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### **SRISHTI MISHRA**

**AIR 95** CSE  
2023

### **ECONOMY**

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# GS SCORE

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प्रश्न संख्या  
(Question No.)

T-08 Eco-03

**U.P.S.C.**

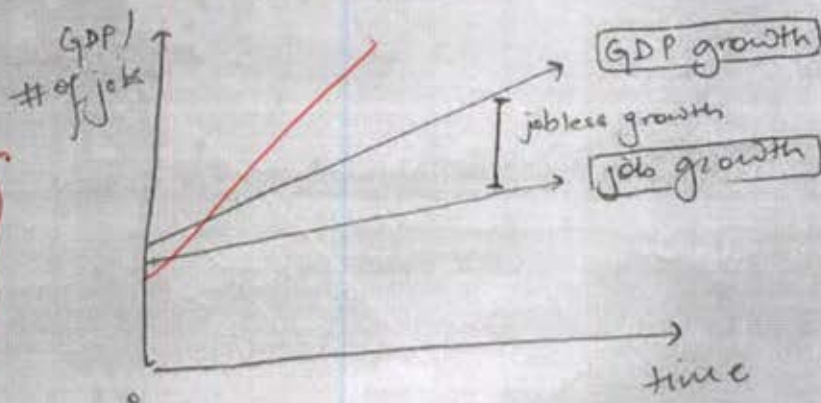
57.5

इस भाग में कुछ  
न लिखें  
(Don't write anything  
in this part)

①

Jobless growth refers to a situation in which an economy experiences economic growth, i.e. a rise in GDP rate but does not register a proportionate rise in available jobs.

This has been the case since the 1991 reforms of India :-



Reasons for Jobless Growth in India

- ① Capital intensive sectors are becoming more prevalent due to
  - a) easier credit availability to buy capital

Good Introduction

Can write few facts

Good use of graph

Other reasons like  
strict employment  
protection legislation



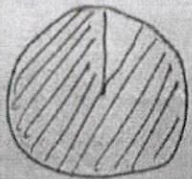
b) Foreign direct investment  
(now allowed up to 100%  
through automatic route in many  
sectors)

c) automation of various  
industries.

Valid  
point

② Rise of the middle income  
Trap. Most of the population  
is stuck in the "middle" and  
is unable to rise to high  
income jobs leading to overcrowded  
and underemployed individuals.

Relevant

③  90% of Indian jobs  
are in the unorganized  
sector and therefore do not  
get recognition.

④ Inadequate labour laws and  
insurance coverage leaves  
workers unsecured.



Can Add  
points like  
- Poor Industry  
Academia  
Language

⑤ Around 45% of India's population continues to depend directly on agriculture which is a seasonal employment - leaving people jobless during the off season.

Avoiding jobless growth after COVID

① Growth of labour-intensive manufacturing sectors

eg. textiles  
(5F scheme)

② Connecting value adding jobs with agriculture

eg. food processing (PMFME, mega food park scheme, PM Sampada Yojana).

③ Ensuring insurance coverage and security for labourers.

④ Introducing "urban MGNREGA".

The growing Indian population needs jobs to ensure stable, secure and sustainable economic growth.

Relevant  
points

6.5

Conclusion  
can be  
improved



2

Social Infrastructure refers to the community sentiments and interrelationships that are found in an economy. These have an indirect bearing on economic development :-

→ Social Capital.

You MIS interpreted

the question

Social infrastructure

includes

- Healthcare - <sup>optimizes utilization of</sup> human capital
- Education <sup>promotes innovation</sup> etc.
- Housing

① Good community bonds allow for harmonious lives - stress-free workers can then contribute more effectively to their respective jobs.

② Absence of communalism, hatred, injustice, discrimination, regionalism, etc.

③ Strong ethics allow for strong social as well as industrial norms that encourage philanthropy and activities like CSR.

④ Cultural bonds help enhance recreation and create a "happy space" for workers and their families.



## Social Sector Expenditure Trends

① India ranks 131 out of 189 countries in the HDI index.

② Social sector expenditure is lower than required :-

a) India spends ~ 2% of GDP on healthcare (it was around 2.5-3% during COVID pandemic)

b) spending on education is around 2% of GDP.

c) Extremely high out-of-pocket expenditure for citizens in healthcare : ~ 50%

③ However India spends and distributes funds well for central sector / centrally sponsored schemes for social governance

g: Jal Jeevan mission (tapwater)  
PM Awas Yojana (housing)  
MGNREGA (employment)  
NFSA, PDS (food) mid Day meals

Need to Add less more like  
• share of expenditure on social services increased to 26% in 2019-20.  
from 23.4% in 2014-15

Need to write few points on HDI



# U.P.S.C.

## way forward

- ① Increase expenditure on health and education to ≈ 6% of GDP.
- ② Involve NGOs (eg: PRATHAM) and civil society in service delivery.
- ③ Grassroots development through local bodies like Panchayats and municipalities.

3.5

Fair  
Conclusion

Social Infrastructure along with physical infrastructure and human capital ensure that economic growth brings economic development along with it.



3

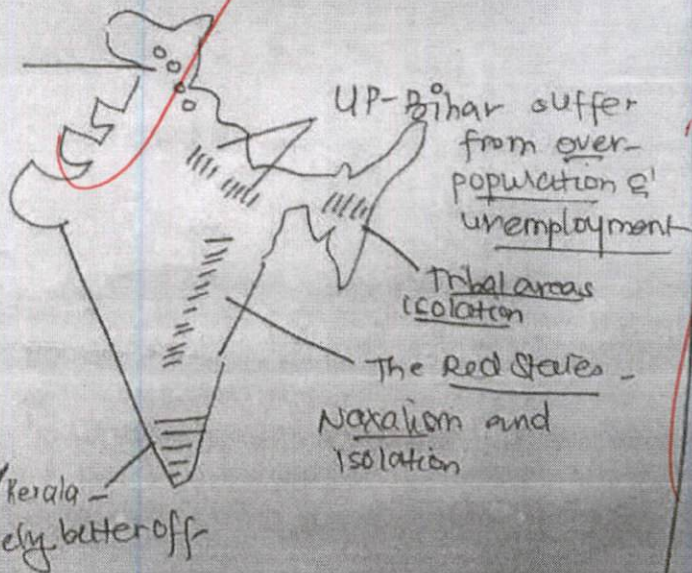
Repealed  
the  
Verbatim  
of the  
question  
rather  
start with  
definitions of  
Inequality  
not being  
equal  
especially  
in states  
rights and  
opportunities.

The World Inequality Report 2022 reported that India's top 10% population accounts for 57% of national income - a fact that highlights India's excessive inequality especially since the pandemic.

IMPLICATIONS OF INCOME INEQUALITY

① Regional inequality and patches of backward communities :-

Natural disasters plague the Himalayan States



Good use of diagram



② social strife and enmity between the 'haves' and the 'have-nots' that could express themselves in the form of communal hatred and regionalism.

give example

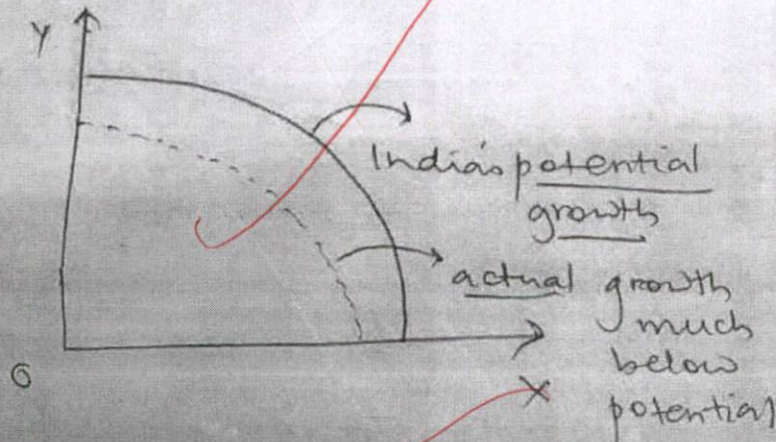
③ poverty trap and falling human development indicators

Fair point

eg:  $\frac{1}{2}$  of Indian boomers (age 19-50) are anaemic.  
 $\frac{1}{3}$  children below 5 years are stunted.

④ low human capital results in low labour productivity leading to stunted growth:-

Good use of graph



Add  
OFTEN  
Economic  
inequality  
translates  
into

⑤ Inadequate labour force leads to low economic output and recessionary symptoms which widen inequality gap

politically  
inequality.



## Narrowing the Gap

① Encouraging philanthropy / CSR activities.

eg: learn from TATA Group - creating cities for good livelihood

② Government - NGO - civil society work to redistribute income through

better targetting service delivery

eg: TPDS, Rations (ONOR)

③ Localized SDG applications, enhancing self employment opportunities.

Inequality is a silent killer (to

can bring a growing economy to the

knees. Equality and equity should

be the mantra for sustainable growth.

6

Fair  
Conclusion

Add  
• Increasing government spending on Education and health  
• Innovative steps like

Additional 0.5% tax on wealth of richest 1% over 10 years

• Promotions of entrepreneurship among SC's & ST's.



(A)

Fair  
Intro deduction

- Add  
relevant data

The rural-urban divide refers to the inequality of service delivery, institutional strength, opportunities in the 2 sectors with the rural sector being on the lacking side.

## CAUSES OF RURAL URBAN DIVIDE

① Infrastructural availability in urban

eg. hospitals, schools, banks

② Industrialization and urbanization link leads to creation of opportunities and attracts investment.

③ Greater FDI in urban areas - more technological process available.

④ Skilled workforce presence

⑤ Government focus on growing hubs - tax-free havens, subsidies, clearance, credit in urban areas

Fair  
points



## IMPLICATIONS OF RURAL-URBAN DIVIDE

- ① migration from rural to urban India → deity?
- ② feminization of agriculture as men leave for work in towns.
- ③ inequality and regional disparity →
- ④ low health/literacy indicators in rural areas, especially for women.
- ⑤ overpopulation, pollution, disease prevalence in urban areas.
- ⑥ media coverage inadequate in less influential areas - rural and tribal areas. issues go unheard.
- ⑦ low level of development and growth - stagnation in rural India.

By the 9th 5 Year Plan, the government grew completely conscious of the growing disparity and many policies are now present to bridge the gap.

Violence,  
son of  
soil theory  
promoted

back up  
with  
deity  
Need  
analysis  
with  
deity



Policies -

① Employment : ~~MGNREGA~~ - demand driven scheme

② Water Availability :- Jal Jeevan mission - complete rural households coverage by 2024.

③ Food Availability :-

- a) ICDS
- b) Aanganwadi workers + ASHA
- c) Mid Day meal scheme

④ Female Health and Hygiene

- a) pm matru Vandana Yojana
- b) ODF + cities / villages
- c) Swachh Bharat Campaign

Valid point.

Can write few suggestions

• promotion of SHG - Kudumbashree

• Co-operative system should be promoted

Rural India is now open to similar opportunities for growth, innovation & entrepreneurship as Urban India.

can use phrases like

'Sabka Saath Sabka Vikas Sabka Vishwas'

5.5

Conclusion could be better



5

Introduction  
could be better  
- stark  
with  
definitions  
of

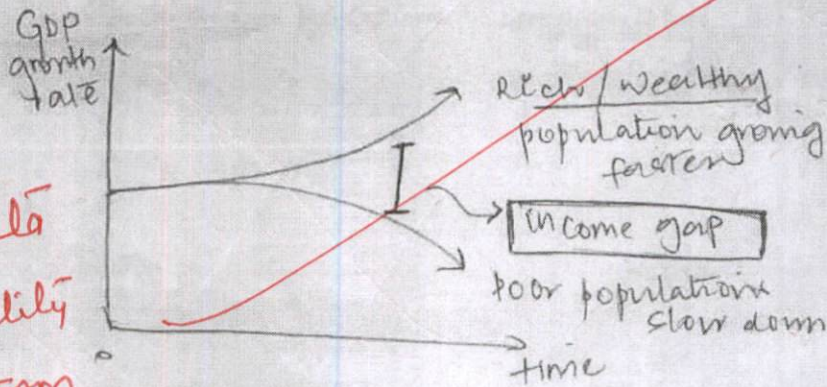
Inclusive  
growth

then delā

on inequality

by OXFAM

India has been one of the strongest countries after the global COVID-19 pandemic as it has jumped to a 7% growth rate after a large shock. Despite claims to a V-shaped economic recovery, some feel India has actually followed a K-shaped recovery :-



This is due to the absence of inclusive growth which refers to ~~the~~ growth that takes all members of society along - growth that is fair, just, equitable and well spread.



What makes inclusive growth elusive?

① Some sectors nationally grow better than others depending on global sentiments / market conditions :-

eg:- semiconductor business is growing fast due to tech demand.  
- food export opportunity due to Russia / Ukraine crisis.

Can quote

data of  
Tax & GDP ratios

② Inadequate income/wealth distribution framework (taxing system complex)

③ Corruption / illegal markets / black money allow the rich to hide their wealth.

- Rank of India in  
Corruption  
perception  
Index

④ Loopholes in laws like IBC, Judicial latency, inadequate extra-judicial corridors → Poor ranking in EoDB in enforcing contracts

⑤ Incomplete coverage of beneficiaries, leakages in direct benefit transfers, ghost beneficiaries and unethical conduct amongst service providers.



# U.P.S.C.

The Government has tried to reduce these loopholes :-

- ① One Nation One Tax - GST - simplifying inter state trade and indirect taxes.  
*Add. flagship initiative*
- ② Easing of income-tax requirements - encourage more people to file taxes regularly.  
*MEANREFA DAY - NALM*
- ③ Enhance judicial proceedings by setting time limit to resolve cases under IBC.
- ④ One Nation One Ration Card for delivery of food.
- ⑤ e-SHRAM website to help unorganised sector receive benefits.  
*PM - Awas Yojana*

6

*Pair  
Conclusion*

The government has tried to ensure inclusion, equitable growth and enhance sustainable development as part of "Antyodaya" - taking everyone along.



6

Growth and development, especially  
in economic terms, are two different  
terms :-

Can add  
few

similarities

too

quantitative

Fair

## Growth

- refers to output as indicator
- GDP, mathematical term, objective
- does not necessarily lead to development

## Development

qualitative

- refers to outcomes as indicators
- HDI, subjective, quality based.
- can help enhance growth and ensure sustainability and stability of economy.

## INDIAN ECONOMY

① Although there is 7% GDP growth rate, development indicators are lagging :-



- a) HDI :  $\frac{131}{189}$  countries
- b) distincts countries to be forestry  
stricken.
- c) low government expenditure on  
health / education / skilling.
- ② most wealth is captured and  
stored by ~~creating~~ those "on  
top" → inequality
- ③ Absence of inclusive growth.

Mention  
data

Can add  
- conditions  
of inequality

India needs structural reforms  
to ensure growth and development  
go hand in hand in all  
sectors.

## ① Rural Growth

- a) Agricultural and farm-based  
activities to diversify income  
sources
- b) employment, financial security  
eg: SHG, cooperatives (sahakar  
pragya initiative), Farmer Producer  
Organizations.
- c) Women centric entrepreneurship.



## ② Pollution free growth

a) Cars/Automobile sector  
along with Ethanol Blending  
Policy, Flex Fuels.

b) Circular Economy model

c) PanchAmit Goals  
(Glasgow Climate Summit)

Relevant

## ③ International Growth

a) Focus on export sector -  
labour intensive and  
job creating

b) Multilateral/Regional  
organizations and connectivity  
(maritime, land, etc).

6

Good  
Conclusion

India has much scope for  
SDG focussed growth. It must use  
this potential to ensure a better,  
brighter India in the Amrit Kaal.



7

Multi-dimensional poverty is

a term that moves away from the conventional poverty measurements based on nutrition and recognizes other forms of poverty like:-

- a) educational
- b) health/nutritional
- c) social (communal life)
- d) familial (one's emotional needs)

This form of measurement revealed that many people are stuck in poverty - they may not be financially/physically deprived but they cannot live with choice and dignity - as per Amartya Sen's idea of the capability approach to development.

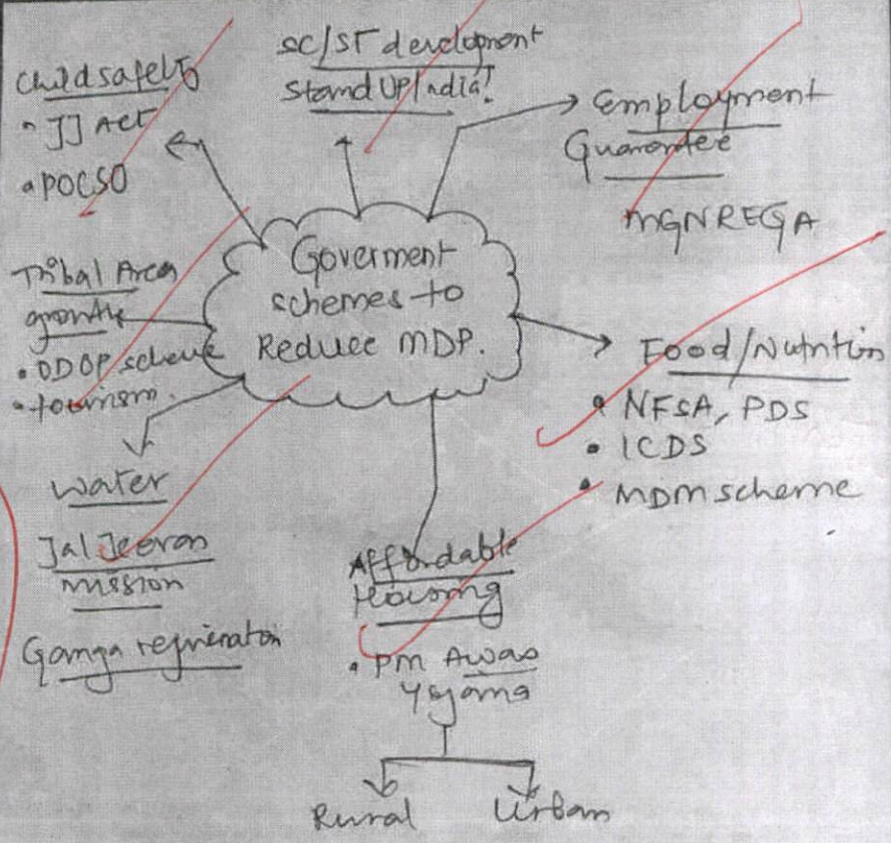
India has moved up the ladder in terms of reducing multi dimensional poverty. This has been due to various policy steps for the same.

Good  
Introduction

okay



Good presentation



## WAY FORWARD

Valid point

- Since the COVID 19 pandemic, attention has shifted to healthcare.
  - a) primary care centres
  - b) preventive care
  - c) community based sanitation and hygiene norms.
- Focus on early care in terms of nutrition and healthcare.



# U.P.S.C.

- a) Breadfeeding
- b) Aanganvadi reform and school agenda reform (National Education Policy 2020, 5+3+3+4 system)

Add  
Valid  
Community  
approach  
→  
promotion  
of

Grievance redressal, RTI, judicial strengthening and citizens charter for better service delivery.

PEOPLE'S active participation can help eradicate poverty in all forms and make India and its citizens truly Atmanubhan.

Fair  
Conclusion

6



8

Good  
Introduction

India ranks 101<sup>st</sup> in the Gender Inequality Index - a very low rank amongst developing countries. This is despite various government initiatives for the same.

Valid

- a) Beti Bachao Beti Padhao
- b) encouraging girls to take STEM subjects
- c) Vishaka Guidelines to protect women at workplace
- d) various railway schemes for safety of women
- e) ~~20%~~ 1/3<sup>rd</sup> reservation in local bodies across all society groups.
- f) Government beneficiary schemes and ownership entitlements  
eg: House loan low interest if female applicant



such initiatives have had a limited impact for the following reasons:-

① Patriarchy has remained entrenched :-

a) women, expected to leave job for family management, household work

b) women continue to be secondary income breadwinners

② Political failures

a) panchayat system

b) proxy voting

③ Economic inadequacy

a) FLFPR (labour force participation) is around 30%.

b) financial independence not fully attained because expenditure decisions are taken by the males of the household.

Can quote  
• Son me tyag  
↳ Economic Survey

Analysis of  
this needed

Add ~~para~~ like  
- Glass ceiling

↳ link it  
too  
answer



## Steps Required to Improve position

Need  
Analysis  
of this

- ① Tackling Societal Faults
- ② Working Against prejudice and stereotypes → How? →
- ③ Creating space for women in entrepreneurial arenas as well as politics (33% reservation in LS)

Write  
about  
Patriarchy  
leave  
concept

Fair  
Conclusion

Women form half the population of the country. Taking them into the fold of economic growth will help India reach its \$ 5 trillion goal much faster.

6



9  
Can start  
with  
reasons  
for  
LPG reforms

The Narasimharao government along with Mamohan Singh as Finance Minister changed the ~~entire~~ course of India's economic growth after 1991.

## 1991 Reforms

\* Consisted of

### ① Liberalization

- opening up various sectors
- reducing government interference
- doing away with red tape

### ② Privatization

- welcoming the private sector
- ~~disinvestment~~ and stock sales
- ~~reducing PSU~~ role except in strategic sectors

### ③ Globalization

- opening up to international trade
- allowing greater import and export.

Valid.



\* Rocket-growth in the service sector

- outsourcing of services by firms in developed nation like UK/USA gave semi-skilled Indians scope to grow.

- growth of MNCs, FDI led to demand for complementary services eg: banking, transport, etc.

\* stagnation in agriculture

- government sector took a step back
- but private sector was slow to pick up (though capital expenditure grew).

\* Jump from agri → service (skipping manufacturing sector) led to jobless growth that ultimately resulted in regional disparity and inequality.

\* India's economy came out of stagnation and became open to multilateral trade.

Can divide into  
• positive impacts  
• negative impacts

④



## Economic Reforms & Quality of Life

(\*) Improvement :-

- a) Job creation in some sectors
- b) greater FDI, more income

(\*) Retardation :-

- a) Excessive competition drove some companies out of the market leading to unemployment
- b) Monopolistic tendencies led to victimization of Indian labour

Economic growth was not coupled with development and although the reforms saved India from the BOP crisis, it created a new set of crises related to livelihood and people's needs.

you failed to address Impact of reforms on quality of life in India

Fair Conclusion

5



10

Fair  
Introduction

Recently, the various laws on labour and related topics were codified into 4 laws on Social Security, Occupational Management, etc.

These Codes have the potential to transform labour and economic markets :-

a) the code has made it easier for firms to hire workers based on demand and supply.

b) Social security provision has been made mandatory (company pays a part of the social security availed by worker).

c) Encouraging a laborer - hires understanding and ethical, open relationships in corporations.

d) Gig workers defined and covered

Fair.  
but can be improved  
- Can write 1-2 provisions of all the codes



However, the Codes also present some challenges:-

a) Hire and fire clause reduces security assurance of worker

b) Trends like "quiet-quitting" are left unaccounted for.

c) Unorganized workers, although given recognition have no means of availing benefits easily.

d) Reduced restrictions on company activities allow for ease of doing business but reduces a laborer's ability to redress his/her grievances

e) Gig and platform workers continue to be unaware of the benefits they may avail.

f) Lack of financial/digital and market inclusion of the poor/digitally illiterate.

Relevant



प्रश्न संख्या

(Question No.)

# U.P.S.C.

इस भाग में कुछ  
न लिखें  
(Don't write anything  
in this part)

Can write  
about few  
suggestions  
to  
improve

The Codes are an example of tremendous effort to streamline India's labour laws. But they still need work in order to bring about a system acceptable to all stakeholders - employers and employees both.

Fair  
conclusion

6