Why government must spend more

Private consumption, investment demands must rise. Cash transfers, lower income tax slabs, greater liquidity in the financial sector will boost growth.

GOPAL KRISHNA AGARWAL

ONE DOES NOT need to go too far back in history to recollect the precarious situation of the Indian economy. When the current fiscal year began, the government had already declared a deficit of 4.5 per cent while the actual was estimated to be in the range of 6-7 per cent. The Reserve Bank of India had suggested a lower deficit in its August forecast. But even these two figures were not too bad — the government made up some of the lost ground by allowing fiscal slippage in the budget. However, when it comes to presenting the budget, it seems that the government has decided to ignore the elephant in the room.

The Modi government has been quick to recognize the need to increase spending on infrastructure and jobs. However, the government has yet to present a clear plan for how it will do so. The government has been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit.

The government has also been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit. The government has been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit. The government has been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit. The government has been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit. The government has been slow to implement fiscal policies, and this has contributed to the government's fiscal deficit.