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India's Development Over the Last Decade

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INDIA'S DEVELOPMENT OVER THE LAST DECADE

Any discourse on development is conditional on the indicator used to measure it. In 2023, the last decade is the period since 2013, which largely overlaps with the Narendra Modi government, in office since 2014. India follows the fiscal year system, not the calendar year. From 2013-14 to 2022-23, the average growth in real national income has been around 5.7%. 2019-20 and 2020-21 were affected by Covid and lockdown, with negative real growth in 2020-21. As with much of the world, two years were knocked off the development trajectory. Within that average, there was 8% plus growth in 2015-16 and 2016-17, 7.5% plus growth in 2014-15 and 9.4% growth in 2021-22, associated with recovery from Covid.[3] If the Covid years are excluded, real growth was just short of 7% and if the Covid years are included, growth was short of 6%. An aspirational rate of growth is naturally higher, such as that 8% plus in 2015-16 and 2016-17. In passing, the exponential effects of growth are often inadequately appreciated. For instance, the oft-cited BRICS report of Goldman Sachs projected an annual real average growth of no more than 5.5% for India.[4] Masked in this overall ten-year trajectory, there is a growth deceleration that set in, around 2008. This paper will not probe the reasons for that.[5] Suffice to say there is no evidence of any structural problems, as opposed to cyclical deceleration.

Such growth rates translate into an aggregate size of the economy. For purposes of cross-country comparisons, a common numeraire, such as the US dollar, is used, with either the official exchange rate, or the PPP (purchasing power parity) exchange rate. Since non-tradeables are relatively cheaper in India, a PPP conversion improves India's relative performance. Using official exchange rates, India's GDP was just short of 1 trillion US dollars in 2013 and increased to 1.5 trillion US dollars in 2021, the last year for which such World Bank data are available. These are constant dollar figures, not current ones.[6] PPP figures show a similar trend of increase. In current US dollars, in 2021, GDP was 3.18 trillion US dollars. Before Covid set in, an aspirational GDP target of 5 trillion US dollars was set for 2024-25. This was a nominal GDP target and as Economic Survey of the time pointed out, requires assumptions about inflation, the exchange rate and real growth.[7] Survey estimated the required real rate of growth to be 8%. Despite Covid having knocked back the 5 trillion target by at least two years, something like 8% still remain aspirational. Having celebrated the 75th year of Independence, India is now in the midst of 'Amrit Kaal', which means setting out the template for the next

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[3] The fiscal year system is from 1st April to 31st March of the succeeding year. Since the numbers are meant to be indicative and nothing beyond that, 5.7% is a straightforward arithmetic average from *Economic Survey*. The compound average will naturally be lower.

[4] *Dreaming With BRICs: The Path to 2050*, Dominic Wilson and Roopa Purushothaman, Global Economics Paper No: 99, 1st October 2003.

[5] See, for instance, "Moving India to a New Growth Trajectory," Rakesh Mohan, in *Grasping Greatness, Making India a Leading Power*, edited by Ashley J. Tellis, Bibek Debroy and C. Raja Mohan, Penguin Random House, 2022 and "Is India's Long-Term Trend Growth Declining?" Ila Patnaik and Madhavi Pundit, *ADB Economics Working Paper Series*, No. 424, December 2014.

[6] https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=IN The constant is defined in terms of 2015 prices.

[7] *Economic Survey 2018-19*, Vol.1, Department of Economic Affairs, Ministry of Finance.

twenty-five years, the celebration of the 100th year of Independence. Post-Covid, there haven't been too many projections for the size of the economy in 2047. Pre-Covid, estimations vary widely, depending on whether PPP is used or not, the base for the constant price assumption and expected real growth.[8] As development proceeds, growth rates are bound to slow. The growth rate for 2040-s will be lower than the growth rate for 2030-s and the growth rate for 2030-s will be lower than the growth rate for 2020-s. With reasonable growth assumptions, not excessively optimistic, the aggregate size of the Indian economy should be around 20 trillion US dollars in 2047, in constant 2023 dollars. This will make India the third largest economy in the world, after the USA and China. With a PPP ranking, India will be the second largest economy in the world, after China.[9] Size does matter. For instance, if one looks at historical national income series constructed by Angus Maddison and others who followed him, depending on the century, the difference between India and the West becomes stark not because of per capita income, but because of the aggregate size of the economy.[10]

In 1991, significant economic reforms were introduced in India. And normative judgements are passed, depending on whether the incumbent government has stuck to the expected path of reforms, or has deviated. There are many books, monographs, academic papers and media articles on reforms, understandably more since 1991. The earliest such book, with "reform" in the title, is probably one titled, "Reform and Progress in India". The sub-title reveals the vintage - "A Few Thoughts on Administrative and Other Questions Connected with the Country and People". It was authored by an anonymous "Optimist" and was published in 1885.[11] The point being that there is a subjective value judgement in using the expression "reform". Most people will argue that there is a reasonable degree of consensus on what are reforms – agriculture, industry, services, infrastructure, labour, land, dispute resolution, financial markets, taxation, public sector enterprises, subsidies and so on. While that's true, what is perceived as reforms under each of these heads, might not have been perceived as reforms in the 1960-s, again highlighting the subjective value judgement. A recent book lists 69 "reforms" since 1991.[12] Broadly, reforms are about competition and choice, driving efficiency and productivity growth. They are about reducing the malign influence of government. To that extent, they are about small government. But reforms are also about increasing the benign presence of government, in areas where the government did not exist earlier. To that extent, as long as the expression is not misunderstood, reforms are also about big government. In passing, the number of people

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[8] See, for example, the summary in "Grasping Greatness: Making India a Leading Power," Ashley J. Tellis, in *Grasping Greatness, Making India a Leading Power*, edited by Ashley J. Tellis, Bibek Debroy and C. Raja Mohan, Penguin Random House, 2022.

[9] A recent SBI report argued, "The share of India's GDP is now at 3.5%, as against 2.6% in 2014 and is likely to cross 4% in 2027, the current share of Germany in global GDP! The path taken by India since 2014 reveals India is likely to get the tag of 3rd largest economy in 2029." This is in non-PPP terms. https://sbi.co.in/documents/13958/25272736/030922-Ecowrap_20220903.pdf/38b26ae3-77b6-54a3-b5b2-ed96d9390ff4?t=1662207595493

[10] In 1600, India's per capita income was estimated at 550 dollars (in 1990 dollars) and Britain's at 974. India's GDP was estimated at 74 billion US dollars and Britain's at 6. *The World Economy, A Millennial Perspective*, Angus Maddison, Development Centre, OECD, 2001, https://theunbrokenwindow.com/Development/MADDISON%20The%20World%20Economy--A%20Millennial.pdf

[11] *Reform and Progress in India - A Few Thoughts on Administrative and Other Questions Connected with the Country and People*, An Optimist, W.H. Allen and Company, 1885.

[12] *Reform Nation*, *From the Constraints of P.V. Narasimha Rao to the Convictions of Narendra Modi*, Gautam Chikermane, Harper Collins, India, 2022.

employed by government is not inordinately large. 3.13 million people are employed by Union government and 861,000 by Central public sector enterprises. These numbers have declined down the years. Even if one adds State and local government, total employment in government will be around 20 million.

The aggregate size of the economy is one thing, per capita income is another. In 1991, when large-scale reforms were introduced, the per capita income was 304 US dollars. In 2013, it was 1,438 US dollars. In 2021, it was 2,257 US dollars.[13] Extrapolated to 2047, with reasonably conservative growth assumptions, the per capita income should touch 10,000 US dollars. In terms of the present World Bank classification of countries, India was lower-middle income in 2013 and 2021, but will move to higher-middle income in 2047. Unless growth rates pick up, or the rupee appreciates against the US dollars, in 2047, India will still fall short of the high income threshold, a rough indicator of when a country can be called "developed". The last Census was in 2011. The 2021 Census had to be postponed because of Covid. Hence, all current numbers are projections based on the 2011 Census. The Technical Group estimated a population of 1.24 billion in 2013 and 1.39 billion in 2023.[14] In 2023, India is expected to overtake China and become the most populous country and it will be a while before India's population tapers off around 2060. But there are two points to note. First, the annual rate of population growth has declined sharply in the last ten years. It was 1.36% in 2013 and is estimated at 0.86% in 2023.[15] Second, the share of the old (60 years and more) in total population will increase. The afore-mentioned Technical Group estimates an increase in total population from 8.4% to 14.9%. Understandably, there are variations in demographic transition across States, with Kerala an obvious example of a State greying fast. To use the standard expression, this phenomenon of a country growing old before it grows rich, raises a range of issues, funding of social security is not the only one.

Why has the rate of population growth slowed? The answer can never be uni-causal, but one factor has been reduction in poverty. Poverty numbers require definition of a poverty line and data to compute the percentage of population below the poverty line, the head count ratio or poverty ratio. While the notion of the poverty line has evolved in India over time, the current official poverty line remains that defined by the Suresh Tendulkar Expert Group. India does not officially collect data on income distributions. Official data are limited to data on distribution of consumption expenditure, as collected by NSSO (National Sample Survey Organization). But the last year for which such data are available is 2011-12.[16] Poverty ratios vary from State to State and between rural and urban India. Without getting into those details, at an all-India level, the poverty ratio was 21.9% in 2011-12.[17] In the absence of data after 2011-12, different people have used various assumptions to compute the current level of poverty. One such option is to use PLFS (periodic labour force survey), which asks questions on

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[13] https://data.worldbank.org/indicator/NY.GDP.PCAP.CD?locations=IN. These are World Bank figures, based on official exchange rates.

[14] *Report of the Technical Group on Population Projections, Population Projections for India and States, 2011 – 2036*, National Commission on Population, July 2020.

[15] https://worldpopulationreview.com/countries/india-population

[16] A new survey was started in July 2022 and the results should be available at the end of 2023.

[17] https://pib.gov.in/newsite/erelcontent.aspx?relid=97365#:~:text=The%20percentage%20of%20persons%20below,the%20country%20as%20a%20whole.

consumption similar to those asked in regular consumption expenditure survey. In 2020-21, using PLFS data, the all-India poverty ratio was 17.9%.[18] Over a span of ten years, there can be no dispute that poverty has declined. It can legitimately be argued that the decline should have been more. That it hasn't been more is because of growth deceleration and reduced employment elasticity of growth. There are various ways to estimate employment elasticity, the most obvious one being NSSO surveys. In the 1970-s, the employment elasticity of growth used to be roughly 0.5%.[19] It dropped to 0.4% in the 1980s and to 0.2% in 2011-12. Why has the employment elasticity of growth declined? In part, the answer lies in the sectoral composition of growth. Manufacturing has never been as employment intensive as mining and quarrying and modern technology-intensive manufacturing is fairly capital intensive. In part, the explanation lies in contractual employment being inadequately captured and measured. To the extent labour and capital are substitutes, labour market rigidities have often been flagged as a disincentive towards hiring labour. But those labour marker rigidities have not hardened in the last ten years. Indeed, as we shall see, they have been liberalized, not only in the last ten years, but since 1991. Instead, a better answer is the relative price of labour, compared to the relative price of capital. With the relative price of capital having declined, there has been an incentive to use more of capital.

It has often been argued that head count ratios based on consumption or income poverty constitute a narrow definition of poverty and poverty is inherently multi-dimensional in nature. Accordingly, in cooperation with Oxford Poverty and Human Development Initiative, UNDP has begun to use a multi-dimensional poverty index (MDPI), based on three dimensions of poverty – health, education and standard of living. The 2022 version of the MDPI report has three time-periods for India – 2005-06, 2015-16 and 2019-21.[20] 415 million people exited poverty between 2005-06 and 2019-21. Of these, 140 million exited poverty between 2015-16 and 2019-21. With this definition, poverty was 55.1% in 2005-06, 27.7% in 2015-16 and 16.4% in 2019-21. 16.4% is not far away from the PLFS-estimated 17.9%, suggesting that, within a range, poverty numbers are not that sensitive to alternative definitions. Just as MDPI poverty declined, since the development metrics are inherently similar, it shouldn't be surprising that India's human development index (HDI) has improved from 0.607 in 2013 to 0.633 in 2021.[21] Mention has already been made of per capita income growth. This is the right place to mention inequality, on which, there are often assertions unsubstantiated by facts. Inequality has many aspects, including one that is spatial and geographical. However, when assertions are made about inequality, people typically mean personal distributions of income or consumption expenditure. As has been mentioned earlier, on that, no data are available after 2011-12. If PLFS data for 2020-21 are used, as was done for computing head count ratios, the aggregate Gini coefficient actually shows a decline between 2011-12 and 2020-21.[22] Theoretically, as well

[18] Details are available in "Poverty in India: Data for 2020-21 shows a decline over the decade," Bibek Debroy, Sarvanand Barnwal and Aditya Sinha, *Mint*, 24 June 2022.
[19] "Estimating Employment Elasticity of Growth for the Indian Economy," Sangita Misra and Anoop K Suresh, *RBI Working Paper Series No. 06*, https://www.rbi.org.in/SCRIPTS/PublicationsView.aspx?id=15763
[20] *Global Multidimensional Poverty Index*, *2022 Unpacking deprivation bundles to reduce multidimensional poverty*, UNDP, 2022, https://hdr.undp.org/system/files/documents/hdp-document/2022mpireportenpdf.pdf
[21] https://hdr.undp.org/data-center/human-development-index#/indicies/HDI
[22] See, "Inequality, Inequity, Credulity," Bibek Debroy, Sarvadanand Branwal and Aditya Sinha, *The Economic Times*, 29 June 2022. The decline is true of both rural and urban India. What is more interesting is not an aggregate measure like the Gini coefficient, but a shift in the Lorenz curves, with the top decile being squeezed,

as empirically, growth is positively correlated with an increase in inequality, at least for the levels of development India is in. If this proposition is accepted, since growth has decelerated, it is indeed logical that inequality should have declined.

What such reports like UNDP highlight are improvements in indicators related to education and health. For education, one can cite improvements in gross enrolment rates, not only for primary and higher secondary education, but also for higher education. Gender disparities have declined. Similarly, for health, one can pick indicators like life expectancy, infant mortality and maternal mortality. National Family Health Survey (NFHS), the 5th version of which was partially undertaken in the midst of Covid, documents this. Many such indicators are associated with SDGs (sustainable development goals). While Covid has knocked back SDGs and indeed partly deflected attention from SDGs, India has veered less off the path than most.[23]

This paper has an aggregate all-India focus. However, to state the obvious, India is a Union of heterogenous States, at various levels of development. There is a considerable amount of disparity not only between States, but also within States. This is true of SDGs too and Niti Aayog's tracks progress towards SDGs, at State and at district level.[24] The afore-mentioned MDPI report makes the point that between 2015-16 and 2019-21, the poorer States witnessed the fastest absolute declines in MDPI poverty.[25] Since 1991, convergence versus divergence between States has often been discussed. The answer depends on the metric used for measurement. For instance, if GSDP (gross State domestic product, at constant prices) growth is the yardstick, between 2012 and 2019 (pre-Covid), States like Gujarat, Haryana, Karnataka and Tripura have grown at annual averages in excess of 8%.[26] The North-Eastern States are a bit of an exception. But Mizoram has grown at over 12%. There are several States (Himachal Pradesh, Uttarakhand, Madhya Pradesh, Telangana, Andhra Pradesh, Tamil Nadu, Odisha, Sikkim and Assam) that have done better than 7%. These are the ones that have pulled up all-India growth rates. However, there is a cluster of States stuck at between 6% and 7% and another cluster stuck at between 5% and 6%.[27] These are the ones that have pulled down all-India averages. If growth is the yardstick, it will be difficult to argue out the case for convergence. What's noticeable is that, first, high growth States are no longer the ones that were traditionally more developed. Nor are lagging States, necessarily the ones that were traditionally regarded as backward, such as the ones with the BIMARU (undivided Bihar, undivided Madhya Pradesh, Rajasthan and undivided Uttar Pradesh) appellation. Second, the volatility of growth has declined. However, if non-growth social sector metrics are used, there has been a clear convergence across States. While a gap still exists between more advanced and less advanced States, the differential has narrowed.

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both for rural and urban India. Inequality in the distribution of consumption expenditure will naturally be lower than inequality in the distribution of income.

23 See, for example, *Sustainable Development Report 2022*, *From Crisis to Sustainable Development: the SDGs as Roadmap to 2030 and Beyond*, Jeffrey D. Sachs, Guillaume Lafortune, Christian Kroll, Grayson Fuller, and Finn Woelm, Cambridge University Press, 2022.

24 https://sdgindiaindex.niti.gov.in/#/ranking

25 *Ibid.*

26 Figures from Ministry of Statistics and Programme Implementation (MOSPI), https://mospi.gov.in/documents/213904//549201//1602929834470_statewise_sdp1999_2000_9sep10.pdf//3b812eac-e5fc-5838-add6-f8c4491f2239

27 No State has grown at less than 5%.

Earlier, examples were cited about what might be reasonably construed as "reforms". The 1991 reforms were easier. Barring border measures (tariffs, quantitative restrictions on imports, export subsidies, exchange rates, foreign direct and portfolio investments), 1991 involved industrial delicensing. This meant product markets, that too, only manufacturing. Other product markets (services, agriculture) weren't reformed in 1991. While services have been subject to gradual liberalization, agriculture has been left virtually untouched. Factor markets (land, labour) were also left relatively untouched. The limited point being made is that there is a Seventh Schedule to the Constitution and that sets out a Union List, a Concurrent List and a State List. Land is entirely in the State List and Labour is in the Concurrent List. Hence, when one discusses reforms, it is important to remember this. There are limited degrees of freedom Union government possesses.[28] Broadening the argument, reforms are about markets and markets don't exist in isolation. They are part of an institutional structure, which includes three organs of State under the Constitution – the executive, the legislature and the judiciary. Thus, a proper understanding of reforms also needs to bring in the legislature and the judiciary.

Broadly, prior to the disruption caused by Covid, there were three transitions under way, at various levels of progress.

First, a rural to urban shift. Urbanization is correlated with development and historically, urbanization levels have been low in India.[29] In 2011, the urban population was 31.8% and is now estimated to be 34%. The annual rate of urbanization has picked up and is now estimated to average about 3.4%, though between 2001 and 2011, it was 2.76%. Much of the urbanization has occurred not in statutory towns (with municipalities), but in census towns. The latter makes planning difficult, since a governance structure is lacking. Urbanization levels vary across States, with a high of 48.4% in Tamil Nadu and a low of 10% in Himachal Pradesh. Urbanization is also excessively concentred towards the metros. While this is not the place to get into too many details, for better urban planning, one should mention the following. First, the Smart Cities Mission, covering 100 cities between 2015-16 and 2019-20. Second, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), which has primarily focused on water management and sewage treatment in 500 cities. Third, the urban counterpart of Pradhan Mantri Awas Yojana (PMAY), launched in 2015 for urban housing shortages among deprived sections. The background is projections that suggest 60% of India's population will live in urban areas by 2050, with the urban agglomerations of Mumbai and Delhi with populations of around 40 million. Most urban development in India is bound to be brownfield. While greenfield cities are rare, one ought to mention Gujarat International Finance Tech City (GIFT) and Dholera Industrial City.

Second, within labour markets, an informal to formal shift. The word formal, with unorganized often used as a synonym, had a legal definition under the erstwhile Factories Act, now overtaken by Occupational Safety, Health and Working Conditions Code of 2020. One must of course be careful in using words like formal or informal, since all employment is not in the nature of

[28] As an example, the Epidemic Diseases Act of 1897 allows Union government to only act at the border. Therefore, at the time of Covid, recourse was sought to the National Disaster Management Act of 2005.

[29] The definition of "urban", as per the Census, is outdated and needs revision. Urbanization occurs when villages become uninhabited, are absorbed inside larger urban agglomerations, or are reclassified. Since urban areas provide opportunities, migration is inevitable.

an employer-employee relationship. Contributing family workers are also part of the informal segment, as are own-account workers. The best definition of formal is the one suggested by the Task Force on improving employment data.[30] Formal workers are those covered under Employees' State Insurance Act, Employees' Provident Funds and Miscellaneous Provisions Act, those covered under private pension, insurance and provident funds and those who work for the government or the public sector. Formalization is desirable, since informal workers often lack requisite protection and welfare benefits. There has been a double kind of formalization going on – formalization of the labour force, as evidenced by increases in the numbers of those who are part of ESIC and EPFO, and a formalization of enterprises, the latter triggered by GST. Within the former, one should mention e-Shram portal, registration under which is of course optional, mandatory. For the latter, the recent Union Budget for 2023-24 has stated that PAN (permanent account numbers) will be the common identifier for all business establishments. *Economic Survey 2022-23* makes the point that the increase in employment has been occurring within larger factories (employing more than 100 workers), again underlying greater formalization.[31] In connection with the labour market, there has been discussion about the low work participation rates and voluntary opting out of the labour force. While these are valid concerns, it is necessary to mention that there are gaps in what the employment data actually capture.[32]

Third, there is a double transition within the rural sector, with off-farm employment opportunities being created and commercialization and diversification within agriculture, moving away from food-grains, rice and wheat in particular. As has been mentioned, agriculture, including Agricultural Produce Market Committee (APMC) Acts is a State subject. However, in 2016, Union government launched the National Agriculture Market (e-NAM) Scheme.

The last decade largely overlaps with the Narendra Modi government, in office since 2014. A point was also made about subjectivity in identifying what is "reform". With that caveat about all listings being subjective, in the concluding section of this paper we list reforms that have nurtured India's transition over the last decade.

- Use of SECC (Socio Economic and Caste Census) 2011-12 to unambiguously identify deprivation. This enabled the targeting of subsidies and SECC is base for all government schemes, Union and State. Aadhaar gave residents of India a unique identity and a digital platform. 1.36 billion Aadhaar numbers have been generated so far.[33] Financial inclusion was pushed through Pradhan Mantri Jan Dhan Yojana (PMJDY), with opening of accounts and Rupay cards. Seeding of bank accounts with Aadhaar numbers enabled what has come to be known as the JAM trinity (M standing for mobiles) and DBT (direct benefit transfers) led to elimination of leakages.

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30 *Report of the Task Force on Improving Employment Data*, Ministry of Labour and Employment, 2017, https://labour.gov.in/whatsnew/report-task-force-improving-employment-data-public-comments-23072017

31 *Economic Survey 2022-23*, Department of Economic Affairs, Ministry of Finance, https://www.indiabudget.gov.in/economicsurvey/

32 *Ibid.*

33 https://uidai.gov.in/aadhaar_dashboard/

- Digital inclusion has been a core element in the transition. Digital verification of -KYC (know your customer), digital signatures, digital repositories (Digilocker), digital payments (UPI or Unified Payments Interface), Open Network for Digital Commerce (ONDC) and an Account Aggregator are examples of what can be called digital public goods. The digital drive stood India in good stead during the pandemic, allowing easy portability of welfare benefits.
- While elements of the financial infrastructure can be described as public goods, in terms of not abdicating the government's responsibility, there has been an emphasis on providing collective private goods. With an emphasis on social infrastructure, *Economic Survey 2021-22* described this as basic necessities. "In order to improve access to "the bare necessities," successive governments have made constant efforts. The network of schemes designed to deliver these necessities include inter-alia the Swachh Bharat Mission (SBM), National Rural Drinking Water Programme (NRDWP), Pradhan Mantri Awaas Yojana (PMAY), Saubhagya, and Ujjwala Yojana. These Schemes were equipped with new features such as use of technology, real time monitoring, geo-tagging of assets, social audit, embedded digital flow of information, and direct benefit transfers wherever possible."[34] There is no need to cite figures from dashboards, illustrating the remarkable improvements. Add to social infrastructure transport connectivity. Inclusion is thus defined as empowerment and the removal of inequity in access. This kind of empowerment is the best antidote to poverty and unemployment.[35]
- The Beti Bachao, Beti Padhao (BBBP) scheme was launched in January 2015. There are several other empowerment schemes for women, Mudra loans being one.
- The Ease of Doing Business initiative, pushed by Department for Promotion of Industry and Internal Trade (DPIIT), to nudge States to ease the compliance burden.[36] Along similar lines, in 2019 and 2020, 29 Union-government level labour laws were rationalized and harmonized into four codes on wages, industrial relations, social security and occupational, safety, health and working conditions. Almost 1500 old statutes have been repealed and offences in 42 statutes de-criminalized.
- FDI policy has been progressively liberalized.[37] The production linked incentive (PLI) scheme was initially introduced in March 2022 and now covers 14 sectors, designed to ensure Indian manufacturing becomes part of the global supply chain.
- GST (goods and services tax) was introduced in 2017, simplifying the indirect tax structure greatly, with further rationalization of rates and inclusion of more items in GST determined by the GST Council. On direct taxes, for both personal income taxes and corporate taxes, there has been a movement towards an exemption-less system,[38] which will reduce compliance costs and disputes and litigation.

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[34] *Economic Survey 2021-22*, Department of Economic Affairs, https://www.indiabudget.gov.in/budget2021-22/economicsurvey/doc/vol1chapter/echap10_Vol1.pdf

[35] The Aspirational Districts Programme, launched in January 2018, is an example of targeted intervention for backward districts.

[36] The details can be found in https://dpiit.gov.in/ease-doing-business-reforms/reform-update-india

[37] FDI inflows were 45 billion US dollars in 2014-15 and increased to 85 billion US dollars in 2021-22, https://www.investindia.gov.in/foreign-direct-investment

[38] As of now, for both personal income taxes and corporate taxes, there is an option of the old system (with exemptions) versus the new system (with no exemptions), but the expectation is that for both, entities will switch to the new.

- For monetization of public assets and encouragement of private investments for infrastructure creation, the National Monetization Pipeline has been launched.
- Competition requires not only free entry, but also free exit. To that end, the Insolvency and Bankruptcy Code was introduced in 2016. That exit permits resources to be used for more productive ends. As part of the cleaning up of the system, one should also mention the Real Estate (Regulation and Development) Act (RERA of 2016), the clamping down on shell companies, greater scrutiny of tax evasion and the clamping down on benami transactions. On the last, to reduce harassment and bribe-seeking, there has been a system of faceless assessment.

One can add to this list, which is mean to be illustrative, not exhaustive. It is such reforms that set out the template for "Amrit Kaal". As the afore-mentioned discussion illustrates, these reforms cannot be straitjacketed in terms of State versus the market. They involve elements of reducing the State's malign role, while increasing its benign role. That's the way it should be, in a relatively poor country like India. Historically, India is no stranger to the worst excesses of State intervention. But nor is it the case that the State can abdicate.