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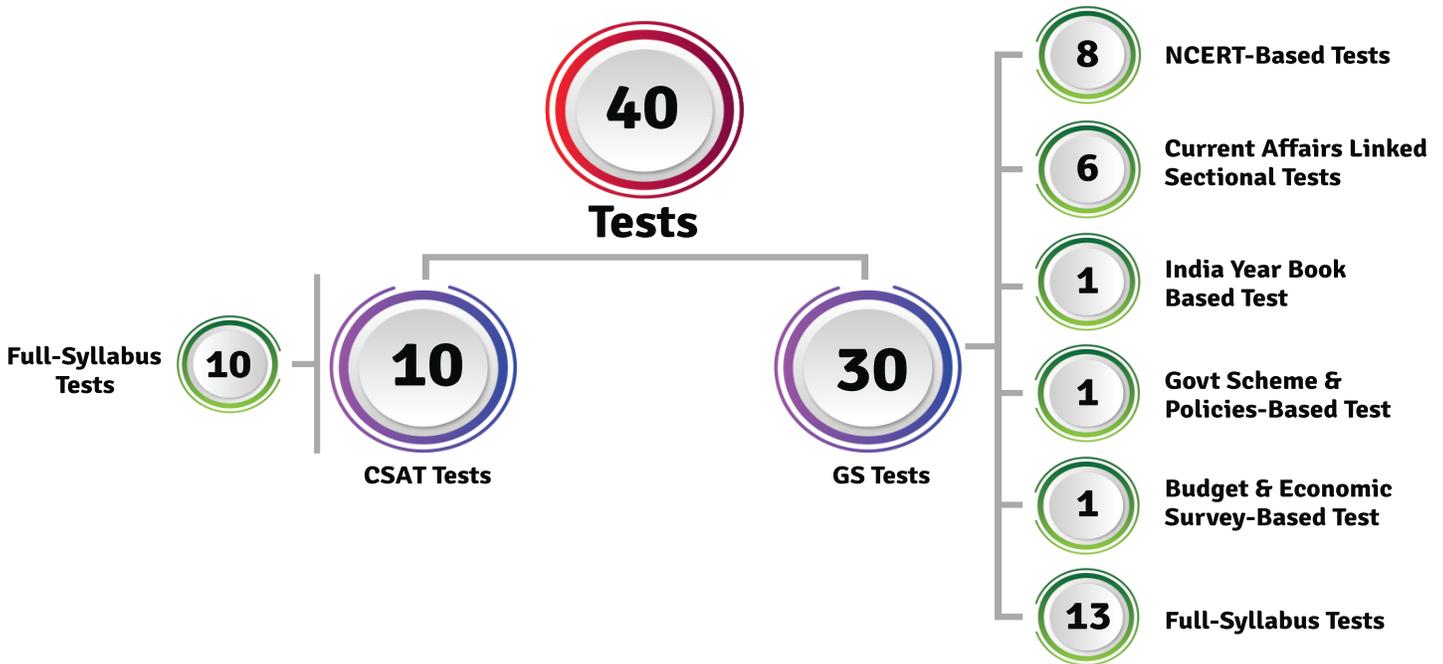


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Kurukshetra Compendium

August 2019

Budget 2019-20 Agriculture and Rural Prosperity

- The Union Budget 2019-20 was announced amidst wide expectations on removal of distress in rural areas and to step up Government's focus on agriculture and rural economic reform measures.
- The annual average growth rate registered at 2.88 per cent during 2014-2018 in agriculture and allied sectors and was well below the prescribed target of 4 per cent per annum.
- The Gross Value Added (GVA) of agriculture and allied sector during 2018-19 was recorded at 2.9 per cent against 6.3 per cent in 2016-17
- Agriculture remains the mainstay of the Indian economy despite its shrinking share in the country's Gross Domestic Product (55.4 per cent in 1950-51 to 17.4 per cent in 2018-19).
- Similarly rural non-farm sector coupled with farm sector have tremendous potential in ushering an overall positive economic scenario in the country.

Allocation to Centrally Sponsored Schemes

- As per the recommendations of the Sub Group on Centrally Sponsored Schemes (CSS), the number of CSS was restricted to 30 for ensuring optimum utilisation of resources with better project outcomes through location-specific interventions. Such CSSs were categorised as 'Core Schemes', 'Core of the Core Schemes' and 'Others'.
- While the focus under core schemes was to jointly implement schemes of national development by the Union Government and the State, the core of the core schemes are dedicated towards social protection and social inclusion.
- Budget allocation reduced for National Social Assistance Programme, Green Revolution and Pradhan Mantri Awas Yojana and remained constant for Pradhan Mantri Gram Sadak Yojana (PMGSY).
- Allocation for National Rural Drinking Water Mission, National Livelihood Mission – Aajeevika and Jobs and Skill Development initiatives witnessed 42.85 per cent, 61.28 per cent and 43.16 per cent enhancements in the BE 2019-20 vis-à-vis 18-19.
- MGNREGA has been allocated Rs. 60,000 crore in this year's budget, which is 9 per cent more than that of 2018-19

Rural Wage Employment

- The Budget continued to underscore the importance of MGNREGA in building quality and productive community assets considering its effective workability in a rural set up riddled with high incidence of poverty, low work participation, increased casualization of labour and heavy dependence on agriculture and non-farm sectors
- The positive impacts of MGNREGA have prompted the government to remain committed to supporting this right-based rural wage employment programme with a view to broaden occupational choices and to assure

Pradhan Mantri Gram Sadak Yojana (PMGSY)

- The Budget reposed its faith in Pradhan Mantri Gram Sadak Yojana (PMGSY) which had managed to successfully deliver on-road connectivity to underdeveloped and unconnected habitations.
- The next phase of PMGSY would focus on construction and up-gradation of 1,25,000 kms of road length over the next five years with an estimated cost of Rs. 80,250 crore.
- The rural connectivity would ensure ease in travel of rural farmers who would find it easy to market their produce at a better price in more affluent markets than the existing local area markets and would bring in overall socio-economic in rural areas.

Zero Budget Farming

- The Union Budget 2019-20 emphasized on promotion of zero-budget farming. The intention is to promote this form of farming as a low-cost, natural alternative to the existing practices of heavy and unbalanced use of chemical fertilizer and pesticides.

- Though zero a budget farming is believed to enable arrest of further up degradation of the soil, a scientific study by the Government is the need of the hour to understand its exact impact on soil health, food production, livelihoods and sustainable agriculture before the same is replicated throughout the country.

Promotion of FPOS

- The Budget has a 5-year long-term target to form 10,000 Farmer Produce Organisations (FPOs) to ensure economies of scale for farmers.
- Farmer Producer Organizations (FPOs) are collectivization of producers, especially small and marginal farmers to collectively address challenges of agriculture viz. improved access to investment, technology inputs and markets.
- An FPO, registered under the special provisions of the Companies in Act, 1956, may take an institutional shape of a producer company, a cooperative society or any other legal formal form which could provide for sharing of profits/benefits among the members.
- Around 3,100 FPOs are currently promoted country through schemes of Govt. of India, State Government and National Bank for Agriculture and Rural Development (NABARD).

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

- The Budget continued its stress on strengthening Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) which targeted to irrigate the field of every farmer and to improve water use efficiency.
- PMKSY envisages providing end-to-end solutions in irrigation supply chain, viz. water sources, distribution network and farm level application.
- This programme is expected to lay focus and ensure access to water to every agriculture farm (Har Khet Ko Pani) and to increase agricultural productivity by intensifying availability and warranting efficient use of water.

Rural Drinking Water Security

- The Budget has indicated Government's priority for ensuring country's water security and providing access to safe and adequate drinking water to all citizens.
- Not only a new Ministry i.e., Jal Shakti Mantralaya has been carved out by integrating Ministries of Water Resources, River Development and Ganga Rejuvenation and Ministry of Drinking Water and Sanitation, the Budget has also allocated Rs. 10,000 cr. to National Rural Drinking Water Mission.
- The mandate of the Mission is to achieve The objective of Har Ghar Jal (piped water supply to each household by vigorously and expeditiously managing the country's water resources and water supply in an integrated and holistic manner in active consultation with the State Governments.

e-NAM & Agri-marketing

- Access to both domestic and international markets for realizing appropriate income level is critical for our farmers.
- The positive and improved agriculture terms of trade which was a major reason of cheer for the exporting farmers started deteriorating since 2010-11 and continued up till now.
- Keeping in view the criticality of the easy spread of transparent and effective agri-markets, the Government has supported in 2016-17 the rolling out of a unified agricultural marketing electronic platform (e-NAM] under which selected 585 regulated wholesale market points got integrated
- Though e-NAM was a great innovative move made by the Government, the intervention could not produce desired results in the selected Mandis of various states due to implementation logjams.
- Budget 2019-20 too has reposed its faith in e-NAM and vows to actively work with the State Governments to allow the farmers to actualise the real price discovery benefits from-NAME in a transparent manner

Value Chain Finance

- To boost agri-business, the government has been attempting to ensure robust modern infrastructure in the food processing sector along the entire value/supply chain of food processing through its scheme Pradhan Mantri Kisan Sampada Yojana (PMKSY).
- Budget 2019-20 expressed its will to invest widely in agri-infrastructure by supporting private entrepreneurship in driving value-addition to farmers' produce from the field and for those in the allied activities as well.

Agriculture and Farmer Welfare

- Agriculture, which formed 3.5 per cent of the budget in Financial Years 2018-19, comprised 5.4 per cent of budget expenditure in Financial Years 2019-20, an increase of 19 percentage points (the biggest rise).

The Central Government of India has flagged ten major theme points to target them through their Budget.

1. Building physical and social infrastructure;
 2. Digital India reaching every sector of the economy
 3. Pollution free India with Green Mother Earth and Blue Skies;
 4. Make in India with particular emphasis on MSMEs, Start-ups, defence manufacturing automobiles, electronics, fabs and batteries and medical devices
 5. Water, water management, clean Rivers
 6. Blue Economy:
 7. Space programme, Gaganyaan, Chandrayan and Satellite programmes;
 8. Self-sufficiency and export of food-grains. pulses, oilseeds, fruits and vegetables;
 9. Healthy society Ayushman Bharat, well nourished women & children. Safety of citizens
 10. Team India with Jan Bhagidari. Minimum Government Maximum Governance
- Among the above-mentioned ten theme points, self-sufficiency and export of food-grains, pulses, oilseeds, fruits and vegetables etc. is one of the important theme points which will play a crucial role to achieve US\$ 5 trillion Indian economy in the next 5 years.
 - Agriculture remains the predominant occupation in India for vast section of the population. Over the years, several new challenges have emerged before the sector, especially declining in factor productivity, increase in cost of cultivation and decrease in the net return per unit.
 - Area with fragmentation of agricultural holdings and depletion of water resources, the adoption of 3 resource efficient, ICT-based climate-smart agriculture can enhance agricultural productivity and sustainability.
 - Smallholder farming can be a lucrative livelihood opportunity with the application of appropriate technologies, especially adoption of integrated farming system and also adoption of natural, organic and Zero Budget Natural Farming (ZBNF), To transform the rural economy, greater emphasis should be given to allied sectors with a major focus on dairy, poultry, fisheries and rearing of small ruminants.
 - Agriculture and allied sectors are critical in terms of employment and livelihoods for the small and marginal farmers, who dominate the agriculture ecosystem in India.
 - To attain the Sustainable Development Goals (SDGs) of ending poverty and bringing in inclusive growth, activities related to agriculture need to be closely integrated with the SDG targets.

Gross Capital Formation in Agriculture and Allied Sector

- A comparison of the share of public and private investment in GCF in agriculture and allied sectors shows that while the share of public investment in agriculture and allied sector registers an increase from 2014-15 and maintains an upward trend till 2016-17, the share of private investment In GCF shows a decline during this period.

Increasing Irrigation Water Productivity (IWP) in Agriculture

- The cropping pattern in India is highly skewed towards crops that are water intensive. The incentive structures like MSP, heavily subsidized electricity, water and fertilizers have played a significant role in the misalignment of crop patterns in the country. The water guzzlers, paddy and sugarcane, consume more than 60 per cent of irrigation water available in the country, thereby reducing water availability for other crops.
- Pradhan Mantri Krishi Sinchai Yojana – The increased budget provisions will increase the irrigated area through adoption of micro-irrigation facilities like drip irrigation and sprinkler irrigation etc.
- Ultimately, it will increase the irrigation water productivity in agriculture, which is the need of the hour.

Increasing Sustainability in Agriculture Turning to Organic and Natural Farming

- The Government has been promoting organic farming in the country through the schemes such as Paramparagat Krishi Vikas Yojana (PKVY) and Rashtriya Krishi Vikas Yojana (RKVY).
- In the revised guidelines of PKVY scheme during the year 2018, various organic farming models like Natural Farming, Vedic Farming, Cow Farming, Homa Farming.

- Zero Budget Natural Farming (ZBNF) etc have been included wherein flexibility lies with the States to adopt any model of Organic Farming depending on the farmer's choice.
- The main aim of Zero Budget Natural Farming(ZBNF) is elimination of chemical pesticides and promotion of good agronomic practices.
- ZBNF also aims to sustain agriculture production with eco friendly processes in tune with nature to produce agricultural produce free of chemicals.
- Soil fertility and soil organic matter is restored by pursuing ZBNF Less water is required under ZBNF and it is a climate friendly agriculture system.
- ZBNF Organic farming is also being promoted through the scheme Mission Organic Value Chain Development for North Eastern Region (MOVCDNER) National Mission for Sustainable Agriculture (NMSA).
- Six states-Karnataka, Himachal Pradesh, Kerala, Uttarakhand, Chhattisgarh and Andhra Pradesh, have already adopted the technique, which needs less water and lower input costs, yet gives higher yield.
- After ZBNF, Andhra Pradesh has witnessed a sharp decline in input costs and improvement in yield (Government of Telangana, 2017).

Adopting Appropriate Technologies for smallholder farms

- The Custom Hiring Centers (CHCs) can be set up to promote use of high tech machinery for the mechanization of small and marginal farm holdings especially in difficult terrains.
- CHC were established under the Sub Mission on Angular Mechanization (SMAM) scheme.
- The ICT (Information and Communication Technology) applications are crucial in smallholder farming.
- The spread of mobile phones in rural areas has already impacted the way the small and marginal farmers get access to information about soil health, weather and prices. In the context of poor infrastructure, adoption of ICT in agriculture will promote market access, facilitate financial contribute significantly to early warning signals that are critical for the development of smallholder community.
- Technology can play a critical role in bridging the information gaps that prevail in agricultural markets.

Animal Husbandry, Dairying and Fisheries

- Livestock farming in India is part of a composite farming system characterized by crop-livestock interactions.
- The by-products from several of the crops (crop residues, hay and straw) are used as input for dairy production, in addition to other inputs for which they have to directly incur costs (cattle feed, veterinary medicines and artificial insemination).

Animal Husbandry and Dairying

- India ranks first in milk production, accounting for 20 per cent of world production. Milk production in India has been increasing steadily over the years.

Schemes/Initiatives to Improve Productivity of (Livestock and Dairy Sector)

- During last 5 years various new initiatives were taken to improve productivity of livestock and dairy sector like Rashtriya Gokul Mission (RGM), E-Pashu Haat Portal, National Livestock Mission, Livestock Health and Disease Control Scheme and Dairy Development schemes viz National Programme for Dairy Development, National Dairy Plan (Phase-I), Dairy Entrepreneurship Development Scheme, Dairy Processing Infrastructure Development (DIDF).
- The Rashtriya Kamdhenu Aayog has been proposed to set up to upscale sustainable genetic up-gradation of cow resources and to enhance production and productivity of cows.

Fisheries Sector

- India is the second largest fish producer in the world with a total production of 13.7 million metric tonnes in 2018-19 of which 65 per cent was from inland sector.
- Almost 50 per cent of inland fish production is from culture fisheries, which constitutes 6.5 per cent of global fish production.
- Foreseeing the vast resource potential and possibilities in the fisheries sector, a separate Department of Fisheries was created in February 2019. The Government has merged all the schemes fisheries Sector into an umbrella scheme of Blue Revolution: Integrated Development and Management of Fisheries focusing on increasing fish production and productivity from aquaculture.
- Towards Realization of these objectives the creation Fisheries and Aquaculture Infrastructure development Fund (FIDF) was approved.

Prashan Mantri Matsya Sampada Yojana

- Fishing and Fishermen communities are closely aligned with farming and are crucial to rural India.
- Through a Focused Scheme – the Prashan Mantri Matsya Sampada Yojana, the department of fisheries will establish a robust fisheries management framework.

MSP and Food grain Procurement

- The Minimum Support Price (MSP) is announced for 22 crops before the sowing season.
- The objective is to give guaranteed prices and assured market to the farmers and protect them from price fluctuations.
- An increase in MSP leads to increase in production, but only about one-third of the total production of food grains are procured. The rest of the food grains are sold in the open market.

Scheme of Fund for Upgradation and Regeneration of Traditional Industries (SFURTI)

- Considering the fact that majority of people still live in villages and depend on agriculture and traditional industries, the Scheme of Fund for Upgradation and Regeneration of Traditional Industries (SFURTI) aims to set up more Common Facility Centres (CFCs) to facilitate cluster-based development to make the traditional industries more productive, profitable and capable for generating sustained employment opportunities.
- The focused sectors are Bamboo, Honey and Khadi clusters, The SFURTI envisions setting up 100 new clusters during 2019-20 which should enable 50,000 artisans to join the economic value chain.
- The Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) has been consolidated for setting up of Livelihood Business Incubators and Technology Business Incubators (TBS).

Improving Infrastructure and Access to Market

- If farmers access to markets are improved through better connectivity to nearby mandis it will help farmers fetch better prices for their agricultural produce.
- A combination of enhancing rural infrastructure to improve connectivity and Information, Communication Technology (ICT) to provide timely information about prices, aggregation and storage facilities can help small and marginal farmers in overcoming the marketing bottlenecks.

Doubling the income of Farmers by 2022

- The Government has set a target of doubling of farmers' income by the year 2022.
- For the same purpose, the Government had constituted an inter Ministerial Committee to examine issues relating to Doubling of Farmers Income (DFI) and recommend strategies.
- The Committee has identified seven sources of income growth viz improvement in crop productivity; improvement in livestock productivity; resource use efficiency or savings in the cost of production increase in the cropping intensity; diversification towards high value crops improvement in real prices received by farmers and shift from farm to non-farm occupations.
- Several initiatives have already been rolled out on the recommendations of DFI Committee which inter alia include advocating progressive market reforms through the State Governments, Encouraging contract farming through the State Government by promulgating of Model Contract Farming Act, Up-gradation of Gramin Haats to work as centre of aggregation and for direct purchase of agricultural commodities from the farmers, e-NAM to provide farmers an electronic online trading platform, Distribution of Soil health Cards to farmers so that the use of fertilizers can be rationalized, Increase water efficiency through.

The key highlights Rural Development from the Union Budget 2019-20

- Ujjwala Yojana and Saubhagya Yojana have transformed the lives of every rural family, dramatically Improving ease of their living.
- Electricity and clean cooking facility to all willing rural families by 2022.

Pradhan Mantri Awas Yojana – Gramin (PMAY-G)

- Eligible beneficiaries to be provided 1.95 crore houses with amenities like toilets, electricity and LPG connections during its second phase (2019-20 to 2021-22).

Pradhan Mantri Matsya Sampada Yojana (PMKSY)

- A robust fisheries management framework through PMSSY to be established by the Department of Fisheries
- To address critical gap in the value chain including infrastructure, modernization, traceability, production, productivity, post-harvest management and quality control

Pradhan Mantri Gram Sadak Yojana (PMGSY)

- Target of connecting the eligible and feasible habitations advanced from 2022 to 2019 with 97% of such habitations already being provided with all weather connectivity
- 30,000 kilometers of PMGSY roads have been built using Green Technology, Waste Plastic and Cold Mix Technology, thereby reducing carbon footprint.
- 1,25,000 kilometers of road length to be upgraded over the next five years under PMGSY III with an estimated cost of Rs. 80,250 crore.

Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship (ASPIRE) consolidated

- 80 Livelihood Business Incubators Formation (IBIs) and 20 Technology Business Incubators (TBS) to be setup
- 75,000 entrepreneurs to be skilled in agro-rural industry sectors
- Dairying through cooperatives to be encouraged by creating infrastructure for cattle feed manufacturing, milk procurement, processing & marketing farmers
- 10,000 new Farmer Producer Organizations to be formed to ensure economies of scale for farmers
- Government to work with State Governments to allow farmers to benefit from e-NAM
- Zero Budget Farming in which few farmers are already being trained to be replicated in other states

India's Water Security:

- New Jal Shakti Mantralaya to look at the management of our water resources and water supply in an integrated and holistic manner
- Jal Jeevan Mission to achieve Har Ghar Jal piped water supply to all rural households by 2024.
- To focus on integrated demand and supply side management of water at the local level
- Convergence with other Central and State Government Schemes to achieve its objectives
- 1592 critical and over exploited Blocks spread across 256 District being identified for the Jal Shakti Abhiyan
- Compensatory Afforestation Fund Management and Planning Authority (CAMPA) fund can be used for this purpose.

Swachh Bharat Abhiyan:

- 9.6 crore toilets constructed since Oct 2, 2014.
- More than 5.6 lakh villages have become Open Defecation Free (ODF).
- Swachh Bharat Mission to be expanded to undertake sustainable solid waste management in every village.

Pradhan Mantri Gramin Digital Saksharta Abhiyan:

- Over two crore rural Indians made digitally literate
- Internet connectivity in local bodies in every Panchayat under Bharat-Net to bridge rural-urban divide.
- Universal Obligation Fund under a PPP arrangement to be utilized for speeding up Bharat-Net

Rural Infrastructure in Union Budget 2019-20

- Infrastructure could be private and public physical and services, social and economic
- Economic infrastructure could be transportation, communication, power, irrigation, and the like while that of social infrastructure comprise of education health, drinking water and sanitation, housing, etc In addition to the development of these sectors, the infrastructure development brought in the efficiency of investment, manufacturing competitiveness, exports, employment, urban and rural development, quality of life and a host of benefits for the country
- The Rangarajan Commission (2001) defined infrastructure as having natural monopoly
- The Rakesh Mohan Committee Report (1996) and the Central Statistical Organisation (CSO) present infrastructure as Electricity gas, water supply, telecom, roads, industrial parks, railways, ports airports, urban infrastructure and storage As infrastructure.
- Road network has been the fulcrum of country's economy for transportation of goods, services, agriculture produce, travel and connectivity, and acts as a growth centre. The promotion of all weather qualitative durable road network ensures faster economic and social gains, trade flows, integration of markets.

- The Government of India has taken the infrastructure sector, mainly highways, renewable energy, housing, digital infrastructure and urban transport, as a priority sector for which an allocation of Rs 5.97 lakh crore has been earmarked under the infrastructure sector in the Union Budget 2018-19.

Road Infrastructure

- The Pradhan Mantri Gram Sadak Yojana (PMGSY) primarily aims at providing all weather road connectivity to unconnected villages with about 82% are connected by December 2017, and the remaining 47,000 habitations are targeted to be completed by March 2019.

Communication Infrastructure

- The growth in telecom sector has also generated innovations, entrepreneurship through the Start-up India and Stand-up India, and has made mobile communication among more than 80 crore population and contributing significantly with about 1.75% of the Indian GDP for the year 2015, according to Broadband India Forum (BIF).
- About 1.5 lakh Gram Panchayats are being connected with optical fibre for providing Internet and Wi-Fi hotspots and access to digital services at low tariffs, through Digital India and the Bharatnet Project.
- Further, the Digi-Gaon is being planned for providing the platform for the financial services, tele medicine, education, e-governance, e-marketing and skill development.
- The Digital India Programme was launched by the Government of India in July 2015 at an estimated cost of Rs. 1,13,000 crores with a vision to transform India into a digitally empowered society and knowledge economy, with three primary focus areas of creation of digital infrastructure, electronic delivery of services and digital literacy, and empowerment of citizens with e-participation in governance

Renewable Energy Infrastructure

- India is emerging as one of the largest production of energy from renewable sources catering to about 20% of the total installed power capacity (69.02 GW) as of 31 March 2018 and with hydro power, it contributes about 33 per cent
- The wind power capacity is about 34,046 MW as of 31 March 2018, making India the fourth-largest wind power producer in the world, and it is aimed Biomass power from biomass combustion, biomass gasification and bagasse co-generation reached 8.3 GW installed capacity and family type biogas plants reached 3.98 million as of 31 March 2018.
- International Solar Alliance Project promoting the growth and development of solar power internationally to over 120 countries and India set a target of achieving 40% of its total electricity generation from non-fossil fuel sources by 2030. India targeting a renewable energy target of 175GW by 2022

Housing

- Housing as a basic need and right both in rural and urban area is reflected in the Pradhan Mantri Awas Yojana Housing for All. PMAY(Gramin) targets about 1 crore houses by March, 2019, with a unit cost for minimum support of nearly Rs. 1.5
- In lakh to Rs. 1.6 lakh per household, with a provisions of Bank Loan up to Rs. 70,000 and provides skilling for 5 lakh rural masons

National Rural Drinking Water Programme

- The National Rural Drinking Water Programme (NRDWP) is targeted at providing every person in rural India with adequate safe water for drinking cooking and other domestic basic needs on a sustainable basis, within the guidelines, accessible at all times and creation of the infrastructure for the same, development of infrastructure and capacities for the successful operation of drinking water supply schemes in rural areas.
- The 2019-20 Budget tries to provide water security with provision of water supply in an integrated and holistic manner, to promote achieve Har Ghar Jal (piped water supply) to all rural households by 2024, and Jal Shakti Abhiyan for improving the ground water availability

Swachh Bharat Abhiyan

- Swachh Bharat Abhiyan has been a revolutionary initiative for embedding the sense of sanitation, hygiene and health, introduced in 2014 and exhibited remarkable progress with a 85% coverage in 2018-19, from 38.70% in 2014, with about more than 391 districts became open defecation free (ODF) covering 3.8 lakh villages, with Swachh Bharat Gramin, over 7.4 crore individual household toilets (IHHL) have been built by May 2018, with an aim to cover 100% toilet coverage by December 2018.

Irrigation infrastructure under PMKSY

- A very innovative Government of India Programme to promote productive agriculture is the Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), with a convergence of investments, to expand cultivable area, ensure water use efficiency improve recharge of aquifers, treatment of waste water from all sources for agriculture etc.

Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS)

- Works undertaken under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) are primarily rural infrastructure development works namely through watershed development like contour trench, contour Matsyasanabund, farm bunding, gabion structures, earthen dam, works like manure and composting infrastructure

Pradhan Mantri Matsya Sampada Yojana (PMSSY)

- With a view to promote fishing and fishermen communities, which are closely aligned with farming and are crucial to rural India, an allocation of Rs. 3,737 crore are provided to the newly carved out Ministry of Fisheries, Animal Husbandry and Dairying, and address the issues of value chain, including infrastructure, modernisation, traceability, production, productivity, post-harvest management, and quality control

Health and Education

- The National Budget 2019-20 has significant components such as 'Study in India' programme, so that more foreign students choose India as a higher education destination, Rs. 400 crore allocated for world-class, higher education institutions in 2020, National research foundation to fund, coordinate and promote research in the country, establishing a Higher Education Commission with focus on a higher autonomy and National education policy to propose changes in school, higher education.
- The Healthcare allocation is about 15.4 percent to Rs. 62,659.12 crore for 2019-20, with the Pradhan Mantri Jan Arogya Yojana (PMJAY) or Ayushman Bharat Scheme allocation of Rs. 6,400 crore.
- The Pradhan Mantri Swasthya Suraksha Yojana (PMSSY), the agency that spearheading the creation of All India Institute of Medical Sciences (AIIMS) like teaching hospitals in under-served areas of the country also got a decent allotment

Education Sector

- Budget 2019 is a positive step in the right direction to focus on the education sector.
- This budget is guided by the mission to strengthen the Education Sector for Support to IITs, Rashtriya Uchcharat Shiksha Abhiyan (RUSA), Scheme for transformational and advanced research in Science (STARS), Scheme for Promotion of Academic And Research Collaboration (SPARC), Impactful Policy Research in Social Science (IMPRESS) and Impacting Research Innovation and Technology (IMPRINT), are among the schemes which have got considerable allocations in the budget.

Draft National Education Policy

- The Policy proposes major changes in the higher education in the country to improve outcome drastically. The allocation for education for 2019-20 would be more than three times the revised estimates. India's school will be made future-ready with a deeper focus on research and new age skills.
- It proposes the creation of several new bodies to overlook different facets of education. Also, National Higher Education Regulatory Authority or Rashtriya Shiksha Aayog (RSA) should be the only regulator for all higher education including professional education

Study in India

- The aim of this Campaign would be to brand India as a prime study destination for international students. It has been set up with the objectives to Boost the number of inbound International students in India; Increase India's market share of global education exports; Improve the overall quality of higher education; Increase in global ranking of India as educational destination; and Enhance India's global market share of International students.

National Research Foundation (NRF)

- It proposes setting up National Research Foundation for youth. The draft Education Policy recommends establishing a National Research Foundation, an autonomous body, for funding, mentoring and building the capacity for quality research in India.
- The NRF will fund, coordinate and promote research in the country. The Foundation will consist of four major divisions: sciences, technology, social sciences, and arts and humanities, with the provision to add additional divisions.

- The Government will make renewed efforts to promote research in the country. The proposed NRF will give a boost to research critical to building indigenous products and solutions

Higher Education

Another highlight of the Union Budget in the context of Education is setting up the Higher Education Commission of India.

It aims to increase enrolment at the higher education level To improve the overall quality of higher education, it gives the following suggestions

- Regulatory structure and accreditation
- Establishing new higher education institutions
- Strengthening the existing higher education institutions
- Setting up of National Research Foundation.
- Professional Development of faculty
- Optimal learning environment
- Starting programmes on Liberal Arts
- In the higher education sector, the allocation to central universities in total has been increased by nearly Rs. 400 crore.

Role of Technology

- A renewed focus on quality education coupled with use of technology will benefit the Indian education sector in years to come.
- The Policy recommends that a National Education Technology Forum be setup. Ministry of Human Resource Development is already administering a programme 'National Mission on Education through information and Communication Technology (NMEICT)' to make the best quality content accessible to all learners in the country free of cost through ICT.

One of the initiatives under this programme is SWAYAM.

- The Study Webs of Active Learning for Young Aspiring Minds' (SWAYAM) is an integrated platform for offering online courses and covering school (9 to 12") to Post Graduate Level.
- MOOCs (Massive Open Online Courses) have been offered on SWAYAM, wherein about 1.02 crore be students have enrolled to various courses. This programme has proved to be very useful especially for learners living in remote rural areas.
- SWAYAM initiative has helped bridge the digital divide for disadvantaged section of the student community
- Thus, the Union Budget also emphasizes upon sports for holistic development of young learners. A National Sports Education Board will be set up under the Khelo India scheme, a programme to increase awareness on sports in India. Khelo India programme is focused on nurturing talent and connecting rural India to global games.

Union Budget Announcement 2019-20 to Promote Skilling & Entrepreneurship

- To intensify skill development and enhance employability of rural youth, the Union Budget 2019-20 has announced the following measures:
- In the Budget, a massive push has been given to all forms of physical connectivity viz; the Pradhan Mantri Gram Sadak Yojana, Industrial Corridors Dedicated Freight Corridor, Bharatmala & Sagarmala project, railway station modernization Jal Marg Vikas and UDAN Scheme. To take forward these schemes requires skilled workforce in the building, construction, real estate, construction material & building hardware sectors
- Under the Make in India initiative, the development of Maintenance, Repair and Overhaul (MRO) in the aviation sector is to be promoted in India. This calls for promoting skilled workforce in the MRO segment of aviation Sector Ujjwala Yojana and Saubhagya Yojana have transformed the lives of every rural family dramatically improving their ease of living.
- To promote overseas employment of the youth, there will be increased focus on skill sets needed for going abroad as well as new age skills such as language training, Artificial Intelligence (AI). Internet of Things, Big Data, 3D Printing, Virtual Reality and Robotics,

- To address the traditional village industries, the Scheme of Fund for Upgradation and Regeneration of Traditional Industries (SFURTI) aims to set up more common Facility Centres (CFCS) to facilitate cluster based development for making traditional industries more productive, profitable and capable for generating sustained employment opportunities.
- Under UJALA Yojana, approx. 35.54 crore LED bulb was distributed to the household leading to cost savings of Rs.18,464 crores annually and 3.73 crore tons reduction in CO₂ emissions.
- To encourage women enterprise, women interest subvention programme to be expand to all districts Every verified women SHG member having a Jan Dhan bank account to be allow overdraft of Rs. 5,000.
- 17 iconic tourism sites to be developed into model world class tourist destinations. This would increase the footfall of tourists to these sites.
- Mega Investment in Sunrise and Advanced Technology Areas Scheme to invite global companies to set up mega-manufacturing plants in areas such as Semiconductor Fabrication (FAB), Solar Photovoltaic cells, Lithium storage batteries, Computer Servers, Laptops, etc
- To sum up, the Union Budget 2019-20 in terms of allocation has given boost to agriculture, rural infrastructure, entrepreneurship and industrialisation in rural areas thereby addressing the job needs of the potential labour force, a major proportion of which is based in the rural areas.

MSMEs – Key Component for India’s \$5 Trillion Economy

- The Micro, Small and Medium Enterprises (MSME) Sector has emerged as a highly vibrant and dynamic sector of the Indian economy over the last five decades.
- It contributes significantly in the economic and social development of the country by fostering entrepreneurship and generating largest employment opportunities at comparatively lower capital cost, next only to agriculture.
- MSMEs are complementary to large industries as ancillary units and this sector contributes significantly in the inclusive industrial development of the country.

The MSMEs are widening their domain across sectors of the economy, producing diverse range of products and services to meet demands of domestic as well as global markets.

The importance of a vibrant MSME sector in the context of the aggregate economy cannot be overestimated as it accounts for

- Nearly one-third of aggregate economy gross added.
- Approximately one-third of manufacturing output in the country.
- Three-fourths of all establishments in the country

With around 36.1 million units throughout geographical expanse of the country, MSMEs contribute

- 6.11% of the manufacturing GDP
- 24.63% of the GDP from service activities
- 33.4% of India’s manufacturing output

They have been able to provide employment to around 120 million persons and contribute around 45% of the overall exports from India. The sector has consistently maintained a growth rate of over 10%.

About 20% of the MSMEs are based out of rural areas, which indicate the deployment of significant rural workforce in the MSME sector and is an exhibit to the importance of these enterprises.

The MSME sector generates around 100 million jobs through over 46 million units situated throughout the country. MSMEs help in:

- Generating large scale employment
- Sustaining economic growth and increase exports, and Making growth inclusive
- Generating Large-Scale Employment

The Indian MSME sector offers maximum opportunities for both self-employment and wage employment outside the agricultural sector

- MSMEs are instruments of inclusive growth which touch upon the lives of the most vulnerable and marginalized.
- For many families, it is the only source of livelihood. Thus, instead of taking a welfare approach, this sector seeks to empower people to break the cycle of poverty and deprivation.

- Among all the sectors, MSME was the largest job creator in the last four years. Survey by Cii report titled “Survey of Job Creation and outlook in MSME sector, said hospitality and tourism, followed by textiles and apparel and metal products were the top job creating sectors. Machinery parts and transport and Logistics were next on the list.

MSMEs however face a number of challenges and some of the major challenges are listed below:

- Most of the unregistered MSMEs predominantly is comprise micro enterprises, particularly confined to rural India, operating with obsolete technology, limited access to institutional finance in etc. And there is a need to transform the huge unregistered MSME into registered MSME

There is a need to improve the competitiveness of the overall MSME sector covering areas like:

- a. Access to technology;
- b. IPR related issues;
- c. Design-related issues;
- d. Wasteful use of resources/manpower;
- e. Energy efficiency and associated high cost; Low ICT usage;
- f. Low market penetration;
- g. Quality assurance/certification; and
- h. Standardization of products and proper marketing channels to penetrate new markets.

Government Initiatives for MSMEs

The Government has initiated the following five key aspects for facilitating the MSME sector

1. **Access to credit:** Launch of the 59-minute loan portal to enable easy access to credit for MSMEs Loans upto one crore can be granted in-principle sanction. There is also a provision for 2% interest subvention for all GST registered MSMEs on fresh or incremental loans.
2. **Access to market:** Public sector companies now have to compulsorily procure 25% of their total purchase from MSMEs.
3. **Technology Upgradation:** For access to technology, 20 technology hubs with 100 spokes in the form of tool rooms will be set up throughout the country.
4. **Ease of Doing Business:** A number of initiatives have been initiated for facilitating business for getting clearances and certifications
5. **Social Security for MSME Sector Employees:** A mission has been launched that ensures that employees have access to PM Jan Dhan Jan Accounts, Provident fund and Insurance

Budget Provisions –

- From widening the net for reduction in corporate tax for companies to strengthening of TReDS, there are initiatives proposed that will have a wide ranging impact on small businesses

These policy initiatives are clear and consistent, aimed at transforming the ecosystem for the MSME sector by influencing:

- (1) Birth(encouraging Start-Ups)
 - (2) Operations and growth by simplifying laws and regulations and facilitating their access to credit. Better technology and dynamic markets, apart from skilled labour and reliable infrastructure)
 - (3) Orderly and easy exit.
- Thus, the emerging focus of India’s MSME policy aims at covering the entire lifecycle of MSMEs to ensure a healthy, vibrant and competitive MSME sector.,
 - The vision is to increase MSMEs contribution to India’s GDP to over 50% from the current 29% for the Indian economy to scale the \$5 trillion mark. Exports contribution to be increased to 75% from the present 50 %
 - To reach the \$5 trillion economy, SMEs have to play a much bigger role, both in employment generation, in exports, in skilling people and in making the sector more formalised so that they start reaping the benefits of reforms such as GST



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