

AIR Spotlight: Discussion on Economic Reforms Gathering Momentum

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in IAS exam preparation. This article talks about economic reforms taking place in the country in recent times.

Participants:

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- Siddharth, Economic Analyst

Big ticket reforms taken during recent times in the economic sphere:

- JAM Trinity - (Jan Dhan Accounts, aadhar card and Mobile) helped ensure targeted delivery of subsidies. It helped reduce the leakage of subsidy allocations. Know more about the JAM Trinity in the linked article.
- Insolvency and Bankruptcy Code helped resolve stuck capital by ensuring a more streamlined process for the resolution of stressed assets.
- The Goods and Services Tax system helped curtail tax on tax system observed in the previous indirect tax regime.
- Closing down of sick public sector units and privatization process including big-ticket entities such as Air India.
- Rationalization of corporate profit tax.
- Labour law reforms. Know more about the labour codes in the links.

Significance of reforms:

- Sustained economic growth over the last few years.
- Increased ease of doing business.

Challenges for the Indian economy in current times:

- Legacy issues in the financial sector.
- Economic disruption caused by the COVID-19 pandemic.
- Jobless growth pattern observed in India.
- Unequal growth patterns leading to high rates of poverty.
- Flight of capital from India in current times due to increasing interest rates in the U.S. market.
- Inflation pressures in the economy.
- Depreciation of the Indian rupee.

- Crude oil price rise.

Recommendations:

- Rationalize import substitution strategy.
- Work on increasing exports from India.
- Emphasize credit growth. This necessitates addressing the underlying issues in the financial sector.
- Strengthen social sectors of education and health to strengthen the available demographic dividend.
- Plan for faster economic growth along with more inclusive growth opportunities. Need for more employment opportunities and poverty reduction strategy.

