

## **61. Feeling good, continuously**

**By Gopal Krishna Agarwal,**

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Recently India has embarked on a growth path unprecedented in the past. There is criticism from some quarters about its benefits being concentrated to small groups. But this 'feel good' factor has been attributed to the policies of the present BJP-led NDA government. The main contribution comes from good governance, a clear foreign policy, the economic reform process moving in the right direction and infrastructure development. This has led to wide economic activities, creating a push in demand and development in the manufacturing and services sector. It is reflected in the stock market boom. The world looks towards a resurgent and confident India.

The main task before the government now is to build on this confidence by furthering infrastructure development and implementing policies so that this growth continues further. The emphasis must be on wider distribution of its benefits. If a section of society cannot directly benefit from this growth, they must be provided support in the form of social security measures. Roopa Purshottam, coauthor of the much talked about BRIC report of Goldman Sachs, argued that to realise its true potential, India requires a lot of investment in sectors yet in the nascent cycle, like

Power, defense, telecom, oil and natural gas exploration. The banking sector also calls for attention and the credit cycle should go forward. There should be a focus on sectors but that are consumer-interest intensive. Positive forecasts will not preclude good if labor reforms are not. Introduced. Anne Kreuger, first deputy managing director of International Monetary Fund (IMF), has said that while fiscal imbalance was not the only impediment to growth, its reduction was important to encourage growth and reduce poverty in developing countries.

Joseph Stiglitz advocates the need to scrutinise the term globalisation. Opening up countries to more trade is good; opening them to unbridled capital flows is bad. Tariffs must be reduced and developed countries should open their markets to developing countries. Inefficient public enterprises must be privatised, not efficient ones.

Privatisation isn't about raising revenues for government but about increasing productivity in the economy. Care must be taken not to replace public monopoly with private monopolies.

The 10th Planning Commission document warned that the infra-structure won't be able to provide jobs for new entrants or clear the backlog. Fifty four per cent of the India's population is under the age of 25 a majority have no inclination to work in the agriculture sector.

Two sectors the government is focusing on, and which have potential to sustain growth and its proper distribution, are agriculture and small scale industries. The agricultural sector requires the following and allowing leasing of agricultural land; developing cottage industry to promote the village economy and stop the flow of rural population to the cities improving water management organizing private markets providing better storage and warehousing facilities, improving the rural road network; implementing crop insurance facilities; providing improved seeds to farmers, establishing research centres in agriculture technologies and disseminating knowledge to farmers, giving credit facilities at low interest educating the farmer in patenting and intellectual property rights and promoting organic farming.

In the small-scale sector the proposed reforms are: Providing guidance vis a vis the induction process for the entrepreneur, conducting market survey reports for small industries; setting up laboratories for the analysis of raw material; branding the product; creating a cell in the government for legal assistance; framing taxation policies giving concessions for masteries ployment generation; requesting equires RBI to earmark funds for SSIs; Imple- providing an exit policy, preventing reserved items from being ille Leasing gally produced by big industries; lopin preventing industries from going to the to BIFR without clearing SSIs dues; making provisions for revival of SSIs under RBI guidelines; monitoring banks for credit delivery and financing.

Some steps are also required in the capital market. The sensx has become the barometer of economic progress. The current Covid- volatility must be curbed. The rally hous is being fuelled by FII money. rural Some estabilising fund is required in case of a sudden exit of FIIs.

With all the macro economic factors pointing towards a robust mural Indian economy, we hope to build on the current confidence and make it a global superpower by the du- year 2020.