

UPSC Syllabus Topic :GS Paper 3 Indian Economy – Growth and Infrastructure.

Recently Inaugurated Atal Setu: Paving the Way for India's Economic Growth

India marked a historic moment with the inauguration of the Atal Setu, the country's longest sea bridge spanning 22 kilometers. This six-lane marvel, also known as the Mumbai Trans Harbour Link, not only connects key regions but signifies a pivotal step in India's aspiration to position itself as a prime investment destination.

Positive Signs for the Indian Economy

- **Structural Reforms: A Decade of Progress**

Over the past decade, the Indian government has undertaken significant structural reforms, addressing the challenging twin-balance sheet problem. This dual crisis involving both banks and corporates facing financial distress simultaneously had hindered the country's economic growth. The successful implementation of these reforms has provided a robust foundation for India's economic revival.

- **Recovery of Indian Banks**

A critical component of India's economic resurgence is the remarkable recovery observed in its banking sector. Once burdened by non-performing assets and financial instability, Indian banks now stand strong and capable of financing the nation's growth. The revitalized banking sector plays a pivotal role in driving economic activities and supporting the financial needs of various sectors.

- **Boosting Infrastructure: Government's Initiatives**

The government's commitment to infrastructure development is evident in its increased capital expenditure and enhanced project implementation. The accelerated pace and improved quality of roads, railways, ports, airports, and bridges contribute significantly to India's economic landscape. This proactive approach to infrastructure creation is a key factor in attracting both domestic and foreign investments.

Other Advantages

Apart from structural reforms and a resilient banking sector, India boasts additional advantages that contribute to its economic appeal. With a young and ambitious labor force, a free-market economic system, and a vibrant democracy, India presents a conducive environment for businesses and investors.

Why is Infrastructure Creation Important?

In the ever-evolving global economic scenario, the creation of robust infrastructure, both physical and digital, is paramount. Countries worldwide are seeking alternatives to China in the global supply chain, presenting India with a golden opportunity. The ability to offer well-developed infrastructure makes India an attractive prospect for companies and investors looking to diversify their operations.

The Way Forward: Leveraging Opportunities for Development

While government spending has been instrumental in capital expenditure, there are limits to its capacity. The private sector must play a more active role in contributing to the nation's growth. Collaborative efforts between the public and private sectors will ensure sustained economic development, creating a synergy that propels India towards becoming a developed country.

Conclusion

In conclusion, the inauguration of the Atal Setu symbolizes more than just a sea bridge; it signifies India's commitment to economic growth and development. With structural reforms, a resilient banking sector, and a focus on quality infrastructure, India stands poised to attract global investments and emerge as a key player in the international market.

UPSC Syllabus Topic : GS Paper 3 Environment – Conservation.

Navigating Air Pollution in India: A Call for Informed Decision-Making

Air pollution in India, particularly in the National Capital Region (NCR), has transformed from a seasonal woe into a persistent menace. Tackling this issue demands not only concerted efforts but also involves navigating intricate trade-offs between development and environmental preservation. This article delves into the trade-offs required, the responsible decision-makers, past political interventions, effective solutions for crop burning, and the crucial role of public participation.

Trade-offs in Air Pollution Management: Balancing Act between Development and Environment

In the realm of air pollution, trade-offs become inevitable. These are decisions where something is sacrificed to gain something else. The conundrum lies in finding a delicate balance between promoting development and preserving the environment. Choices must be made, and compromises struck, often involving sacrifices on one front for the collective benefit on another.

Decoding Decision-Makers: Politics Over Academia and Activism

The question arises: who should be at the helm of making these challenging decisions? According to the author's perspective, it's not the scientists or environmental activists but the politicians, specifically the governmental bodies. Academicians are tasked with generating and presenting evidence, ensuring informed decision-making. Activists, on the other hand, often pre-emptively make trade-offs, steering discussions in a particular direction. Politicians, being representatives of the people, should be the arbiters of these decisions, yet the challenge lies in their hesitancy and inability to act decisively.

Lessons from the Past: Political Decision-Making on Air Pollution

Examining previous attempts at political decision-making on air pollution provides insights into the complexity of the issue. Initiatives like the Bus Rapid Transit (BRT) Corridor aimed at prioritizing public transport faced backlash from the car-using middle class, highlighting the resistance to trade-offs. Odd-Even schemes, despite their inconclusive effectiveness, found political acceptance, possibly due to their short duration. Smog Towers, while lacking efficacy, are still pursued, showcasing the political sensitivity to public concerns. These examples underscore the challenges in implementing effective solutions that balance inconvenience with long-term benefits.

Addressing Crop Burning: A Comprehensive Approach

The menace of crop burning adds another layer to the air pollution crisis. Effectively tackling this multifaceted issue requires a comprehensive package of technical, regulatory, fiscal, and informational interventions. The solution must be marketed effectively, ensuring all stakeholders perceive their contribution to the resolution. Establishing the right political narrative becomes crucial, but the fear of political repercussions hampers progress.

The Crucial Role of Public Participation

In the intricate web of air pollution management, the public emerges as a pivotal player. Only with public support can politically challenging decisions be effectively implemented. However, the public's readiness for short-term inconveniences, such as odd-even schemes, contrasts with hesitancy towards more robust measures like a Diwali firecracker ban. Incentivizing public cooperation through appropriate policies becomes imperative for sustainable solutions.

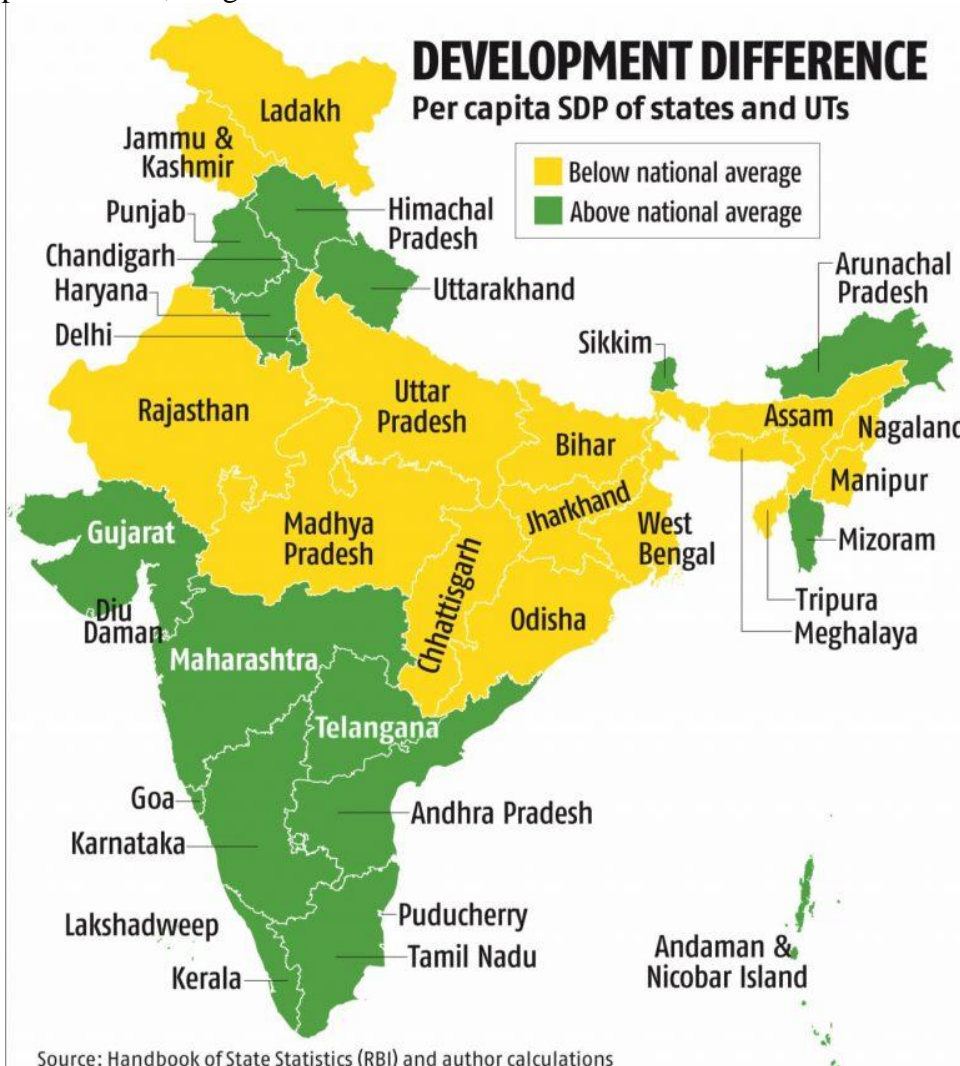
Conclusion: A Collective Endeavor for Clean Air

In conclusion, addressing the air pollution crisis in India demands a collective endeavour. Negotiating trade-offs, empowering politicians to make informed decisions, learning from past interventions, and engaging the public through incentivization are key facets of a holistic approach. As the nation grapples with the perennial challenge of air pollution, the need for proactive, informed, and inclusive measures has never been more pressing.

UPSC Syllabus Topic : GS paper3 -Economic- growth, development and employment; Inclusive growth and issues arising from it.

Understanding and Addressing India's Economic Divide Among States

India, a diverse nation marked by cultural richness, also grapples with a striking economic divide among its states. The economic landscape is characterized by wealthier states predominantly in the south, west, and northwest, while the north, center, and east bear the brunt of economic challenges. In 2019-20, the per capita State Domestic Product (SDP) in wealthier states was 2.5 times higher than in poorer states, a significant increase from the 1.7 times difference observed in 1990-91.



Reasons Behind the Economic Disparity

1. Sectoral Growth Gap in Manufacturing

The manufacturing sector plays a pivotal role in shaping economic fortunes. Unfortunately, the gap between higher- and lower-income states has widened. The per capita SDP in manufacturing was 3.6 times higher in wealthier states in 2019-20, up from 2.4 times in 1990-91. This divergence contributes significantly to the overall economic disparity.

2. Service Sector and IT Boom

The boom in the service sector, particularly the rise of IT companies, has been a driving force behind economic disparities. The SDP ratio in services increased from 2.0 to 2.9 between 1990-91 and 2019-20. The post-liberalization era saw substantial growth in services, further accentuating the economic divide.

3. Infrastructure vs. Power Availability

Despite comparable road and rail infrastructure, lower-income states, particularly in the Gangetic and eastern regions, face challenges in per capita power availability. This disparity hampers industrial growth and economic development in these regions.

4. Shift in Investment Dynamics

A noteworthy shift from public to private sector investment has occurred over the years. The public sector's share in gross fixed capital formation decreased from 40% to 23% between 1990-91 and 2019-20. Concurrently, the private sector's share rose from 18% to 38%, concentrating investment in wealthier states and contributing to the economic divide.

5. Labour Availability Variations

Lower-income states, especially in the north and central regions, exhibit lower urban labor force participation rates and fewer workers with regular wage/salary income. This factor adversely affects their industrial growth and perpetuates economic imbalances.

6. Entrepreneurship Concentration

A striking concentration of entrepreneurship is observed in higher-income states. Around 75% of organized-sector factories in 2019-20 were located in these states. Moreover, out of the 91 richest Indians residing in India, 87 were situated in these high-growth states, exacerbating the economic gap.

7. Education and Skill Disparity

A significant imbalance in access to higher education further widens the economic divide. Approximately 70% of engineering seats in India are concentrated in higher-income states. This disparity in education and skills translates into difficulties for poorer states in attracting high-tech industries.

The Way Forward: Bridging the Economic Divide

To address India's economic divide, strategic measures are imperative:

1. **Boost Entrepreneurship and Skill Development:** Investing in entrepreneurship and skill development initiatives in poorer states can stimulate economic growth and job creation.
2. **Upgrade Power Infrastructure:** Enhancing power infrastructure in regions like the Gangetic and eastern areas is crucial for supporting industrialization and economic development.
3. **Expand Access to Technical Education:** Creating avenues for technical education in economically challenged states can bridge the skill gap and attract high-tech industries.
4. **Interconnected National Value Chains:** Developing interconnected national value chains

that leverage the resources of wealthier states while harnessing the potential of poorer ones can foster balanced economic growth.

In conclusion, understanding the root causes of India's economic divide among states is the first step towards crafting effective solutions. By implementing targeted strategies to address sectoral disparities, infrastructure challenges, and educational imbalances, India can aspire to achieve more equitable economic development across its diverse regions.