

Gist of

KURUKSHETRA



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Union Budget 2019-2020



**Agriculture and
Rural Prosperity**

**Agriculture and farmers
Welfare: An Overview**

**Corporate Investment
in Agriculture**

**Revamping of Farm and
Non-Farm Rural Sector**

**Changing Landscape of
Rural Economy**

INCREDIBLE RESULTS

CSE 2018 Results

11 Ranks in Top 50

28 Ranks in Top 100

183 Ranks in the Final List



Rank 11
Pujya Priyadarshni



Rank 16
Dhodmise Trupti Ankush



Rank 21
Rahul Jain



Rank 24
Anuraj Jain

CSE 2017

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 3
Sachin Gupta



Rank 6
Koya Sree Harsha



Rank 8
Anubhav Singh



Rank 9
Soumya Sharma



Rank 10
Abhishek Surana

CSE 2016

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 2
Anmol Sher
Singh Bedi



Rank 5
Abhilash Mishra



Rank 12
Tejaswi Rana



Rank 30
Prabhash Kumar



Rank 32
Avdesh Meena

CSE 2015

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 20
Vipin Garg



Rank 24
Khumanthem
Diana Devi



Rank 25
Chandra Mohan
Garg



Rank 27
Pulkit Garg



Rank 47
Anshul Agarwal

CSE 2014

5 Ranks
in top 50

34 Ranks
in top 100

236 Ranks
in the final list



Rank 4
Vandana Rao



Rank 5
Suharsha Bhagat



Rank 16
Ananya Das



Rank 23
Anil Dhameltya



Rank 28
Kushaal Yadav



Rank 39
Vivekanand T.S.

CSE 2013

5 Ranks
in top 50

62 Ranks
in the final list



Rank 9
Divyanshu Jha



Rank 12
Neha Jain



Rank 23
Prabhav Joshi



Rank 40
Gaurang Rathil



Rank 46
Udita Singh

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Chapter 1: Introduction

The Union Budget 2019-20 was the maiden budget presented by Union Finance Minister, Smt. Nirmala Sitharaman in the parliament. It was presented on July 5, 2019 with its focus on strengthening '**Gaon, Garib aur Kisan**'. The Budget has given a major boost to the development of the rural economy.

- Being an agrarian economy, agriculture is the mainstay of the Indian economy.
- **Agriculture along with the rural non-farm sector** has a tremendous potential for leading the overall economic growth in the country.
- The Budget has aimed to re-orient Government policy interventions in rural and agriculture sector to facilitate an enabling environment not only to achieve the objective of **doubling farmers' income by 2022**, but also for job creation, skill upgradation and economic growth with social justice and poverty.
- The Union Budget 2019-20 has also emphasized on promotion of **zero budget farming** to promote it as a low cost, natural alternative to the existing practices of heavy and unbalanced use at chemical fertilizers and pesticides.
- The Government is committed to investing in **agriculture infrastructure**.
- There is special focus on better connectivity of roads for backward Areas, religious and Tourist places, connectivity programme. Mainly highways, Renewable energy, Housing, Digital infrastructure and urban transport have been given priority.

Focus on other sectors:

- The Budget 2019-20 has significant components such as '**study in India**' Campaign that aims to launch India onto the international student scene to promote the country as a higher education destination.
- The **new Education Policy** aims for reforms in schools and higher education institutions.
- **National sports education** Board would be set up for development of sportsperson under khelo India.

The budget has tried to pay attention to every sector in a balanced manner as to make all sectors work in tandem towards building a better and new India.

Chapter 2: Agriculture and Rural Prosperity

Agriculture remains the mainstay of the Indian economy despite its shrinking share in the country's Gross domestic product [55.4 per cent in 1950-51 to 17.4 per cent in 2018-19].

- Budget 2019-20 intends to **re-orient government policy interventions in rural and agriculture sector**.
- It aims at **re-establishing an enabling atmosphere not only to achieve the objective of doubling farmers' income by 2022** but also to expedite poverty reduction, job creation, skill up gradation and to guarantee a long term double digit economic growth with social justice.

Allocation to centrally sponsored schemes:

- As per the recommendations of the sub-Group on centrally sponsored Schemes (CSS), the **number of CSSs was restricted to 30** for ensuring optimum utilisation of resources with better project outcomes through location specific interventions.
- CSSs were categorised as 'Core Schemes', Core on the Core Schemes' and Others'.
 - Focus under the **core schemes** was to jointly implement schemes of national development by the Union Government and the state
 - The **core of the core schemes** are dedicated towards social protection and social inclusion.
- Budget allocation has been **reduced** for **National Social Assistance Programme** and **Pradhan Mantri Awas Yojana**.
- Budget allocation remained **constant** for **Pradhan Mantri Gram Sadak Yojana (PMGSY)**.
- **MGNREGA has been allocated Rs. 60,000 crore** in this year's budget, which is 9 per cent more than that of 2018-19.

Rural Wage Employment:

- The positive impacts of MGNREGA have prompted the government to remain committed to supporting this **right based rural wage employment programme** with a view to broaden occupational choices and to assure generation of employment opportunities in the rural areas along with creation of productive quality community assets.
- **Transparency and accountability** provisions are in – built into the rights based MGNREGA.
- The challenge is to **effectively utilize the funds under MGNREGA** try integrating activities of other Ministries/Departments like Ministry of Agriculture, Ministry of Jal Shakti and Ministry of Rural Development right at the worksite in consultation with the State Governments.

Rural Roads:

- The Budget reposed its faith in Pradhan Mantri Gram Sadak Yojana (PMGSY) which had managed to successfully deliver on road connectivity to underdeveloped and unconnected habitations.
- The **target** of connecting all eligible and feasible habitations has been **advanced from 2022 to 2019 under PMGSY**.
- The rural connectivity would ensure ease in travel of rural farmers who would find it easy to market their produce at a better price in more affluent markets and would bring in overall socio economic gain in rural areas.

Zero Budget Farming:

- The Union Budget emphasized on promotion of **zero budget farming**.
- The intention is to promote this form of farming as a **low cost, natural alternative** to the existing practices of heavy and unbalanced use of chemical fertilizer and pesticides.
- To make the Government efforts of **soil health management** successful, farmers need to be educated intensively about mechanical cultural and biological control measures including **use of bio-pesticides** against different crops, pests and weeds and judicious use of chemical pesticides.

- After ZBNF, Andhra Pradesh has witnessed a sharp decline in input cost and improvement in yields.
- The Central Government is rooting for 'Zero Budget Farming' and Private enterprise in agriculture as it aims to double farmers' income by 2022.
- Though zero budget farming is believed to enable arrest of further degradation of the soil, a scientific study by the Government is the need of the hour to understand its exact impact on soil health, food production livelihoods and sustainable agriculture before the same is replicated throughout the country.

Promotion of EPOs:

- The budget has a 5-year long-term target to form 10,000 farmer producer Organisations (FPOs) to ensure economies of scale for farmers.
- **Farmer Producer Organization (FPOs)** are collectivization of producers, especially small and marginal farmers, to collectively address challenges of agriculture viz. improved access to investment, technology, inputs and markets.
- An FPO, registered under the special provisions of the Companies Act, 1956, may take an institutional shape of a producer company, a cooperative society or any other legal formal form which could provide for sharing of profits/benefits among the members.
- The FPOs, already in the country are facing a lot of challenges which, include:
 - Lack of access to finance at early stages
 - Lack of provision of basic facilities like water and power
 - Lack of sufficient storage place lack of knowledge about use of modern technology and practice
 - Capacity building for managing a company.
- In order to promote quality collective action in the agriculture sector, Small Farmers Agribusiness Consortium (SFAC) and NABARD should encourage Indian farmers, primary producers to undergo a process of social and economic mobilization for upscaling their capacity to collectively leverage farm productivity & strengthen agri-marketing for quick and appropriate price realization for their products.

Investment in Irrigation:

- Considering **irrigation coverage of only 46% of net cultivated area of 141 million hectares** in the country and significance of irrigation in enhancing agriculture production and ensuring food security, the Budget continued its stress on strengthening **Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)**
- PMKSY targets to irrigate the field of every farmer and improve water use efficiency.
- It envisages providing end to end solutions in irrigation supply chain, viz. water sources, and distribution network and farm level application.
- This programme is expected to lay focus and ensure access to water to every agriculture farm (**Har Khet Ko Pani**) and to increase agricultural productivity by intensifying availability and warranting **efficient use of water**.

Rural Drinking Water Security:

- The Budget has indicated Government's priority for ensuring country's water security and providing access to safe and adequate drinking water to all citizens.
- A new ministry. i.e. **Jal Shakti Mantralaya** has been carved out by Integrating Ministries of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation.
- The mandate of the mission is to achieve the **objective of Har Ghar Jal** by vigorously and expeditiously managing the country's water resources and water supply in an integrated and holistic manner in active consultation with the State Governments.

e-NAM & Agri-marketing:

- Keeping in view the criticality of the easy spread of transparent and effective agri-markets, the Government has supported in 2016-17 the tolling out of a unified agricultural marketing **electronic platform [e-NAM]**.
- Though e-NAM was a great innovative move made by the government, the intervention could not produce desired results in the selected mandis of various states due to implementation logjams.

- Budget 2019-20 has reposed its faith in e-NAM and vows to actively work with the state Governments to allow the farmers to actualise the real price discovery benefits from e-NAM in a transparent manner.

Value Chain Finance:

- To boost agri-business the government has been attempting to ensure robust modern infrastructure in the food processing sector along the entire value / supply chain of food processing through its scheme **Pradhan Mantri Kisan Sampada Yojana (PMKSY)**.
- **Dairying through cooperatives** are proposed to be encouraged by creating infrastructure for cattle feed manufacturing, milk processing, procurement and marketing.
- The real challenge is to expand credit flow for meeting the agri-value chain credit demand-supply gap.
- Credit needs to flow to all sub sectors of agriculture and value chain infrastructure to realise the dream of doubling farmer's income by 2022.

Conclusion:

- The 2019-20 Budget announcements have attempted to match the need of the occasion for restoring the rural growth engine.
- Though, the Budget has laid down the broad contours of rural and agricultural economic policies and prepared a road-map for a journey towards a positive and sustained farm and non-farm sector growth, a lot of coordination is required between the State and the Centre.
- The Budget intends to widely invest in agri-infrastructure including agri-value-chain.
- The real challenge in farm sector is, however, to conform to the notion of competitive advantage both within and outside the value chain, power dynamics, value creation, value addition and asymmetries in value chain relations which have contributed to the sub optimal performance of agri business ventures in the country.

Chapter 3: Agriculture and Farmers Welfare: An Overview

Indian economy was at approximately US \$ 1.85 trillion in 2014 and within 5 years it has reached US\$ 2.7 trillion. Hence, it is well within our capacity to reach the US\$ 5 trillion in the next few years. The Government of India has flagged **ten major theme points** to target them through the budget:

1. Building physical and social infrastructure;
2. Digital India reaching every sector of the economy;
3. Pollution free India with Green Mother Earth and Blue skies;
4. Make in India with particular emphasis on MSMEs, Start-ups, defence manufacturing, automobiles, electronics, fabs and batteries, and medical devices;
5. Water, water management, clean Rivers;
6. Blue Economy;
7. Space programmes, Gaganyaan, Chandrayan and Satellite programmes;
8. Self-sufficiency and export of food grains pulses, oilseeds, fruits and vegetables;
9. Healthy society – Ayushman Bharat, well-nourished women & children. Safety of citizens;
10. Team India with Jan Bhagidari. Minimum Government Maximum Governance.

Among the above-mentioned ten theme points, **self-sufficiency and export of food-grains, pulses, oilseeds, fruits and vegetables etc.** is one of the important theme points which will play a crucial role to achieve US\$ 5 trillion Indian economy in the next 5 years.

- With fragmentation of agricultural holdings and depletion of water resources, the adoption of a resource-efficient, ICT-based climate-smart agriculture can enhance agricultural productivity and sustainability.
- Smallholder farming can be a lucrative livelihood opportunity with the application of appropriate technologies, especially adoption of natural, organic and Zero Budget Natural Farming (ZBNF).
- To transform the rural economy, greater emphasis should be given to allied sectors with a major focus on dairy, poultry, fisheries and rearing of small ruminants.
- The rationalisation of food subsidy and greater use of technology in food management will ensure food security for all in India.
- Agriculture and allied sectors are critical terms of employment and livelihoods for the small and marginal farmers, who dominate the agriculture ecosystem in India.
- To attain the Sustainable Development Goals (SDGs) of ending poverty and bringing in inclusive growth, activities related to agriculture need to be closely integrated with the SDG targets.
- With decline in the size of landholding in agriculture, India has to focus on resource efficiency in smallholder farming to meet the SDG targets and also to attain sustainability in agriculture. A combination of resource efficient methods, dynamic cropping patterns, farming that is responsive to climate change and intensive use of ICTs should be the backbone of smallholder farming in India.

Increasing Irrigation Water Productivity (IWP) in Agriculture:

- The cropping pattern in India is highly skewed towards crops that are water intensive.
- The incentive structures like MSP, heavily subsidized electricity, water and fertilizers have played a significant role in the misalignment of crop patterns in the country.
- The water guzzlers, paddy and sugarcane consume more than 60 per cent of irrigation water available in the country, thereby reducing water availability for other crops.
- The increased budget provisions will increase the irrigated area through adoption of micro-irrigation facilities like drip irrigation and sprinkler irrigation etc. Ultimately, it will increase the irrigation water productivity in agriculture, which is the need of the hour.

Increasing Sustainability in Agriculture Turning to Organic and Natural Farming:

- The Government has been promoting organic farming in the country through the schemes such as **Paramparagat Krishi Vikas Yojana (PKVY) and Rashtriya Krishi Vikas Yojana (RKVY)**.
- In the revised guidelines of PKVY scheme during the year 2018, various organic farming models like Natural Farming, Vedic farming, Cow Farming, Home Farming, Zero Budget, Natural Farming (ZBNF) etc. have been included wherein flexibility lies with the States to adopt any model of Organic Farming Depending on the farmer's choice.
- Under the RKVY scheme, organic farming/natural farming project components are considered by the respective State Level Sanctioning Committee (SLSC) according to their priority.
- Organic farming is being promoted through the scheme **Mission Organic Value Chain Development for North Eastern Region (MOVCNDR)** under **National Mission for Sustainable Agriculture (NMSA)**.
- Six states-Karnataka, Himachal Pradesh, Kerala, Uttarakhand, Chhattisgarh and Andhra Pradesh, have already adopted the technique which needs less water and lower input costs, yet gives higher yields.

Adopting Appropriate Technologies for Smallholder Farms

- There is need to promote use of environment friendly automated farm machinery tools suited to small scale operations.
- The Custom Hiring Centers (CHCs) can be set up to promote use of high tech machinery for the mechanization of small and marginal farm holdings, especially in difficult terrains.
- The provisions have been made of Rs. 600 crore for the promotion of Agricultural mechanization for in situ management of Crop Residue, which is 1.35 per cent higher than previous year.
- Further to facilitate communication and reduce transaction costs, the ICT (Information and Communication Technology) applications are crucial in smallholder farming.
- The spread of mobile phones in rural areas has already impacted the way the small and marginal famers get access to information about soil health, weather and prices.
- In the context of poor infrastructure, adoption of ICT in agriculture will promote market access, facilitate financial inclusion and contribute significantly to early warning signals that are critical for the development of smallholder community.

Animal Husbandry, Dairying and Fisheries:

- Livestock farming in India is a part of a composite farming system characterized by crop-livestock interactions.
- The by-products from several of the crops (crop residues, hay and straw) are used as input for dairy production, in addition to other inputs for which they have to directly incur costs.
- Animal dung and urine are used as inputs by farmers to improve soil fertility.

Animal Husbandry and Dairying:

- **India ranks first in milk production**, accounting for 20 per cent of world production.
- Milk production in India has been increasing steadily over the years, but there exists a wide inter-state variability in milk production.

Schemes/Initiatives to Improve productivity of Livestock and Dairy sector:

- During last 5 years various new initiatives were taken to improve productivity of livestock and dairy sector like **Rashtriya Gokul Mission (RGM), E-Pashu Haat portal, National Livestock Mission, Livestock Health and Disease Control Scheme and Dairy Development schemes** viz. National programme for Dairy development, National dairy plan (phase-I) Dairy Entrepreneurship Development Scheme, Dairy processing and Infrastructure Development Fund (DIDF) etc.
- **Rashtriya Kamdhenu Aayog** has been proposed to set up to upscale sustainable genetic up gradation of cow resources and to enhance production and productivity of cows.
- The committee would also look into implementing policies and schemes for welfare of cows.

Fisheries Sector:

- India is the **second largest fish producer in the world**. Almost 50 per cent of inland fish production is from culture fisheries.
- The sector has been showing a steady growth.
- Fish and fish product exports emerged as the largest group in agricultural exports and in value terms.
- The Government has merged all the schemes of fisheries Sector into an umbrella scheme of '**Blue Revolution: integrated Development and Management of Fisheries**' focusing on increasing fish production and productivity from aquaculture and fisheries resources, both inland and marine.

Pradhan Mantri Matsya Sampada Yojana (PMMSY):

- Through a focused scheme- the **Pradhan Mantri Matsya Sampada Yojana (PMMSY)** – the Department of fisheries will establish a robust fisheries management framework.
- This will address critical gaps in the value chain including infrastructure, modernization, traceability, production, productivity, post-harvest management and quality control.

MSP and food grains Procurement:

- The Minimum Support Price (MSP) is announced for 22 crops before the sowing season.
- The objective is to give guaranteed prices and assured market to the farmers and protects them from price fluctuations.
- **An increase in MSP leads to increase in production**. But only about one third of the total production of food grains is procured. The rest of the food grains are sold in the open market.
- Considering the fact that majority of people still live in villages and depend on agriculture and traditional industries, the 'Scheme of Fund for Upgradation and Regeneration of Traditional Industries' (SFURTI) aims to set up more common Facility Centres (CFCs) to facilitate cluster-based development to make the traditional industries more productive, profitable and capable for generating sustained employment opportunities.
- The focused sectors are Bamboo, Honey and Khadi clusters.
- Further, to improve the technology of such industries the scheme for Promotion of Innovation Rural Industry and Entrepreneurship (**ASPIRE**) has been consolidated for setting up of livelihood Business incubators (LBIs) and Technology Business incubators (TBIs).

Improving Infrastructure and Access to Markets

- If farmer' accesses to markets are improved through better connectivity to nearby mandis, it will help farmer fetch better prices for their agricultural produce.
- A combination of enhancing rural infrastructure to improve connectivity and Information Communication Technology (ICT) to provide timely information about prices, aggregation and storage facilities can help small and marginal farmers in overcoming the marketing bottlenecks.

Agricultural Credit:

- The access to timely credit or finance is a critical determinant of profitability of agriculture.
- If credit is not available to purchase seeds at the time of sowing, or if lack of credit delays the administering of fertilizers, it can severely impact agricultural productivity.
- The small and marginal holdings constitute majority (more than 85 per cent) of total operational holdings in the in the eastern region, north eastern region and central region, which warrant greater distribution of agricultural credit disbursement to this region.

Doubling the Income of Farmers by 2022

- The Government has set a target of doubling of farmers' income by the year 2022.

- For the said purpose, the Government had constituted an Inter-Ministerial Committee to examine issues relating to Doubling of Farmers' Income (DFI) and recommend strategies.
- The Committee has identified seven sources of income growth viz.
 - Improvement in crop productivity
 - Improvement in livestock productivity
 - Resource use efficiency or savings in the cost of production
 - Increase in the cropping intensity
 - Diversification towards high value crops
 - Improvement in real prices received by farmers
 - Shift from farm to non-farm occupations.

Way forward:

Keeping in view the policy to promote “Jai Kisan, Jai Jawan, Jai Vigyan and Jai Anusudhan” concept, the budget has its focus on the overall prosperity.

- A national research foundation is to be established that would coordinate and sponsor the research projects and shall provide the research grants to different Ministries and Departments so to equip every Department in the latest knowledge and awareness.
- Prime minister's vow to double the farm income by 2022 depends on the concatenation of factors including installation of agro based units.
- The rural industries should be dovetailed with agricultural production.
- The revamping of the rural sector would mitigate the rural urban divide.
- There is a lot of potential for export of agricultural products.
- There is a big potential of dairy exports.
- As the international trade is on the basis of comparative cost, there is a proposal to establish Agriculture exports board.
- The State sponsorship of agriculture export would boost the agricultural products towards enhancing the farm income.

Chapter 4: Corporate Investment in Agriculture

India is the world's largest producer of pulses and spices and the second largest producer of wheat and rice following China. The current private corporate investment in agriculture as a percentage of the total annual investment in agriculture is about 2%. Agriculture is highly reliant on the Government. The State provides minimum support prices, irrigation facilities, subsidies, loan waivers, storage, and transport services. However, further improvement and triumph of agricultural sector are unimaginable without the vital corporate private investments. Greater investments from companies which buy farmers' produce in some states, can contribute significantly towards uplifting farmers' incomes at a steady pace.

Significance of Private Sector in Agricultural R&D:

- The private corporate sector is investing not only in infrastructure and facilities, but also in R&D in the food, energy and health sectors.
- Private sector is becoming increasingly active in commercial crops, such as hybrids of maize, pearl millet, sorghum and vegetables, tissue culture, transgenic, etc. To give incentives to the private corporate sector with its presence growing rapidly in pro-poor crops and regions, there is an increasing need to provide enabling policy environment with effective IPRs and bi-safety arrangements.
- In India, most activities from silkworm production to weaving are performed on an extremely micro level which leads to deviations in product quality. It is advised that the corporate sector be encouraged and incentivised to participate in the Silk industry. Also, there are a number of by-products of this industry like silk waste, sericin, etc. Research and development into medicinal and other uses of sericulture by – products need to be endorsed.

Fertilizers, pesticides, animal feed etc. to product marketing, development of value chain, and commercialization of technologies, the private sector's significance is gradually increasing in the agricultural sector, more specifically in agricultural R&D.

Case studies of private sector involvement in agriculture:

1. In 2006, PepsiCo provided **direct seeding, machines to farmers for paddy sowing** which helped reduce water consumption by 30% and also cut down greenhouse gas emissions by 75%.
 - There was a reduction in labour costs that reduced the cost that reduced the cost of cultivation.
 - This programme has helped save over 9.8 billion litres of water in Punjab alone.
2. Mars Wrigley confectionery has launched a **Shubh Mint project**.
 - It works towards refinement and enhancement of mint plant science, ensuring the long term viability of mint, an essential ingredient in gums and mint confections.
 - A modified distillation unit that helped earn 30 per cent more was used.
 - Yields increased 68 % and water requirement fell by 23 %.
3. Mahindra Agri Solutions Ltd. (MASL), a subsidiary of Mahindra & Mahindra Ltd. inaugurated a **Grape Packhouse facility** in Nashik in January 2019.
 - It can pack 90 tonnes of grapes per day and has also been certified by International bodies.
 - The successful 'Grape Revolution' in the lands of Nashik, Sangli, and Baramati has been credited to MASL as it has convinced farmers to switch to grape cultivation, which provides more yield and income than other crops.
4. ITC Ltd has provided new varieties of seeds, farm inputs, and paddy trans-planters which have been successful in reducing the crop cycle and also decreased the cost of cultivation.

Government Efforts to Encourage Corporate Investment:

The Government has introduced policy reforms which may have helped in elevating corporate sector investments in India. The reforms are as follows:

1. There have been efforts since 2012 to encourage **Farmer Producer Companies (FPCs)** which are a hybrid between cooperative societies and private limited companies registered under the Company's Act.
2. In order to promote the production of oil palm in the country, the Government implemented the **National Mission on Oilseeds and Oil Palm (NMOOP)** from 2014-15.
 - Government has recently relaxed the land ceiling limit for oil palm cultivation under NMOOP to attract corporate bodies to oil palm production and derive maximum benefit of 100 per cent FDI.
3. The **Model Agriculture Produce & Livestock marketing (Promotion & Facilitation) Act, 2017** provides the opportunity for the private sector to set up private markets, alternate marketing channels, online market platforms, etc. in both agriculture and livestock marketing.
4. The **Model Agriculture produce & Livestock Contract Farming & services Act (promotion & Facilitation) Act, 2018** enables private sector investments by way of capital, technology, and extension all along the value system.
5. **Exemption to FPC under Income Tax Act** has offered an IT exemption to all FPCs with a turnover of up to Rs. 100 crore per annum, by considering their incomes as agricultural income. This will incentivise corporate sector to partner with farmers as FPCs.
6. There is **100% foreign direct investment (FDI) in food retail** – this will encourage foreign investments in establishing appropriate post production infrastructure to strengthen the food supply chains.
7. In 2017, the Ministry of Agriculture and Farmers Welfare, in collaboration with Start Up India, launched the **Agriculture Grand Challenge**. The Ministry selected Start-ups which received mentorship and guidance from them and an opportunity to get incubated and gain market access.
8. There is a budget proposal by the Government to form 10000 farmer producer organisations (FPOs) in the next five years. This is believed to assist small and marginal cultivators to team up to get lower rates for inputs and sell produce at higher rates.

With the help of the Government's Farmer Producer Organisation (FPO) initiative, numerous collective farmer-owned companies are now providing aid to marginalised farmers to earn stable livelihoods.

The Road Ahead:

- Agricultural growth is dependent on investments from the private sector, but first large investments in public goods — roads, power, education, research, irrigation, extension, finance, warehouses etc. is essential to attract the private investments.
- The Ministry of Agriculture and Farmers Welfare has estimated that to double farmer incomes private investments must increase by two times.
- Private investments refer to investments made by the farmers themselves; therefore there is a dire need for the sector to be backed by corporate investments.
- One of the reasons for low productivity is how the farmland is fragmented-into very small landholdings, which is mainly because of the inheritance laws.
- The increased land productivity would make agriculture an attractive avenue for corporations to invest in.
- Capital investments corresponding to agricultural growth are of two categories:
 - i) Capital investments 'in' agriculture-land development, irrigation, markets etc. and;
 - ii) Capital investments 'for' agriculture – road, power, transport, etc.
- In case of investment 'in' agriculture, the investments shall mainly come from private investments and that in case of investment 'for' agriculture, it shall come from public investment.

Conclusion

The corporate investment has become a huge cause of concern in the farming sector. The main reason for this has been excessive controls and regulations in the agriculture sector. To address growing need of corporate investment in agriculture, the government needs to encourage the corporate sector by adopting policies that incentivize them to participate in agriculture.

Chapter 5: Changing Landscape of Rural Economy

DBT for Easing the Lives of Poor:

- In order to eliminate the complexities and disadvantages of such a multilayer approach, the Government of India rolled out the **Direct Benefit Transfer (DBT) framework** for disbursement of assistance to eligible beneficiaries.
- In the coming few years, MoRD is expected to bring its all welfare schemes under DBT framework so that the benefits genuinely reach the eligible and targeted individuals.
- In order to implement the DBT at a large scale the government of India launched a model popularly known as **JAM trinity (Jan Dhan Bank Accounts, Aadhar Identification and Mobile communication)**.
 - The bank accounts are linked with Aadhar and updates on any transaction are sent to the registered mobile number. This appears crucial in order to track that the actual beneficiaries receive the assistance, and there will not be any duplications or ghost beneficiaries.
- The **Pradhan Mantri Jan Dhan Yojana** was launched in 2014 to bring the unprivileged section of the society under **financial inclusion** by providing banking and financial services including savings account, pensions, remittances, insurance, and others.
- **RuPay card** has been issued to the beneficiaries.
- Amid the less penetration of bank branches, especially in the rural areas **India post payment Bank (IPPB)** has appeared as an instrument to improve financial inclusion of unbanked/under banked section of the society IPPB was introduced to the core banking system in August 2016 enabling post office savings bank accounts for NEFT and RTGS.
- The rural banking division of India Post has been implementing several social sector schemes for disbursing payments to the beneficiaries.
- Over the last few years, JAM has appeared as a social revolution bringing together financial inclusion, biometric authentication, and mobile communications, especially in rural areas.

Rural Connectivity:

- Rural connectivity (road) is crucial element for the development of rural areas providing access to social and economic services.
- Better connectivity has both forward and backward linkages for generating income and employment opportunities and thereby has a greater impact on reducing poverty, here, the **Pradhan Mantri Gram Sadak Yojana (PMGSY)** has made a significant change in the rural connectivity.
- The scheme has 2 components:
 - Construction of new roads for the unconnected habitants
 - Upgradation of existing roads where emphasis is given mainly in the areas with a higher volume of traffic.
- **Meri Sadak App** is a useful tool in monitoring the construction and maintenance activities as well as mitigating the grievance redressal of the community.

Affordable Housing to Rural Poor: PMAY-G

- In 2016 the **Indira Awas Yojana was restructured into Pradhan Mantri Awas Yojana-Gramin (PMAY-G)** to enhance the efficacy of the rural housing programme.
- The objective of PMAY-G is not only to provide a pucca house but the **overall upgradation of the lifestyle of the rural poor** by providing livelihood along with basic in the house itself, to accomplish the target of '**Housing for all by 2022**'.
- Several changes were made in governance and implementation of the scheme including enhancement of financial assistance, mandatory use of DBT and geo-tagging and a real-time monitoring portal '**AwaasSoft**'.

- Due to the changes, implementation of the scheme has improved significantly.
- The Scheme is also converged with various other Central schemes as well as state sponsored schemes such as MGNREGS for employment generation, Swachh Bharat Mission for construction of toilets as well as solid and liquid waste management, PMUY for providing LPG connections as a means to efficient cooking fuel, Saubhagya for electricity connection, NRDWP for access to safe drinking water, etc., to provide an affordable house with basic amenities.

Rural Development in Budget 2019-20:

- The Budget 2019-20 has given a big boost toward the development of the rural economy keeping “**Antyodaya**” as its core principle.
- There has been an increasing trend in the allocation under the department of Rural Development in recent years.
- The Budget speech specifically mentions about approaches towards uplifting the women through more SHGs participation and increased economic activities under NRLM scheme that is renamed as **Deen Dayal Antyoday Yojana (DAY-NRLM)**.
- It kept provision for Rs. 5000 overdraft for one women per SHG having a Jan Dhan Account and a loan up to Rs. 1 Lakh.
- This will undoubtedly increase the women participation in economic activities, and thereby uplifting their lives towards overall empowerment.
- In addition the schemes under the Department of the Rural Development the Government attempts to give push to rural economy through the **PM Kisan scheme** that provides Rs.6000 per annum in three equal instalments directly to the marginal farmers.
- The income support will have a stimulating effect through increased private consumption in the rural areas, which will have multiplier effects on the economy as a whole.
- **Ujjwala Yojana** and **Saubhagya Yojana** have transformed the lives of every rural family, dramatically improving ease of their living.
- Electricity and clean cooking facility to all willing rural families by 2022.
- Eligible beneficiaries to be provided 1.95 crore houses with amenities like toilets, electricity and LPG connections during its second phase (2019-20 to 2021-22).

In sum the Budget continues to focus on the rural economy with the broader aim to improve the ease of living. While there appears to be an increase in the efficiency of implementing most of the rural development schemes, there is still a need for further improvement in fund flow mechanism as well as monitoring and evaluation systems in order to improve the conditions of rural people and rural geographies.

Chapter 6: Rural Infrastructure in Union Budget 2019-20

Infrastructure is critical for a country's development and a country's development and progress is judged by the quality of infrastructure it has. **The Rangarajan Commission (2001)** defined infrastructure as **having natural monopoly high investments, non-tradable, non-rival, price exclusiveness and put in a specific place**. The Government of India has taken the infrastructure sector, mainly highways, renewable energy, housing, digital infrastructure and urban transport, as a priority sector.

Communication Infrastructure:

- The growth in telecom selector has generated Innovations, entrepreneurship through the **Start-up India** and **Stand-up India**, and has made mobile communication among more than 80 crores population and contributing significantly with about 1.75% of the Indian GDP for the Year 2015, according to Broadband India Forum (BIF).
- About 1.5 lakh Gram Panchayats are being connected with optical fibre for providing internet and Wi-Fi hotspots and access to digital services at low tariffs, through **Digital India** and the **Bharatnet Project**.
- Further, the **Digi-Gaon** is being planned for providing the platform for the financial services, tele-medicine, education, e-governance, e-marketing and skill development.
- Spectrum sales through auction has been the main contributor to the government revenue, for spectrum sale, rationalising the tax structure, review the universal services obligations fund (USOF), and spectrum usage charges (SUC) and look at ways to facilitate the ease of doing business for telecoms.

Renewable Energy Infrastructure:

- India is emerging as one of the largest productions of energy from renewable sources, catering to about 20% of the total installed power capacity (69.02GW) as of 31 March 2018 and with hydro power, it contributes about 33%.
- The wind power capacity is about 34046 MW as of 31 March 2018, making India the fourth-largest wind power producer in the world, and it is aimed to generate 100 GW of solar power by 2022.
- Biomass power from biomass combustion, biomass gasification and bagasse co-generation reached 8.3 GW installed capacity and family type biogas plants reached 3.98 million as of 31 March 2018.
- **International Solar Alliance Project** promotes growth and development of solar power internationally to over 120 countries.
- **India set a target of achieving 40% of its total electricity generation from non-fossil fuel sources by 2030. India is targeting a renewable energy target of 175GW by 2022.**

National Rural Drinking Water Programme

- The **National Rural Drinking Water Programme (NRDWP)** is targeted at providing every person in rural India with adequate safe water for drinking.

Swachh Bharat Abhiyan

- Swachh Bharat Abhiyan has been a revolutionary initiative for embedding the sense of sanitation, hygiene and health.
- It was introduced in 2014 and exhibited remarkable progress through jan andolan (mass movement).

Health:

- The **Pradhan Mantri Swasthya Suraksha Yojana (PMSSY)**, the agency that's spearheading the creation of all India Institute of Medical Sciences (AIIMS) like teaching hospitals in under-served area of the country. In the Union Budget, PMSSY has a decent allotment.

- Another initiative in the health sector that has seen a major hike in budgetary allocation is the **National AIDS and STD Control Programme**.
- The National AIDS and STD control Programme has undoubtedly been one of the more successful public health initiatives implemented in India at scale.
- **NHP 2017 has reiterated the global goal of achieving 90:90:90 for HIV/AIDS by 2020**. This implies that of all people living with HIV in India per cent should be aware of their status. Further, 90 per cent of those diagnosed with HIV should receive antiretroviral treatment and in 90 per cent of those receiving this treatment, a suppression of the virus should be achieved.
- The substantial increase in budgetary allocation for the programme is also significant because a larger number of patients are now suffering from HIV along with other conditions such as TB.
- India's commitment to **eliminate TB by 2025** is five years ahead of the global target.

Nutrition and Social Welfare:

- To address the challenge of malnutrition, POSHAN Abhiyan was launched in 2018 to provide an appropriate Governance structure reflecting the many overlapping factors that affect the nutritional status of an individual or household.
- The Abhiyan targets a reduction in stunting, under nutrition, anaemia and low birth weight by at least 2%, 2%, 3% and 2% per annum, respectively.

Storage and Warehouses:

- The Budget 2019-20 promote invest widely in agriculture infrastructure and support private entrepreneurship for value addition in farm sector like storage and warehouses, agriculture infrastructure and support private entrepreneurship for value addition in the farm sector.

Conclusion:

- Giving priority to infrastructure is a progressive measure, which can be treated as the social capital that accelerates the productive activities, livelihood and quality of lives.
- Infrastructure development in providing basic amenities like housing, connectivity, electrification and economic infrastructure like roads, housing, communication, banking etc. has poised the country at the threshold of an elite and developed nation.
- The Central Government's priority in irrigation infrastructure development supported by MSP and crop insurance, health infrastructure in terms of AIIMS and Health Insurance, Stand Up and Start Up initiatives, Cashless Transaction, Director Benefit Transfer, e-governance and m –governance and the like, are coherent forward looking futuristic sustainable economic and social development initiatives, for making India's rural areas developed with economic and social infrastructure.

Chapter 7: Economic Survey 2018-19 Insights, Impacts and Inclusiveness

Economic Survey 2018-19:

- Economic Survey is an annual document published by Ministry of Finance which gives the sectoral and overall economic performance and overview of the country about the past years and shows the road map of the year ahead with possible policy initiatives and interventions.
- The first Economic Survey was presented in 1950-51 and over the years it has become a regular practice of the Government to present Economic Survey in the parliament before the budget.
- It serves as a pertinent policy document as it contains the key statistics on micro and macro – economic parameters.

Vision India:

- India aims to grow into a **USD 5 trillion economy by 2024-25**, which will make it the third largest economy in the world, which requires real annual growth rate in GDP of 8 per cent over that period, assuming 4 per cent inflation rate as per India's Monetary Policy Framework.
- The Blue sky thinking laid the foundation of the Economic Survey 2018-19 to achieve the set target goal and that can be sustained by a **"virtuous cycle" of savings, investment and exports**, supported by a favourable demographic phase.
- Investment, especially private investment, is the "key driver" that drives demand creates capacity, increases labour productivity, introduces new technology, allows creative destruction, and generates jobs.
- Application of behavioural economics can play a key role in the success of public policies and programmes.

Focusing on Fiscal Discipline and Fiscal Management:

- Fiscal management and consolidation becomes the key to achieve sustainable and economic stability, especially in the post-demonetisation and in the GST (Goods & Services Taxes) regime.
- Amidst various macroeconomic and fiscal indicators, **fiscal deficit is the potent tool to assess the fiscal space and fiscal road map of India** apart from analysing revenue deficit and primary deficit.
- In spite of a lot of pressing needs, the finance Minister of India has kept the targeted fiscal deficit at 3.3 per cent of GDP in the current budget (2019-20).
- The fiscal deficit of the Central Government found declined from **3.5 per cent of GDP in 2017-18 to 3.4 per cent in 2018-19** as a symbol of fiscal discipline.

External Sector:

- The final demand also depends upon external sector especially on export, which further decides the course of investment, employment and GDP.
- In 2018-19, the composition of India's Export and import has almost remained unchanged over 2017-18.
- India has signed 28 bilateral/multilateral trade agreements with various country/ group of countries.
- India's Current Account Deficit has been increasing for some years now after attaining a high of 1.8 per cent of GDP in 2017-18 and projected at 2.4 per cent for the full year of 2018-19.
- The key external debt indicators reflect that **India's external debt is not unsustainable**.

Industry and Infrastructure:

- India has considerably improved its ranking to **77th position in 2018 among 190 countries**.
- The industrial growth rate in terms of IIP was 3.6 per cent in 2018-19 as compared to 4.4 per cent in 2017-18.

Saving and Investment:

- To achieve high rate of growth, a growth model must be driven by virtuous cycle of saving investment and export demand and supported by favourable demographic phase.
- For better growth of economy and financial sector, savings play a vital role and promote investment led growth model.
- Philosophy of economic growth revolves around the '**Blue Sky Thinking**' where all the economic activities are intricately interwoven.
- In particular, private investment act as key driver that drives demand, creates capacity, increases labour productivity, introduces new technology, allows creative innovations and generates jobs. It also solves the problems of poverty, inequality and unemployment.

Agriculture and Food Management:

- **Agriculture** sector in India typically **goes through cyclical movement** in terms of its growth.
- Women's participation in agriculture has increased and their concentration is highest (28 per cent) among small and marginal farmers.
- However, in India, according to the Asian Water Development Outlook, 2016, almost 89 per cent of groundwater extracted is for irrigation.
- Crops such as paddy and sugarcane consume more than 60 per cent of irrigation water.
- It is estimated that **by 2050, India will be in the global hot spot for 'water insecurity'**. Therefore, devising policies to incentivize farmers to improve water use should become a national priority.
- The rationalisation of food subsidy and greater use of technology in food management will ensure food security for all.

Behavioural Economics for Social Change:

- To bring radical social change, the recent policy focuses on behavioural economics to '**nudge**' people towards desirable behaviour.
- The key principles of behavioural economics help us in emphasizing on the beneficial social norm changing the default option and repeated reinforcement and strongly recommend behavioural economics audit for all the policies and programmes before implementation.
- The behavioural Transformation includes 'Beti Bachao & Beti Padhao' to BADLAV (Beti Apki Dhan Lakshmi Aur Vijay Lakshmi); from 'Give it up' for the LPG subsidy to 'Thinking about Subsidy'; from 'Tax evasion' to 'Tax compliance'; from 'Swachh Bharat' to 'Sundar Bharat'; similarly from 'economic growth' to 'sustainable development'; from 'implement' to 'impact'; and 'output' to 'outcome'.
- For attaining 2030 sustainable development Goals, India is rightly working towards achieving a world, free from poverty, gender inequality and economic inequality by integrating social, economic and environmental dimensions.
- Government has adopted **behavioural economic framework** as an instrument to bring **changes in the socio-religious mind-set of the people** in various schemes like Swachh Bharat Mission, Pradhan Mantri Jan Dhan Yojana and Deendayal Upadhyaya Gram Jyoti Yojana.
- **Application of behavioural insights enhances policy impact.**

Initiatives for Inclusiveness:

- Economics of well-being of a nation rest on rural economy which is directly related to poverty, inequality and unemployment.
- Despite the fact that rural sector is doing well, special focus is given to this sector for better quantity and quality (life and livelihood).
- Government focus is crucial for last mile delivery of basic services to the poor, basic safety nets, and creating pathways for the benefits of growth to reach the bottom of the socio – economic ladder.

Concluding Remarks:

- The success of democracy can be established only when the benefits of the growth percolate to the bottom of the society and are able to uplift the socio economic standards of the helpless and marginalised.
- Further, the public policy needs to be reinvented and reformulated to accommodate inclusive growth agenda wherein disparities between rich and poor would be minimized. Economic
- Development would be sustainable when it is inclusive and is an enabler to eradicate poverty and inequality.
- The three 'f' funds, functions, and functionaries are needed to be optimally used to enhance the desired benefits that can percolate among the masses.
- Economic survey 2018-2019 highlights the profound impact that the Government's effort of introducing the Insolvency and Bankruptcy code and the adoption of the Goods and Services Tax have had on improving Ease of Doing Business (EoDB) in India, with the country being one of the biggest 'improvers' in the World Bank's EoDB 2019, with its rank jumping to 77 from 142 in the last four years.
- Economic Survey recommends the role of private investment in well-functioning legal system, given its potential economic and social multiplier effect.
- The overall scenario in the Economic Survey 2018-19 is about looking into the future with focus on natural, human and financial resources with a perspective on regeneration and revival.
- If India is to accomplish the aspiration of equalling and overtaking China as the largest economy, we not only need extensive measures but also vigorous implementation.
- While we can take lessons from China and other developing economies, India needs to build a growth model of its own.

Chapter 8: Banking and Financial Inclusion

As banks have control over a large part of the supply of money in circulation they can influence consumption, production, employment and distribution of resources and can play a role in maintaining equity and growth. Financial Inclusion has the ability to uplift financial conditions. Although access to financial services is one of the key elements for poverty eradication it's not viable for banks to reach all the villages and all the people through brick-and-mortar model. Further, due to high operating cost, high maintenance cost, small ticket size transactions and growing non-performing Assets, banks face difficulties in financing the weaker sections and low income groups. The banking sector is widely recognized as one of the important drivers for livelihood support for the poor and the disadvantaged section of the society. By reducing extreme poverty and building prosperity, the banks help accelerate economic progress.

Interventions made by the Government of India

Self Help Group Bank Linkage Programme (SBLP):

- The programme has proved that lending the poor is bankable and when small loan products are offered to the poor even without collateral, they repay the dues on time.
- This SBLP programme is cost effective and an effective tool for poverty eradication.

Kisan Credit Cards (KCCs) and General Credit Cards (GCCs):

- The prime motive of this scheme is to help farmers to get quick and timely access to formal credit.
- Under the scheme, both owner cultivators as well as landless cultivators avail credit to meet their needs at subsidized rates of interest.

Banking Outlets in villages:

- The government's focused thrust and supportive action plan has resulted in a significant growth in the number of banking outlets in rural areas.
- Due to the recent advancement of technology & communication network, infrastructure and scope of cost reduction and government policy, the growth rate of branchless banking network has been increasing at a fast rate even in remote villages.
- While the Banking Correspondents (BCs) are allowed to carry out banking transactions on behalf of the bank as agents, the business Facilitators facilitates submission of client's proposal to the bank.

Prime Minister Jan Dhan Yojana (PMJDY):

- For extending formal financial services such as Banking Savings & Deposit Accounts, Remittances, Credit, Insurance and Pension in an affordable manner to the excluded people, **Prime Minister Jan Dhan Yojana (PMJDY)** scheme was launched in 2014.
- The major features of the scheme include:
 - (i) The facility to **open a basic savings bank deposit (BSBD)** account in any bank branch or BC outlet;
 - (ii) **Accidental insurance cover** and **life insurance cover**; and
 - (iii) An **Over Draft (OD) facility** after satisfactory operation of the account for six months.

Banking and Financial Inclusion in Union Budget:

- Understanding the problem of liquidity, the government through this budget has announced to **infuse capital of Rs. 70,000 crore into the public sector banks.**
- Secondly, the budget pitched for **additional power with the Reserve bank of India over the NBFCs and Housing Finance companies** to provide uniform regulatory environment to the lending segment.
- Steps have also been taken to bring deposit taking NBFCs and systematically important non-deposit taking NBFCs at par with banks and other public financial institutions through **tax measures.**

- Measures to support financially sound NBFCs and higher regulatory RBI monitoring will lead to drive for consolidation of NBFCs.
- For easy accessibility of banking, the government has urged the public sector banks (PSBs) to leverage technology, offer online personal loans and doorstep banking and enabling customers of one PSB to access services across all PSBs. This is a case of inclusive banking for the customers across the country.

Women-led initiatives for inclusion:

- The budget has focused on women empowerment.
- The government has been supporting and encouraging women entrepreneurship through various schemes such as **MUDRA, stand-Up India** and **the self Help Groups (SHGs)**.
- Through the budget, the government has re-affirmed to expand interest subvention programme to the women SHGs in all districts.
- An overdraft facility of Rs. 5,000 will be allowed for every verified women SHG member having a Jan Dhan Bank account.
- Besides, one woman in every SHG will be made eligible for a loan up to Rs. 1 lakh under the MUDRA Scheme.
- The Finance Minister has also proposed to form a broad-based committee to evaluate and suggest actions for gender budgeting.

Inclusive growth through MSMEs:

- After agriculture, MSME is the biggest employer.
- This sector has been assuming special importance for its role in ensuring income equality, employment generation, poverty reduction and promoting a balanced economic development in the country.

Digital inclusion:

- To empower rural people digitally, the government has launched Pradhan Mantri Gramin Digital Saksharata Abhiyaan.
- The scheme aims at imparting digital literacy to citizens in rural areas free of cost.
- The program is a dynamic and integrated platform for digital literacy awareness, education and capacity building programs that will help the rural and under-served communities fully participate in the global digital economy.

Way Forward

- Financial inclusion is a key enabler in reducing poverty and boosting prosperity.
- Financial inclusion acts as a bridge between economic opportunity and outcome however, more steps need to be taken for effective financial and technological literacy, capacity building, easy and affordable credit facility and marketing the produce of the small and marginal farmers.
- As technology can play a pivotal role to make branchless banking a reality, banks may use mobile banking, micro-ATM and business correspondent model to reach the unreached and bank the unbanked.
- It is also expected that Agri-tech startups may provide the latest technology and link the farmers with market for better returns.

Chapter 9: Rural Education

The Committee for Draft national education policy submitted its report to ministry of human resource development on May 31, 2019. The proposals in the newly released draft education policy 2019 aim to overhaul of the entire education system.

- The report seeks to address the challenges of: (i) access, (ii) equity, (iii) quality, (iv) affordability, and (v) accountability.
- The policy proposes major changes in school and higher education, improved governance and focus on research and innovation.
- The new policy also emphasizes transformation at all levels of education with an increased focus on early childhood care, teacher training, examination system and research.
- The policy aims to equip students with the necessary skills and knowledge and has a special focus on science and technology.
- A new apex body **Rashtriya Shiksha Ayog** is proposed to enable a holistic and integrated implementation of all educational initiatives and programmatic interventions, and to coordinate efforts between the centre and states.
- Support to IITs, Rashtriya Uchhatar Shiksha Abhiyan (RUSA), Scheme for Transformational and Advanced Research in Sciences (STARS), Scheme for Promotion of Academic and Research Collaboration (SPARC), Impactful Policy Research in Social Science (IMPRESS) and Impacting Research Innovation and Technology (IMPRINT), are among the schemes which have got considerable allocations in the budget.

Education – Budget 2019 Highlights:

Draft national education policy:

- The policy proposes major changes in the higher education in the country to improve outcome drastically.
- It proposes the creation of several new bodies to overlook different facets education.
- Also, **National Higher Education Regulatory Authority** or **Rashtriya Shiksha Aayog** (RSA) should be the only regulator for all higher education including professional education.

Study in India:

- The National Budget 2019-20 has significant components such as ‘**Study in India**’ Programme, so that more foreign students choose India as a higher education destination.
- The aim of this campaign would be to brand India as a prime study destination for international students, it has been set up with the objectives to:
 - Boost the number of inbound international students in India;
 - Increase India’s market share of global education exports;
 - Improve the overall quality of higher education.
 - Increase in global ranking of India as educational destination; and
 - Enhance India’s global market share of international students.
- Institutes in India have already been included in the global ranking list.
- IITs and IISc are now included in top 200 institutions in world university rankings.
- India has the potential to become the hub of education and the ‘Study in India’ programme will focus on bringing foreign students to the country.

National research foundation (NRF):

- The Union Budget proposes setting up national Research foundation for youth.

- **National research foundation** will fund coordinate and promote research in the country, establishing a Higher Education Commission with focus on a higher autonomy and National education policy to propose changes in school, higher education.
- It would be set up as an autonomous body, for funding, mentoring and building the capacity for quality research in India.
- The foundation will consist of four major divisions: **sciences, technology, social sciences, and arts and humanities**, with the provision to add addition divisions.
- The government will make renewed efforts to promote research in the country.
- The proposed NRF will give a boost to research critical to building indigenous products and solutions.
- NRF will ensure that the **overall research quality in the country is strengthened** with focus on identified thrust areas relevant to our notional priorities and towards basic science without duplication of effort and expenditure.
- The funds available with all ministries will be integrated in NRF.

Higher education:

Another highlight of the union budget in the context of education is setting up the **Higher Education Commission of India**. It aims to increase enrollment at the higher education level. To improve the overall equation, it gives the following suggestions:

- Regulatory structure and accreditation.
- Establishing new higher education institutions.
- Strengthening the existing higher education institutions.
- Setting up of national research foundation.
- Profession development of faculty.
- Optimal learning environment.
- Starting programmes on Liberal arts.

Role of Technology:

- A renewed focus on quality education coupled with use of technology will benefit the Indian education sector in years to come.
- The budget has given due importance to skilling and education, which is important for a skill – driven country like India.
- It will, upto a large extent help in addressing the issue of unemployment, including in the rural areas.
- Focus on technology implies an expansion in the **Skill India Programme**, which is a major boost towards building India's technical competence.
- The policy recommends that a **National Education Technology Forum** be setup.
- Ministry of Human Resource Development is already administering a programme **National Mission on Education through Information and Communication Technology' (NMEICT)** to make the best quality content accessible to all learners in the country, free of cost through ICT.
- One of the initiatives under this programme is **SWAYAM**.

SWAYAM:

- The '**Study Webs of Active Learning for Young Aspiring Minds' (SWAYAM)** is an integrated platform for offering online courses and covering school (9th to 12th) to post graduate level.
- It offers **Massive Open Online Courses (MOOCs)**.
- This programme has proved to be very useful especially for learners living in remote rural areas.
- SWAYAM initiative has helped bridge the digital divide for disadvantaged section of the student community the government initiative aims at taking the best teaching and learning resources to all, by **bridging the digital divide**.
- The focus on the amplification of skills in new – age tech domains will open, newer avenues of career growth.
- It will also help to help deal with challenge of severe skills shortage that across India are facing at present.

National sports education board under 'Khelo India' scheme:

- The budget emphasized the need to promote enthusiasm in sports as an important part of the development of today's students.
- In general, physical activity is well established to be among the best releases for tension and anxiety and facilitates emotional stability and resilience.
- The Union Budget also emphasizes upon sport for holistic development of young learners.
- A **National Sports Education Board** will be set up under the **Khelo India scheme**, a programme to increase awareness on sports in India.
- Khelo India Programme is focused on nurturing talent and connecting rural India to global games.
- It's components include community sports, coaching for excellence, talent identification, competition structure as well as the sports economy.
- The vision of the Khelo India is to infuse sports culture and achieve sporting excellence in the country. The mission is to encourage sports for all.

The other important items covered in the budget include:

- Development of a "**Gandhi-pedia**" to sensitize your about Mahatma Gandhi's ideas;
- Establishing a **dedicated Television channel for start-ups**.

Conclusion:

This budget has focused on digitization, technology and improving education at all levels. The commitment to bring in a new education policy along with enhanced emphasis on skilling will give a major boost to the vigorous education system in rural India. Initiatives like study India, SWAYAM will be a big leap towards bolstering the e-learning market, especially in the rural belt. The novel, innovative and path breaking reforms recommended will help in bringing about a paradigm shift by equipping students, teachers and educational institutions with the right competencies. This will also lead to development of an enabling, progressive and robust educational system for a vibrant new India.

Chapter 10: Skill and Entrepreneurship Development for Rural India

India is home to world's youngest population as half of its population is below the age of 25. It is estimated that 30 per cent of India's population is below the age of 14 and around 8 per cent are in the 60-plus age group while working age group (15-19 years) accounts for 62.5 per cent of the population.

- It has also been estimated that the demographic dividend opportunity in India is available for five decades from 2005-06 to 2055-56, longer than any other country in the world (UNFPA, 2018).
- This demographic dividend can be reaped only if we provide education, right skilling and employment opportunities to the economically active population.

Labour Market scenario:

- Labour Force Participation Rate (LFPR) indicates the proportion of population entering the labour market while Worker Population Ratio (WPR) indicates the proportion of population employed and the Unemployment Rate (UR) is the proportion of labour force who are not employed but are available for work.
- According to the Periodic Labour Force Survey (PLFS) 2017-18, LFPR for age group 15 years and above in India stood at 49.8 per cent with 50.7 per cent in rural areas and 47.6 per cent in urban areas.

Skilling in rural Areas: Recent government initiatives in India:

- While the government has initiated schemes/ programmes to provide skill training to the youth both in the rural and urban areas, the task becomes all the more urgent with the rapid digitisation and transformation that is taking place in the job roles with the advent of the fourth industrial revolution.
- As per **National Skill Development Corporation (NSDC's)** sector reports on Human Resource and skill requirements, there would be an incremental requirement, of 103.4 million people in the 24 high growth sectors requiring fresh skilling by 2022. In addition, there is a need for constant upskilling and realignment of existing workforce.
- Realising the need, the **National Skill Development Mission (NSDM)** was launched in 2015 to provide a strong institutional framework to implement and scale up skill development efforts across the country.
- The Ministry of skill development & Entrepreneurship (MSDE) is implementing the Pradhan Mantri Kaushal Vikas Yojana (PMKVY 2.0) on pan-India basis with a target of skilling one crore people under **Short Term Training (STT)** and **Recognition of prior Learning (RPL)**.
- A customised entrepreneurship orientation module has also been integrated under the employability and life skill course module in the PMKVY courses so that every candidate undergoing skill training is oriented towards entrepreneurship.
- Long term training is provided through the **Industrial Training Institutes (ITIs)** run by the state Governments.
- To encourage rural entrepreneurship and start-up by rural youth including women, **Start-Up Village Entrepreneurship Programme (SVEP)** is being implemented under **Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM)**.
- The **Start-Up India Programme** was launched in January 2016 to build a strong ecosystem for nurturing innovation and start-ups and thereby generating large-scale employment opportunities the government through this initiative aims to empower start-ups to grow through innovation and design.

Chapter 11: MSMEs: Key Component for India's \$5 Trillion Economy

The importance of a vibrant Ministry of **Micro, Small and Medium Enterprises (MSME) sector** in the context of the aggregate economy cannot be overestimated as it accounts for:

- Nearly one – third of aggregate economy gross value added.
- Approximately one third of manufacturing output in the country.
- Three – fourths of all establishments in the country.
- With around 36.1 million units throughout the geographical expanse of the country, MSMEs contribute
- 6.11% of the manufacturing GDP;
- 24.63% of the GDP from service activities
- 33.4% of India's manufacturing output.
- They have been able to provide employment to around 120 million people and contribute around 45% of the overall exports from India.
- About 20% of the MSMEs are based out of rural areas, which indicate the deployment of significant rural workforce in the MSME sector and is an exhibit to the importance of these enterprises in promoting sustainable and inclusive development as well as generating large scale employment especially in the rural areas.
- A distinctive feature of MSMEs is that a very large proportion of them are concentrated around 6,000 clusters plus 1,157 traditional industrial clusters.

Role of MSMEs:

Generating large – scale employment:

- In India, capital is scarce and labour abundant they also go a long way in checking rural – urban migration by providing people living in isolated areas with a sustainable source of employment.

Sustaining economic Growth and increasing exports:

- Non-traditional products account for more than 95% of the MSME exports.
- Since the products are mostly handcrafted and eco-friendly, there exists a tremendous potential to expand the quantum of MSME-led exports.

Making Growth Inclusive:

- MSMEs are instruments of inclusive growth which touch upon the lives of the most vulnerable and marginalized for many families.
- In certain cases, it is the only source of livelihood.
- This sector seeks to empower people to break the cycle of poverty and deprivation.

Challenges faced by MSMEs

- Most of the unregistered MSMEs predominantly confined to rural India, operating with obsolete technology, limited access to institutional finance etc. and there is a need to transform the huge unregistered MSME into registered MSME.
- There is a need to improve the competitiveness of the overall MSME sector converting areas like.
 - (A) Access to technology;
 - (B) IPR related issues;
 - (C) Design – Related issues;
 - (D) Wasteful usage of resource/manpower;
 - (E) Energy inefficiency and associated high cost;
 - (F) Low IC usage;
 - (G) Low market penetration;
 - (H) Quality assurance / certification; and
 - (I) Standardization of products and proper marketing channels to penetrate new markets.

Government initiatives for MSMEs:

1. **Access to Credit:** Launch of the 59-minute loan portal to enable easy access to credit for MSMEs.
2. **Access to market:** Public sector companies now have to compulsorily procure 25% of their total purchase from MSMEs.
3. **Technology up gradation:** For access to technology, 20 technology hubs with 100 spokes in the form of tool rooms will be set up throughout the country.
4. **Easy of Doing business:** A number of initiatives have been initiated for facilitating business for getting clearances and certifications.
5. **Social security for MSME sector Employees:** A mission has been launched that ensures that employees has access to PM Jan Dhan Jan account provident fund and insurance.

The policy initiatives announced in the Union Budget are clear and consistent, aimed at transforming the ecosystem for the MSMEs sector by influencing:

- (1) Birth (encouraging Start – ups)
- (2) Operations and growth by simplifying laws and regulations and facilitating their access to credit. Better technology and dynamic markets.
- (3) Orderly and easy exit.

The vision is to increase MSMEs contribution to India's GDP to over 50% from the current 29% for the Indian economy to scale the \$ 5 trillion mark.

Conclusion:

- To reach the \$ 5 trillion economy, MSMEs have to play a much bigger role, both in employment generation, in exports, in skilling people and in making the sector more formalized so that they start reaping the benefits of reforms such as GST.
- This will also pave the way for easier access to credit flow.
- Moreover, with the Government's focus on enhancing credit flow, to MSMEs, technological up gradation and digitizing MSMEs, they can not only complete effectively with global counterparts, but also play a bigger role in the 'Make In India' campaign.
- Needs of the hour is to strengthen these linkages between the big and small and together they can propel the global economy. If MSMEs grow, there will be a balanced growth all over India as they are in rural areas and also urban areas.

Chapter 12: Health for New Rural India

The Union budget 2019-20 lays down the decadal vision for the health sector as “**Healthy India – Ayushman Bharat, well-nourished women & children, Safety of citizens.**”

- India’s flagship health sector programme, the national Health Mission (NHM) sought to revitalize rural and urban health sectors by providing flexible finances to state governments.
- The national Health mission comprises of **4 components**, namely, the National Rural Health Mission, the National Urban Health Mission, Tertiary care programmes and Human Resources for Health and Medical Education.
- The National Health Mission represents India’s endeavour to **expand the focus of health services beyond reproductive and child health**, so as to address the double burden of **communicable and non-communicable diseases** as also to **improve the infrastructure** facilities at district and sub district levels.

National Health Mission:

- The **National Health Mission (NHM)** brought together at National level the two departments of health family welfare.
- The NHM brought in considerable innovations into the implementation of Health Sector Programmes in India.
- Reproductive and child health services were the primary focus of NHM.
- The successful implementation of **Janani Suraksha Yojana** and **ASHA programmes** had a significant impact on behavioural changes and brought pregnant women in large number to public health institutions.
- The NHM has also empowered people through village health and sanitation committees to formulate village health plans and exercise supervisory oversight of ASHA workers at the **Primary Health Centre (PHC)** and **Community Health Centre (CHC)** level Rogi Kalyan Samitis have been activated to establish systems of oversight over the public health facilities for creating a patient friendly institution.
- The Ministry of Health and family welfare had added several new schemes since 2014 to enable implementation of “**Health for All**” vision of the nation.

Universal Immunisation Programme:

- **Mission Indradhanush**, sought to achieve full immunisation coverage of 90 percent children by 2020.
- A basket of new vaccines has been added to the Universal Immunisation Programme to increase the number of vaccines from 6 to 12.
- The prominent among them are the inactivated polio vaccine, the rota virus vaccine, the adult Japanese Encephalitis vaccine and the Rubella vaccine as measles rubella vaccine.

Other initiatives by the government:

- **India new born action plan** with focus on **reduction of neonatal mortality rate** has successfully established special new born care units at district level and new born stabilization units at sub-district/CHC level.
- The **Mother’s Absolute Affection** programme was launched in 2016 with focus on promotion of breast feeding practices.
- The **Rashtriya Bal Suraksha Karyakram** represent the major screening programmes of government for early screening and interventions in children and adolescent girls.
- The government has added the **Pradhan Mantri Surakshit Matritva** Abhiyan for assured antenatal care.

The national health policy (NHP) 2017

- The NHP seeks to raise the health sector spending to 2.5 per cent of GDP, create patient centric institutions, empower the patients and lay down standards for quality of treatment.
- It also seeks to strengthen health infrastructure.

- The NHP's key goals are to improve the life expectancy at birth from 67.5 years to 70 years by 2025 and reduce the infant mortality to 28 by 2018
- India has a vast organisation for public Health care delivery and primary care services.
- The NHP lists infrastructure and human resource development in primary and secondary care hospitals as a key priority area.
- The NHP seeks to reform medical education government has initiated major steps in this direction.
- The unique status of AIIMSs has been reinforced by significant infusion of financial resources for major expansion. The government has placed a lot of emphasis on creation of several AIIMS like institution across India.
- The increased availability of PG seats along with a centralized entrance exam represent major steps in reform of medical education in the country.
- The NHP has placed a lot of emphasis on digital initiatives. Digitization of public hospitals has enabled a reduction of patient with times and freed clinician times. A patient centric feedback system called **Mera Aspataal** has been introduced.

It is believed that the announcements in the Union Budget with respect to the health sector will strengthen India's primary and secondary healthcare services in the rural areas while focusing on reducing out of pocket expenses with enhanced allocations in the AB-PMJAY scheme, as also focusing on tertiary care facilities.

Chapter 13: A Giant Leap Of Aspirational New India: Sundar Bharat

India being a signatory of Sustainable Development Goals (SDGs), the Government of India has demonstrated its commitment in deed, action and intention in fulfilling them. Its flagship programmes pay special heed to **SDG 6 in particular, which talks about clean water, adequate and equitable sanitation and hygiene for all and end of open defecation.**

- Economic and Social Council of United Nation has especially applauded the role of India in pursuing media campaign to aware the mass for the cause of sanitation and hygiene.
- India along with countries of South Asia region accounted for three-fourth of its population Open Defecation Free (ODF).
- SBA is the largest cleaning programme of the world, which has two branches: Swachh Bharat mission (Gramin) and Swachh Bharat Mission (Urban) for rural and urban area, respectively. Together, they aim to make Swachh Bharat by 2019.

Swachh Bharat Mission (SBM)

- SBM adopts a multi-faceted approach to enhance the quality of life by promoting cleanliness, hygiene and eliminating open defecation.
- It ensures community participation, in setting up of the toilets to promote ownership and sustained use.
- It incentivises the performance of State-level institutions to implement activities for behavioural change among communities set up the Swachh Bharat Kosh to encourage Corporate Social Responsibility and accept contributions from private organizations, individuals and philanthropists.
- Nearly 90 per cent of all SBM toilets have already been geo tagged.

Open defecation free (ODF) India:

- Open defecation poses serious threat to the health of children and expose women to social agony and physical attack.
- ODF would mean the termination of faecal-oral transmission. ODF has two main components
 - Faeces free environment
 - Enable use of safe technology options for faeces disposal.
- Management of solid waste is another focus area of SBM.
- The number of ODF villages has significantly increased since 2015.
- Under SBM, an incentive of Rs 12,000 is provided for construction of **Individual Household Latrines (IHHL)** to eligible beneficiaries in rural areas and covers for provision of water storage.
- The Central share for the incentive provided for IHHLs is 60 per cent and the State share is 40 per cent. For Northern-eastern States, the Central share is 90 per cent and the state share is 10 per cent.

Clean Air:

- Air pollution reduces the life span of South Asian child by 30 months and globally by 20 months (Health Effect Institute, 2019).
- Increasing burden of disease from air pollution is among the major challenges facing policy makers, with far-reaching implication for national economies and human well-being.
- **SDG 7 emphasises on “access to affordable, reliable and sustainable energy for all”.**
- It recognizes the harmful impact of household air pollution.
- Use of solid fuels is common in developing countries due to inaccessibility to clean and smokeless fuels in particular.

- India has taken a giant leap towards the choice of cooking fuels from solid fuels to liquefied petroleum gas (LPG), a clean-smokeless cooking fuel, with the Government's flagship scheme **Pradhan Mantri Ujjwala Yojana (PMUY) initiated in 2016**, with the aim to safeguard the health and well-being of women and children, with special focus on the marginalised and the deprived section.
- Direct Benefit Transfer for LPG consumer (DBTL) scheme namely, '**PAHAL**' has also been launched to rationalise subsidies based on approach to cut subsidy leakages.
- PAHAL has been recognized by the "Guinness Book of World Record" as the World's Largest Direct Benefit Scheme (Economic Survey 2018-19)

Clean Water

- Access to safe, clean and assured supply of drinking water is essential for human development.
- India is on the **120th rank amongst 122 countries in Water Quality Index**.
- The new Government has recognised the need of clean water and ensured piped water to every household by 2024 under Jal Jivan Mission.
- Government has initiated **Nal se Jal Scheme**, aiming to provide piped drinking water to every rural household.
- Presence of nominal amount of chemicals contamination in drinking water is known in local system.
- The Department of Drinking Water and Sanitation, Government of India, is setting up an **International Centre for Drinking Water Quality (ICDWQ)**.
- The basic aim of the Society is to work in the area of identification mitigation and management of drinking water quality-related problems in India and abroad with a focus on Arsenic and Fluoride and to provide inputs for policy level decision making under the **National Rural Drinking Water Programme** and in the rural drinking water sector in general.

Health and Economy

- Better health increases productivity. It improves the human capital accumulation by increasing longevity and it reduces the burden of disease on economic growth.
- A cross-country research shows that GDP is directly proportional to Human development Index (HDI) whose components are health, longevity and per capital income
- In post liberalization, India has witnessed the improvement in GDP growth rate with reduction in mortality rate and better life expectancy.

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