Economic Survey sets out blueprint for $5 tn economy

Can the government help create jobs? (OPED)

Greying India must delay retirement

Warning issued against insulin pumps

New gene linked to schizophrenia identified

Practice cum Revision - MCQs
Economic Survey sets out blueprint for $5 trn economy

- Projects GDP growth for 2019-20 at 7%.
- Emphasis on investment to help propel growth in demand, jobs and productivity.

Among the top initiatives, the Economic Survey proposes a "virtuous cycle" of savings, investments and exports to boost India's growth in the years ahead.

According to the survey, India's GDP growth is expected to exceed 7% in fiscal year 2019-20, and to maintain a steady pace in the next two years.

Pgs. 1-10 - C, B, T
Pgs. 11-12 - D

Economic Survey 2018-19:
- Economic Division, Dept of Economic Affairs, Ministry of Finance
- Survey of performance of the Economy
- Economic prospects of the country in the future

It sets the blueprint for $5 trillion dollar economy
- Shifting gears towards a virtuous cycle of savings, investments and exports.
  - Virtuous cycle - positive
  - Vicious cycle - negative
- Within Investment, Private Investment is the key driver
  - drives demand
  - creates capacity
- increases labour productivity
- drives introduction of new technology
- allows creative destruction
- generate jobs

For private investments to happen, no ‘crowding out phenomena’ should be there.

Crowding out phenomena:
- huge government spending
- affects private investment

Investment is important
- to become $5 trillion economy
- to grow at 7% every year

GDP growth in 2018-19: 6.8%
Projected GDP growth for 2019-20: 7%
Practice Question – Prelims

Q. The ‘Economic Survey’ is published by

a) Central Statistics Office
b) Department of Economic Affairs
c) National Sample Survey Office
d) Department of Financial Services

Can the government help create jobs?

Expansion of public employment and a national skilling programme could boost employment

Expansion of public employment and a national skilling programme could boost employment

Papers

Part A—Preliminary Examination

Paper I - (200 marks)
- Current events of national and international importance.
- Economic and Social Development—Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

Part B—Main Examination

PAPER-III

General Studies- II: Governance, Constitution, Polity, Social Justice and International relations.
- Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

PAPER-IV

General Studies-III: Technology, Economic Development, Biodiversity, Environment, Security and Disaster Management
- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
Periodic Labour Force Survey (PLFS)

- July 2017 to June 2018
- Released by Ministry of Statistics and Programme Implementation
- Measures employment and unemployment status in the country.
- Objectives:
  1. Dynamics in labour force participation & employment status (3 months) → urban areas in current weekly status
  2. Labour force estimates on key parameters in usual status and CBS → both urban and rural areas
- Unemployment rate → 6.1%
  1. Highest in 45 years

⇒ Criticism:
- Not comparable with large sample surveys of the NSS
  1. Sampling method not changed
  1. PLFS gives quarterly data
    - how does employment vary across every quarter?
    - Better estimation
- While calculating Unemployment rate - does not take people in education into account
  1. Because it reflects only the labour force
  1. Unemployment rate → Percentage of unemployed persons in the labour force
  1. But, PLFS reflects the impact of previous education

⇒ "Unemployment rate among educated is higher than those, whose educational level was lower than secondary education"

How to tackle Unemployment?

- Registering unregistered sector
  1. Comply to standards → Job creation
  1. Challenge → Skilling of labour
  1. Portable National Programme to acquire apprenticeships

- Structural Problem:
  1. Economic activity and job creation as two separate entities
    1. But they are interconnected
  2. Raising issue of unemployment → Political attack
    1. Fail to correct the problems in economic policy

⇒ Expansion of Public Employment
  1. Standard Multiplier effect
  2. Lack in public services provided to people

<table>
<thead>
<tr>
<th>Public employees per population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global → 3.5 per 100</td>
</tr>
<tr>
<td>Europe → 6 per 100</td>
</tr>
<tr>
<td>Scandinavian Countries → 8 per 100</td>
</tr>
<tr>
<td>India → ≤2 per 100</td>
</tr>
</tbody>
</table>

⇒ Implementation of legislation for workers and labour laws → To protect workers

Conclusion:

- Single key Intervention
  1. Filling of Vacancies in Government Sector
    1. 2 million vacancies presently
    1. National level apprenticeship programme
Practice Question – Mains
GS - III

Q. “Credible statistical data enables pragmatic policies in order to effectively tackle unemployment crisis”. In the light of the above statement, discuss the need of Periodic Labour Force Survey.

‘Greying India must delay retirement’

Survey says the elderly population is expected to nearly double from 6% in 2011 to 12% by 2041.

Ageing India

The median age of the population is 25.3 years, which is expected to rise to 34.9 years by 2031. The share of the elderly population is likely to rise from 6% in 2011 to 12% by 2041.

By 2031, all states are expected to have a higher elderly population than the national level. The states with the highest elderly population are expected to be West Bengal, Tamil Nadu, and Andhra Pradesh.

India’s population is expected to increase from 1.26 billion in 2011 to 1.6 billion by 2041.

PAPER-I (200 marks)

- Current events of national and international importance.
- Economic and Social Development-Sustainable Development, Poverty, Inclusion, Demographics, Social Sector Initiatives, etc.

PAPER-II

General Studies-I: Indian Heritage and Culture, History and Geography of the World and Society.

- Role of women and women’s organization, population and associated issues, poverty and developmental issues, urbanization, their problems and their remedies.

PAPER-IV


- Indian Economy and issues relating to planning, mobilization, of resources, growth, development and employment.
Economic Survey:

- raise the retirement age of the elderly population
- Rapid increase in the size of elderly population due to slowing down of the population growth rate
- Population now growing below 1% in Southern States, W.B, Punjab, Maharashtra, Odisha, Assam and Himachal Pradesh

- Steady decline in India’s Total Fertility Rate
  - 1984 → 4.5
  - 2016 → 2.3

- TFR below ‘replacement level fertility’ in 13/22 states
  - Delhi, W.B, T.N, A.P, Telangana,
  - Punjab, H.P

- Demographic Transition
  - Slowing Population Growth + in Share of Working Age Population

Southern States, H.P, Punjab, W.B, Maharashtra

- Advanced in the Transition
  - TFR below replacement level fertility
  - 10% of population over age 59
  - ½% of population below age 20

- TFR at national level for 2021-41 will continue to decline
- Replacement level fertility - 1.8

- Population Growth - Slow in next 2 decades
  - ≤ 1% → 2021-31
  - ≤ 0.5% → 2031-41

Result of these changes?

1. Population will age significantly
   - 0-19 years → declining
     - 25% → 2041
   - Elderly population → rising steadily
     - 16% in 2041;
     - (8.6% - 2011)

2. India’s demographic dividend will peak in 2041
   - Working age population → 51%
     - 20-59 years
   - Key role in determining size of labour force and inter-state labour migration
Practice Question – Prelims

Q. Consider the following statements.

1. Total fertility rate (TFR) refers to the total number of children born or likely to be born to a woman of child-bearing age in her lifetime.
2. TFR of 2.1 children per woman is called the Replacement-level fertility.

Which among the above statements is/are correct?

a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2
Practice Question – Prelims

Q. Which of the following hormone is produced by pancreas and regulates blood sugar levels in human body?

a) Adrenaline  
b) Cortisol  
c) Gastrin  
d) Insulin
New gene linked to schizophrenia identified

Collaborative effort between Indian and Australian teams aims to shed more light on the mental illness

University of Queensland, Australia

Schizophrenia Research Foundation

Identified a new gene directly linked to Schizophrenia

NAPAT 1

International Collaboration - 18 years

Individuals of Schizophrenia - more likely to have a genetic variation

Schizophrenia - Psychotic disorder

Lose their touch with reality

Neurotic disorders - Eg: Anxiety disorder, Anti-social Personality disorder

Never lose touch with reality.

Individuals with Schizophrenia

Severe disturbances in mental modalities - thinking, Cognition and perception (among others)

Core Symptoms:

- Persistent delusions
- Persistent hallucinations
- Thought disorder
- Experience of influence
PRACTICE QUESTIONS
DISCUSSION

Practice Question – Prelims

Q1. The ‘Economic Survey’ is published by

a) Central Statistics Office
b) Department of Economic Affairs
c) National Sample Survey Office
d) Department of Financial Services
Practice Question – Prelims

Q2. Consider the following statements.

1. Total fertility rate (TFR) refers to the total number of children born or likely to be born to a woman of child-bearing age in her lifetime.
2. TFR of 2.1 children per woman is called the Replacement-level fertility.

Which among the above statements is/are correct?

a) 1 only
b) 2 only
c) Both 1 and 2
d) Neither 1 nor 2

Practice Question – Prelims

Q3. Which of the following hormone is produced by pancreas and regulates blood sugar levels in human body?

a) Adrenaline
b) Cortisol
c) Gastrin
d) Insulin
Practice Question – Mains
GS - III

Q. “Credible statistical data enables pragmatic policies in order to effectively tackle unemployment crisis”. In the light of the above statement, discuss the need of Periodic Labour Force Survey.

Practice Question – Prelims
Answers

Q1. Option ‘b’ – Department of Economic Affairs
Q2. Option ‘c’ – Both 1 and 2
Q3. Option ‘d’ – Insulin
LIKE, COMMENT & SHARE

SUBSCRIBE

Civilspedia Team - Powered by Shankar IAS Academy