



SUBJECT:	ESSAY	Test Code:	1078
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Medium Hindi/Eng.	ENGLISH	Registration Number	D 4 0 7 6 4
Center	VISION	Date	1 3 0 9 1 0

INDEX TABLE				INSTRUCTIONS
Q. No.	Page No.	Maximum Marks	Marks Obtained	
				1. Do furnish the appropriate details in the answer sheet (viz. Name, Registration Number and Test Code). उत्तर पुस्तिका में सूचनाएं भरना आवश्यक है (नाम, प्रश्न-पत्र कोड, विद्यार्थी क्रमांक आदि)।
				2. All questions are compulsory. सभी प्रश्न अनिवार्य हैं।
				3. The number of marks carried by a question/part is indicated against it. प्रत्येक प्रश्न/भाग के अंक उसके सामने दिए गए हैं।
				4. Answers must be written in the medium authorized in the Admission Certificate, which must be stated clearly on the cover of this Question-Cum-Answer (QCA) Booklet in the space provided. No marks will be given for answers written in medium other than the authorized one. प्रश्नों के उत्तर उसी माध्यम में लिखे जाने चाहिए जिसका उल्लेख आपके प्रवेश पत्र में किया गया है और उस माध्यम का स्पष्ट उल्लेख प्रश्न-सह-उत्तर (क्यूसीए) पुस्तिका के मुख्य पृष्ठ पर अंकित निर्दिष्ट स्थान पर किया जाना चाहिए। उल्लिखित माध्यम के अतिरिक्त अन्य किसी माध्यम में लिए गए उत्तर पर कोई अंक नहीं मिलेंगे।
				5. Word limit in questions, if specified, should be adhered to. प्रश्नों में शब्द सीमा, जहाँ विनिर्दिष्ट है, का अनुसरण किया जाना चाहिए।
				6. Any page or portion of the page left blank in the Question-Cum-Answer Booklet must be clearly struck off. उत्तर पुस्तिका में खाली छोड़ा हुआ पृष्ठ या उसके अंश को स्पष्ट रूप से काटा जाना चाहिए।
Total Marks Obtained:				

EVALUATION INDICATORS

1. Alignment Competence
2. Context Competence
3. Content Competence
4. Language Competence
5. Introduction Competence
6. Structure - Presentation Competence
7. Conclusion Competence

Overall Macro Comments / feedback / suggestions on Answer Booklet:

1.

2.

3.

4.

5.

6.

All the Best

India's Experience with Federalism: Evolution, Achievements and Challenge

Bharat, a farmer, has 9 kids, namely Maha, Karna, Uttar, Asa, Aruna, Hima etc. Some are young, some are strong, some are relatively weaker, while some are angry with their father and complain about differential treatment. But still all are bound by blood and share a common vision of progress and development.

Same is the condition of India which is union of states (Article 1 of Constitution). Structure of Federalism is Sui genesis Federalism which has a slight unitary bias.

Horizontally skewed federalism

having special provision along with separate constitution for Jammu and Kashmir and special provisions and special concessions for other states like Nagaland, Arunachal Pradesh, Manipur etc. (Under several sub parts of Article 371)

Vertically Tilted federalism

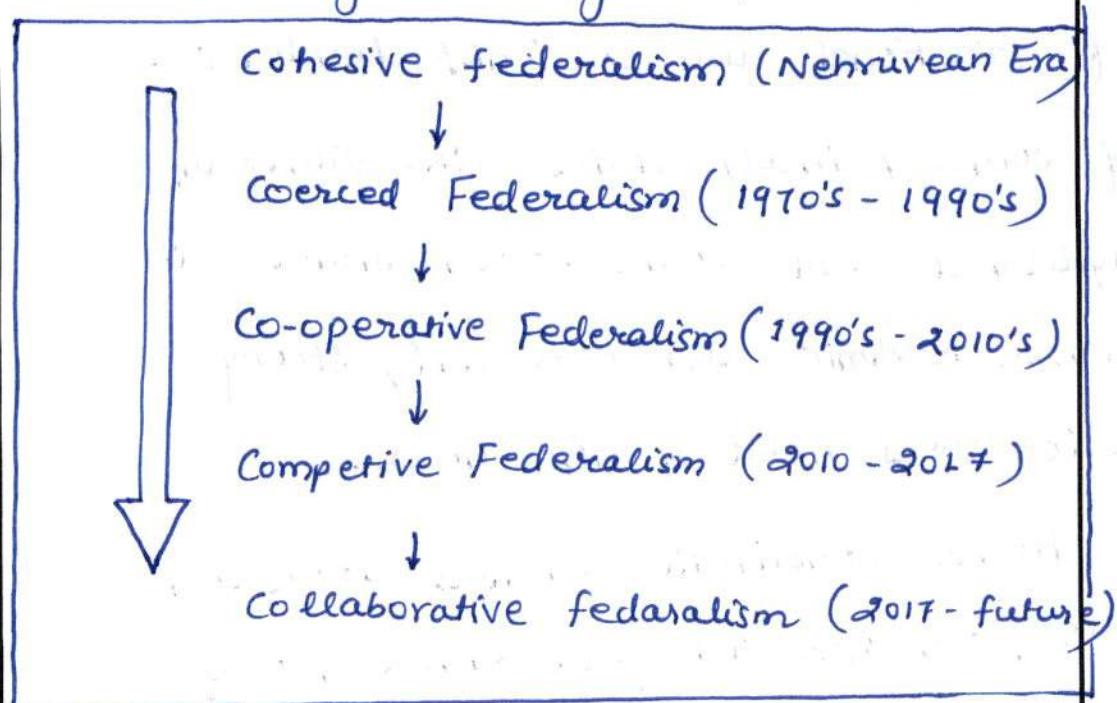
having stronger centre for ensuring unity, integrity, reduction in conflicts, required level of uniformity across 29 states.

Federalism thrives on the concept of proper DIVISION OF POWERS, which are categorically and conspicuously outlined in written constitution under Schedule 7.

India's federalism experience has been ride of ups and downs, nevertheless a beautiful and inspiring journey for other democracies adopted federalism and participative form of government.

Evolution: A Beautiful Journey

Federalism journey of India passed through broadly 5 phases:



[COHESIVE FEDERALISM] → During domination of

single party rule under leadership of Jawaharlal Nehru, centre and states were ruled by single party barring a few handful exceptions. There was marked co-ordination among centre and states driven by broad vision and single objective of development without any rift.

Since India was formed in midst of fractional and cessionist tendencies of some princely states like Junagadh, Hyderabad and some border states like Jammu Kashmir and Nagaland, strong union was need of the hour.

Hence constitution makers took some cue from 1925 Act and others from Precailing situations made federalism with tilt of power towards centre.

COERCED FEDERALISM: With end of single party domination, multiple regional and pan Indian leftist parties rose and muster enough support to form government in many states.

Article 356 was used to put President rule on ground of condition of "failure of constitutional machinery" under Article 365. States government was curbed and toppled and blatant misuse of union power did injustice to spirit of federalism.

CO-OPERATIVE FEDERALISM: Coalition party era after 1990s ushered a landslide time period for co-operative federalism.

States co-operation became imperative and not optional anymore. Cooperation was

required not just for stable polity
but for pragmatic economy after
New Economic policy of liberalization,
privatization and globalization.

A new phenomenon of co-operation
between states was seen on rise.

For infrastructure projects, land acquisition,
inviting investment through FDI,
roads and economic corridors development,
tackling pan-states crime - naxalism
Co-operation among states became necessity.

COMPETITIVE FEDERALISM: After enjoying fruits

of 1991 Economic reforms Maharashtra,
Karnataka, Tamilnadu, Gujarat etc. emerged
as powerhouses of Indian Economy.

Competition among them marks
the start of 4th phase. Now Niti Aayog

publishing multiple reports and indexes like in sectors of health, education, sanitation, ease of doing business has instilled spirit of positive competition.

COLLABORATIVE FEDERALISM: We have entered in phase where co-operation and competition is not enough but we need collaboration among union and states where all entities participate as equals and collaborate for achievement of our constitutional objectives.

These phases have some important achievements as well, which depicts the success of our federalism model.

Federalism : An Account of Achievements

Merger of princely states was smoother than expected in start because

of confidence that was instilled by 1935 Act. Patel admitted that many princely states observed the autonomy provided to states under the scheme and such spirit allayed their fears and nudged them to join free India.

Reorganisation of States shows how spirit of federalism was recognised during Nehruvian era and constitution of new states further strengthened federalism.

Special Category Status provided through Gadgil formula around 1970's shows how union balanced between stronger and relatively weaker states.

This would NOT have been possible with models adopted in Canada or USA.

Empowered States in Coalition Era
with memorable examples of states

participating even in foreign policy decision making, case in point is handling of LTTE case with help of leaders from Tamilnadu state government.

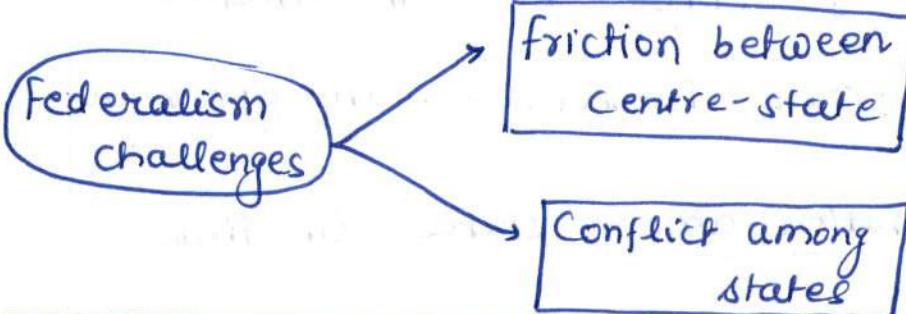
Co-operation among states in time of disasters, handling problem of naxalism, drug operations and strategically opening up the cocoon of organized crime network.

One-nation-one-tax, GST passing was a landmark watershed event on path of federalism. GST council can be used for discussion of not just taxes on goods and services but also other issues of economics providing a co-operative federalism technology.

HOWEVER, this journey has faced certain roadblocks as well.

Federalism Challenge: A Tough Nut to Crack

Challenges can be discussed under two heads:



Friction Between Centre-State

Institutional structure provided by constitution gives more power to states but further misuse of powers cause havoc over federalism.

Misuse of office of governor for reserving bills for presidential consent.

Balant misuse of Article 356 (More than 100 times since 2000 - Law Commission Report) using All India Services to hold nab over state governments are some of the examples.

Some states like Jammu and Kashmir, Nagaland etc. are in constant

fear of erosion of autonomy promised under constitution.

Although Bommai case judgement, 2006 and previously Punchi commission report and Sarkaria commission report has provided wide framework for co-operation among centre and state for strong federalism and not stronger union.

Conflict Among States:

Territorial dispute: Whose piece of land? Several territorial disputes like one over Belgaum between Karnataka and Maharashtra causes conflict.

River water disputes: My water or your water? States like Tamilnadu, Karnataka over Cauvery, Goa-Maharashtra-Karnataka over Mahadaya, Gujarat-Madhya

Pradesh-Maharashtra over Narmada water sharing are only few of many examples.

Fund devolution: Who gets the lion's share?

States fighting for special category status like Andhra Pradesh, Bihar.

Group of states to get more share under 15th finance commission

Migration: Not son of My Soil? States

Opposing inter-state migration causing issues to internal security and problem to economy at large. For example -

Mumbai (Maharashtra) opposing migration from state of U.P. and Bihar.

Formation of further new states: A slippery slope? Although formation of new states have been good but where

should we draw the line. Demand for further divisions like Hariy Pradesh, Bundelkhand by dividing UP; Dividing Karnataka to create Tulunadu etc.

What we need among the above challenges is to reduce central bias because states have become empowered and resourceful. Better institutional mechanism for resolving inter-state disputes.

GST's co-operative federalism technology and Niti Ayog should promote healthy federalism. Judiciary has already given concept of Collaborative federalism.

We need a stronger union

but not weaker states. We need consensus but not conflict. We need collaboration not dispute. We require acceleration but not friction.

Bharat should act not just as a father but a friend to his kids, decisions in the house should be taken with consensus, so that no one becomes dissatisfied. Anger of children should be addressed and EQUITABLE not EQUAL treatment should be done meaning weaker kids will need more attention of Bharat.

If Bharat can ensure bonhomie, peace and love among his kids, so can India, because removing roadblockers in path of successful federalism is not that

Export Led Growth In India :

Vision and Reality

Story of rise of Indian Ancient Civilization of Indus Valley was written by exports dominating economy. India exported essential goods, luxury items, exquisite animals and grains to Civilizations of Egypt, Mesopotamia including Bahrain, Oman, Iran etc.

Even rise of Gupta empire was marked by growth in exports to Rome and piling up of gold in India.

But in modern times India suffers with stagnation of exports.

Although multiple reports from IMF and World Economic forum has pointed

out huge export growth potential of India but we are not able to realise it.

In this piece of essay we will explore prospects and vision of export led growth, the problems and the realities along with measures that should be taken for course correction.

Export-led-Growth ; Prospects and Vision

India exports goods and services of \$ 230 billion to world while VISION OF INDIA is to increase exports to \$ 450 i.e. almost double of current figure by 2020.

India is right at middle of demographic dividend which means working population will be much

more than dependent population and this will sustain for sometime to come. Therein lies the opportunity for India and therein lies a pitfall.

India's vision is not just export-led growth but at same time labour intensive exports thus killing two birds with a single shot

India aspires to take advantage of Fourth Industrial Revolution and becoming knowledge and service, manufacturing power house of world.

Huge population of India is below poverty line, millions lack proper healthcare, education and basic infrastructure.

Export-led-growth will not only increase

size of pie but employment intensive export growth will increase more equitable distribution of pie among larger population.

How exports will lead the growth ? Exports will make our economy more active because global demand will need domestic economy to supply. More investment and export earning will establish new and more industries providing needed impetus to economy.

Economic activity will provide more employment, salary in hands of labours and employees causing more demand from domestic economy as well.

Increase in exports will increase GDP growth rate and thus GDP also.

Niti Aayog in 3-years-action plan has proposed vision for export led growth. Niti Aayog has identified Champion sectors in manufacturing like electronics, leather, textiles etc and champion sectors in services like consultancy, financial services and information technology etc.

"India needs to move towards higher value exports" - Arvind Subramanian (former chief economic advisor). High value exports will provide further impetus to growth story of India.

India's vision is to compete with middle income countries and utilize opportunity of china moving

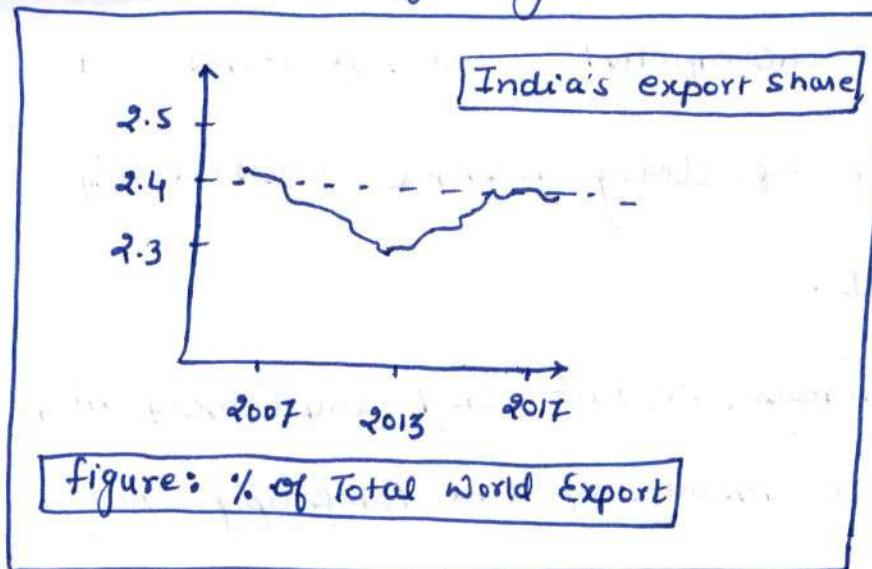
out from some labour intensive segments like shoes, textile manufacturing and occupy the vacant space along with competing knowledge economy of world like Ireland, UK and USA for space in service industry realising vision of higher value exports.

India should catchup with China's manufacturing capabilities before China catch up with our service industry capabilities.

Dreaming big is one thing but realising them is quite different. Let us analyse the ground realities and how we can convert this dream into actuality.

Export-led Growth: Problems and Reality

India's growth of exports has been quite stagnant. Economic Survey - 2017-18 paints a gloomy picture:



Recently two major shocks - demonetisation and implementation of GST has caused short term problems to export but medium and long term prospects are brighter.

While Drop in Indian rupee can increase competitiveness of economy and can uptick the export growth northwards.

Reports on progress of Make In India has been demotivating because investment both domestic due to huge overladen balance sheets of banks and international due to uncompetitive interest rates and difficulty of doing business caused dip in FDI.

Whereas recent GST implementation, passing of Insolvency and Bankruptcy code and rationalising of laws, rules and expediting business processes caused India's rise to rank 100 in Ease of Doing Business ranking by World Bank. This shows a positive sign for increase in exports.

Where failure of South Asian free Trade Agreement (SAFTA) and old FTAs

signed in disadvantage for India
are being negotiated Now, and now
we look forward to signing of Regional
Comprehensive Economic Partnership (RCEP)
with ASEAN and 6 other countries.

WTO trade facilitation Agreement
(TFA) is signed which can have both
positive and negative effect on India's
growth of exports. However, Trade facilitation
Agreement in Services (TFAS) is also in
pipeline which presents optimistic future
for service growth.

various farmer empowerment schemes,
increasing MSP, doubling farmers income,
infrastructure scheme for food processing
industry along with tackling phytosanitary

measures will give necessary edge in
agricultural exports.

India should develop both
Physical infrastructure, roads, transports,
communication and ports for competitive
logistics (India has galloped ahead
of many nations and ranked 36 in
Ease of logistics index of WB). Make
In India should be made successful
via leading to progress in merchandise
exports. Human infrastructure development
through health, education and skills
will give impetus to service exports
Digital Infrastructure with uninterrupted
and faster data/internet connectivity

will provide the base for reaping fruits of 4th Industrial revolution.

Protectionism is one of the monster which is giving nightmares to economists. India along with other countries should protect the exports

from protectionism and give a clarion call for rejuvenation of globalization.

India's gdp is approximately 2.4 billion dollars (Ranked 6th in world)

2.4% (approx) of world's export share.

India needs to take holistic reforms to address issues in all sectors i.e. Agriculture, manufacturing and services and export should also

happen from each region i.e.
hinterland states also, for which
Bharatmala project and Sagarmala
project will act as boosters.

Export-led-growth should be
complemented and supplemented
with growth-led-exports where
strength of domestic economy will
push the exports.

India should keep macro-economic
fundamentals strong and fight against
protectionism for converting the
dream of Export-led-growth and
growth-led exports into reality.

India's Experience with Federalism

Bharat
Uttar, 1935 Act.
Maha
Karna, Asha, Aranya
[Evolution] Hima

→ Horizontally skewed
→ Vertically skewed
Pseudo federalism
Cohesive
Coerced federalism

co-operative federalism
- coalition politics.

competitive federalism

- Maha, Karnataka, AP. power houses

collaborative federalism. of Indian
Economy.

Achievements

- Merger of Princely state in Brit's India
 - confidence instilled by 1935 federalism
- Constitution cements DOP in constitution and made it
- Reorganisation of States. say it (enough safeguards)

- Empower States in Coalition Era.

- West Bengal
- Tamil Nadu
- 73/74
- [Co-operation among states] → disasters, against judiciary to rescue
- crime (naxalism, drug operations and strategically)
- Passir One nation one tax. break open network of O.C.)

One nation and one consensus based federalism

Centre - State

Challenges :

- ★ Institutional structuring Governor with : Sui Genesis federalism
- Misuse of power Article 356 (more than AIF) → dark period too since 1991
- ★ State - State → group also. Whose
 - Territorial disputes : My piece of land.
 - River water disputes (make map) : My water → 3,4 examples or Your water
 - fund Devolution: Who gets the lion's share?
 - Migration: Not my sons of the soil?
 - formation of new states: a slippery slope?

canada / USA

Way forward:

- Reduce central bias because —
- Better institutional mechanism for resolving disputes.
- GST council: a technology of co-operative federalism.
- Collaborative federalism.
 - Need Stronger centre but not weaker States

father and
sons analogy



Conclusion:

Export ^{leading to} leading to growth and