Gist of YOJANA

VOL.01
November 2020

Post-COVID Economy

Preparing India for an Uncertain Post-COVID World	India's Monetary Policy	Revival of Economy
Facilitating Self-Reliance	Revitalising MSMEs	

Outstanding performance by BYJU'S students in IAS 2019

Congratulations to our toppers

04 Ranks in Top 10 | **09** Ranks in Top 20 | **13** Ranks in Top 50 | **22** Ranks in Top 100


RANK 03
Pratibha Verma


RANK 06
Vishakha Yadav


RANK 08
Abhishek Saraf


RANK 10
Sanjita Mohapatra


RANK 11
Nupur Goel


RANK 12
Ajay Jain


RANK 14
Anmol Jain

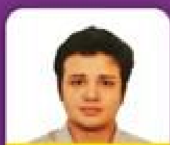

RANK 16
Gunjan Singh


RANK 19
Shresta Anupam


RANK 23
Nidhi Bansal


RANK 24
Abhishek Jain


RANK 30
Pari Bishnoi


RANK 34
Apurv Chauhan


RANK 52
Om Kant Thakur


RANK 56
Pankaj


RANK 66
Saurav Pandey

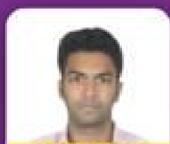

RANK 69
Navneet Mittal


RANK 81
Anil Kumar Rathore


RANK 84
Jivani Kartik Nagjibhai


RANK 85
Shubhank Mishra


RANK 96
Hardik Aggarwal


RANK 98
Y Megha Swaroop

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

8 Ranks in top 50 | 18 Ranks in top 100 | 215 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
Avdhesh Meena

CSE 2015

5 Ranks in top 50 | 14 Ranks in top 100 | 162 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

6 Ranks in top 50 | 12 Ranks in top 100 | 83 Ranks in the final list


Rank 4
Vandana Rao


Rank 5
Suharsha Bhagat


Rank 16
Ananya Das


Rank 23
Anil Dhameliya


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 Rathi


Rank 46
Udita Singh

BYJU'S IAS

BYJU'S IAS presents another comprehensive learning program for UPSC aspirants.
The **BYJU'S Online Classroom for IAS** provides you with the opportunity to attend the live classes conducted by India's best IAS faculty, from the control of your homes, assuring you uninterrupted learning so that you can clear the IAS exam with ease. Check the program details below.

Here's how you can get started:

- Attend Live Classes by India's Leading IAS Trainers
- Choose a slot that works best for you

Morning Batch	Evening Batch	Weekend Batch	
Monday to Friday 06:00 AM to 09:00 AM	Monday to Friday 05:30 PM to 08:30 PM	Saturday 02:00 PM to 08:00 PM	Sunday 10:00 AM to 08:00 PM

- Participate in the 'Doubt Destroyer' session

How will BYJU'S Online Classroom for IAS help you in your preparation?

Test Yourself: Evaluate your performance by attending weekly MCQ-based and descriptive tests.

IAS Tab: Get a complimentary IAS learning tab with pre-recorded video lectures for revising important concepts and topics.

Comprehensive Study Material: Study material provided is complete and includes well-known books like Indian Polity by M Laxmikanth, Ancient History by R S Sharma, etc.

Current Affairs Webinars: Be a part of the two-hour live sessions every Tuesday and Thursday for Current Affairs analysis of major newspapers, magazines, and RSTV debates.

Exclusive access to BYJU'S IAS Student Portal: This provides you with unlimited access to Prelims and Mains based questions, Monthly Magazines covering Current Affairs, 'Issues In News', and recorded webinar sessions.

Mentor Support: You will be assigned a mentor who will guide you throughout your preparation process.

For more information about the program contact us at **iaslive@byjus.com** or call us on **+91 78293 88882**.

Stay safe and Keep Learning!

Team BYJU'S

YOJANA – NOVEMBER 2020

Post COVID Economy

Table of Contents:

Chapter 1: Preparing India for an Uncertain Post COVID World

Introduction:

- The world economy experienced a major crisis in 2020 due to the Covid-19 pandemic. It is the biggest shock to the world economy since the Great Depression of the 1930s and World War II.

India's Barbell Strategy:

- Based on a "barbell strategy", India's economic and health response has been somewhat different than that of other countries in terms of sequencing and emphasis of various measures.
  - "Barbell" strategy involves hedging first for the worst possible outcome while progressing step-by-step with a Bayesian updating of information. During the pandemic, major decisions had to be undertaken under conditions of extreme uncertainty and paucity of information.
- The initial total lockdown, therefore, should be seen as a hedge against the worst possible outcomes. A strong initial lockdown could stall the epidemic at an early stage. This initial lockdown also gave the space to arrange a large-scale medical response in terms of equipment, quarantine and testing capacity.
- The central government then unlocked the economy step-by-step as information as well as medical capacity both improved. This ensured sensible tradeoffs between health and economic needs.
- The same barbell strategy was used in the economic response as well with the providing of cushion to the most vulnerable segments of society and of the business sector (such as medium and small enterprises). There was emphasis on food availability, cash transfers to Jan Dhan accounts, government guarantees on loans to small enterprises, moratoria and postponement of financial deadlines. The emphasis was on providing a safety net.
- The time was also used to put in place long-term structural reforms in anticipation of the post-COVID world.

Post-COVID World:

- The Covid-19 pandemic is the biggest global disruption in generations. The post-COVID new world will have its own geopolitics, supply chains, technological innovations, institutional structure, and consumer preferences, etc.

Emphasis on flexibility:

- Rather than investing in a rigidly master-planned response, it is better to invest in the long-term response aimed at making the Indian economy more resilient and flexible in order to deal with the opportunities and problems of the post-COVID world.
- Recently announced structural reforms encourage flexibility and adaptation in India's economy.
  - The agriculture sector reforms free-up farmers to sell their produce as they wish while those involved in the supply chain can invest in storage without fear of being labelled "hoarders".
  - Similarly, dozens of central labour laws have been reduced to four internally consistent codes. This will allow employers greater flexibility. Read more on the new labour codes.

Ensuring resilience:

- The other ingredient of the longer-term post-COVID framework is the emphasis on resilience. This is the key to understand the Prime Minister's vision of 'Aatmanirbhar Bharat" or Self-reliant India. This vision includes increased participation in global supply chains as well as a greater encouragement of foreign direct investment. This is not about an inward-looking retreat into a shell. This vision involves becoming more resilient by leveraging its internal strengths.

Structural reforms in governance:

- A resilient and flexible response to the unpredictable problems and opportunities of the post-COVID world will require reforms in the areas of administrative structure and the legal system.

Economic stimulus:

- With the economy mostly unlocked by early October, there is now a case for an appropriate demand stimulus with infrastructure investment taking center-stage. Monetary and fiscal space exists for this push despite the widening of the fiscal deficit.
- This expansionary monetary impulse is necessary to reignite India's financial system.

Chapter 2: India's Monetary Policy

Introduction:

- Monetary, policy, like fiscal policy, is an integral arm of public policy, its main objective is to ensure that an economy grows steadily along a path in which all available resources such as labour and capital are gainfully employed, or in other words, realizing its true potential.

Monetary policy:

- When the economy grows at a faster pace, it tends to overheat. Demand races ahead of supply, prices rise much more than people can tolerate, financial markets go through large fluctuations. In these conditions, the task of monetary policy is to cool down the economy so that it returns to its potential.
- When an economy is falling below potential, problems like unemployment, unusually low and unremunerative prices, depressed financial activity, and deficiency in resource use develop. In such a situation, monetary policy has to boost the economy and revive it so that it returns to its potential.
- Hence, the monetary policy by dampening the fluctuations contributes to the overall welfare of the people.

Principle of operation:

- Monetary policy can achieve its goal by changing the availability of money.
- In times of overheating, it reduces the supply of money so that people spend less, while in times of depressed activity, it expands the money supply so that people have more money to spend.
- It can also achieve the same result by changing the cost of money, which is the interest rate.

New framework for inflation targeting in India:

- Under the new framework, CPI would be used as an index for inflation targeting in India. The target is set at 4%.
- Under the new framework, CPI inflation has to be kept aligned with the target, but it can deviate from the target on account of unforeseen factors, up to 2 percent above or below the target.
- If the actual inflation deviates from the target's tolerance bands (inflation falls below 2 percent or rises above 6 percent) for three consecutive quarters, the Reserve Bank of India (RBI) has to write a

letter to the Government of India explaining the reasons for the deviation, the actions that will be taken to correct the deviations and the time it will take to return inflation to its target.

- Under the new framework, the decision has to be taken by a six-member committee called the Monetary Policy Committee (MPC). The Governor is the Chairperson, and the Deputy Governor and an officer of the RBI are appointed as ex-officio internal members of the MPC. Three other members are external, selected by the Government of India. The objective is to replace individualistic decision-making with a collegial process that brings in a variety of experience, expertise and independence.
- The currently applicable inflation target of 4 (+/- 2) percent which was set in 2016, will continue to guide the conduct of monetary policy in the RBI up to March 31, 2021.

Monetary policy during the pandemic:

- In response to the slowdown in the economy that commenced from early 2018-19 and was followed by the destructive Covid-19 pandemic, the monetary policy interest rate—also called the repo rate—has been reduced by a cumulative 250 basis points starting in February 2019 to 4 percent which is its lowest level ever.
- The MPC has also decided to maintain an accommodative stance as long as necessary to revive growth on a durable basis and mitigate the impact of COVID- 19 on the economy, while ensuring that inflation remains within the target going forward.

Significance:

International best practice:

- The monetary policy framework has been regarded in India and internationally as an important reform in the country's economic management.
- Generally, as is the practice the world over, primacy is accorded to the inflation objective and the growth objective is interpreted as stabilizing the growth path of the economy around the country's potential.
- India has joined 40 other countries in implementing inflation targeting.

Inflation within target range:

- CPI inflation has fallen from double digits and has remained aligned to the target of 4 percent. Throughout the period of the working of the new framework – between September 2016 and March 2020, it has averaged 4.2 percent.

Macroeconomic stability and its impact:

- The period between also came to be associated with sizable capital inflows from abroad, indicating robust investor optimism, and a strong external position of the country.
- Monetary policy is all about balancing the desirable and the feasible. Ensuring macroeconomic stability as reflected in low and stable prices is its biggest contribution to strong, sustainable and inclusive growth in India.

Recommendation:

- Periodic reviews of the monetary policy framework and inflation goals are necessary to ensure that they remain relevant to and appropriate for the changing macro-financial conditions in the economy.

Chapter 3: Revival of Economy

Economic impact of the pandemic:

- In India with the pandemic situation still evolving, the growth forecasts by all the agencies have been negative with the median forecasts at close to -10%. Reserve Bank of India expects the GDP to contract by 9.5% 'with risks to the downside'.
    - The GDP growth was already in a slowdown phase even in 2019-20. It has registered a growth of 4.1% which was the lowest in over a decade. The fiscal situation was even more precarious with the central Government invoking the escape clause in the FRBM (Amendment) Act of 2018 for two consecutive years that allows the governments to run 0.5% more fiscal deficit than specified in the Act.

Fiscal policy responses:

- Under the precarious economic condition brought out by the pandemic, the government has undertaken some fiscal policy responses to curtail the growth contractions.
    - Measures were taken such as food security scheme, ensuring more rural jobs under MGNREGS, anti-poverty program (PMGKY), Credit Guarantee Schemes for MSMEs and Kisan Credit Card for farmers, monetary stimulus provided under liquidity measures to the tune of Rs 8.01 lakh crore.
    - The states are also allowed to borrow 2% more as suggested under the FRBM Act. This would help some of the states to increase borrowing to compensate for the revenue losses as well as the increased demands for health care and other expenditures during the pandemic.

Criticism:

- One of the main criticisms with regard to the fiscal policy response package has been that the fiscal cost of the package is just about 1.5% of GDP as most of them include the monetary stimulus and credit guarantees.
- This stands against the demand for a large fiscal stimulus that needs to be front-loaded in order to contain the sharp contraction in the GDP growth.

Counterview:

Balancing Fiscal deficit with contingency:

- It is important to understand that the credit guarantee to MSMEs and KCC, though does not directly affect the fiscal deficit, could add to the outstanding liabilities (broader concept than public debt) through contingent liabilities. This move would help address the contingency while making sure that the fiscal deficit does not increase beyond controllable limits.

Support to financial system:

- Further, this would also help banks that are struggling with NPAs and provisioning can be done to businesses in these crucial sectors.

Substantial support:

- The fiscal support since the beginning of the current fiscal year could be larger than this and the combined (centre and states) fiscal deficit in the current financial year could be somewhere close to 12% of GDP.

- Overall, while the fiscal and monetary supports that are announced are substantial, the impacts of these measures depend heavily on how they are implemented.

Inflation worry:

- There are also concerns on how these measures are going to affect inflation management.

Conclusion:

- There are discussions about the shape of the recovery. Whether it would be 'V' or 'U' or 'W' or any other shaped recovery is something that is important for investors. While the government feels that there could be a 'V' shaped recovery, most analysts feel that the recovery may not be that sharp. While the slowdown was sharp due to sudden lockdown, the recovery is expected to be prolonged and that depends heavily on the implementation of fiscal-monetary packages.
- A few green shoots are already visible in the economy. Increasing credit off-take to MSMEs, high rural development expenditures (utilization of over 80% of annual allocation), increasing electricity demand, etc., suggest a pick-up in economic activities across sectors.
- While the pressure on the States to borrow has been high, the centre could help the states by borrowing from the market directly so that the interest burden on the states could reduce.

Chapter 4: Facilitating Self Reliance

Evolution of Industrial Policy in India:

- India's Industrial Policy has evolved over the years, and relevant changes/reforms have been introduced based on the exigencies of time.

At the time of independence:

- At the time of independence, development was to be led by the public sector, to create a sound industrial base for the future.
- The main challenge for Indian policy-makers was to transform a poor agrarian economy into a modern industrialized one. India was constrained by a severe resource crunch that had to be allocated across a number of sectors. Resources being scarce in an underdeveloped country, it was difficult to develop all sectors simultaneously. Leading sectors had to be identified for the allocation of scarce resources. This is what is known as the 'big push' asserted by Rosenstein Rodan.
- A decisive effort was made in the second Five Year Plan (FYP) drafted by P.C. Mahalanobis, where the main emphasis was on state-led industrialization, resting on the strategy of import substitution. It was to be led by the public sector.
    - Under this, the domestic industries can develop behind high tariffs till they become self-sustaining and are no longer in need of government support.
- The First Industrial Policy statement was made in the Industrial Policy Resolution, 1948 issued by the government which accepted the importance of both the private and public sectors in the industrial economy of India. Industrial Policy Resolution, 1956 envisaged an increasing role for the public sector.

Changes in the 1990s:

- Fast-forwarding to the 1990s, as a policy response to the crisis brewing up since the late 1980s, wide-ranging reforms in industrial deregulation, foreign trade policy, exchange rate and payments

- regime, capital markets and the banking sector fiscal consolidation were introduced. It involved liberalizing licensing and measures to encourage foreign investments.
- The Industrial Policy 1991 was in response to a challenge, and appropriate changes were introduced to facilitate the transition from a state-regulated economy to a liberalized and globalized economy.

New paradigm:

- Over time, the thinking that started dominating policy circles was that the government, instead of directly intervening in sectors, must play the role of a facilitator to ensure competition and efficiency.

National Manufacturing Policy:

- The National Manufacturing Policy released by the Government in 2011 focuses on increasing the manufacturing sector growth to 12-14 percent over the medium term, increasing the share of manufacturing in GDP to 25 percent by 2022, creating 100 million additional jobs in the manufacturing sector by 2022 and increasing domestic value addition and technological depth in manufacturing.

Rethink due to COVID-19:

- The thinking that the government must reduce its role in directing investment and facilitate market forces in different sectors requires a relook in the light of the Covid-19 pandemic.
- The pandemic has taught us a few key lessons like reducing import-dependence for certain critical inputs, boosting domestic capacity and making supply chains more resilient.
- India is dependent on a few countries for not only medical supplies, devices and pharmaceuticals, but also in other sectors like electronics, machinery and chemicals.

Industrial Policy in the post-COVID world:

- Aatmanirbhar Bharat Abhiyan or Self-Reliant India Movement involves rebuilding economic capabilities and capacities via measures and incentives to reduce dependence on imports, especially imports of critical components. It promotes engagements with global production chains from a position of strength.
- An Industrial Policy in the post-COVID world may have the following components.

Make in India:

- Making in India for the world requires focusing on a few sectors to build comparative advantage, so that in due course, India becomes a major player in the global market in these sectors.

Ensuring quality:

- The target of 'Make in India' for the world requires defining world-class quality standards. Quality of products and services is a key driver of competitiveness.
- Domestic standards and technical regulation ecosystem are also critical for linkages with global and regional value chains.
- The following measures are necessary in this context:
  - The industry should be encouraged to drive the formulation and development of voluntary standards
  - Regular participation of identified experts in international standards-setting bodies
  - Enhancing testing, inspection and certification infrastructure domestically

Infrastructure and logistics:

- Improving infrastructure and reducing logistics costs, which will work from the supply side will help in reducing production costs, thus making Indian manufactured products more competitive globally.

Improving ease of doing business:

- Ease of doing business (EoDB) is another key area that requires reform.
  - A substantial net reduction in the overall burden of regulatory compliances on the industry is the need of the hour.
  - There is also the need to ensure a stable and predictable policy regime.
- The increased ease of doing business will create a conducive environment for businesses to thrive and also help attract FDI into India.

Imbibing new technology:

- Need to encourage Indian industry to upgrade to advanced technologies and ease transfer of technology from global and Indian innovators to Indian industry.
  - Industry 4.0 offers opportunities, such as increased productivity, reduced waste and increased efficiency but there are also concerns about the cost of adoption and possible lob losses.
- Digitization forms the basis for the next wave of disruptive technologies, India is digitizing at an unprecedented pace aided via measures like the establishment of a National Digital Grid, robust data protection regime, etc.
- While the emphasis on innovation and indigenous development of technology is critical, an economic sense in acquiring these advanced and smart technologies for catch up and for further development is necessary. A Technology Deployment Fund can be created with private sector participation to support the acquisition of technologies.

Employment generation:

- Employment generation must be a key aspect behind all sectoral initiatives undertaken by the government.

Post-COVID adaptation measures:

- Implementing measures that prepare businesses for the new post-Covid-19 economic conditions and realities.
  - Firms can be incentivized to shift to alternate means of doing business.
  - Business support organizations like chambers of commerce and sector associations can play the role of being mediators among businesses. This can help reduce costs for both buyers/sellers and create economies of scale.

Recent Measures Undertaken by the Government:

Boosting Domestic Manufacturing:

- Make in India 2.0 is focusing on domestic manufacturing of 15 champion sectors like Textiles and Apparels, Food Processing, Gems and Jewellery, Pharmaceuticals, Chemicals, Automotive industry, Electronics, Leather and Footwear.
- A number of production-linked incentive (PLI) schemes in the manufacturing of mobiles and electronics, APIs and medical devices have been approved.

- Phased Manufacturing Programme (PMP) is in operation for Cellular Mobile Handsets and e-vehicles. NITI Aayog has identified LED Lights, Network Products, Medical Devices, Pharmaceutical Drugs, and Man-made fibre for implementation of PMP.
- To incentivize Make in India and domestic manufacturing, DPIIT has revised its Public Procurement (Preference to Make in India) Order with changes that will promote greater domestic value addition.

Incentivizing FDI:

- The government is working to develop strategies to attract FDI, particularly for foreign firms looking to diversify their manufacturing base, and to boost investment.
- The focus has been on encouraging Foreign Direct Investment (FDI) to boost domestic manufacturing, investment and technology enhancement.
- The Government has approved the creation of an Empowered Group of Secretaries (EGOS) and Project Development Cells (PDCs) in Ministries/Departments of Government of India to facilitate and streamline investments into India. The focus has been on enabling an investor-friendly FDI Policy.

Infrastructure and Logistics:

- A National Infrastructure Pipeline (NIP) covering projects worth Rs 111 lakh crore is under implementation.
- The government is in the process of finalizing a National Logistics Policy which aims to bring down logistics costs significantly.

Conclusion:

- India's share in global value chains (GVCs) is low vis-a-vis other comparable economies.
- Measures encompassing infrastructure development leading to supply-chain resilience, PMP and PLI schemes in a number of products, promoting Make in India and the sustained drive towards quality and boosting domestic capacity will pave the way for India to make its mark in GVCs in the times to come.

Chapter 5: Revitalising MSMEs

Significance of MSMEs:

- MSMEs are considered as the central element of the Indian economy, given the employment, output, and export potential.
  - They contribute nearly 30 percent of India's GDP and 31 percent of GVA to the $2.7 trillion economy.
  - MSMEs accounted for 48.1 percent of the total exports from India during 2018-19.
  - The sector generates 21 percent of the total employment providing livelihood to approximately 111 million workers.
- There are around 63 million enterprises that come under the MSME classification in India.

Features of MSMEs:

- A unique feature of India's MSME landscape is the widespread prevalence of micro-enterprises (constitute 95 percent of the sector).
- These enterprises are mostly located in the informal economy.

- These firms lack access to formal finance.
- It becomes essential to develop a support system for the sustenance and revival of the MSME sector.

Major challenges for the MSME sector:

- Despite its prominent role in the economy, the micro, small, and medium enterprise (MSME) sector faces tremendous challenges to its growth.

Access to finance:

- Access to institutional finance is a major constraint. Access to timely and adequate finance remains a major hurdle hampering the growth of MSMEs.
  - Micro and small enterprises receive less than 6 percent of bank credit.
    - Prime Minister's Task Force on MSMEs recommended banks to achieve a 20 percent year-on-year growth in credit to micro and small enterprises.
  - The UK Sinha Committee report singles out access to finance as the biggest hurdle to the growth and development of MSMEs.
- Two principal factors that restrict the flow of formal finance to MSMEs are the lack of established credit history and the lack of sufficient collateral. The Owner-operated MSMEs also face difficulty in credit access, due to complex application procedures, high interest rates, fear of rejection apart from high collateral requirements and the absence of credit history.
- The rise in non-performing assets (NPA) is also restricting banks from extending credit.

Issue of delayed payments:

- The MSMEs face the perennial problem of delayed payments.
  - Most MSMEs partake in the supply chain as a supplier of intermediate goods and services to large firms, including public sector units (PSUs), resulting in low bargaining power.
- The delayed payments significantly hamper MSMEs' ability to repay loans and make wage payments.
- The delay lengthens the working capital cycle of MSMEs and results in credit mismatch for the MSME sector. This, in turn, would drive them towards informal sources of finance to bridge the cash gaps.
- According to the UK Sinha Committee report, delayed payments explain 41 percent of all distressed loans in the MSME sector.

The Informal Sector Enterprises:

- With 95 percent of MSMEs classified as micro-enterprises, it is certain that the substantial share of enterprises is in the informal sector.
- The relief measures like tax reliefs may not have much influence on these enterprises since they rarely fall under the tax net.

Impact of the pandemic:

- The lockdown has had a major impact on the economy, especially in terms of loss in output, revenue, and, most importantly, jobs. The third week of April witnessed a rise in the unemployment rate to 26.2 percent, rendering around 14 crore people jobless in the lockdown period.

Impact on MSME sector:

- The COVID-19 pandemic poses a significant challenge to the survival of this segment of the economy. COVID-19 outbreak, nationwide lockdown, sources of revenues and cash reserves for the

majority of these units have diminished, threatening the survival of the vast majority of these enterprises.
    - Given the predominantly informal nature of these enterprises, they are likely to be the worst hit by the pandemic.
    - These firms lack access to formal finance and can fall into distress quickly when cash flow becomes irregular.
    - They do not have the adequate information technology setup to foster the possibility of work from home.
- With the dearth of cash, MSMEs will find it strenuous to make wage payments to their employees and survive the Covid-19 pandemic.

Government initiatives:

- To combat the adversities faced by MSMEs, the government has introduced vital policy measures and funding schemes for the reeling MSME sector.

Addressing the liquidity constraints:

- Some of the measures introduced by the government are:
    - Deferring of goods and services tax (GST) payments till June 2020.
    - RBI has allowed deferment on interest payments on working capital loans.
    - RBI has also introduced Long-Term Repo Operations (LTRO) worth Rs. 100,000 crore, enabling banks to lend at a cheaper rate, which is likely to benefit the MSME sector.
    - Banks have also set up Covid-19 Emergency Credit Line (CECL) to ease the liquidity crunch faced by MSMEs.
    - SIDBI has also announced a concessional interest rate loan targeted for MSMEs engaged in manufacturing goods and services related to Covid-19.
    - Payment dues of MSMEs with the government (estimated at Rs. 40,000-50,000 crore) would be released soon.

Long term reforms:

- The RBI introduced the Trade Receivables Discounting System (TReDS) for MSMEs. It is a financial arrangement from a financial intermediary in which a seller obtains an amount of the sales bill before its due, after paying a discount fee.
- MSME Ministry launched the Delayed Payment Monitoring Portal—MSME Samadhaan in 2017, which allows MSMEs to register online complaints against delayed payments.

Way forward:

- There is an urgent need to protect the most vulnerable segment of the economy i.e., the MSME sector through appropriate policy instruments. As the proverbial saying goes, "Necessity is the mother of invention," the pandemic has certainly created the need for innovative policies to rescue the ailing MSME sector.

Increasing information flow:

- Government could introduce a web and an app-based platform containing all the information with respect to MSMEs. This would enable the spread of timely and vital information with greater ease.

Using FinTech services:

- Pandemic provides policymakers with the opportunity to promote digitization and widen the use of FinTech services.
  - FinTech services offer a solution to the financial woes of MSMEs. These FinTech services acknowledge the fact that MSMEs are constrained by a lack of collateral or credit history, which hampers their access to formal finance. The FinTechs would evaluate the repayment capacity and default risk of a unit through technology.
  - Capital Float, an NBFC, provides collateral-free loans for small units in India. The NBFC assesses the risk profile of the business in real-time by evaluating MSMEs' cash flow and, upon meeting its criteria, provides loans to these businesses on the same day with zero paperwork. There is a need for such innovative policies to rescue the ailing MSME sector.

Special package for MSME sector:

- There has been a nationwide call from various industry organizations to the government to intervene and provide a special package to support the MSME sector.
- While designing the package for the MSME sector, policymakers will have to ensure that funds flow to the regions and industries that require it most.

Chapter 6: SANKALP for Employment

Introduction:

- There was humungous reverse migration of workers during the Covid-19 lockdown.
- With Uttar Pradesh, Bihar, Odisha, Madhya Pradesh, West Bengal and Jharkhand expecting the number of returnee migrant workers to run in millions, the preparedness of their home states to provide local employment is being put to test.
- India has 487 million workers and over a million join the labour force every month. However, about two-thirds of Indian employers report that they struggle to find workers with the right skills. India ranks 78 on a list of 122 countries as per the Human Capital Development report of the World Economic Forum.

Government Initiatives:

SANKALP initiative:

- The World Bank-supported programme of the Ministry of Skill Development & Entrepreneurship, SANKALP (Skill Acquisition and Knowledge Awareness for Livelihood Promotion) has been rolled out to promote skilling.

Measures taken to address the impact of the pandemic:

- Registering the returnees and their skill levels and collating job opportunities in projects funded by the central or state governments are some of the measures announced.

National framework for skilling:

- Ministry of Skill Development and Entrepreneurship of the Government of India (MSDE) is responsible for national skills training policy and management and is aided by many institutions. At the level of states, it is the State Skill Development Missions (SSDM) and at the level of district, it is the district skill committees (generally called DSCs).

- The DSCs are expected to deliberate upon and plan for access to viable skill training and employment for district human resources based upon its economic profile, market conditions and institutional infrastructure. DSCs are expected to reduce supply-demand mismatch, facilitate inclusion for all marginalized sections of society, manage labour migration issues and provide for robust monitoring.

Lacunae:

- In many cases, the DSCs have not been able to arrive at action plans to achieve their objectives. They lack leadership as well as financial resources.

Way forward:

Decentralized approach:

- The pandemic situation has brought the focus on a decentralized approach.
- Building adequate capacities at the grassroots levels for identifying employment opportunities and early anticipation of skill requirements at the level of districts is critical for an outcome-focused skills training system.
- Decentralized skill programmer formulation and implementation would systematically capture the demand which in turn would result in supply re-arranging itself to meet this demand.

Empowering DSC:

- Governments need to strengthen DSCs by providing adequate financing.
- Professionals and subject matter experts must be engaged for economic potential mapping and aligning skills to opportunities.
- SSDMs must provide guidance to DSCs with respect to the preparation of district plans and build the capacities of the DSCs through technical assistance and training.

Involving gram panchayats:

- Decentralization has to be logically extended beyond DSCs to Gram Panchayats.
- A robust DSC underpinned by Gram Panchayats will not only help to handle the present challenges of rural distress and the need for sustained livelihood arising out of COVID-19 but also improve qualitative growth of the labour market with enhanced skills for improved productivity.

Integrated approach:

- The outcome of skill development, unlike education, varies with employers and society.
- The skill training ecosystem must take an integrated view of existing and potential demand, trainees, training providers and employers. This should take into consideration the demographic, economic, cultural and resource diversity of India.
- Return on investment in skill development depends on the trainees' easy access to training, apprenticeship opportunities and a smooth transition to the world of work.

Chapter 7: Harnessing Demographic Dividend

Economic development:

- The development of a nation is highly correlated to the enlargement of people's choices and people's capabilities. Development must lead to decent standards of living and the well-being of the masses.
- Policy intervention is indispensable in dealing with various employment and growth-related issues in India and that will mark the roadmap for inclusive and sustainable development.

Inclusive growth:

- Inclusive growth is the need of the hour as it ensures economic, social and political equality among all the people of a country.
- Democracy would lose its significance if the benefits of growth do not reach the unreached.

Demographic Dividend:

- India is uniquely placed in terms of demographic dividend.
- Over 62% of people in the country fall in the age group of 15-59 years which is expected to rise up to 65% by 2035.
- There is the need to convert this segment of the population into a goldmine of productivity and prosperity by creating an entrepreneurial ecosystem conducive for nurturing millions of micro-entrepreneurs who may eventually become wealth creators.

Employment Scenario:

- There has been a global trend towards a decline in the employment rate in recent times.
- Worldwide, the unemployment rate is said to be 5.5% of the total workforce. India is also affected by the increasing rate of unemployment with about 6.1% of the working population said to be out of job.

Post-COVID Employment Challenges:

- Millions of people have moved back to their native places due to fear of the pandemic.
- There has been massive job loss in the wake of the pandemic.

Government initiatives:

Government schemes:

- The government has announced various schemes to achieve faster socio-economic development and bring inclusive development to India.
    - This includes initiatives like Make in India, Skill India, Digital India, Start-Up India and Stand Up India.

Impetus to start-ups:

- The government of India’s laws and policies have helped in building an entrepreneurial ecosystem in the country. There are about 28,000 active start-ups duly recognized by Department for the Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce and Industry.

MSME sector:

- The Government of India has already announced a slew of interventions to revitalize the MSME sector which provides over 90% employment opportunities in the country. The sooner the MSME sector is back on tract, the better it is for the economy is general and employment scenario in the country in particular.

National Recruitment Agency:

- The government is one of the largest employers in the country. NRA envisions a computer-based test for the job aspirants with validity of scores for three years.
- The NRA is based on the principles of inclusivity, equity and fair-play. It is a highly transparent system. As the scores are based on computer-based tests, there is no human intervention in short listing of candidates.
- The newly created NRA will help in streamlining and standardizing of the government employment process.

Recommendations:

Post COVID scenario:

- Job losses due to the pandemic are mostly temporary in nature and things are likely to improve significantly once the effects of the pandemic subside in due course.
- In the post-Covid scenario, bringing the workers back from the comfort zones of their respective native places and providing them suitable employment opportunities should be a focus area.

Focussing on employee productivity:

- Employment generation is not enough unless it helps in reducing poverty and inequality. There are cases where people are living in acute poverty in spite of being employed especially in the informal sector.
- Hence the major concern is not only to create more jobs and create a congenial avenue to foster employment but also how to increase the productivity of these poorly employed people.
- So the challenges to achieving inclusive growth are basically of two types viz. ‘employment generation’ and ‘ensuring high employee productivity’ through education and skill development, providing training to the already employed people and guiding them to work in the area where they can do better.

Skilling:

- To take advantage of the emerging employment scenario, there should be utmost focus on skill development among the youth both in rural as well as urban areas.
- There is a need to focus on the creation of Skills Universities to foster holistic vocational education in the country.
- Formal vocational training through the Skills Universities is likely to resolve the persistent concern of the industry that the job seekers are generally not employable.

Rural infrastructure development:

- The demographic profile and societal essentials of inclusive growth are skewed towards urban development.
- There is a clear need for the uplifting of the rural economy, especially through rural infrastructure development. Adequate and accessible infrastructure not only enriches the quality of life but also brings betterment of rural livelihood.
- Infrastructure development has a positive correlation with economic development. A few researchers have observed that a 1 percent increase in the stock of infrastructure is associated with a 1 percent increase in gross domestic product and in particular, the rural sector has a remarkable multiplier effect.
- Progress of rural infrastructure is the key to inclusive development.

Conclusion:

- The Government needs to be committed to inclusive growth and employment generation so as to accomplish the lofty goal of a $5 trillion economy. This will help ensure that no one is left out in the development process.

Chapter 8: PPP: Bridging Skill Gaps

Introduction:

- Skills and knowledge are the twin pillars of a country's economic growth and social development.
- For a developing economy like India blessed with a huge demographic dividend, they become all the more important to meet the aspirations of a young population.
- Equipped with the right skills to meet the emerging demand of the new industrial era, the youth will be the torchbearers of India's march to become a self-reliant nation.

Skill Gap:

- The skill gap in India is sizeable, even after years of skill training programmes.
- Less than 5% of the workforce in India posses formal skills, compared to 38% in Mexico, 52% in the USA, 75% in Germany and 96% in South Korea.

Government Initiatives:

The National Skill Development and Entrepreneurship Policy 2015:

- In 2009, the first National Policy on Skill Development was drawn up by the Ministry of Labour and Employment with an aim to achieve rapid and inclusive growth. The National Skill Development Policy, 2015, was introduced to take account of the progress in the implementation of skill programmes and emerging trends in the national and international skilling ecosystem.
- The National Skill Development and Entrepreneurship Policy 2015 addresses the challenge of skilling at scale with speed, standard (quality) and sustainability. The policy also aims to provide an umbrella framework to all skilling activities in the country, to align them to common standards and to link skills with demand.

National Skill Development Corporation:

- The National Skill Development Corporation (NSDC) is acting as a catalyst in promoting Vocational Education & Training (VET) by providing funding to enterprises, companies and organizations engaged in imparting skill training. NSDC has trained over 2.5 crore people in the last ten years.

National Apprenticeship Promotion Scheme:

- The National Apprenticeship Promotion Scheme (NAPS) was launched by the Government in August 2016 to provide financial support to establishments undertaking apprenticeship programmes.
- NSDC has collaborated with States, Sector Skill Councils (SSC), Third Party Aggregators (TPA), chambers, industry associations and international partners and has led the effort to nudge private sector partners to increase apprenticeship engagements across sectors and regions. Renowned Indian and global corporates have joined hands with the government to accelerate apprenticeships in the country.

eSkill India:

- The launch of eSkill India, an e-learning aggregator portal, has ensured the training process has not suffered a break even during the pandemic. With over 500 e-courses catalogued and access to more than 4,000 courses through affiliates, the portal has been instrumental in driving skill training among workers.
- eSkill India has established knowledge partnerships with more than 20 organizations in the private sector. These partnerships are helping align learning modules with industry requirements and creating a bridge between the demand and supply of a trained workforce.
- The focus has been on enabling the availability of skilling content and learning resources for trainees as well as trainers, facilitating demand-based availability in regional languages and leveraging technology-based interventions to increase the availability of resources.

International cooperation in skill development:

- With the objective of making India the Skill Capital of the World, the Ministry of Skill Development and Entrepreneurship (MSDE) has been working with other countries to learn and adopt global best practices, effective implementation of vocational training and skill development programs and facilitate the employment of Indian youth overseas.
- NSDC has signed MOUs with eight countries, including Japan, the UAE, Sweden and Russia for cooperation in vocational education and training.

Way forward:

Continued focus on skilling:

- Countries with higher and better levels of skills adjust more effectively to challenges and opportunities of the future of work.
- As we move towards becoming an 'Aatmanirbhar Bharat' (self-reliant country), it is important to focus on the advancement of skills in line with the emerging economic realities of the market.

Multi-pronged approach:

- The task of imparting training in vocations to such a vast population has its own complexities and demands a multi-pronged approach that targets skill training and development at every level of the value chain.

Focus on employment:

- The ultimate goal of any skill-oriented programme is to have a line of sight to employment. The skill training must aid employment opportunities for the youth.

Role of private sector:

- Building a healthy and efficient business environment has to be ably supported by a skilled workforce, which can only be realized with the synergy of the government and the private sector.
- The government and the private sector need to work together to address skill gaps and link supply with demand.
- Increased engagement between industry and nodal skilling bodies to capitalize on emerging opportunities in the domestic and global market will not only be instrumental in creating a future-ready workforce but will also go a long way in empowering job-seekers to turn into job-creators. That will be the realization of the vision of an ‘Aatmanirbhar Bharat’.

Chapter 9: Agriculture: Saviour of Economy

Introduction:

Pandemic impact:

- Covid-19 pandemic battered national economies the world over. Indians suffered the most with a significant shrink of 23.9 percent in GDP in the first quarter of FY 2020-21.
- Unprecedented reverse migration imperiled the Indian economy along several verticals. Especially the rural economy got a serious jolt mainly due to slump in demand and liquidity issues.

Agricultural sector as a saviour:

- Agriculture and allied activities – emerged as the only bright spot clocking a 3.4 percent GDP growth at constant prices.
- A sharp increase of 5.7 percent in the area of coverage of Kharif crops was registered in 2020.
- Amid good monsoons and adequate water storage in reservoirs for winter crops (Rabi), the Government of India has set an all-time record food-grains production target of 301 million tonnes for 2020-21.
- Being an agrarian economy, agriculture is the core sector that generates employment so that the entire circle of economic circulation goes on.

Government Initiatives:

Credit flow:

- A 1.63 lakh crore stimulus package for the farm sector has been approved that is aimed at strengthening infrastructure, logistics and capacity building.
- Under the economic stimulus package, credit support for small farmers was ensured through various institutional mechanisms. NABARD is extending an additional refinance support of Rs. 30,000 crore for crop loan requirement of Regional Rural Banks and Rural Co-operative Banks, which are the main sources of credit for small and marginal farmers.
- Nearly 25 lakh new Kisan Credit Cards were sanctioned with a loan limit of Rs 25,000 to gain access to institutional credit at a concessional rate of interest. Interest subvention and loan moratorium of three months was availed by over three crore farmers.

Infrastructure investment:

- To sustain agricultural growth and boost the rural economy in the post-COVID era, it is critical to have a robust infrastructure in place to support farm and farm-processing-based activists. Hence, a new Central Sector Scheme, Agriculture Infrastructure Fund, was launched with the primary objective to attract investment in post-harvest infrastructure with a Rs 1 lakh crore fund.
- Under the scheme, banks and financial institutions will provide loans to Farmer Producer Organizations (FPOs), Self-Help Groups, Farmers Credit and Co-operative Societies and to individual farmers, agri-entrepreneurs and start-ups as well.
- All loans will have an interest subvention of three percent per annum up to a limit of Rs 2 crore, and subvention will be available for a maximum period of seven years.
- Public Sector Banks have already signed MoUs with the Department of Agriculture, Cooperation and Farmers' Welfare, Government of India for disbursal of loans on agreed terms.

- The Agriculture Infrastructure Fund will enable farmers to make modern facilities of storage in their villages. This modern infrastructure will go a long way in setting up agro-based industries.
- This fund will catalyze the creation of post-harvest management infrastructure and community farming assets such cold storage, collection centres, processing units, pack houses, sorting and grading units, ripening chambers, etc.
- These post-harvest structures will enable farmers to get greater value for their produce, as they will be able to store and sell at higher prices, reduce wastage, and increase processing and value addition.

Kisan Rail:

- Indian Railways launched a special 'Kisan Rail' scheme to specifically cater to the transportation needs of farmers for their perishable produce.
- Kisan Rails are 'multi-commodities, multi-consignors and multi-consignees' trains with en-route stoppages to facilitate loading/unloading at stations.
- The newly designed refrigerated parcel vans will help in the transport of highly perishable horticultural produce. Even small farmers can transport their 'low-volume, low-weight' parcels by train at an affordable cost.
- The Kisan Rail scheme will benefit farmers of the entire country as they will be able to sell their produce in urban areas. It will help build a seamless national cold supply chain for perishables including milk, meat and fish.
- Quick transportation also helps reduce wastage.
- Apart from increasing the income of farmers, Kisan Rails are poised to generate many new opportunities for employment and self-employment. Information regarding Kisan Rail is being duly disseminated among all the stakeholders with the development of back-end infrastructure to ensure the best possible utilization of Kisan Rails for farmers' welfare. These measures will collectively herald a new dawn for the rural economy and agriculture sector in the country.

Agricultural sector reforms:

- The government has announced reform measures in the agriculture sector with the intention to free farmers from restrictions on the sale of their produce and ending the monopoly of traders.
- The Farmers Produce Trade and Commerce (Promotion and Facilitation) Act, 2020 removes all barriers for intra— and interstate trade in agricultural produce. Now farmers are free to sell their produce to anybody, anywhere for getting the best price and maximum profits. This will also support seamless electronic trade across online platforms. In a nutshell, 'One Nation, One Market' would help farmers to increase their revenues and small farmers will get benefit from the competitiveness.
- The Farmers (Employment and Protection) Agreement of Price Assurance & Farm Services Act, 2020 allows farmers to tie-up with large buyers, exporters and retailers as part of contract farming. Farmers will be able to enter into agreements with food processors to grow desired varieties of desired crops and sell the produce at assured prices. With reference to contract farming, the legislation provides the framework for the resolution of any dispute which may arise between the farmer and the trader. Thus, farmers will have assured prices before sowing and the market risk is transferred from farmer to sponsor. This legislation will attract private investment in farming and may link farms to global markets.
- The Essential Commodities (Amendment) Act, 2020 removes cereals, pulses, oilseed, edible oils, onion, and potatoes from the list of essential commodities. It also does away with impositions of stock limit except under rare conditions, such as war, famine, etc. This will help open up agricultural trade and increase the profitability of farmers and traders. This provision is likely to attract private investment in cold storage, warehouse and processing facilities, storage facilities in rural settings which will help reduce wastage, bring price stability and raise farm incomes.

Conclusion:

- Agriculture has already demonstrated its potential to revive the pandemic-hit economy. Spurring rural economic growth can become the saviour of the Indian economy.
- Agriculture and rural start-ups need to be encouraged with conducive policies and incentives. Also, better income-earning opportunities in rural areas will help check rural-urban migration.
- Governments must act in unison to create small local growth clusters with more reliant systems of production, processing and marketing in rural areas. To sustain agricultural growth and boost the rural economy in the post-COVID era, it is critical to have a robust infrastructure in place to support farm and farm-processing-based activities.

Chapter 10: Homecoming

Introduction:

- The period of the lockdown announced in the wake of the pandemic saw thousands of migrant workers returning home. Some estimates place this number at as high as 8 crores.
- The return of the migrants to their home states symbolized a rupture of our city systems, but a rupture can also be a moment of creativity in which challenges become evident, are understood and creatively dealt with.
- More than six months into the pandemic, as the economy begins to unlock and cities limp back to a new normal; thousands of migrants are returning to cities again.

Government response:

- The government of India launched a set of schemes which include an extension of free public distribution for six months, portability of public distribution entitlements, programmes for assistance to street vendors, and assistance to small enterprises.
- The government has also initiated employment portals for migrants who have returned.

Shortcomings in India's approach to migration:

- The pre-pandemic approach has been to view places through a binary of urban and rural with the assumption that people belong to one or the other and rarely circulate between them. This has resulted in a non-acknowledgment of the scale of migration in data and translated into most domains of urban policy (housing, basic services, health, education, social security) having no space to benefit migrants.
- Loose hypotheses connecting migration to slums and linking short-term migration to contractual labour were perhaps the only modes in which migration was being cognized. Thus, even while government policies became more accommodative of informal settlements; the living conditions of migrants in these settlements did not improve significantly.
- Migration is usually an opportunity; however, a bulk of the migration in urbanizing India is not powered by skills and not accompanied by a universality or portability of entitlements. Further, state boundaries have often posed a political and cultural challenge for the inclusion of migrants into urban areas.
- The Inter-State Labour Act imagined to be a powerful legal instrument providing for the registration of contract workers has a history of weak implementation. There are very few registrations and more workers are out of its net than covered by its protective provisions. A similar pattern has been repeated in the case of the Construction Workers Act and Domestic Workers Act.
- The pandemic has resulted in a new-found sensitivity to issues of migrants but they fall short of addressing the systemic issues. There has been no systematic effort to collect data on various migration streams and to understand the vulnerabilities and policy demands of specific migrant

streams. There seems to be little thinking about what kind of institutional mechanisms are necessary to reach out effectively to migrant workers.
- The structuring of most of the schemes announced as a response to the pandemic creates apprehensions that they will largely benefit the settled urban poor while failing to reach the migrants.

Way forward:

- Solutions such as facilitating source-based identity cards, community kitchens, creches, education, nutrition and health amenities for young children at work sites, conflict mediation and contract formalization and the creation of worker hostels are the need of the hour.
- A generic policy for migrants may not work; what is required is the adoption of generic principles to develop specific responses for particular migrant streams.
- Pandemic needs to be treated as an opportunity by developing a multidimensional and multi-scalar response that acknowledges the contribution of migrants in the economy of cities. Addressing the needs of particular migrant streams through coordinated state actions may be a good beginning towards the same.
- There is a need for responses that offer social protection. Decent living and working conditions can enhance their productivity and enable their integration and incentivize their commitment to shaping the future of the cities they live in.

Chapter 11: The Changing Landscape

Impact of pandemic:

- The major change in the landscape of Indian business will be the irrelevance or gradual diminution in the importance of several service industries on account of the pandemic-induced lockdown which has changed the way in which businesses function.
  - The Indian economy has been service-driven and hence there was the relegation of manufacturing to a secondary position.

Real estate sector:

- Companies have found that work-from-home (WFH) has been a convenient way of getting work done and there are savings to be made in terms of lease rentals. Several companies have already given up on the leases and instead of having a 1-1 person to workstation ratio, they have changed it to 1-3 with employees coming in twice or thrice a week.
- The real estate boom in the country was based on the demand being generated by offices for their staff, which will see a great amount of moderation in times to come. The common workspace concept which had a boom in the last few years will have to go in for some reinvention.

Hospitality sector:

- The hospitality business would have to reconsider options.
- One of the main avenues of business for the larger hotels was the business traveler. With several companies now learning to conduct meetings over the Internet with Zoom and Webex calls, the necessity to travel and stay in hotels would get diminished. Hotels have to work out a strategy to focus more on tourists which would mean aligning their services and costs to a different set of people.
- Some may have to consider the economics of converting spaces into business centres to open a new business line.

Airline sector:

- The airlines business which is already in a challenged state will have to rework its model considering that travel will not be the same for some time.
- Also, as corporate India has been under pressure on the revenue side, it also makes sense to use this opportunity to cut down on costs such as air travel which in turn will affect the airlines business even more.

Malls and retail sector:

- The proliferation of malls in the last five years or so was on the assumption that there would be a retail boom. This would be supported by more footfalls with the younger population entering the working space and having money to spend.
- The Covid-19 impact will question the future of these plans as with the e-commerce boom, the mall became relatively less attractive for visitors except for restaurants and entertainment which would be the last in the pecking order of priority in the unlock programme of the government.
- Malls have been major sources of employment especially at the basic graduate or school level class and a slowdown here would have implications on the creation of jobs.

Tourism sector:

- The tourism industry would also have to be prepared for a major shift as the rules of the game would be changing substantially.
- Global tourists would always be wary of travel especially to countries like India. Domestic tourists too would face several inhibitions at least for a year post the end of the pandemic and the return to normalcy.

Education sector:

- The shutdown has also brought about a change in the mode of education delivery.
- The online route will catch on for sure and the traditional way of teaching through the brick-and-mortar structures would become less important. This will impact schools in terms of charging fees.

Entertainment sector:

- Entertainment has already caught on through the non-theatre experience and the industry must be prepared for the same.
- The existence of entertainment halls which include theatres and multiplexes would find it hard to survive with the consumer tastes changing.

Telecom sector:

- Two industries in which we see large-scale benefits on account of the changing habits of companies and individuals in this period of six months are telecom services and e-commerce.
- The negatives working for industries like commercial real estate, travel, hotels would mean a big positive for the telecom industry as the consumption of data will tend to increase as more people work from home and less in offices.

E-Commerce sector:

- E-commerce became popular during the lockdown stage where several companies joined the bandwagon of online delivery.

Way forward:

- Companies must be prepared for such a transformation shift and work accordingly to align their processes and businesses to remain in the game.
- The dynamics of business will change which will also change the way in which macro-economic variables will move. It must be recognized that the future of growth for India will now be more towards manufacturing and less on services. With several services becoming less important over time, the focus must go back to manufacturing especially when it comes to creating jobs. This also means that simultaneously, attempts must be made to ensure that the right kind of skills are created for the youth so that they are able to get jobs.
    - India transitioned from an agrarian to a service-dominated economy missing an important step of an industrial revolution.
- Another challenge for the government would be to deal with labour as the shutdown had made several industries look to leveraging technology more, which means less labour. This creates a problem for the government as investors are already crying hoarse for more flexible labour laws which becomes a political and social issue.

Chapter 12: Role of Handloom Households in Rural Economy

Introduction:

- In Himachal Pradesh, the majority of the population is living in rural areas and has agriculture as their livelihood. Landholdings are very small and the scope of industrialization is low.
- People are engaged in handloom, tailoring and rural artisan works, etc. Hence, there is a large scope of developing the economy through skill development in this state.
- Himachal Pradesh is famous for a number of handloom and handicraft products, some of the main ones being carpets, shawls, wooden works, paintings and leather works.
- In India handloom employs over four million weavers and allied production workers, the bulk of whom belong to SC, ST, OBC and women. It is the second-largest employer next to agriculture.

Way forward:

- The government needs to facilitate access to training materials, toolkits, modern equipment and technology, and invest in teacher training and also ensure better remuneration for teachers and trainers.
- Other important interventions would include providing design inputs, ensuring raw material supply and providing them marketing facilities.
- Utilization of local raw materials, upgrade of the available skills and product designs, credit facilities, generation of employment opportunities and provision of some subsidies on the latest modern machines to the poor traditional households are the policy issues for promotion of skills.

Chapter 13: Greener Highways

Introduction:

- The roads and highways are a very important component of human mobility and the growth engine of the economic development of any nation. It facilitates trade, promotes tourism and bridges the geographical gaps amongst cities and rural areas.

- National Highways account for 2% of total road length. The Highways carry about 40% of the traffic load.
- The Ministry has decided to develop all of the existing National Highways and 40,000 km of additional roads within the next few years as **Green Highways.** Clearance of forest and tree felling activities are inevitable consequences of highway development.

<u>Green Highways policy:</u>

- The Ministry of Road Transport and Highways (MoRTH), Government of India has promulgated on September 29, 2015 "Green Highways (Plantations, Transplantations, Beautification and Maintenance) Policy— 2015", to develop green corridors along National Highways for sustainable environment and inclusive growth.
- The policy will strike a balance between highway development and environmental protection.
- It envisages the development of eco-friendly National Highways with the participation of the communities, farmers, NGOs, private sector, institutions, government organizations and also the Forest Departments for economic and sustainable development.
- MoRTH has constituted the National Green Highways Mission (NGHM) with NHAI as the nodal agency for overall planning, implementation and monitoring of the Green Highways projects.
- A corpus "Green Fund" with 1% of the entire project cost (TPC) of all National Highways projects has been earmarked for the highway plantation and its maintenance.
- Agro-climatically suitable species are recommended for plantations along the highway alignments, including the highway medians.

<u>Basic Concept of Green Highway:</u>

- There is an urgent need that ecology, economic and community issues are taken into consideration from the conception stage of project planning, designing and its execution.
- Thus, the roads and highways developed as green corridors not only sustain biodiversity and regenerate natural habitat but also benefit all stakeholders, from its users to local communities and spur eco-friendly, economic process and development.
- India has defined a green highway as one that is constructed using materials that emit no or low concentration of pollutants and are environment-friendly.
- "Green highways" are a roadway project that has been designed and constructed to a far better level of sustainability as compared to a substantial level of current common practices.

<u>Significance:</u>

- The main objective of the Green Highways policy is to develop a scientific framework for Integrated Green Corridor Development along the National Highways aiming to scale back the impact of pollution and dirt by planting area-specific trees and shrubs along the National Highways. This might act as a natural sink for air pollutants, reduce sound pollution & dirt and stop soil erosion at the embankment slopes.
- They will also provide much-needed shade on glaring hot roads during summer. Plantations will also prevent glare from the headlight of incoming vehicles, etc.
- The National Forest Policy envisages that 33% of the geographic area should be under forest or tree cover, but the notified forest cover is simply about 22%. The implementation of the new Green Highways Policy can help in bridging this gap.
- Additionally, it can generate employment opportunities for about five lakh local rural people and communities.

<u>Techniques Used for Greening Highway:</u>

Watershed Borne Runoff-Water Management:

- Waterborne stormwater/runoff-water management is required as a process to scale down the runoff water on the highway and collect the runoff water and divert it to a place where the water is often pre-treated before being infiltrated into the ground for recharging the water table.
- Bio-slopes, bio-swales, bio-retention cell, permeable pavers, vegetated filter strip and street trees, are widely utilized in highway construction.

Energy and Emission Reduction:

- The energy and emission reduction techniques are the replacement of cement or bitumen in highway and road construction with fly ash, rice husk ash or blast furnace slag, waste rubber tyres and rubber pieces that were proven to wastage. Their usage helps save a lot of energy (about 6.4 billion gallons of gas per annum).
- Similarly, plastic waste also can be utilized in the development of bitumen roads by replacing bitumen with it.

Recycle, Reuse and Renewable:

- Usage of recyclable materials derived from industrial by-products is not only significant in reducing the greenhouse emissions and reducing the energy consumed by a highway but it also economizes the general construction cost of roads and highways.
- Another advantage of 'recycle, reuse and renewable' highway construction material is increasing the water-saving and reducing carbon emission. Sometimes, demolition materials are also utilized in road construction

Conservation and Ecosystem Management:

- The conservation and ecosystem management in green highways is a significant aspect. They can act as buffer zones for wildlife. Animal crossing structures and underpasses will help reduce the collision/accidents of vehicles and wildlife.

Societal Benefits:

- In order to accomplish sustainability in highway construction, overall societal benefits should be taken into consideration.
- The project can help improve the economy through significant local job opportunities and affordable taxation income to the community.
- The Green Road approach strongly addresses the social inequalities and disparity within the society. It adopts poverty alleviation measures by way of the employment creation during construction to the income-generating activities through the self-help promotion or local level capacity building.

Additional information:

Guidelines for the Rural Road Development:

- A set of Guidelines for rural road development using plastic have been issued by the Ministry of Rural Development. It makes it mandatory for road developers to use waste plastic alongside bituminous mixes for its construction to beat the growing problem of disposal of plastic waste in India’s urban centres.
- Urban local bodies (ULBs), which face a crunch for financial resources, can make money by selling the waste plastic collected by such cities to road developers.

Chapter 14: Achieving SDGs and NDCs

Introduction:

- COVID-19 poses a big challenge to the achievement of Sustainable Development Goals (SDGs) and Nationally Determined Contributions (NDCs).
- The Sustainable Development Goals (SDGs) and the 2030 Agenda were adopted at the Sustainable Development Summit of the UN. Sustainable Development is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- The Paris Climate Agreement is an actionable agreement in the COP21 of the UNFCCC for strengthening global climate efforts to limit the global temperature rise below 2°C above pre-industrial benchmark levels by the end of this century while pursuing to limit it to 1.5°C. NDCs represent climate plans at the national level submitted by member countries to the UNFCCC as per Paris Climate Agreement outlining their actions to address climate change including mitigation and adaptation actions.
- SDGs and NDCs nurture the intent to tackle social-environmental-economic challenges collectively by the entire world ensuring peace and harnessing partnership calling on different member countries to tackle climate crisis by accelerating their actions and enhancing their investments for a sustainable future.

Inter-linkage between SDG and NDCs:

- The action plan for the achievement of the SDGs and NDCs have normally operated in silos at the national level despite their greater interrelations between addressing the menace of the climate crisis and achieving sustainable development in post-COVID times.
- Climate change relates significantly to SDGs, which recognises its importance not only directly in the `SDG 13: Climate Action', but also indirectly across different SDGs as a cross-cutting issue to be resolved for successful achievement of all the 17 SDGs.
- The threat includes undermining development gains, hindering further progress, lowering incomes and opportunities of vulnerable people, rising sea levels, changing patterns of rainfall and droughts, acidifying oceans, increasing frequency and intensity of natural hazards, lessening water availability and access, reducing food security, increasing migration, reducing livelihoods, deteriorating health, and damaging infrastructure among others.
- There is an urgent need to understand and harness the synergy existing between global climate actions and sustainable development in the long term.

Significance of climate action:

- Climate change has also been recognized as a cross-cutting issue in the 2030 Agenda of the UN for it is found to have the capacity to set back the developmental achievements in the past, present and future if not addressed properly through appropriate mitigation and adaptation mechanisms.
- Here, mitigation represents a reduction of GHGs emissions by taking resource to conservation of forests-ocean ecosystems and using renewable energy sources; whereas adaptation represents the protection of the human population and their livelihoods and settlements from the negative consequences of climate change.
- Addressing climate change by limiting global temperature to 1.5°C instead of 2°C above benchmark levels has the potential to decrease the exposure of people to climate risks and vulnerability to poverty by 62 to 457 million. These outcomes broadly include improved energy access, health benefits, sustainable livelihoods, employment opportunities, resilient economies, and reduced poverty through mitigation measures and investments in renewable energy, conservation of forests and oceans ecosystems, and other adaptation measures.

Challenges:

- The national-level reports warn that despite progress being made in some or the other indicators of the result frameworks of SDGS and NDCs, the overall actions are not as per the desired scale and speed to achieve these ambitious goals.
- 'Global Risks Report' published in 2020 by World Economic Forum has found that all of the 'top five global risks in terms of likelihood' are environmental while there was none related to the environment in the year 2010.
- The reports also hint that global mean temperatures are set to exceed by 3°C by the end of the century, double of what is prescribed by UNFCCC and IPCC to avoid the maximum impact severity of the social-environmental-economic consequences.