ECONOMIC DEVELOPMENT

INDEX OF TOPICS

1. Nature of Indian Economy .1
2. National Income & Gross Domestic Product .15
3. Sustainable Economic Development .25
4. Agriculture and Allied Sectors .31
5. Industrial Sector .46
6. Tertiary Sector .61
7. Fiscal Policy & Revenue .68
8. Planning .83
9. Money & Banking .90

1. Nature of Indian Economy

Demographic Profile and its Economic Implications

- Economic Survey 2018-19: India's annual population growth rate was projected to decline (e.g., from 1.1% in 2011-21 to 0.8% in 2021-31).
- Economic Survey 2018-19: Service sector (excluding construction) share in India's Gross Value Added (GVA) was 54.3% in 2018-19.
- Economic Survey 2018-19: Share of employment of service sector was around 34%.
- Economic Survey 2018-19: India accounts for 18% of the world's population but uses only 6% of the world's primary energy.
- Disguised Unemployment: Marginal productivity of labour (or labourers) is zero.
- Unemployment Rate (2015-16): Based on Usual Principal Status (UPS), it was 5.0%.
- Labour Force Participation Rate (LFPR): Defined as the ratio of workforce to working age population.
- Human Capital Formation: Means the development of abilities and skills of people.
- Malthusian Population Theory: Epidemics, natural calamities, and war are known as Positive checks.
- Unemployment Measurement Approaches (NSSO): 'Usual Principal Status' (UPS), ‘Usual Subsidiary Status’ (USS), and ‘Usual Principal and Subsidiary Status’ (UPSS), Current Weekly Status (CWS), Current Daily Status (CDS). 'Current Monthly Status' is NOT used.
- Worker to Population Ratio (WPR): Defined as the percentage of employed persons in total population.
- Usual Status Unemployment: Refers to the number of persons who remained unemployed for a major part of the year.
- Unemployment Rate Trend (July-September 2019 to July-September 2022): The unemployment rate declined during this period.
- Population Theories & Propounders:
  - Optimum Population Theory: Edwin Cannan
  - Social Mal-adjustment Theory: Henry George
  - Demographic Transition Theory: Thompson
  - Population-Food Supply Relationship Theory: Malthus
- Employment Growth (2005-2010): Was relatively modest, accompanied by a lower labour force participation rate across all ages during this period (second half of the first decade of 21st century).
- Population Increase Impact: Increases the "Social overhead capital requirements" (e.g., infrastructure, education, health) of an economy.
- Unemployment Index in India: NSSO (National Sample Survey Office, now part of NSO) collects and publishes unemployment data.

Developing Economy Characteristics

1. India is characterized as a **Developing Economy** and a **Mixed Economy** (also a Lower-Middle Income Country as per World Bank classification).
2. **Characteristics of a Developing Economy:** Low per capita income, high dependency ratio, inequitable income distribution, slower national income growth, high proportion of workforce in agriculture (often with low productivity/disguised unemployment), employment problems (e.g., structural, disguised), improving capital formation, capital deficiency.
3. **Stagflation** is a situation of slow economic growth (stagnation) with high unemployment and rapid inflation (rising prices).
4. **Factors contributing to Stagflation:** High inflationary pressures (e.g., from increased government spending, cost-push), decline in industrial production, sluggish economic growth, decreased aggregate demand/consumer spending, currency appreciation reducing export competitiveness.
5. **Cost-push inflation** can lead to higher unemployment rates and reduced consumer spending.
6. **Law of Diminishing Marginal Utility:** As the amount of a good consumed increases, its marginal utility tends to diminish.
7. **Law of Demand Assumptions:** No changes in consumer taste/preferences, constant consumer income, no changes in substitute good prices. (The demonstration effect is NOT an assumption).
8. When **Total Utility (TU) is maximum**, Marginal Utility (MU) is zero. When TU is decreasing, MU is negative. When TU is increasing, MU is positive. MU and Average Utility are NOT necessarily equal when TU is maximum.
9. A **Joint-stock company** has legal existence, limited liability of shareholders, and collective ownership.
10. **Monopolistic Competition:** Many firms selling similar but differentiated products.
11. **Opportunity Cost:** The value of the next best alternative that is given up/forgone.
12. **Market Structures:**
    - **Perfect Competition:** Many producers, homogeneous products, infinite demand elasticity for individual firms, no price control, uniform price. Long-run: firms earn normal profits.
    - **Monopoly:** Only one producer selling one commodity.
    - **Monopolistic Competition:** Many producers selling differentiated products.
    - **Oligopoly:** Few producers selling similar or almost similar products.
13. **Structural Unemployment:** Mismatch in regional/occupational job vacancies and worker availability, often due to changes in demand or automation. It refers to inadequacy of productive capacity to create enough jobs.
14. Factors that **do NOT** influence quantity demanded for a good: Prices of inputs into production (these affect supply).
15. **Deflation:** Sustained decrease in the general price level.
16. An **exogenous decrease in demand** with a fully elastic supply curve leads to a decrease in equilibrium quantity and no change in price.
17. Geoffrey Kay argued that "capital created underdevelopment not because it exploited the undeveloped world, but because it did not exploit it enough."
18. The **Natural Rate of Unemployment hypothesis** was advocated by Milton Friedman.
19. The slope of a normal demand curve is **negative**.
20. A **movement along the demand curve** of a commodity is caused by a change in its own price.
21. A **shift in the demand curve** is caused by factors other than the commodity's own price (e.g., consumer income, prices of related goods, tastes, population growth). For instance, an increase in the price of a substitute good increases demand (shifts curve right).
22. **Geographical Indication (GI) tags** are typically given for agricultural products, foodstuffs, handicrafts, wines and spirit drinks, and industrial products.
23. A **Unicorn Company** is a private start-up valued at over US$1 billion.

24. According to the Economic Survey 2018-19, "Data" was presented as a **Public Good**.
25. The **7th Economic Census** commenced from Tripura.
26. **NSSO concepts of unemployment:** Usual Status Unemployment, Current Weekly Status of Unemployment, Current Daily Status of Unemployment.
27. **Economic Cycle terms:**
    - **Slowdown:** Reduction in the growth rate of the economy.
    - **Recession:** Economy is reducing in size (negative growth).
    - **Boom:** Increase in the growth rate of the economy.
    - **Meltdown:** A sudden downturn in the economy.
28. **Effects of Inflation:** Debtors gain, creditors lose; purchasing power of salaried/fixed-income persons decreases.
29. **Non-economic factors contributing to economic growth:** Human resource, corruption, social organization. (Market surplus in agriculture is an economic factor).
30. **Development Theories and Economists:**
    - **Critical Minimum Effort Hypothesis:** Leibenstein.
    - **Theory of Social Dualism:** Boeke.
    - **Low-level Equilibrium Trap:** Nelson.
    - **Theory of Technological Dualism:** Higgins.
31. **Employment Elasticity:** Percentage change in employment with a 1% point change in economic growth.
32. Ragnar Nurkse is associated with the statement "A country is poor, because it is poor" (Vicious Circle of Poverty) and the **Balanced Growth Theory**.
33. According to Schumpeter, **Development** is a discontinuous and spontaneous change in the stationary state, while **Growth** is a gradual and steady change in the long run.
34. The Indian economy has been described as 'Bullock-cart Capitalism' by Lloyd and Susanne Rudolph.
35. **CPI (Consumer Price Index) vs WPI (Wholesale Price Index):** WPI is calculated for goods only, CPI for both goods and services. WPI is published by the Office of the Economic Advisor (Ministry of Commerce and Industry), CPI by the National Statistical Office (Ministry of Statistics and Programme Implementation). WPI measures inflation in initial stages, CPI in later stages of the supply chain.
36. The author of 'The Accumulation of Capital' is Mrs. Joan Robinson.
37. **Economists and Books:**
    - Myrdal: Economic Theory and Underdeveloped Regions
    - Hirschman: The Strategy of Economic Development
    - Adam Smith: The Wealth of Nations
38. **Price Elasticity of Demand (< 1):** When a fall in price reduces total expenditure and a rise in price increases it, demand is inelastic.
39. **Marginal Rate of Substitution (MRS):** The rate at which a consumer is willing to substitute one good for another without changing the level of satisfaction (represented by an Indifference Curve).
40. **Factors affecting an individual's demand for a commodity:** Price of the commodity, income of the consumer, prices of related goods.
41. **Law of Diminishing Returns (in production):** Beyond a point, the marginal product will diminish as more units of a variable factor are used, holding fixed factors constant.
42. The **Marginal Revenue (MR) curve** of a monopoly firm is always below its Average Revenue (AR) curve. The AR and MR curves of a perfectly competitive firm are perfectly elastic.
43. **Zero price elasticity of demand** means no change in demand, whatever the change in price.
44. A **Price Ceiling** is a maximum price (e.g., Maximum Retail Price - MRP). MRP is the maximum a seller can charge, not what they must charge. Consumers can bargain below MRP. Minimum Support Price (MSP) and minimum wages are examples of price floors.
45. On a **Production Possibility Frontier (PPF)**, the economy has to sacrifice some production of one commodity to increase another, as it implies efficient resource utilization.

46. The concept of "Paradox of Thrift" was coined by John Maynard Keynes.
47. At **full employment**, the measured unemployment rate is positive (due to natural unemployment like frictional and structural), not negative.
48. On the basis of employment conditions, the economy is divided into **organized and unorganized sectors**.
49. The **'Stand-Up India Scheme'** promotes entrepreneurship amongst women, SC, and ST communities.
50. **High Frequency Indicators** of the Indian economy include Power Consumption, IIP General Index, and 10-year G-sec yield.
51. **Public Goods** are characterized by non-rivalry and non-excludability. Markets generally cannot provide the optimal amount of a good in the presence of externalities.
52. **Disguised unemployment** generally means marginal productivity of labour is zero.
53. Economic growth in a country will necessarily occur if there is **capital formation**.
54. Decreased money circulation helps in controlling inflation.
55. Despite being a high saving economy, capital formation may not result in significant output increase due to a **high capital-output ratio**.
56. Traits of **Depression**: Extremely low aggregate demand, decelerating activities, comparatively lower inflation, shrinking employment, rapidly growing unemployment.
57. The share of the service sector in India's GDP is significantly higher than 25%.
58. A **buyers' market** exists where supply is more than demand.
59. Adam Smith is considered the **Father of Economics** and author of "Wealth of Nations."
60. **Consumer equilibrium** is achieved when a consumer is able to fulfill their needs and maximize satisfaction with a given level of income.
61. According to the World Development Report, low-income economies had a per capita GNP of US $925 or less in 1994.
62. Nobel Prize in Economics for 1997 was awarded for contributions in the area of **Financial Economics**.
63. A non-economic factor in a country's growth is **Social Behavior**.
64. The principal methodology employed by the National Statistical Office (NSO) for assessing unemployment in India is the **Periodic Labour Force Survey (PLFS)**.
65. **Pareto Optimality:** A situation where no one can be made better off without making someone else worse off.
66. An **Indifference Curve** represents different combinations of two items giving equal satisfaction.
67. An **Engel's Curve** shows the optimum quantity of a commodity purchased at different levels of income.
68. **Autonomous Demand:** Demand that is not associated with the demand of another product.
69. When demand is elastic, the numerical value of elasticity of demand is **> 1**.
70. In a monopoly market, the **cross elasticity of demand** will be zero or very low due to lack of close substitutes.
71. The **Law of Supply** indicates the nature of the relationship between quantity supplied and price of a product.
72. The per unit cost of production of output at current market price is called **Nominal Price**.
73. The **Average Fixed Cost (AFC) curve** looks like a rectangular hyperbola.
74. When average production is at maximum, average variable cost will be at its **minimum**.
75. An indicator of development in the Indian Economy is an **increase in per capita real income**.
76. In a **Perfect Competitive Market**:
    - Cross price elasticity between the products of the firms is infinite.
    - Free entry and free exit ensure that the firm will make only normal profits in the long run.
    - Homogeneous and identical products ensure that firms will make only normal profits in the long run.
77. The **short-run equilibrium of a competitive firm** occurs where Price (P) = Short-run Marginal Cost (SMC), SMC must be non-decreasing, and P > Average Variable Cost (AVC) (to avoid shutdown).

78. The **G-77** was established on 15 June, **1964** in Geneva (not 1974).
79. A **monopsony** is a market situation where a single buyer substantially controls the market.
80. A growth of resources in an economy is shown by a **Rightward Shift** of the Production Possibility Curve (PPC).
81. **Primary Data** is data collected originally for an investigation.
82. Amartya Sen received the Nobel Prize in Economics in **1998**.
83. Paul Romer & William Nordhaus received the Nobel Prize in Economics in **2018**.
84. The co-existence of inflation and unemployment is called **Stagflation**.
85. The main cause of the Greece problem that emerged during June 2015 was **Economic** (sovereign debt crisis).
86. The book "The India Story" was published by former RBI Governor Bimal Jalan in July 2021.
87. **Ragnar Frisch** was the first economist to have coined the terms 'Micro Economics' and 'Macro Economics'.
88. The volume of one barrel of oil is nearly **159 litres**.
89. Uniform price is a feature of **perfect competition**.
90. Abhijit Banerjee was awarded the Nobel Prize in Economics in 2019 for his work on alleviating global poverty.
91. A **K-shaped recovery** occurs when different parts of the economy recover at vastly different rates after a recession.
92. According to Economic Survey 2021-22, strengths of the Indian Economy included strong growth, fiscal consolidation, and high forex reserves.

Dominance of Service Sector and its Unique Growth Pattern

- Service sector holds the largest share in India's GDP (approx. 57% in 2012-13, highest share presently).
- This pre-eminence of the service sector is a striking feature of India's structural economic change, contributing most to growth.
- Despite its high GDP share, the service sector's contribution to total employment is comparatively lower (approx. 28% in 2012-13), indicating a unique growth pattern.
- The Service sector consistently attracts the highest Foreign Direct Investment (FDI) equity flow in India.
- IT/BPO sector was the largest contributor to job growth in 2015 (as per Labour Bureau's 28th QES Report).

Dualism in Indian Economy (Formal vs. Informal Sector)

- Dualism in Indian Economy refers to the simultaneous existence of a modern, highly productive Formal/Organised Sector and a traditional, low-productivity Informal/ Unorganised Sector.
- Informal/Unorganised Sector:
    - Characteristics: Lack of registration, no formal employer-employee relationship, absence of social security benefits (like PF, gratuity, health insurance), low wages, job insecurity, and unregulated working conditions.
    - Transactions: Predominantly involves cash/currency transactions. (Answers MCQ 1)
    - Employment Share: Accounts for approximately 93% of India's total workforce employment. (Answers MCQ 3, 4)
    - Unemployment: Unemployment in India is largely concentrated in this sector. (Answers MCQ 2)
    - Composition: Includes a significant proportion of self-employed individuals, casual workers, and small-scale, unregistered enterprises.
- Formal/Organised Sector:
    - Characteristics: Registered with government authorities (e.g., under Factories Act, Companies Act), adheres to labour laws, provides social security benefits, offers relatively better wages, job security, and formal contracts.
    - Employment Share: Accounts for a small proportion (approx. 7-10%) of the total workforce.

- Composition: Comprises both the Public Sector (government-owned enterprises) and the Private Sector (registered corporate entities).
- Transactions: Primarily uses bank and digital transactions.
- Productivity: Despite its small employment share, it contributes significantly to GDP due to higher capital intensity and productivity per worker.

- The large size of the informal sector presents challenges related to data collection, revenue generation (taxation), social protection for workers, and overall economic formalisation.

Evolution from Planned to Market-Oriented Economy

- Economic models: simplify complex processes, represent theory (whole or part), aid understanding cause-effect, not solely expressed via equations.
- New Economic Reforms (NER) 1991 components: Macroeconomic stabilization (supply-side management), Structural Reforms (supply-side management), Fiscal adjustment (demand-side adjustment).
- Privatisation typically involves transfer of ownership/management, often implying sale of >50% government shares; selling 5% is disinvestment.
- Abid Hussain Committee (1997): Recommended abolition of reservation of items for the small-scale sector.
- Key Committees and their areas:
  - C. Rangarajan Committee (1993): Disinvestment of shares in Public Sector Enterprises.
  - Omkar Goswami Committee (1993): Industrial Sickness.
  - Raja Chelliah Committee (1991): Tax Reforms.
  - R.N. Malhotra Committee (1993): Reforms in Insurance sector.
- Economic reforms in India started in 1991 (specifically July 1991).
- Economic crisis of 1991 characteristics: Reduced foreign exchange reserves, increase in fiscal deficit, sale of gold from reserves.
- Comprehensive liberalization measures (post-July 1991, supply-side): Trade and capital flows reforms, industrial deregulation, disinvestment and Public Enterprises Reforms, financial sector reforms.
- 'Hindu Growth Rate': Term for India's low average economic growth (approx. 3.5%) during the 1950s-1980s.
- LPG (Liberalisation, Privatisation, Globalisation) model of development: Introduced in 1991 by Finance Minister Dr. Manmohan Singh.
- Important Acts/Policies and Years:
  - Special Economic Zones (SEZ) policy: 2000.
  - New Foreign Trade Policy: 2015.
  - Goods and Services Tax (GST) Act: 2017 (implementation).
  - Narasimham Committee Report (Financial Sector Reforms): 1991.
  - Insolvency and Bankruptcy Code (IBC): 2016.
  - Competition Act: 2002 (replaced MRTP Act).
- First phase of liberalization (1991) was initiated under Prime Minister P.V. Narasimha Rao.
- Economic Survey 2015-16 'Chakravyuh' of Indian economy: Movement from socialism with limited entry to marketism without exit.
- Book "From Dependence to Self Reliance": Authored by Bimal Jalan.
- Main reforms under New Economic Policy (NEP) of early 1990s: Trade liberalization, Public Sector Disinvestment, New Industrial Policy. Poverty alleviation and rapid industrialization were objectives, not direct reform measures.
- Reforms in India involve Liberalisation, Privatisation, Globalisation (LPG).
- Stabilization (NEP): Quick, short-term demand-side process to correct macroeconomic imbalances (e.g., BoP, fiscal deficit).
- Structural Adjustment (NEP): Gradual, multi-step supply-side process to improve economic efficiency and productivity.
- 'License - Permit - Quota Raj' was abolished in 1991.
- 1991 economic reform measures undertaken: Rupee devaluation, shifting gold from RBI

vaults overseas, partial convertibility of Rupee. Demonetisation was NOT undertaken as part of 1991 reforms.

- Impact of economic reforms (not correct statement): Did NOT lead to increased security of workers; rather, it often led to growth of unemployment and job insecurity.
- Economic liberalisation program includes: Removal of industrial licensing, reduction of restrictions relating to Monopolies & Restricted Trade Practices (MRTP), increase in FDI limits. Increasing import restrictions does NOT come under liberalisation.
- Post-economic reform witnessed 'jobless growth' in the organised sector.
- New economic policy approach toward monopolies: Regulate monopolies (e.g., Competition Act 2002) to promote competition, rather than simply restricting their size.
- First three decades of development planning (1950s-80s) observed 'Hindu rate of growth' (low GDP growth).
- First Generation Reforms in India (1991) were characterized by Liberalisation, Privatisation, and Globalisation.
- Disinvestment has been a main route of Privatization in NEP (1991). Main objectives of disinvestment: increase financial discipline, help in modernization, reduce fiscal deficit.
- Second-generation of Economic Reforms typically involve: Public Sector Reforms, Legal System Reforms, Reform of Government and Public Institutions. Oil-sector reforms are specific and might not always be grouped under the broad 'second-generation' umbrella in the same context.

Features of Industrial Growth and its Bottlenecks

- Key Drivers/Features of Industrial Growth:
- Fast Skill Development: Essential for enhancing labor force productivity and achieving high economic growth.
- Implementation of Stalled Projects: Crucial for removing supply-side bottlenecks and utilizing capital efficiently.
- Increasing Ease of Doing Business: Attracts investment, reduces operational friction, and fosters a competitive environment.
- Policy Reforms: E.g., GST implementation aims to streamline taxation, improve economic integration, and support business operations.
- Infrastructure Development: Adequate physical infrastructure (e.g., highways, power) is foundational.
- Right of Way: Refers to the full width of land acquired for highway alignment, critical for infrastructure projects.
- Energy Consumption: Industry is the sector that uses the maximum commercial energy in India, indicating its scale and operational needs.

- Bottlenecks/Challenges to Industrial Growth:
- Bottleneck Inflation: Occurs when the government faces difficulty controlling prices due to underlying deficiencies like supply bottlenecks and inefficient distribution systems.
- Supply Bottlenecks: Constraints in the production and supply chain (e.g., raw material shortages, logistical issues, infrastructure deficits).
- Inefficient Distribution: Poor last-mile connectivity or ineffective supply chain management leading to artificial scarcities.
- Stalled Productive Projects: Delays in completing and operationalizing projects hinder capital formation and economic output.

- Concepts of Competitiveness & Markets:
- Firm Competitiveness (Necessary Conditions): Comparable product quality with rivals, competitive pricing, and economical use of resources.
- Firm Competitiveness (Not a Necessary Condition): Guarantee of adequate returns (this is an outcome, not a prerequisite).
- Competitive Advantage (Implies): Offering lower price for the same value, or the same price for higher value.
- Competitive Advantage (Does NOT imply): Offering the same price and the same value (this is parity).
- Achieving Competitive Advantage: Matching core competencies to market opportunities.

- Market (Essential Conditions): Presence of a product (goods or service), buyers, and sellers.
- Market (Not an Essential Condition): A physical place (e.g., online markets).
- Auction: A market where the price is arrived at by a bidding process.
- Contract: A voluntary, deliberate, and binding agreement between two parties; it is NOT imposed.

Mixed Economy Framework

- A Mixed Economy signifies the co-existence of both public (state-owned) and private sectors.
- India's economy is characterized as a Mixed Economy.
- In a Capitalist Economy: productive wealth is predominantly held in private hands, economic life is organized by market principles, factors of production are owned individually, and there is generalized commodity production with market value.
- The price mechanism in a free-market economy refers to the interplay of the forces of demand and supply.
- A pure voluntary exchange between two parties results in both gaining (a win-win situation).
- A Capitalist Economy is NOT based on central planning for resource allocation; this is characteristic of socialist or command economies.
- Laissez-Faire policy implies non-interference in production, distribution, services, allowing private business to develop without government control.
- Factors of production are owned individually in a Capitalist Economy.
- Public goods are non-rivalrous and non-excludable; examples include Government Administration, National Defence, and Roads. Cars are NOT a public good.
- Reserve Bank of India (RBI) is responsible for Credit Policy (Monetary Policy).
- Raj Krishana described Indian Capitalism as "Dharmshala Capitalism".
- Lloyd and Sussane Rudolph described the Indian economy as "Bullock Cart Economy".
- A consumer co-operative store is set up by its members.

Openness of Economy and Integration with Global Markets

- World Trade Organization (WTO) was founded in 1995 as the successor to the General Agreement on Tariffs and Trade (GATT). India became a member on January 1, 1995.
- The 'Ease of Doing Business Index' is prepared and published by the World Bank Group.
- India's Ease of Doing Business (EoDB) Rank Trajectory:
    - 2014: 142nd
    - 2017 (DBR 2018, published Oct 2017): 100th among 190 countries.
    - 2018 (DBR 2019, published Oct 2018): 77th. India climbed 23 ranks from 100.
    - 2019 (DBR 2020, published Oct 2019): 63rd.
    - Key areas of improvement in EoDB include Dealing with Construction Permits, Getting Electricity, Paying Taxes, Trading Across Borders, Starting a Business, Resolving Insolvency.
    - India was among the top 25 countries on indicators like Getting Electricity and Protecting Minority Investors.
    - 'Maintenance of law and order' is not a sub-index of the EoDB.
    - During 2014-2019, while India's overall rank improved significantly, some areas like 'Registering property' might have seen less improvement or relative deterioration.
- The 'Global Competitiveness Index' (GCI) and 'Global Competitiveness Report' are published by the World Economic Forum (WEF).
    - GCI indicators include Efficiency enhancer subindex and Innovation and sophistication factors subindex.
    - Singapore ranked 1st in the IMD World Competitiveness Ranking 2019 and often tops the Global Competitive Report.
- The 'World Economic Outlook' is published by the International Monetary Fund (IMF).

- Foreign Direct Investment (FDI):
    - FDI is an important driver of economic growth, helping sustain high growth rates, increasing productivity, providing non-debt financial resources, and generating employment.
    - Under India's direct foreign investment policy, the 'automatic route' means a non-resident investor or an Indian company does not require approval from the Government of India.
    - Highest FDI equity flow during April to September 2022: Karnataka.
    - During 2014-2015, the 'Services sector' (including Financial, Banking and Insurance, Non-Financial/Business, R&D etc.) attracted the maximum FDI equity inflow, and it has consistently been a top sector over the last decade.
    - The second largest source of FDI into India in 2017–18 was Singapore (after Mauritius).
    - According to the World Investment Report 2022 of UNCTAD, India was the 7th largest recipient of FDI in 2021.
    - As per the Economic Survey 2023, FDI in India has increased compared to pre-pandemic levels, demonstrating the economy's resilience despite global challenges.
- 'Unicorn Company' definition: Any privately held startup company with a value of over $1 billion.
- Global Innovation Index (GII) 2023, published by the World Intellectual Property Organisation (WIPO): India was placed at 40th rank and has been on a rising trajectory over the period 2015-2023.
- 'Invest India' is a joint venture (not-for-profit) company and is the National Investment Promotion and Facilitation Agency of India.
- According to the Economic Survey 2016 – 17, India's aggregate inter-state trade is about 54% of GDP.
- 1991 Economic Reforms:
    - Initiated in response to a severe Balance of Payments (BoP) crisis characterized by high inflation, low foreign exchange reserves, and a large fiscal deficit.
    - Exports stepped up, and imports were liberalized to generate competition in the domestic market, bring about technological upgradation, and provide lower cost output.
    - Post-1991 reforms gave emphasis on import liberalization and export promotion, leading to enhanced global integration.
    - Key changes in the Indian Economy post-1991 reforms include increased FDI inflows, increased foreign exchange reserves, and an increased share of India's exports in world trade (while the share of agriculture in GDP decreased).
    - Consequences of Globalization in the Indian economy include New Trade and Industrial Policies, New Banking and Finance Policies, and Fiscal Reforms.
- Washington Consensus reforms (promoted in the 1990s) included: Promotion of Capitalism, Opening of economies, and Promoting Foreign Investment. The establishment of WTO (1995) was a broader outcome of globalization, not a specific reform within the original consensus.
- Reasons for decrease in oil prices generally include no shortage of oil, low demand from consumers, and global economic recession.
- South Africa joined BRIC (Brazil, Russia, India, China) in 2011 to form BRICS. The term 'BRICS' was coined by British economist Jim O'Neill.
- A 'closed economy' is an economy in which neither exports nor imports take place; it does not participate in international trade. No truly closed economy exists today, but some countries use protectionist policies. A closed economy does not necessarily grow faster.
- Association of South East Asian Nations (ASEAN):
    - Established in 1967 in Bangkok by five founder member countries: Indonesia, Malaysia, Philippines, Singapore, Thailand. Singapore is a founder member.

- ASEAN has ten members.
- India is a Strategic Partner of ASEAN.

- According to Asia's Global Start-Up Ecosystem Report released on June 14, 2022, Kerala ranked 1st position in Asia among Indian states.
- Export Preparedness Index (EPI) 2020:
  - Published by the NITI Aayog in partnership with the Institute of Competitiveness.
  - Examines the export ecosystem of Indian States and Union Territories.
  - Its four pillars are Policy, Business Ecosystem, Export Ecosystem, and Export Performance.
  - Top performing States (overall) were Gujarat, Maharashtra, Tamil Nadu. Top in 'Coastal States' category was Gujarat, 'Landlocked States' was Rajasthan, 'Himalayan States' was Uttarakhand, and 'City-States' was Delhi.
- Globalization includes: Reduction in import duties, Abolition of import licensing, and Free flow of Foreign Direct Investment. Disinvestment of Public Sector equity is a component of economic liberalization/privatization, which facilitates globalization but is not globalization itself.
- According to the New Economic Policy, Globalization is considered an instrument of growth. Globalization tends to reduce, rather than increase, the cost of transport and communication.
- 'Atmanirbhar Bharat' (Self-reliant India) policy aims to make India a bigger and more important part of the global economy.
- India replaced China as the top retail destination in 2017 (as per AT Kearney Global Retail Development Index).
- Food grains do not usually come under India's import basket now-a-days due to increased self-sufficiency.
- The basic foundation of global economic governance in the post-Second World War was laid by institutional frameworks such as the IMF, World Bank, and GATT.
- In the last decade, China and India have been increasingly recognized as two major 'economic superpowers' in the world.
- 'Country Partnership Framework' is associated with the World Bank.
- The SENSEX is related to the Bombay Stock Exchange (BSE).
- India has attained substantial self-sufficiency in most consumer goods but still depends on imports for advanced capital goods.
- India Development Forum (IDF) was earlier known as the Aid India Consortium.
- The benchmark value of gold is determined in London (by the London Bullion Market Association - LBMA).
- India had a trade balance in its favor in 1950-51, 1972-73, and 1976-77.
- The British scholar Jim O'Neill, who coined the term 'BRICS', is related to Economics.
- 'The Rise and Fall of Nations' is authored by Ruchir Sharma.
- The description "fantastically diverse... speak hundreds of languages... scores of ethnic groups... include highly industrialised economies and up-and-coming economies. They span half the surface of the earth and are home to two fifths of the world's population" refers to the Asia-Pacific Economic Cooperation (APEC).

Poverty and Income Inequality

- Poverty Estimation Committees (Chronological):
  1. P.D. Ojha Committee (1960-61): Used per capita, per month consumption expenditure based on calorie needs (2250 kcal/day).
  2. V. M. Dandekar and N. Rath (1971): First to use per capita consumption expenditure as a measure of poverty in India; established calorie norm (2250 kcal/person/day).
  3. Lakdawala Committee (1993): Recommended state-specific poverty lines based on CPI-IW (urban) and CPI-AL (rural). Final estimates for 1993-94 were around 36%.
  4. Suresh Tendulkar Committee (2009): Shifted poverty estimation from calorie-based to consumption expenditure, including health and education. Recommended poverty line: Rs. 32/day