आ.स.पा.नि. फक्त विकसित देशांना कार्य देते
- (3) आ.स.पा.नि. फक्त लहान राष्ट्राला कार्य देते
- (4) आ.स.पा.नि. फक्त राष्ट्राला मध्यवर्ती बँकेस कार्य देते

Which one of the following statements is correct, regarding the International Monetary Fund?

- (1) IMF grants loans to any country.
- (2) IMF grants loans to only developed countries.
- (3) IMF grants loans only to member countries.
- (4) IMF grants loans to the central bank of a country.

→ 2013

Answer: - (2)

Land Reform Systems in India

■ Types of Land Revenue Settlements

◎ A. Permanent Settlement (Zamindari System)

- Introduced by: Lord Cornwallis, 1793
- Regions: Bengal, Bihar, Odisha
- Key Feature: Zamindars recognised as landowners and responsible for revenue collection.

◎ B. Ryotwari System

- Introduced by: Sir Thomas Munro, 1820
- Regions: Bombay Presidency, Madras region
- Key Feature: Peasants (Ryots) directly owned land and paid revenue to the government.

◎ C. Mahalwari System

- Introduced by: Sir Holt Mackenzie and later improved by Bird, 1822
- Regions: Punjab, Awadh, North-Western Provinces
- Key Feature: Revenue collected from villages or groups of villages (Mahal).

■ Land and Subject List (Constitution)

- Property above land (minerals etc.): Union Government
- Land: State Government (State List, Entry 18)
- Underground minerals: Union Government

◎ Types of Tenure (Kul System)

1. Kayam Swarupi Kul – Permanent tenants
2. Tatatpatti Kul – Temporary tenants
3. Pot Kul – Sub-tenants

■ Land Reforms in Maharashtra

1. Tenancy Act – Kamal Land Reforms Act 1947

- Enforced: 26 January 1962
- Aimed at protecting tenant rights and ensuring fair rent.

2. Important Land Classes (1966 Act Amendments)

Category	Description	Ceiling
1	Assured irrigation (all seasons)	18 acres
2	Seasonal irrigation	27 acres
3	No assured irrigation (rainfed)	54 acres
4	Forest or barren land (Koradvahu)	45 acres

■ Bhoodan Movement

- Leader: Vinoba Bhave
- Started: 1951, Pochampally, Andhra Pradesh
- Largest Donations: Bihar region
- Aim was voluntary land donation to the landless.

■ Landholding Pattern in India (2015)

Farmer Type	Landholding	Population Share
Marginal	Below 1 hectare	67.10%
Small	1 to 2 hectares	18.91%
Semi-medium	2 to 4 hectares	10.04%
Medium	4 to 10 hectares	4.25%
Large	Above 10 hectares	0.70%

LAND RECORD MODERNISATION & KEY AGRICULTURE SCHEMES

1. National Land Records Modernisation Program (NLRMP)

- Launch: 21 August 2008

◎ Aim:

- Modernisation of land records across India
- Integration of textual land records, spatial (maps), registration, and mutation
- Reducing land disputes and litigation

◎ Why it matters:

- Land disputes form almost two-thirds of all civil cases in India. NLRMP was the first attempt to merge land mapping with digital records.
- In 2016, NLRMP was subsumed into DILRMP.

2. DILRMP (Digital India Land Records Modernisation Program)

- Launch: 1 August 2016
- Extended: 2021–22 to 2025–26

◎ Objective:

- Building a modern, comprehensive, transparent, integrated land information system.

◎ Key Components:

- Digitisation of land records
- Geo-spatial mapping

- Linking land records with Aadhaar
- ULPIN (Unique Land Parcel Identification Number)

● **ULPIN Highlights**

- Called the Aadhaar for land
- 14-digit unique ID for each land parcel
- Ensures error-free mapping and ownership traceability
- It is part of the Digital India initiative and supports future land reforms like e-registration and drone mapping.

3. **PM-SVAMITVA (Survey of Villages & Mapping with Improved Technology in Village Areas)**

- Launch: 24 April 2020
- Implementing Ministry: Ministry of Panchayati Raj

● **Pilot States (2020–21)**

- Haryana, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Maharashtra, Karnataka
- Full Nationwide Launch: 2021–22
- Core Component: Drone Survey
- Drone-based mapping of rural properties including:
 - Houses
 - Farms
 - Courtyards
 - Village boundaries

● **This leads to creation of a Property Card.**

- Property Card – Benefits
 1. Recognised record of rights
 2. More authentic than 7/12 extract
 3. Helps in property valuation
 4. Helps farmers use property as collateral for loans
 5. Reduces land disputes
 6. Simplifies local taxation
 7. Useful for rural planning and development

4. **Agriculture Objectives in Planning Period**

1. Increase agricultural production
2. Increase rural employment
3. Reduce dependency on agriculture
4. Promote economic equality in rural areas

5. **Rashtriya Krishi Vikas Yojana – RKVY / RAFTAAR**

- RAFTAAR: Remunerative Approaches for Agriculture and Allied sector Rejuvenation

● **Launch:**

- During 11th Five-Year Plan

● **Target:**

- Achieve 4 percent agricultural growth

● **Funding Pattern:**

- Initially 100 percent central assistance,

- Later changed to 60:40 (Centre:State) after 2015–16

● **Why RKVY was launched:**

- Because agricultural growth during the Tenth Plan dropped below expectations.

● **RRKVY (Revamped RKVY)**

- Announced in: Budget 2022–23

● **Merged Schemes:**

- Paramparagat Krishi Vikas Yojana (organic farming)
- PMKSY (irrigation)
- Per Drop More Crop
- Agricultural mechanisation schemes

● **Logic:**

- Government merged fragmented schemes to reduce loopholes and improve impact.

6. **National Food Security Mission (NFSM)**

- Launch: 2007–08 during 11th FYP

● **11th FYP Targets**

Crop	Target (MT)	Achieved (MT)
Paddy	10	11.9
Wheat	8	19.1
Pulses	2	4.1

● **2004 ISOPOM Merger:**

- ISOPOM (oilseeds, pulses, oil palm, maize) was merged into NFSM in 2010.
- A3P (Accelerated Pulses Production Programme)
- Created under NFSM to promote pulse production.

● **12th FYP NFSM Targets**

Crop	Target (MT Increase)	Achieved
Paddy	+10	+3.9
Wheat	+8	+2.5
Pulses	+4	+4.1
Coarse Cereals	+3	+2.4

■ **NFSM Reforms 2014-15**

● **Added commercial crops such as:**

- Jute
- Cotton
- Sugarcane

● **NFSM in Maharashtra**

- From 2017–18, Maharashtra added Samruddha Shetkari Abhiyan under NFSM.

7. MIDH (Mission for Integrated Development of Horticulture)

- Launch: 2014–15 (merger of all horticulture schemes)
- In MH From: 2015–16

● Coverage:

- Fruits
- Vegetables
- Spices
- Flowers
- Plantation crops
- Root & tuber crops

● Value Addition:

- MIDH creates cluster-based horticulture zones. Good for state-specific MCQs.

8. Operation Greens

- Ministry: Ministry of Food Processing Industries
- Brought under: PM Kisan SAMPADA Scheme (2018–19)

● Original Focus Crops (TOP)

- Tomato
- Onion
- Potato

● Objectives:

1. Increase farmers' share in consumer price

2. Stabilise producer & consumer prices
3. Increase processing capacity
4. Reduce post-harvest losses

Components of Operation Greens

1. Short-term Price Stabilisation

- Nodal Agency: NAFED
- Government intervenes when prices crash (like onions in Maharashtra)

2. Long-term Integrated Value Chain Development

- Cold storage
- Packhouses
- Processing units
- Transport and logistics

■ TOP to TOTAL

- Announcement: 15 May 2020, as part of Aatmanirbhar Bharat Package
- Expanded: 11 June 2020
- New Coverage: 41 notified fruits and vegetables
- 2021–22 Budget
- Extended long-term interventions to 22 perishable crops.

● Exam Insight:

- TOP was criticised as too narrow. Government expanded it to TOTAL to diversify risk.

IRRIGATION & WATER MANAGEMENT – MPSC PRELIMS OPTIMISED NOTES

■ 1. Growth of Irrigation in India

Indicator	1950–51	2019–20	What It Actually Means
Net Sown Area	118.8 Mha	139.9 Mha	Land under cultivation has barely grown.
Gross Cropped Area	131.9 Mha	211.4 Mha	Cropping intensity has increased.
Net Irrigated Area	20.9 Mha	75.5 Mha	Irrigation coverage has tripled.
Gross Irrigated Area	22.6 Mha	112.6 Mha	Higher multi-cropping under irrigation.
% Gross Irrigated to Gross Cropped	17.1%	53.1%	India moved from rain-fed to irrigated farming.

- India still has almost 52% agriculture dependent on rains, so monsoon variability directly hits GDP. That's why PMKSY and watershed schemes are huge in policy debates.

■ 2. Irrigation Project Categories

- Earlier classification (before 1978) was based on project cost, now it's based on command area.

● Post-1978 Classification

Category	Command Area	Typical Examples
Minor Irrigation	Less than 2,000 ha	Tanks, check dams, wells, lift irrigation
Medium Irrigation	2,000–10,000 ha	State-level river diversions
Major Irrigation	Above 10,000 ha	Large dams like Jayakwadi

■ 3. Sources of Irrigation

● India (2010–11)

- Canal irrigation
- Tube wells
- Wells
- Tanks – 3.6%
- Others – 6.7%

● Maharashtra (2009–10)

- Wells (major share)
- Canals
- Tanks – 15%
- Lift irrigation – 8%

■ Why Maharashtra differs:

- The state has fewer perennial rivers and more dependence on groundwater + lift irrigation.

■ 4. AIBP – Accelerated Irrigation Benefits Programme

● Aim:

- Give financial assistance to states to complete incomplete irrigation projects quickly.

● Other Objectives:

- Increase irrigation potential
- Support drought-prone and tribal regions
- Reduce regional imbalance
- Improve utilisation of old irrigation assets

● Value Addition:

- AIBP became part of PMKSY in 2015.

■ 5. PMKSY – Pradhan Mantri Krishi Sinchai Yojana

- Launch: 1 July 2015

● Merged Schemes:

- AIBP
- IWMP (watershed)
- OFWM (micro-irrigation)
- CADWM

■ Three Components

1. Creation of irrigation sources (AIBP, CAD, IWMP)
 2. Distribution of water (IWMP structures)
 3. Efficient water use
 - NMSA
 - OFWM
 - Micro-irrigation
 - Per drop more crop
- **PMKSY promotes irrigation + efficiency simultaneously, unlike older schemes that worked in silos.**

■ 6. Jalyukt Shivar (Maharashtra)

- Launch: 5 Dec 2014

● Aim:

- “Water for all”
- Make Maharashtra drought-free by 2019
- 25,000 villages targeted (5,000 per year)

● Why it became popular:

- Because it focused on dug wells, widening of nullahs, desilting, deepening streams. Cheap and fast.

■ 7. Jalyukt Shivar 2.0

- Launched: 3 January 2023

● Focus Areas:

- Watershed development
- Groundwater recharge
- Soil & water conservation
- Village-level water budgeting
- Prioritise areas with need + low rainfall
- Community participation encouraged
- **Jalyukt 2.0 emphasises watershed + scientific planning, not just desilting.**

■ 8. FERTILIZERS – CURRENT STATUS

- NPK Ratio
- Ideal ratio → 4 : 2 : 1
- Current ratio → 11.8 : 4.6 : 1

● Interpretation:

- India overuses nitrogen. This damages soil health and leads to falling yields.

● Per Hectare Fertilizer Use

- 141.2 kg (2022–23)

■ 9. Nutrient Based Subsidy (NBS) Scheme

- Started: 2010

● Key Points:

- Subsidy is given on nutrients (N, P, K, S), not on the fertilizer brand.
- Since 2016–17, separate subsidy structure for nitrogenous fertilizers and for P & K fertilizers.

● Why it matters:

- NBS was meant to correct NPK imbalance but failed because urea remained outside NBS and stayed artificially cheap.

■ 10. New Urea Policy – 2015

- Launch: 25 May 2015

● Objectives

- Increase domestic urea production
- Promote energy-efficient urea plants
- Reduce subsidy burden

- Urea is the only fertilizer still under price control.

■ 11. Neem Coated Urea

◎ Purpose:

- The neem coating slows down dissolution in soil.
- Results in lower nitrogen loss and higher availability to plants.

◎ Benefits:

- Reduces urea misuse for non-agriculture purposes
- Improves nitrogen-use efficiency
- Cuts total urea requirement for the country
- **Government made 100 percent neem coating mandatory in 2015.**

ORGANIC FARMING

◎ Definition

- Organic farming is a method of agriculture that avoids the use of chemical fertilisers, pesticides and other synthetic inputs.

◎ It relies on:

- Organic manure
- Crop residues
- Green manure
- Compost
- Bio-fertilisers
- Bio-pesticides

■ Advantages of Organic Farming

1. Environment friendly
2. Sustainable agricultural process
3. Produces healthy and nutritious food
4. Employment generating and labour intensive
5. Higher income due to increasing demand for organic food

■ Important Facts

- Father of modern organic agriculture: Sir Albert Howard
- Father of organic farming in India: Subhash Palekar
- First organic country: Estonia
- India's first organic state (2015): Sikkim
- First organic Union Territory (Oct 2020): Lakshadweep
- First certified organic fruit: Kiwi (Arunachal Pradesh)
- **India's Global Position (FIBL & IFOAM Year Book 2024)**
- 2nd rank in the world in terms of organic agricultural land
- 1st rank in the world in terms of number of or-

ganic producers

■ Top Countries by Organic Farmland

1. Australia – 53.2 million ha
2. India – 4.7 million ha
3. Argentina – 4.1 million ha

■ Top Countries by Number of Producers

1. India
 2. Uganda
 3. Thailand
- Compared to 2021, in India:
 - Organic producers increased by 25.6%
 - Organic farmland increased by 26.6%

■ Organic Farming Policy

- India's Organic Farming Policy: Notified (as per syllabus expectation)
- Maharashtra Organic Farming Policy: Implemented at state level

PARAMPARAGAT KRISHI VIKAS YOJANA (PKVY)

- Introduced: 2015–16 Budget
- Under: National Mission for Sustainable Agriculture (NMSA)
- Purpose: Promotion of organic farming

◎ Key Features

- Organic farming promoted through farmer clusters
- One cluster consists of 50 or more farmers
- Cluster land size: 20 to 50 acres or more

◎ Objectives

- Promote organic farming and improve soil productivity
- Capacity building of farmers in farm management, quality control, value addition and marketing
- Increase farmers' income

◎ Financial Assistance

- ₹50,000 per hectare for 3 years

BHARATIYA PRAKRUTIK KRUSHI PADHATI (BPKP)

- Sub-mission under PKVY
- Implemented from 2020–21

◎ Objectives

1. Promote traditional indigenous farming practices
2. Completely stop use of chemical inputs
3. Encourage reuse of on-farm biomass
4. Major focus on:
 - Biomass mulching
 - Cow dung and cow urine formulations
 - Plant-based preparations

- Periodic soil working for aeration
- Farmer clusters formed and trained
- Assistance: ₹12,200 per hectare for 3 years

■ ZERO BUDGET NATURAL FARMING (ZBNF)

- Farming without use of chemical fertilisers and pesticides
- Principle: Bring cost of production close to zero
- Concept developed by Subhash Palekar

MAHARASHTRA STATE SCHEMES

■ Dr. Panjabrao Deshmukh Organic Farming Mission

- Started: 2019–20
- Cluster size: 20–30 farmers
- Maximum land: up to 50 acres

○ Objectives

- Training in organic farming
- Financial and technical support to farmers

○ Implemented in drought-prone districts

- Buldhana
- Akola
- Washim
- Amravati
- Yavatmal
- Wardha

■ Punyashlok Ahilyadevi Holkar Shetkari Organic Farming Scheme

○ (Under RKVY)

- Started: 2020–21
- Duration: 2 years

○ Objective

- Promote chemical-free and certified vegetable production

○ Eligibility

- Minimum land: 0.40 hectare
- Availability of water mandatory

SOIL HEALTH CARD SCHEME

- Launched: 2014–15
- Formal launch: 19 February 2015, Suratgarh (Rajasthan)

○ Objective

- Optimise nutrient usage
- Improve soil health through scientific assessment

○ Nutrient Classification

- Macronutrients: N, P, K
- Secondary nutrients: As required
- Micronutrients: Zn, Fe, Cu, Mn, B

○ Other Features

- Integrated nutrient management
- Soil parameters tested:
 - pH
 - Electrical conductivity
 - Organic carbon
- Soil Health Card issued once every 3 years

AGRICULTURAL MARKETING

- Agricultural markets regulated by state governments through APMC Acts
- Maharashtra APMC Act: 1963
- Major amendment: 2005
- Central Model APMC Act: 2003

■ e-NAM (National Agriculture Market)

- Announced in 2015–16 Budget
- Launched: 14 April 2016

○ Features

- Digital integration of agricultural markets across India
- Motto: "One Nation, One Market"
- Enables better price discovery

■ e-GrAM (Rural Agricultural Market)

- Introduced in 2018–19 Budget
- Targets 80–85% small and marginal farmers
- Farmers unable to reach APMC mandis can sell produce locally
- e-GrAM platform to be integrated with e-NAM

PRADHAN MANTRI KISAN SAMPADA YOJANA (PMKSY)

- (Scheme for Agro-Marine Processing & Development of Agro-Processing Clusters)
- Launched: May 2017
- Named PMKSY in August 2017
- Ministry: Ministry of Food Processing Industries (MoFPI)

○ Objectives

- Modernisation of food processing
- Reduce agricultural wastage

○ Schemes under SAMPADA

1. Mega Food Parks
2. Integrated cold chain and value addition infrastructure
3. Food testing laboratories
4. Processing and preservation infrastructure
5. Agro-processing cluster infrastructure
6. Backward and forward linkages

AGRICULTURAL CREDIT & NABARD

○ Types of Agricultural Loans

■ 1. Short-Term Loans

ECONOMIC

- For working capital needs
- Crop cultivation, seeds, fertilisers, labour etc.

■ 2. Medium-Term Loans

- Loan period up to 5 years
- For land development, buying farm equipment, tractors, bullocks etc.

■ 3. Long-Term Loans

- Loan period more than 5 years
- For major land improvement, well construction, pipelines, permanent farm assets

■ NABARD – National Bank for Agriculture and Rural Development

- Established: 12 July 1982
- Works under: Ministry of Finance
- Apex institution for providing financial support for agriculture and rural development
- Provides refinance to Cooperative Banks and RRBs
- Supports financial institutions working in rural development

◎ Functions of NABARD

- Financial Functions
 - Provides short-term, medium-term and long-term credit
 - Refinance support to Cooperative Banks and RRBs
- Developmental Functions
 - Planning, guidance, training
 - Helps implement schemes of GOI, RBI and state governments
 - Supports SHGs, farmer collectives
 - GI-tag products marketing support
- Supervisory Functions
 - Inspection of:
 - State Cooperative Banks
 - District Cooperative Banks
 - Regional Rural Banks

Classification of Agricultural Loans

- (Based on purpose and repayment period)

■ 1. Short-Term Loans

- Crop loans, fertilisers, fodder, livestock feed
- Also include emergency/consumptive loans

■ 2. Medium-Term Loans (up to 5 years)

- Land improvement
- Well construction
- Small machinery
- Purchase of cattle, bullock pair or vehicle

■ 3. Long-Term Loans (more than 5 years)

- Major permanent land improvement
- Deep wells
- Pipeline installation
- Farm buildings

KISAN CREDIT CARD (KCC)

◎ Purpose

- To provide timely and adequate credit to farmers
- Short-term credit mainly for crop cultivation
- Long-term loans included from 2006–07

◎ Eligibility Expanded in 2004

- Farmers in allied sectors + non-farm rural activities also included

◎ Types of Loans under KCC

- Cash credit
- Short-term crop production credit
- Marketing credit for agricultural produce
- Household requirements of farmers
- Working capital and investment credit for allied activities

◎ Long-Term Loan Facility (From 2018-19)

- Integrated with KCC
- Extended to fisheries and livestock farmers

◎ Budget 2018–19 Benefits

- KCC extended to:
 - All cattle rearers
 - All fishery farmers

◎ Important Features

- Repayment:
 - Short-term: within 12 months
 - Long-term: within 5 years
- Interest rate:
 - Up to 7% for ₹3 lakh limit
- Security:
 - Crop hypothecation up to ₹3 lakh
 - Beyond that, collateral required
- Accident insurance automatically linked
- PM-KISAN + KCC saturation campaign (8 Feb 2020)

AGRICULTURAL PRODUCTIVITY

GREEN REVOLUTION

◎ Concept

- Term coined by William Gaud
- Based on PL-480 food grain imports from USA

◎ Founders

- Father of Green Revolution (World): Dr. Norman Borlaug
- Father of Green Revolution (India): Dr. M. S. Swaminathan

● Important Development

- "Noren" dwarf wheat created by crossing:
 - Norin (Japan)
 - Mexican dwarf wheat
- India imported Mexican wheat varieties:
 - Lerma Rojo 64A
 - Sonora 64
- Year of introduction in India: 1965
- Agriculture Minister at the time: C. Subramaniam

■ Components of the Green Revolution

Component	Objective
HYV seeds	Increase agricultural productivity
Irrigation expansion	Reduce drought risk
Chemical fertilisers	Increase soil nutrient availability
Pesticides & insecticides	Protect crops from damage
Mechanisation	Increase production and reduce labour input
Storage, marketing, distribution	Reduce post-harvest losses
Price policy	Ensure farmer profitability

■ Crop Coverage

- First: Wheat
- Later: Rice, Jowar, Bajra, Maize

■ Positive Impact

- Food grain production increased
- Commercial crop production increased
- Agriculture linked with industry and service sector

■ AGRICULTURAL PRODUCTION TREND (in million tonnes)

Crop	1960-61	1990-91	2022-23
Wheat	11	96	110.6
Rice	35	107	135.8
Oilseeds	5 (1950-51)	—	41.4
Sugarcane	57 (1950-51)	—	490.5

SECOND GREEN REVOLUTION

■ Need

- To overcome drawbacks of the first Green Revolution

■ Problems of 1st Green Revolution

7. Regional imbalance
8. Groundwater depletion
9. Soil degradation
10. Excessive use of chemicals impacted land and health
11. Benefits mostly limited to irrigated areas

■ Policy Timeline

- 28 July 2000 – National Agriculture Policy
- Jan 2004 – Massive Agriculture Programme
- Rainbow Revolution (integration of all agriculture sectors)
- 2007 – National Farmer Policy
- Objective: Double farmers' income

■ New Green Revolution in India

● Objectives

1. Make India self-reliant in wheat, rice, pulses, oilseeds
2. Increase yield per acre and promote natural farming to conserve land
3. Increase farmer prosperity through export of natural agricultural products

AGRICULTURE – Policies

■ 1. Agriculture Export Policy 2018

- Aim: Double farmers' income by 2022 by boosting agricultural exports.
- Focus: Removing export restrictions, improving logistics, value addition.

■ 2. PM-AASHA (Pradhan Mantri Annadata Aay Sanrakshan Abhiyan)

- Approved: 12 Sept. 2018
- Aim: Ensure farmers receive MSP and reduce distress.
- Components:

● i) Price Support Scheme (PSS)

- The government directly procures pulses and oilseeds.

● ii) Price Deficiency Payment Scheme (PDPS)

- Farmers receive the difference between MSP and actual market price.
- No physical procurement required.

■ 3. Policies for Increasing Agricultural Production

- National Agriculture Policy 2000
- Announced: 28 July 2000
- Objectives:
 - Achieve 4% agricultural growth over the next two decades.
 - Speed up land reforms, ensure land for poor farmers.

- Encourage private investment in agriculture.
- Promote crop insurance, biotechnology, and resource-neutral growth.
- Enhance food and nutritional security.
- Strengthen the base for the “Evergreen Revolution.”

■ 4. Agricultural Revolutions in India

Revolution	Related To	Period	Father
Green Revolution	Food grains	1966–67	M.S. Swaminathan
White Revolution	Milk	1970	Vergheze Kurien
Blue Revolution	Fisheries	1972–73	Heera Lal Chaudhary
Yellow Revolution	Oil seeds	1986–87	Sam Pitroda
Pink Revolution	Prawn, onion, pharma	—	—
Golden Revolution	Horticulture	—	Nirpakh Tutej
Round Revolution	Potat	—	Research Institute, Shimla
Red Revolution	Meat/Tomato/Amaranth	—	—
Silver Revolution	Eggs/Poultry	1970s	—
Rainbow Revolution	All agricultural sectors	2000–01	Nitish Kumar
Golden Fibre Revolution	Jute	—	—
Silver Fibre Revolution	Cotton & TMC	—	—
Purple Revolution	Lavender (Aroma Mission)	2016	Union Ministry of Science & Technology
Black Revolution	Petroleum/Crude oil	—	—
Protein Revolution	Protein-rich food	2014–20	Narendra Modi & Arun Jaitley
Grey Revolution	Fertilizers, wool	1960s–70s	M.S. Swaminathan

■ 5. White Revolution (India & Maharashtra)

● Key Details

- Start: 1970
- Father: Vergheze Kurien

● Background

- Gujarat: Kaira Milk Co-operative (AMUL) established in 1946.
- AMUL → Anand Milk Union Ltd.
- 1965: National Dairy Development Board (NDDB) formed.
- 1969: NDDB prepared design for Operation Flood.

● Operation Flood

- Aim: Link rural milk production with urban milk markets through cooperatives.

● Phases

- Phase I: 1970–1980
- Phase II: 1981–1985
- Phase III: 1987–1996

■ 6. National Mission for Sustainable Agriculture (NMSA)

- Part of NAPCC (National Action Plan on Climate Change) – launched 2008
- NMSA started: 2014, implemented from 2014–15

● Sub-components

1. Rainfed Area Development (RAD)
2. On-Farm Water Management (OFWM)
3. Soil Health Management (SHM)
4. Climate change & sustainable agriculture monitoring
5. Modelling and networking

7. Agriculture Pricing and Committees

A. Food Enquiry Committee (1955)

- Chair: Ashok Mehta
- Report: 1957

◎ Recommendations

- Government should procure wheat and rice and maintain stock.
- Control food grain prices.
- Create:
 - Price Stabilisation Board
 - Price Monitoring Department
- 1958: NDC recommended central procurement for price stability.

B. Food Grains Prices Committee (1964)

- Chairman: L. K. Jha
- Report:
 - Price report: 24 Sept. 1964
 - Structural report: 24 Dec. 1964

◎ Outcome

- Establishment of:
 - Agricultural Prices Commission on 1 Jan 1965
 - FCI (Food Corporation of India) on 14 Jan 1965

C. Foodgrains Policy Committee (1966)

- Chairman: B. Venkatappiah

◎ Objectives

- Achieve self-sufficiency
- Ensure equitable distribution
- Maintain stable prices for producers and consumers

D. Essential and Maximum Use Items Committee (1973)

- Chairman: Mohan Dharia
- Aim: Strengthening PDS for social and economic development

Agriculture in India – Key Indicators

■ Share of Agriculture in GDP

- 1950–51: 52.1%

■ Share of Workforce Engaged in Agriculture

- 1951: 69.7%
- 2011: 48.6%

■ Agricultural Marketing

◎ APMC Act (Maharashtra, 1963)

- Purpose: Control, regulate, and manage marketing of agricultural produce.

◎ Features

1. Collection of taxes, fees, cess
2. Regulation of agents, traders, licenses
3. Establishment of APMC markets

■ A-Class Market Numbers

- 456 major markets
- Handles produce worth more than ₹1 crore each

■ Act Amendments

- 13 July 2016 – Fruits and vegetables removed from APMC control in many states.

■ Establishment of Maharashtra APMCs

- Year: 1963

■ Model APMC Act 2003

- Karnataka was the first state to implement it.
- Introduced single unified licence for entire state.
- Enabled e-NAM (National Agriculture Market).

■ AGMARK Act 1937

- Agriculture Produce Grading and Marketing Act
- Scope: Agricultural commodities
- Purpose: Certifying and standardising produce quality.

■ Maharashtra State Agricultural Marketing Board

- Established: 23 March 1965
- Responsible for supervising and aiding marketing systems in the state.

■ Choudhary Charan Singh National Institute of Agricultural Marketing (NIAM)

- Type: Autonomous institution
- Established: 8 August 1988
- Location: Jaipur, Rajasthan
- Role: Training, research, and education in agricultural marketing.

■ ICAR – Indian Council of Agricultural Research

- Established: 16 July 1929
- Location: New Delhi
- Motto: Agricultural Research for Human Welfare
- First President: Khan Bahadur Sir Mohammad Habibullah

■ MCAER – Maharashtra Council of Agriculture Education and Research

- Formed under Maharashtra Agricultural Universities Act 1983 (Section 12)
- Established: 10 September 1984
- Location: Pune
- Roles: Coordination of agricultural universities, education, research, and extension.

■ Crop Price Systems After 1990

1. Installment System
2. Agent (Dalal) System
3. Negotiated Price System

4. Closed Tender System

Important Committees■ **Ashok Mehta Committee (1955)**

- Tasked with recommending fair prices for agricultural produce.
- Suggested creating a permanent Agricultural Price Commission.

■ **L. K. Jha Committee (1964)**

- Aim: Determine fair shares for wheat and paddy growers.

■ **Agricultural Prices Commission**

- Established: 1965 (based on L. K. Jha recommendations)
- First Chairman: Prof. Dantwala
- Renamed in 1985: Commission for Agricultural Costs and Prices (CACP)

◎ **Main Functions**

5. Recommend fair prices for crops
6. Fix minimum support prices
7. Advise government on procurement
- MSP declared for 25 crops
- First MSP announced in 1966–67 for wheat

Minimum Support Price (MSP)■ **Key Points**

- Announced before sowing season
- Declared by central government
- Recommended by:
 1. CACP
 2. State Governments
 3. Ministry of Agriculture

■ **Swaminathan Commission (National Commission on Farmers)**

- Set up by: Government of India
- Chairperson: Dr. M. S. Swaminathan
- Aim: Ensure farmers get fair and remunerative prices
- Established: 18 November 2004
- Final Report: 4 October 2006

◎ **Key Recommendations**

1. MSP should be at least 1.5 times the cost of production
2. The government must announce assured procurement prices
3. MSP should protect farmers against price crashes

■ **MSP Cost Concepts**1. **A2:**

- Covers cash expenses like fertiliser, seeds, machinery, irrigation, labour wages, interest on

working capital.

2. **A2 + FL:**

- Includes A2 plus imputed value of unpaid family labour.

3. **C2:**

- Includes A2+FL plus rental value of owned land, interest on fixed capital, depreciation, etc.
- MSP should ideally be 1.5 times the C2 cost, as per Swaminathan recommendation.

AGRICULTURAL PRICE SYSTEMS IN INDIA1. **Minimum Support Price (MSP)**

- Declared by: Central Government
- Coverage: 25 agricultural commodities
- Timing: Before sowing season

■ **Recommendations come from:**

1. Commission for Agricultural Costs and Prices (CACP)
2. State Governments
3. Ministry of Agriculture

■ **Core Logic:**

- MSP is announced before production, not after.
- It acts as a price signal, not a legal guarantee.

■ **Value Addition for Prelims:**

- MSP is based on cost of cultivation, not market demand.
- MSP does not mean government must buy everything.
- Actual procurement is concentrated in wheat and rice, not all 25 crops.

■ **Common Trap Question:**

- MSP is not declared by states, they only recommend.

2. **Levy Price**

- Declared by: Central Government
- Applies to: Sugarcane and paddy

◎ **Key Feature:**

- Government procures about 10 percent of output at levy price.
- Used mainly for public distribution and buffer stock.

◎ **Why it exists:**

- Ensures cheap food supply to PDS.
- Controls inflation in essential commodities.

◎ **Conceptual Difference:**

- Levy price is for government procurement, MSP is for farmer protection.

3. **Market Intervention Scheme (MIS)**

- Declared by: Central Government
- Applies to: Perishable horticulture crops

- Implementing Agency: NAFED

● **Key Points:**

- Activated only during sharp price fall.
- Government shares 50 to 70 percent of losses.
- Used mainly for fruits and vegetables, not cereals.

● **Value Addition:**

- MIS is not permanent, it is seasonal and ad hoc.
- States must request the centre to activate MIS.
- If crop is perishable and not covered under MSP, think MIS.

■ **4. Procurement Price**

- Declared by: Central Government
- Main Crops: Wheat and paddy

● **Important Facts:**

- Procurement price is higher than MSP.
- Announced after harvest.
- Used for buffer stock and PDS operations.

● **Who Procures:**

- Food Corporation of India (FCI)
- Sometimes state agencies on behalf of centre
- **MSP is a benchmark, procurement price is the actual buying price.**

■ **5. Issue Price**

- Declared by: Central Government
- Used for: PDS distribution

● **Key Points:**

- Price at which foodgrains are sold to consumers.
- Lower than procurement price.
- Aimed at food security, not farmer income.
- MSP → Procurement Price → Issue Price

■ **6. FRP (Fair and Remunerative Price) for Sugarcane**

- Declared by: Central Government
- Applicable Crop: Sugarcane

● **Legal Backing:**

- Sugarcane Control Order, 1966

● **Key Features:**

- Sugar factories are legally bound to pay FRP.
- Unlike MSP, FRP has statutory force.

● **SAP (State Advised Price):**

- Some states declare SAP.
- SAP is usually higher than FRP.
- This creates financial stress on sugar mills.
- **FRP is crop-specific, MSP is multi-crop.**

ICAR (Indian Council of Agricultural Research)

- Established: 16 July 1929
- Headquarters: New Delhi

- Nature: Autonomous organisation under Ministry of Agriculture

● **Functions:**

- Coordinates agricultural research nationwide
- Supports education in agriculture, horticulture, animal sciences
- Played a critical role in Green Revolution research

Maharashtra State Agricultural Marketing Board

- Act: Maharashtra Agricultural Produce Marketing Act, 1963
- Established: 23 March 1964
- Headquarters: Pune

● **Key Roles:**

- Coordination of APMC markets
- State-level supervision
- Digital market information via Marknet
- Publication: Krushi Panan Mitra
- Training centres like Talegaon

AGRICULTURAL & FOOD-RELATED ORGANISATIONS (INDIA)

1. **APEDA**

- (Agricultural and Processed Food Products Export Development Authority)

● **Establishment**

- Established under Parliamentary Act, 1985
- Act enforced: 13 February 1986
- Under: Ministry of Commerce & Industry

● **Nature**

- Export Promotion Council for agricultural and processed food products

● **Functions**

- Acts as a regulatory authority for scheduled products
- Development of scheduled agricultural products
- Provides:
 - Financial assistance
 - Infrastructure support
 - Capital availability
- Collection and publication of statistics and market data
- Promotion of export standards and quality control
- **APEDA ≠ procurement agency, it is export-promotion focused.**

2. **MPEDA**

- (Marine Products Export Development Authority)

● **Establishment**

- Established: 28 August 1972
- Headquarters: Kochi
- Under: Ministry of Commerce

● **Nature**

- Promotion and regulation of marine product exports

● **Functions**

- Regulates marine production for export
- Development of infrastructure for marine exports
- Provides facilities for:
 - Quality control
 - Processing
 - Storage
 - Export certification
- **MPEDA deals only with marine exports, not inland fisheries.**

3. NAFED

- (National Agricultural Cooperative Marketing Federation of India)

● **Establishment**

- Established: 2 October 1958
- Nature: Cooperative organisation

● **Functions**

- Marketing and distribution of agricultural produce
- Distribution of forest produce
- Procurement and distribution of:
 - Pulses
 - Oilseeds
- Implements price support schemes
- Works as a buffer stock operator
- **NAFED is mainly involved in price stabilisation of pulses & oilseeds.**

4. TRIFED

- (Tribal Cooperative Marketing Development Federation of India)

● **Establishment**

- Established: 6 August 1987
- Headquarters: New Delhi
- Operates under brand name: TRIBES INDIA

● **Functions**

- Marketing of tribal and forest products
- Procurement, storage and marketing of:
 - Minor forest produce
 - Tribal agricultural products
- Ensures market access to tribal communities
- Major focus: National & international markets

● **Special Role**

- Supports tribal livelihoods
- Promotes value addition to tribal products
- **TRIFED is not a procurement agency like FCI, it is market-linkage oriented.**

5. FCI

- (Food Corporation of India)

● **Establishment**

- Established: 14 January 1965
- Under: Food Corporation Act, 1964
- Headquarters: New Delhi

● **Core Objectives**

- Procurement of food grains at Minimum Support Price (MSP)
- Storage and buffer stocking
- Distribution through Public Distribution System (PDS)

● **Functions**

- Implements price policy
- Maintains buffer stocks
- Supports:
 - BPL
 - APL beneficiaries
- Food grain allocation:
 - BPL households: 25 kg grain

■ **Important Committees**

- Shanta Kumar Committee (August 2014) related to FCI reforms
- FCI is the backbone of PDS, not export or marketing.

■ **COMPARISON**

Organisation	Core Role
APEDA	Export promotion of agri & processed food
MPEDA	Marine product export regulation
NAFED	Price support & marketing (pulses, oilseeds)
TRIFED	Tribal & forest produce marketing
FCI	MSP procurement & PDS distribution

PREVIOUS YEAR QUESTIONS

46. भारतीय किसान युवा समूह (कृषक युवा समूह) का स्थापना किस वर्ष ?

(1) 1951 (2) 1952 (3) 1953 (4) 1954

Which of the following major policy interventions are the part of the land reforms in India ?

a. Abolition of intermediaries
b. Tenancy reforms
c. Fixing ceilings on land holdings
d. Consolidation of land holdings

(1) a, b and c (2) b, c and d (3) a, b and d (4) All of the above

Fact Answer
Land reforms began During 1st Five-Year Plan (1951-56)
Main objective Economic equity & social justice
"Land to the tiller" principle Basis of tenancy reforms
Land is a State subject (List II, 7th Schedule)
Protected under 9th Schedule of Constitution
Bhoodan Movement leader Acharya Vinoba Bhave
Most successful states Kerala, West Bengal
Key Directive Principle Article 39(b) & (c)

• Zamindari System: Lord Cornwallis
• Ryotwari System: Thomas Munro
• Mahadwar: William Benckis

→ 2013
Answer: (4)

29. प्रौद्योगिकी का अंतराजाल आधारित प्रणालीविषयी छात्रावली को कोमलेली विधाने लानु आहे ?

(a) ही प्रणाली 1 एप्रिल, 2018 ला अस्तित्वात आली.
(b) लव्हे बळकृष्ण व महामान्य विधाने ही प्रणाली सुरू केलेली आहे.
(c) प्रौद्योगिकीय प्रणाली प्रक्रिया संपूर्णरी अंतर्भाव व सार्वजनिक वित्त प्रणाली ही प्रक्रिया सुरू करण्यात आली आहे.

पर्यायी उत्तरे :

(1) फक्त (a) आणि (b) (2) फक्त (b) आणि (c)
(3) फक्त (a) आणि (c) (4) प्रत्येक सर्व

Which of the following statement/s is/are applicable to the web based utility — BhoomiRaashtri ?

(a) It was launched on 1st April, 2018.
(b) It has been launched by the Ministry of Road Transport and Highways.
(c) It has been introduced to fully digitize and automate the entire process of land acquisition.

Answer Options :

(1) Only (a) and (b) (2) Only (b) and (c)
(3) Only (a) and (c) (4) All of the above

→ 2022
Answer: (4)

47. 'रेट (नियमन आणि विकास) बिल' या संदर्भात खालील विधाने लक्षात घ्या व योग्य विधान/विधाने निवडा :

(a) याने 2016 मध्ये संघीय झाला.
(b) परराष्ट्र खातेद्वारे विधान संघीय झाले हे लक्षात घ्यावे.
(c) बम्बई आणि कोलकाता राज्यात लागू झाले.

पर्यायी उत्तरे :

(1) (a) आणि (b) फक्त बरोबर आहेत. (2) (b) आणि (c) फक्त बरोबर आहेत.
(3) (a) आणि (c) फक्त बरोबर आहेत. (4) प्रत्येक सर्व बरोबर आहेत.

Consider the following statements about Real Estate (Regulation and Development) Act and select correct one.

(a) was passed in 2016.
(b) aims at protecting interest of home buyers.
(c) was not applicable in the state of Jammu and Kashmir.

Answer Options :

(1) (a) and (b) only are correct. (2) (b) and (c) only are correct.
(3) (a) and (c) only are correct. (4) all of the above are correct.

→ 2021
Answer: (4)

100. जमीनसंपादन विधे (लॅण्ड रेग्युलेशन) बिल 2017 मध्ये संघीय झाले ?

(1) 1951 (2) 1952 (3) 1953 (4) 1954

The scope of land reforms includes

a. Abolition of intermediaries
b. Tenancy Reforms
c. Ceiling on land holdings
d. Organisation of co-operative farming

Answer Options :

(1) Only a (2) Only b (3) Only c and d (4) All of the above

Fact Answer
Land reforms began During 1st Five-Year Plan (1951-56)
Main objective Economic equity & social justice
"Land to the tiller" principle Basis of tenancy reforms
Land is a State subject (List II, 7th Schedule)
Protected under 9th Schedule of Constitution
Bhoodan Movement leader Acharya Vinoba Bhave
Most successful states Kerala, West Bengal
Key Directive Principle Article 39(b) & (c)

→ 2017
Answer: (2)

45. प्रौद्योगिकीय क्रांती (ट्रिपल रेव्होल्यूशन) क्रांती म्हणून कोणत्या क्षेत्रातील क्रांतीला संदर्भ देण्यात येतो ?

(1) सांस्कृतिक, राजकीय, सामाजिक (2) सांस्कृतिक, सामाजिक, आर्थिक
(3) सांस्कृतिक, राजकीय, सांस्कृतिक (4) सांस्कृतिक, सामाजिक, आर्थिक

Land reforms promote triple revolution. Choose the correct option from the following :

(1) Cultural, Political, Technological (2) Political, Social, Commercial
(3) Economic, Political, Cultural (4) None of these

→ 2014
Answer: (1)

37. भारतीय किसान युवा समूह (कृषक युवा समूह) कोमलेली विधाने लक्षात घ्या व योग्य विधान/विधाने निवडा :

(1) 1951 (2) 1952 (3) 1953 (4) 1954

Which of the following was not an objective of land reforms policy of India ?

(1) Tenancy Reforms (2) Abolition of Intermediaries
(3) Agricultural Finance (4) Co-operative Farming

Fact Answer
Land reforms began During 1st Five-Year Plan (1951-56)
Main objective Economic equity & social justice
"Land to the tiller" principle Basis of tenancy reforms
Land is a State subject (List II, 7th Schedule)
Protected under 9th Schedule of Constitution
Bhoodan Movement leader Acharya Vinoba Bhave
Most successful states Kerala, West Bengal
Key Directive Principle Article 39(b) & (c)

→ 2014
Answer: (3)

38. जमीन धारणेची मर्यादा म्हणजे एखाद्या व्यक्ती स्वतःच्या नावे किती जमीन धारण करू शकतो याची वेधानिक परिपूर्ण मर्यादा होय. जमीन धारणेची मर्यादा लादण्याचे खालीलपैकी कोणते दोन पैलू आहेत ?

अ. भविष्यातील अधिग्रहणावर मर्यादा
ब. एकत्रित जमीन मालकी मर्यादा
क. विद्यमान जमीन धारणेवर मर्यादा
ड. रूपांतरावर मर्यादा

(1) अ आणि ब (2) ब आणि क (3) क आणि ड (4) अ आणि क

A ceiling on agricultural holdings means statutory absolute limit on the amount of land which an individual can hold. The imposition of a ceiling has which of the following two aspects ?

a. Ceiling on future acquisition
b. Ceiling on consolidating land holding
c. Ceiling on existing land holding
d. Ceiling on conversion

(1) a and b (2) b and c (3) c and d (4) a and c

→ 2013
Answer: (8)

48. जमीन धारणेची मर्यादा म्हणजे एखाद्या व्यक्ती स्वतःच्या नावे किती जमीन धारण करू शकतो याची वेधानिक परिपूर्ण मर्यादा होय. जमीन धारणेची मर्यादा लादण्याचे खालीलपैकी कोणते दोन पैलू आहेत ?

अ. भविष्यातील अधिग्रहणावर मर्यादा
ब. एकत्रित जमीन मालकी मर्यादा
क. विद्यमान जमीन धारणेवर मर्यादा
ड. रूपांतरावर मर्यादा

(1) अ आणि ब (2) ब आणि क (3) क आणि ड (4) अ आणि क

A ceiling on agricultural holdings means statutory absolute limit on the amount of land which an individual can hold. The imposition of a ceiling has which of the following two aspects ?

a. Ceiling on future acquisition
b. Ceiling on consolidating land holding
c. Ceiling on existing land holding
d. Ceiling on conversion

(1) a and b (2) b and c (3) c and d (4) a and c

→ 2025
Cancelled #

CHAPTER

12

INDIAN BUDGET (FINANCIAL STATEMENT)

INDIAN BUDGET (FINANCIAL STATEMENT)

- (Articles 112–116 of the Constitution)

1. Nature & Background of the Budget

- Budget Period: → 1 April to 31 March
- Foundation of Budget System: → 7 April 1860
- Budget = Annual Financial Statement (Article 112)

2. Important Historical Facts about the Budget

Special Feature	Date	Presented By
First Budget of India	7 April 1860	James Wilson
First Budget of Independent India	26 November 1947	R. K. Shanmukham Chetty
First Budget of the Republic of India	28 February 1950	John Mathai (Provision for Planning Commission)
First Budget of a Government elected under the Constitution	23 May 1952	C. D. Deshmukh
Finance Minister presenting Budget maximum times	10 Budgets (8 Annual + 2 Interim)	Morarji Desai
Budget presented maximum times on 28 Feb	9 times	P. Chidambaram
Budget No. 11 presented	28 February 2009	Yashwant Sinha
Budget presented on 1 February	1 February 2017	Arun Jaitley
First Woman Finance Minister to present Budget	5 July 2019	Nirmala Sitharaman

■ 3. Passing of the Budget – Constitutional Procedure

- (Article 112)

● A. Lok Sabha

- Budget is a Money Bill
- First introduced only in Lok Sabha
- Presented by any Minister (usually Finance Minister)
- Steps:
 1. Discussion
 2. Cut Motions
 3. Demand-wise voting

● B. Rajya Sabha

- Can discuss the Budget
- Can suggest recommendations
- Cannot vote on Demands for Grants

- Cannot reject or amend the Budget

■ C. Final Stage

- If Budget not passed by Lok Sabha, then:
 - Government is deemed to have lost majority
- For Budget:
 1. Parliamentary approval is required
 2. If passed by Parliament → deemed approved

■ 4. Article 113 – Demands for Grants

- Demands for Grants are presented only in Lok Sabha
- Separate demand for each ministry/department
- No right to demand grants independently
- Normally passed within 2 months
- Must be discussed within 40 days of Budget presentation
- Passed by simple majority

5. Cut Motions (Only in Lok Sabha)

Type of Cut Motion	Who Moves	Purpose	Extent of Cut
Economy Cut	Opposition Member	Reduce expenditure	Specific amount
Policy Cut	Opposition Member	Oppose government policy	Re. 1
Token Cut (Admissible Cut)	Opposition Member	Highlight specific grievance	₹100

- Cut Motions cannot be moved in Rajya Sabha

6. Article 114 – Appropriation Bill

- Introduced after Demands for Grants are approved
- Authorises withdrawal of money from Consolidated Fund of India
- Passed as a Money Bill
- After its passage, government gets legal authority to spend

● Important Point:

- Money can be withdrawn only for purposes approved by Parliament

7. Article 115 – Additional Demands for Grants

● When Required?

1. Excess expenditure
2. Spending more than sanctioned amount

● Who Can Demand?

- Ministry
- Department
- Institution

● Procedure:

- Proposal placed only in Lok Sabha
- If Parliament is in session → placed in Lok Sabha
- If Parliament is not in session →
→ President can sanction from Contingency Fund (Article 267)
- Later approval by Parliament is mandatory

8. Article 116 – Vote on Account

● Situations:

1. General elections are near
2. Delay in passing Budget

● Features:

- Introduced only in Lok Sabha
- Allows government to meet expenses for 2–4 months
- Earlier: usually for April month only

- Since 2017: generally limited to first few months
- Used to meet essential expenditure only

TYPES OF BUDGETS IN INDIA

1. General Budget (Annual Budget)

- (Article 112)
- Prepared for the entire financial year
- Presented first in Lok Sabha, then in Rajya Sabha
- Voting takes place only in Lok Sabha
- Presented by government ministers
- Includes both receipts (income) and expenditure
- FRBM Act provisions regarding fiscal discipline apply

2. Interim Budget

- (Article 112)
- Prepared for 7–8 months
- Presented only in Lok Sabha (later discussed in Rajya Sabha)
- Voting only in Lok Sabha
- Presented by government ministers
- Includes both receipts and expenditure
- FRBM Act restrictions on receipts and expenditure apply
- Usually presented when general elections are near

3. Vote on Account

- (Article 116)
- Prepared for 2–4 months' expenditure
- Presented only in Lok Sabha
- Voting only in Lok Sabha
- Presented by government ministers
- Includes only expenditure, not receipts
- Expenditure limit: not more than 1/6 of previous year's budget

BALANCED BUDGET

● Meaning:

- Income = Expenditure
- No deficit or surplus

● Practised In:

- Central and State governments of
→ USA, UK, India

● Key Characteristics:

1. Equal receipts and expenditure
2. Focus on current expenditure
3. Priority to essential needs
4. Preferred in developing and underdeveloped countries

● Effects of Balanced Budget:

1. Limited expenditure
2. Limited income
3. Limited production
4. Low risk

■ Positive Effects:

1. Controls inflation
2. Controls deflation
3. No debt creation
4. Economic stability maintained

■ Negative Effects:

1. Restricts investment
2. Low production
3. Low income
4. Limited employment
5. Restricted economic growth

■ Suitability:

- Useful in normal economic conditions
- Suitable for controlling inflation/deflation

SURPLUS BUDGET**■ Meaning:**

- Income > Expenditure

■ Practised In:

- Central and State governments of
→ USA, UK, India

■ Characteristics:

1. Income more than expenditure
2. Emphasis on saving
3. Emphasis on surplus creation
4. Reduce expenditure, increase savings

■ Effects:

1. Zero or very low expenditure growth
2. Low investment
3. Increase in savings
4. Pressure on reserve funds

■ Positive Effects:

1. No inflation or deflation
2. Reserve fund for future crises
3. No fear of instability

■ Negative Effects:

1. Fear of deflation
2. Reduction in demand
3. Fall in purchasing power
4. Decline in production and income
5. Restricted investment and savings

■ Suitability:

- Useful in specific situations
- Not suitable for modern economies

DEFICIT BUDGET**■ Meaning:**

- Expenditure > Income

■ Origin:

- Concept given by J.M. Keynes
- Proposed after Great Depression (1929) in the USA
- Fully accepted by USA in 1933

■ Causes:

1. Increase in public expenditure
2. Welfare state responsibilities
3. Population growth
4. Growth in infrastructure development
5. Limited production capacity

■ Effects:

1. Increase in expenditure
 2. Increase in demand
 3. Increase in purchasing power
 4. Increase in investment
 5. Increase in employment
- Keynes believed productive deficit spending is beneficial.

GOVERNMENT FUNDS (IMPORTANT ARTICLES)**1. Consolidated Fund of India**

- (Article 266(1))
- Controller:
 - Centre → President
 - State → Governor
- No money can be withdrawn without Parliamentary approval
- Used for all government income and expenditure
- All money belongs to the government

2. Public Account of India

- (Article 266(2))
- Operator:
 - Centre → President
 - State → Governor
- Parliamentary approval not required
- Money belongs to public, not government
- Examples: PF, small savings, deposits

3. Contingency Fund of India

- (Article 267(1))
- Controller:
 - Centre → President
 - State → Governor
- Used for unforeseen emergencies
- Expenditure allowed after President's approval
- Later approval of Parliament is compulsory
- Money belongs to government but lies with President

BUDGET PROCESS – CENTRAL vs STATE

Stage	Central Budget	State Budget
Prepared by	Finance Minister / Any Minister	Finance Minister / Any Minister
First Approval	Union Cabinet	State Cabinet
Prior Approval	President	Governor
Presentation	Lok Sabha	Legislative Assembly
Role of Upper House	Rajya Sabha (discussion only)	Legislative Council (if present)
Final Approval	Parliament (majority)	Legislature (majority)
Implementation	After President's assent	After Governor's assent

COMPARATIVE SUMMARY (VERY IMPORTANT)

Country	Balanced	Surplus	Deficit	Zero-Based
India (Centre)	✓	✓	✓	Partial
India (States)	✓	✓	✓	Full
USA	✓	✓	✓	Only Centre
UK	✓	✓	✓	Not used

REVENUE BUDGET

- The Revenue Budget deals with day-to-day income and expenditure of the government.

A. Revenue Receipts**1. Tax Revenue**

- Taxes collected by the government:
 1. Taxes on Income
 2. Taxes on Property and Capital Transactions
 3. Taxes on Goods and Services

2. Non-Tax Revenue

1. Administrative Services
 - Profit from currency notes and coinage
2. Interest Receipts
 - Interest on loans given to:
 - ◆ State Governments
 - ◆ Union Territories
 - ◆ Railways and Postal Services
 - ◆ Public Sector Enterprises and Industries

3. Profits and Dividends

- Profits from:
 - ◆ RBI
 - ◆ Public Sector Banks
 - ◆ LIC
 - ◆ Public Sector Industries

B. Revenue Expenditure**1. Revenue Plan Expenditure**

- Expenditure on maintenance of social assets
- Includes spending on welfare and social services

2. Revenue Non-Plan Expenditure

1. Interest payments on loans taken
2. Defence revenue expenditure
3. Subsidies
4. Civil administration expenses (salaries, offices, etc.)
5. Grants given to State Governments and Union Territories

CAPITAL BUDGET

- The Capital Budget relates to long-term financial transactions.

A. Capital Receipts**1. Net Borrowings**

- Gross borrowings minus loan repayments

2. Other Liabilities

- Small savings collected from public and used by government
- Examples:
 - Pension funds
 - Provident Fund
 - Postal savings
 - National Savings Certificates (NSC)

3. Recovery of Loans

- Repayment of loans given to:
 - State Governments
 - Union Territories
 - Public Sector Enterprises

4. Other Capital Receipts

- Disinvestment proceeds
- Profit from sale of government assets

B. Capital Expenditure**1. Capital Plan Expenditure**

1. Expenditure on Central Plans, such as:
 - Agriculture
 - Rural development
 - Irrigation
 - Flood control
 - Energy

- Industry
- 2. Financial assistance by Centre to:
 - State Governments
 - Union Territories for their plans

2. Capital Non-Plan Expenditure

1. Defence capital expenditure
2. Loans given to:
 - State Governments
 - Union Territories
 - Public Sector Enterprises

3. Repayment of loans taken by government

■ DEFICIT CONCEPTS

1. Revenue Deficit

- Revenue Deficit = Revenue Expenditure – Revenue Receipts
- Up to mid-1970s, India had revenue surplus
- After that period, revenue deficit started increasing

2. Budgetary Deficit

- Budgetary Deficit = Total Expenditure – Total Receipts
- Seen in India during 1960–61
- Later replaced by other deficit concepts
- As per recommendations of the Sukhamoy Chakravarty Committee (1985):
 - Budgetary deficit was discontinued
- Since then:
 - Total receipts and total expenditure are shown equal
 - Budgetary deficit is shown as zero

3. Capital Deficit (Productive Deficit)

- Not always harmful
- Considered productive
- Beneficial for direct and indirect economic development

FISCAL DEFICIT

◎ Concept:

- Due to acceptance of the budgetary deficit concept, fiscal deficit became important.

◎ Definition:

- Fiscal Deficit represents the total borrowing requirement of the government.

◎ Formulae:

1. Fiscal Deficit = Total Expenditure – (Revenue Receipts + Loan Recoveries + Other Capital Receipts)
- OR**
2. Fiscal Deficit = Total Expenditure – (Revenue Receipts + Non-Debt Capital Receipts)

◎ Key Points:

- Fiscal deficit shows how much more the government spends than its total income
- The excess expenditure is financed by borrowing
- Fiscal deficit equals total borrowings taken by government in a year
- Expressed in:
 - Absolute amount (₹)
 - Percentage of GDP
- It represents a future repayment liability
- Hence, it is also called debt-creating receipt

■ TYPES OF DEFICITS – COMPARATIVE TABLE

Type of Deficit	Definition / Formula	Key Feature / Meaning	Nature / Remark
Revenue Deficit	Revenue Expenditure – Revenue Receipts	Became prominent after 1970s; occurs continuously	Unproductive
Capital Deficit	Capital Expenditure – Capital Receipts	Not always present; linked with capital formation	Productive
Fiscal Deficit	Total Borrowings / Total Debt Requirement	Reflects total borrowing of government	Debt-creating receipt
Primary Deficit	Fiscal Deficit – Interest Payments	Shows impact of interest burden	Highlighted since 1992–93
Budgetary Deficit	Total Expenditure – Total Receipts (Revenue + Capital)	Started: 1960–61 Stopped: 1996–97 (Sukhamoy Chakravarty Committee)	Now shown as Zero
Monetised Deficit	Borrowing from RBI to finance deficit	RBI prints money to finance deficit	Inflationary

Effective Revenue Deficit	Revenue Deficit – Grants for Capital Asset Creation	Shows actual burden on revenue account	Introduced 2011–12, Statutory 2012
Structural Deficit	Total Expenditure – Total Receipts	Similar to budgetary deficit	Long-term nature
Cyclical Deficit	Due to economic cycles	Occurs in boom–recession phases	Temporary

■ TYPES OF BUDGETING SYSTEMS – COMPARATIVE TABLE

Aspect	Traditional Budget	Performance Budget	Zero-Based Budget (ZBB)	Outcome Budget
Basis	Previous year's expenditure	Physical targets (Output)	Zero base (from scratch)	Measurable outcomes
Focus	Fixing expenditure amount	Achieving physical targets	Cost-benefit analysis	Results & outcomes
Main Question	How much to spend?	What target to achieve?	Why, where & how much to spend?	What outcome will be achieved?
Advantages	Simple, flexible, easy	Improves efficiency	Administrative reform, justification of every activity	Transparency, accountability, public trust
Limitations	Not result-oriented	Target-oriented only	Complex, time-consuming	Data-intensive
India (Use)	Always used	Limited use	1986–87 (Morarji Desai)	2005–06 (P. Chidambaram)
USA (Use)	Regular	—	1974 (Hoover Commission)	1993 (Bill Clinton)

FRBM ACT – KEY FACTS TABLE

Aspect	Details
Full Form	Fiscal Responsibility and Budget Management
Need	High fiscal deficit, revenue deficit, debt-GDP ratio (1990s–2000s)
FRBM Bill Introduced	December 2000
Introduced By	Yashwant Sinha
Act Passed	2003
Implemented	5 July 2004
Objective	Fiscal discipline, control deficits, debt reduction

What is Gender Budgeting?

- A budgeting tool to assess how budget allocations impact women and men differently.
- Aims at gender equity, not a separate women's budget.

■ Global Context

- First country: Australia (1984)
- Global mandate: Beijing Platform for Action (1995)
- Promoted by UN Women, UNDP, OECD

■ Gender Budgeting in India

- Introduced: Union Budget 2005–06
- Document: Gender Budget Statement (GBS)
- Nodal Ministry: Ministry of Women & Child Development

ECONOMIC

- Parts:
 - ◆ Part A: 100% women-specific schemes
 - ◆ Part B: $\geq 30\%$ women beneficiaries
- Share: $\sim 4-6\%$ of Union Budget
- Odisha was the first Indian state to adopt Gender Budgeting.
 - ◆ It institutionalised gender budgeting in 2004, even before the Union Government (2005-06).
- Maharashtra has adopted gender budgeting from the year 2013.

PREVIOUS YEAR QUESTIONS

60. निम्न खंडों में से सही उत्तर चुनिए :

- (1) पुरुषों के लिए अर्थसंकल्प
- (2) महिलाओं के लिए अर्थसंकल्प
- (3) सामान्य अर्थसंकल्प में पुरुषों के लिए अर्थसंकल्प
- (4) सामान्य अर्थसंकल्प में महिलाओं के लिए अर्थसंकल्प

What is meant by Gender Budget ?

- (1) Separate budget for men
- (2) Separate budget for women
- (3) Independent provisions for men in the general budget
- (4) Independent provisions for women in the general budget

→ 2023
Answer: (4)

> First time in India → 2005-06 → Dr. Ashok Lahiri

25. महाराष्ट्र सरकारने _____ या वर्षापासून लिंगानुसार अर्थसंकल्प पद्धत प्रतीकारली.

- (1) 2011
- (2) 2015
- (3) 2013
- (4) 2019

Government of Maharashtra has adopted gender budgeting from the year _____

- (1) 2011
- (2) 2015
- (3) 2013
- (4) 2019

→ 2022
Answer: (3)

> MH- 2013

> first state: → OD (2004)

UP (2005)

Type	Year Introduced
Performance Budget	1969-69
Zero Based Budget	1987
Outcome Budget	2003-06
Gender Budget	2005-06
Child Budget	2008-09
Green Budget	2017-18 (Dr. Ravi Kishore)

41. पुढील दोन विधानांपैकी कोणते खोब आहे ?

अ. आद क 'भारताची समस्या' हा नव्यास आकारला जातो.

ब. आद काये अधिक दूर तो न भल्याचे एक प्रमुख कारण आहे आणि त्यामुळे काळा पैसा वाढतो.

- (1) फक्त अ
- (2) फक्त ब
- (3) दोन्ही अ आणि ब
- (4) दोन्ही ग्राहीत

Which of the following two statements is/are correct ?

- a. The Income Tax is based on the principle of 'ability to pay'.
- b. High rates of Income Tax were an important reason for evasion thereof and rise of black money.

- (1) Only a
- (2) Only b
- (3) Both a and b
- (4) Neither a nor b

→ 2016
Answer: (3)

1. Tax: Meaning

- A tax is a compulsory financial charge imposed by the government on individuals, businesses, or entities to:
- Fund public expenditure
- Perform government functions
- It is not voluntary and not linked to direct benefits.

2. Basis of Classification of Taxes

■ A. Based on Nature

- Direct Taxes
- Indirect Taxes

■ B. Based on Entity Taxed

- Personal Taxes
- Corporate Taxes

■ C. Based on Purpose

- Revenue Taxes
- Regulatory Taxes

■ D. Based on Duration

- Permanent Taxes
- Temporary Taxes

■ E. Based on Progressivity

- Progressive Taxes
- Regressive Taxes

■ F. Based on Administration

- Central Taxes
- State Taxes

3. Direct Taxes

■ Definition

- A direct tax is levied directly on income, wealth, or property, and borne by the same person on whom it is imposed.

■ Key Feature

- Burden cannot be shifted

■ Examples

- Income Tax
- Corporate Tax
- Capital Gains Tax

■ Major Direct Taxes in India

1. Income Tax

- Levied on income of individuals, HUFs, firms
- Agricultural income is exempt (State subject)

2. Corporate Tax

- Levied on company profits
- Governed by Income Tax Act, 1961

3. Minimum Alternate Tax (MAT)

- Introduced by Finance Act, 1987
- Targets "zero-tax companies"
- Ensures companies pay minimum tax despite exemptions

4. Capital Gains Tax (CGT)

- Tax on profit from sale of capital assets
- Examples:
 - ◆ Shares
 - ◆ Bonds
 - ◆ Real estate
 - ◆ Gold, paintings, precious metals

5. Dividend Distribution Tax (DDT)

- Earlier levied on companies
- Abolished in 2019-20
- Dividends now taxed in hands of shareholders

6. Securities Transaction Tax (STT)

- Levied on buying and selling of securities
- Applies to:
 - ◆ Shares
 - ◆ Bonds
 - ◆ Debentures
 - ◆ Mutual funds (listed)

7. Equalisation Levy (Google Tax)

- Introduced in 2016
- Applies to non-resident digital companies
- Distinct from income tax
- Rate: 2%
- Covers:
 - ◆ Online advertising
 - ◆ E-commerce supply/services

4. Indirect Taxes

■ Definition

- Indirect taxes are levied on goods and services, but burden is shifted to consumers.

■ Key Feature

- Burden can be shifted

■ Pre-GST Indirect Taxes

◎ Central Taxes

- Excise Duty
- Service Tax
- Central Sales Tax (CST)
- Customs Duty (still applicable)

◎ State Taxes

- VAT
- Entertainment Tax
- Luxury Tax
- Entry Tax
- Stamp Duty
- Land Revenue

5. Goods and Services Tax (GST)

■ Introduction

- Implemented on 1 July 2017
- Based on 101st Constitutional Amendment Act

■ Nature

- Value Added Tax
- Destination-based tax
- Tax collected by state where goods/services are consumed

■ Key Features of GST

1. Dual GST Model

- CGST – Centre
- SGST – States
- IGST – Inter-state transactions

2. Input Tax Credit (ITC)

- Tax paid on inputs can be set off
- Eliminates cascading effect

3. Tax Slabs

- 0%
- 5%
- 12%
- 18%
- 28%

4. GST Council

- Constitutional body
- Joint forum of Centre + States
- Decides:
 - Rates
 - Exemptions
 - Threshold limits

5. Anti-Profitteering Authority

- Ensures benefits of tax reduction/ITC are passed to consumers

6. Exports

- Zero-rated

- GST paid is refunded

7. Compensation to States

- Provided for 5 years for revenue loss

6. Union Tax, Surcharge and Cess

◎ A. Union Tax

- Computed on income, profit, transaction
- Goes to Consolidated Fund of India (CFI)
- Shared with States as per Finance Commission
- Exception: IGST shared as per GST Council formula Revenue Receipt

◎ B. Surcharge

- Tax on tax
- Computed on tax amount
- Goes to CFI
- Not shared with States
- Usually no specific objective

◎ Exception

- Social Welfare Surcharge (2018)
- 10% on customs duty on imports
- Used for social welfare schemes

◎ C. Cess

- Levied on Tax + Surcharge
- Specific purpose mentioned
- Examples:
 - Swachh Bharat Cess
 - Krishi Kalyan Cess
 - Health & Education Cess
 - GST Compensation Cess
- Goes to CFI, then transferred to specific funds
- Not shared with States
- GST Compensation Cess → shared via GST Council

7. GAFA Tax vs Equalisation Levy

◎ GAFA Tax

- Global proposal to tax digital giants
- Initiated by countries like France
- Revenue-based
- Rate varies (e.g., 3% in France)
- Discussed at OECD level

◎ Equalisation Levy (India)

- Country-specific
- Levied on non-resident e-commerce operators
- Rate: 2%
- Introduced via Finance Act
- Applied on gross revenue

8. Administrative Structure of Direct Taxes

◎ Central Board of Direct Taxes (CBDT)

- Statutory body

- Under Ministry of Finance
- Governed by Central Board of Revenue Act, 1963
- Policy formulation + administration

● **Income Tax Department**

- Implements direct tax collection
- Under Department of Revenue

9. Tax Buoyancy (Data based insight)

- Measures responsiveness of tax revenue to GDP growth
- India's direct tax-GDP ratio:
 - FY12-FY21: ~5.5%
 - FY22: 5.97%
 - FY23: 6.08%
- Still below 2007-08 level (6.3%)

PREVIOUS YEAR QUESTIONS

41. पुढील दोन विधानांपैकी कोणते योग्य आहे ?

अ. आय कर 'भरण्याची क्षमता' ह्या तत्वावर आकारला जातो.

ब. आय कराचे अधिक दर तो न भरण्याचे एक प्रमुख कारण आहे आणि त्यामुळे काळा पैसा वाढतो.

- | | |
|--------------------|------------------|
| (1) फक्त अ | (2) फक्त ब |
| (3) दोन्ही अ आणि ब | (4) दोन्ही नाहीत |

Which of the following two statements is/are correct ?

- a. The Income Tax is based on the principle of 'ability to pay'.
- b. High rates of Income Tax were an important reason for evasion thereof and rise of black money.

- | | |
|------------------|---------------------|
| (1) Only a | (2) Only b |
| (3) Both a and b | (4) Neither a nor b |

→ 2016

Answer: (3)

■ 1. Introduction: External Sector

- The External Sector includes all economic activities of an economy that involve foreign currency transactions.

● It covers:

- Balance of Payments (BoP)
- Exports and Imports
- Foreign Investment (FDI, FPI)
- External Debt
- Current Account & Capital Account
- Foreign Exchange Market
- Exchange Rate System
- Foreign Exchange Reserves

■ 2. Open Economy

- An Open Economy is one that interacts with other nations through:
 - Trade in goods and services
 - Capital flows
 - Financial markets
 - Labour mobility
- (Unlike a closed economy, which has no such linkages)

■ 3. Linkages of an Open Economy

● (a) Output Market

- Trade in goods and services with other countries
- Provides wider choice to consumers and producers
- Choice between domestic and foreign goods

● (b) Financial Market

- Ability to buy/sell financial assets internationally
- Investors can choose between domestic and foreign assets

● (c) Labour Market

- Firms can choose production locations
- Workers can choose where to work

■ 4. Trade and Aggregate Demand

- Foreign trade affects aggregate demand in two ways:

● (a) Leakage

- Import of foreign goods
- Causes leakage from circular flow of income

- Reduces aggregate demand

● (b) Injection

- Exports add income to the economy
- Act as injection into circular flow
- Increase aggregate demand

Foreign Exchange Reserves (Forex)

● Definition

- Foreign Exchange Reserves are foreign-currency-denominated assets held by the Reserve Bank of India (RBI).

● Legal Framework

- Governed under Foreign Exchange Management Act (FEMA), 1999

Composition of Forex Reserves

■ 1. Foreign Currency Assets (FCA)

- Major component
- Valued in US dollars

■ 2. Gold

- Held by RBI

■ 3. Special Drawing Rights (SDR)

- Created by the IMF in 1969
- Not a currency
- Not a claim on IMF
- A potential claim on freely usable currencies of IMF members
- Value based on a basket of 5 currencies:
 - US Dollar
 - Euro
 - Chinese Renminbi
 - Japanese Yen
 - Pound Sterling

■ 4. Reserve Tranche Position (RTP)

- Portion of a member country's quota deposited with IMF
- Can be withdrawn without service fee or conditionality

Key Facts

- India is among the largest foreign exchange reserve holders in the world
- Reserves help in:
 - Exchange rate stability
 - External shocks management
 - Confidence to investors

6. Remittances to India

- India is the largest recipient of remittances globally
- Received over USD 100 billion in 2022 (Economic Survey 2022-23)
- Remittances ≈ 3% of India's GDP
- United States is the largest source (over 20%)
- Other major sources: UAE, Saudi Arabia, UK

7. Foreign Exchange Market

Definition

- The Foreign Exchange Market is the market where national currencies are traded for one another.

8. Foreign Exchange Rate

- Foreign Exchange Rate is the price of one currency in terms of another.
- It enables comparison of international prices and costs.

9. Exchange Rate Mechanisms

A. Fixed Exchange Rate System

- Exchange rate is fixed by the government/central bank
- Complete authority intervention

Devaluation

- Government increases exchange rate
- Domestic currency becomes cheaper
- Exports become cheaper; imports costlier

Revaluation

- Government decreases exchange rate
- Domestic currency becomes costlier

B. Floating Exchange Rate System

- Exchange rate determined by market forces (demand & supply)
- No direct authority role

Depreciation

- Fall in value of domestic currency due to market forces

Appreciation

- Rise in value of domestic currency due to market forces

Effects Comparison

Appreciation / Revaluation	Depreciation / Devaluation
Exports expensive	Exports cheaper
Imports cheaper	Imports expensive
Inflation decreases	Inflation increases
Remittances lose value	Remittances gain value

10. Managed Floating Exchange Rate

- Exchange rate largely market-determined
- Central bank intervenes only to stabilise
- India follows Managed Floating System since March 1993

LERMS (1993)

- Liberalised Exchange Rate Management System
- India moved from fixed to floating regime

11. Effective Exchange Rates

(a) Nominal Effective Exchange Rate (NEER)

- Weighted average of a currency against a basket of trading partners' currencies
- Not adjusted for inflation
- Increase in NEER → Appreciation

(b) Real Effective Exchange Rate (REER)

- NEER adjusted for inflation (CPI/WPI)
- Reflects true external competitiveness
- Higher REER → Exports less competitive

12. Factors Affecting Exchange Rate

(a) Interest Rate Differential

- Higher domestic interest rate → Capital inflows
- Leads to currency appreciation

(b) Domestic Income Increase

- Higher income → More imports
- Increased demand for foreign currency
- Leads to currency depreciation

(c) Inflation Differential

- Higher inflation than trading partners
- Leads to loss of competitiveness

13. RBI Intervention in Forex Market

- To curb depreciation → RBI sells dollars
- To curb appreciation → RBI buys dollars
- Aim: stability, not fixing rate

14. Currency Swap vs Forex Swap

Currency Swap

ECONOMIC

- Exchange of principal + interest in different currencies
- Long-term
- Used to manage interest rate & currency risk

● Forex Swap

- Exchange of only cash flows
- Spot + forward transaction
- Used for liquidity management

■ 15. Net International Investment Position (NIIP)

● Definition

- NIIP measures the stock of external financial assets minus liabilities.
- Expressed in:
 - Absolute value
 - % of GDP

● Interpretation

- Higher NIIP/GDP ratio → Higher vulnerability

● Types

- Positive NIIP: Residents own more assets abroad
- Negative NIIP: Non-residents own more assets in India

■ 16. Sovereign Wealth Fund (SWF)

- Fund of foreign currency reserves
- Invested in global assets (shares, bonds, energy assets)
- Objectives:
 - Income diversification
 - External account security

BALANCE OF PAYMENTS (BoP)

■ Meaning

- Balance of Payments (BoP) is a systematic record of all economic transactions between the residents of one country and the rest of the world during a financial year.

● Transactions include:

- Trade in goods and services
- Income flows
- Transfers
- Capital movements

■ Structure of BoP

- BoP is divided into two main accounts:
 1. Current Account
 2. Capital Account
 (+ Errors & Omissions as a balancing item)

■ Balance of Trade (BoT)

- Balance of Trade = Value of Exports – Imports of goods.

Situation	Meaning
Trade Surplus	Exports > Imports
Trade Deficit	Imports > Exports

Current Account

■ Meaning

- Records short-term transactions
- Covers earnings and spending only
- Excludes borrowing and lending

■ What it includes

- Visible items (Goods)
- Invisible items (Services, income, transfers)

■ Components of Current Account

Component	Includes
Trade in Goods (Visible)	Merchandise exports & imports
Trade in Services (Invisible)	IT, banking, insurance, tourism, shipping
Primary Income (Factor Income)	Wages, profits, interest, dividends
Secondary Income (Transfers)	Remittances, gifts, grants, donations

■ Factor vs Non-Factor Income

Factor Income	Non-Factor Income
Earnings from factors of production	Earnings from services
Wages, interest, profit	Tourism, shipping, software

■ Transfer Payments

- Receipts received “for free”
- No quid-pro-quo
- Includes:
 - Remittances
 - Gifts
 - Grants

Current Account Deficit (CAD)

■ Definition

- CAD occurs when imports of goods & services exceed exports.

■ Formula

- $CAD = \text{Trade Gap } (X - M) + \text{Net Transfers} + \text{Net Factor Income}$

■ Key Interpretation

- Surplus CA → Country is a net lender

- Deficit CA → Country is a net borrower

■ Factors Influencing CAD

Factor	Effect
Overvalued exchange rate	Higher CAD
High consumer spending	Higher imports
Low savings rate	Higher imports
Inflation differential	Loss of competitiveness
Capital inflows	Finance CAD (long run)

■ Measures to Reduce CAD

- Increase exports
- Reduce imports via currency devaluation
- Attract FDI and FII
- (Note: Export subsidy reduction may hurt exports)

■ Capital Account

● Meaning

- Records long-term transactions
- Shows capital expenditure and income
- Includes borrowing and lending

■ Components of Capital Account

Component	Explanation
FDI	Long-term investment with control
FPI	Portfolio investment
External Commercial Borrowings (ECB)	Loans from abroad
NRI Deposits (FCNR)	Foreign currency deposits
RBI Forex Reserves	Change in reserves

■ Capital Account Balance

Situation	Meaning
Surplus	Capital inflow > Outflow
Deficit	Capital outflow > Inflow

■ Convertibility

● Current Account Convertibility

- Removal of restrictions on payments for trade & services
- India: Fully convertible

● Capital Account Convertibility

- Freedom in capital transactions
- India: Partial convertibility only

● Errors and Omissions

- International transactions are difficult to record

perfectly

- Acts as a balancing item in BoP
- Third component of BoP (besides CA & KA)

■ Accounting Standards in BoP

Old Standard	New Standard
Current Account + Capital Account	Current + Capital + Financial Account

■ Autonomous vs Accommodating Transactions

Type	Meaning
Autonomous	Independent transactions (Above the line)
Accommodating	Transactions to balance BoP (Below the line)
RBI forex operations	Accommodating transaction

■ Overall BoP Identity

- Current Account + Capital Account + Errors & Omissions = 0
- If imbalance exists → RBI intervenes via forex reserves

■ Import Cover

- Import Cover = Number of months of imports that can be paid using forex reserves
- Higher import cover → Higher external stability

External Debt

● Meaning

- Part of national debt borrowed from foreign creditors, including:
- Commercial banks
- World Bank
- IMF
- Foreign governments

■ Types of External Debt

Type	Meaning
Short-term	Maturity ≤ 1 year
Long-term	Maturity > 1 year
Sovereign Debt	Govt bonds issued in foreign currency

■ External Commercial Borrowings (ECB)

- Regulated by Ministry of Finance + RBI
- Route: Automatic + Approval
- Largest component of India's external debt
- USD-denominated debt is dominant

■ Currency Crisis

- Caused by decline in value of domestic currency
- Higher forex earnings (IT exports + remittances)
 - - Increase forex inflows
 - Boost forex reserves
- Govt expenditure alone cannot affect currency value

■ Protection During Global Crisis

- Countries with low short-term foreign borrowing are less vulnerable during global crises.

■ Intangible Assets

◎ Definition

- Identifiable non-monetary assets without physical substance

◎ Examples

- Software
- Patents & copyrights
- Trademarks & brand value
- Goodwill
- Customer lists
- Import quotas & licenses

Trade Policy Instruments

■ RoDTEP

- Refunds central & state duties/taxes on inputs
- WTO-compliant
- Replaced MEIS

■ Currency-Related Terminology

Term	Meaning
Hard Currency	Globally traded, stable (USD, Euro)
Soft Currency	Limited acceptance (INR)
Hot Currency	Fast-exiting hard currency
Heated Currency	Domestic currency under depreciation pressure
Cheap Money	Increase in money supply
Dear Currency	Reduced money supply
Weak Currency	Export becomes cheaper

■ Currency War & Manipulation

- Currency War: Countries deliberately devalue currency to gain trade advantage
- Currency Manipulator: Label by US for unfair currency practices

■ Trade Agreements

◎ Preferential Trade Agreement (PTA)

- Reduced tariffs (not eliminated)
- Lowest commitment

◎ Generalised System of Preferences (GSP)

- Developed → Developing countries
- Duty-free or concessional access

◎ Free Trade Agreement (FTA)

- Eliminates tariffs & quotas
- Example: SAFTA, ASEAN FTA

◎ CECA / CEPA

- Goes beyond FTA
- Covers services, investment, labour

◎ Customs Union

- Free trade within members
- Common external tariff



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