NEXT IAS

Test-4

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Indian Economy before 1947

&

Indian Economy after 1991.

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(For filling by Examiners only)

Q. No.	Page No.	Max. Marks	Marks	Total	Signature
1.(a)	4	10			
1.(b)	4	10			
1.(c)	4	10			
1.(d)	4	10			
1.(e)	4	10			
2.(a)	14	20			
2.(b)	18	20			
2.(c)	22	10			
3.(a)	24	20			
3.(b)	28	15			
3.(c)	31	15			
4.(a)	34	20			
4.(b)	38	15			
4.(c)	41	15			
5.(a)	44	10			
5.(b)	44	10			
5.(c)	44	10			
5.(d)	44	10			
5.(e)	44	10			
6.(a)	54	20			
6.(b)	58	15			
6.(c)	61	15			
7.(a)	64	20			
7.(b)	68	15			
7.(c)	71	15			
8.(a)	74	15			
8.(b)	77	15			
8.(c)	80	20			
Grand Total					

Remarks

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Observations:

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Q1 a)

Examine India's GDP evolution before 1947 with respect to structural change.

→ During 18th century before the Britishers came to India, India was economically very rich with main industries like textile, cotton, silk, ship building, handicraft etc. All the industries were in the hands of Indians.

After the success of British power in battle of Plasey, the trade and industry were ~~started~~ slowly going towards the hands of the Britishers.

The Economy started declining and the impact of British rule are:

1) De industrialization i.e. Ruins of artisans and handicraftsmen.

2) Impoverishment of Peasantry.

3) Emergence of New Land Relations.

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This led to the stagnant growth of agriculture.

4) Commercialisation of Indian agriculture.

Export in value increased 500% between 1870–1914. But 70-80% were accounted by non manufactured goods.

5) The trend in agricultural prices moved consistently upwards.

6) Late development of modern industry.

To promote export of their manufactured goods and import of raw material cheaper, ~~they~~ the Britishers discourage industrialization.

Only Cotton Mill and Jute industry were working well.

7) ~~Currency~~ Exchange rate manipulation,

More focus on bulk good transportation and lack of modern technologies.

This all led to continuous drain of wealth and at the time of independence, national income was at near zero rate after accounting for population growth.

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Q1 b) What was the ratio controversy?

→ After the abandonement of Gold Exchange Standard, Hilton Young Commision recommends the Gold Bullion Standard (GBS). The Government of India accepted the Commission's recommendation and passed the Currency Act of 1927.

This Act entitled the holders of the legal tender currency to obtain either gold or at the option of Government, Sterling at the exchange rate of Re 1 = 1s. 6d., provided that it was demanded in quantities not less than 400 oz. fine gold.

It was the recommendation of a 1s.6d ratio for a rupee as against 1s.4d. ratio which excited the Indian public opion which led to the ratio controversy.

Sir Purushotham Das Thakurdas pleaded for pre war Sterling parity of Re 1 = 1s. 4d.

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The arguments for pre war sterling parity were:

1) 1s. 6d was not a natural rate and this would benefit foreign exporters at the expense of Indian industries and exporters.

2) This rate would involve an additional burden on debtor class in India.

3) India would have to pay large amount on account of Home charges

4) For about 20 years, the rate of exchange was stationary at 1s. 4d and there was no justification for reversion to 1s. 6d rate.

The Currency Act of 1927 resulted in Sterling Exchange Standard but with the onset of Great Depression, dramatic developments in world currency and exchange situations took place. And the camouflaged GES that continued for only four years vanished away when the British Government went off the Gold Standard.

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Q1 c) Explain the process of land settlement brought by British under permanent settlement.

→ The process of land settlement brought by British under permanent settlement has the following features :-

1) Landlords or Zamindars were recognised as the owners of the land.
2) They were given hereditary rights of succession of the land under them.
3) The amount to be paid by the landlord was fixed.
4) It was agreed that this would not increase in future (permanent in nature)
5) The fixed amount was 10/11th portion of the revenue for the government and 1/11th was for the zamindars.
6) The zamindar also had to give the tenant a patta which described the area of land given to him and the rent he had to pay the landlord.

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7) Zamindars being sons of the soil, it was thought that they could reach the farmers of the region and also understand local customs very well.

8) Because of the permanent nature of the system, there was sense of security for everyone.

9) The company knew the amount it would get in revenue and the landlord was also assured of the amount.

10) Finally, the farmers also, in lieu of the patta were certain of their holdings and knew how much rent was to be paid.

11) Since the settlement was of a permanent nature, the Zamindars would have an interest in the improvement in the land thereby improving the revenue.

Hence, in 1793, the Permanent Settlement was introduced by Lord Cornwallis in Bengal and Bihar.

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Q1 d)

What were the reasons for lack of road development in British India?

→ Good and safe roads were a scarce resource in the pre-colonial and early colonial India. Also, public works in colonial India were biased in favour of railways at the cost of roads. This was due to:

1) Road construction was considered too costly given the terrain, the rivers and the high repair costs due to monsoon.

2) Roads brought the government no monetary return whereas railway did.

3) The lobbies such as the Lancashire mills that pushed the government into investment in modern transportation wanted cheaper long distance bulk carriage.

4) Also, river traffic was cheaper than roads and carried larger volumes per head.

5) More focus was given to bulk transportation like railways, ports and inland waterways.

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Therefore, investment in roads in general continued to be a relatively low priority. Road length grew at a much slower pace than railways.

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Q1 e) Examine India's growth rate between 1900 to 1947.

→ The official estimate of national income for colonial India do not exist. However, what economic historians observe as India's national income in period 1900–1947 is the expression

GDP + Net factor income from abroad + taxes

In Agriculture, real agricultural income increases till 1914 but in the next 30 years, the growth was approximately 3%.

In non agricultural occupation, growth rate varied,

- Small Scale Industry grew at less than 1%.
- Large scale industry consisted of mills like cotton mill and jute industry.

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In tertiary sector, major components were Commerce, transport and real estate which expanded quite rapidly at rates like 10.5%. These 3 ~~powerful~~ sectors were the powerful forces driving the non agriculture sector.

Rate of savings and investment were small. Net capital formation and savings was 2-4% of national income while net foreign private investment was well below 1% of national income.

Thus in this period, national income grew at approximately 1% p.a which when adjusted with population growth yielded a near zero rate of average income.

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Q2. a) Explain the growth of cotton and jute industry in pre-independence India.

→ The first steam powered factory making cotton yarn appeared near Calcutta in 1817 or 1818.

In 1854, the first successful cotton mill was started by a Parsi merchant. This attracted many merchants and by 1865, there were 10 mills, the majority in Bombay. By 1880, there were 58 mills with an employment around 40,000. However, 80 percent of the mill were clustered around Bombay and Ahmedabad.

By 1914, no. of mills had risen to 231 and daily average employment to 260,000.

Between 1870 and 1914, cotton mills were mainly selling yarn and handloom weavers in India and China, successfully competing with British yarn in coarser varities. But as the mills in Japan took over China market, the keener competition forced mills of Bombay to make changes in the interwar period.

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(1) They started weaving more yarn
(2) They tried to spin and weave finer yarn
(3) They tried to save on costs of labour.

Thus the interwar period saw unemployment, labour unrest, technical and managerial reorganisation, intensification of nationalist sentiments and beginning of bankruptcy in many of Bombay's cotton mill.

Jute industry

Jute was mainly grown in southern West-Bengal and Bangladesh. The demand for jute sacks were very high in the nineteenth century. Until 1870s, Bengal raw jute was processed into sacking outside India. George Acland's mill of 1855 was the pioneer of mechanized jute spinning and weaving near Calcutta.

In short time, Indian industry grew to become virtual monopoly in the world. Between 1869 and 1913, the number of mills increased from 5 to 64 and employment from 5,000-10,000 to 215,000.

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Until World War-I, the industry was entirely owned by and managed by Europeans.

However, the industry was growing less rapidly than pre war period in the interwar period.

Setting up of cartel was unsuccessful and the failure to cooperate leads to excess production, unstable profit and increased competition.

As the industry grew and many types of firms entered, attempt to make cartel failed and there was rise in ethnic cartel preying upon interest of one another.

This led to creation of fringe members which consisted of small Indian entrepreneurs who sensed realistic chance of growing faster than those in the club.

Thus, eventually, failure of jute cartel invited government of Bombay to impose production limit and large part of industry was doomed due to delay in technical improvements.

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Q2 b) What were the main challenges to India's industrial development in the British period?

→ During the British period, ~~we~~ there was decline in industrialization as opposed to before British period where many of the industries like textile, cotton, silk ch were in the hands of Indians.

In the British period, there was drain of wealth taking place where British promoted manufactured commodities produced in Britain (industrial revolution) through active policy of discouragement of Indian industrialization.

The main challenges to India's industrial development were:

1) The British period in India was also the ~~the~~ time when industrial revolution occured in England. They had better technological inventions which India did not.

2) To promote their manufactured goods, they discouraged industrialization and increases production of raw materials, thus making India a supplier of

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raw material and market of finished goods produced in England.

3) Different tariff rates was imposed on British imports and non-British imports.

4) Discouraged Indian handicraft exports through laws like Sergeant Laws.

5) There was also manipulation of exchange rate to make import cheaper and export costlier.

6) Differential wage was paid to British workers in India which were higher than Indian workers.

7) There was poor regional connectivity and lack of road development.

8) There were less research and development to encourage innovation to make superior technology.

9) Also with introduction of permanent land settlement system and higher interest charged by banks, new industries could not be developed.

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Only few industries could grew at that time like Iron and steel industries, Cotton Mills and Jute Industry, and few chemical industries.

Thus, the British period made India more backward then ~~to~~ before British came and there was little industrial diversification. It led to the stagnation of growth rate and very low GDP at the time of independence.

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Q2 c) "British used exchange rate as a mechanism to induce their own economic development". Critically analyse the statement.

→ British used exchange rate as a mechanism to induce their own economic development.

Some of the arguments for exchange rate manipulation given by the Britishers were:

1) To bring cheap, simple and elastic form of monetary system eg:- Gold Bullion standard
2) To promote habits of banking and investment among people
3) Stability of currency note and silver rupee in terms of gold.

However, it was mainly for their own economic benefits.

1) They want to ~~kept~~ keep import cheaper and export costlier.
2) Higher rate would confer more bounty on British exporters to India.

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3) To make selling price of gold higher than buying price which amounts to cheaper price of gold in ~~toud~~ London than in India.

4) Higher rate would imply their investment in India could make higher earning carried back to their domestic country.

5) Higher rate also lead to current account deficit in India which lead to borrowing of gold from England.

Therefore, exchange rate manipulation help them maintain their supremacy so that India become more dependent to them and hinder development.

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Q5 a)

Explain the reasons for economic crisis of 1991.

→ In 1991, the Indian economy faced a severe BOP crisis which is otherwise called as Economic crisis of 1991. There was severe shortage of foreign exchange reserves which were not even sufficient to pay for short-term loans taken from abroad or to pay for more than 4 weeks of import. Due to this, the world was going to declare India a bankrupt nation which could have hurt its international credential and subjugated to its lenders.

Reasons for crisis:

The main reasons for the economic crisis were:

1) Very high fiscal deficit of central and state government: The fiscal deficit of central government was about 8.4% of GDP while that of state government was about 4.2% of GDP. This leads to crowding out ultimately leading to reduced supply capacity

(2) Very high inflation mainly due to mismanagement of food stocks, poor capacities of industries, high wastage in government expenditure etc contributed to macroeconomic instability. In 1990, CPI (I-L) was around 11% p.a.

(3) Very high ~~current~~ current account deficit (4.6% of GDP). This was because of very low export of Indian goods as they were qualitatively inferior, higher in price and India practiced overvalued exchange rate which made import cheaper. Also, exports were useless.

Therefore, with all these reasons and various international events such as Gulf war, impacted the flow of remittances, trade etc. And all this spiralled into what was witnessed as economic crisis of 1991 in Indian economy.

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5) What is taper tantrum? How do emerging market get affected by it?

→ A taper tantrum is a knee jerk reaction by investors after the Federal Reserve announces scaling back its asset purchases. It refers to the 2013 collective reactionary panic that created a spike in U.S. Treasury yield after investors learned that the Federal Reserve was slowly pulling the breaks on its quantitative easing program.

Tightening of monetary policy through tapering led to dollar supply reduction, capital outflows from emerging economies and exchange rate becoming weak.

Capital outflow is because of rise in yield of US treasuries which led to reduction in incentives of investors to invest in riskier assets such as equity. This led to a surge in inflation to high double digit in ~~etc~~ emerging economies.

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~~Therefo~~

Therefore, taper tantrum led to higher interest rates and mortgage rates in the U.S. and falling capital inflows and balance of payment pressures in emerging markets. Thus investors dumped financial assets in emerging markets en masse and moved their capital to safe-haven assets in developed markets.

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Q5 c)

What are the main features of PM Garib Kalyan Yojana? What are its objectives.

→ Recently within 36 hours from announcement of countrywide lockdown, the Union finance Minister announced a package of ₹1.70 lakh crore under P.M. Garib Kalyan Yojana for the front-line COVID-19 warriors and welfare of people during pandemic.

The financial package benefits have been divided into 2 forms;

- Food security related
- DBT - Direct benefit Transfer.

The features and objectives of the financial package are:

- Food related relief measures → Around 80 crore people under PM Garib Kalyan Anna Yojana will get an additional 5 kg of rice or wheat per person and each household will receive 1kg of preferred pulses for the next three months. This will be in addition to 5kg of wheat or rice per person per month and distributed in two installments.

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Under Direct Benefit Transfer, 8 specific announcements were made for following sections:

- Farmers → ₹2000 will be given under Kisan Samman Nidhi Programme.
- MGNREGA workers → A wage increase of ₹20/day
- Poor Senior Citizen / Poor widow / Poor Divyang → An ex-gratia of ₹1000 in two installments for next 3 months
- Women under Jan Dhan Yojana scheme → An ex gratia of ₹500 per month for next 3 months.
- Women under Ujjwala Scheme → They will get free LPG cylinder for next 3 months.
- Self Help Groups (NRLM) → They will enjoy collateral free loans of ₹20 lakh instead of ₹10 lakh.
- Organised Sector workers through EPFO → The government will pay the EPF contribution for next 3 months
- Construction workers → The welfare fund of ₹31000 crore will be available for them.

Thus ~~the~~ PM Garib Kalyan Yojana will help in addressing the necessity and providing welfare at the time of pandemic.

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Q5 a) Explain Niti Aayog's recently introduced State Multidimensional Poverty Index and the possibility of its use for policy making.

→ Recently Niti Aayog has released the Multidimensional Poverty Index (MPI).

The MPI seeks to measure poverty across its multiple dimensions and in effect complements existing poverty statistics based on per capita consumption expenditure.

It has three equally weighted dimensions:

- Health
- Education
- Standard of Living.

These 3 ~~indicators~~ dimensions are represented by 12 indicators such as nutrition, school attendance, years of schooling, drinking water, sanitation etc.

Significance:

(1) Contribution towards Public Policy Tool

The development of the Index can help contribute in making public policy tool which monitors multidimensional

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Poverty and informs evidence based and focused intervention thereby ensuring no one is left behind.

(2) Presents overall Picture of Poverty.

It will help in enabling closer and more in-depth analyses of areas of interest such as regions - States or districts and specific sector and complements existing monetary poverty statistics.

(3) Help achieving SDG Goals.

It can help in contributing towards measurement of progress of target 1.2 of SDGs which aims at reducing at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions.

Therefore the introduction of MPI can be helpful in complementing the policy making for poverty reduction.

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Q5 c)

What is Special Deposit facility? What other measures RBI has taken in last one year to manage liquidity?

→ Standing Deposit Facility (SDF) is an additional tool for absorbing liquidity introduced by RBI.

The main purpose of SDF is to reduce the excess liquidity in the system and control inflation.

SDF strengthens the operating framework of monetary policy as it is an additional tool for absorbing liquidity without any collateral thus removing the constraint from RBI.

The SDF will replace fixed rate reverse repo as the floor of the liquidity adjustment facility corridor.

The SDF will be available on all days of the week throughout the year. The SDF will be 25 bps below the repo rate and it will be applicable to overnight deposits.

The other measures taken by RBI in last one year to manage liquidity are:

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1) One-tap Liquidity Window for contact-intensive sectors to boost provision of immediate liquidity for ramping up COVID-related healthcare infrastructure and services in the country.

2) Special Liquidity facility to SIDBI to nurture the embryonic growth impulses of the economy.

3) Enhancement of the Exposure Thresholds under Resolution Framework 2.0 for considering resolution of COVID-19 related stress for MSMEs as well as non MSME small business and loans to individuals for business.

4) Placement of Margins for Government Securities Transaction on behalf of FPIs.

5) Availability of National Automated Clearing House on all days of week to facilitate one to many credit transfers.

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Q6. a)

What is crony capitalism? What are its reasons and impact? How it can be controlled?

→

→ Crony Capitalism is defined as collaboration between people in business and people in authority to restrict market based allocation by influencing decision making by govt. government to favour the cronies.

Reasons of crony capitalism

1) Discretionary power with less checks and balances with government authority.
2) Lack of transparency in administrative and economic decision making.
3) Rigid control of government on public resource and no well defined rule to ensure that those resources are distributed evenly.

Impact:

The impact of crony capitalism can be seen as follows:

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1) It restricts competition in the market which results in higher price, poor technological evolution and low quality.

2) It results in misallocation of resources.

3) It results in creating shortages due to hoarding of essential commodities.

4) It results in compromising legitimacy of government and leads adverse selection.

Solutions

Some of the ways in which crony capitalism can be controlled are:

1) Streamlining the regulatory bodies so that multiple units don't overlap on each other's jurisdiction.

2) Developing federal institutions to improve centre-state coordination and inter-state coordination.

3) Setting up of special courts and grievances redressal cells by strengthening vigilance department, enforcement directorate and other investigating agencies.

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~~Q6~~
5)

Therefore, for the economy to grow and achieve its target, crony capitalism must be controlled to increase competition, ensure proper allocation of resources, prevent ~~abuse~~ adverse selection and upheld inclusive growth.

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Q6 5) Elucidate the reasons for recent improvements in India's export capacity.

→ India's export have recorded a very high growth of more than 30% in 2021-22 compared to 2019-20. It has increased from $ 330 bn to $ 422 bn in commodity export and from $ 205 billion to $ 257 bn in service export.

Reasons:

The reasons for recent improvements in India's export capacity are:

1) RODTEP → Government has introduced a scheme called RODTEP under which all duties and taxes paid by exporters will be refunded or rebated. This will improve their working capital availability and reduce transaction cost. It is WTO compliant and has been introduced since 2021.

2) NIRVIK → Under this scheme government gives loans to exporters in proportion to their exports. It also includes subsidized insurance cover to almost 90% of exports.

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3) Manufacturing Reforms → Government has ~~into~~ introduced many manufacturing reforms like Production Link Incentive Scheme, PM MITRA etc. to promote Make in India and make manufacturing exports more competitive.

4) Government has simplied the procedures for exporters like allowing 24×7 clearance on 18 ports in India.

5) Government has categorized export markets for Indian commodities into traditional market (category A), emerging market (category B) and other markets (category C) to help in improving targetting of Indian exports.

6) High growth in agricultural exports which has gone above $50 billion.

7) The revival of engineering goods exports which has increased by more than 45%.

8) Rising demand in global market- espicially for IT services and consultancy in post-pandemic world.

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9) Rising price of commodities have also increased growth.

However in order to achieve the targeted export worth $1 trillion by 2024-25, there must be:

a) More tax reforms

b) Improved logistical support

c) Structural reforms in manufacturing sector

d) Diversification of export markets and commodity exports

e) Assuring currency is not overvalued in terms of real exchange rate.

Thus, export-growth requires efficiency and it should be assured that internal efficiency leads to external competitiveness.

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Q6 c) Critically examine National Asset Monetization Pipeline.

→ Monetization of asset implies reducing the burden of maintenance and leasing out the asset for particular time period and earning revenue from the lease and Pipeline represents one channel through which all funds can be directed.

In May 2020, the Government of India announced regarding monetisation of public asset for capital formation and revenue generation.

In June 2021, The Ministry of finance notified National Asset Management Pipeline (NAMP) stating that it has the potential to generate upto ₹6 lakh crore in the next 5 years.

Under NAMP, government proposes to lease out roads, railways tracks, railway platforms, airports, ports, oil and gas pipelines, stadiums and other government assets like public land. Government expects revenue to generate ~~from~~ 27% from roads, 18% from railways and 13% from gas pipelines.

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Reasons / Benefits of Asset-Monetization

1) Asset Monetization can result in inflow of revenue which can be used for development of assets in underdeveloped regions and remote areas.

2) Government can earn revenue from the asset without losing rights over it.

3) Maintenance and repair works on the asset will be done by the private lease holder and it will save both administrative and financial burden of the government.

4) It results in better utilization and higher utilization of under used assets and unused assets which generates not only revenue for the government but also create employment opportunities.

Challenges of Asset-Monetization

1) If the contract is not well defined then it is possible that maintenance

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and repair is not fully done.

2) It can lead to concentration of assets in few hands.

3) There should be a regulatory body to stop misuse of assets.

4) It is possible to overcharge on an asset if there is no alternative available.

Therefore, it is required that there is a proper regulatory institution with well framed contracts and assuring competition in the bidding process. It will also require alternative assets like in sectors like ~~roads~~, roads, railway etc to assure that people are not forced to pay for monetized assets.

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Q8: a) How is GATISHAKTI program a complement to National Infrastructure Pipeline and not an overlapping disturbance? Elaborate.

→ PM Gatishakti Project was launched by the Prime Minister on 13th October 2021 ~~with the~~ with the objective of connecting 16 ministries and 37 departments spread over different infrastructure sectors in India.

The National Infrastructure Pipeline Policy was announced by the Prime Minister in Independence Day Speech in 2019. The Finance Minister established a national taskforce on infrastructure pipeline development in November 2019.

However, Gatishakti program is a complement to National Infrastructure Pipeline and not an overlapping disturbance ~~below~~ because while National Infrastructure pipeline focuses on [financing], Gatishakti program focuses on [coordination] so that there is ~~smooth~~ smooth and proper flow in the projects and they are completed efficiently and timely.

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Under National Infrastructure Pipeline Policy:

1) It targets ₹111 lakh crore of funding for infrastructure development by 2024-25 to achieve the target of $5 trillion economy by 2025.

2) The sectors to be covered ~~are~~ include
- energy covering 24% of total finance,
- roads covering ~~19~~ 19% of total finance,
- Urban development covering 16% of total finance
- railways covering 13% of total finance.

3) Other sectors to be included are ports, airports, telecommunication, rural infrastructure, ~~agricultural~~ agriculture and food processing infrastructure.

4) Out of total expected infrastructure, approximately 42% are under implementation and another 32% are at conceptual development stage.

5) The main objective is to ensure timely completion of projects with proper financing.

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Under Gatishakti Programme,

1) a Gatishakti Portal has been established so that real time information of various infrastructure project is available to all departments at the same time.

2) It plans to break departmental silos and bring more holistic planning and integrated execution of projects.

3) It is expected to reduce logistical cost and improve inter-ministerial coordination.

4) It is also plan to integrate state government departments on digital platform for better coordination and quick resolution

5) The main objective is to integrate planning and coordinate implementation of infrastructure, connectivity projects for industrial cluster and economic nodes.

Thus Gatishakti program is a complement to National Infrastructure Pipeline in promoting large scale development of coordinated infrastructure such that there is no lack of timely financing and help in achieving Aatma Nirbhar Bharat target of secured infrastructure by 2025.

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Q5) What is PM MITRA scheme?

→ PM MITRA scheme is one of the scheme to promote manufacturing of lower end labour intensive products.

Under the scheme,

1) The government has planned to set up 7 mega integrated textile regions and apparel park to provide complete support to textile and apparel industries.

2) It is based on 5 F vision of the Prime Minister which encompasses farm to fibre, fibre to factory, factory to fashion and fashion to foreign.

3) The objective is to develop a complete textile system with large scale and modern industrial facilities for entire value chain of textile industry.

4) It will reduce logistic cost and improve competitiveness.

5) These MITRA parks will be set up at both Green Field and Brown Field sites.

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6) It will be developed through Special Purpose Vehicle which will be owned by State Government, Central Government and other parties in PPP mode.

7) The developer will not only develop the park but also maintain it over the entire time period.

The expected benefits of the scheme are:

1) Increasing technical textile production in India which also has a large export market.

2) Developing self sufficiency in supply chain management of textile sector.

3) Improving profitability through modernisation of textile sector.

4) Increasing employment and contribute to local infrastructure development thus promoting spill over effect on other industries.

However, possible challenges that can be faced are:

1) Lack of timely clearance for the project

2) Lack of timely financing ~~it~~ if there is less coordination.

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3). Lack of availability of modern machines as most firms are in MSME sector.

It is a very good scheme which can give India its position in the global textile market. The detail will be in the execution.

It has a budget of ₹4445 crore and 18 proposals are already received from 13 states by January 2022.

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Question No. प्रश्न संख्या

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88: c) Explain the main steps that can be taken to make India a $5 trillion economy in ~~a~~ near future.

→ To make India a $5 trillion economy in ~~a~~ near future, the first and foremost step required is inclusive growth.

Government has taken up many initiative to achieve the target of $5 trillion economy in various sectors like ~~industry~~ public sectors, MSMEs, infrastructure, etc. Some of the initiatives are:

1) National Asset Monetisation Pipeline which aims ~~at~~ for monetisation ~~and~~ of public asset for capital formation and revenue generation.

2) Corporatization of Defence Ordnance factories

3) PLI scheme to promote Make in India by offering 4% to 6% initiative to firms in targeted sector.

4) PM MITRA Scheme to provide complete support to textile and apparel industries.

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5) Various export promoting schemes like RODTEP, NIRVIK etc.

6) Various development in infrastructure like Urban development (Smart city + AMRUT + Jal Jeevan mission), improving oil marketing, ~~etc~~ etc.

7) Moving towards Renewable Energy like in Solar Energy and wind Energy

8) National Infrastructure Pipe and Gatishakti Programme to promote large scale development of coordinate infrastructure. ~~and help in~~

However for all these to work properly and efficiency and help India achieve its target, we need inclusive growth which not only focus on amount of growth but also its sources and distribution. We need to focus on

1) Equitable distribution of resources
2) ~~Poverty~~ Poverty Alleviation
3) Capacity enhancement and Removing capability Deprivation.

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For all the schemes and initiatives to perform timely and efficiently, focus should be on sustainable development, inclusive education and healthcare to improve human capital, and proper tax reforms.

Also other areas which can help in achieving the targets are digital drive improving our potential digital advancements.

Thus all these steps like expanding exports, Make in India initiative, going green, digital drive, improving tax anamolies and inclusive growth will help in India become a $5 trillion economy.

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