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India: work in progress
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BY INVITATION

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amount transferred over the last three years. This is mostly in LPG transfers, as 73 per cent of households in India now use LPG. Such efforts have received a resounding vote of approval from the people as reflected in the consolidation of political gains made by the BJP, most recently in the thumping victory in the Uttar Pradesh assembly elections.

At the same time the government has undertaken various structural reforms over the past three years, most of which have been geared towards improving the ease of doing business, whether in the areas of taxation (e-assessments almost becoming a norm), unhinging business from bureaucratic controls by moving to a single-window mechanism, or moving towards more digitisation, to make it time-bound and less expensive. The government's other bold initiative was demonetisation, which was mainly to tackle the problem of black money as well as bringing the informal sector into the organised fold, through a concerted effort to push digitisation. There were initial bottlenecks, no doubt, especially those spheres where cash-dependency was high. But somehow, it received an almost unanimous approval from the people, notwithstanding the initial apprehensions and long queues at ATMs as it seemed to have struck the right chord with the people's mood.

However, demand that was slowly coming back to recovery mode following a good monsoon and pay hikes announced as a part of Seventh Pay Comm ission, received a jolt from demonetisation. The recovery was postponed by about 4-6 months, as reflected in the quarterly results that followed. But as we enter the new fiscal, the after-effects of demonetisation are more or less over. The pent-up demand is already back, particularly witnessed in auto and consumer durables, with other sectors gradually following suit. This together with the rural income boost from rabi crops and govt. thrust on infrastructure spending will hopefully lead to a growth recovery and help the private sector step up under-utilised capacities.

However, things are not all hunky-dory, especially on the job front. Despite taking up initiatives like Make In India to create more jobs, results have fallen short of expectations. No doubt, FDI inflows have swelled, touching $43 billion last fiscal, the most in a single year, and about $100 billion since the Make In India launch, the off-take in actual projects and jobs has been very few. In fact, FDI in the focus areas like electronics and automobiles have witnessed a drop of 36-38% vis-à-vis 26% rise in services and a four-fold jump in telecom.

As job creation is paramount, it is crucial that the government has rightly identified agriculture as a major focus area, which still employs more than half of the workforce, with many more dependent on it. It has launched some new schemes like e-NAM