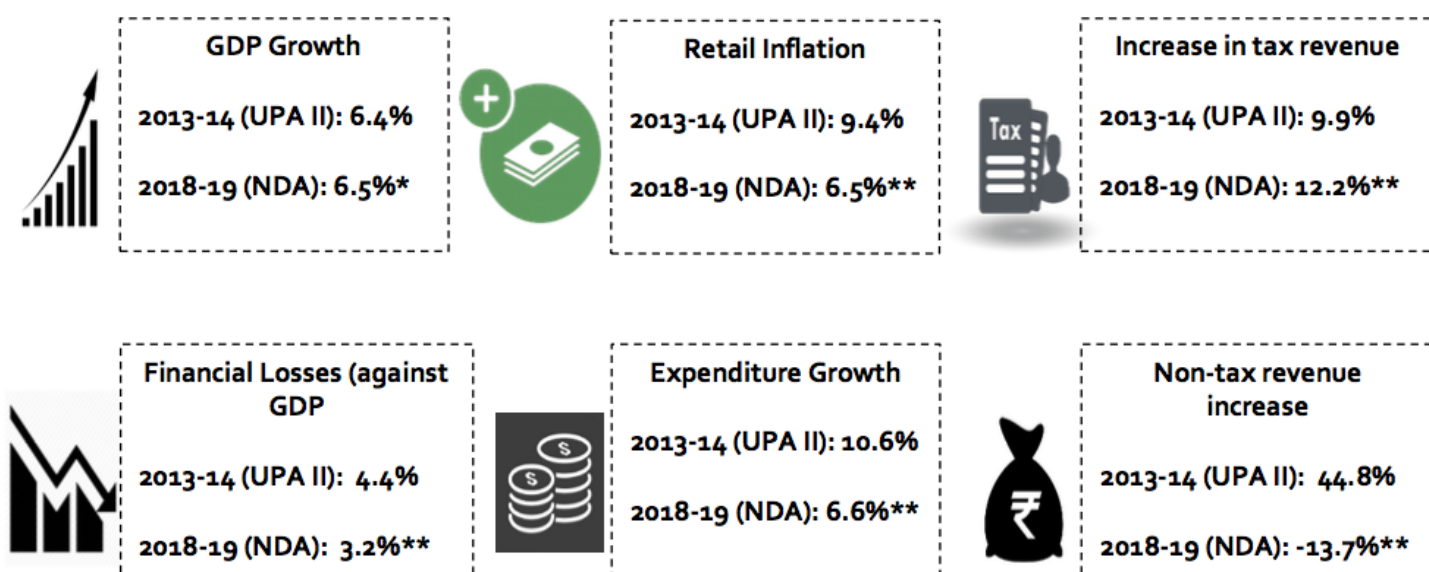


The State of Indian Economy: Progress made from 2014 to 2018

I. Indian Economy

There has been a rapid growth in the economy for the last 4 years. This change has been due to the initiatives and determination of the current government. The current government has taken numerous steps and the results are evident through the improved economic and political standard in the nation. Current Government has put its effort in enhancing the economic indicators and aim to reduce fiscal deficit by 0.2 percent of the GDP over RE 2017-18. This is substantiated by increase in expenditure of **INR 2,24,463 crores** over RE (2017-18) while simultaneously keeping the fiscal deficit at 3.3 percent of GDP



The above indicators¹ show that current government has been performing better in last 4 years. During 2013-14, the economy was facing a high inflation rate, and high fiscal deficit of **4.8 percent** of the GDP. The total expenditure in 2013-14 (budget estimates) was **INR 16,65,297 crore**, whereas, the total expenditure for 2018-19 (budget estimates) is projected to be INR 24,42,213 crore. In RE 2017-18, the total expenditure has been kept at INR. 22,17,750 crores and is more than BE 2017- 18 by INR 71,015 crores. The increase in total expenditure is mainly due to the outgoings on account of GST Compensation to States, increased outlays on some important schemes and also to meet the recommendation of 7th CPC with respect to allowances and pensions.

¹ All the figures are based on the Union Budgets 2013-14 & 2018-19, CAG, Central Statistics Office, RBI and Economic Survey 2017-18. *Accordingly to Advance Estimates of 2017-18, **According to Budget Estimate

II. Major Initiatives

a. Financial Inclusion (Pradhan Mantri Jan Dhan Yojana)

Under the Pradhan Mantri Jan Dhan Yojana (PMJDY), **33.09 crore bank accounts** have been opened since 2014. More than 79,000 crores have been deposited in these accounts and **24.16 crore Rupay cards** have been issued to beneficiaries. ² In addition to the PMJDY, the government also implemented a number of other schemes targeted at enhancing financial inclusion, such as the Pradhan Mantri Mudra Yojana (PMMY), Stand Up India, Atal Pension Yojana and Pradhan Mantri Suraksha Bima Yojana. Under the PMMY, the government has disbursed loans of **INR 5,46,122 crores** over the last three financial years (as of 23 March 2018).³

These holistic measures of the government in enhancing financial inclusion have been recognized to be extremely effective. The CRISIL Inclusix Report that measures the status of financial inclusion in India shows a score of **50.1 at the end of 2012-13** and a jump to a score of **58 by the end of 2015-16**.⁴

b. Industries and Entrepreneurship

The Startup India Mission was a flagship scheme to promote and support entrepreneurship, launched in 2015. One of the key institutional mechanisms introduced by the scheme was the Startup India Hub to handhold new ventures. In the space of less than three years, the Startup India Hub has registered more **than 30000 ventures** and mentored more than **460 for incubation** and funding support. In order to promote innovation across the country, **INR. 12 lakhs each has been disbursed to 374 tinkering labs** under the Atal Innovation Mission.⁵

Key initiatives to boost the manufacturing sector, such as the Make in India Program, were critical to manufacturing sector growth of **4.5 per cent in 2017-18 and 4.4 per cent in 2016-17**. As shown in Figure 1, the Gross Value Added (GVA) Manufacturing has been increasing considerably over the last three financial years.⁶

² PMJDY Web Portal, accessed as on July 26, 2018.

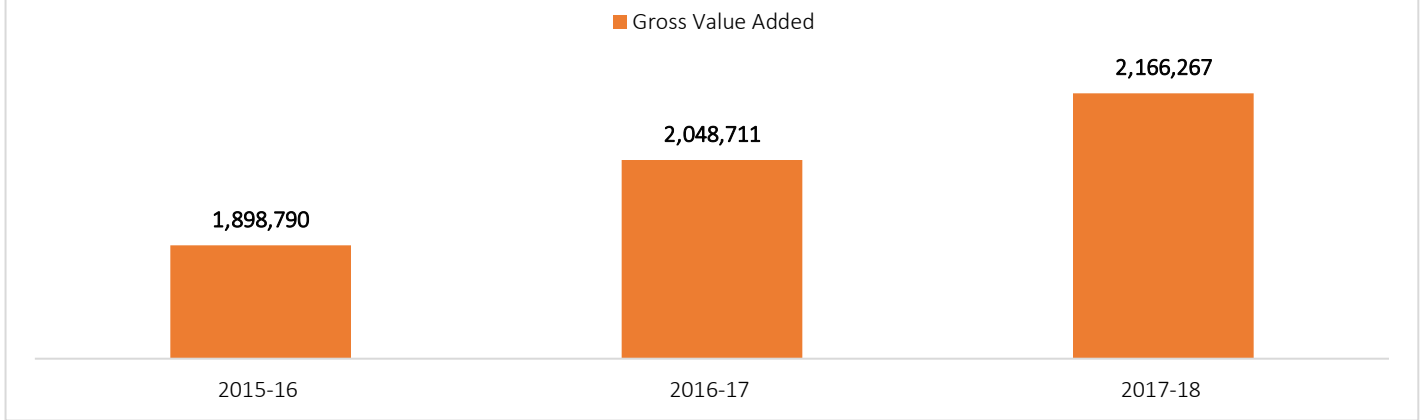
³ Lok Sabha Unstarred Question No. 6606, answered on April 6, 2018.

⁴ CRISIL Inclusix Report 2018

⁵ Lok Sabha Unstarred Question No. 2646, answered on March 12, 2018.

⁶ Lok Sabha Unstarred Question No. 699, answered on July 23, 2018.

Figure 1: GVA Manufacturing at constant prices (2011-12) in Rs crore



Source: Lok Sabha Question answered on July 23, 2018

c. Agriculture

Under the Pradhan Mantri Krishi Sinchai Yojana (PMKSY), 99 ongoing major/medium irrigation projects having potential of **76.03 lakh hectares** have been prioritized for completion up to December 2019.⁷ Within two years of its functioning, the Per Drop More Crop mission under PMKSY has reaped dividends comparable to Centrally Sponsored Scheme on Micro Irrigation (later National Mission on Micro Irrigation) started in 2005-06. The total area covered under micro-irrigation pre-PMKSY was **46.7 lakh hectares**. In two years of PMKSY, **21.65 lakh hectares have been covered under micro-irrigation.**⁸

d. Affordable Housing-Pradhan Mantri Awas Yojana

Hon'ble Prime Minister launched the flagship housing scheme 'Pradhan Mantri Gramin Awas Yojana' with the target to provide 'Housing for all by 2022'. Designed entirely for rural masses, it aimed to provide affordable houses to 4 crore people living below the poverty line. As on 9.01.2018, the government has completed the construction of 18,43,175 houses. To fulfill target of housing for All by 2022, Finance Minister in his budget speech stated that more than one crore houses will be built by 2019 in rural areas.

e. Direct Benefit Transfer and Aadhaar Linkage

While both the Direct Benefit Transfer system and Aadhaar existed prior to 2014, it was only with the advent of the NDA Government that these programs took flight. The enactment of the Aadhaar Act in 2016 and the subsequent stress on Aadhaar linkages has enabled the Government to make tremendous gains vis-à-vis the implementation of Aadhaar linked schemes. For example, savings of about INR 10,000 crore have been

⁷ Lok Sabha Unstarred Question No. 2194, answered on March 8, 2018.

⁸ Lok Sabha Starred Question No. 351, answered on March 20, 2018.

estimated from Aadhaar-linking the PDS system, and savings of over **INR 14,000 crore from the PAHAL scheme** in 2014-15 alone. Further, in Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), a saving of **INR 3,000 crore (roughly 10 percent)** from Aadhaar linkage has been estimated in 2015-16.

f. Clean India- Swachh Bharat Mission

While India is home to **17.5 per cent of the world's population**, close to **60 percent** of the number of people globally who do not have toilets and defecate in the open live in India⁴. To mitigate this situation, the government launched Swachh Bharat Mission (SBM) with two sub-missions, the Swachh Bharat Mission (Gramin) and the Swachh Bharat Mission (Urban) – in October 2014, with the vision of ensuring a 'Clean India' by October 2019. Under the SBM (G), the government has built **610.00 lakh toilets** since October 2014, **311 districts and 1,39,203 Gram Panchayats** have been declared Open Defecation Free. As per the official figures, on October 2, 2014, the coverage of IHHL in rural areas was 38.7 percent. This has now increased to 77.46 percent, which shows a rapid coverage in the process⁹.

Under the SBM (U), the government has completed the construction of **40,84,620 individual toilets, 2,34,161 constructions of community & public toilets** and declared **1724 cities ODF**. New targets of constructing 2 crore toilets have been set in the Union Budget 2018-19 by the government. The above mentioned policy initiatives have brought in a drastic change in the governance structure of the country. Thus, it is essential to appreciate the effort and support the system for better implementation of the schemes to benefits from its long term impact¹⁰.

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⁹ SBM.gov.in, accessed as on 26th July , 2018

¹⁰ <http://sbm.gov.in/sbmreport/home.aspx>, accessed as on 26/07/2018