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UPSC-CSE

PRELIMS+MAINS
ENGLISH MEDIUM

General Study Paper-3
Part -2

ECONOMICS PART-2

PREFACE

Dear Aspirants, The Presented Notes "UPSC - CSE (PRE + MAINS)" have been prepared by a team of teachers, colleagues and Infusion Notes members who are expert in various subjects. These notes will help the Aspirants to the fullest extent possible in the examination of Civil Services conducted by the **UNION PUBLIC SERVICE COMMISSION (UPSC)**.

Finally, despite careful efforts, there may be chances of some shortcomings and errors in the notes, So your suggestions are cordially invited in Infusion notes.

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CHAPTER - 24

INSURANCE IN INDIA

MEANING

- Insurance refers to a contract or policy by which an individual or any firm or entity receives protection from financial loss or from any other kind of damage.
- Insurance is a form of hedging and risk management system against uncertain loss and damages.
- Insurance policy is a Debt instrument/Legal contract against eventualities of death or damage.
- Two parties involved in this contract:
- **INSURER(Assurer)** – the party which is bearing the risk.
- **INSURED(Assured)** – the person, group, or property for which an insurance policy is issued.

HISTORY AND EVOLUTION

- In India, insurance has a deep-rooted history. It finds mention in the writings of Manu (Manusmriti), Yagnavalkya (Dharmasastra) and Kautilya (Arthasastra). The writings talk in terms of pooling of resources that could be re-distributed in times of calamities such as fire, floods, epidemics, and famine.

1818:- Advent of life insurance business in India with the establishment of the Oriental Life Insurance Company in Calcutta, started by Europeans.

1870:- Bombay Mutual Life Insurance was the first Swadeshi life insurance company started in the Bombay Residency.

1912:- The Indian Life Assurance Companies Act 1912, was the first statutory measure to regulate life business. However, the norms were lax, that led insurance industry to face problems in the aftermath of Great Depression in USA.

1938:- With a view to protecting the interest of the public, the earlier legislation was consolidated and amended by the Insurance Act, 1938 with tougher regulatory provisions.

1956:- Nationalizing the Life Insurance sector and Life Insurance Corporation (LIC) came into existence. The LIC had monopoly till the late 90s

when the Insurance sector was reopened to the private sector.

early 1990s:- The process of re-opening of the sector had begun.

1993:- The Govt. set up RN Malhotra committee to propose recommendations for reforms in the insurance sector.

1999:- On recommendations of Malhotra committee, Insurance Regulatory and Development Authority (IRDA) (made statutory body in 2000) was constituted as an autonomous body to regulate and develop the insurance industry.

2000:- The subsidiaries of the General Insurance Corporation of India (GIC) were restructured as independent companies and GIC was converted into a national re-insurer.

- The insurance sector is a colossal one and is growing at a rate of 15-20%. Together with banking services, insurance services add about 7% to the country's GDP. A well-developed and evolved insurance sector is a boon for economic development as it provides long-term funds for infrastructure development at the same time strengthening the risk-taking ability of the country.
- Like the banking industry, the insurance industry had to be nationalized after independence due to scams, irregularities, financial inclusion goal and Five-Year Plans.
- There are currently 57 insurance companies in India, of which 46 are from the private sector. There are 24 life insurance and 33 non-life insurance companies in India.

INSURANCE PRINCIPLES

- **Uberrima fides** – Good faith, hide nothing. (Diabetic in case of Health Insurance)
- **Indemnity** – Only “real and actual” loss, not imaginary (could not give UPSC CSE exam due to fire).
- **Subrogation** – Insurer can recover from negligent third party.
- **Causa Proxima** – Direct loss link.
- **Insurable interest** – If “risk-x” not happen, client remains in same position, “risk-x” happens client in bad position.

HOW INSURANCE IS DIFFERENT FROM BANKING SECTOR?

- Insurance policy is a type of debt instrument.
- Insurance companies are liability driven financial intermediaries.
- Risk capital or solvency capital norms are relatively higher. (Banks – CRR, SLR etc.)
- Policy premium is based upon statistics, probability theory, demographic trends, return in financial market and prevalent market situations.
- Insurance is “Sold” but never “Bought” (barring some compulsory insurances such as motor vehicle)

IMPORTANCE OF INSURANCE SECTOR

- Sector helps in mobilizing savings of public to financial assets
- Reduces fiscal burden on govt. to run schemes for social security – reduction in fiscal deficit.
- Insurance sector also act as a stabilizer and it helps people in the situation of crisis (health, accident, etc.)
- Spread of financial services in rural areas – IRDA Regulations provide certain minimum business to be done in rural areas, in the socially weaker sections.
- Insurance is a financial instrument which turns saving into an investment–Circular flow of capital
- A well-developed insurance sector boosts risk-taking in the economy.
- Sector also provides much-needed support to family members in the case of loss of life or health.
- Insurance companies need to invest part of premium in social and economic infrastructure – promotes socio-economic development.
- Insurance enables entrepreneurs to take bold and big-ticket decisions.
- Assets under management of insurance companies represent long-term capital, they also act as a pool in which to invest in long-term projects such as infrastructure development.
- **Budget-2019à** Finance minister Nirmala Sitaraman in the Union Budget last year said that 100% FDI will be permitted for insurance intermediaries. This will facilitate more investment by foreign companies in insurance sector, increased competition, better services to consumer, better and robust economic growth. FDI in the insurance sector was capped at 49% under the automatic

route. According to the policy, FDI for insurance company is still capped at 49%

- **NOTE** – The proposed change is only applicable to insurance intermediaries while the cap on foreign ownership in insurance companies will remain at 49%.

Market Size of Insurance Sector in India

- The overall market for insurance is expected to be USD 280 Bn by 2020.
- Gross premiums in India reached USD 94.48 Bn FY 2018. Of which –

INSURANCE SECTOR IN INDIA

- India currently accounts for less than 1.5 percent of the world’s total insurance premiums and about 2 per cent of the world’s life insurance premiums despite being the second most populous nation.
- India’s life insurance sector is the biggest in the world with about 360 million policies which are expected to increase at a Compound Annual Growth Rate (CAGR) of 12-15 per cent over the next five years.
- The insurance industry plans to hike penetration levels to five per cent by 2020.
- India had also increased FDI limit to 49 per cent from 26 per cent in insurance sector to increase the investments in insurance.

Non-life insurance:- Life insurance

In sector, private companies had a market share of 54.68 % in FY 19.

Life insurance:- In this, private companies had a market share of 33.74 % in FY 19.

The insurance sector is a 72 Billion USD industry and is growing at a speedy rate of 15-20%. Together with banking services, insurance services add about 7% to the country’s GDP.

BANKING SECTOR vs INSURANCE SECTOR

YEAR	BANKING SECTOR	INSURANCE SECTOR
Regulator	RBI	IRDAI
1948-49	Nationalization of RBI	
1955 - 56	Nationalization of SBI	Nationalization of the Life Insurance sector and LIC came into existence.
1969	Nationalization of 14 Private Banks	
1972		GIC Act - GIC and its 4 subsidiaries tookover - 107 (private owned) General Insurance Companies.
1980	Nationalization of 6 Private Banks	
Reforms In 1990s	Narasimham committee I (1991) and II (1998) + privatization and liberalization of banking sector.	Malhotra Committee (1993) + Private insurance companies were allowed + FDI was liberalized.
Safeguards	CRR, SLR, BASEL	Investment Pattern, Solvency Margin. For instance, Insurance companies must invest minimum "specified %" of premium in G-Sec, they cannot invest more than "specified %" of premium in private companies shares or debentures etc. They must not invest in companies having less than "AA" credit rating etc. Exact norms not imp.
Financial Inclusion and goal of Welfare	Priority Sector Lending (PSL) norms, 25% branches in unbanked rural areas.	Rural & Social Obligation Norms- every year "specified" number of policies must be sold in rural areas, PH/backward etc. Further Insurance companies required to invest minimum "specified" in affordable housing projects, State Govt's fire equipment etc.
Delivery Channel	Bank branch, Business Correspondence Agent (Bank-Mitra).	Agents & brokers, Banks selling insurance (Banc assurance), Surveyor/Loss Assessors, Third Party Administrators (e.g. Hospital where treatment is given)

TYPES OF INSURANCE

● LIFE

- ENDOWMENT INSURANCE
- WHOLE LIFE INSURANCE
- TERM INSURANCE
- UNIT LINKED INSURANCE POLICY

● GENERAL

- HEALTH INSURANCE
- MOTOR VEHICLE INSURANCE
- CROP INSURANCE
- HOUSE/FIRE/MARINE INSURANCE

- Claiming ownership of the same property by multiple persons results into "Title dispute".
- "Title Insurance" protects the new buyer in case of such legal disputes (by refunding the money he had spent in buying land, construction, legal expenses etc).
- **Real Estate Regulation and Development Act 2016 (RERA)** requires the builders to buy this type of insurance to secure property from title disputes.

Catastrophe Insurance (Proposed)

- This type of insurance policy protects the client from natural and manmade disasters.
- Presently, farmers' crops are protected from natural disasters through PM-Fasal Bima Yojana. But, if his own home was destroyed in floods, it will not be covered. In such situations, Union & State Governments forced to use taxpayers' money for paying compensation to victims of floods, cyclones etc.
- 2019 - IRDAI planning to allow catastrophe insurance (or CAT cover) for poor people.

RE-INSURANCE

- When an insurance company buys insurance cover for its insurance business, a new segment comes into being i.e., re-insurance (Re-insurance is like an umbrella above umbrellas)
- Reinsurance, or insurance for insurers, transfers risk to another company to reduce the likelihood of large payouts for a claim.
- DICGCI Act (1961) requires banks to take deposit insurance from DICGCI. Similarly, Insurance Act (1938) requires insurance companies take 're-insurance' on their business.
- Previously, only GIC was the sole-reinsurer, but then norms liberalized (2015). New re-insurance companies allowed. (e.g. India's ITI Reinsurance Ltd). Even foreign re-insurers such as Swiss Re, Munich Re, General Reinsurance are permitted.
- Benefits of multiple re-insurance companies à
- GIC's monopoly in dictating re-insurance premium rates is gone.
- Reduction in cost of operations

- Business expansion
- Launch innovative products

Budget 2019: Norms relaxed to attract foreign reinsurers to open branches in India.

FUNCTIONS OF RE-INSURANCE

- **Risk transfer** - With reinsurance, the insurer can issue policies with higher limits than would otherwise be allowed, thus being able to take on more risk because some of that risk is now transferred to the re-insurer.
- **Income smoothing** - Reinsurance can make an insurance company's results more predictable by absorbing large losses. This is likely to reduce the amount of capital needed to provide coverage. The risks are spread, with the reinsurer or reinsurers bearing some of the loss incurred by the insurance company.
- **Reinsurer's expertise** -The insurance company may want to avail itself of the expertise of a reinsurer, or the reinsurer's ability to set an appropriate premium, in regard to a specific (specialised) risk. The reinsurer will also wish to apply this expertise to the underwriting in order to protect their own interests. This is especially the case in Facultative Reinsurance.

MICRO-INSURANCE

- Micro-insurance refers to products offering coverage to low-income households or to individuals who have little savings and is tailored specifically for lower valued assets and compensation for illness, injury, or death.
- A general or life insurance policy with a sum assured of 50,000 or less is covered under micro-insurance policy.
- Though it promises to support sustainable livelihoods of the poor, its market penetration remains low.

IRDAI - INSURANCE SECTOR REGULATOR IN INDIA

Organisation	<ul style="list-style-type: none"> • Following the recommendations of the Malhotra Committee report, IRDA was setup in 1996, the statutory status given in 1999. • In 2014, its name changed to Insurance Regulatory and Development Authority of India (IRDAI). It is headquartered at Hyderabad (Telangana). (SEBI and RBI are at Mumbai).
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Structure	<ul style="list-style-type: none"> ● Total 10à One Chairman (5yrs or 65 yrs) and 9 members (5yrs or 62 yrs) ● They are eligible for re-appointment.
Functions	<ul style="list-style-type: none"> ● IRDAI gives separate licenses for life, general & re-insurance companies. ● Prescribes norms for insurance companies for accounting, solvency, audit, commission to agents etc. It can penalize companies, suspend or cancel registration. (Appeal against order lies in Securities Appellate Tribunal (SAT)). ● Norms for agents & brokers, banks selling products (Bancassurance), Surveyor/ Loss Assessor, and Third-Party Administrators (e.g. Hospital). ● Consumer grievance redressal via Insurance Ombudsman. ● IRDAI is member of Financial Stability and Development Council (FSDC).

Key objectives of the IRDA – include promotion of competition so as to enhance customer satisfaction through increased consumer choice and lower premiums, while ensuring the financial security of the insurance market.

CHALLENGES TO INSURANCE SECTOR

- **Low Awareness** – A large majority of people in India believe that health insurance is not a worthy investment.
- **Poor Distribution** – Distribution outside large cities is poor. The reason insurers and distributors do not build a presence in small towns is that it is unviable.
- **Insurance is highly regulated**, but healthcare is equally unregulated, so it creates supply demand mismatch between (doctors-hospitals) vs. patients. Moreover, standardized medical treatment costs difficult to ascertain (unlike car damage). This problem further aggravated by delays in claim settlement so discourages to renew health policy.
- **Capital intensive industry**– Private players not generating enough profits due to poor returns in share market. Soaring commission rates and marketing reduces profitability further.
- **Costly products** – Lack of innovative custom and tailor-made policies for MSME. This results into under insurance (client not taking sufficient insurance to cover losses)
- **Lack of required skill set** – with the insurance agents. Need of more skill and network more than banker.

- **Rural folks** – they are either disinterested or un-served despite no. of schemes and IRDAI norms which are in place.
- **Sales centric focus** – Insurers have been focusing on growing sales even if that creates a distortion in pricing for individuals.
- **Perception by influencers** – Often, the life insurance industry is portrayed (by media and influencers) in a negative manner and hence the consumers become skeptical.
- **Fewer product innovations** – While many essential products to mitigate risk are available, there are gaps in the insurance product portfolio that leaves large risks uninsured.
- **Hesitation by peoples** in buying House, Factory, Fire, Theft insurance due to fear of discovery of ‘asset value’ which could result into IT/GST raids & ransom demands. As a result, India’s “insurance gap” is high i.e. total assets (in value) divided by insured assets (in value).

Way Forward

- **Promote Awareness** – It is necessary to promote more awareness among public about benefits of insurance through videos, social media, ads, organizing campaigns
- **Evolving Multiple Channels of Distribution** – Linking insurance with allied finance products like housing loan, mutual fund investment, banks credit cards etc are the new channels for life insurance.
- **Huge Untapped Market** – The demographics and macro-economic factors in India are diverse and insurance systems have to be aligned to other programmes in the country in order to target every section.

CHAPTER - 30

AGRICULTURE

Agriculture is the science, art and practice of cultivating plants and livestock. Agriculture was the key development in the rise of sedentary human civilization, whereby farming of domesticated species created food surpluses that enabled people to live in cities.

PRIMARY ACTIVITIES

- Humans Engage in different activities to exploit natural resources and the most ancient of them are Primary activities.
- Primary activities are directly dependent on the environment and some of these activities are:

Gathering and hunting:

- These are the oldest economic activities known.
- Gathering is practiced in regions with harsh climatic conditions.
- It often involves primitive societies, who extract both plants and animals to satisfy their needs for food, shelter and clothing.
- **The main features of Gathering and Hunting activities are:**
 - Low Capital / Skill Investment
 - Low Yield Per Person
 - No Surplus in production
- **Gathering is practised in the following areas of the world:**
 - Northern Canada, northern Eurasia and southern Chile (High Altitude Areas)
 - Low latitude zones such as the Amazon Basin, tropical Africa, Northern fringe of Australia and the interior parts of Southeast Asia.

Nomadic Herding or Pastoral Nomadism:

- Nomadic herding or pastoral nomadism is a primitive subsistence activity, in which the herders rely on animals for food, clothing, shelter, tools and transport.
- They move from one place to another along with their livestock, depending on the amount and quality of pastures and water, thus there is an irregular pattern of movement.
- It is different from Transhumance in which there is a fixed seasonal pattern of movement.

- Nomadic pastoralism is commonly practised in regions with little arable land, typically in the developing world.
- Of the estimated 30–40 million nomadic pastoralists worldwide, most are found in central Asia and Northern and western regions of Africa, some parts of southern Africa and Tundra regions.
- In the Himalayas, Gujjars, Bakarwals, Gaddis and Bhotiyas are nomadic pastoralists who practice transhumance.

TYPES OF AGRICULTURE IN VARIOUS PARTS OF THE WORLD

Commercial Livestock Rearing:

- Commercial livestock rearing is more organised and capital-intensive activity in comparison to Nomadic pastoralism. It is generally practised in permanent ranches.
- Products such as meat, wool, hides and skin are processed and packed scientifically and exported to different world markets. The emphasis is on breeding, genetic improvement, disease control and health care of the animals.
- New Zealand, Australia, Argentina, Uruguay and the United States of America are important countries where commercial livestock rearing is practised.

Ranches refers to the large stock farms, usually fenced in, where animals are bred and reared on a commercial scale. They are found especially in the United States.

Primary Subsistence Agriculture

- Subsistence agriculture is one in which the farming areas consume all, or nearly so, of the products locally grown.

Subsistence agriculture

1. Primitive Subsistence Agriculture
2. Intensive Subsistence Agriculture

Primitive Subsistence Agriculture

- This agriculture is also known as Shifting Cultivation Shifting Cultivation.
- It is widely practised by many tribes in the tropics, especially in Africa, south and Central America and south East Asia.
- When the vegetation is cleared by fire, and the ashes add to the fertility of the soil, it is called slash and burn agriculture.

- After sometime (3 to 5 years) the soil loses its fertility and the farmer shifts to other parts and clears other patches of the forest for cultivation.

Name	Region
Jhum	North-eastern India
Vevar and Dahiyaar	Bundelkhand Region (Madhya Pradesh)
Deepa	Bastar District (Madhya Pradesh)
Zara and Erika	Southern States
Batra	South-eastern Rajasthan
Podu	Andhra Pradesh
Kumari	Hilly Region of the Western Ghats of Kerala
Kaman, Vinga and Dhavi	Odisha

Intensive Subsistence Agriculture

- In this type of farming system, crops are grown mainly for local consumption. If there is a surplus, then it is sold in the market.
- This type of farming is largely found in densely populated regions of monsoon Asia.
- Basically, there are two types of intensive subsistence agriculture.
 1. One is dominated by wet paddy and
 2. Another is dominated by crops such as sorghum, soybeans, sugarcane, maize, and vegetables.
- **Areas of Intensive Subsistence Farming are:** Tonkin Delta (Vietnam), lower Menem (Thailand); lower Irrawaddy (Myanmar); and the Ganga-Brahmaputra Delta, Eastern Coastal Plains (India).

Mediterranean Agriculture

- It is practiced within the Mediterranean climatic region where winter is wet and summer is dry.
- Farming is intensive, highly specialised and varied in the kind of crops raised.
- Many crops such as wheat, barley and vegetables are raised for domestic consumption, while others like citrus fruits, olives and grapes are grown mainly for export.

- That's why this region is also called the Orchard Lands of the World and it is the heart of the world's wine industry. This region is famous around the world for the production of citrus fruits and grapes.

Viticulture or grape cultivation is a speciality of the Mediterranean region. Best quality wines in the world with distinctive flavours are produced from high quality grapes in various countries of this region. The inferior grapes are dried into raisins and currants. This region also produces olives and figs. The advantage of Mediterranean agriculture is that more valuable crops such as fruits and vegetables are grown in winters when there is great demand in European and North American markets.

Plantation Agriculture

- This type of farming has developed in parts of Asia, Africa and Latin America, where the influence of the Europeans have been important during the colonial period.
- Though practiced over a rather small area, this type of farming is quite important in terms of its commercial value.
- Tea, coffee, rubber and oil palm are the major products of this type of farming. Most of the plantations were developed to provide some of the important tropical crops to the European markets.
- Important plantation regions:
 - Tea gardens in India and Sri Lanka
 - Banana and sugar plantations in the West Indies
 - Coffee plantations in Brazil
 - Rubber in Malaysia
- This is a highly capital-intensive farming and most of the crops are tree crops.

EXTENSIVE COMMERCIAL GRAIN CULTIVATION

- This type of agriculture system is mainly practiced in the Eurasian steppes in regions of chernozem soil, Canadian and American Prairies, the Pampas of Argentina, the Veld of South Africa, the Australian Downs and the Canterbury Plain of New Zealand.
- The main characteristics of this type of agriculture are:
 - highly mechanized cultivation
 - farms are very large
 - predominance of wheat
 - low yield per acre but yield per capita is high.

MIXED FARMING

- This type of agricultural system is found in the highly developed parts of the world: north-western Europe, eastern North America, Russia, Ukraine, and the temperate latitudes of parts of the southern continents.
- Farming is very intensive and sometimes highly specialized.
- Traditionally, farmers have practised a mixed economy by raising animals and growing crops on the same farm.
- Mixed farming is characterised by high capital expenditure on farm machinery and building, extensive use of chemical fertilisers and green manures and also by the skill and expertise of the farmers.

DAIRY FARMING

- Dairy is the most advanced and efficient type of rearing of milch animals. It is highly capital intensive. Animal sheds, storage facilities for fodder, feeding and milking machines add to the cost of dairy farming. Special emphasis is laid on cattle breeding, health care and veterinary services.
- It is highly labour intensive as it involves rigorous care in feeding and milching. There is no off season during the year as in the case of crop raising.
- It is practised mainly near urban and industrial centres which provide neighbourhood markets for fresh milk and dairy products. The development of transportation, refrigeration, pasteurisation and other preservation processes have increased the duration of shortage of various dairy products.

MARKET GARDENING AND HORTICULTURE

- It is practised mainly in the same region as that of mixed farming that consists of cultivation of vegetables, fruit and flowers solely for the urban market.
- It is well-developed in the densely populated industrial districts of north-western Europe (Britain, Denmark, Netherlands, Belgium, and Germany) and in North-Eastern USA.

The regions where farmers specialise in vegetables only, the farming is known as **truck farming**. The distance of truck farms from the market is governed by the distance that a truck can cover overnight, hence the name truck farming.

FACTORY FARMING

- Factory farming is a method of mass food production in which animals are kept in very confined areas in order to get the best possible profit.
- This farming is particularly concentrated in Developed countries like the USA, European nations, Australia etc.

CO-OPERATIVE FARMING

- A group of farmers form a co-operative society by pooling in their resources voluntarily for more efficient and profitable farming. Individual farms remain intact and farming is a matter of cooperative initiative.
- Co-operative societies help farmers to procure all important inputs of farming, sell the products at the most favourable terms and help in processing of quality products at cheaper rates.
- The Co-operative movement originated over a century ago and has been successful in many western European countries like Denmark, Netherlands, Belgium, Sweden, Italy etc. In Denmark, the movement has been so successful that practically every farmer is a member of a co-operative.

COLLECTIVE FARMING

- The basic principle behind this type of farming is based on social ownership of the means of production and collective labour.
- Collective farming or the model of Kolkhoz was introduced in the erstwhile Soviet Union to improve upon the inefficiency of the previous methods of agriculture and to boost agricultural production for self-sufficiency.
- The farmers used to pool in all their resources like land, livestock and labour. However, they were allowed to retain very small plots to grow crops in order to meet their daily requirements.
- Yearly targets were set by the government and the produce was also sold to the state at fixed prices.
- Produce in excess of the fixed amount was distributed among the members or sold in the market. The farmers had to pay taxes on the farm produce, hired machinery etc.
- Members were paid according to the nature of the work allotted to them by the farm management.

Crop classification based upon climate

Tropical	Temperate
Crops grown well in hot and warm climate	Crops grown well in cool climate
e.g. rice, sugarcane, jawar	e.g. wheat, gram, potato

Crop classification based on growing season

The kharif:- Season starts in June and ends in October and largely coincides with Southwest Monsoon under which the cultivation of tropical crops such as rice, cotton, jute, jowar, bajra and tur is possible.

The rabi:- Season begins with the onset of winter in October-November and ends in March-April. The low temperature conditions during this season facilitate the cultivation of temperate and subtropical crops such as wheat, gram and mustard.

Zaid:- Short duration summer cropping season begins after harvesting of rabi crops. The cultivation of watermelons, cucumbers, vegetables and fodder crops during this season is done on irrigated lands. However, this type of distinction in the cropping season does not exist in southern parts of the country.

FOOD GRAINS

Food grains are dominant crops in all parts of the country whether they have subsistence or commercial agricultural economy.

Food grains

1. Cereals
2. Pulses

Cereals

- The cereals occupy about 54 per cent of the total cropped area in India.

Favourable conditions	<ul style="list-style-type: none"> • Rice is tropical and kharif crop (warm and wet climate is ideal) • Temperature: Between 22-32°C with high humidity. • Annual Rainfall: above 150 cm • Requires semi aquatic conditions • Soil Type: Deep clayey and loamy soil
Geo. Distribution	<ul style="list-style-type: none"> • Rice is a staple food for the overwhelming majority of the population in India. • About one-fourth of the total cropped area in the country is under rice cultivation. • Though it is considered to be a crop of tropical humid areas, it has about 3,000

- India produces a variety of cereals, which are classified as fine grains (rice, wheat) and coarse grains (jowar, bajra, maize, ragi), etc.

Pulses

- Pulses are a very important ingredient of vegetarian food as these are rich sources of proteins.
- These are legume crops which increase the natural fertility of soils through nitrogen fixation.
- India is a leading producer of pulses and accounts for about one-fifth of the total production of pulses in the world.
- The cultivation of pulses in the country is largely concentrated in the drylands of Deccan and central plateaus and north-western parts of the country.
- Pulses occupy about 11 per cent of the total cropped area in the country. Being the rainfed crops of drylands, the yields of pulses are low and fluctuate from year to year.
- Gram and tur are the main pulses cultivated in India.

In India, the dryland farming is largely confined to the regions having annual rainfall less than 75 cm. These regions grow hardy and drought resistant crops such as ragi, bajra, moong, gram and fodder crops.

MAJOR FOOD CROPS IN INDIA

RICE

- Rice is preferred staple food in southern and north-eastern India.
- India produced 42 mmt in 2018-19, 2nd highest production in world after China.
- India had the highest export volume of rice worldwide, at 9.8 million metric tons as of 2018/2019.
- West Bengal is the largest producer followed by Uttar Pradesh.

- US & EU are apprehensive of Indian Govt issuing CL, because their MNCs will suffer, if such low prices and royalty % are forced.

IPR And Evergreening Of Patents:

- Patent is a statutory right given for an invention for a limited period of time.
- Patent protection is a territorial right and therefore it is effective only within a country.
- Suppose a pharma company is given 20 years patent for "x" drug in India, others cannot manufacture it during that period.
- But when the patent is about to expire, the company just slightly modifies the original drug formula to create a new drug and seeks a patent for that new drug. This unethical practice is called "Evergreening".
- Indian Patent Act prohibits Evergreening. (under Section 3(d)).
- In 2013, a Swiss pharma company Novartis's blood cancer drug Glivec's patent was about to expire; they had sought a patent for a similar new anti-cancer drug but lost the case in Supreme Court India. SC allowed Indian companies can produce generic versions of this anti-cancer drug. As a result, patients will get it at a cheaper price.

IPR And Utility Patents:

- Utility patents or 'petty patents' recognize the minor (mechanical) improvements of existing products. adding a speaker in a microwave oven to announce when food is prepared.
- The Commerce ministry is not in favour of amending the Patent Act to allow Utility Patent because otherwise it could aggravate the problem of 'Evergreening of Patents'.

National IPR Policy 2016:

- **Nodal agency:** Commerce ministry.
- **Aim:** Creative India; Innovative India.
- This policy shifted the Copyright Office and its statutory body Intellectual Property Appellate Board (IPAB) from HRD ministry to commerce ministry.
- Conduct IPR awareness programs for industry, police, customs and judiciary so they can combat counterfeiting and piracy in a more efficient manner.

Notable Schemes related to IPR:

SIPP

- Commerce Ministry's Startups Intellectual Property Protection (SIPP) scheme valid from 2016 to 2020.
- Startup entrepreneurs are given free training on how to file the patents. No patent fees for them.

AIM & SETU In NITI in 2015

- Atal Innovation Mission in NITI Aayog to help the innovators. E.g. launch challenges / competitions and award prize money.
- Self-Employment and Talent Utilisation (SETU) in NITI Aayog to set up incubators for innovation. Incubators are centers that help aspiring entrepreneurs to develop / experiment with products without investing in all the machineries beforehand.

Smart India Hackathon

- Organized by the HRD Ministry in 2017, 18, 19.
- 2019: College students asked to give innovative ideas to solve the challenges faced by public sector organisations, industries and even NGOs. 36 hrs software development competition, 5 days hardware development competition etc.

Misc

- Dept of Science Technology launched:
- INSPIRE (Innovation in Science Pursuit for Inspired Research) – scholarship and awards given to students and faculty.
- MANAK (Million Minds Augmenting National Aspiration and Knowledge)
- NIDHI (National Initiative for Developing and Harnessing Innovation)
- NIDHI-PRAYAS (Promoting and Accelerating Young and ASpiring technology entrepreneurs)
- HRD Ministry launched Uchhattar Avishkar Yojana (UAY) for IITs
- All these schemes provide some type of grant, funding, scholarship, and award the innovator. By default they're 100% Union fund.

Conclusion:

Innovations and Startups can turn Indian youths from job seekers into job creators. They encourage entrepreneurship, innovation and creation of revolutionary new products that can be used by people around the world. Hence startups are important and protecting their IPR is important. Aforementioned initiatives and schemes are important in that regard.

IPR: Indices & Rankings

Global Innovation Index (GII):

- By WIPO, Cornell University (USA), Insead Business School (Paris). \
- In 2019, for the first time WIPO held event in a developing country (New Delhi) to release this report to the Press.
- GI ranks a country based on performance across 7 pillars
 - knowledge and technology outputs,
 - market sophistication,
 - human capital and research,
 - institutions,
 - business sophistication,
 - infrastructure,
 - creative outputs.
- Among these individual 7 pillars, India's performance improved in 1 to 4; but it degraded in 5-6-7 compared to last year.
- Theme 2019: Creating Healthy Lives – The Future of Medical Innovation
- Ranking 2019: 1. Swiz (since 2011) 2. Sweden 3. USA 4. Netherlands 5. India (improved by 5 positions than last year). Total 129 nations ranked.
- India is identified as the 'regional leader' in reforms in Central And Southern Asia, continuously since 2011. India's overall rank has continuously improved since 2015.

Global Talent Competitiveness Index (GTCI)

- By INSEAD business school (Paris) in partnership with Tata Communications and Adecco Group.
- Ranking 2019: 1. Switzerland, 2. Singapore, 3. USA,.... 80. India

Global Competitiveness Index (GCI)

- By World Economic Forum ranks nations on GCI 4.0 framework with 12 drivers of productivity: Institutions, Infrastructure; Technological readiness; Macroeconomic context; Health; Education and skills; Product market; Labour market; Financial system; Market size; Business dynamism; and Innovation.
- Ranking 2019: 1) Singapore 2) USA 3) Hong Kong....68) India. India has fallen by 10 places.

IMD World Digital Competitiveness Ranking 2019

- By Switzerland-based International Institute for Management and Development (IMD).

- Ranking 2019: 1. Singapore 2. Hong Kong 3. USA..... 43. India

India Innovation Index (NITI)

- Ranking 2019: NITI Aayog released it. Institute for Competitiveness (a private organization) acted as knowledge partner. It monitors the States and UT on two dimensions viz:

Enablers	Includes five pillars: <ol style="list-style-type: none"> 1. Human Capital, 2. Investment, 3. Knowledge Workers, 4. Business Environment, and 5. Safety and Legal Environment
Performance	Includes two pillars: <ol style="list-style-type: none"> 1. Knowledge Output and 2. Knowledge Diffusion.

Ease Of Doing Business (EoDB) Report

- EoDB Report is an index by the World Bank to measure how easy or difficult it is to run a business organisation in a given country, based on simple average (equally weighted) of 10 parameters – such as no. of documents, time & cost involved in registering a property, getting an electricity connection, paying taxes etc.
- As such no specific themes are given in these reports.

Rank 2020 (Released in 2019):

- New Zealand > Singapore > Hongkong > India (63) .Somalia (190)
- Report acknowledges India as one of the top 10 improvers, third time in a row. India's rank in 2017 (130) to 2020 (63), shows a jump of 67 steps- this is highest by any large country since 2011.

Ease of Doing Biz Parameters :

1. Starting a Business
2. Construction Permits
3. Getting Electricity
4. Registering Property
5. Getting Credit (loan)
6. Protecting Minority Investors
7. Paying Taxes
8. Trading across Borders
9. Enforcing Contracts
10. Resolving Insolvency

ES2020 on Ease of Doing Biz in India:

- To open a restaurant, China and Singapore require only 4 licenses, but India requires more than 20.
- 45 documents required to get Delhi Police's permission for opening a restaurant. Far less number of documents required for a gun license!
- Hong Kong construction permits available within 2 months, India takes 4 months.

Pro-Business Vs Pro-Crony: ES2020

Crony capitalism is an economic system in which businessmen thrive not by their hard work or risk taking capacity, but through a nexus between a business class and the political class.

ES2020 found that:

Across the world, crony capitalist firms pay lower taxes than their actual profits.

India:	<ul style="list-style-type: none"> • After election results, road contractors associated with the ruling party were given large numbers of contracts to build Pradhan Mantri Gram Sadak Yojana. But 25% of such roads exist only on paper.
Brazil:	<ul style="list-style-type: none"> • Brazil's public sector banks are more likely to approve loan applications of a company if the company owner gave election donations to the ruling party.
Eastern Europe:	<ul style="list-style-type: none"> • When politically connected firms fail in business then the Government will usually bail them out using taxpayers' money.
China	<ul style="list-style-type: none"> • Politically Connected Underwriters increase the likelihood of clients' IPO applications being approved by the Chinese share market regulator.

Cronyism: Related Party Transaction (RPT)

- RPT transactions involve the company's directors, their relatives and their related companies. RPTs may harm the interests of the company's shareholders.
- g. Minister gives 2G spectrum / coal auction / highway construction rights to a company. THEN the company appoints that minister's wife/son as a consultant/director & pays a hefty salary.
- Companies Act has norms to regulate RPT. But, often Crony capitalists, wilful defaulters and tax-avoiders misuse RPT using loopholes.

Cronyism: Economist David Ricardo & Rent Seeking

- A Mobile company pays political bribes to get spectrum/license from the Government.
- Then the Company will charge very high prices on the prepaid plans and data packs to recover:
 1. Operational Costs
 2. Profit
- Similar examples could be cited in the coal-power based thermal electricity prices, Toll fees charged by highways developers, heavy fees in private hospitals/ schools/colleges.

- Ricardo called it "rent seeking behaviour" It doesn't help in (new) wealth creation because abnormal profits extracted at common citizens' expense. Further, such crony capitalists do not invest their high profit for research and innovation, they use it for building more relationships with politicians.

ES20 observed:

- This type of rent-seeking behaviour was more prevalent till 2011.
- After CAG / Media reported the scam, the profits, share prices, and SENSEX performance of such crony firms greatly declined, since they couldn't compete with the innovative firms.
- CEA Subramanian K. used 'Herfindahl Index' to prove this. Economist Herfindahl's Index (1950) is used for monitoring the level of competition among the companies.

प्रिय दोस्तों, अब तक हमारे नोट्स में से विभिन्न परीक्षाओं में आये हुए प्रश्नों के परिणाम देखने के लिए क्लिक करें -  (Proof Video Link)

RAS PRE. 2021 - <https://shorturl.at/qBJ18> (74 प्रश्न, 150 में से)

RAS Pre 2023 - <https://shorturl.at/tGHRT> (96 प्रश्न, 150 में से)

UP Police Constable 2024 - <http://surl.li/rbfyn> (98 प्रश्न, 150 में से)

Rajasthan CET Gradu. Level - <https://youtu.be/gPqDNlc6UR0>

Rajasthan CET 12th Level - <https://youtu.be/oCa-CoTFu4A>

RPSC EO / RO - <https://youtu.be/b9PKj14nSxE>

VDO PRE. - <https://www.youtube.com/watch?v=gXdAk856Wl8&t=202s>

Patwari - <https://www.youtube.com/watch?v=X6mKGdtXyu4&t=2s>

PTI 3rd grade - https://www.youtube.com/watch?v=iA_MemKKgEk&t=5s

SSC GD - 2021 - <https://youtu.be/2gzzfJyt6vl>

EXAM (परीक्षा)	DATE	हमारे नोट्स में से आये हुए प्रश्नों की संख्या
MPPSC Prelims 2023	17 दिसम्बर	63 प्रश्न (100 में से)
RAS PRE. 2021	27 अक्टूबर	74 प्रश्न आये
RAS Mains 2021	October 2021	52% प्रश्न आये





whatsapp - <https://wa.link/v3yx0t> 1 web.- <https://shorturl.at/JLQRY>

RAS Pre. 2023	01 अक्टूबर 2023	96 प्रश्न (150 में से)
SSC GD 2021	16 नवम्बर	68 (100 में से)
SSC GD 2021	08 दिसम्बर	67 (100 में से)
RPSC EO/RO	14 मई (1st Shift)	95 (120 में से)
राजस्थान S.I. 2021	14 सितम्बर	119 (200 में से)
राजस्थान S.I. 2021	15 सितम्बर	126 (200 में से)
RAJASTHAN PATWARI 2021	23 अक्टूबर (1st शिफ्ट)	79 (150 में से)
RAJASTHAN PATWARI 2021	23 अक्टूबर (2 nd शिफ्ट)	103 (150 में से)
RAJASTHAN PATWARI 2021	24 अक्टूबर (2 nd शिफ्ट)	91 (150 में से)
RAJASTHAN VDO 2021	27 दिसम्बर (1 st शिफ्ट)	59 (100 में से)
RAJASTHAN VDO 2021	27 दिसम्बर (2 nd शिफ्ट)	61 (100 में से)
RAJASTHAN VDO 2021	28 दिसम्बर (2 nd शिफ्ट)	57 (100 में से)
U.P. SI 2021	14 नवम्बर 2021 1 st शिफ्ट	91 (160 में से)
U.P. SI 2021	21 नवम्बर 2021 (1 st शिफ्ट)	89 (160 में से)
Raj. CET Graduation level	07 January 2023 (1 st शिफ्ट)	96 (150 में से)
Raj. CET 12th level	04 February 2023 (1 st शिफ्ट)	98 (150 में से)
UP Police Constable	17 February 2024 (1 st शिफ्ट)	98 (150 में से)





& Many More Exams like UPSC, SSC, Bank Etc.


Our Selected Students

Approx. 483+ students selected in different exams. Some of them are given below -

Photo	Name	Exam	Roll no.	City
	Mohan Sharma S/O Kallu Ram	Railway Group - d	11419512037002 2	PratapNag ar Jaipur
	Mahaveer singh	Reet Level- 1	1233893	Sardarpura Jodhpur
	Sonu Kumar Prajapati S/O Hammer shing prajapati	SSC CHSL tier- 1	2006018079	Teh.- Biramganj, Dis.- Raisen, MP
N.A	Mahender Singh	EO RO (81 Marks)	N.A.	teh nohar , dist Hanumang arh
	Lal singh	EO RO (88 Marks)	13373780	Hanumang arh
N.A	Mangilal Siyag	SSC MTS	N.A.	ramsar, bikaner

	MONU S/O KAMTA PRASAD	SSC MTS	3009078841	kaushambi (UP)
	Mukesh ji	RAS Pre	1562775	newai tonk
	Govind Singh S/O Sajjan Singh	RAS	1698443	UDAIPUR
	Govinda Jangir	RAS	1231450	Hanumang arh
N.A	Rohit sharma s/o shree Radhe Shyam sharma	RAS	N.A.	Churu
	DEEPAK SINGH	RAS	N.A.	Sirsi Road , Panchyawa la
N.A	LUCKY SALIWAL s/o GOPALLAL SALIWAL	RAS	N.A.	AKLERA , JHALAWAR
N.A	Ramchandra Pediwal	RAS	N.A.	diegana , Nagaur

	Monika jangir	RAS	N.A.	jhunjhunu
	Mahaveer	RAS	1616428	village- gudaram singh, teshil-sojat
N.A.	OM PARKSH	RAS	N.A.	Teshil- mundwa Dis- Nagaur
N.A.	Sikha Yadav	High court LDC	N.A.	Dis- Bundi
	Bhanu Pratap Patel s/o bansi lal patel	Rac batalian	729141135	Dis.- Bhilwara
N.A.	mukesh kumar bairwa s/o ram avtar	3rd grade reet level 1	1266657	JHUNJHUN U
N.A.	Rinku	EO/RO (105 Marks)	N.A.	District: Baran
N.A.	Rupnarayan Gurjar	EO/RO (103 Marks)	N.A.	sojat road pali
	Govind	SSB	4612039613	jhalawad

	Jagdish Jogi	EO/RO Marks)	(84 N.A.	tehsil bhinmal, jhalore.
	Vidhya dadhich	RAS Pre.	1158256	kota
	Sanjay	Haryana PCS	96379 	Jind (Haryana)

And many others.....

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