

Economics MADE EASY - THEORY to APPLIED
GOOD MORNING TIMES JUNE- 2018



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GOOD
MORNING TIMES
Economics –PT Shots
(JUNE-2018)

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TOPIC GENERAL STUDIES 3: ECONOMICS- ECONOMIC DEVELOPMENT- GOV POLICIES

JUNE

2018

1. PURCHASING MANAGERS' INDEX (PMI)

- The Nikkei India Manufacturing PMI fell to 51.2 in May of 2018 from 51.6 in the preceding month and below market consensus of 51.5.
- Growth in output, new orders and employment softened while business sentiment dropped from the previous month's nine-month high.
- Also, purchasing activity declined for the first time in seven months, albeit only fractionally.
- Amid reports of greater demand from the international markets Indian manufacturers reported the strongest gain in new exports order since February.
- On the price front, a build-up of inflationary pressures reemerged with input cost and output charge inflation rates at the strongest since February, due to the upswing in global oil prices.

- **How is the PMI derived?**

☐ The PMI is derived from a series of qualitative questions. Executives from a reasonably big sample, running into hundreds of firms, are asked whether key indicators such as output, new orders, business expectations and employment were

stronger than the month before and are asked to rate them

- **What are its implications for the economy?**

☐ The PMI is usually released at the start of the month, much before most of the official data on industrial output, manufacturing and GDP growth becomes available.

☐ It is, therefore, considered a good leading indicator of economic activity.

☐ Economists consider the manufacturing growth measured by the PMI as a good indicator of industrial output, for which official statistics are released later.

- **What does it mean for financial markets?**

☐ The PMI also gives an indication of corporate earnings and is closely watched by investors as well as the bond markets.

☐ A good reading enhances the attractiveness of an economy vis-a- vis another competing economy.

- **What is PMI?**

☐ PMI or a Purchasing Managers' Index (PMI) is an indicator of business activity — both in the manufacturing and services sectors.

☐ It is a survey-based measure that asks the respondents about changes in their perception of some key business variables from the month before.

☐ It is calculated separately for the manufacturing and services sectors and then a composite index is constructed

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2. BAD BANK

- The concept of having a 'bad bank' to take over the troubled loans of public sector banks (PSBs) is being considered by the government to enable them to get back to business.

Piyush Goyal recently announced that a bankers' panel would look at the feasibility of setting up a new asset reconstruction company (ARC) or asset management company (AMC) to take over bad loans of PSBs. The panel is headed by Punjab National Bank non-executive chairman Sunil Mehta.

- **Background:**

- ☐ The Bad Bank concept was pioneered at the Pittsburgh-headquartered Mellon Bank in 1988 in response to problems in the bank's commercial real-estate portfolio.
- ☐ According to McKinsey & Co, the concept of a "bad bank" was applied in previous banking crises in Sweden, France, and Germany.

- **How does a bad bank work?**

- ☐ While the government has not charted out any guidelines on the structure of a bad bank, such an institution would be largely based on the principles of an asset restructuring company (ARC), which buys bad loans from the commercial banks at a discount and tries to recover the money from the defaulter by providing a systematic solution over a period of time.
- ☐ Since a bad bank specialises in loan recovery, it is expected to perform better than commercial banks, whose expertise lies in lending.

- **Why a bad bank is likely to succeed?**

- ☐ A single government entity will be more competent to take decisions rather than 28 individual PSBs.

- ☐ Capacity building for a complex workout can be better handled by the government which has regulatory control and has management skillsets in

☐ Public sector enterprises.

- ☐ Foreign investors with both risk capital and risk appetite would be more in a government-led initiative, knowing that regulatory risks would stand considerably mitigated in various stages of resolution, including take outs.

- **What needs to be done now?**

- ☐ Whether or not the knots in the bad bank idea are sorted out, the government should focus on other reforms as well.

- ☐ One, amend the Prevention of Corruption Act to shield bankers and officers from investigative witch-hunts.

- ☐ Two, back bankers to take demonstrable action against willful defaulters. And three, take a hard look at what ails the Insolvency and Bankruptcy Code.

3. INSOLVENCY CODE

- Recently, President Ram Nath Kovind gave his nod to promulgate the Insolvency and Bankruptcy code (Amendment) Ordinance 2018.

- **Significant changes introduced:**

1. **Homebuyers as financial creditors:**

- ☐ Homebuyers would now be treated as financial creditors or, in other words, on par with banks, with the power to initiate insolvency proceedings against errant builders.

- ☐ Homebuyers shall have the right to be represented in the committee of creditors (CoC),

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which takes the key decision regarding revival of the company or its liquidation.

2. Definition of a related party:

☐ The amendment now defines related party in relation to an individual running the firm and they would be barred from bidding for the firm under the resolution process. Prior to the amendment, related party was defined only with reference to a company facing insolvency.

3. Changes in voting share of committee of CoC:

☐ The amendment has changed the voting share required in CoC meetings. For extending the insolvency process beyond 180 days till 270 days and for appointment of the resolution professional (who oversees the process), now a voting share of 66% is sufficient, compared with earlier requirement of 75%. Unless a specific approval is required in the Code, all other decisions of the CoC can be taken with 51% voting share against the earlier norm of 75%.

☐ Withdrawal from the insolvency process is permitted with the approval of 90% of voting share of the CoC.

4. If a financial creditor is a related party:

☐ If a financial creditor (banks and other financial institution) or his authorised representative is a related party to the company facing insolvency, it shall not have any participation or voting during a meeting of the CoC.

☐ However, exemption is provided in case the financial creditor has become a related party on account of conversion or substitution of debt to equity shares or instruments convertible into equity shares prior to the date of commencement of insolvency proceedings.

5. Moratorium period:

☐ For a company under insolvency, a moratorium period is provided during which no parallel proceedings are allowed.

☐ Whether such moratorium is available to guarantors of the company was a subject of debate. Now the amendment has said that the moratorium is not available to persons who provided guarantee for the loans availed by the corporate debtor.

6. Tenure of an insolvency resolution professional:

☐ Under the insolvency process, an interim resolution professional (IRP) is appointed first and then, a resolution professional.

☐ As per the amendment, the tenure of the IRP would continue till the appointment of the resolution professional (RP), compared with the earlier 30-day fixed tenure. Also, for the appointment of the RP, a written consent from the professional is required in a specified format.

4. BANKS BOARD BUREAU

- The Banks Board Bureau (BBB) has recommended 22 general managers to be elevated as executive directors at various public sector banks. These recommendations are based on interactions held by the Banks Board Bureau with eligible candidates from PSBs towards appointment against vacancies in PSBs for the period 2018-19.
- The Appointments Committee of Cabinet headed by Prime Minister will take the final decision in this regard. There are already some vacancies at executive director

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level and more would be created during the course of the year.

- **About Banks Board Bureau (BBB):**

☐ It was set up in February 2016 as an autonomous body– based on the recommendations of the RBI-appointed Nayak Committee. It was the part of Indra Dhanush Plan of government.

☐ Its broad agenda was to improve governance at state-owned lenders. Its mandate also involved advising the government on top-level bank appointments and assisting banks with capital-raising plans as well as strategies to deal with bad loans.

5. SOLAR CHARKHA MISSION

- President Ram Nath Kovind recently launched the Solar Charkha Mission covering artisans in 50 identified clusters.

- **About Solar Charkha Mission:**

☐ The Solar Charkha Mission will generate employment in rural areas and contribute to the green economy. The mission will entail a subsidy of Rs 550 crore in the initial two years for 50 clusters and every cluster will employ 400 to 2000 artisans.

☐ The scheme also aims at linking five crore women across the country to the initiative. The mission is expected to create one lakh jobs during the first two years.

- **Significance of MSMEs:**

☐ MSME account for around 60% employment in India.

☐ MSME have registered over 10% growth in recent times which is much more compared to large enterprises.

☐ This is one sector where people not only exhibit their entrepreneurial skills, become part of large

value chains but also become job creators in the process.

6. TREASURY BILL

- After reviewing the cash position of the Central Government, the Government of India, in consultation with the Reserve Bank of India (RBI) has decided to notify the amounts for the issuance of Treasury Bills for the Quarter ending September 2018.

- **What you need to know about Treasury bills?**

☐ T-bills are short term securities issued on behalf of the government by the RBI and are used in managing short term liquidity needs of the government.

☐ 91-day T-bills are auctioned every week on Wednesday and 182-day and 364-day T-bills are auctioned every alternate week on Wednesdays.

☐ Treasury bills are issued at a discount and are redeemed at par.

7. CROSS-BORDER INSOLVENCY

- The Ministry of Corporate Affairs (MCA) is planning to introduce a globally accepted and well recognised cross-border insolvency framework, fine-tuned to suit the needs of aspirational Indian economy. The Government has taken initiative for Cross-Border Insolvency within the Insolvency & Bankruptcy Code, 2016 (the Code) to provide a comprehensive legal framework.

- **Need for cross-border insolvency framework:**

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☐ As the size of the Indian economy grows, business and trade have adopted an increasingly international character. Creditors and corporates frequently transact business in more than one jurisdiction. Foreign banks and creditors finance Indian companies and Indian banks have foreign exposure. Also, as part of its Ease of Doing Business and Make in India policies, India seeks to attract foreign companies to set up manufacturing facilities in India.

☐ Besides, global experience demonstrates that cross-border investment decisions and their outcomes, are considerably affected by the insolvency laws in force in a country. Towards this end, even though the Insolvency and Bankruptcy Code, 2016 has resulted in significant improvement in India's insolvency regime, there is a need to include cross-border insolvency in the Code to provide a comprehensive insolvency framework.

- **Benefits associated:**

☐ Inclusion of crossborder insolvency framework will further enhance ease of doing business, provide a mechanism of cooperation between India and other countries in the area of insolvency resolution, and protect creditors in the global scenario.

☐ It will also make India an attractive investment destination for foreign creditors given the increased predictability and certainty of the insolvency framework.

- **Global scenario:**

☐ On the global scale, the UNCITRAL (United Nations Commission on International Trade Law) Model Law on Cross-Border Insolvency, 1997 (Model Law) has emerged as the most widely accepted legal framework to deal with cross-border insolvency issues while ensuring the least intrusion into the country's domestic insolvency law.

☐ Due to the growing prevalence of multinational insolvencies, the Model Law has been adopted by 44 States till date, including Singapore, UK and US.

8. SMALL FINANCE BANKS

- The Reserve Bank of India has decided to allow urban co-operative banks (UCB) to convert into small finance banks (SFB), a move aimed at bringing these entities into mainstream banking. It has been decided to allow voluntary transition of UCBs meeting the prescribed criteria into SFBs.

- **Significance of this move:**

☐ UCBs currently face regulation by both the RBI and the respective State governments. By turning into SFBs, they will be regulated only by the RBI.

- **What are small finance banks?**

☐ The small finance bank will primarily undertake basic banking activities of acceptance of deposits and lending to unserved and underserved sections including small business units, small and marginal farmers, micro and small industries and unorganised sector entities.

- **What they can do?**

- ☐ Take small deposits and disburse loans.
- ☐ Distribute mutual funds, insurance products and other simple third-party financial products.
- ☐ Lend 75% of their total adjusted net bank credit to priority sector.
- ☐ Maximum loan size would be 10% of capital funds to single borrower, 15% to a group.
- ☐ Minimum 50% of loans should be up to 25 lakhs.

- **What they cannot do?**

☐ Lend to big corporates and groups.

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- ☐ Cannot open branches with prior RBI approval for first five years.
- ☐ Other financial activities of the promoter must not mingle with the bank.
- ☐ It cannot set up subsidiaries to undertake non-banking financial services activities.
- ☐ Cannot be a business correspondent of any bank.

- **The guidelines they need to follow:**

- ☐ Promoter must contribute minimum 40% equity capital and should be brought down to 30% in 10 years.
- ☐ Minimum paid-up capital would be Rs 100 cr.
- ☐ Capital adequacy ratio should be 15% of risk weighted assets, Tier-I should be 7.5%.
- ☐ Foreign shareholding capped at 74% of paid capital, FPIs cannot hold more than 24%.
- ☐ Priority sector lending requirement of 75% of total adjusted net bank credit.
- ☐ 50% of loans must be up to Rs 25 lakh.

9. BUSINESS CORRESPONDENTS

- The government is planning to make all CSCs across the country Business Correspondents of Banks. 2.90 lakh CSCs will be able to work as Business Correspondents (BCs).

- **Who are Business Correspondents?**

- ☐ Business Correspondents are retail agents engaged by banks for providing banking services at locations other than a bank branch/ATM.
- ☐ Banks are required to take full responsibility for the acts of omission and commission of the BCs that they engage and have, therefore, to ensure thorough due diligence and additional safeguards for minimizing the agency risk.

☐ Basically, BCs enable a bank to expand its outreach and offer limited range of banking services at low cost, as setting up a brick and mortar branch may not be viable in all cases. BCs, thus, are an integral part of a business strategy for achieving greater financial inclusion.

- **What they can do?**

☐ BCs are permitted to perform a variety of activities which include identification of borrowers, collection and preliminary processing of loan applications including verification of primary information/data, creating awareness about savings and other products, education and advice on managing money and debt counseling, processing and submission of applications to banks, promoting, nurturing and monitoring of Self Help Groups/ Joint Liability Groups, post-sanction monitoring, follow-up of recovery.

They can also attend to collection of small value deposit, disbursement of small value credit, recovery of principal/ collection of interest, sale of micro insurance/ mutual fund products/ pension products/ other third-party products and receipt and delivery of small value remittances/ other payment instruments.

- **Who can be engaged as BCs? - The banks may engage the following individuals/entities as BC:**

☐ Individuals like retired bank employees, retired teachers, retired government employees and ex-servicemen, individual owners of kirana / medical /Fair Price shops, individual Public Call Office (PCO) operators, agents of Small Savings schemes of Government of India/Insurance Companies, individuals who own Petrol Pumps, authorized functionaries of well-run Self-Help Groups (SHGs) which are linked to banks, any

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other individual including those operating Common Service Centres (CSCs).

☐ NGOs/ MFIs set up under Societies/ Trust Acts and Section 25 Companies.

☐ Cooperative Societies registered under Mutually Aided Cooperative Societies Acts/ Cooperative Societies Acts of States/Multi State Cooperative Societies Act.

☐ Post Offices.

☐ Companies registered under the Indian Companies Act, 1956 with large and widespread retail outlets, excluding Non-Banking Financial Companies (NBFCs).

- **Benefits:**

☐ Corporates with large and widespread retail network bring in larger resources, higher organizational strength and financial backing needed for a large network of BCs besides providing financial security to the bank.

☐ Corporates as BC would be more suitable to render banking services in accordance with the bank's internal policies and standards than individuals and other small entities.

☐ Over years, these companies have developed efficient systems of monitoring and control over the retail outlets/franchises, including cash management, which could be used to advantage. These outlets are already dealing with the local population and are familiar with them.

☐ The shopkeepers and other retail agents of the large corporates may be more comfortable dealing with the company that they are already used to and familiar with, rather than with the bank.

☐ Failure of large companies as BCs would mean a reputation risk to the company and endanger its substantive business. As such, the companies could be relied upon to ensure that their agents do not jeopardize their reputation.

☐ A corporate is likely to continue as BC for a longer period than individuals, thus ensuring continuity of services.

10. UN MSME DAY 2018

- UN MSME Day is celebrated on June 27th across the world.

- **Background:**

☐ The General Assembly, in 2017, recognizing the need to improve small business access to microfinance and credit, decided to designate 27 June as Micro-, Small and Medium-sized Enterprises Day. The goal is to encourage member states to facilitate observance of the day by increasing awareness and actions to support small business.

☐ The resolution was introduced by the delegation of Argentina, co-sponsored by 54 member states and adopted without a vote by the 193-member General Assembly on 6 April 2017.

- **What is a micro-, small, or medium-sized enterprise?**

☐ The criteria for defining the size of a business differ from country to country. As a reference, the European Commission's definition of micro-, small and medium sized enterprises is established according to the number of employees and the annual turnover or balance sheet:

o Micro-enterprise: fewer than 10 employees and an annual turnover (the amount of money taken in a particular period) or balance sheet (a statement of a company's assets and liabilities) below €2 million.

o Small enterprise: fewer than 50 employees and an annual turnover or balance sheet below €10 million.

o Medium-sized enterprise: fewer than 250 employees and annual turnover below €50 million or balance sheet below €43 million.

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□ The choice of MSME definition could depend on many factors, such as business culture, the size of the country's population, industry and the level of international economic integration.

• Significance of MSMEs:

□ Micro, Small and Medium-sized Enterprises are the backbone of most economies worldwide and play a key role in developing countries.

□ According to the data provided by the International Council for Small Business (ICSB), formal and informal Micro-, Small and Medium-sized Enterprises (MSMEs) make up over 90% of all firms and account on average for 60-70% of total employment and 50% of GDP.

□ These types of enterprises are responsible for significant employment and income generation opportunities across the world and have been identified as a major driver of poverty alleviation and development.

□ MSMEs tend to employ a larger share of the vulnerable sectors of the workforce, such as women, youth, and people from poorer households. MSMEs can even sometimes be the only source of employment in rural areas. As such, MSMEs as a group are the main income provider for the income distribution at the "base of the pyramid".

• How they contribute to the achievement of the Sustainable Development Goals?

□ Micro, small and medium sized enterprises are vital in achieving the Sustainable Development Goals, in particular in promoting innovation, creativity and decent work for all.

□ Efforts to enhance access to finance for SMEs across key sectors of national economies are an important element of implementation of the Sustainable Development Goals (SDGs). SDG targets 8.3 and 9.3 call for enhancing the access of

SMEs to financial services. In addition, SMEs are an important element in the implementation of SDG 8 (decent work and economic growth) and SDG 9 (industry, innovation and infrastructure).

11. FARMER'S GAON BANDH HITS FRESH SUPPLIES ACROSS STATES

- Thousands of Indian farmers began 10-day protests on Friday demanding farm loan waivers and higher prices for produce, such as cereals, oilseeds and milk.
- Farmers from the states of Maharashtra, Madhya Pradesh, Punjab, Haryana and Rajasthan are also asking for a guaranteed minimum income for farmers.
- This is the third major protest by farmers in less than a year. In March, more than 40,000 marched from far flung districts in the state of Maharashtra to reach the seat of government in the state capital, Mumbai.

• Major demands:

1. Minimum Support Prices (MSP) – the price at which the government buys farm produce. At least 94 percent of farmers sell their produce below MSP, data compiled by the farmers' federation shows.
2. Farm Loan Waiver
3. Fixed minimum income
4. Implementation of Swaminathan Commission recommendations.

12. PARIWARTAN SCHEME

- The Rural Electrification Corporation has finalised a plan to revitalise stressed power sector

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assets in a joint venture with the Power Finance Corp and lenders. The plan is named Pariwartan and stands for power asset warehousing and revitalisation.

- **How it works?**

☐ Under the plan, the REC has proposed that a special purpose vehicle, a subsidiary company to securitise assets, be set up with PFC and the lending banks, which would be overlooked by an asset management company.

☐ The asset management firm will take on assets with a capacity of about 40,000 MW at net book value, and seek between 4-5% of equity from the National Infrastructure Investment Fund to run power projects under the scheme.

☐ The goal of this scheme is to run these power assets to service their current debt, and look at breaking even before the lenders decide to takeover or sell the assets.

☐ Most of the assets that would be brought under the scheme face coal supply shortages and suffer from a lack of power purchase agreements. The scheme looks to solve these issues by providing special coal supply assistance with assistance from the coal ministry.

☐ Electricity produced during a 48-month period under the plan would also be sold at power exchanges and short-term power purchase agreements would be sought from state governments.

- **Facts for Prelims:**

☐ The 'Pariwartan' scheme is inspired by the Troubled Asset Relief Programme, or TARP, which was introduced in the US during the 2008 financial crisis.

15. AMALGAMATION OF REGIONAL RURAL BANKS

- Union government, in consultation with the NABARD, had decided to go ahead with phase III of the amalgamation of regional rural banks (RRBs), bringing down the number of such entities to 38 from 56 now.

- **Background**

• The first round was in 2005 in which RRBs of the same sponsor bank within a State were consolidated.

• In the second phase of consolidation in 2012, RRBs, which were near each other (even if they belonged to different sponsor banks), were brought together.

- **Merits**

• The consolidation process would enable RRBs to minimise their overhead costs, optimise use of technology, enhance capital base and area of operation.

• This will bring about better scale efficiency, higher productivity and robust financial health of RRBs

• Improved financial inclusion and greater credit flow to rural areas.

- **Role of Regional Rural Banking for Rural Development:**

• Taking the banking services to the doorstep of rural masses, particularly in hitherto unbanked rural areas.

• Making available institutional credit to the weaker section of the society who had by far little or no access to cheaper loans and had perforce been depending on the private money lenders.

• Mobilize rural savings and channelize them for supporting productive activities in rural areas.

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- Provide finance to co-operative societies, Primary Credit societies, Agricultural marketing societies.

- Generating employment opportunities in rural areas and bringing down the cost of providing credit to rural areas.

- **Challenges faced by RRBs**

- Difficulties in Deposit Mobilisation: On account of their restrictive lending policy which excludes richer sections of the village society, these potential depositors show least interest in depositing their money with these banks.

- Slow Progress in Lending Activity:

- o It is always difficult to identify the potential small borrowers

- o Most of the small borrowers do not like the bank formalities and prefer to borrow from the informal sources of finance

- Urban orientation of their staff which is rarely inclined to serve in rural areas

- Procedural Rigidities: The RRBs follow the procedures of the scheduled commercial banks which are highly complicated and time-consuming from the villagers' point of view.

- Delay in decision making:

- o The RRBs are controlled by various agencies, i.e., the sponsoring bank, NABARD, RBI, besides Central Government. Thus, it takes long time to take decisions on some important issues.

- The implementation of Core Banking Services involves huge cost for setting up of infrastructure

- **Way forward**

- Governance reform should start with making public sector institutions more accountable to market discipline.

- Government stake should be reduced and state has to be ensure the presence of an interested single promoter-like shareholder.

- o Then shareholder could look at mergers, acquisitions and other aspects based on market conditions and merits.

- Policy and procedure of financing

- o Simplification & Standardisation of Loan Application

- o Reduction in Processing Time

- o Increased attention towards financing of Non-Farm Activities

- Recovery of loans

- o the number of Debt Recovery Tribunals (DRTs) should be increased to fasten the debt recovery o RBI should recommend a compromise and settlements scheme for the RRBs so that it may make compromise and settlement instead of resorting to the long drawn legal battle.

- Organisation

- o Development of Human Resources (Staff Training)

- o Staff Compensation package for the staff of RRBs should be brought at par with the other banks.

- o Faster Branch Expansion

- **Regional Rural Banks (RRB)**

- Regional Rural Banks (RRBs) are financial institutions which ensure adequate credit for agriculture and other rural sectors.

- It was set up on the basis of the recommendations of the Narasimham Working Group (1975), and after the legislations of the Regional Rural Banks Act, 1976.

- The equity of a regional rural bank is held by the Central Government, concerned State Government and the Sponsor Bank in the proportion of 50:15:35

- The RRB's have also been brought under the ambit of priority sector lending on par with the commercial bank.

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16. THREE YEAR ACTION PLAN: AGRICULTURAL EDUCATION

- Recently, the cabinet has approved the continuation of the Three-Year Action Plan (2017-2020) of the scheme for Agricultural Education Division and ICAR Institutes.

• About the Scheme

- The scheme aims to reduce academic inbreeding and addressing faculty shortage, promotes green initiatives, international ranking, alumni involvement, promoting innovations, technology enabled learning, post-doctoral fellowships, agriculture education portal, and scientific social responsibility.

- Moreover, it will facilitate research on gender issues in agriculture and allied fields, through policy and programme.

• Need of Agricultural Education

- Agricultural Productivity- Effective agricultural education (both for farmers as well as researchers) leads to better economic and technical decision making in agricultural processes, which is further reflected in increase in agricultural productivity.

- Value Chain of Agriculture- The entire value chain of agriculture i.e. from farm input to market linkages, suffers from various bottlenecks which can well be addressed by agricultural education.
- Employment- Agricultural education is needed in order to absorb the emerging labour force, especially with the emerging arenas of biotechnology, GM food, precision agriculture etc. which require detailed knowledge.

- Labour value- Market value of individual in agricultural field in India is lower than many developing countries and agricultural education adds to an individual's productivity and therefore increases the market value of his labour.

Challenges face by Agricultural Education

- Finance- Agriculture is a state subject and the statutory responsibility for it vests with the state governments which lack in funds. Moreover, the establishment cost of agricultural universities has risen substantially while the operational budget has reduced which constrains institution for innovation.

- Faculty- State Agricultural Universities (SAUs) are facing non-replacement of retired faculty and high inbreeding of faculty (nearly 51% of faculty members have their degrees from the same university in which they are teaching), which hampers the quality of academic and research programmes.

- Lack Networking and quality- It has been noticed that most of the universities are lacking in association and integration with different national and international universities for academic activities.

- Low quality- The quality provided in these universities is low which further affects their global ranking.

- Not a first option- Negative attitude towards agricultural education due to low returns and limited career opportunities makes agricultural education not a preferred choice amongst students.

• Way Forward

- Public Private Partnership (PPP)- Government should harness the PPP modal with agricultural universities especially in agribusiness, biotechnology, nanotechnology and many frontier areas, where public sector institutions are weak and not responding to the changing demand.

- Revisit Curriculum- Ashok Dalwai Committee on Doubling the farmer Income, highlighted that there is a need to revisit the current agriculture education curriculum to orient it to promote agriculture as a sustainable practise and profit generating enterprise.

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- Global Standard practices- Agricultural education is needed to be harmonized with existing and emerging issues related to WTO, ethics of IPR, standard trade practices.
- Regional Specific Education- The criteria for new universities should be agro-ecoregion rather than one discipline, as agriculture-related issues are multidisciplinary.
- Regulatory authority i.e. ICAR does not have statutory powers or the mandate to regulate agricultural education. Thus, it is important to create a central statutory authority for the regulation of higher agricultural education to make the agriculture sector science and technology (S&T) based.
- Vocational Agricultural Education- Universities are concentrating mainly on formal education while there is also need for Vocational and non-formal education especially in respect of knowledge and technological empowerment for work force in rural areas.
 - **Indian Council of Agricultural Research (ICAR)**
 - It is the apex body for coordinating, guiding and managing research and education in agriculture including horticulture, fisheries and animal sciences in the entire country.
 - Formerly known as Imperial Council of Agricultural Research established on 16 July 1929.
 - Presently, it is an autonomous organisation under the Department of Agricultural Research and Education (DARE), Ministry of Agriculture and Farmers Welfare.
 - With 101 ICAR institutes and 71 agricultural universities spread across the country this is one of the largest national agricultural systems in the world.

- The Agricultural Education Division, ICAR is involved in strengthening and streamlining of higher agricultural education system to enhance the quality of human resources in agri-supply chain to meet future challenges in agriculture sector in the country.

17. KRISHI KALYAN ABHIYAN

- Recently Krishi Kalyan Abhiyan was launched by Ministry of Agriculture and Farmer Welfare.
- **More about the Abhiyan**
 - It was launched with an aim to aid, assist and advice farmers to improve their farming techniques and raise their income.
 - It has been launched from 1st June 2018 till 31st July 2018 during which various activities to promote best practices and enhance agriculture income will be undertaken in accordance with an action plan formulated by including various departments of the Ministry such as Department of Agriculture, Cooperation & Farmers Welfare (DAC&FW), Animal Husbandry Dairying & Fisheries (DAHD&F) etc.
 - Various activities under the program are –
 - o Distribution of soil health cards to all farmers
 - o 100% coverage of bovine vaccination for Foot and Mouth Disease (FMD) in each village
 - o 100% coverage of Sheep and Goat for eradication of Peste des Petits ruminants (PPR)
 - o Artificial insemination saturation
 - o Demonstration programmes on Micro- irrigation and integrated cropping practice etc.
 - It will be undertaken in 25 villages with more than 1000 population each in Aspirational District as identified in consultation with the Ministry of Rural Development in accordance with the guidelines of NITI Aayog.

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- If the number of villages in a district is less than 25 with more than 1000 population then all the villages will be covered.
- The overall coordination and implementation will be done by Krishi Vigyan Kendra.

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1. Geography OPTIONAL and RRVAP (Rapid round value addition programme with TEST SERIES)

- For the last 5 years favourite programme among students.
- Where you are lacking we are working upon like, Paper-2 in contemporary and geographical manner, Mapping and its application, special emphasis on Thoughts-Regional planning and biogeography.
- Full coverage of geography with writing skill development
- 2013 when the average score was 140 in Geo our students scored 200+ (Isha Dhuna, Nitin Agarwal and Aditya uppal)
- 2014 when average score is 230 our students scored 280-300 (Aditya uppal RANK-19 309 marks)
- Same trend in 2015-18
- Starts from 10th June 2019 evening session.
- Writing skills in Geography from 17th June.

2. Our best and SUCCESS GRADE course Newspaper analysis and writing skill programme.

** Our TM and most successful programme start from 11th June with the coverage of last 5 years issues highly helpful in P-2&3 (Seats are limited). **FOR FRESHERS AS WELL AS THOSE WHO WANT TO SCORE 450+ IN MAINS 2019**

3. Writing skill development, enhancement and management programme.

- Best developed programme to enhance the writing skills at individual level
- Yield a fantastic result: RANK-22 (Saloni Rai) and Rank 1 Nandani others....

32 sessions till SEP 2019 with same day discussion, feedback and evaluation of the copies.

4. Special batch for ETHICS and 150 CASE STUDIES. (15 days with the guidance to score 110+ by DIRECTOR sir)

5. Geography for GS MAINS

6. Sociology, political science and Public administration full course and crash course with writing skills.

7. Ncert Foundation btach.

8. GS-FOUNDATION batch for 2020... from 15th June 2019.

All the Best to all my Economics students...
Hope this material will help you.
God bless...
Jai Hind

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All the Best
Jai Hind ☺

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