

## UPSCprep Free Daily Answer Writing Initiative

**Subject:** GS 3

**Syllabus:** Indian Economy and Agriculture

### Questions

Q1. More than 30 years have passed since the reforms of 1991. Discuss the objectives of those reforms and what are the positive outcomes of them? (250 words) 15

Q2. Public-private partnership (PPP) model of investment is a much talked about model in other sectors except agriculture. Discuss its role in various aspects of agriculture. (150 words) 10

---

### Model Structures

**Q1. More than 30 years have passed since the reforms of 1991. Discuss the objectives of those reforms and what are the positive outcomes of them? 15**

#### Model Structure

##### Introduction

- Reforms are an ongoing process which were seen in the 1970s and 1980s, but the massive reforms of 1991 were a watershed moment in the history of the Indian economy. These reforms were a change from earlier highly regulated, bureaucratically controlled and strictly licensed systems.

##### Main Body

- The reforms of 1991 were labeled as liberalization, privatization and globalization. It's **objectives** were -
  - De-licensing of items which were an exclusive domain of MSMEs by following a forward looking policy.

- Liberal norms for foreign investments which were selective in earlier times due to fear of pulling out of investments due to fed increasing rates and also impact on local businesses.
- For economic reforms to succeed, fiscal stabilization is a pre-condition. Fiscal deficit reached 8.4-8.6% and it was necessary to reduce it by restructuring expenditure and subsidies along with abolition of export subsidies.
- Tax reforms like reduction in income tax and corporate tax.
- Financial sector reforms like opening the banking sector to private players, statutory powers to SEBI etc.
- With changing global scenario and domestic needs, the reforms were significant and have given **positive impacts**
  - Better investment scenario and steadily increasing foreign investments which has eased burden on fiscal deficit and government spending to some extent.
  - Capital availability is a major factor driving industrial growth and reforms have ease flow of capital which makes it easy for industrialists to access it.
  - Better GDP growth and shedding the tag of 'Hindu rate of growth' which used to hover around 3.5%. The GDP rate was high in the late 2000s and even touched the mark of 9%.
  - Establishment of SEBI helped a lot in stock market growth which further eased investments and growth of capital market.
  - Forex reserves are at a record high and are still on the rise. This is important because the fall in forex reserves forced reforms from the government side.

## Conclusion

- Reforms are a constant which must be pursued with changing time and economic scenario. It helps bring positive changes in all sectors of economy whether agriculture, services or manufacturing.

---

**Q2. Public-private partnership (PPP) model of investment is a much talked about model in other sectors except agriculture. Discuss its role in various aspects of agriculture. 10**

## Model Structure

## Introduction

- Public-private partnership (PPP) is a collaborative arrangement involving government agencies and the private sector to **finance, build and operate big infrastructure projects**. Financing a project viz PPP not only makes it viable but also allows it to be completed before the deadline.

## Main Body

- PPP as a model of investment in agriculture has huge potential as it can help improve infrastructure, ensure capital formation, foster research etc.
- **Some aspects of agriculture where PPP can bring immense changes include-**
  - PPP in extension services to improve transportation for sustainable agriculture. The Agricultural Technology Management Agency helped commodity producing groups to partner with private companies in marketing of basmati rice in Bihar and mango in Maharashtra.
  - In research and development, it has potential because better links with private research institutes can help improve the quality of innovations. For eg- Agriculture Biotechnology Support Programme which involves Mahyco, Indian Institute of Vegetable Research, Tamil Nadu Agricultural University and University of Agricultural Sciences in development of transgenic brinjal varieties resistant to fruit and shoot borer.
  - Transfer of technology involving Bt Cotton was initiated by ICAR and the Department of Biotechnology with Monsanto. The result was increased area under cultivation and better productivity.
  - PPP in marketing also has some success stories and can be further promoted for better results. Model APMC Act encourages direct marketing and creation of partnerships with banks, logistics companies etc for cost effective financing and marketing.
  - Another success of PPP in agriculture is development of super sorghum by use of rice genome sequencing technology.

## Conclusion

# UPSCPREP.COM

Simplify your UPSC Journey

- Agriculture employs around half the population of India and will do so for the next few years. To ensure farmers are benefited and issues like agrarian distress are addressed, PPP models in agriculture are an option to be further explored.

(If you don't have enough content about application of PPP in agriculture, you can also add challenges to PPP model in agri sector)

Since you're here, you must be a very serious aspirant.

You deserve a **10%** OFF

ON ALL OUR COURSES

USE CODE **IND10**

Freedom week discount

11th Aug - 17th Aug

UPSCPREP.COM

Simplify your UPSC Journey

**Write**

**UNLIMITED**

For 2 Months

Write answers to questions of your choice - We will evaluate them for you!

Course Link: [JOIN NOW](#)