

General Studies-3; Indian Economy and issues relating to planning, mobilization of resources, growth, development and employment.

Economic Survey 2017-18: Highlights

1) Introduction

- The Department of Economic Affairs, Finance Ministry of India presents the Economic Survey in the parliament every year, just before the Union Budget.
- Economic Survey reviews the developments in the Indian economy over the previous 12 months.
- It is prepared under the guidance of the Chief Economic Adviser, Finance Ministry.

2) Highlights

- GDP to grow 7-7.5% in FY19; India to regain fastest growing major economy tag.
- GDP growth to be 6.75% in FY2017-18.
- Policy vigilance required next fiscal if high oil prices persist or stock prices correct sharply.
- Policy agenda for next year -- support agriculture, privatise Air India, finish bank recapitalisation.
- GST data shows 50% rise in number of indirect taxpayers.
- Demonetisation has encouraged financial savings.
- Insolvency Code being actively used to resolve NPA woes.
- Retail inflation averaged 3.3% in 2017-18, lowest in last 6 fiscals.
- Rs 20,339 cr approved for interest subvention for farmers in current fiscal.
- FDI in services sector rises 15% in 2017-18 on reforms.
- India's external sector to remain strong on likely improvement in global trade.
- Technology should be used for better enforcement of labour laws.
- Priority to social infrastructure like education, health to promote inclusive growth.
- Centre, states should enhance cooperation to deal with severe air pollution.
- Survey 2017-18 in pink colour to highlight gender issues.

3) Ten New Facts On Indian Economy

- Large increase in registered indirect and direct taxpayers
- Formal non-agricultural payroll much greater than believed
- States' prosperity is positively correlated with their international and inter-state trade
- India's firm export structure is substantially more egalitarian than in other large countries
- Clothing incentive package boosted exports of readymade garments
- Indian parents continue to have children until they get the desired number of sons
- Substantial avoidable litigation in tax arena which government action could reduce
- To re-ignite growth, raising investment is more important than raising saving
- Direct tax collections by Indian states and local governments are significantly lower than those of their counterparts in other federal countries
- Extreme weather adversely impacts agricultural yields

4) 'Feminisation' of Agri-sector

- Growing rural to urban migration by men has led to 'feminisation' of the agriculture sector.
- Provide women farmers with enhanced access to key resources such as land, water, credit, technology and training.
- Integrate women as active agents in rural transformation.
- Land holdings can be consolidated to reap the benefits of agricultural mechanisation.

5) Net Producer of knowledge

- As India emerges as one of the world's largest economies, it needs to move from a net consumer of knowledge to a net producer.
- Country has to "rekindle the excitement and purpose that would attract more young people to scientific enterprise".
- Invest in science to address climate change and new emerging threats, such as cyber warfare and autonomous military systems.

6) Hygiene and Sanitation

- The quality of hygiene and sanitation had a significant impact on improving the health outcomes.
- The Swachh Bharat Mission has increased the sanitation coverage in rural India from 39% in 2014 to 76% in January 2018.
- Eight States and two Union Territories have been declared Open Defecation Free (ODF).
- According to UNICEF report, a household in an ODF village saves up to Rs. 50,000 every year.

7) Towards Gender Equality

- While India has made notable progress in women development, the preference for son is resulting to a skewed sex ratio.
- The north-eastern States are showing the way to the rest of the country when it comes to gender equality.
- Nation must confront the societal preference for male offspring.
- Beti Bachao, Beti Padhao, Sukanya Samridhi Yojana and mandatory maternity leave are steps in the right direction.
- Need for stronger commitment on the gender front just like how the government is committed towards Ease of Doing Business.

8) Pendency of Cases

- Both the government and the courts should come together to find a solution to address the large pendency of cases.
- Expanding judicial capacity in lower courts to reduce the burden in higher judiciary.
- Increasing state expenditure on the judiciary, especially on modernisation and digitisation.
- Prioritising stayed cases and imposing stricter timelines.
- Creation of subject specific Benches in High Court just like Supreme Court.

9) Delhi's Air Pollution

- **The Survey blames four factors for rising pollution in the National Capital Region:**
 - a. Crop residue and biomass burning.
 - b. Vehicular emissions.
 - c. Redistributed road dust from industries and power plants.
 - d. Winter temperature inversion due to lack of humidity and absence of wind.
- It has suggested short-, medium- and long-term solutions to combat air pollution.
- Levying fines, improving public transport, using technologies such as Happy Seeder machines and satellite mapping.