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## **Addressing Rural Poverty : Livelihood Development and Diversification**

Annual expenditure of Department of Rural Development in 2017-18 is more than double of what it was in 2012-13. One has also to bear in mind that there were 4 additional sources of funds for addressing Rural Poverty during this period -

- The sharing pattern under Programmes for non Himalayan States became 60:40, and 90:10 in Himalayan States. Under Pradhan Mantri Awaas Yojana-Gramin (PMAY-G), instead of a 75:25 sharing earlier, it became 60:40 leveraging a total of Rs 45,000 crores in 3 years as State share.
- A budget of Rs 21,975 crore for Extra Budgetary Funds have been mobilised/are being mobilised in 2017 to 2019 period for PMAY-Gramin.
- The transfer of funds under the 14th Finance Commission awards has also registered a significant increase compared to the allocations earlier under the 13th Finance Commission.
- A total of Rs 1.64 lakh crore have been mobilised as Bank Loan by Women Self Help Groups in the last 5 years.

### **Identification of beneficiaries -**

- The Socio-Economic Caste Census (SECC) 2011 released in July 2015 provided an Evidence Based Criteria for Selection of Beneficiaries under various Government Programmes.
- The application of deprivation criteria of SECC to the Provision for LPG Gas connection under Ujjwala, free household electricity connection under Saubhagya, selection of beneficiaries under PMAY-G, and now selection under Ayushman Bharat for National Health Protection have ensured that the benefits of development reach the most deprived on a priority.
- The use of SECC in finalisation of Labour Budgets to States under Mahatma Gandhi National Rural Employment (MGNREGS) and insistence in enrolment of all women from households with deprivation under SHGs of Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) has also ensured that poor regions with larger number of poor households received priority in Programmes of Rural Poverty.

### **Initiatives -**

Some of the salient livelihood generating and Income and Employment supporting initiatives over the last 3 years are as follows -

1. 143 lakh hectares of land provided benefit of Water Conservation works.
2. Nearly 15 lakh farm ponds and 4 lakh wells for irrigation.

3. Over 6222 Custom Hiring Centres managed by Women Self Help Groups.
4. 11000 Bank Sakhis and 773 Bank Mitras trained as Banking Correspondents.
5. 33 lakh women farmers supported under non-chemical based agro ecological interventions.
6. 86000 Producer Groups and 126 Agri Producer Companies.
7. 449 vehicles under Aajeevika Grameen Express Yojana (AGEY) for Rural Transport.
8. Over 9 lakh Solar Lamps assembled by nearly 4000 Women Self Help Group members.
9. 3.54 lakh candidates successfully placed for wage employment under Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY).
10. 10949 Rural Masons trained and certified under the Housing Programme.

#### **Performance of MGNREGA -**

- Total Budget Allocation in FY 2017-18 was Rs 55,167 crore which was highest since inception.
- Fund Utilisation - The total expenditure in FY 2017-18 is about Rs 64,288 crore (provisional) which is highest ever since inception.
- The person days generated under MGNREGA in the last 3 years has been in the range of 235 crore every year.

#### **Poverty of Households -**

- Lack of education and skills
- Under-nutrition and ill-health
- Lack of employment opportunities
- Assetlessness
- Lack of safe housing
- Limited access to public services
- Clutches of middlemen/corruption/moneylender
- Absence of Social Capital-collectives of women/youth/poor households.

#### **Poverty of Geographies -**

- Low price for produce - distress
- Violence/crime
- Unirrigated agri/vagaries of monsoon
- Lack of basic infra-roads, electricity, internet
- Lack of access to markets and jobs
- Lack of non-farm opportunities

## **India's Journey towards a \$5 Trillion Economy**

At the Governing Council Meeting of the NITI Aayog recently, the Prime Minister announced the target of a \$5 trillion economy for India by 2024. To achieve the \$5 trillion economy, the Economic Survey has laid a road map where it says India must grow at 8 percent.

### **How to achieve?**

1. **Focus on MSME sector** - The significance of 65 million MSMEs who create about 120 million jobs and 30 percent of the country's economic output and around 30 percent of total employment generation cannot be underestimated. New manufacturing operations will allow India to become part of few global value chains and help in raising exports to a trillion dollar mark.
2. **Focus on Agriculture sector** - Sixty percent of India's population lives in rural areas and is mostly engaged in agriculture. The focus has shifted from increasing per acre productivity to gainfully employing farm households in other farm-related activities and to improve post-production value-addition by pooling of land and aggregation of farmers' produce to give growers better bargaining power in the market.
3. **Focus on the Services Sector** - Services contribute to 56.5 percent of GDP but create only 30 percent of jobs. So far, IT sector has been the mainstay, exporting over 80 percent of its \$150 billion turnover. The sector needs to develop expertise in IOT, AI, VR and their applications. Travel and tourism, health and professional services can be the other key service sectors. Better delivery of infrastructure, education and essential services would also create a large number of jobs and growth. The travel and tourism sector created 40 million jobs and contributed a significant 10 percent to the GDP. Another big opportunity comes in global healthcare and wellness which is a \$8 trillion industry and would require over 100 million health workers in the next 15 years.

### **Vision of \$5 trillion -**

The Prime Minister has seen a dream of a 'New India' which will be a \$5 trillion economy and a model of Good Governance for the world. PM has set the following vision for New India -

1. To be free from poverty, full of prosperity;
2. To be free from discrimination, filled with equality;
3. To be free from injustices, ensconced in justice;
4. To be free from squalor, covered with cleanliness;
5. To be free from corruption, complete with transparency;
6. To be free from unemployment, enriched with employment;
7. To be free from atrocities against women, full with respect for women; and
8. To be free from despondency, full of hope.

## **Water Conservation as a National Movement**

Although the mother Earth is predominantly (70%) covered by water, only 2.5% is freshwater. India harbours only 4% of the world's freshwater resources. Disproportionately, agriculture sector alone consumes nearly 70% of the freshwater used by humans.

### **Water Conservation -**

Water conservation primarily involves the following three objectives -

1. **Enhance water availability** - This could be mainly achieved by adopting a mixed strategy focusing on the protection and restoration of natural ecosystems (forests, grasslands and wetlands including rivers), increasing green cover, managing riparian forest buffers, adoption of water efficient diversified agriculture, encouraging rainwater harvesting, undertaking massive soil and moisture conservation efforts, storage in reservoirs, water budgeting, recycling and reuse.
2. **Improve water quality** - This means effective law enforcement and stringent regulations, pollution control, restrictions on pouring of sewage, urban waste, industrial effluents and even prohibition on use of toxics (pesticides and weedicides) in agriculture, establishment of STPs and water treatment plants and adoption of bioremediation techniques.
3. **Reducing water-related risks** - Considerable area of the country is being annually impacted by droughts, floods, long dry spells and different health hazards. Adoption of integrated watershed management programme, flood control mechanisms, climate resilient agriculture, promotion of alternate income generation activities and sustainable livelihoods can minimise risks and disaster management.

### **A National Movement -**

The unified Central 'Ministry of Jal Shakti' has been made responsible for laying down policy guidelines and coordination of programmes for the development and regulation of country's water resources.

### **Way forward -**

1. **Institutions and Governance** - Institutions working/contributing directly or indirectly towards water management would need strengthening and augmentation of manpower and financial resources.
2. **Participatory Approach** - The National Movement certainly requires participatory approaches seeking involvement and empowerment of people.
3. **Knowledge Management** - The complex subject of water resource management calls for collaborations/networking and institutionalising synergies between various entities.
4. **Ecosystem-Based Management Approach** - The move from isolationist approaches to holistic approaches are desirable on a priority basis. Thereby, greater focus on river basins and riverscapes for planning, assessment and interventions are the need of the hour.
5. **Continuous Care** - Utmost care is required to be taken for retaining the water sources, making them sustainable and ensuring judicious use thereof.

6. **Capacity Development** - Success towards countering water wastage and degradation of natural ecosystems could be accompanied by creating awareness and appropriate capacity development of various stakeholders.

## **Reforming Governance**

The avowed objectives of 'Sabka Saath, Saka Vikaas and Sabka Vishwaas' and the Prime Minister's clarion call of achieving a 5 trillion dollar economy by 2024-25 necessitates putting in place a whole set of initiatives towards good governance.

### **Cooperative and Competitive Federalism -**

- A number of initiatives have been taken to foster cooperative federalism through structured support initiatives and mechanisms of engagement with the States/UTs on a continuous basis.
- These include meetings between Prime Minister/Cabinet Ministers with all Chief Ministers; sub-groups of Chief Ministers on subjects of national importance; sharing of best practices; policy support and capacity development of State/UT functionaries; Aspirational Districts Programme for development of 115 most backward districts; theme based extensive engagements in various sectors; framing model laws for land leasing and agriculture marketing reforms; and area specific interventions for North Eastern, Himalayan States and Island Development.
- A unique feature of this new strategy is to improve States'/UTs performances by encouraging healthy competition through transparent ranking in various sectors with a hand holding approach. Some of the indices launched include Health Index, Composite Water Management Index, SDG Index and Performance of Aspirational Districts.

### **Direct Benefit Transfer and Use of Aadhar -**

With Aadhar now firmly in place especially in targeted delivery of subsidies, Direct Benefit Transfer (DBT) continues to make major inroads into policy and service delivery framework of the country. Currently about 439 schemes across 55 Ministries are covered by DBT.

### **Outcome Based Learning -**

- Introduction of Outcome Based Budgets since Union Budget 2017-18 is in contrast to earlier mechanism of merely focusing on financial outlays, expenditures and outputs. This is a major step in improving governance as the thrust is on meeting the expectations of the people by focusing on outcomes and not merely on how much expenditure has been incurred under the respective schemes.
- The Outcome Budget 2019-20 presented in the Parliament covers 163 major central sector/centrally sponsored schemes covering 95% of the outlays of the total of 591

schemes for which outcome budgets have been prepared by NITI Aayog and Ministry of Finance in consultation with the Ministries/Departments.

### **E-governance -**

- Starting from biometric attendance of Government employees, digitising database of beneficiaries across all schemes, seeding with Aadhaar numbers, using PoS machines for beneficiary authentication and finally transferring the funds to Aadhaar linked bank accounts, various initiatives have made marked improvements in the way services are delivered to the public.
- Digital India programme being implemented by the Ministry of Electronics and Information Technology is covering multiple projects of various Central Ministries/Departments and States/UTs.
- Besides portals such as Centralised Public Grievance Redressal and Monitoring System (CPGRAMS), the Unified Mobile Application for New-age Governance (UMANG) and MyGov are in place providing information to citizens seeking feedback and resolving grievances.

### **Administrative Reforms -**

The Strategy for New India @75 document of NITI Aayog has proposed transformative measures, such as improving teeth to tail ratio, promoting officer oriented culture, bringing down the number of civil services and allocating candidates as per competencies, encouraging lateral entries and specialisation, bringing down entry age, strengthening municipal cadres, training and skill assessments, institutionalisation of goal setting and performance evaluation, greater suo motu disclosures, protection of civil servants, E-initiatives and probity. Measures have also been proposed to improve governance in cities besides data led governance without compromising on data security for citizens.

### **Law and Order -**

- Some of the suggestions include adoption of the Model Police Act of 2015, filling up of vacancies and greater representation of women, reforms in FIR system with greater usage of IT, training/sensitisation of police personnel and inducting a separate cadre for cyber-crimes, cyber threats and fraud.
- In the area of judicial reforms, there is again a significant scope for improvement, especially with the use of IT. There is a need to reduce criminalisation by compounding of minor offences with steep penalties that act as a real deterrent. Focus needs to be more on arbitration so that most cases get resolved out of court.
- Redundant laws need to be repealed and new laws need to be written in a simple manner.
- Besides an All India Judicial Services Examination on ranking basis, an Indian Legal Service may also be considered.

## **Skills for a \$5 trillion economy**

A comprehensive skill development programme has been implemented in the last five years with the setting up of the Ministry of Skill Development and Entrepreneurship (MSDE) in November 2014.

### **Initiatives -**

- The Skill India initiative was launched in 2015. A flagship programme Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is aimed at mobilising the youth to take up industry-relevant skill training and recognise and certify prior learning.
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY) 2016-2020 was launched under MSDE in 2016. More than 3 crore people have been trained under Skill India, and more than 50 lakh candidates so far under PMKVY.
- Besides the Pradhan Mantri Kaushal Vikas Yojana (PMKVY), other flagship initiatives of the Government to promote skill development include Deen Dayal Upadhyaya Grameen Kaushalya (DDUGKY), Pradhan Mantri Kaushal Kendras (PMKK) and National Apprenticeship Promotion Scheme (NAPS).
- Under Pradhan Mantri Kaushal Kendra (PMKK), launched in 2015 to set up aspirational model training centres in every district, 851 PMKKs have been allocated and 601 PMKKs have already been established till June 2019.
- National Apprenticeship Promotion Scheme was initiated in 2016 to promote apprenticeship with provision for basic training and on-the-job training or practical training at the workplace.
- SANKALP, launched in 2017, aims to create convergence among all skill training activities, improve the quality of skill development programmes and create industry-led and demand-driven skill training capacity.
- STRIVE, another initiative launched in 2017, aims to create awareness through industry clusters, integrate and enhance delivery quality of ITIs.

### **Impact -**

- The impact analysis of the short-term training under PMKVY on employment shows that training and certification has led to a nine-percentage point increase in proportion of employed individuals.
- The training part alone has contributed eight percentage points on employability.
- In terms of income, PMKVY training and certification has contributed 15 percent to the mean monthly income.
- Also, assessment of the impact of the recognition of prior learning on income indicated a significant difference of 19 percent in the mean monthly income of certified candidates.

## Infrastructure Development for the Next Generation

### Pradhan Mantri Awas Yojana (PMAY) -

- Government has launched a comprehensive mission “Housing for All by 2022”. The scheme aims to construct more than four crore houses across the length and breadth of the nation within a span of next seven years (2015-22). The scheme known as Pradhan Mantri Awas Yojana (PMAY) is implemented as a Centrally Sponsored Scheme (CSS).
- The objective of the PMAY is to provide every family with a pucca house, with a water connection, toilet facilities, and 24X7 electricity supply and access and to build 2.95 crore housing units in rural areas and 1.2 crore housing units in urban areas.

### Energy -

At the convergence of its domestic goals and the global development agenda, the Government intends to hit the following milestones -

- Make available 24X7 power to all by 2019;
- Achieve 175 GW of renewable energy generation capacity by 2022; and
- Reduce imports of oil and gas by 10 percent by 2022-23.

Some of the major challenges on achieving the milestones set for 2022-23 are -

- **Overall energy** - A variety of subsidies and taxes distort the energy market and promote the use of inefficient/over efficient fuels.
- **Power** - The high industrial commercial tariff and the cross-subsidy regime have affected the competitiveness of the industrial and commercial sectors.
- **Oil and Gas** - Lack of market-driven gas prices for old fields disincentivises further production.
- **Coal** - There is a tendency to expand open-cast mining and discourage underground operation even for better quality coal reserves.
- **Renewable energy** - High energy costs result in renegeing on old Power Purchase Agreements (PPAs) and erode their sanctity.
- **Energy Efficiency** - Limited technical capabilities, high initial capital expenditure, limited market and other issues have affected efforts to achieve energy efficiency.

### Way forward -

- **Overall Energy** - Oil, Natural Gas, electricity and coal may be brought under GST to enable input tax credit and the same GST rate may apply for all forms of energy to enable a level playing field.
- **Power** - All PPAs including those with State generation companies should be based on competitive bidding.
- **Oil & Gas** - It is important to provide for a common carrier and open access to gas pipelines and separate the developmental and regulatory functions of the PNGRB.

- **Coal** - Detailed exploration through exploration-cum-mining leases based on production/revenue sharing model and with the onus on concerned State Governments.
- **Renewable Energy** - Central level agencies like Central Electricity Regulatory Commission or National Load Despatch Centre should socialise the costs of balancing inter-state transmission systems (ISTS) connected power plants.
- **Energy Efficiency** - Promote the mandatory use of LED and the replacement of old appliances in government buildings with five-star appliances.

### **Transport -**

By 2022-23, India should achieve the following objectives -

1. Increase connectivity by expanding the road network: (a) achieve the Bharatmala Phase-I target by completing 24,800 km by 2021-22, including 2,000 km of coastal and port connectivity roads;
2. Improve the regulatory framework for roads to achieve better compliance, seamless connectivity, road safety and quality;
3. Reduce the number of road accidents and fatalities by 50 percent by 2020.

### **Way forward -**

1. **Improve road maintenance and safety** - Maintain NH assets by adopting a maintenance management system (MMS).
2. **Streamline land acquisition** - Sensitise stakeholders to iron out details of land acquisitions like determining market value, deciding a compensation amount, disbursement of compensation, etc. as detailed in the 2017 guidelines issued by MORTH.
3. **Skill development** - Introduce vocational training courses on road construction in Industrial Training Institutes (ITIs) and ensure stringent testing of driving skills before granting driving licenses by adopting technologically advanced methods such as the automated driving testing system and periodically revise codes/standards/guidelines related to technology use.
4. **Increase the capacity and reach of public transport** - Transform State Road Transport Undertakings (SRTUs) and promote public transport, rural transport and last mile connectivity.
5. **Expand the reach of the electronic toll collection (ETC) system** - Streamline the 'FASTag' charging system.

### **Railways -**

By 2022-23, India should have a rail network that is not only efficient, reliable and safe, but is also cost-effective and accessible, both with respect to the movement of people and goods. This requires achieving the following objectives -

- Augment the capacity of existing railway infrastructure.
- Increase the speed of infrastructure creation from the present 7km/day to 19km/day by 2022-23.
- Achieve "100 percent" electrification of broad-gauge track by 2022-23.

- Increase the average speed of freight and mail/express trains to 50 km/hr and 80 km/hr respectively.
- Improve the safety of the railways, achieving zero fatalities.

#### **Way forward -**

- Prioritise ongoing projects to improve capacity utilisation and timely completion of these projects will generate more revenue.
- Ensure that the Dedicated Freight Corridors (DFCs) earlier planned and the Mumbai-Ahmedabad High Speed Rail (MAHSR) are completed on schedule.
- Monetise land resources with the railways, particularly through developing non-railway revenues such as through retail or other activities.
- Focus must be on increasing the use of proven, advanced technologies such as automatic train protection, fog safety devices, end of train telemetry devices and on-board/online condition monitoring systems.

#### **Civil Aviation -**

##### **Objectives -**

- Enhance the affordability of flying to enable an increase in domestic ticket sales from 103.75 million in 2016-17 to 300 million by 2022.
- Double air cargo handled from about 3.3 million tonnes in 2017-18 to about 6.5 million tonnes.
- Expand the Maintenance, Repair and Overhaul (MRO) industry from USD 1.8 billion in 2017 to USD 2.3 billion.
- Enhance availability and affordability of regional air connectivity and revive/upgrade 56, unserved airports and 31 unserved helipads through the UDAN Scheme.

##### **Challenges -**

- Adequate hangar space and availability of land to expand airports at their current sites.
- About 0.25 million persons will need to be skilled over the next 10 years.
- Ministry of Civil Aviation has mandated that all airports move from a single to a hybrid till structure.
- Aviation Turbine Fuel (ATF) is relatively expensive in India.

##### **Way forward -**

- **Enhance aviation infrastructure** - Complete the planned airports under the UDAN initiative in a time-bound manner, in addition to completing two new airports for Delhi and Mumbai by 2022.
- **Increase skilled manpower** - Promote collaboration between original equipment manufacturers (OEMs), industry and educational institutes.
- **Ease the regulatory environment for airports** - Adopt a consistent model for tariff determination so that it reduces passenger cost and align taxation and pricing structure to global benchmarks.

## **Ports and Shipping and Inland Water Transport -**

### **Objectives -**

- Double the share of freight transported by coastal shipping and inland waterways from 6 percent in 2016-17 to 12 percent by 2025.
- Increase the port handling capacity to 2,500 million metric tonnes (MMT) by 2022-23.
- Reduce the turnaround time at major ports from about 3.44 days (2016-17) to 1-2 days (global average) by 2022-23.

### **Challenges -**

- A minimum draft depth of 18 metres is needed to enable mother vessels to dock at ports.
- It is difficult to attract capital for building inland vessels as it is a significant investment.

### **Way forward -**

- Dredging market to open up attracting more players, particularly international players, in dredging activities.
- Expedite the completion of various projects under Sagarmala.
- IWT should be integrated to multimodal/intermodal connectivity.
- Cabinet Committee on Economic Affairs approved the implementation of the Jal Vikas Marg Project (JMVP).

## **Logistics -**

### **Objectives -**

- Achieve multi-modal movement of cargo on par with global logistics standards.
- Reduce the logistics cost to less than 10 percent of GDP from the current level of 14 percent.
- Expand the logistics market to USD 215 billion by 2020 from the current level of USD 160 billion.
- Improve logistics skilling and increase jobs in the sector to 40 million by 2022-23 from about 22 million in 2016.

### **Challenges -**

Absence of last mile connectivity and infrastructure, competition and underutilised capacity, lack of interoperability of software systems used by the authorities governing different modes of transport leads to an increase in transit time.

### **Way forward -**

Rationalise tariffs and determine prices in an efficient manner across different modes, create an overarching body that maintains a repository of all transport data to internal stakeholders and conduct robust analysis of the data, setting up multimodal logistics parks etc. will help address issues related to infrastructure development.