

GS Mains Daily Answer Writing

Week 7 - Day 3

Model Structures

1. Projected as the Aadhaar card for vehicles, the FASTag electronic toll collection will boost highway development. Comment. (150 words)

Model Structure

Introduction

- FASTags are stickers that are affixed to the windscreen of vehicles and use Radio Frequency Identification (RFID) technology to enable digital, contactless payment of tolls without having to stop at toll gates.

Main Body

FASTag & Highway development

1. Efficiency and Economy: Successful implementation of the Electronic Toll Collection system on all the major national highways would help save approximately 87,000 crore INR annually.
2. Reducing Cost of delays: The average cost of delay, including the shipper's expenses, was roughly rupees 151 an hour.
3. Digitalization: With FASTag India should gradually move towards electronic toll collection, which would not only reduce congestion and queues at toll plazas but also reduce operating costs for toll operators and plug revenue leakages.
4. Environment and social benefit: FASTag will help in reduced air pollution, along with reduced use of paper. It reduced toll payment hassles, providing for better database analytics for highway management.

Challenges

1. FasTag charge is high for multi-axle vehicles – Multi-axle vehicle owners are hesitant to opt for FasTag as the toll charges for such vehicles are quite high.
2. FasTag is not hassle-free – When there is no amount in the account, no credit is given to the users, then the user has to pay in cash. Moreover, at times, the RFID scanner goes through technical issues, leaving a FasTag user in a fix to pay the toll amount in cash

3. FasTag can be stolen or lost – Since the FasTag comes in a tag form, it can easily be stolen or lost.
4. FasTag may face malfunction or damage – A user can report about the same and ask for a replacement but only through the Issuer Agency for replacement of FASTag.
5. Same lane for electronic toll collection (ETC) and very important person (VIP) – There should be a dedicated ETC lane at every toll plaza. Not having a dedicated ETC lane means the purpose of FasTag fails as it causes a delay in the journey of FasTag users. VIPs don't pay cash at toll plazas but they use lanes that are fast-moving.

Conclusion

- Through initiatives like FASTag, the government's assertion is that the revenue through toll collection is likely to swell to Rs 1 lakh crore, helping in better highway management and expansion of road network in the country through NHAI.

2. Post-Covid19 time is an opportunity to pursue the goal of a self-reliant India. In the light of the statement, discuss how India can succeed in attracting manufacturing firms and jobs from China. (250 words)

Model Structure

Introduction

- In the aftermath of the pandemic, several manufacturing companies operating from China are planning to relocate their businesses to other destinations, including India.

Main Body

- Opportunities for India
 - Supply Chain Disruptions: There is a realisation that relying heavily on China for building capacities and sourcing manufacturing goods is not an ideal business strategy due to supply chain disruptions in the country caused by Covid-19.
 - Chinese Dominance Over Essential Goods: There is a fear of Chinese dominance over the supply of essential industrial goods. This is an alarming situation for any country and its industry as this puts their independence and autonomy in peril.

- Trade War: The growing risk and uncertainty involved in operating from or dealing with China in the light of geopolitical and trade conflicts between China and other countries, particularly the U.S. has further eroded Chinese potential.
- Internal contradictions showing up in China
- Issues needed to be resolved -
 - Stringent Labor Laws: The labour laws in India are extremely complicated. e.g, Industrial Disputes Act-1947 provides that if you are a manufacturing firm with 100 workers or more, you cannot dismiss any of them under any circumstances unless you get prior approval from the government which is rarely given.
 - Inadequate Skilled Workforce: The manufacturing sector, for it to grow, requires an educated workforce with the necessary skills and training. India's skill ecosystem needs to be fixed.
 - Basic Infrastructure: Roads, connectivity and transportation are slow and costly when compared to developed nations which is a huge deterrence to Industries. An uninterrupted power supply is another challenge.
 - Small Size: Small enterprises, because of their smaller size, suffer from low productivity, preventing them from achieving economies of scale.
 - Low Spending On R&D: Currently, India spends about 0.7% of GDP on research and development, a considerably small amount when compared with other developed nations. This prevents the sector from evolving, innovating and growing.
- Way forward
 - Reforming Labor Laws: Recent four labour codes is a step in right direction.
 - Imparting Skill: The quality of teaching in schools and colleges must be improved. The high-quality vocational training must be provided within the education system.
 - Stable Power Supply: Stable, low cost and uninterrupted power are vital to promote the growth of the industries. Though the availability of Power has improved to a great extent, India must ensure this as soon as possible on the industrial level to reap the benefits of manufacturing growth.

- Reducing Logistic Cost: The logistics cost in India is estimated to be almost double of the developed countries. In India, nearly 60% of cargo travels by road. Cheap, fast and easy transportation is the basic requirement for booming industries.
- More Spending On R&D: As India is spending very less on Research & Development, it must improve (at least upto 3-4% of the GDP) its spending on it.

Conclusion

- Strong and carefully designed policy actions on the part of individual States would improve India's overall investment climate, thereby boosting investments, jobs, and economic growth.

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