

Q1) While India has taken a number of steps in order to substantially improve its ranking in the World Bank's "Ease of Doing Business" Index, it needs to take further action in this regard.

Elaborate. Also analyse the utility of these rankings vis-a-vis India's objective of facilitating a sound entrepreneurial environment.

Ans) Ease of doing business measures how conducive is environment for conducting business. As per World Bank's 'Ease of doing business' ranking, India is ranked 100<sup>th</sup>.

Various reforms taken by Government to increase ease of doing business ranking:-

- Introduction of GST.
- Directives to ease labour laws - Wage Code Bill
- Insolvency and bankruptcy code.
- Infrastructure improvements - dedicated freight corridors, UDAY, Power to All 24x7, Sagarmala for Ports.
- credit :- MUDRA, Start Up India
- Make in India, IPR Policy 2016
- Single window clearance.

However, the reforms taken, India only moved up by 30 rank from 2017 to 2018 despite Government's aim to achieve 50<sup>th</sup> Rank by 2018.

Utility of these rankings:-

1. Most steps taken e.g. GST, Insolvency Code, infrastructure investment will show result in LONG TERM.
2. Only takes into account - Delhi and Mumbai

into consideration. Still, the government needs to take further reforms to boost rankings.

- ① Production depends on 4 factors - Dedicated reforms required in Production -

$$\text{Production} = \text{Land} + \text{Labour} + \text{Credit} + \text{Entrepreneurship}$$

Easier land acquisition law and digitisation of land records.

Multiplicity and rigidity of laws  
- e.g.: Industrial dispute act Sec V-B - rationalisation and simplification

credit at affordable rates specially to MSME sector

- ② Back end infrastructure :- Improvements in electricity - stable, 24x7, affordable, better roads, supply chain management.

- ③ Better Taxation administration.

- ④ Reforming clogged judiciary leading to delays. With the reforms, Government will be able to invite investment, boost manufacturing for growth and development.

Q2) In wake of the agrarian crisis that the country is witnessing, discuss the need for adopting an income - centric approach in preference to a production - centric one as the basis of agricultural policy. In this context, also highlight the steps that should be taken to achieve the goal of doubling the income of farmers by 2021-22 and the challenges that exist.

Ans 2) With government goal of adopting doubling farmers income by 2022, need for income - centric approach :-

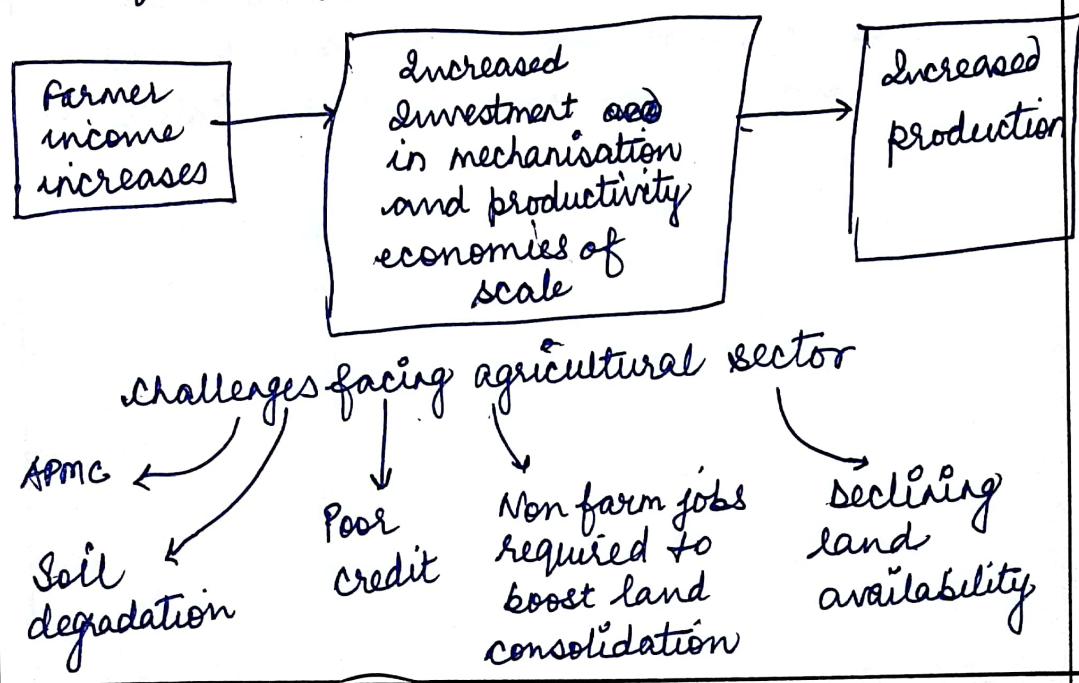
### ① POVERTY AMONGST FARMERS !-

As per NSSO estimates, net annual income amongst farmers is 20,000 (net of production). Farmers are poorest section in population

② APMC - Middlemen :- Most gains attributed by the arhatiyas while for farmers, agriculture remain non - remunerative.

③ Agricultural distress and suicide

④ Benefit to agricultural sector



## How to double farmers income

- ① Expansion of Irrigation - specially micro irrigation/drip irrigation to reduce dependence on monsoon / stable incomes.
- ② Marketing reforms - Reforms in APMC where maximum gains attributed to middlemen.
- ③ Crop diversification - From cereal centric approach to horticulture, pulses and oilseeds .
- ④ Livelihood diversification - Agroforestry, animal husbandry provide greater resilience to farming .
- ⑤ Reforms in procurement, Storage and MSP Policy .
- ⑥ Allowing contract farming
- ⑦ Boost to food processing as reduce post harvesting losses, remuneration and enhanced investment in agriculture .

Various schemes like Pradhan Mantri Krishi Sinchay Yojana, Fasal Bima Yojana, soil health card launched . Expansion of investment in agriculture and creation of NON FARM JOBS to create land consolidation would boost farm income .

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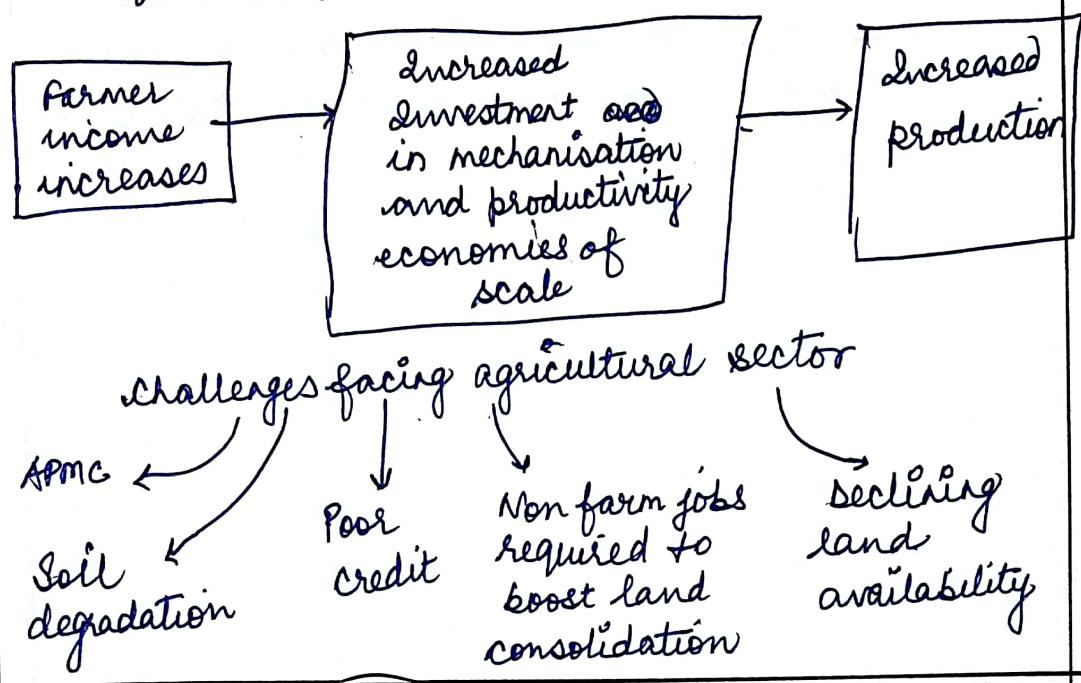
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## Rise of Populism! A threat to Democracy

As per Oxfam's recent report titled 'An Economy for the 99 percent', the top 1% income earning persons in India own more wealth combined than the bottom 51%. These figures show that there is a large section of Indians whose lives are markedly different from the elite few. Colloquially, this section is referred to as the common (wo)man.

Populism is a political technique that seeks to promote the interests of the common man. Inherent in the rise of populism is the recognition of an 'us versus them' cleavage in society. Populism seeks to demolish the image that government is controlled by and works for the powerful lobby interests.

Populism is seen to belong to the right wing ideology in the present times. The rise of Donald Trump and Marine Le Pen with their hardline right wing populism lends credence to this. However, populism is equally present in the left wing spectrum as well. Communism, socialism all seek to further the interests of common people.

Stripped of its political overtones, populism seems to imply the presence of a 'just' society. A society where the government doesn't work for any vested interests, but instead works for the common man and woman who is otherwise invisible in the political process.

In this light, populism would appear as

a good friend to democracy. After all, democracy is nothing but government of the people, for the people and by the people. These people cannot certainly be a handful elite. Democracy in order to be truly effective has to include the masses as well.

A brief perusal of the history of our independence struggle would show the power of populism and its help in achieving democracy. In 1885, when the Indian National Congress was formed, it comprised of a handful of the educated, landed classes. Their method of protest and petition based struggle to be heard remained largely ineffective. It was only when Gandhi ji entered the scene and ushered in a period of reliance and faith on the masses, did we realize the power of a united populace.

The role of the common men and women in achieving freedom for our country cannot be understated. Fuelled with this victorious experience, our nation embarked on a massive experiment in the history of nation states when it decided to be a perennial democracy.

By granting the right to vote to all adults after achieving independence, India set an example to the world for popular participation in politics. It was this inclusion of the common man that made our trust with democracy credible. The policies of successive governments too took care of the needs of the common person. Land ceilings were introduced, land was redistributed to the poor in order to bring democracy to the very people who had

elected the government.

Several years on, can it be said that populism is still a good friend of democracy? It must be emphasized that the political class in the initial years of our democracy held some very high values. Harmony was always in focus due to the bitter experiences of partition. Unfortunately, this trend has reversed in the coming years. The trend of 'aaya ram gaya ram' politics ensured that populism was misused to earn short term political dividends.

It is not to say that populism did no good to our country. The Public Distribution System (PDS) and the Mid Day Meal (MDM) scheme ensured access to food for the poor. Tax slabs and Tax exemptions promote equity. Reservations for the socially and economically backward allow for greater reach of the fruits of development. Populism is instrumental in giving voice to the disfranchised. It is populism which ensures that in the clamour for high speed trains, the lives of those lost to train derailments are not forgotten.

Despite the sunny side of populism, there are grey clouds in sight too. Populism in the present age has acquired a negative connotation for many. Even as populism strikes at the assumed correctness of the elite opinion, it is an open question whether what is popular is certainly right?

Seen in this light, populism promotes

majoritarianism. It suffers from the same flaws of utilitarianism as given by Jeremy Bentham. In promoting the greatest happiness of the greatest number, populism does not account for the few who do not conform to what the majority wants. Populist views may make sense when they are in the economic sphere. But once populism propagates 'us versus them' in the social and cultural sphere, it can become a tool of oppression.

Populism chills speech that dissents. People become wary of what they say, lest they should be labelled as anti-establishment. The worst sufferers are the minorities who get stereotyped even before they have put their views across. This way, populism promotes reactionary elements.

The populist schemes announced for quick political dividends have many times ended up being unworkable or with long term costs. An example would be farm loan waivers, which have not only affected the exchequer but also promoted the moral hazard of farmers not paying their loans, as they hope for a waiver. Brexit is another example. Fuelled by populist anti-migrant fears, it has not achieved much.

In a post truth world, which runs on emotions and opinions more than facts, populism can have many regressive consequences. An example would be of the climate change deniers, who claim that the scientific research is a myth aimed at increasing unemployment and decreasing development in the global north.

One might wonder as to how can hard facts be ignored by people who fall for regressive populist forces? The answer would lie in emotional intelligence. Humans tend to remember how something made them feel more strongly than remembering hard facts. This adds to stereotypes and fans divisive forces. Populism in this manner promotes parochial thinking. The recent success of Hardik Patel is an example.

As the Economic Survey notes, such populism leads to hesitancy in policy making to embrace the capitalist principles. Anything favouring capitalism is made into an 'anti-poor' issue. Many NGOs promote this thinking. The result is increased envy and divide in the society, even when the capitalists engage in nation building activities and corporate social responsibility.

Looking forward, it is clear that democracy as a form of government is here to stay. As demonstrated, populism is integral to democracy. A democracy which doesn't care about the interests of the common persons is as good as autocracy or an oligarchy. What is required is a progressive kind of populism.

Instead of promoting social divisions and cleavages, populism must focus on genuine issues that affect the majority of the society. Populism must be ethical. It must respect the diversity of our society and aim to preserve it. Populism should not be at the cost of the minorities, instead, it must be wholesome and inclusive in its

reach.

To conclude, populism cannot be excluded from democracy. We need to forge a new brand of value-based populism. This can be done by ensuring good quality of education which ensures that the future leaders of tomorrow know the importance of social harmony. Workshops can be organised for the present crop of political leaders to reinforce ethics in politics.

Fake news and polarising speeches must be made punishable offence. Politicians and all leaders must back their claims with verifiable data. An attempt must be made to inculcate the value of status quo in the population. The teleological model of progress must be discarded in favour of the deontological model in which it is not only the ends which matter but also the means.

Such an approach to populism will ensure our democracy fulfills the high ideals set by our constitution.