Economic Survey sets out blueprint for $5 tn economy

Can the government help create jobs? (OPED)

Greying India must delay retirement

Warning issued against insulin pumps

New gene linked to schizophrenia identified

Practice cum Revision - MCQs

The Hindu News Analysis – 05th July 2019 – Shankar IAS Academy

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*C – Chennai; B – Bengaluru; D – Delhi; T – Thiruvananthapuram
Economic Survey sets out blueprint for $5 tn economy

The Economic Survey 2019

The Economic Survey 2019 presented by Chief Economic Adviser Arvind Subramanian to the Union Finance Minister and the Union Cabinet on 15th February, 2019, is known as the Economic Survey 2019. It is the 49th Economic Survey of India, and the first under the leadership of Arvind Subramanian. The Economic Survey has been a key document in India’s economic policy-making process since its inception in 1960.

Among the top

India is the second largest economy in terms of GDP. The average growth rate of India is 6.2% in the last five years. The survey’s focus is on the future of India’s economy, the challenges it faces, and the policy recommendations required to achieve economic growth.

 Fiscal doctors

Apparent in the emphasis on fiscal policy, what we

Pgs. 1, 10 - C, B, T;
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Economic Survey 2018-19:

- Economic Division, Dept of Economic Affairs,
  Ministry of Finance
- Survey of performance of the Economy
- Economic prospects of the country in the future

- It sets the blueprint for $5 trillion dollar economy
- Shifting gears towards a virtuous cycle of savings, investments and exports.
  - Virtuous cycle - positive
  - Vicious cycle - negative
- Within Investment, Private Investment is the key driver
  - drives demand
  - creates capacity

- increases labour productivity
- drives introduction of new technology
- allows creative destruction
- generate jobs

- For private investments to happen, no ‘crowding out phenomena’ should be there.
  - Crowding out phenomena
    - huge government spending
    - affects private investment

- Investment is important
  - to become $5 trillion economy
  - to grow at 8% every year

GDP growth in 2018-19: 6.8%
Projected GDP growth for 2019-20: 7%
→ To expand digital technology and JAM trinity
→ CEA:
   ↓ Central Government to sell lands of PSUs and
   ↓ to become a minority stakeholder in some PSUs
→ One of the Indian Cities – to become
   "Detroit of Electric Vehicles"
Periodic Labour Force Survey (PLFS)

* July 2017 to June 2018
* Released by Ministry of Statistics and Programme Implementation
* Measures employment and unemployment status in the country.
* Objectives:
  1. Dynamics in labour force participation & employment status (3 months) → urban areas in current weekly status
  2. Labour force estimates on key parameters in usual status and CWS → both urban and rural areas
* Unemployment rate → 6.1%
  * Highest in 45 years

⇒ Criticism:

* Not comparable with large sample surveys of the NSS
  - Sampling method not changed
  - PLFS gives quarterly data
    * How does employment vary across every quarter?
    * Better estimation
* While calculating Unemployment rate - does not take people in education into account
  - Because it reflects only the labour force
* Unemployment rate → Percentage of unemployed persons in the labour force
* But, PLFS reflects the impact of previous education

⇒ "Unemployment rate among educated is higher than those, whose educational level was lower than secondary education"

How to tackle Unemployment?

* Registering unregistered sector
  - Comply to standards → Job creation
  - Challenge → Skilling of labour
    - Portable National Programme to acquire apprenticeships
* Structural Problem:
  1. Economic activity and job creation as two separate entities
    * But they are interconnected
  2. Raising issue of unemployment → Political attack
    * Fail to correct the problems in economic policy

⇒ Expansion of Public Employment

1. Standard Multiplier effect
2. Lack in public services provided to people

<table>
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<th>Public employees per population</th>
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<td>Global → 3.5 per 100</td>
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<tr>
<td>Europe → 6 per 100</td>
</tr>
<tr>
<td>Scandinavian Countries → 8 per 100</td>
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<td>India → ≤ 2 per 100</td>
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⇒ Implementation of legislation for workers and labour laws → To protect workers

Conclusion:

* Single key Intervention
  - Filling of Vacancies in Government Sector
    - 2 million vacancies presently
    + National level apprenticeship programme
‘Greying India must delay retirement’

Survey says the elderly population is expected to nearly double from 6% in 2011 to 6% by 2041.

**Ageing India**

- Ageing society and increasing life expectancy rates, India is set to witness an increase in the elderly, based on projected figures. This phenomenon is leading to concerns about the future of the country's retirement and old age security systems.

**Indicators of Ageing Society**

- The number of elderly people over 65 years of age has been growing steadily in recent years.
- The elderly population is expected to increase significantly in the coming decades.

**Implications of Ageing Society**

- Economic and social implications of an ageing population.
- Challenges for the healthcare system and social policies.

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**Economic Survey**

- **Steady decline in India’s Total Fertility Rate**
  - 1984 → 4.5
  - 2016 → 2.3

- **TFR below replacement level fertility** in 13/22 States
  - Delhi, W.B, T.N, A.P, Telangana, Punjab, H.P
  - TFR - 1.6-1.7

- **Demographic Transition**
  - Slowing Population Growth +
  - In Share of Working Age Population
Southern States, H.P, Punjab, W.B, Maharashtra

Advanced in the Transition
* TFR below replacement level fertility
* 10% of population over age 59
* ⅓rd of population below age 20

⇒ TFR at national level for 2021-41
⇒ will continue to decline
⇒ Replacement level fertility - 1.8

⇒ Population Growth - Slow in next 2 decades
  ↓ < 1% → 2021-31
  ↓ < 0.5% → 2031-41

Result of these changes?

1. Population will age significantly
   * 0-19 year → declining
     25% → 2041
   * Elderly Population → rising steadily
     16% in 2041;
     (8.6% - 2011)

2. India’s demographic dividend will peak in 2041
   * Working age population → 59%
     (20-59 years)
   * Key role in determining size of labour force
   * and inter-state labour migration

⇒ Rise in elderly population
  ↓ Pressure on pension funding
  ↓ Rising the pensionable retirement age
  Ex:
    1. Germany, France, USA → Increased
    2. Australia, U.K. → Changed rules
    3. Germany, U.K, USA → Pre-Set timeline

⇒ Healthy life expectancy at age 60
  * Increasing for men and women
  Present → 12.9 years
Warning issued against insulin pumps

A week after the U.S. Food and Drug Administration (FDA) issued a warning about cybersecurity risks associated with some models of insulin pumps manufactured by Medtronic, India’s apex drug regulator has advised that patients and caregivers should ensure that insulin pumps are not altered or tampered with and that they are not exposed to unauthorized persons.

The FDA, US Government issued a warning against insulin pumps manufactured by Medtronic.

Insulin pumps had cybersecurity weaknesses that an unauthorized person could wirelessly connect and alter settings.

Over-delivery of insulin may lead to hypoglycemia.

If insulin delivery is stopped, high blood sugar and diabetic ketoacidosis may occur.

Diabetic ketoacidosis develops when the body cannot produce enough insulin, the body breaks "fat" as fuel, ketones are produced, and the blood becomes acid.

Human body derivatives glucose from carbohydrates.

Excess glucose is converted into glycogen by insulin.

During non-intake of food, glycogen is converted into glucose.

Insulin maintains blood glucose levels - a hormone secreted in the pancreas.

Type 1 diabetes does not produce insulin. Type 2 diabetes body does not respond to insulin.

Central Drugs Standard Control Organisation

- Central Drug Authority discharges functions under Drugs and Cosmetics Act, 1940
- Ministry of Health and Family Welfare

CDSCO:

- Approval of New Drugs
- Approval for the conduct of Clinical trials
- Prescribes drug standards
- Controls the quality of imported drugs
- Co-ordinates with State Drug Control Organisations to bring uniformity in enforcement of Drugs & Cosmetics Act.
New gene linked to schizophrenia identified

Collaborative effort between Indian and Australian team aims to shed more light on the mental illness

University of Queensland, Australia
Schizophrenia Research Foundation
identified a new gene directly linked to Schizophrenia
NAPAT 1
International Collaboration - 18 years
Individuals of Schizophrenia - more likely to have a genetic variation
Schizophrenia - Psychotic disorder
lose their touch with reality
Neurotic disorders - Eg: Anxiety disorder, Anti-social Personality disorder
Never lose touch with reality.

Part A—Preliminary Examination
Paper 1 - (200 marks)
- Current events of national and international importance.
- General Science.

Individuals with Schizophrenia
- Severe disturbances in mental modalities - (thinking, cognition and perception among others)

Core Symptoms:
- Persistent delusions
- Persistent hallucinations
- Thought disorder
- Experience of influence
Q1. The ‘Economic Survey’ is published by
   a) Central Statistics Office
   b) Department of Economic Affairs
   c) National Sample Survey Office
   d) Department of Financial Services

Q2. Consider the following statements.
   1. Total fertility rate (TFR) refers to the total number of children born or likely to be born to a woman of child-bearing age in her lifetime.
   2. TFR of 2.1 children per woman is called the Replacement-level fertility.

   Which among the above statements is/are correct?
   a) 1 only
   b) 2 only
   c) Both 1 and 2
   d) Neither 1 nor 2
Practice Question – Prelims
Q3. Which of the following hormone is produced by pancreas and regulates blood sugar levels in human body?
   a) Adrenaline
   b) Cortisol
   c) Gastrin
   d) Insulin

Practice Question – Mains
GS - III
Q. “Credible statistical data enables pragmatic policies in order to effectively tackle unemployment crisis”. In the light of the above statement, discuss the need of Periodic Labour Force Survey.

Practice Question – Prelims Answers
Q1. Option ‘b’ – Department of Economic Affairs
Q2. Option ‘c’ – Both 1 and 2
Q3. Option ‘d’ – Insulin