

## TOPIC 1

### Relevancy

- GS Prelims, GS Mains paper III
- Bharatmala project, Road construction
- Economy, Development

### Recently

- Union government has approved the Phase-1 of one of India's biggest highway development plan which is the Bharatmala project.

## What is Bharatmala?

- Bharatmala is a centrally-sponsored and funded road and highways project of the [Government of India](#).
- This is an umbrella programme which will subsume all existing highway projects including the flagship National Highways Development Project (NHDP).
- It will cross all major states and the width of roads will differ depending on the state and the traffic demand.
- According to government officials working out the details of the scheme, the total road length to be developed as expressways under this plan will be around 51,000 km (32,000 mi).
- Project is slated for completion in the next 5 years
- Special emphasis will be given on providing connectivity to far-flung rural areas including the tribal and backward areas.

### Aims of Bharatmala project

- Aim is to provide road connectivity along the borders as well as ports on coastline.
- The government has identified 44 Economic Corridors for development or improvement under Bharatmala Pariyojana.
- The total investment for this plan is estimated at ₹5.35 trillion (US\$83 billion) which is the largest outlay for a government road construction scheme.
- This project will ensure a road exists where there is currently none.
- Also it will provide connectivity to ports, interlinking with the goals of SagarMala.

### Border states to this project

- Nepal
- Bangladesh
- China

- Pakistan
- Bhutan

## Major stretches under the Bharat Mala

- Rajasthan-1000 km
- Tamil Nadu-600 km
- West Bengal-300 km
- Odisha-400 km
- Uttarakhand-300 km

## First Phase of project

- The Public Investment Board (PIB) had approved the phase-1 of the project in June this year.
- In the first phase, 29,000 km (18,000 mi) will be developed with an outlay of ₹5.5 trillion (US\$86 billion).
- It is also proposed to develop 9,000 km of Economic Corridors under this phase.

## Benefits of this project

- Bharatmala project is likely to trigger the next wave of highway development in India.
- This is also expected to boost the associated industries like cement and steel sectors and generate lakhs of jobs.
- It will also benefit the freight and logistics industry.
- Bharat Mala will provide easier access to border areas for armed forces and boost trade via the land route.
- Along with the rollout of GST, the project will further facilitate in bringing down the logistics cost and make Government's other schemes like 'Make-in-India' more competitive and attractive to investors.

## TOPIC 2

### Relevancy

- GS Mains paper II
- Xi Jinping thought, CPC Charter

### Recently

- CPC General Secretary, Xi Jinping becomes the third Chinese leader to have his name and ideology enshrined in the Constitution besides two other former Presidents: Mao Zedong and Deng Xiaoping.

## Xi Jinping Speech Background

- Communist Party of China (CPC) was founded in 1921.
- Since then only one leader, Mao, has been honoured while still alive, in his case with a political philosophy called Mao Zedong Thought.
- Deng Xiaoping's (the architect of China's economic opening) ideology also enshrines in the party charter.
- Though, Deng Xiaoping Theory, was included only after his death in 1997.
- Third one is current President Xi Jinping.
- The birth of Xi Jinping Thought confirms the rare levels of power and prestige enjoyed by him.
- It means Xi is effectively unassailable and no party worker can go against him or his ideology.
- This is about amassing power and credibility and legitimacy and authority within the system to drive through more effectively what he sees as the right path for China.

### Factors that rose Xi to this level

- Two factors explained Xi's emergence as one of the most dominant figures in modern Chinese history.
- Firstly, Xi is sort of a Chinese Machiavelli who grew up in a revolutionary family hearing tales of Mao's legendary political maneuverings which culminated into his own ambitions.

- Secondly, Xi's rise also reflects a broader consensus within the party that a strongman is needed to help China avoid a Soviet-style collapse.

## Xi's Speech

- In a speech to more than 2,200 delegates, Xi said: "Today we, more than 1.3bn Chinese people, live in jubilation and dignity. Our land ... radiates with enormous dynamism. Our Chinese civilisation shines with lasting splendour and glamour."
- "Our party shows strong, firm and vibrant leadership. Our socialist system demonstrates great strength and vitality. The Chinese people and the Chinese nation embrace brilliant prospects,"

## The ideology

- Restoring China to its greatness is a central message of Mr. Xi's philosophy.
- That goal already has guided Mr. Xi's policies of building up the military, strengthening domestic controls and raising China's profile in global affairs.
- He sees the party as the guardian of both Mao's revolutionary ideals and nationalist pride rooted in China's ancient traditions.
- He also suggests that if Mao made China independent, and Deng made it prosperous, he would make it strong again by propelling the country into its "new era":
  - Phrase "new era," has been used by him throughout the congress.
  - He has described Chinese history since 1949 as divided into two eras
  - First, the three decades after Mao seized power in a revolution that established a unified People's Republic and ended nearly a century of civil war and foreign invasions.
  - And secondly, three decades after Deng took power in 1978 and refocused China on developing its economy.

## Conclusion

- The decision solidified Mr. Xi's position as China's most powerful leader in decades.
- It has only helped in making it harder for rivals to challenge him and his policies.

## TOPIC 3

### Relevancy

- GS Prelims, GS Mains paper III
- Deen dayal Upadhaya Gram Jyoti Scheme, UDAY Scheme
- Saubhagya Scheme, Electrification of India
- Rural development

### Recently

- Pradhan Mantri Sahaj Bijli Har Ghar Yojana ('Saubhagya') has been launched recently to ensure electrification of all willing households in the country.

## Prominent schemes for rural electrification

- **Deen Dayal Upadhaya Gram Jyoti Yojana:**
  - It is one of the key initiatives of the NDA government 2014-2019.
  - It is a Government of India scheme designed to provide continuous power supply to rural India.
  - The government plans to invest ₹756 billion (US\$12 billion) for rural electrification under this scheme.
  - Its main objectives are:
    - To provide electrification to all villages
    - Feeder separation to ensure sufficient power to farmers and regular supply to other consumers
    - Improvement of Sub-transmission and distribution network to improve the quality and reliability of the supply
    - Metering to reduce the losses
- **Ujwal DISCOM Assurance Yojana (UDAY):**
  - It is a scheme for electricity distribution companies of India (DISCOMs) initiated by the Government of India.
  - It allows state governments, which own the DISCOMs, to take over 75 percent of their debt as of September 30, 2015, and pay back lenders by selling bonds which will lead to their revival.
  - DISCOMs are expected to issue bonds for the remaining 25 percent of their debt.
  - The scheme is optional for the states to join.
  - Till now 27 states/UT have joined this scheme with Mizoram being 27th state to join.

## Pradhan Mantri Sahaj Bijli Har Ghar Yojana

- The funds will be provided, largely by the central government to all the states and Union Territories.
- The scheme is in line with the Government's agenda to provide 24/7 power for all by 2019.
- The nodal agency for implementation of the scheme across the country would be the Rural Electrification Corporation Limited (REC).

## Target under the scheme

- Electrifying over 18000 unelectrified villages within 1000 days.
- It mandates the states and Union Territories to complete all household electrification by 31st of December 2018.

## Criteria and Provisions of Saubhagya

- Socio Economic Caste Census (SECC) of 2011 will be used as the basis to determine the beneficiaries for free electricity connections.
- The other un-electrified households are to pay Rs. 500 to get an electricity connection.
- Transformers, meters, wires and other such equipments will be made available at subsidized prices.
- For rural households without electricity in remote and inaccessible areas, solar power packs of 200Wp-300Wp with battery banks will be provided to be maintained for 5 years by the Government.
- It will consist of a DC power plug, DC fan and five LED lights.

## Implementation of the scheme

- Mobile application would be used for survey of households.
- It provides for on spot registration of identified beneficiaries by obtaining their application for electricity connection with identity proof and photograph.
- The Gram Panchayats or Public Institutions in rural areas are required to take care of the application process and documentation.
- They, with Panchayat Raj Institutions and Urban Local Bodies shall be authorized to distribute bills and collect revenue.

## Advantages of the Saubhagya Scheme

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- Reduced environmental degradation by ruling out the use of Kerosene for lighting purposes.
- Improved educational services.
- Improved health services.
- Improvement in communication.
- Improvement in public safety and quality of life, primarily for women.
- Increased employment opportunities.
- Increased economic activity.

### **Criticism of the scheme**

- The poor would often not be in a position to pay regular electricity bills, which in turn could result in disconnection.
- It can guarantee neither regular electricity supply nor continuation of those connections in case of non-payment.
- India's current installed power capacity also lags 7% behind the amount required to implement this scheme, leading to power shortage.

### **Conclusion**

- Certainly, Saubhagya has merits such as provision for households outside the reach of grid lines.
- However, main problem is that the policy has set a standard for itself without enough focus on its capacity to deliver results.

## TOPIC 4

### Relevancy

- GS Mains paper III
- Economy, NPAs, Recapitalisation of Banks

### Recently

- The Union government plans to infuse ₹2.11 lakh crore capital into public sector banks (PSBs) that are burdened with high non-performing assets (NPAs).

### Introduction

- The banks which are burdened by bad loans will get .Rs 1.35 lakh crore from bonds, .Rs 18,000 crore from the Budget and raise the remaining.Rs 58,000 crore through share sales.
- Global Fitch Ratings estimates India's banks will need nearly \$65 billion in bank capital by March 2019.
- The capital infusion announced by the government amounts to about half that.
- This would be funded through:
  - budgetary provisions
  - by the sale of recapitalisation bonds
  - by the banks themselves by diluting the government's equity share

### Why this Recapitalisation?

- Indiscriminate lending earlier by banks led to a high level of NPAs and these NPAs were kept under the hidden by the banks.
- Recently they have come to surface because of the Asset Quality Review conducted by the Reserve Bank of India which shows them in a bad light.
- Thus this step to recapitalize will increase the lending capacity of the banks.
- The government's capitalisation package for public sector banks will provide a strong booster dose of relief for the capital starved public sector banks.

- Also, CRISIL's assessment of capital requirement for public sector banks to meet Basel III requirements is in the range of ₹1.4-1.7 lakh crore which will be met by the government's relief package.

### **How it will strengthen the Capital market?**

- The step is important for the slowing economy as private investments remain poor affecting corporate India.
- Recapitalisation will help to lend more freely and help revive private investment which is critical for revitalising the growth momentum.
- It intends to clean up banks' books and get them to lend more, will run over the current fiscal and the next.
- It will be accompanied with further reforms to make lenders more accountable.

### **Front-loaded funding concept**

- This means maximum funding in the present year with decreasing amounts to be released in next and so on.
- According to the Government the funding pattern under current plans would be front-loaded.
- Front loading entails mobilisation of capital to the tune of about ₹2, 11,000 crore over the next two years.