

AIR Spotlight - Cooperative and Competitive Federalism

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in the [IAS exam](#) preparation. In this article, the discussion is on Cooperative and Competitive Federalism.

Context:

The federal system is the method used by different countries in which power is shared by both the central government and the local or state governments. The central government may be powerful, but it cannot make all decisions at the state level or even elect heads of state. Federalism allows the participation of citizens and also helps with the general administration of the country. Therefore, the role of elections in federal systems is very important.

Read UPSC Notes on [Federalism](#) in the link.

Cooperative and Competitive Federalism

Cooperative federalism

- Cooperative federalism means cooperation and interdependence between the Centre and the States to ensure smooth governance of the country.
- Cooperative federalism is based on the 'internal give and take' between the federal government and the regional governments.

Competitive federalism

- Competitive federalism is a system in which the relationship between the state governments is horizontal and between center and state governments is vertical.
- States need to compete among themselves and also with the Centre for benefits.
- For efficiency in administration and enhances developmental activities states compete with each other to attract funds and investment.
- Healthy competition strives to improve physical and social infrastructure within the state.

Steps toward Competitive Federalism

The central government has promised decentralization of power and minimal interference in state affairs.

1. Goods and Service Tax (GST)

- The Goods and Services Tax (GST) was introduced by the Government of India to enhance the economic growth of India. GST is considered to be the largest tax reform in the history of the Indian economy. It was introduced to save time, money and effort.
- It is the comprehensive indirect tax levy on manufacture, sale and consumption of goods as well as services at the national level.
- It is a tax for the whole country on the lines of "One Nation one tax" to make a unified Indian market.

2. Production Linked Incentive (PLI) Scheme

- Production Linked Incentive (PLI) Scheme was introduced as a part of the National Policy on Electronics by the IT Ministry to give incentives of 4-6% to electronic companies, manufacturing electronic components like mobile phones, transistors, diodes, etc.
- The main objective of this program was to invite foreign investors to establish their manufacturing units in India, and also to encourage local manufacturers to expand their units and create jobs.
- The first sector that the PLI program targeted was the manufacturing of large volumes of electronic products in April 2020 and by the end of the year (November 2020), 10 more sectors including food processing, telecom, electronics, textiles, speciality steel, automobiles and auto components, solar photovoltaic modules and other goods such as air conditioners and LEDs were also expanded under the PLI scheme.
- The PLI program will make the Indian auto industry more competitive and promote the globalization of the Indian automotive sector.
- India is expected to have a USD 1 trillion digital economy by 2025 as it expects the demand for electronics to increase under its projects like [Smart City](#) and Digital India.

Know more about the [PLI Scheme](#) in the linked article.

3. Ayushman Bharat

- The [Ayushman Bharat Program](#) is a health program of the government of India. It was launched in 2018 by Prime Minister Narendra Modi to address health issues at all levels: primary, secondary and tertiary levels.
- It has two components:
- Pradhan Mantri Jan Arogya Yojana (PMJAY), formerly known as the National Health Protection Scheme (NHPS)
- Health and Wellness Centers (HWC)
- Ayushman Bharat is an integrated approach comprising health insurance and primary, secondary and tertiary healthcare. HWCs aim to improve access to cheap, high-quality health services at the primary level. PMJAY provides financial security for the use of health services at the secondary and tertiary levels.
- Ayushman Bharat is the world's largest government-funded health program with more than 50 crore beneficiaries. It was called "Modicare".

Need for Ayushman Bharat

- The 71st round of the National Sample Survey Office (NSSO) revealed many grim numbers about the country's healthcare system
- Approximately 86% of rural households and 82% of urban households do not have access to health insurance.
- More than 17% of the country's population spends at least 1/10th of their household budgets on health services.
- Serious and unexpected health problems often lead to family debt.

- Over 19% and over 24% of the urban and rural households respectively meet their healthcare financial needs through borrowings.
- To address these serious concerns, the government launched the Ayushman Bharat program along with its two sub-missions, PMJAY and HWC, as part of the 2017 National Health Policy.

4. Pradhan Mantri Suraksha Bima Yojana

- Pradhan Mantri Suraksha Bima Yojana (PMSBY) provides an insurance policy to the people belonging to the underprivileged sections of society. The scheme is administered by insurance companies from both the private and public sectors.
- Pradhan Mantri Suraksha Bima Yojana offers Rs.2 lakh life insurance for one year to all account holders. This life insurance covers accidental death or permanent disability.
- Life insurance of Rs 1 lakh is provided to the beneficiary in case of partial disability.
- This program can be used by anyone between the ages of 18 and 70.
- The scheme provides an annual premium of Rs. 12 per annum per member. This premium is auto-debited in one instalment on or before 1st June of every year.

Know more about [Pradhan Mantri Suraksha Bima Yojana](#) in the link.

5. Poshan Abhiyan – National Nutrition Mission

Poshan Abhiyaan, also known as the National Nutrition Mission (NNM), was launched in 2018 by the Government of India with the aim of tackling the malnutrition problem prevalent in India.

- The chief objective of the mission is to enhance the nutritional status of children in the country and also to reduce the level of under-nutrition.
- The mission aims at removing malnutrition from the country by 2022.
- Poshan Abhiyaan is India's flagship scheme to improve the nutritional outcomes of adolescents, children, pregnant women and lactating mothers.
- The programme has specific targets for reducing stunting, anaemia, under-nutrition and low birth weight.
- According to 'Mission 25 by 2020', the [National Nutrition Mission](#) aims to achieve a reduction in stunting from 38.4% to 25% by 2022.