



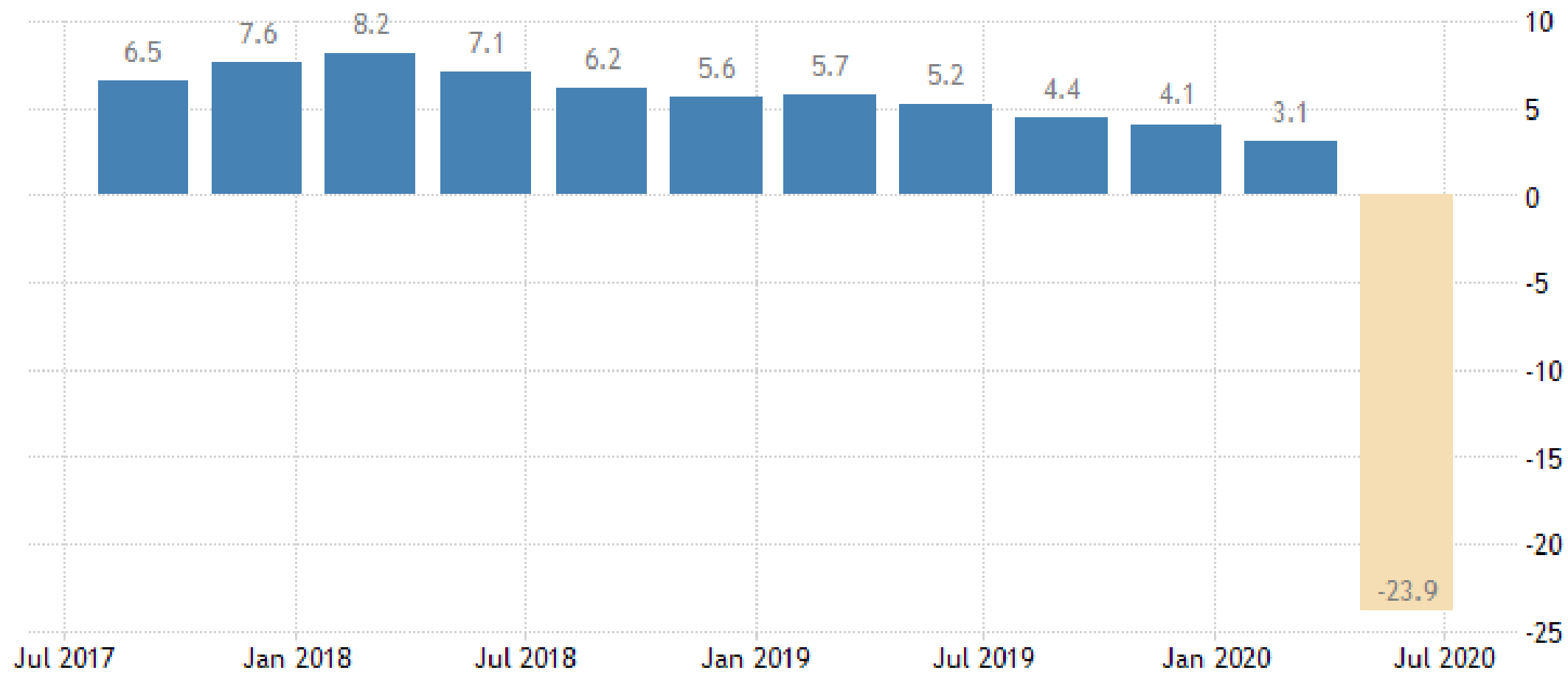
Economic policy: Growth and Development

For the **Special FC**

February 2021

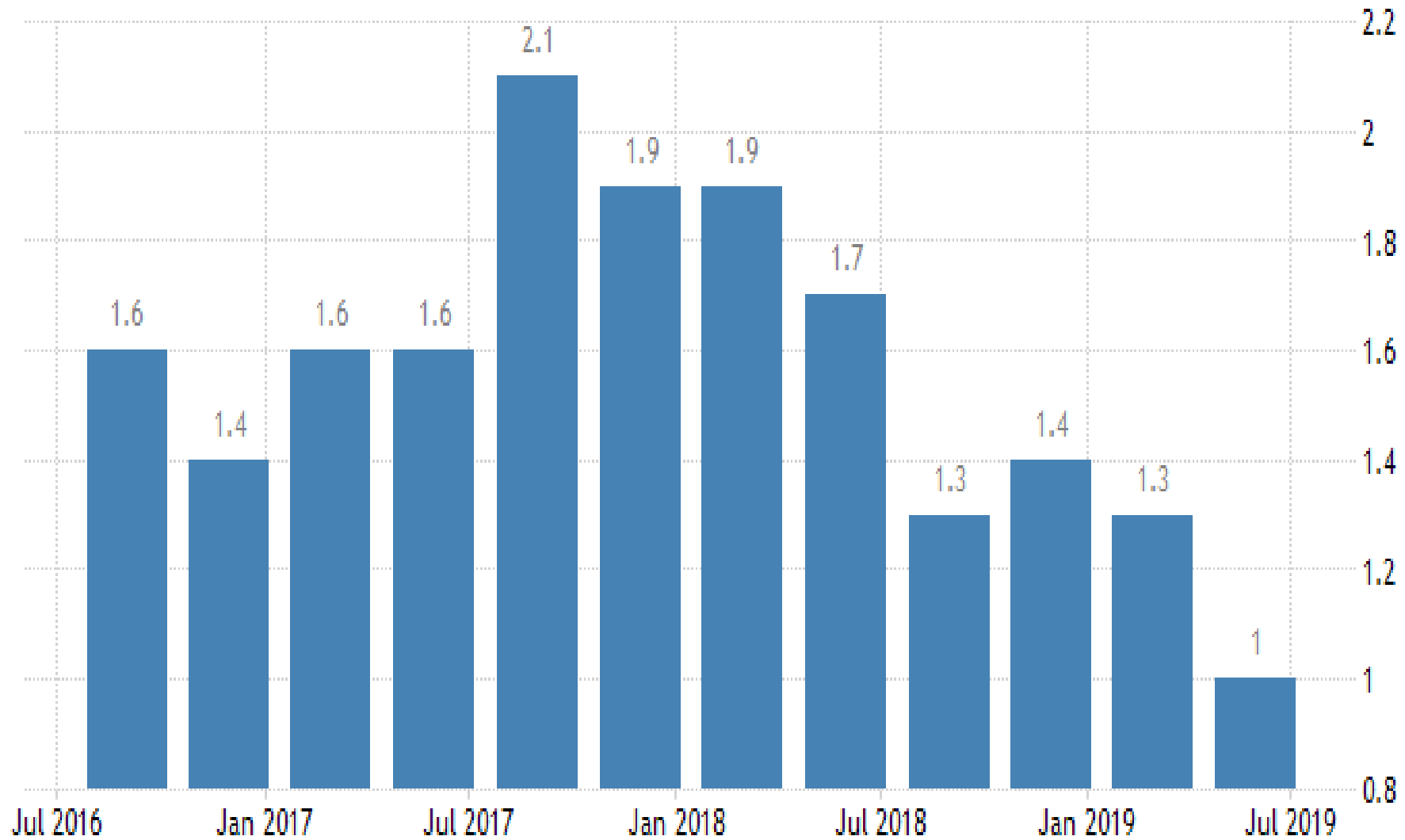
Amir Ullah Khan



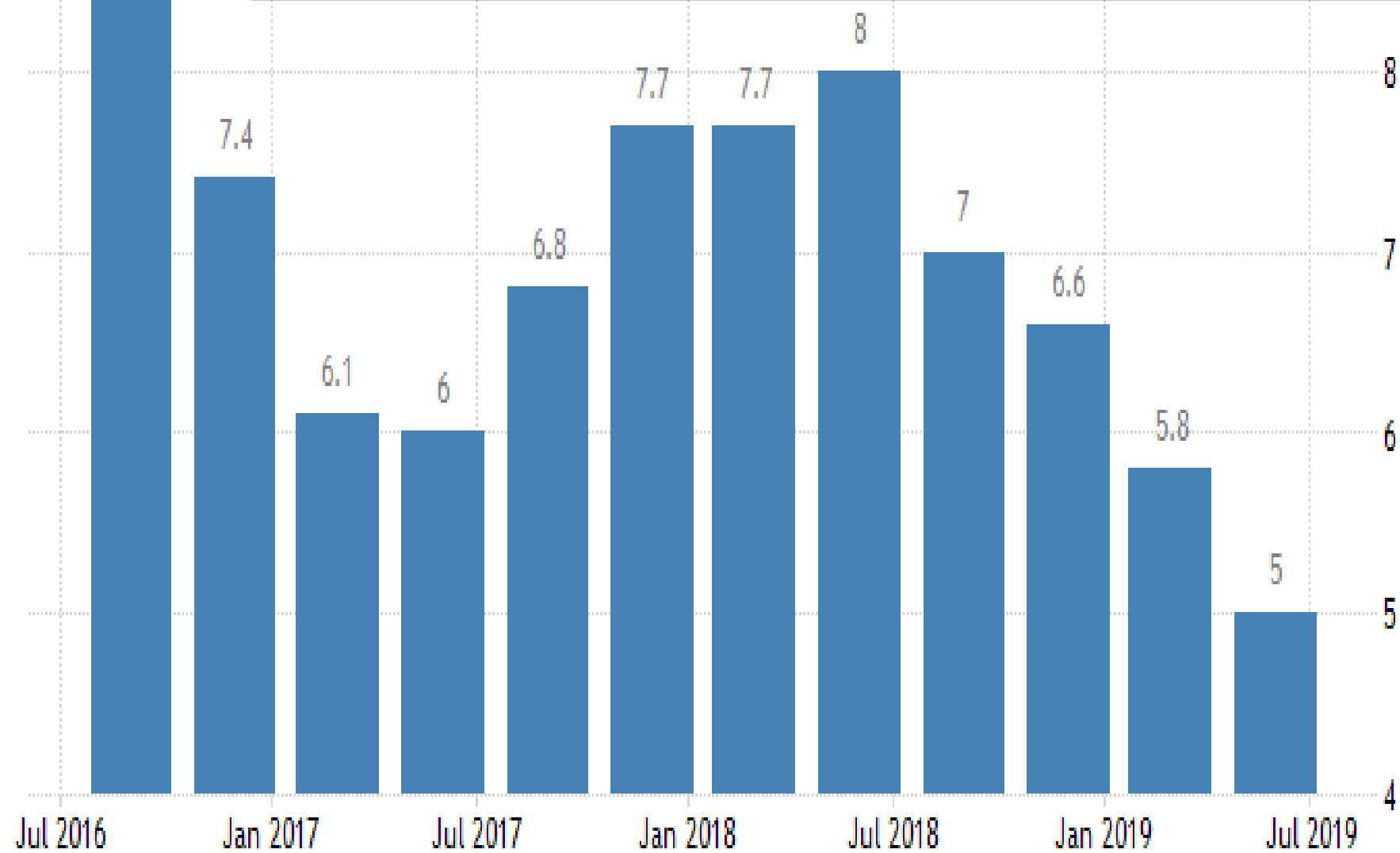


SOURCE: [TRADINGECONOMICS.COM](https://tradingeconomics.com) | MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (MOSPI)

India GDP Quarterly Growth Rate Sequentially

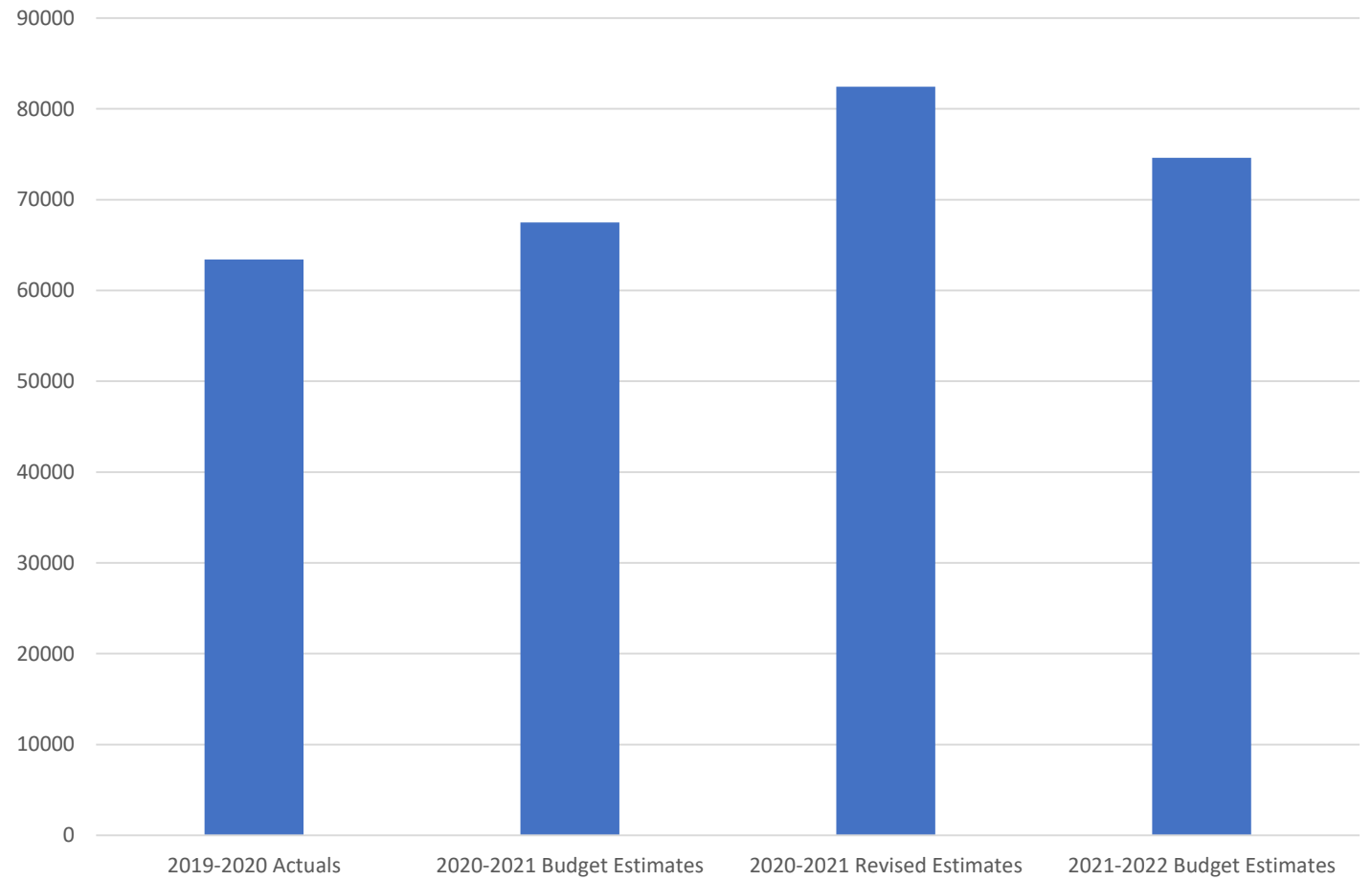


India GDP Quarterly Growth Rate (Year on Year)



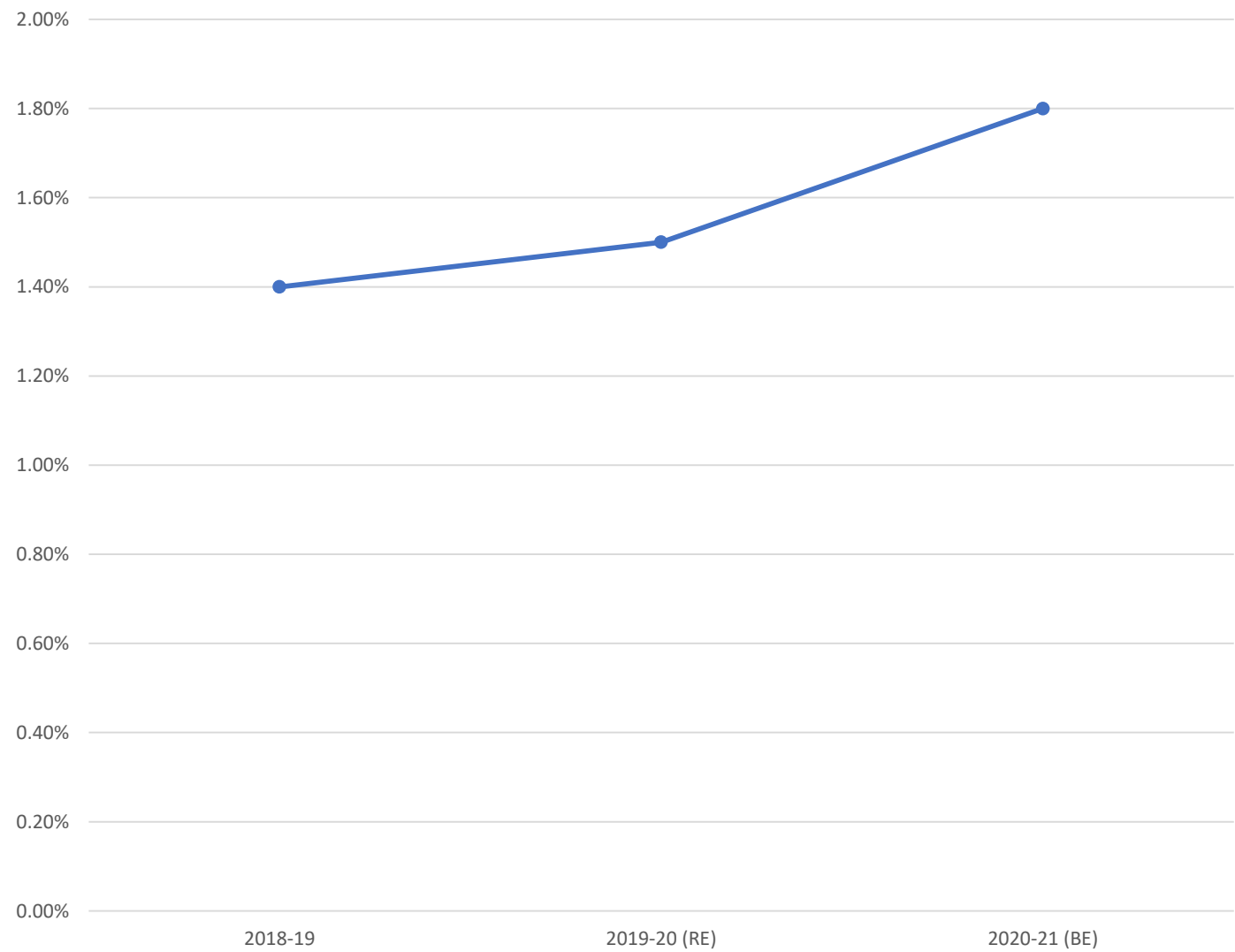
Expenditure on Health

Expenditure on Health



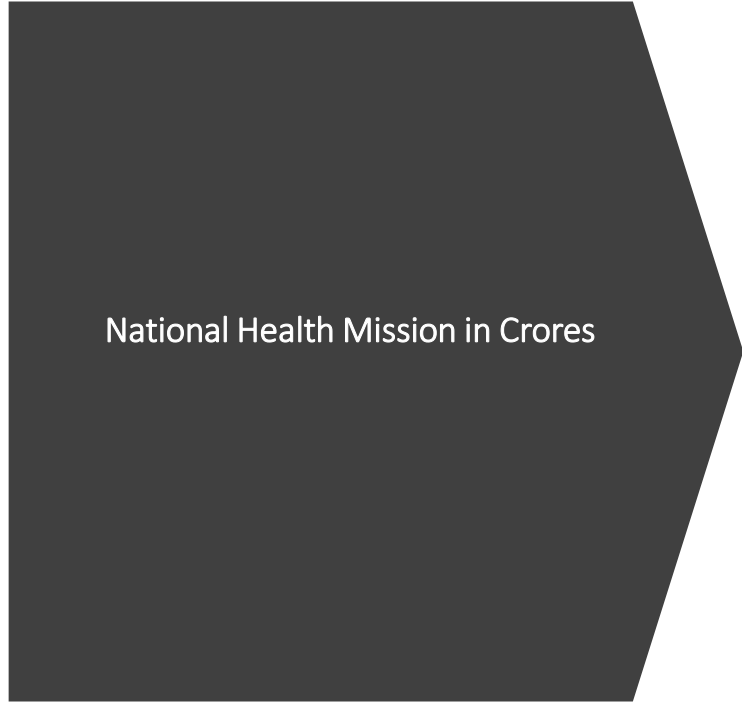
Expenditure on health as % of GDP

Expenditure on health as % of GDP

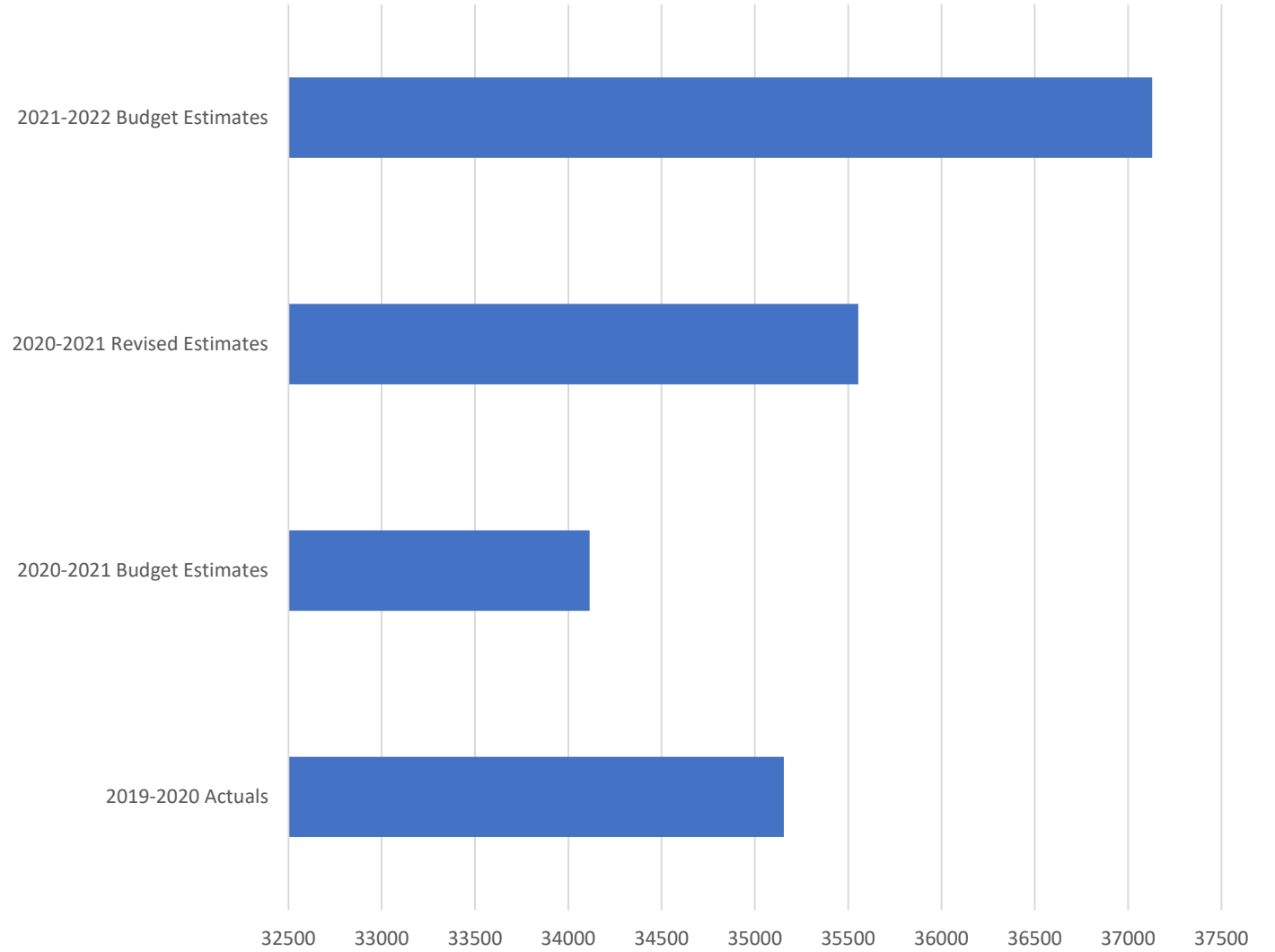


Programs

Programs	outlay
Min. of Health and Family Welfare	73932 Crores
Total outlay for Health and well-being	2,23,846 crores
PM Atma Nirbhar Swasthya Bharat Yojana	Rs. 64,180 crore
Integrated Public Health Labs	Highlights
critical health care hospital blocks in 602 districts.	
strengthening NCDC Expanding integrated health information portal	
Introduction of National Commission for Allied Healthcare Professionals Bill	
Mission Poshan 2.0 to improve nutritional outcomes across 112 aspirational districts.	
Pneumococcal vaccine	
urban Jal Jeevan Mission	2.87 lakh crore
Air pollution	2217 crores
COVID19 Vaccines	Rs. 35,000 crore

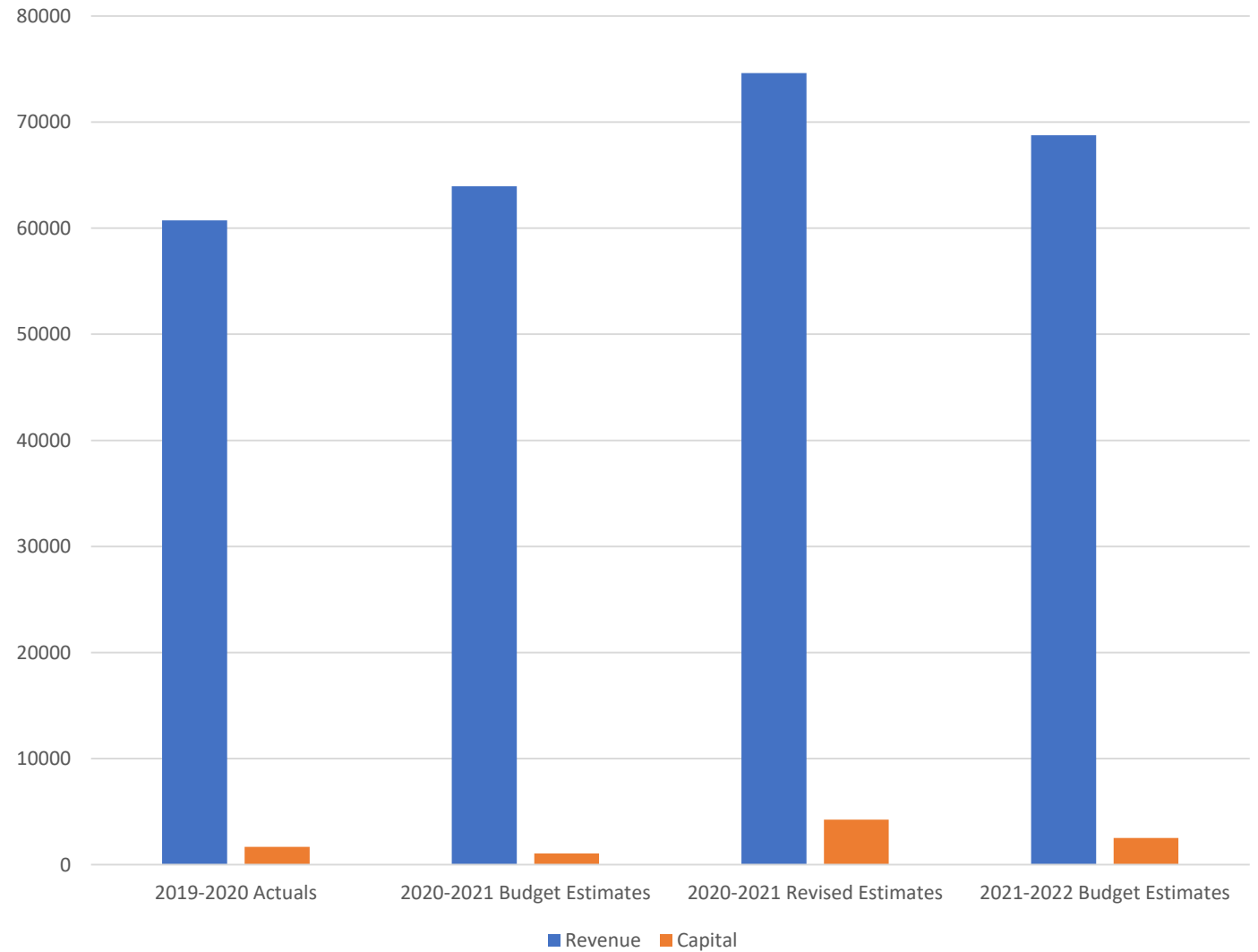


National Health Mission in Crores

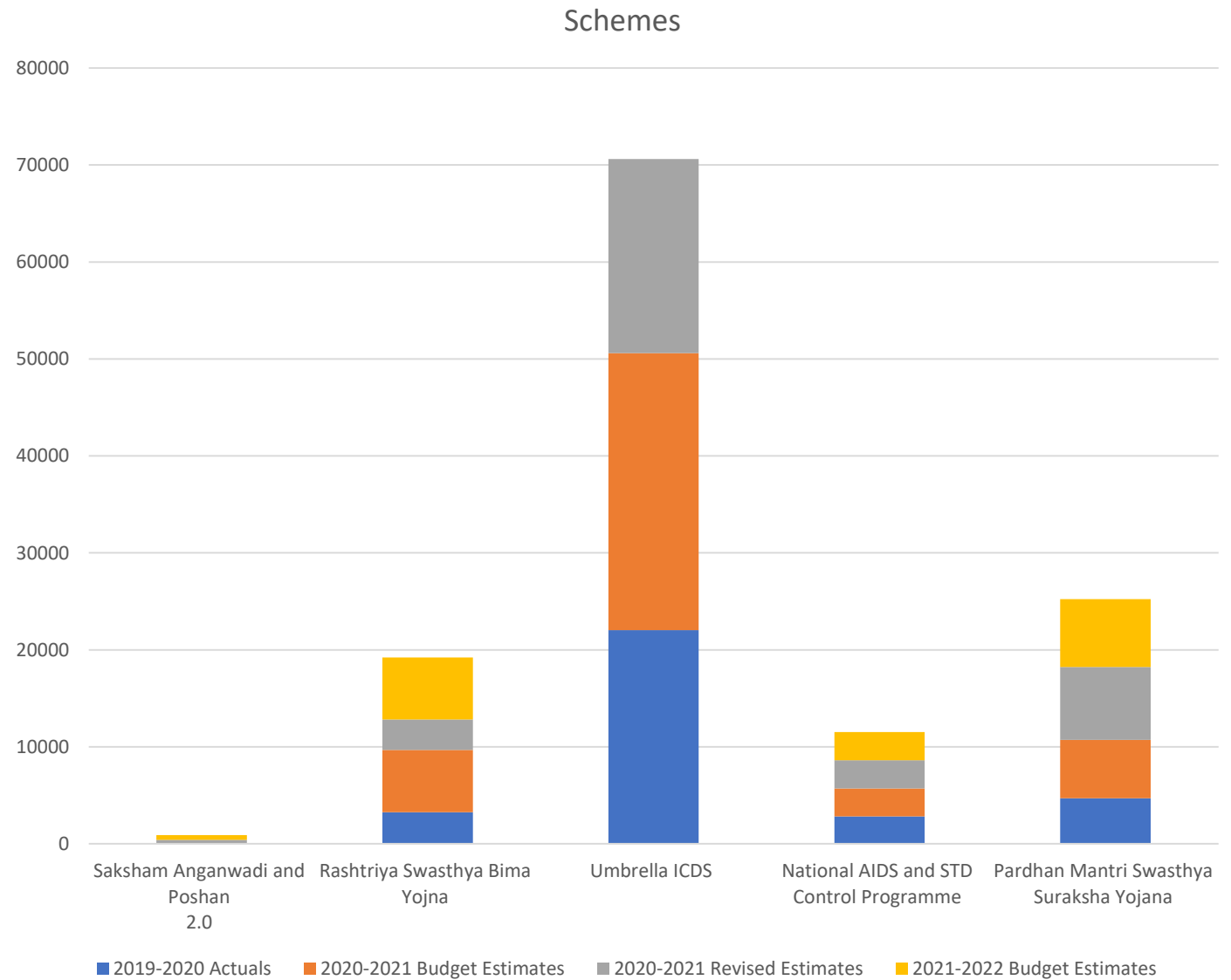


Ministry of Health and Family Welfare Demand for grants in Crores

Ministry of Health and Family Welfare DFG



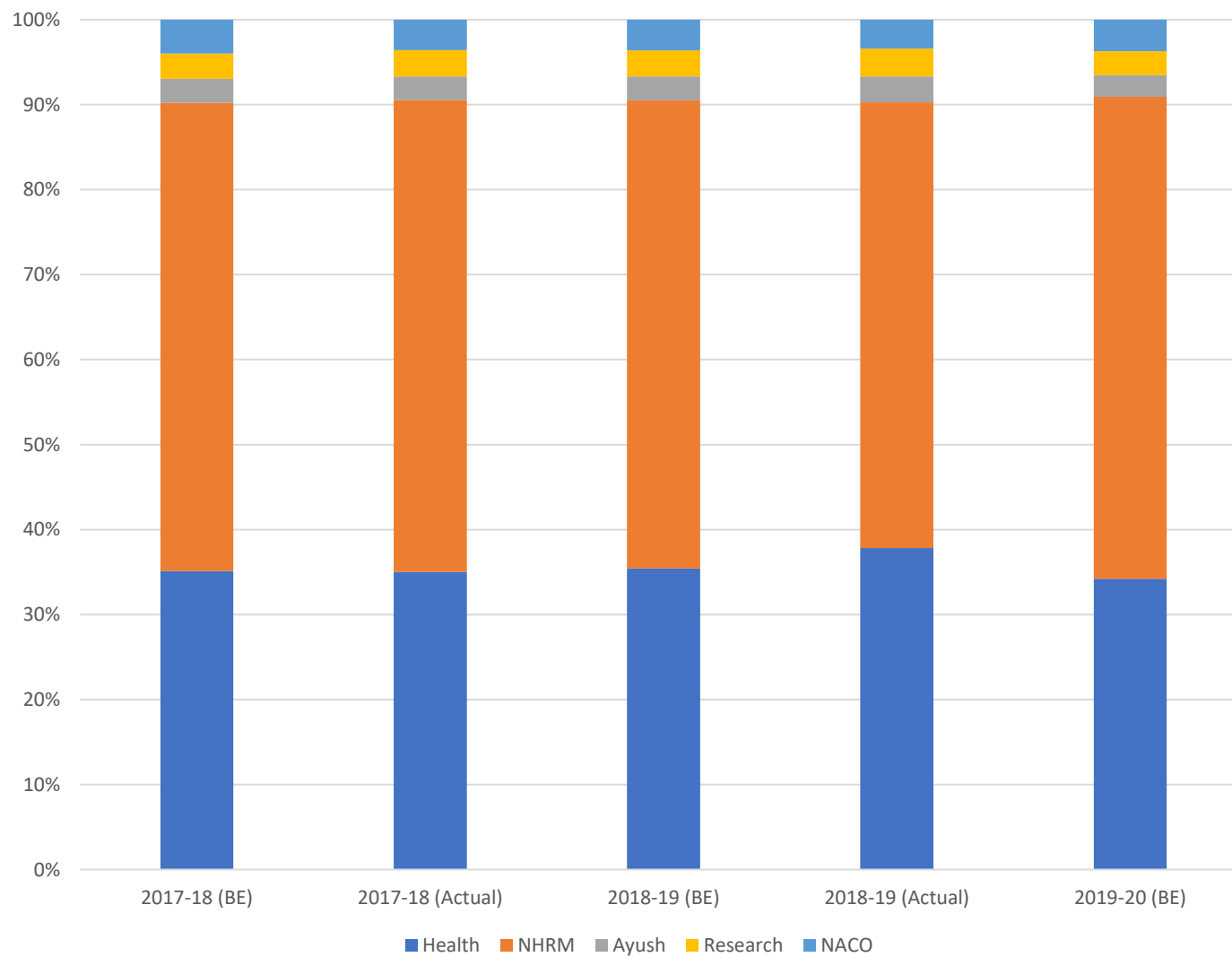
Schemes (in Crores)



Schemes	Financial Outlay 2021-22
National Rural Health Mission	30100 Crores
National Urban Health Mission	1000 Crores
Human Resources for Health and Medical Education	4800 Crores
Ayushman Bharat – Pradhan Mantri Jan ArogyaYojana	6400 Crores

Actual Expenditure and approved outlay for 2019-20 for MoHFW in Crore

Actual Expenditure and approved outlay for 2019-20 for MoHFW in Crore

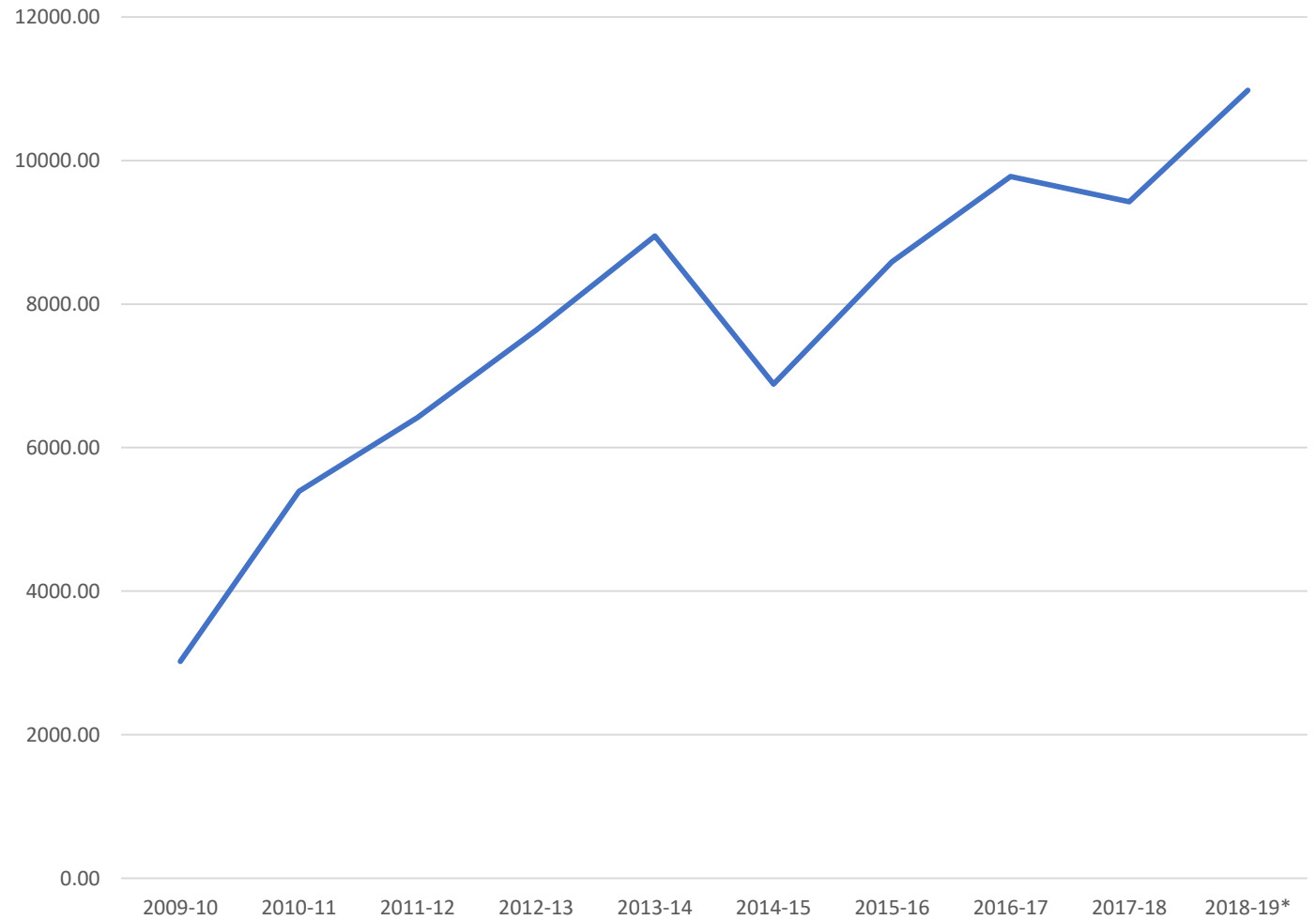


Expenditure on CGHS in Crores



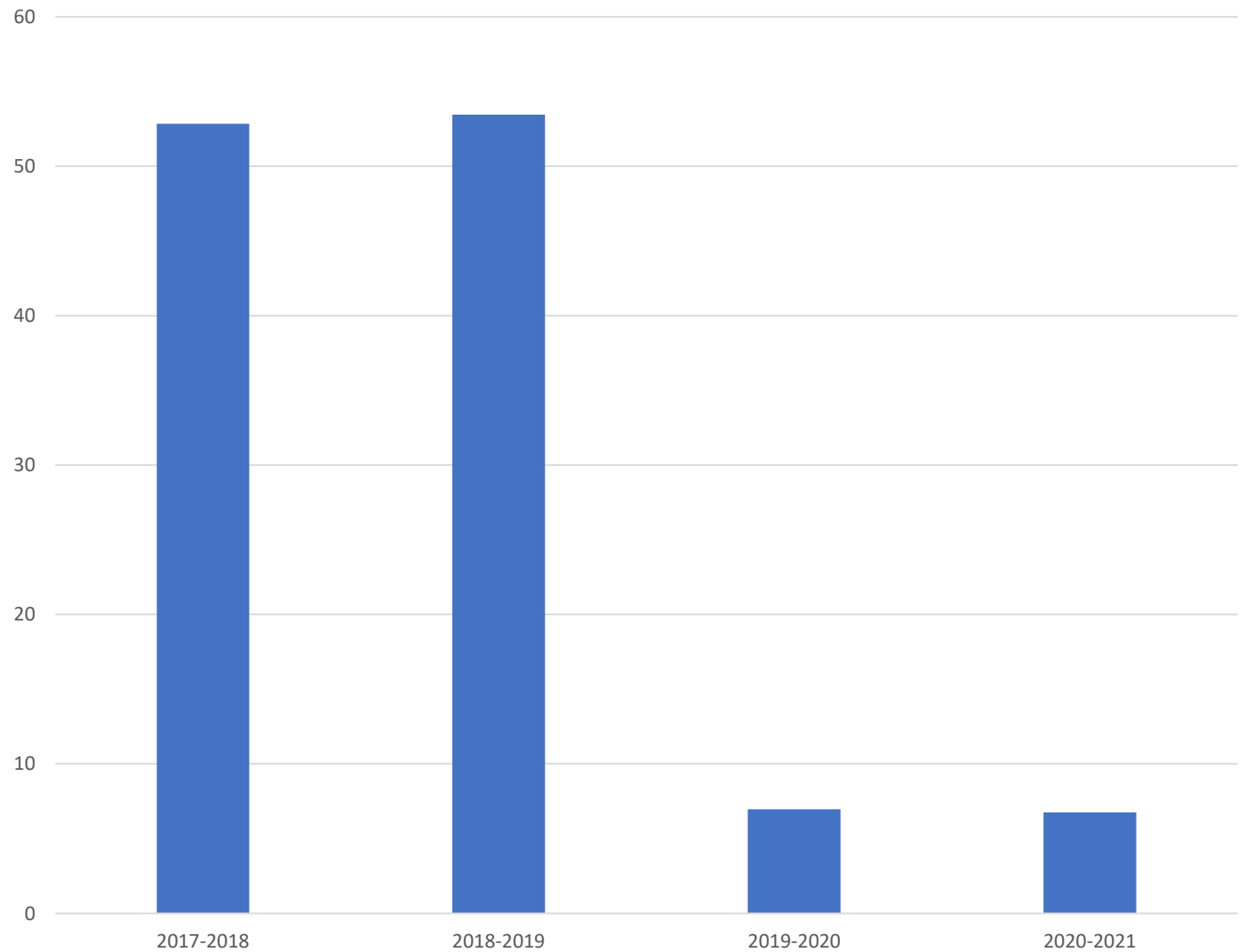
State-wise Funds Spent in
Micronutrient Supplementation
Programmes, Infant and Young
Child Feeding (IYCF), Practices,
Nutrition Rehabilitation Centres
(NRCs) and Diarrhoea Control
Activities in India in Lakhs

State-wise Funds Spent in Micronutrient Supplementation Programmes, Infant and Young Child Feeding (IYCF), Practices, Nutrition Rehabilitation Centres (NRCs) and Diarrhoea Control Activities in India in Lakhs



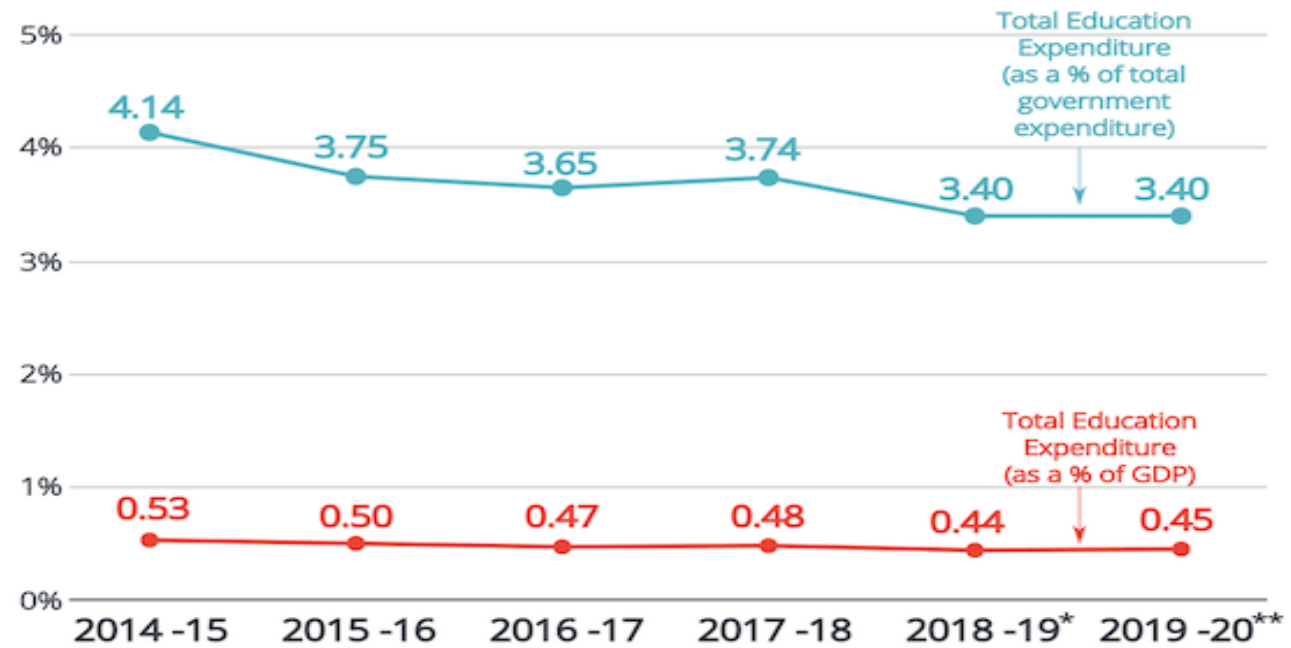
Funds Sanctioned to Food and Nutrition Board in India

Funds Sanctioned to Food and Nutrition Board in India (Rs. in Crore)

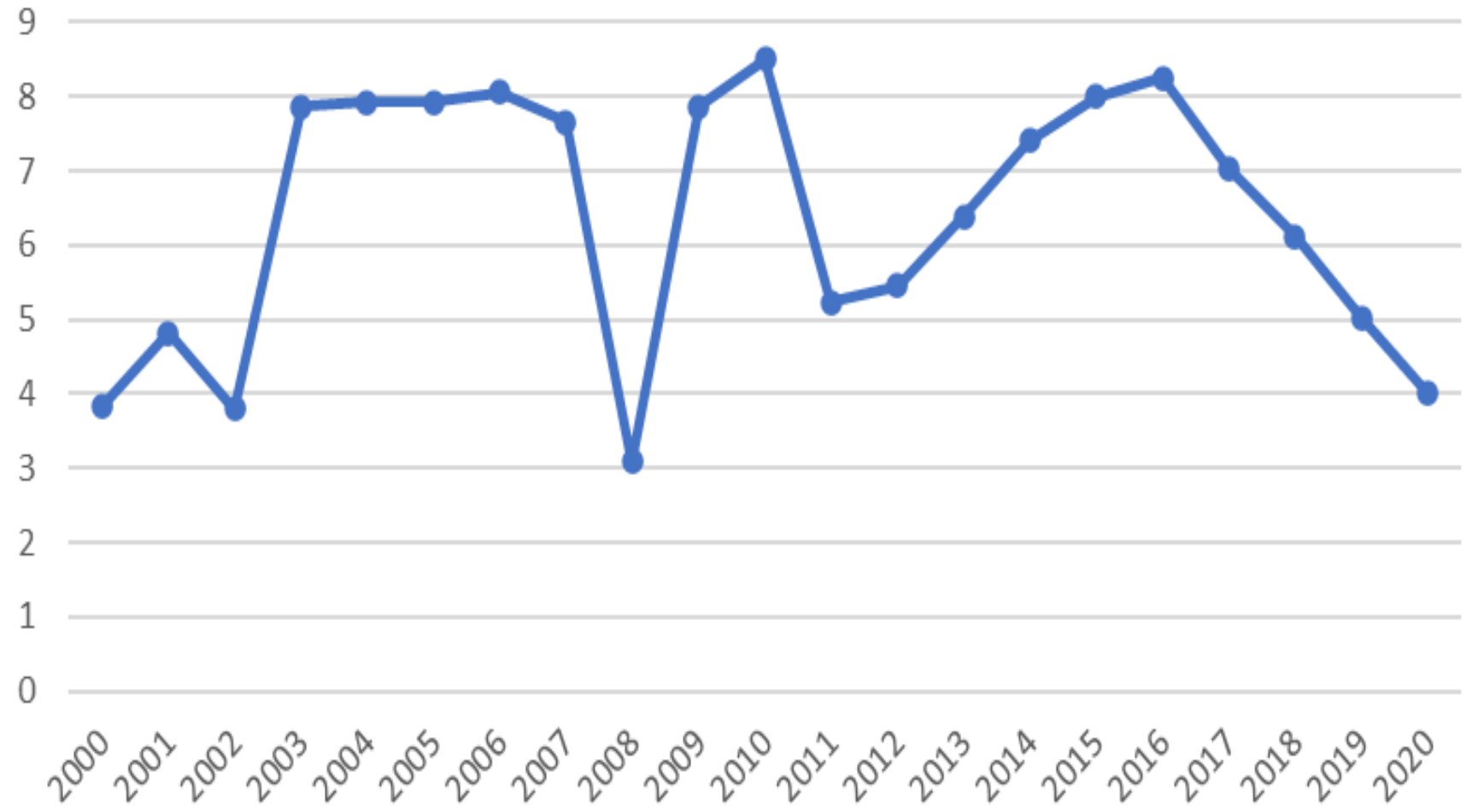


Education

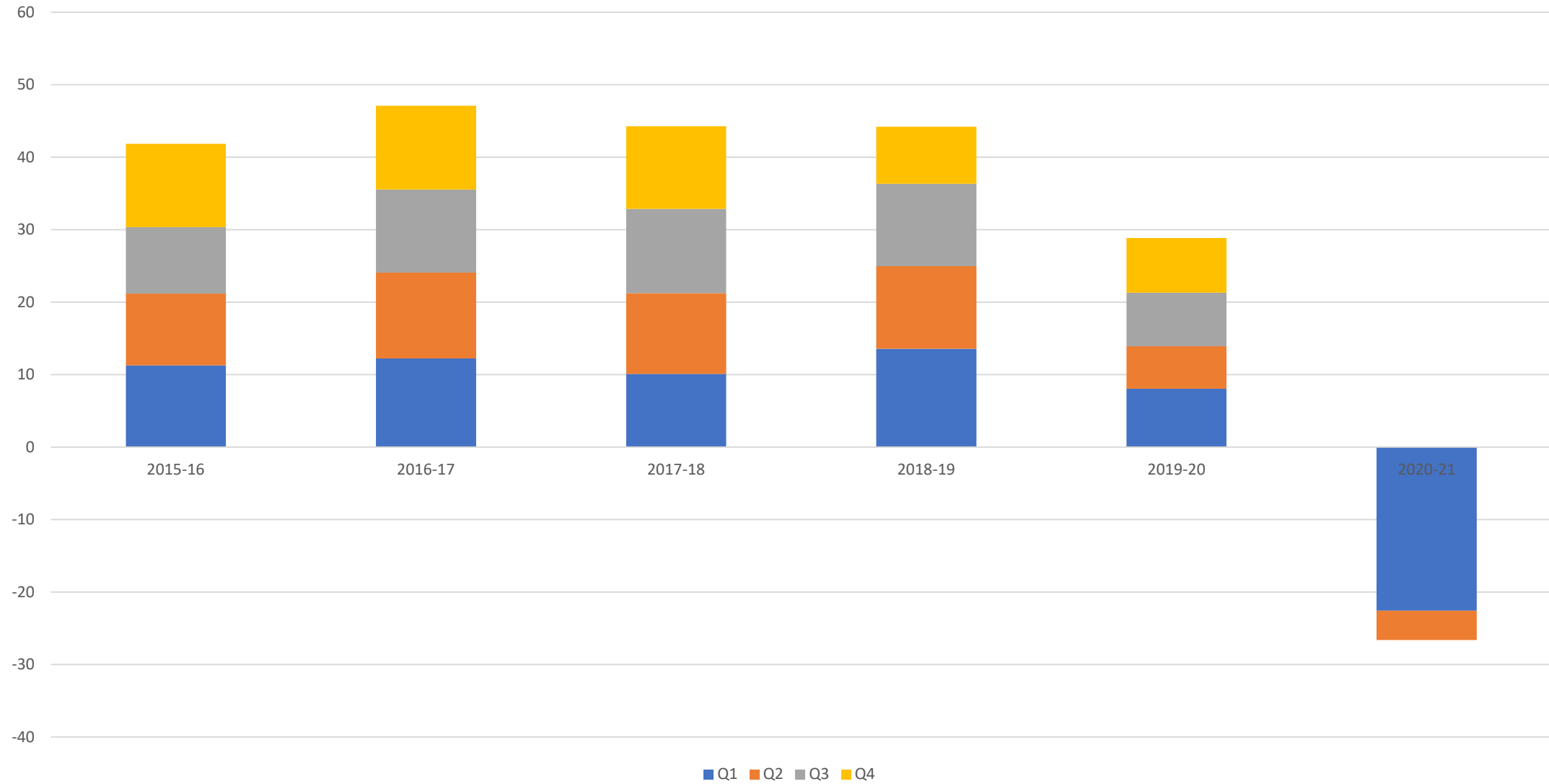
Spending On Education Down Since 2014



GDP Growth in %



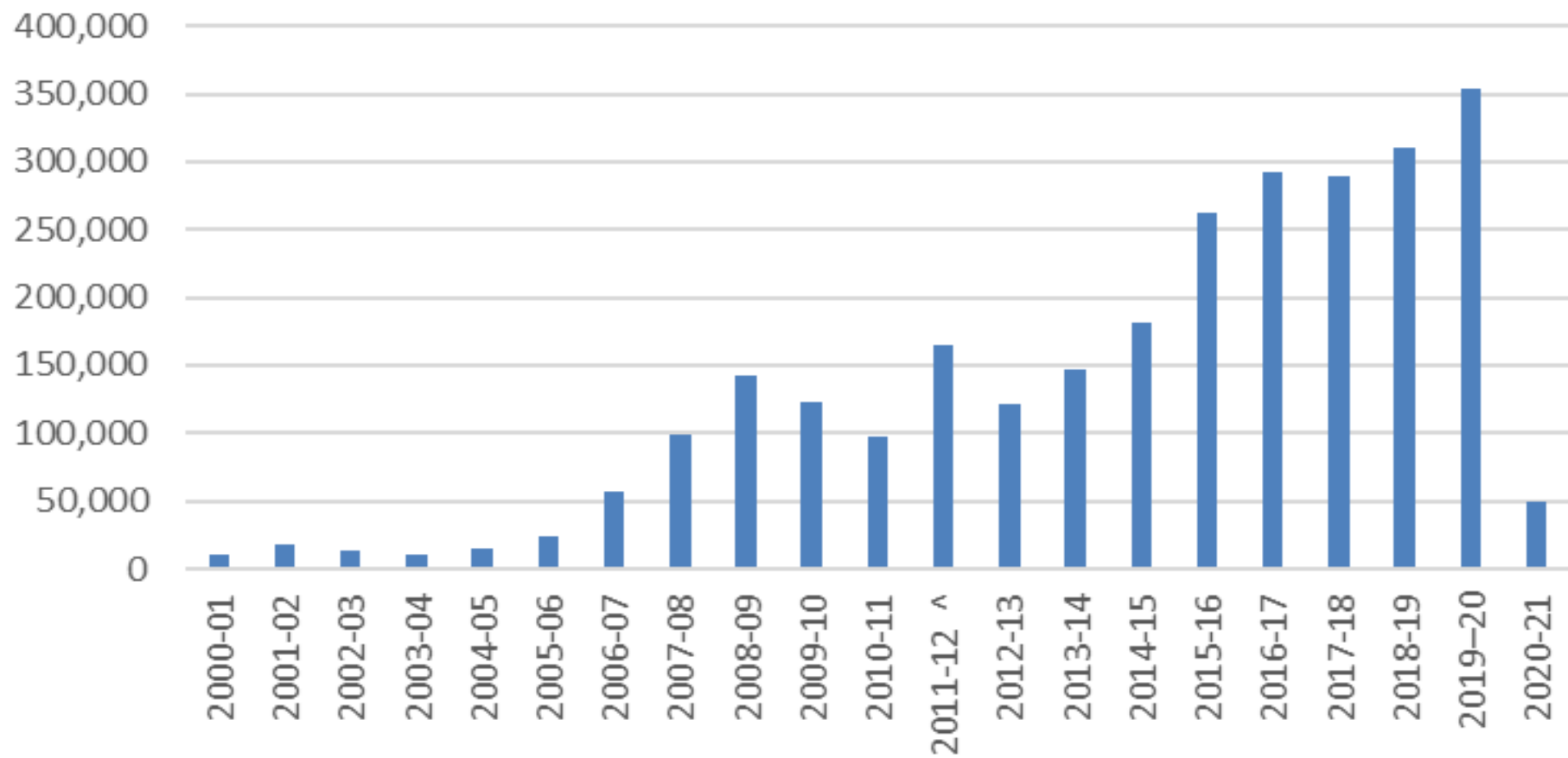
GDP growth at constant prices



Exports of goods and services (annual % growth)

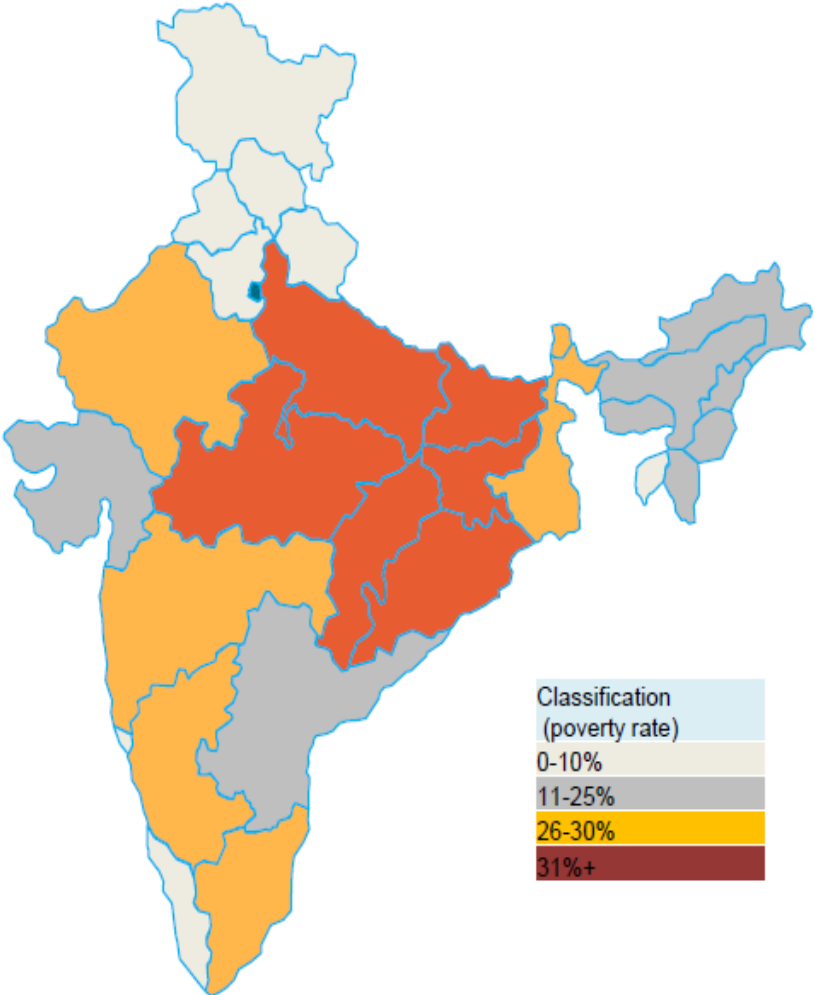


Amount of FDI Inflows In Crores

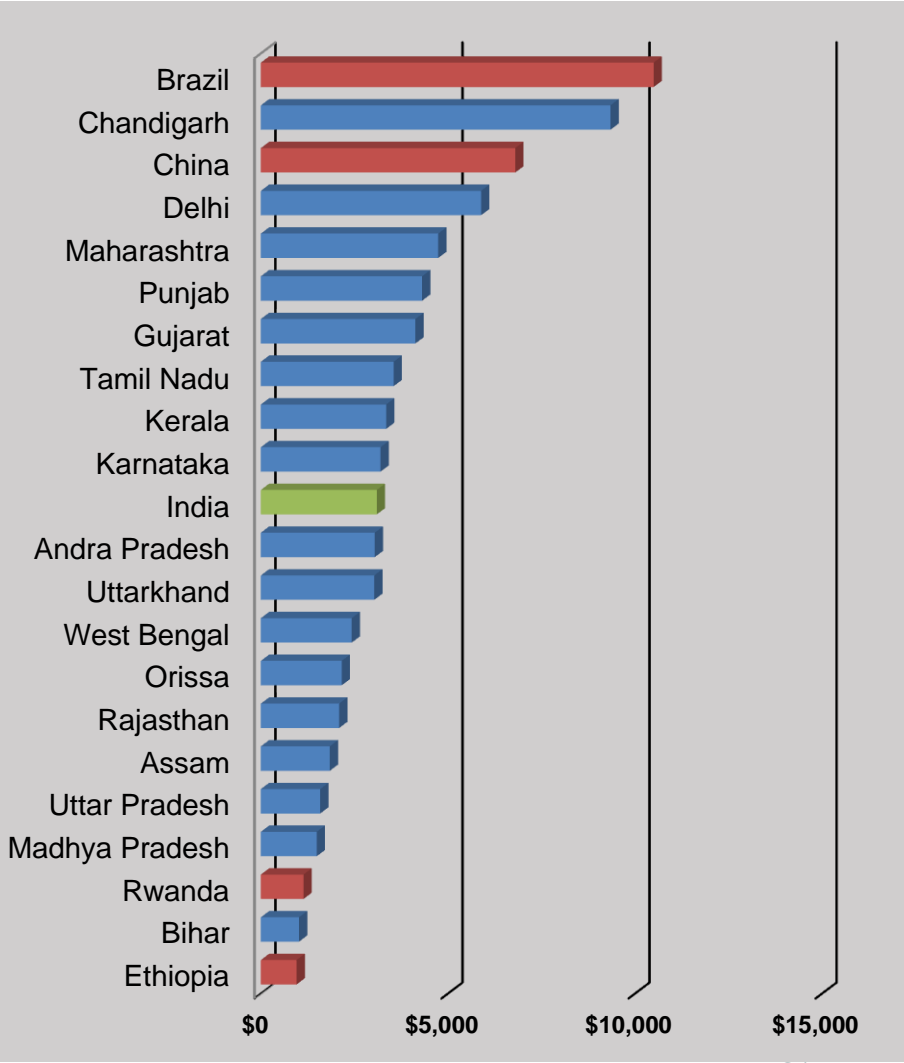


Poverty and inequality

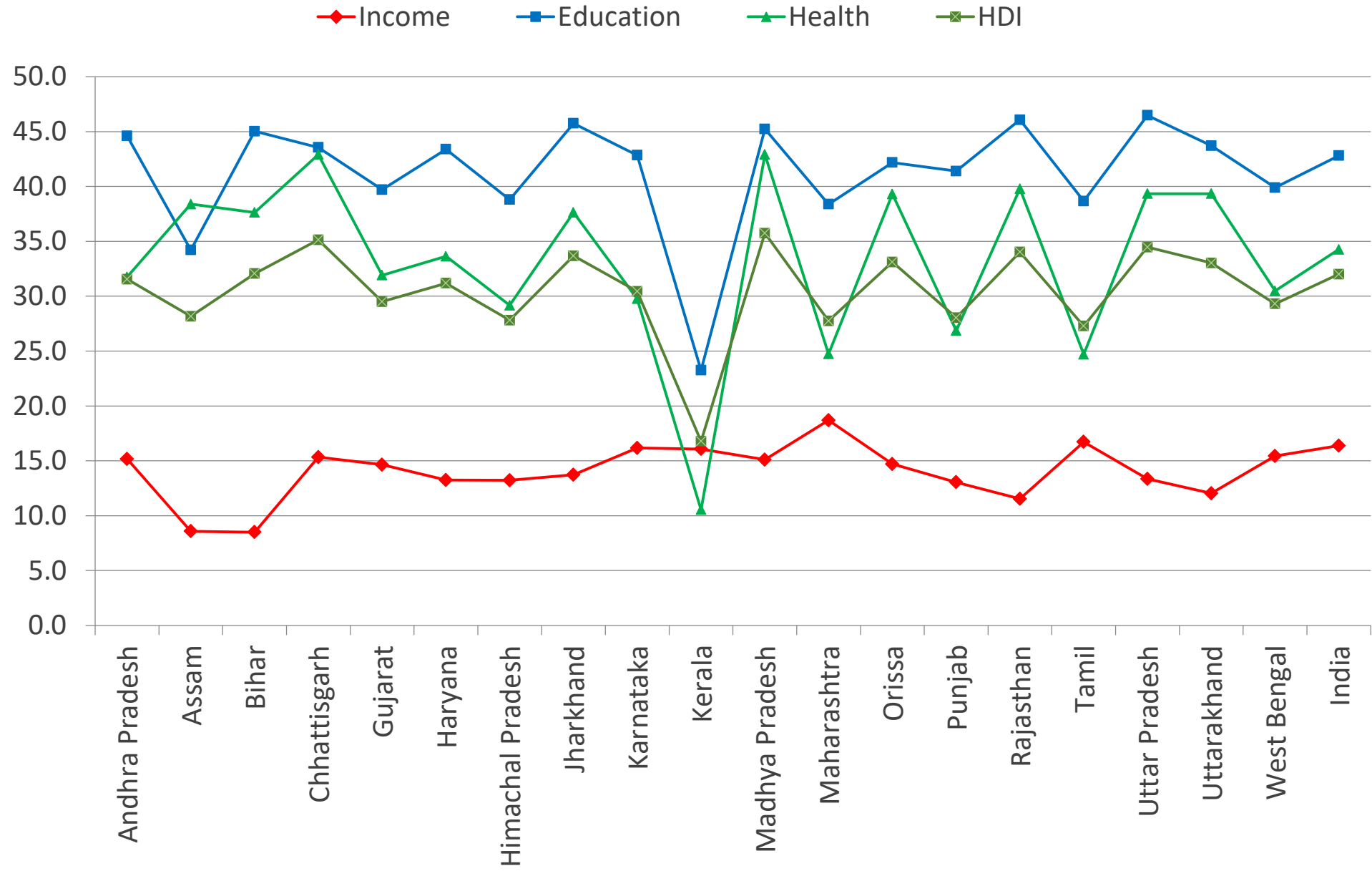
Concentration of poverty in states



Per capita incomes – a comparative lens on ‘pattern’

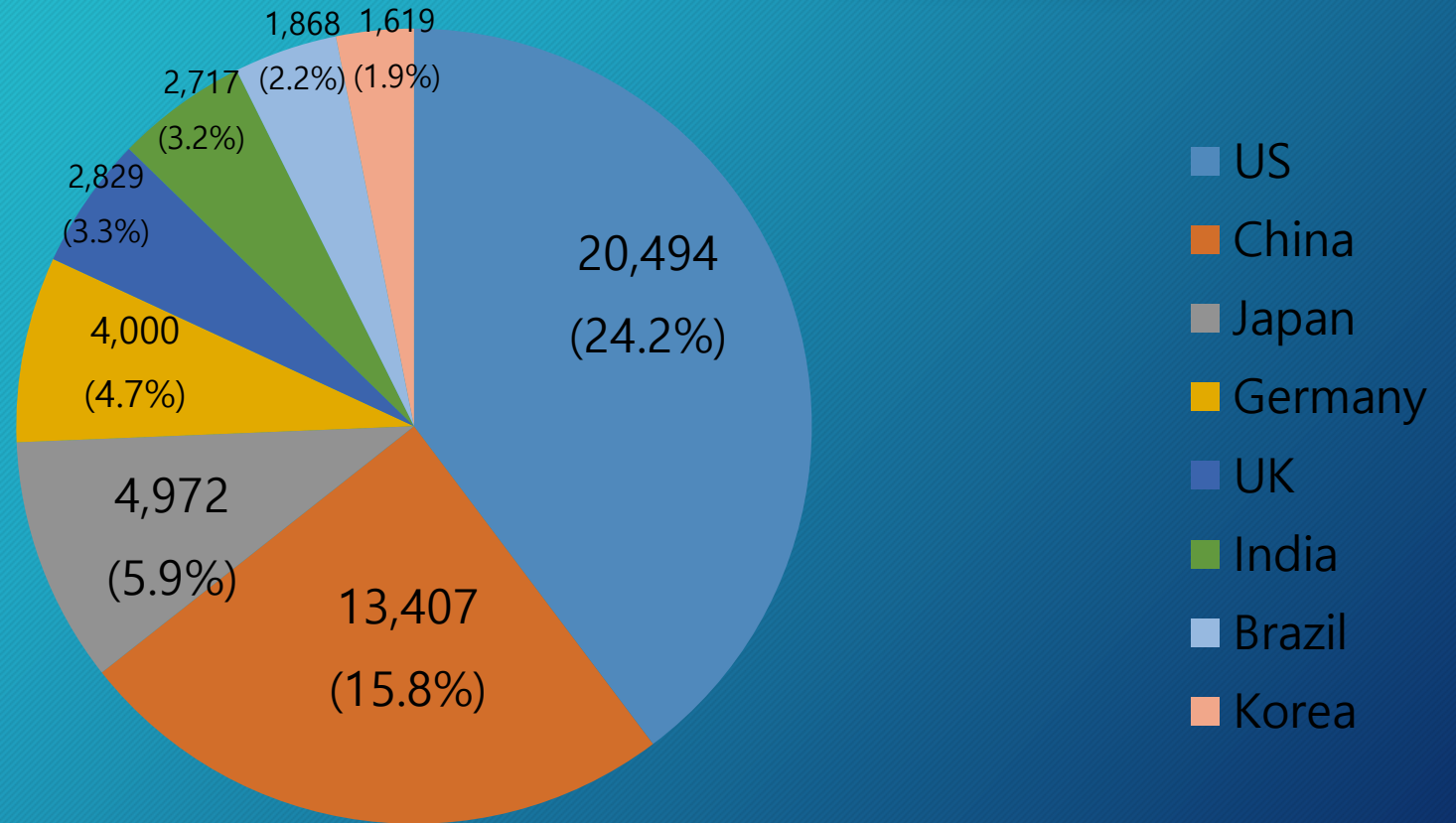


Source: Planning Commission, Data Tables; Economist Intelligence Unit; IMF, World Economic Outlook



Global GDP share

* World GDP: 84,740



Source: IMF Global Outlook, April 2019

The 5 trillion dollar club

- Ambitious?

The 5 trillion dollar club

- Challenges - Scale, Education, Migration, Wages, Trade and exchange rates, Unemployment, Tax revenue, Hunger and

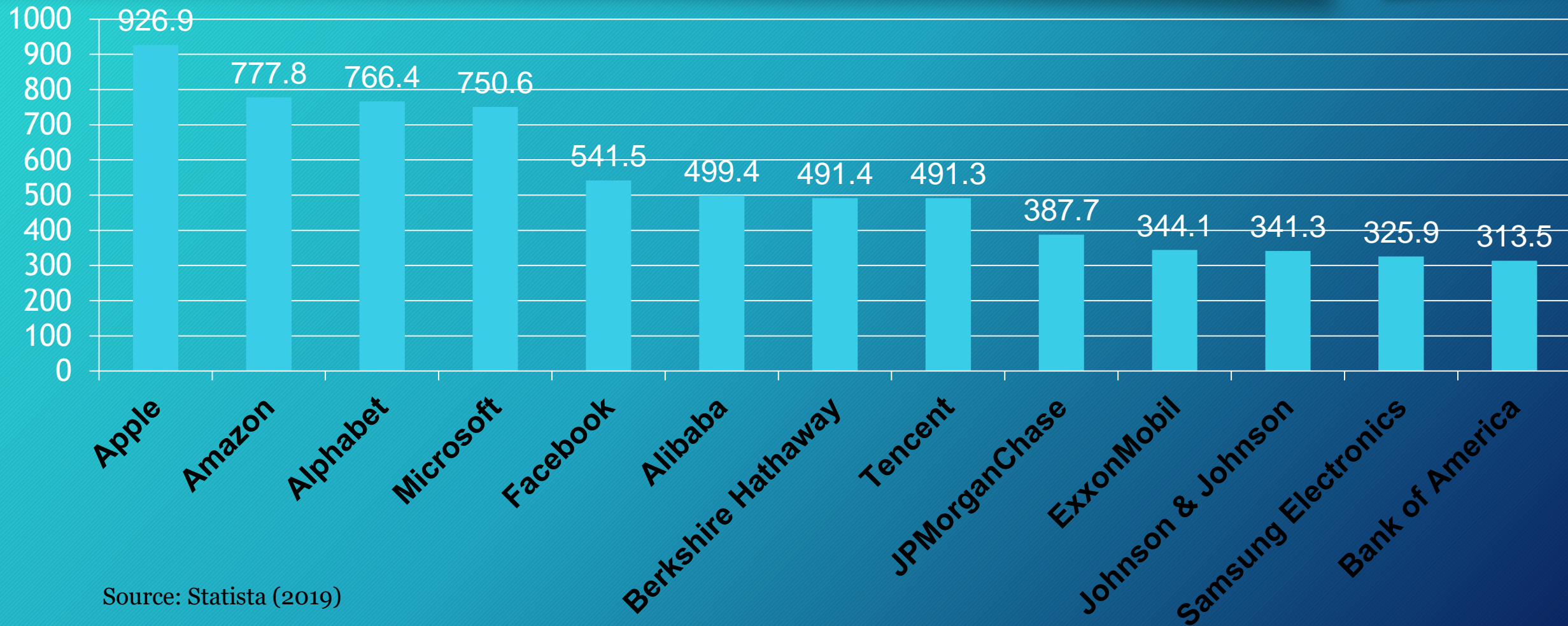
Growth and Challenges

SECTORS

INDIA'S TOP 20 COMPANIES BY MARKET CAPITALISATION

1990	2000	2010
Tata Steel	Wipro	Reliance Industries
ITC	Hindustan Unilever	ONGC
Tata Motors	Infosys Technologies	TCS
Century Textiles	Reliance	Coal India
Hindustan Unilever	ITC	Infosys Technologies
Mafatlal	O N G C	SBI
Reliance Industries	HCL Technologies	NTPC
Grasim	Pentamedia Graphics	Bharti Airtel
G S F C	Zee Entertainment	ITC
ACC	M T N L	ICICI Bank
SIV Industries	I O C L	Larsen & Toubro
Colgate-Palmolive	St Bk of India	Wipro
Hindalco	H F C L	MMTC
Bajaj Holdings	Satyam Computer	BHEL
Saurashtra Cement	Tata Communications	NMDC
Uniphos Enterprises	Ranbaxy Labs.	HDFC Bank
Bombay Dyeing	H D F C	HDFC
JCT	Cipla	Indian Oil Corp
Larsen & Toubro	NIIT	Tata Motors

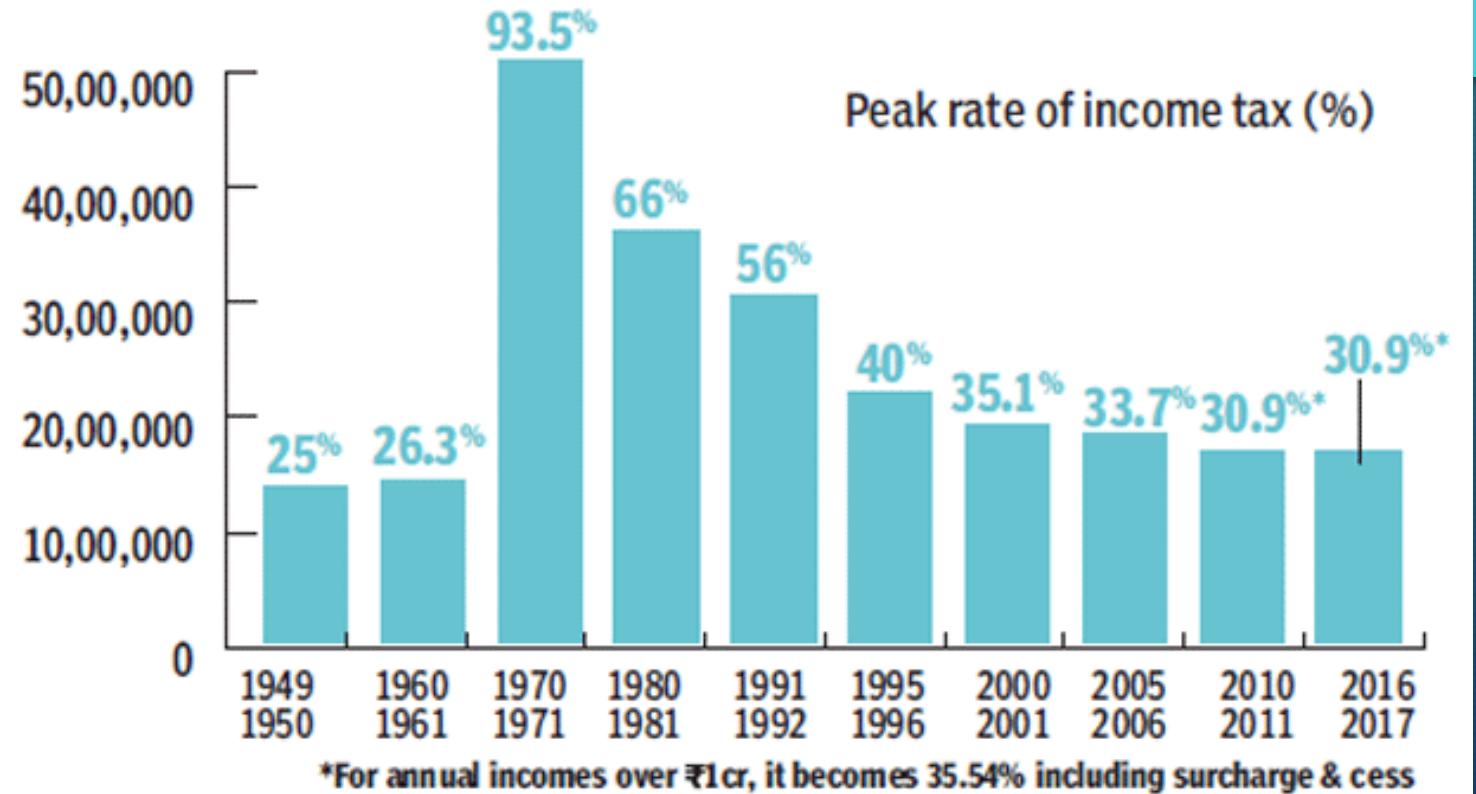
Largest Companies by Market Cap (2018)



Source: Statista (2019)

CORPORATE CONCERNS

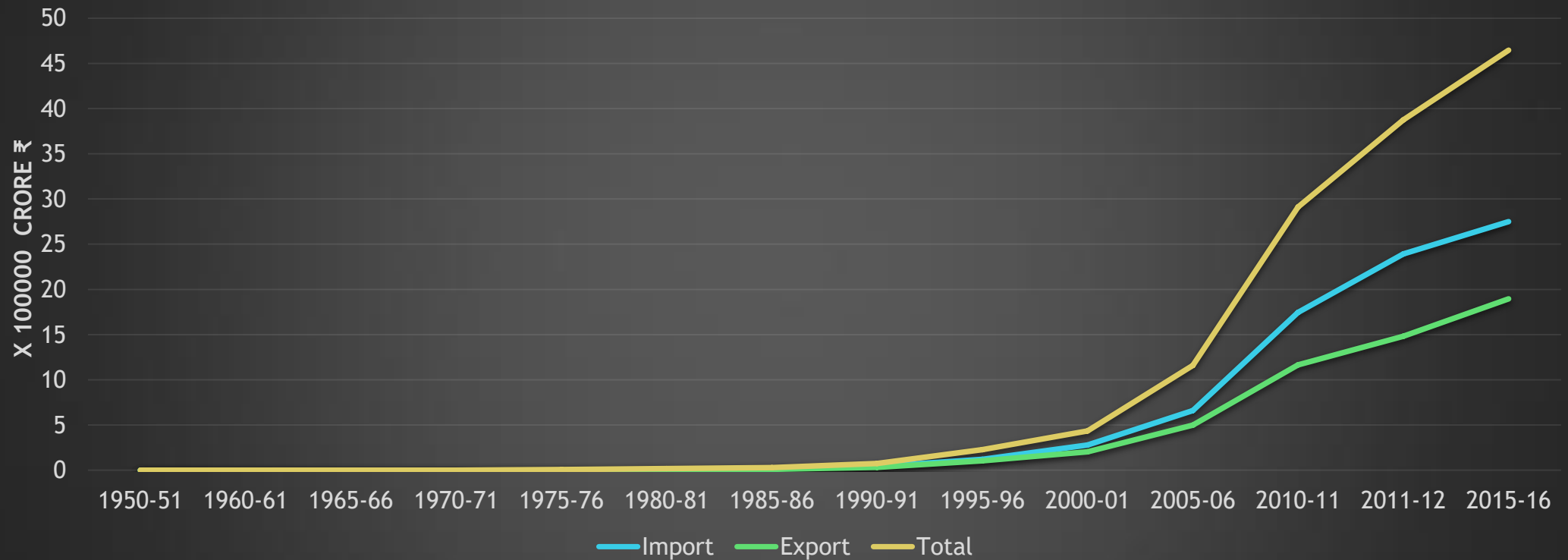
- TAX
- INTEREST RATES
- EXCHANGE RATES
- CSR
- LABOUR LAW
- LAND ACQUISITION



Foreign trade timeline post Independence

30

Growth of Foreign trade in India

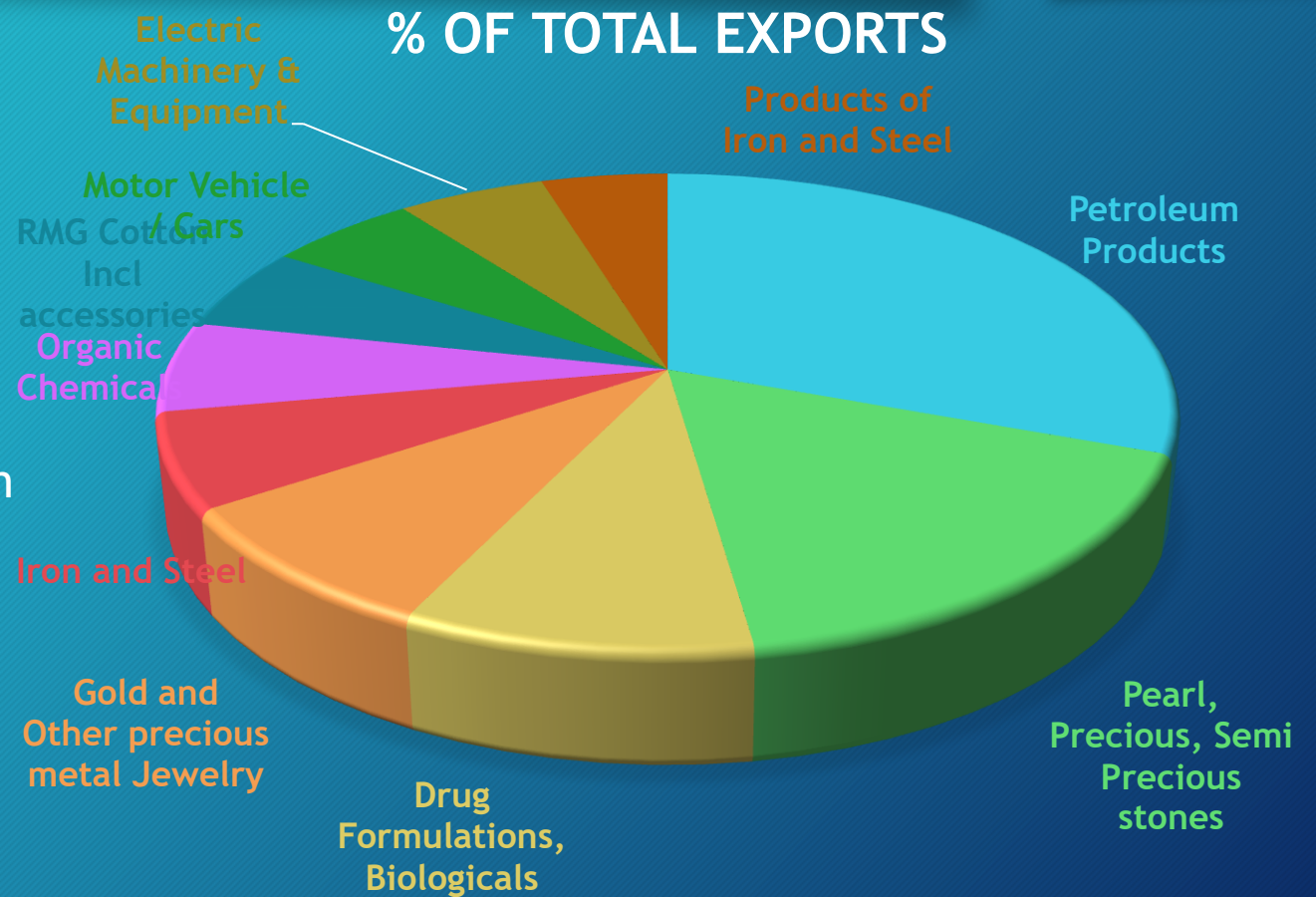


Exports from India - FY 2018-19

31

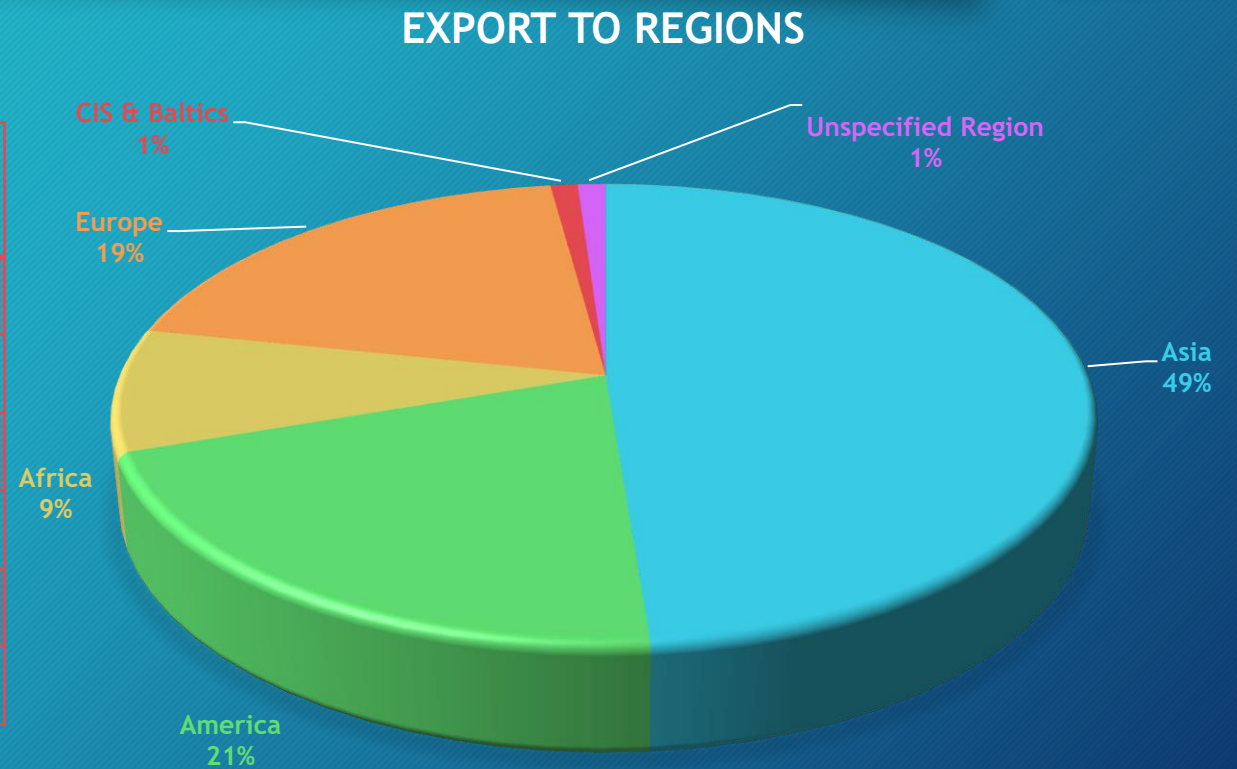
Total commodity export USD \$330 Billion

Total Services export USD \$186.8 Billion



Export to various regions

Region	Value (in Million USD)
Asia	160,723.97
America	68,855.04
Africa	28,541.92
Europe	64,380.88
CIS and Baltics	3,467.25
Unspecified region	3,567.09



Growth and Challenges

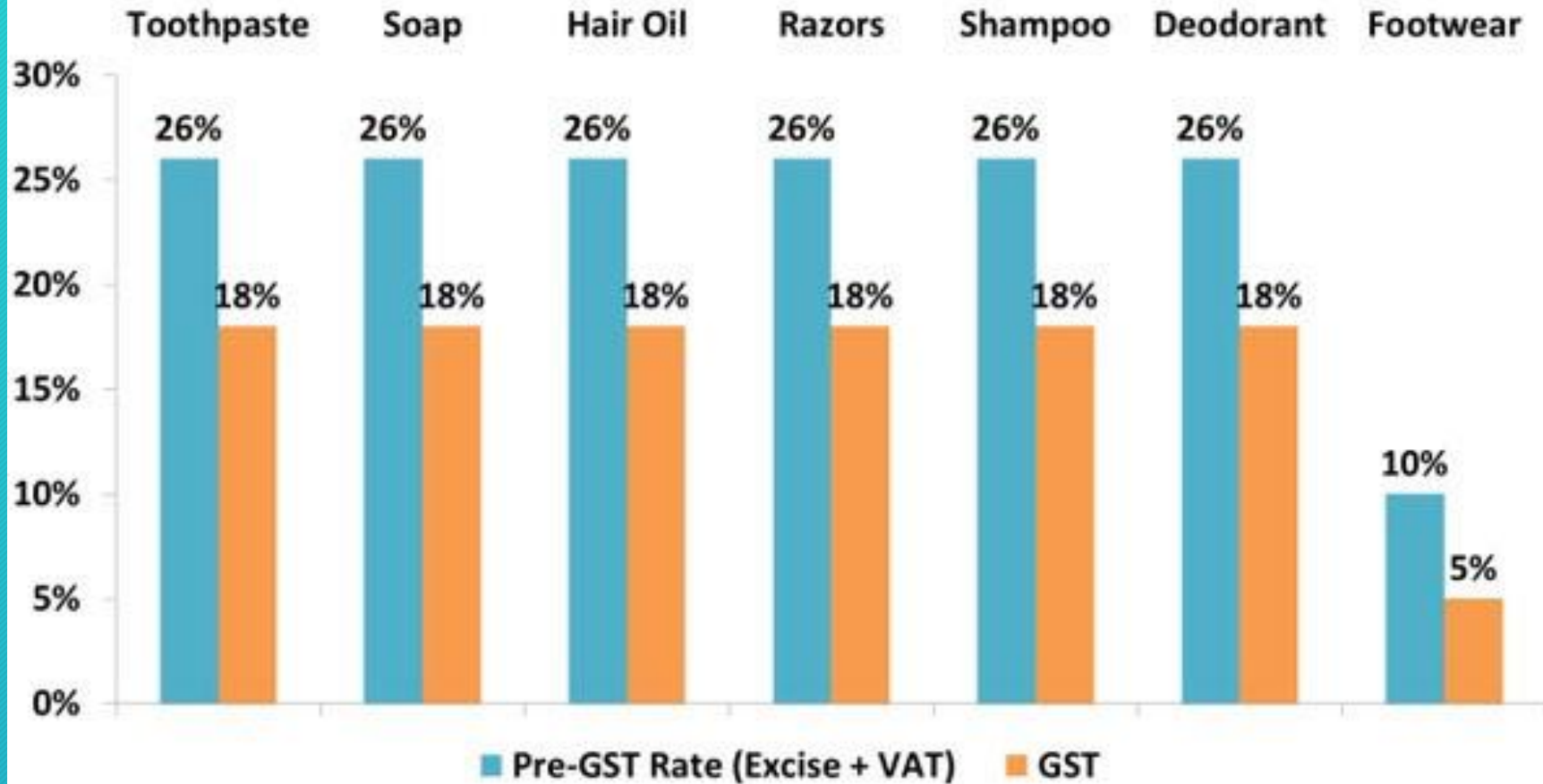
Tax to GDP ratio

Goods and Services Tax

- One tax slab
- Value added
- Refunds

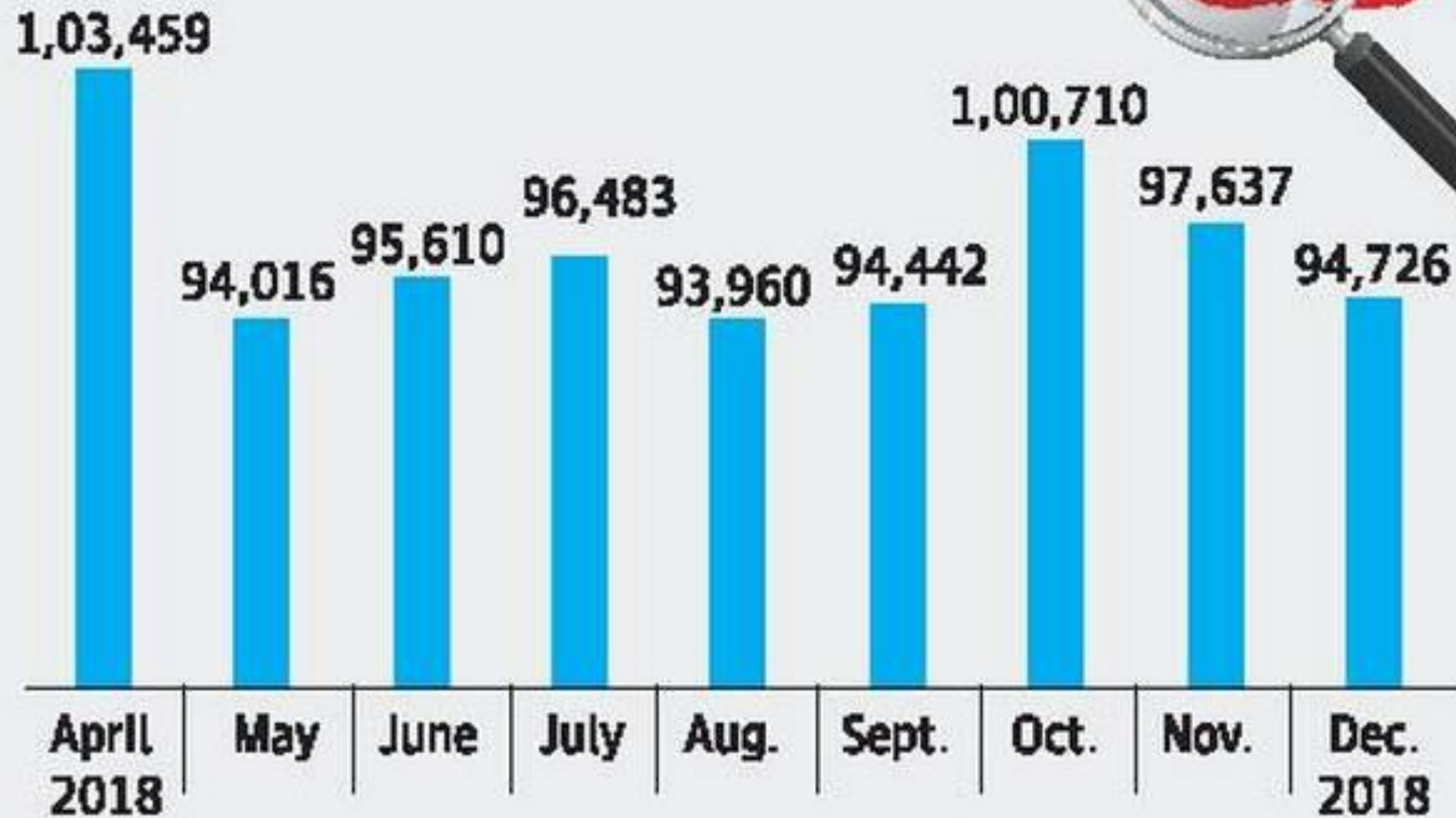
- Revenue neutral or revenue negative?

Reduced Indirect Taxes (GST)



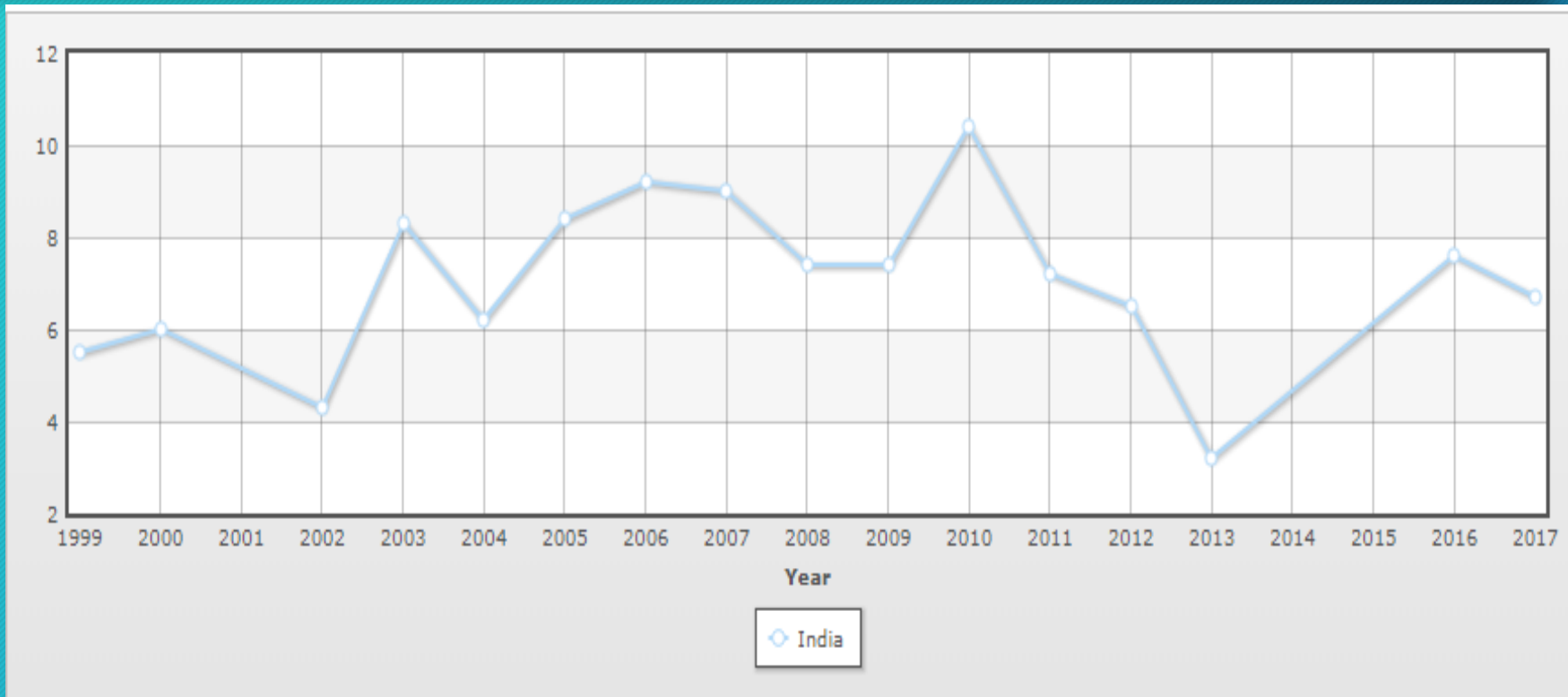
Note: GST rate for footwear is up to Rs. 500 price

Ebb and flow (in ₹ crore)



Source: Press Information Bureau

GDP Growth rate in %

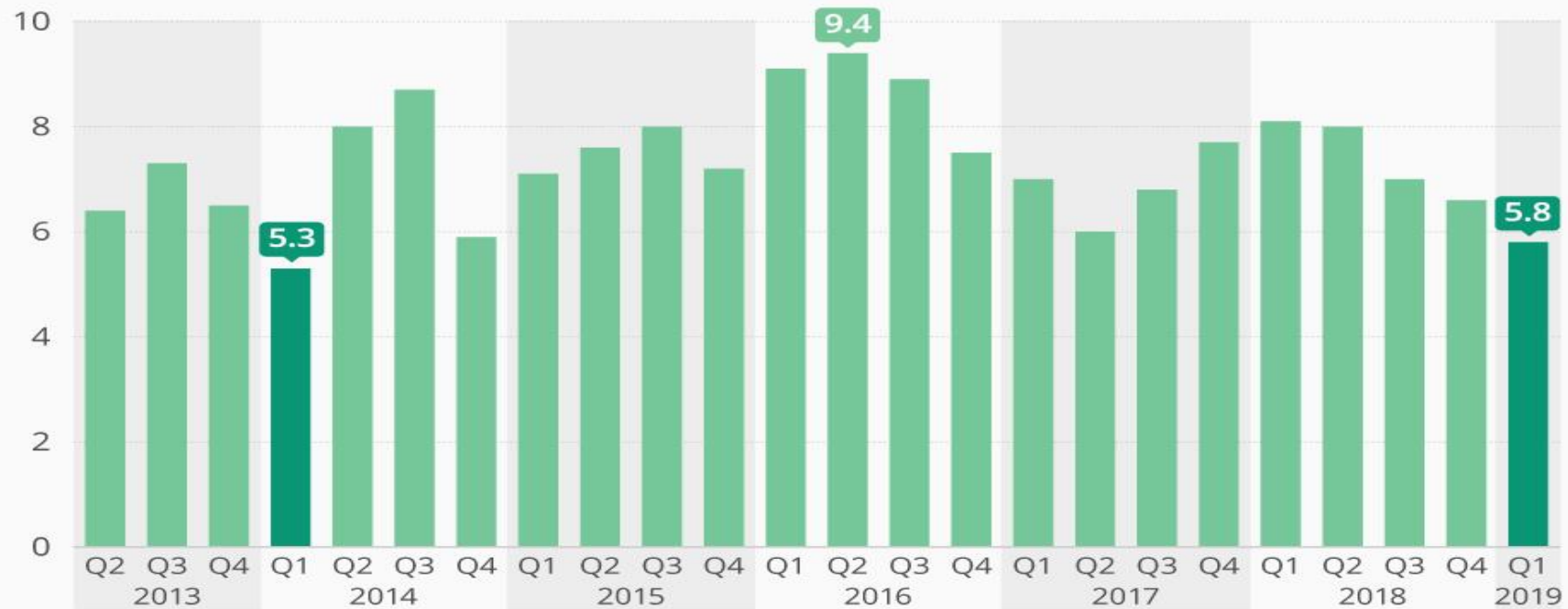


Country	1999	2000	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2016	2017
India	5.5	6	4.3	8.3	6.2	8.4	9.2	9	7.4	7.4	10.4	7.2	6.5	3.2	7.6	6.7

GDP Growth Slows down?

India's GDP Growth Slows to 5-Year Low

Quarterly GDP growth in India (year-over-year, in percent)*



* at constant prices

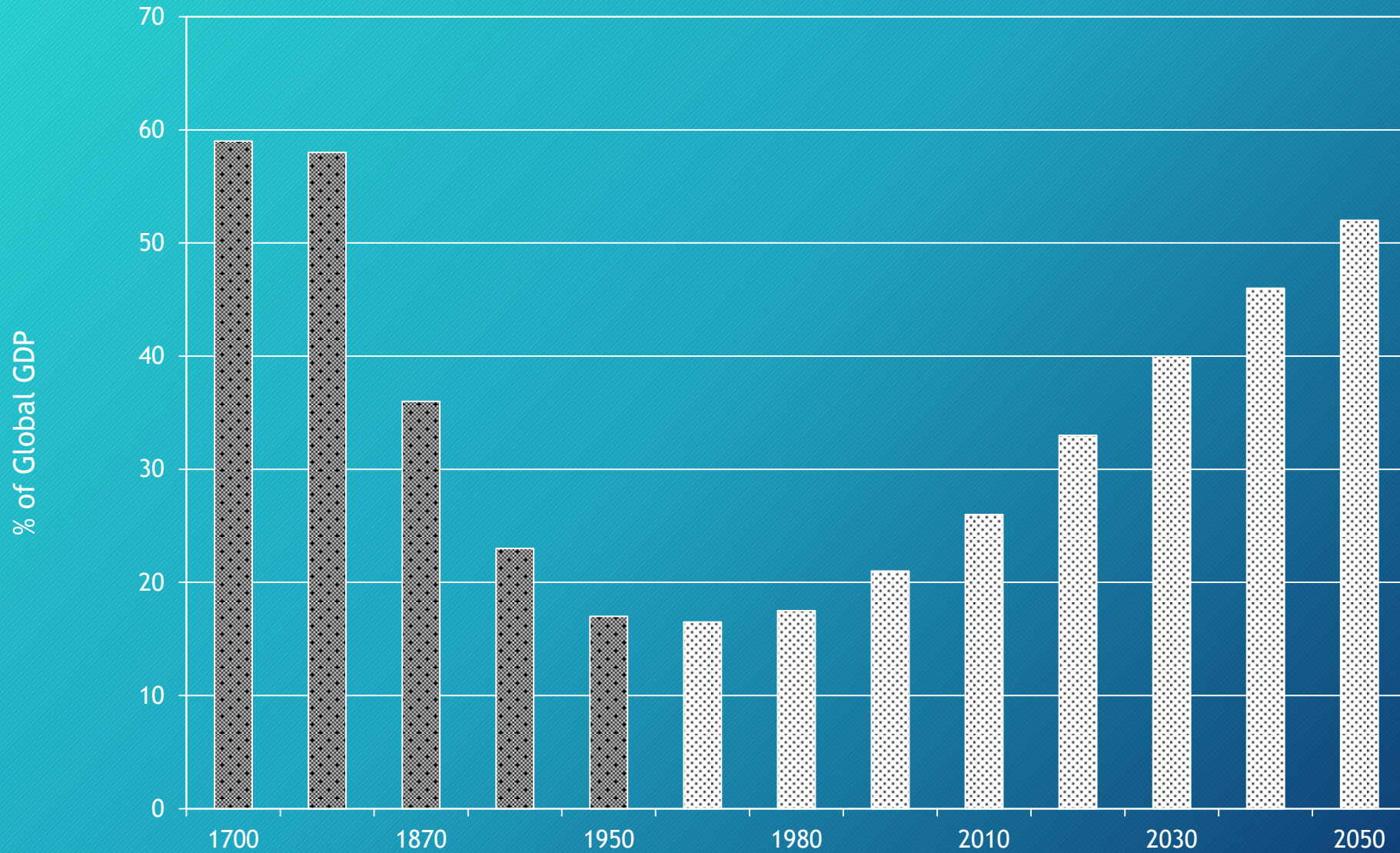


@StatistaCharts

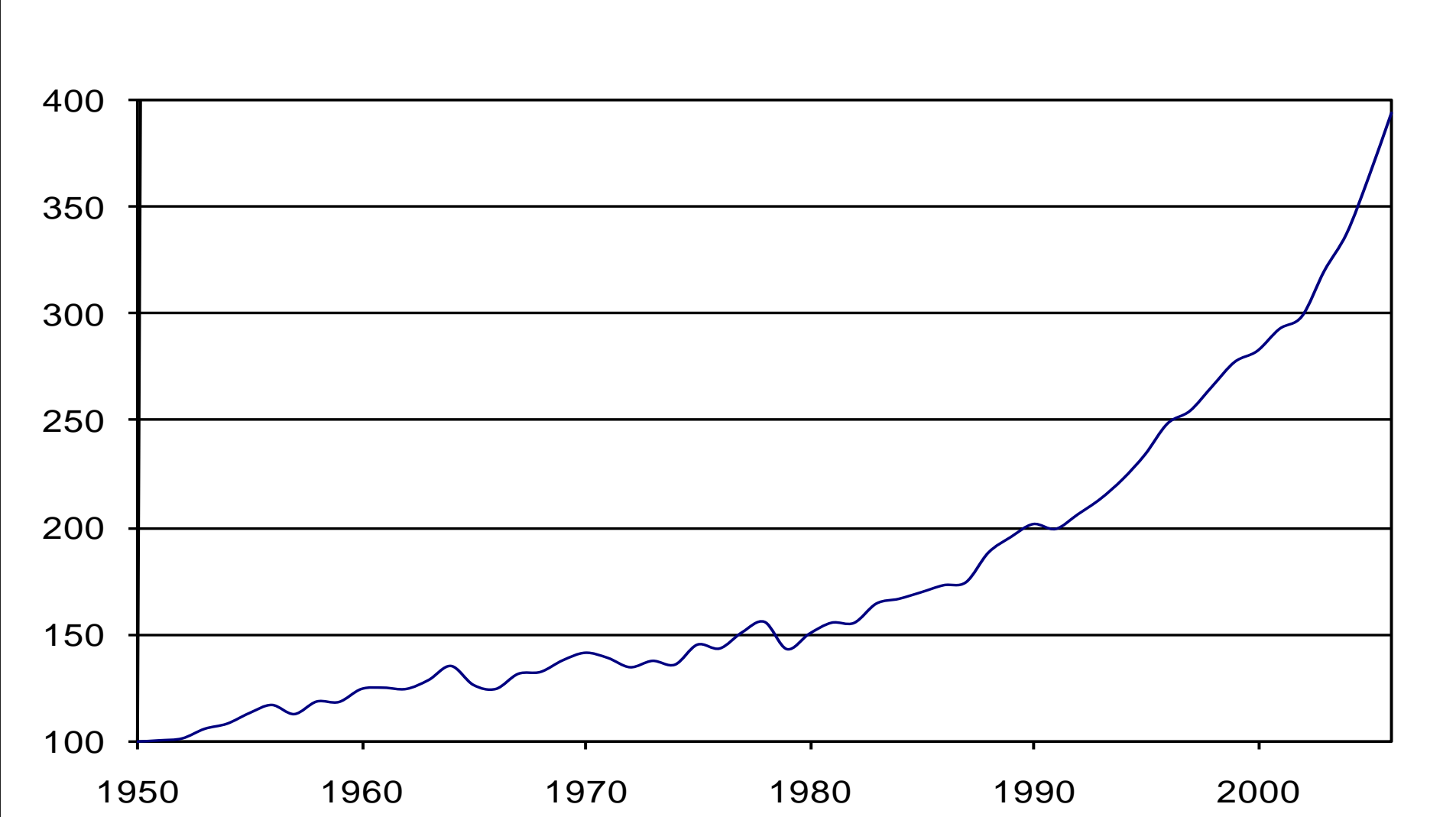
Source: Government of India Ministry of Statistics and Programme Implementation (MOSPI)

statista

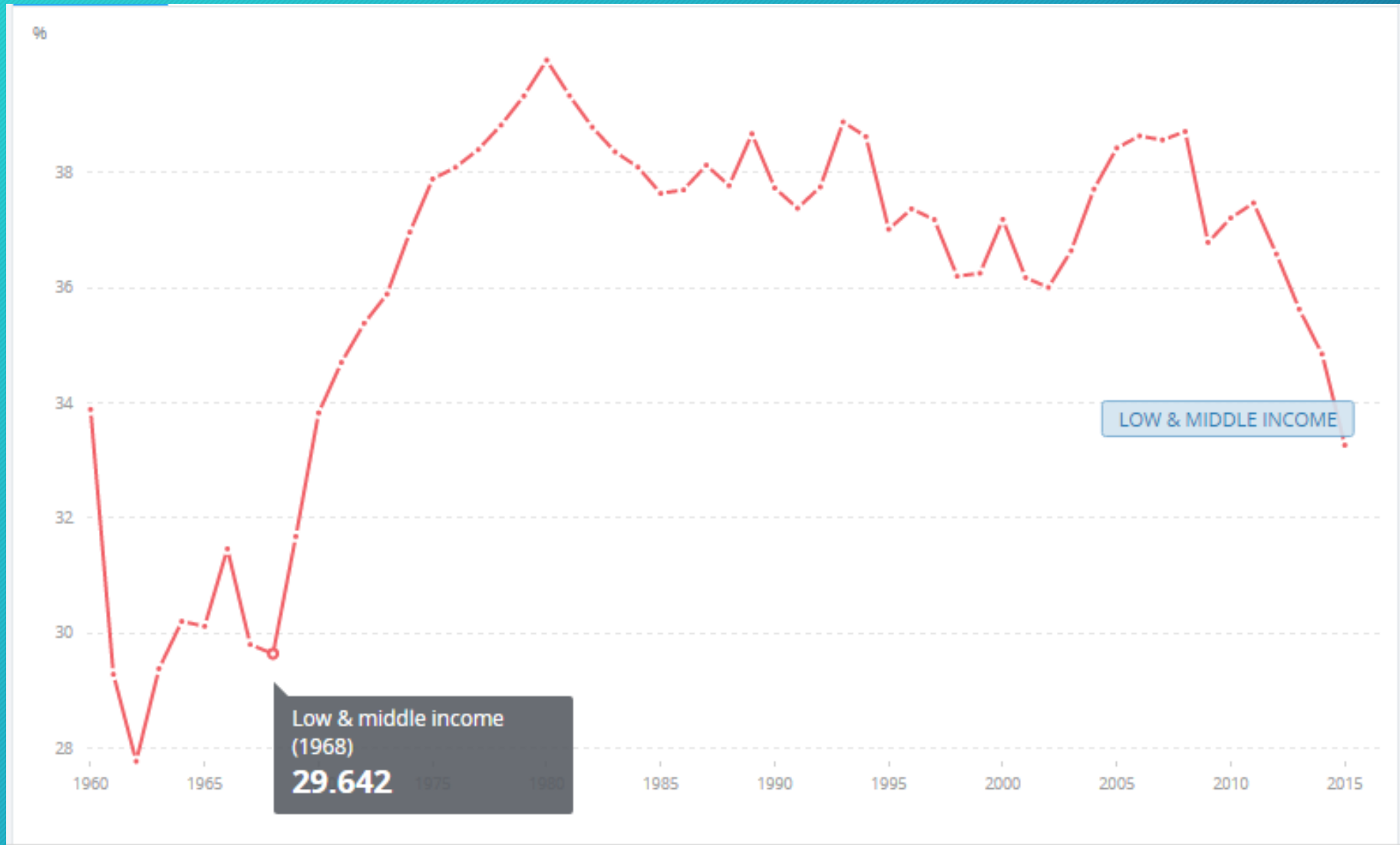
Fall and Rise of the Share of Developing Countries in Global Economic System



Per capita income at constant prices (1950-51=100) India



Percentage Share of Industries in GDP in the Low and Middle Income Countries



Percentage Share of Industries in GDP in China

Line

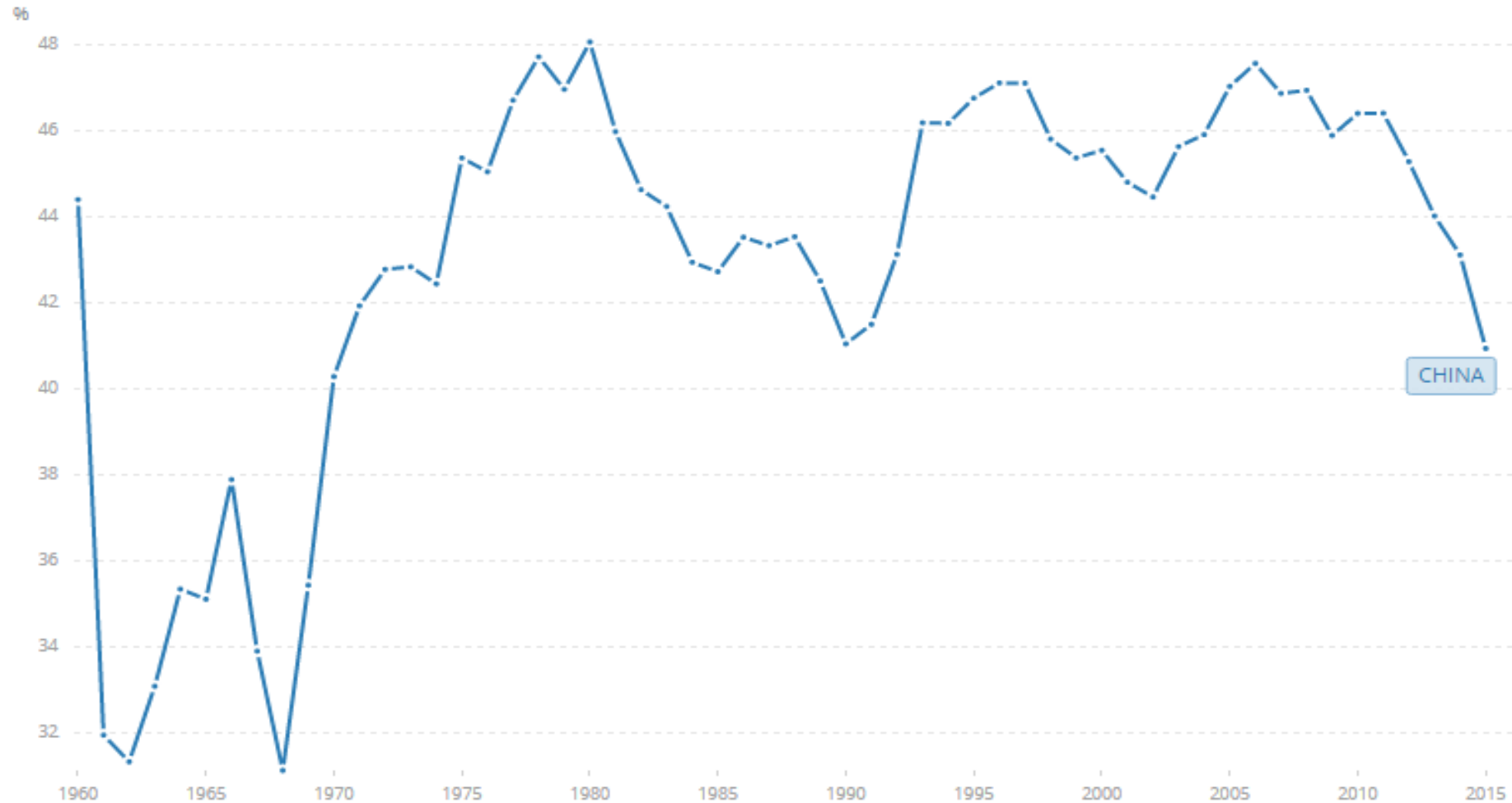
Bar

Map

Also Show

Share

Details

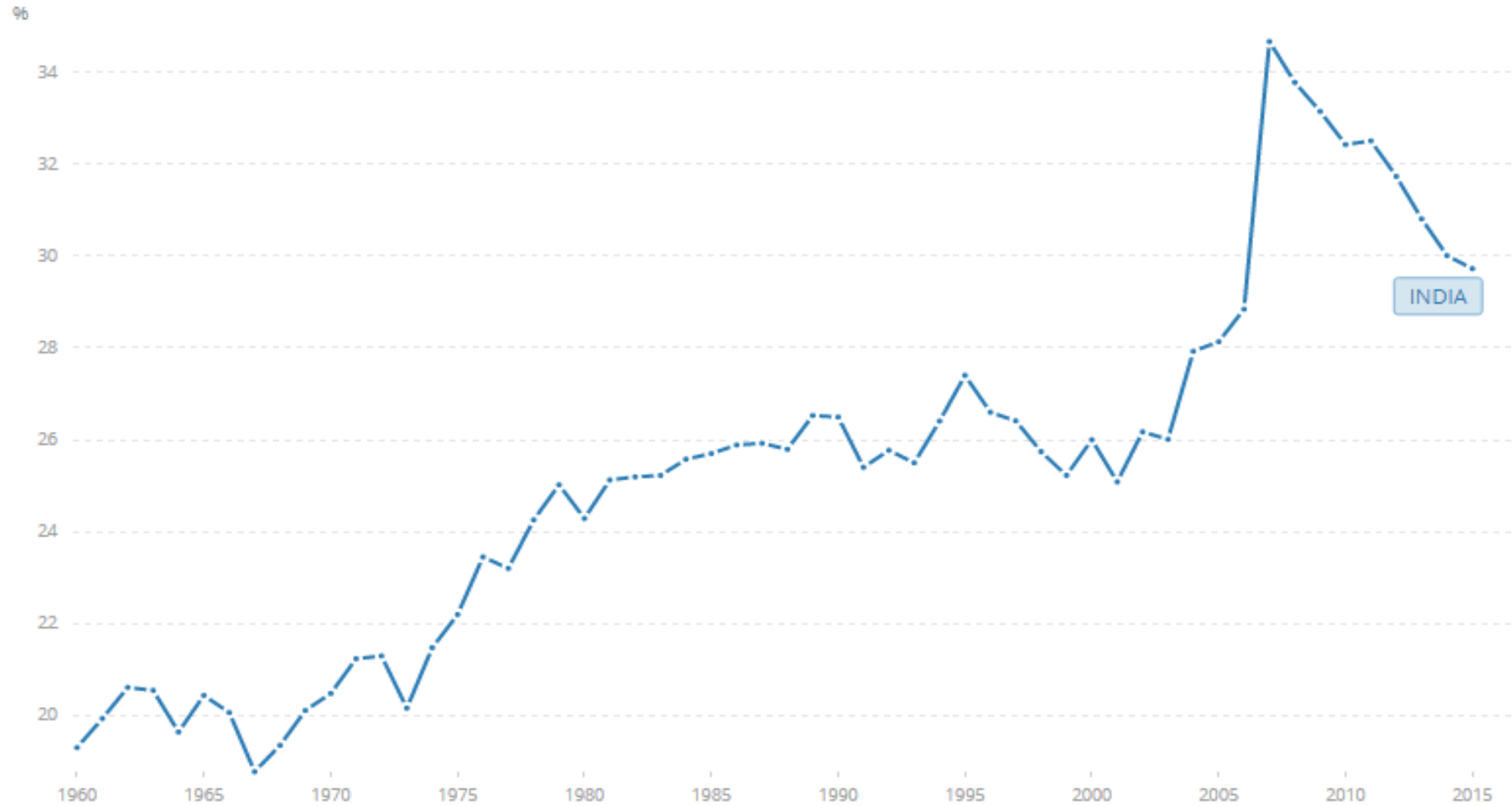


1960 - 2015

III

III

Percentage Share of Industries in GDP in India



Directions of Intervention

- Liberalising FDI in select sectors
- Rollback of controversial foreign portfolio investment
- Big bang Reforms including the enhanced surcharge levied on capital gains made by foreign portfolio investors
- Reduction in Repo rate of RBI
- Credit Flow to non-banking financial institutions
- Increase in govt expenditure backed up by the extra funds provided by RBI

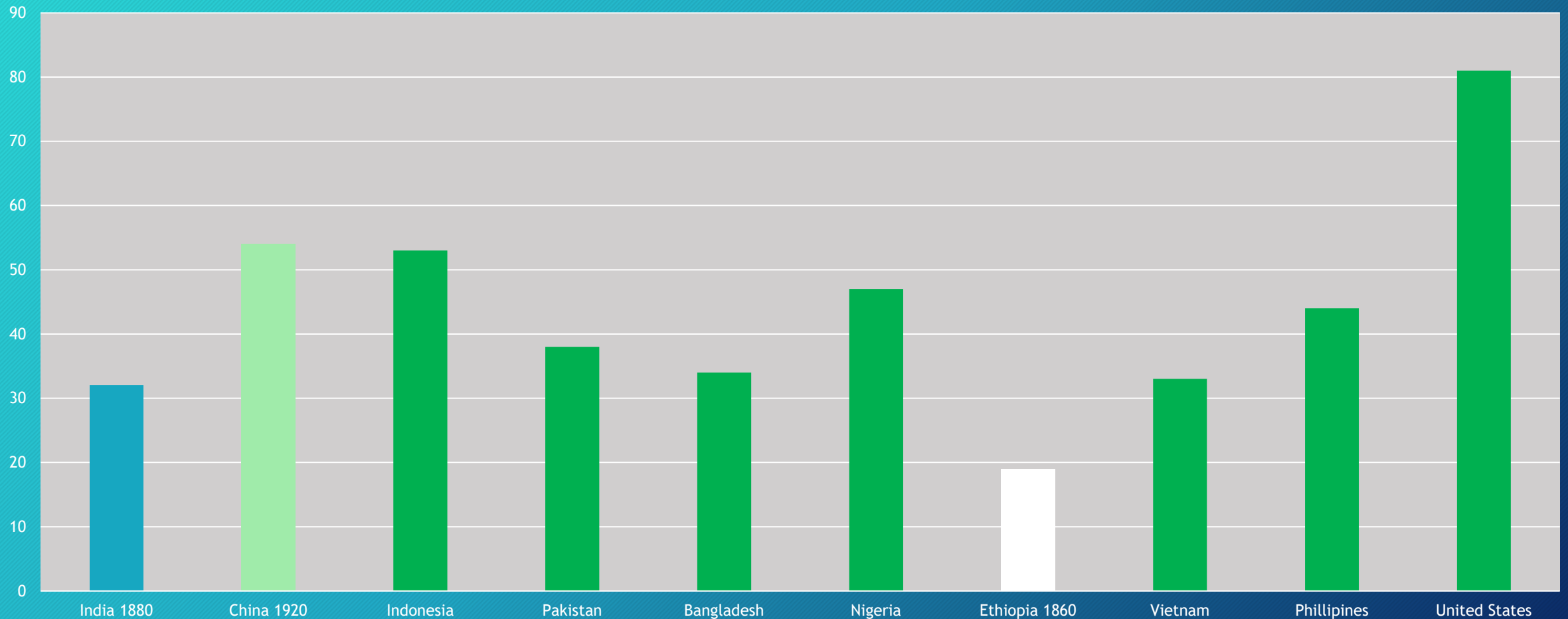
Middle Income Trap hypothesis Explored

- Current growth driven by 100 million people in upper and middle class
- Phenomenal growth in Automobile, mobile and other items of upper and middle class consumption
- Plateau in the demand of this class
- Sluggish growth in the base of middle class
- Car industry accounting for 7 % of GDP more than housing of 5 %
- Real estate producing vacant houses with 11 million vacant houses in urban areas

Growth and Challenges

Urbanisation

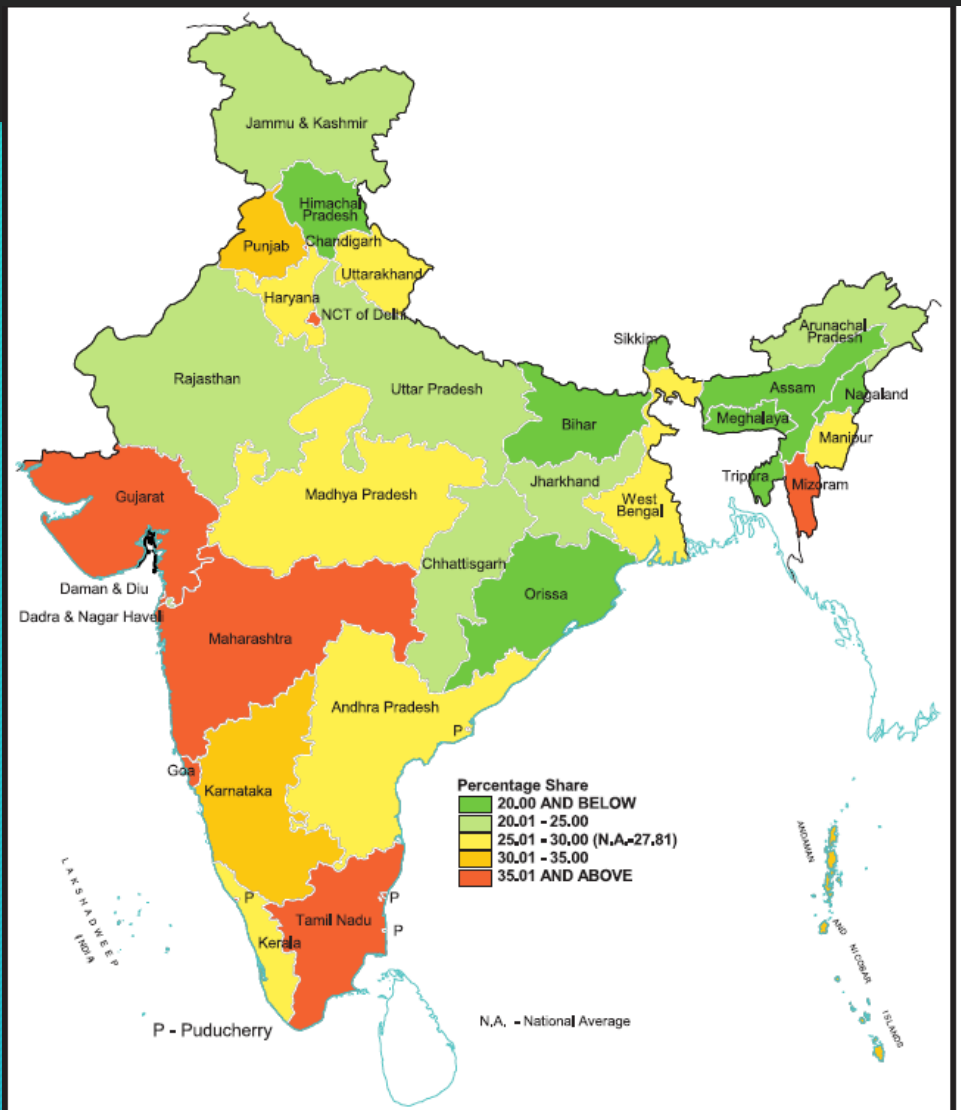
Urban Population %



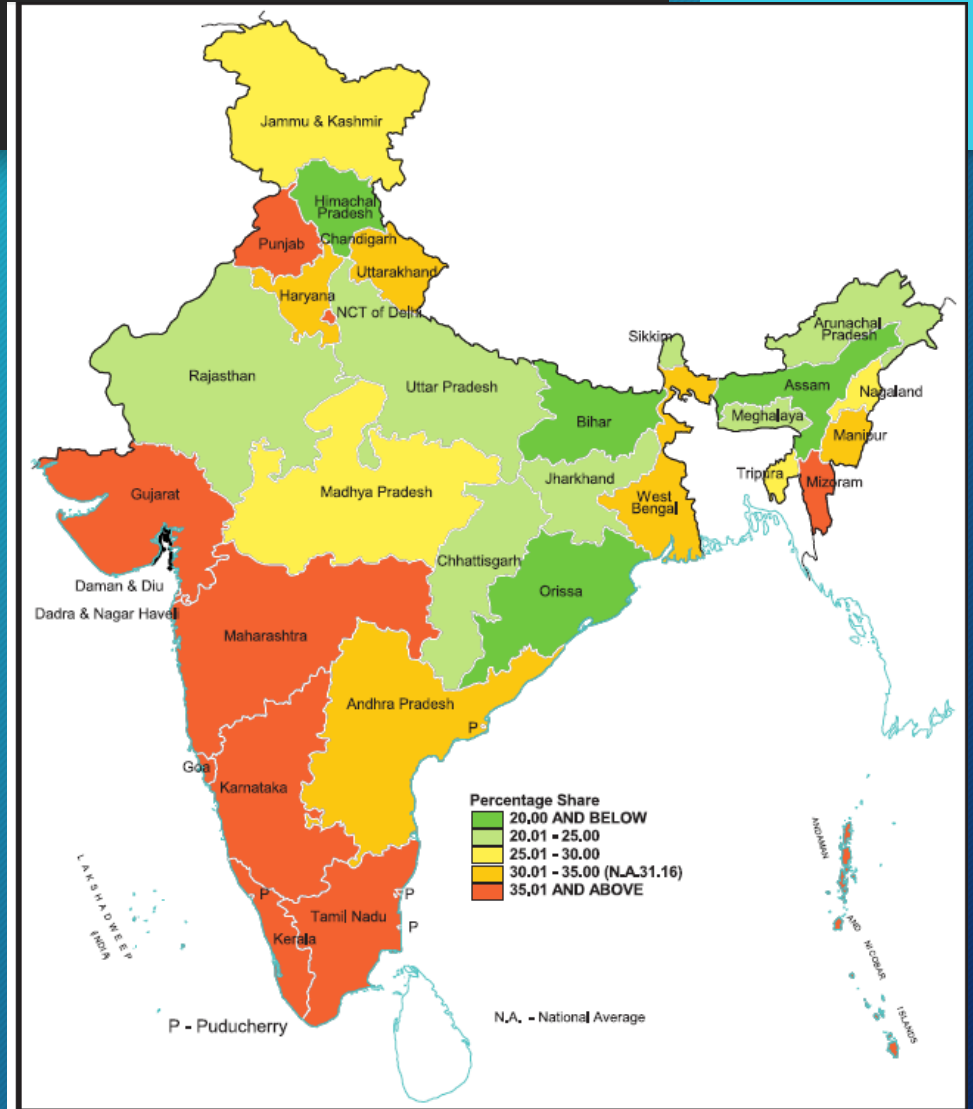
Urban Population... Where is growth happening?

2011

2001



2011



India vs. China

Urbanisation

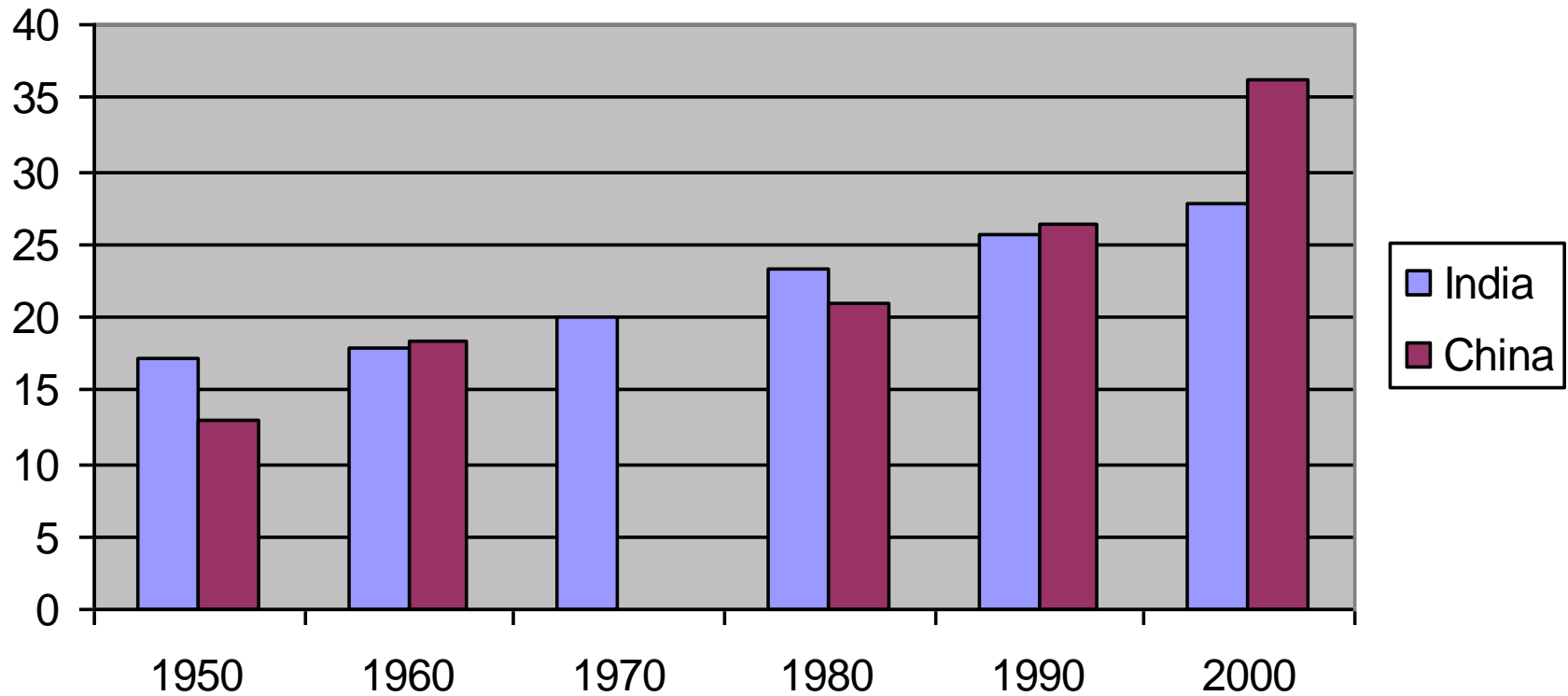
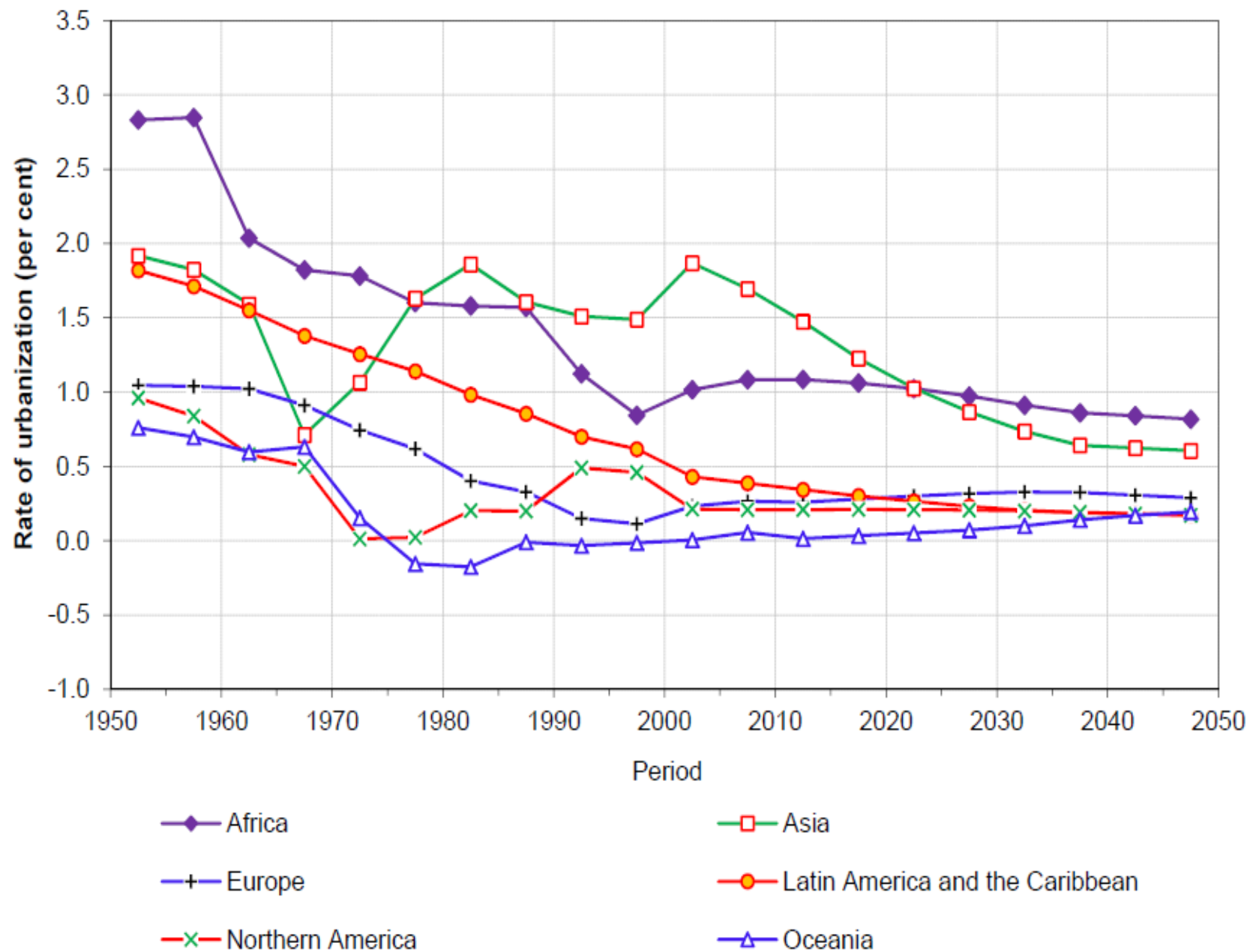


Figure II.12. Rate of urbanization by major area, 1950-2050



Per cent Urban Population and Urban Growth Rates 1901-11

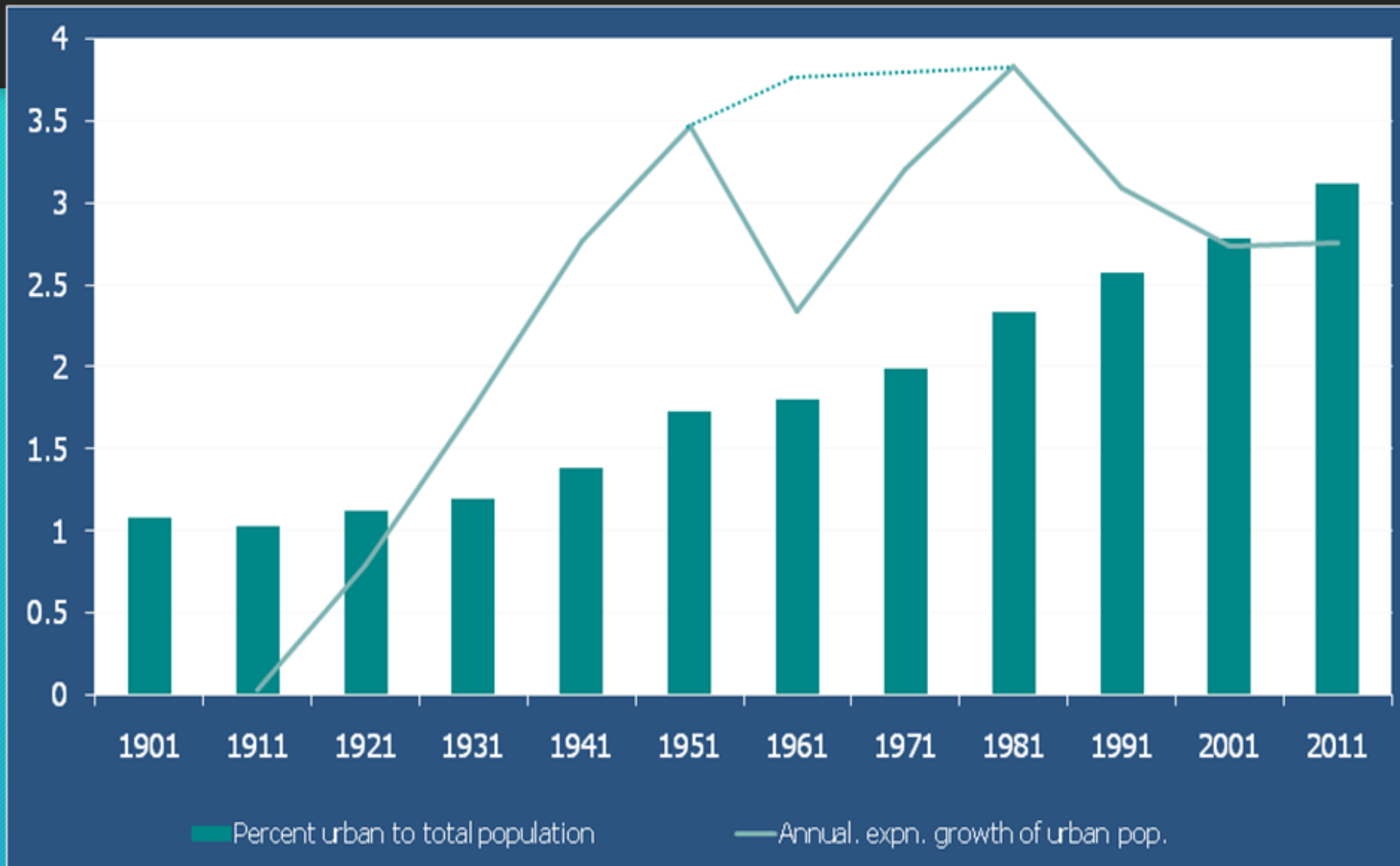


Table : Percentage of migrants (POLR) in the population as per decennial censuses

Source: Compiled from Census tables on Migration.

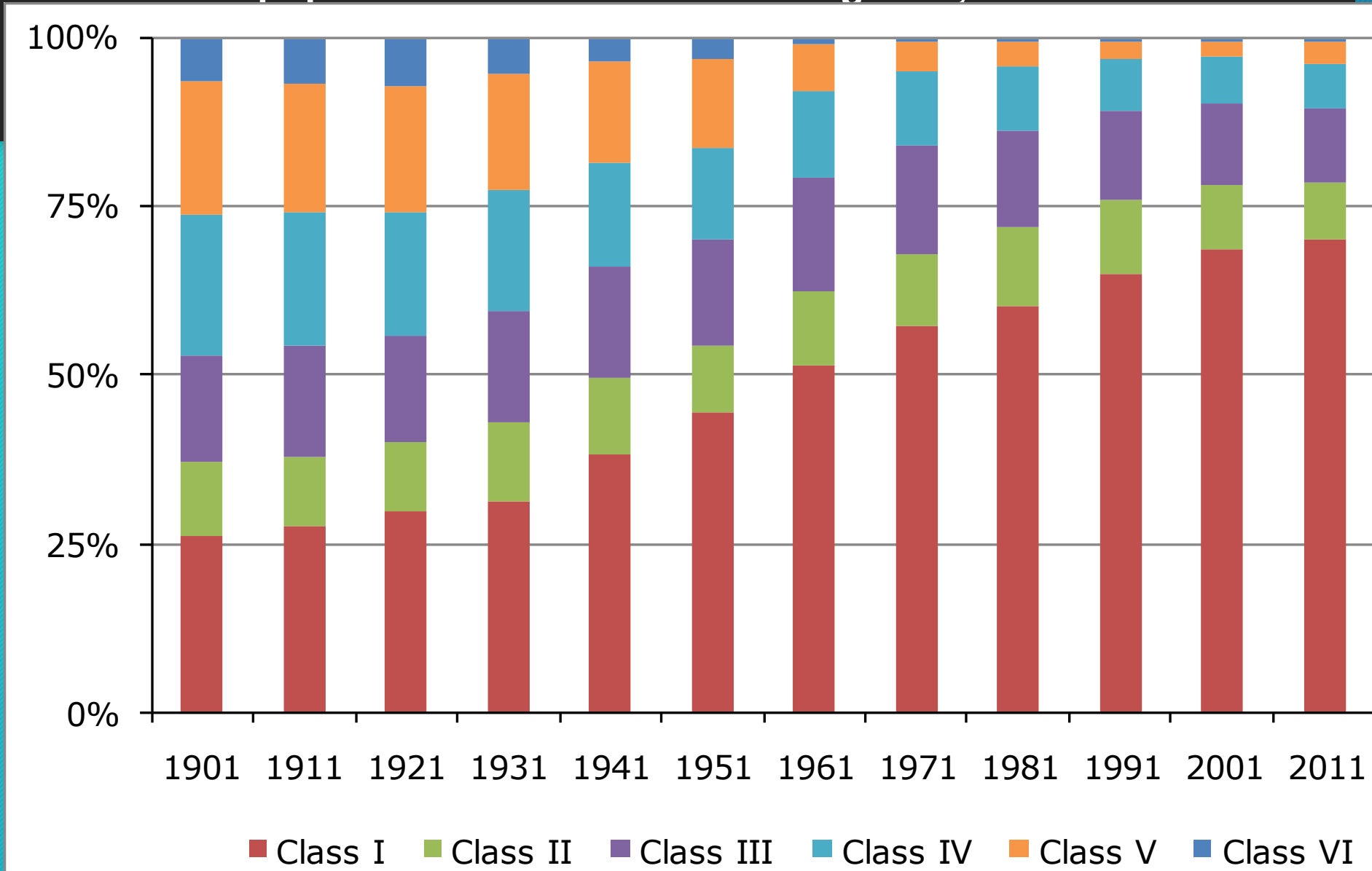
	Census years				
	1971	1981	1991	2001	2011
Total	29.1	30.3	27.4	30.1	37.5
Male	17.5	17.2	14.7	17.0	22.6
Female	41.7	44.3	41.2	44.6	53.2

Percentage of Population in Cities with Population over 5 million to Total Urban Population

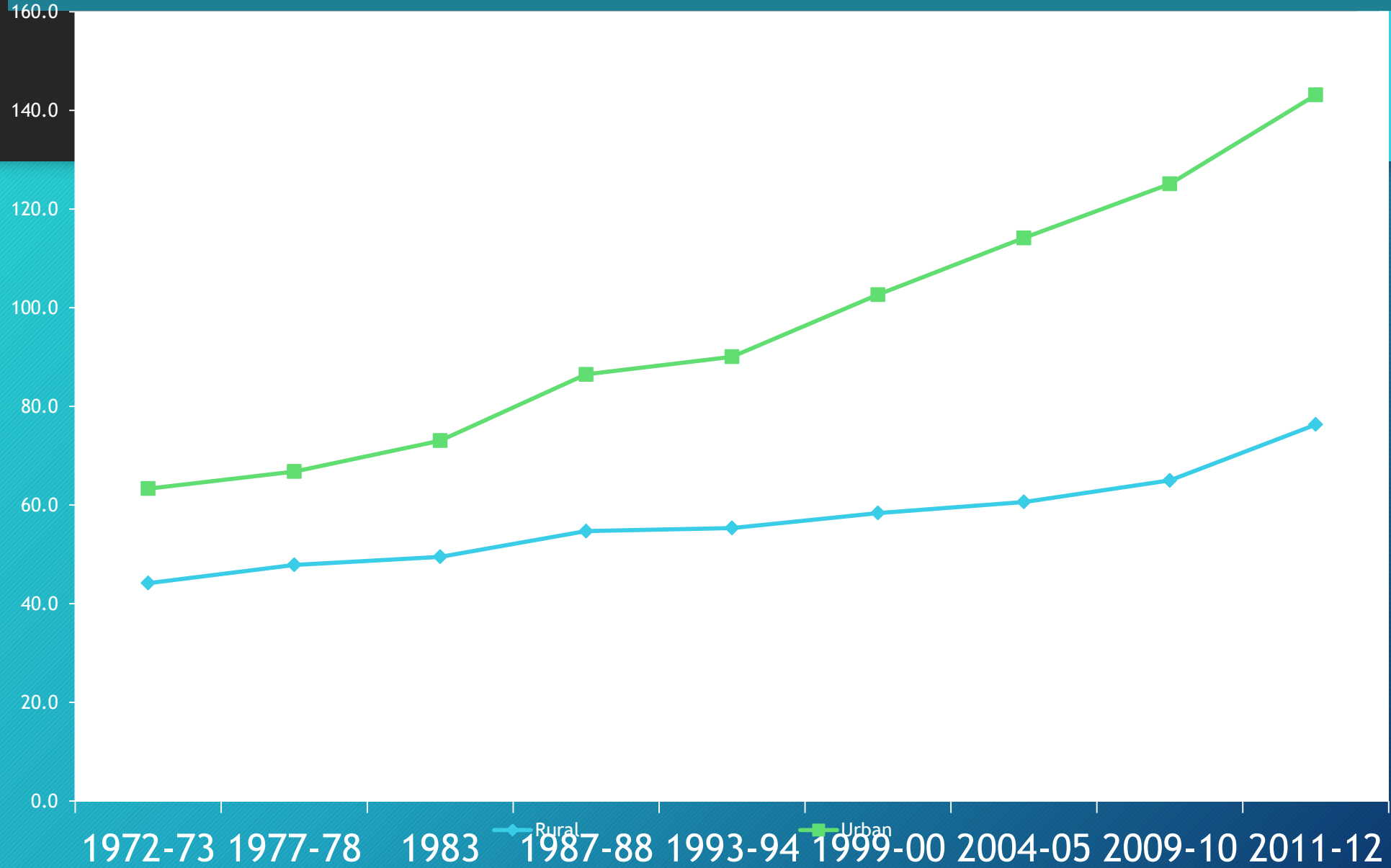
Europe	Africa	Less Developed Countries	World Average	Developed Countries	Asia	South Central Asia	India
7.5	9	15	15.5	16	18	23	23.5

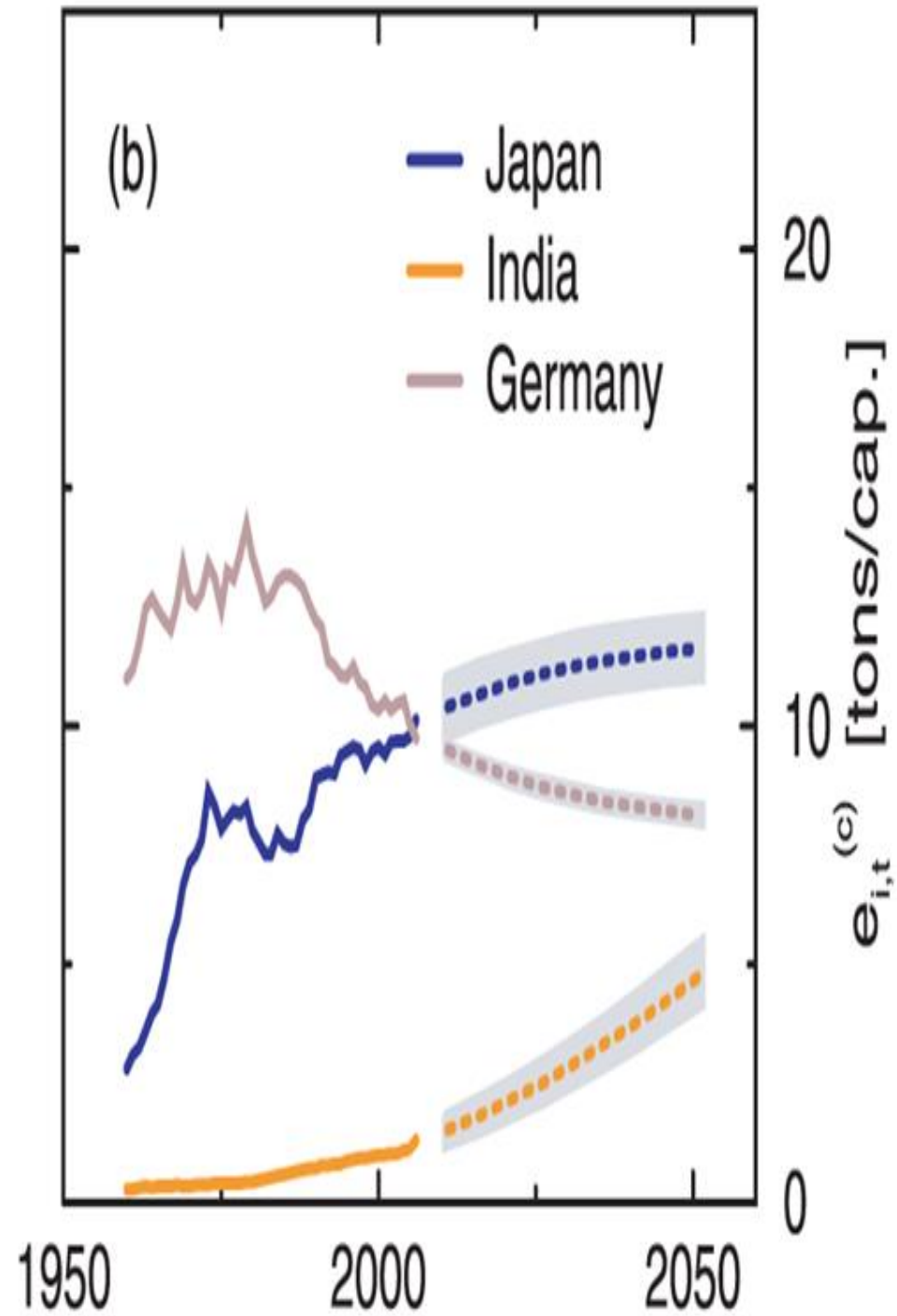
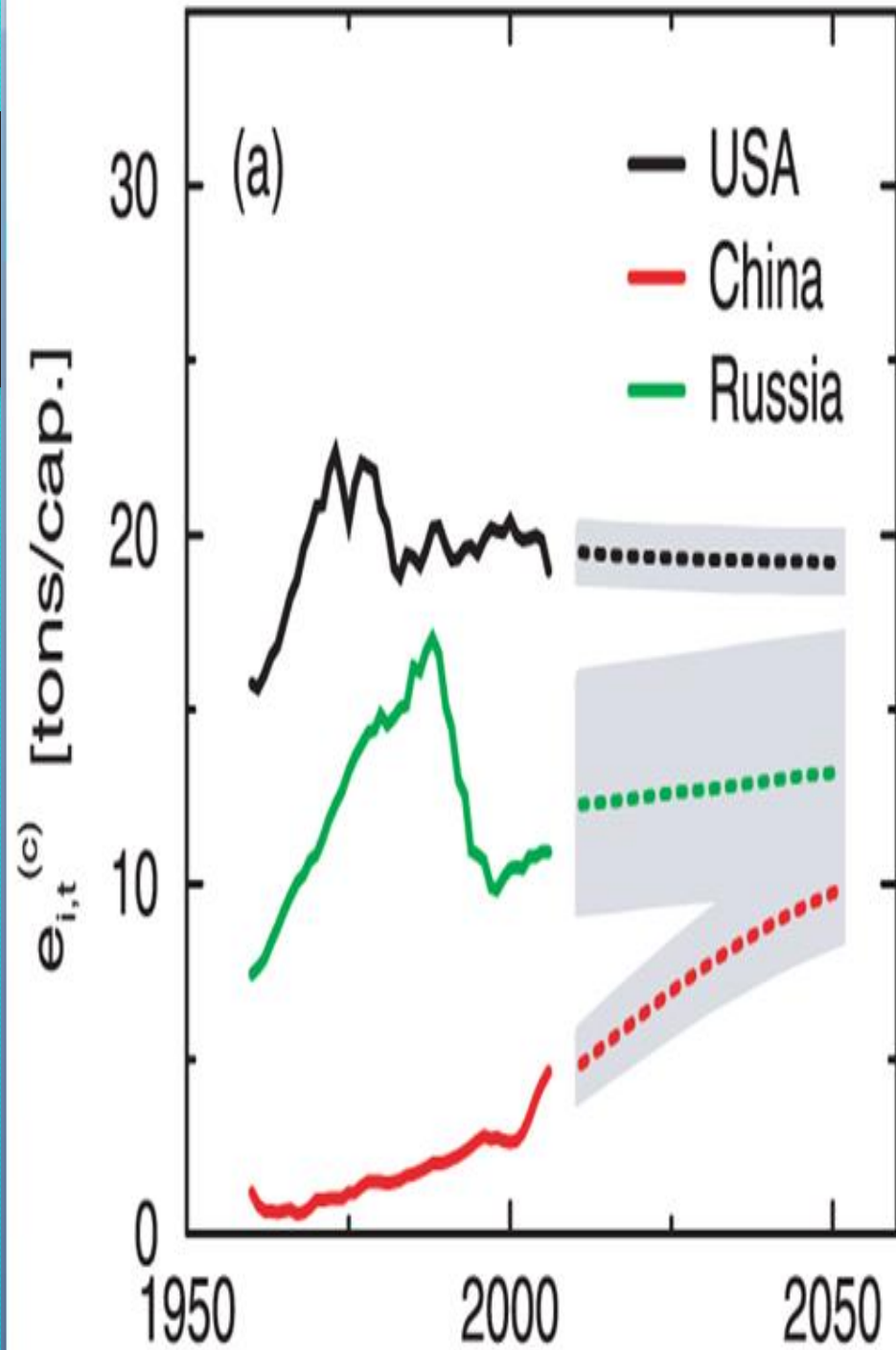
Implications of top heavy urban structure: high infrastructural cost, energy consumption, regional disparity and threat to sustainable development.

Proportion of urban population in different size categories, 1901–2001

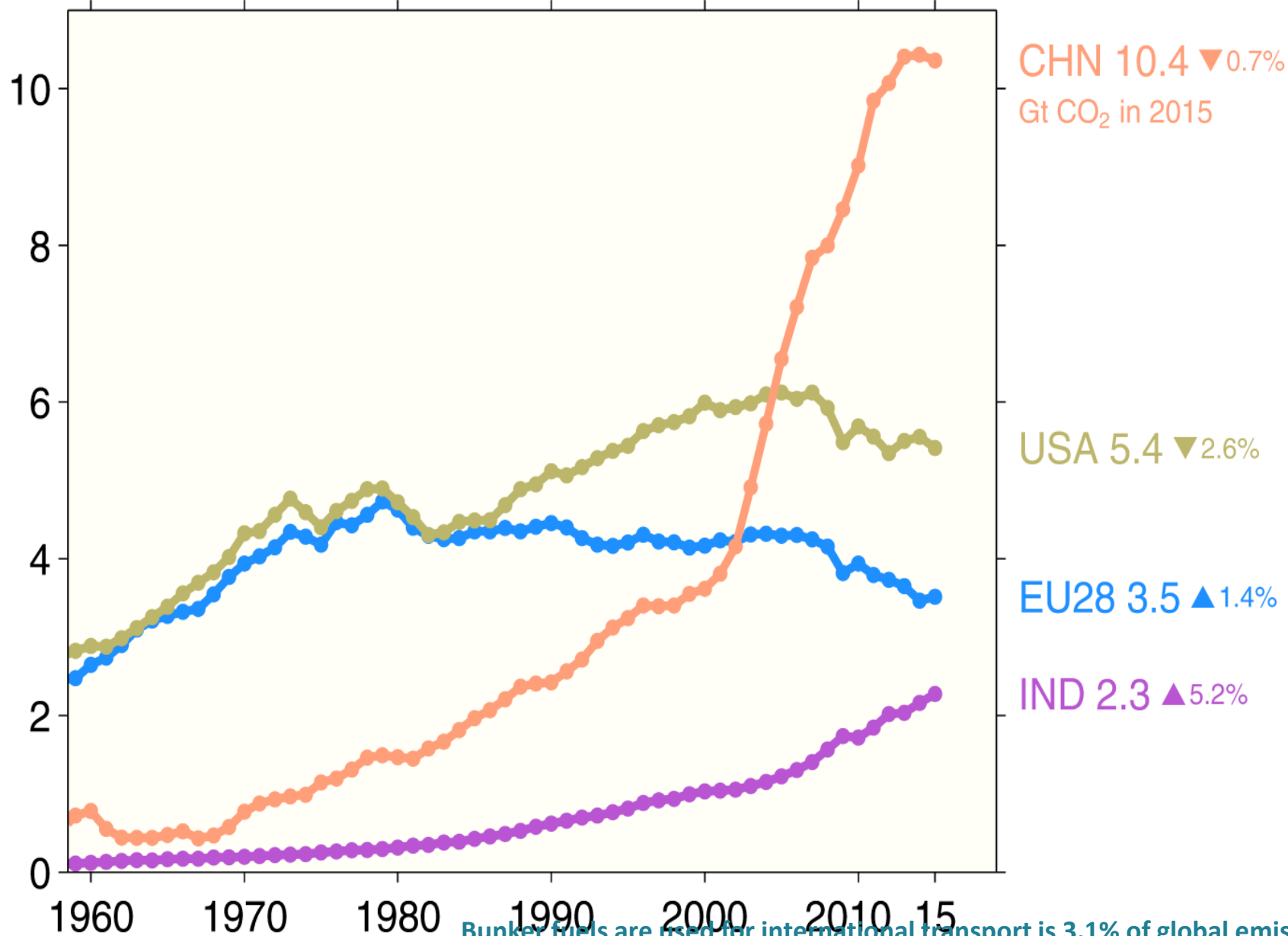


Trends in all-India average monthly per capita consumption at constant prices (Rs.) 1972-73 to 2011-12





Data: CDIAC/GCP



Bunker fuels are used for international transport is 3.1% of global emissions

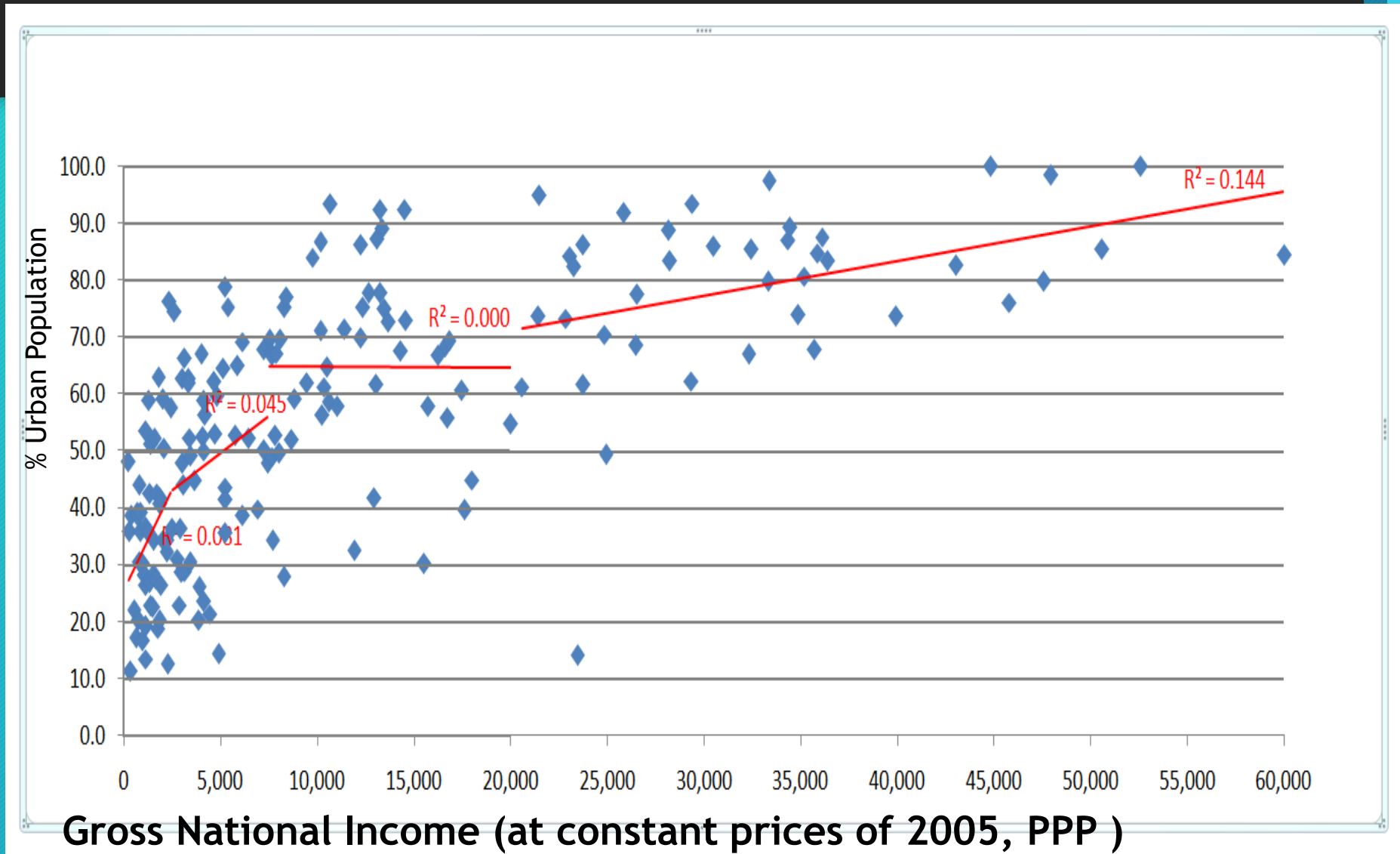
Statistical differences between the global estimates and sum of national totals are 1.2% of global emissions.

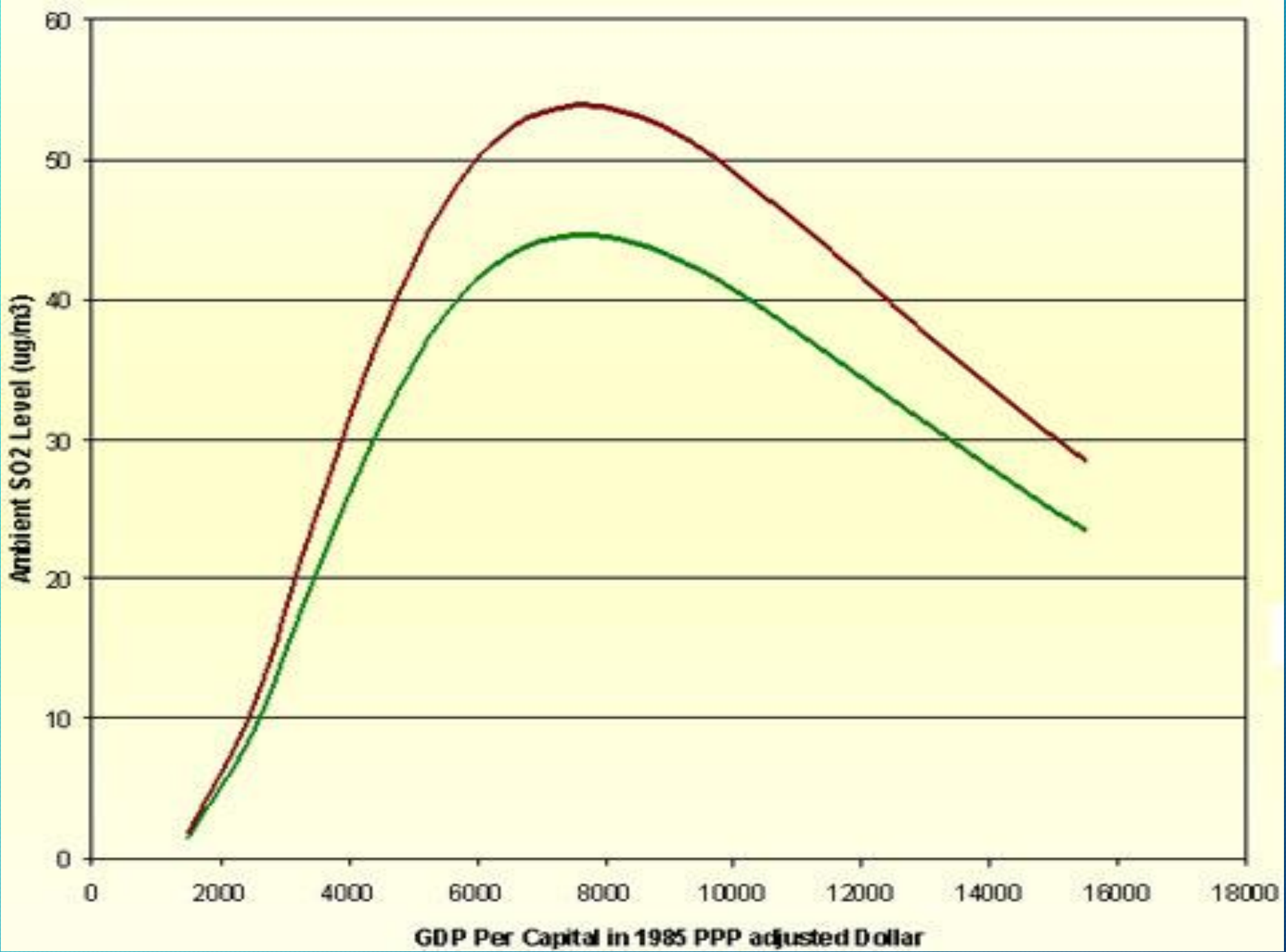
Source: [CDIAC](#); [Le Quéré et al 2016](#); [Global Carbon Budget 2016](#)

Empirical Results : Relationship between energy use and PCI & HDI

- Regressing energy consumption on PCI and HDI for 1982 and 2002 using the data for UNDP
- Three categories of countries (a) Below 1,000 KOE (b) Between 1000 KOE and 3000 KOE and (c) Above 3000 KOE (60, 30 and 32 countries respectively)
- (c) Relationship strong and positive for low KOE, low for medium and none for high KOE countries
- (d) Relation over time remains strong in 2002 but becomes weak for others

Linear Functions relating Level of Urbanization with Per Capita Income





COST COMPARISON OF ENERGY SOURCES 2018

Adapted from US DOE²

Power Plant Type	Cost \$/kW-hr
Coal with CCS	\$0.12-0.13
CC Natural Gas	\$0.05
CC with CCS	\$0.075
Nuclear	\$0.093
Wind onshore	\$0.059
Wind offshore	\$0.139
Solar PV	\$0.063
Solar Thermal	\$0.165
Geothermal	\$0.045
Biomass	\$0.095
Hydro	\$0.062

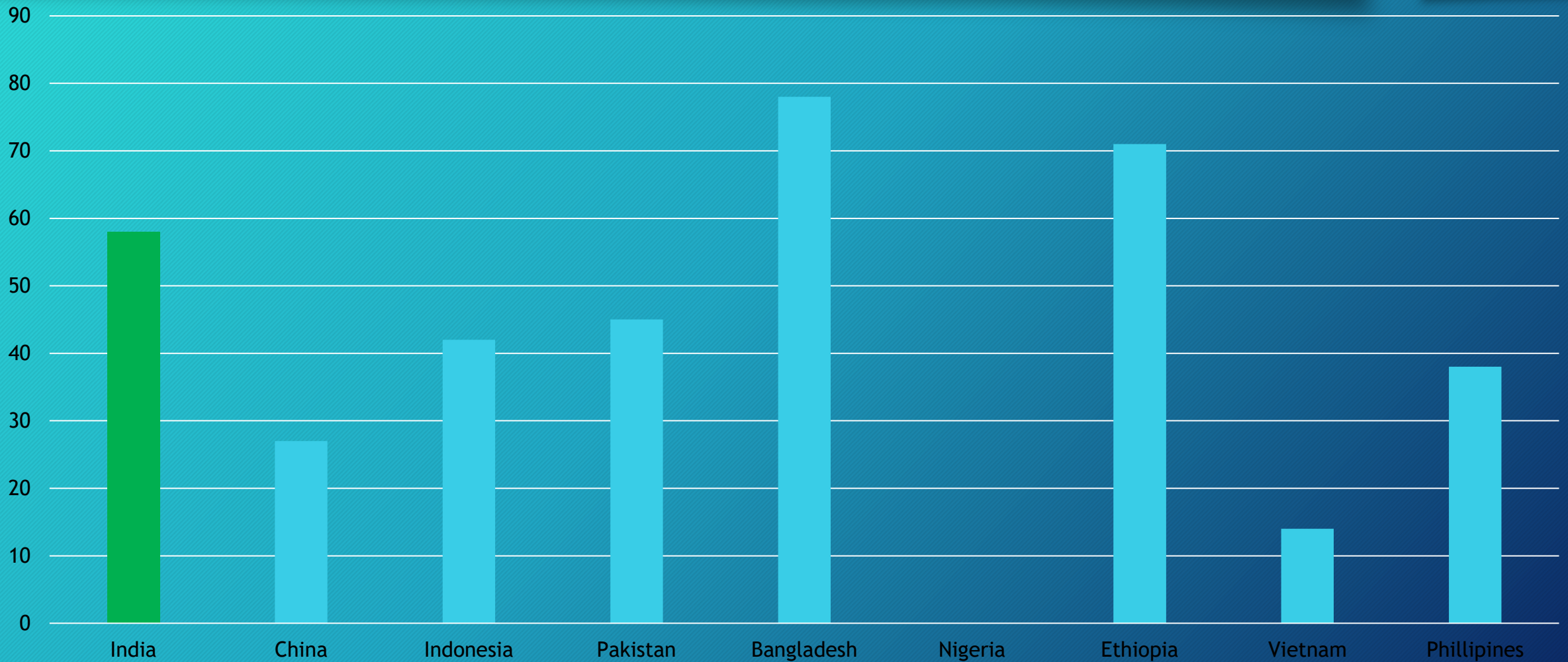
A Perspective of Policy for Sustainable Development in India

- A strong case for spatially balanced urbanisation permitting increase in emissions for meeting their poverty reduction and other MDG targets. “common but differentiated resp.”
- Erroneous to be complacent about developed countries and India must have self restraining policies and sustainable energy sources
- Change in Life style: A more balanced strategy of urbanisation and shift in energy source like Hydel
- The 12th Plan for distributed urbanisation and development of small towns as in SDG 11.

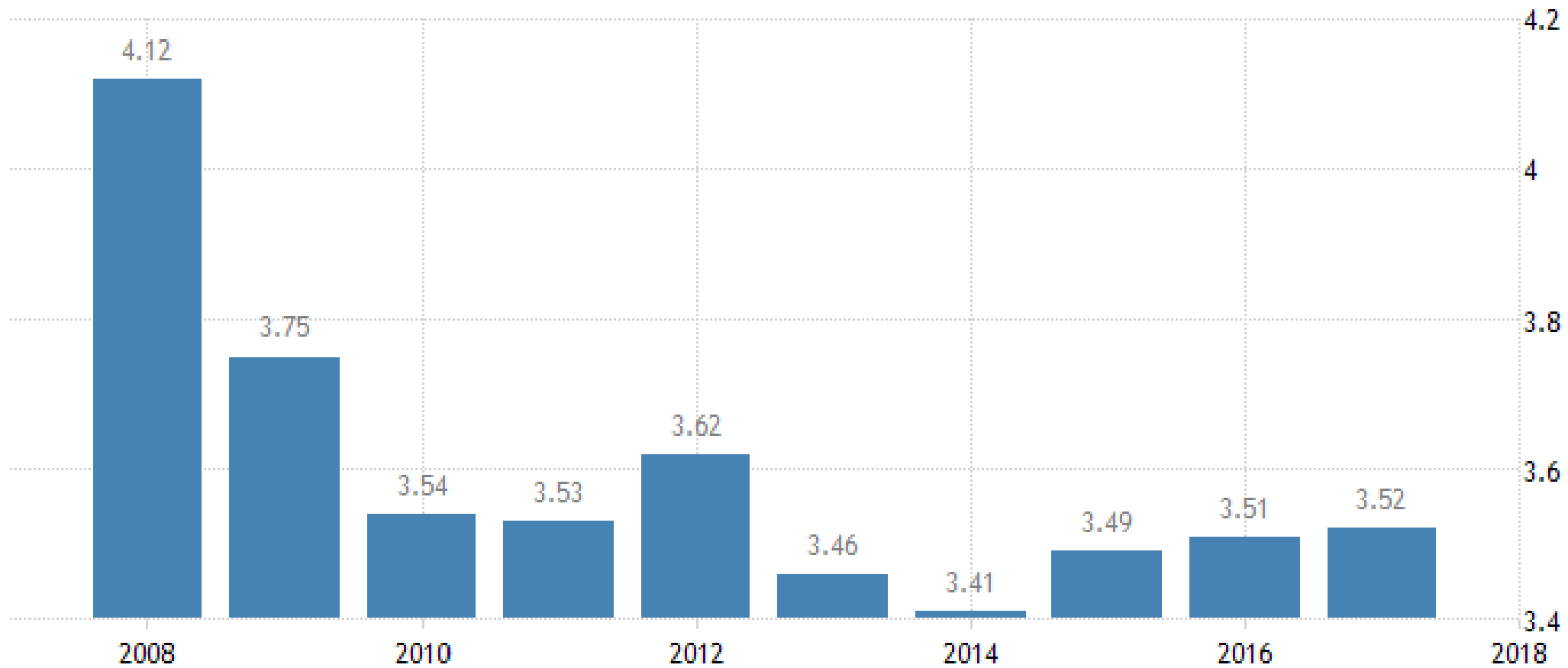
Growth and Challenges

Unemployment

Income 3\$ a day

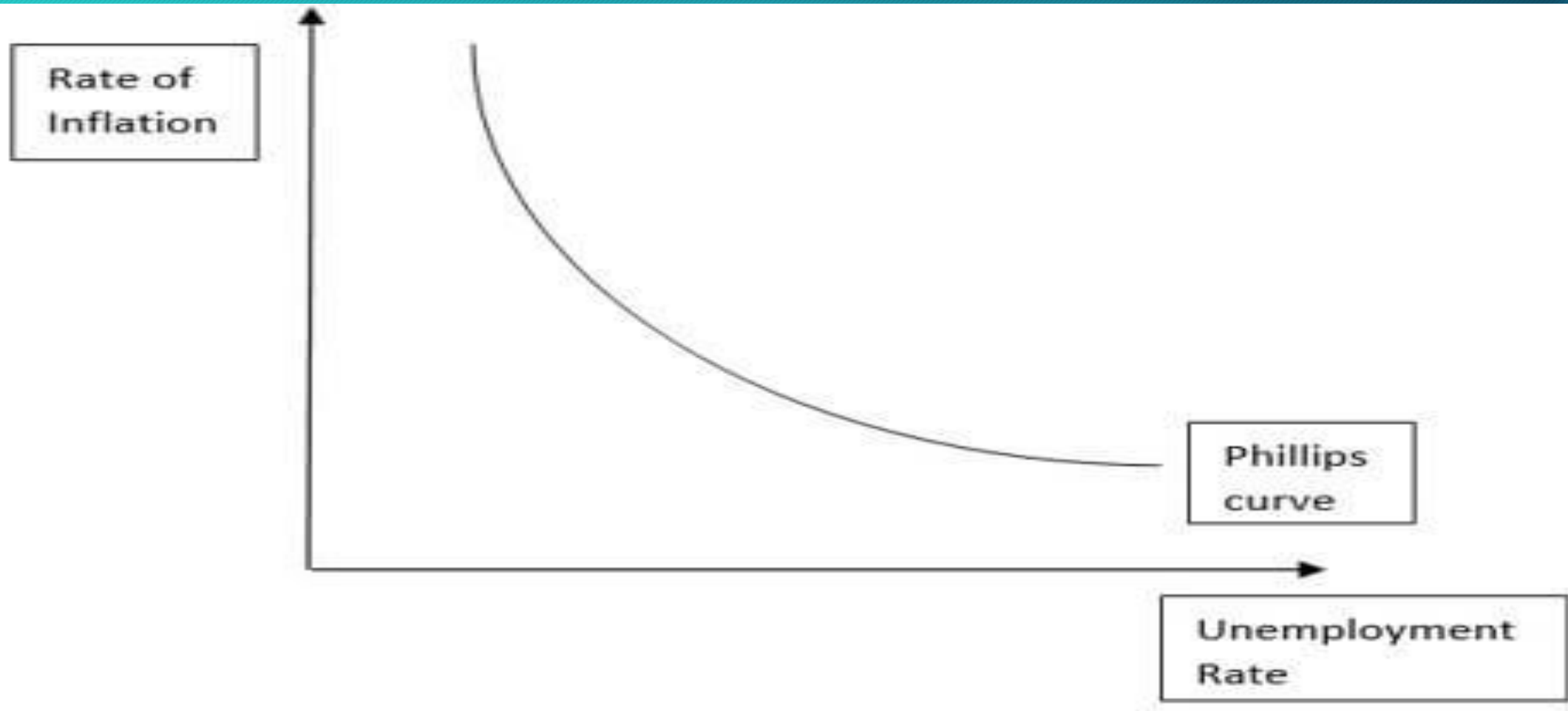


UNEMPLOYMENT



SOURCE: TRADINGECONOMICS.COM | INTERNATIONAL LABOUR ORGANIZATION (ILO)

Phillips curve - tradeoff between unemployment and inflation



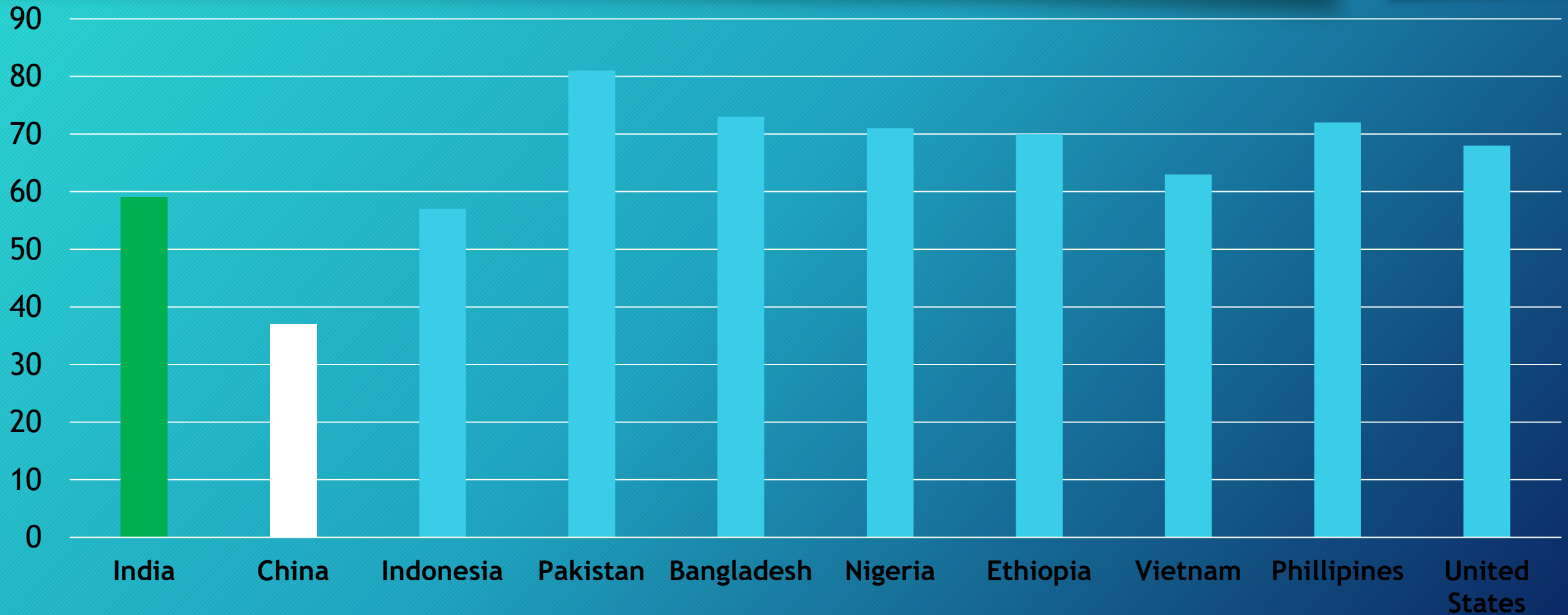
Consumption demand

- Middle income trap
- Savings rate
- Real growth rate 9%
- Investment to GDP ratio - 39%
- Monetary transmission?

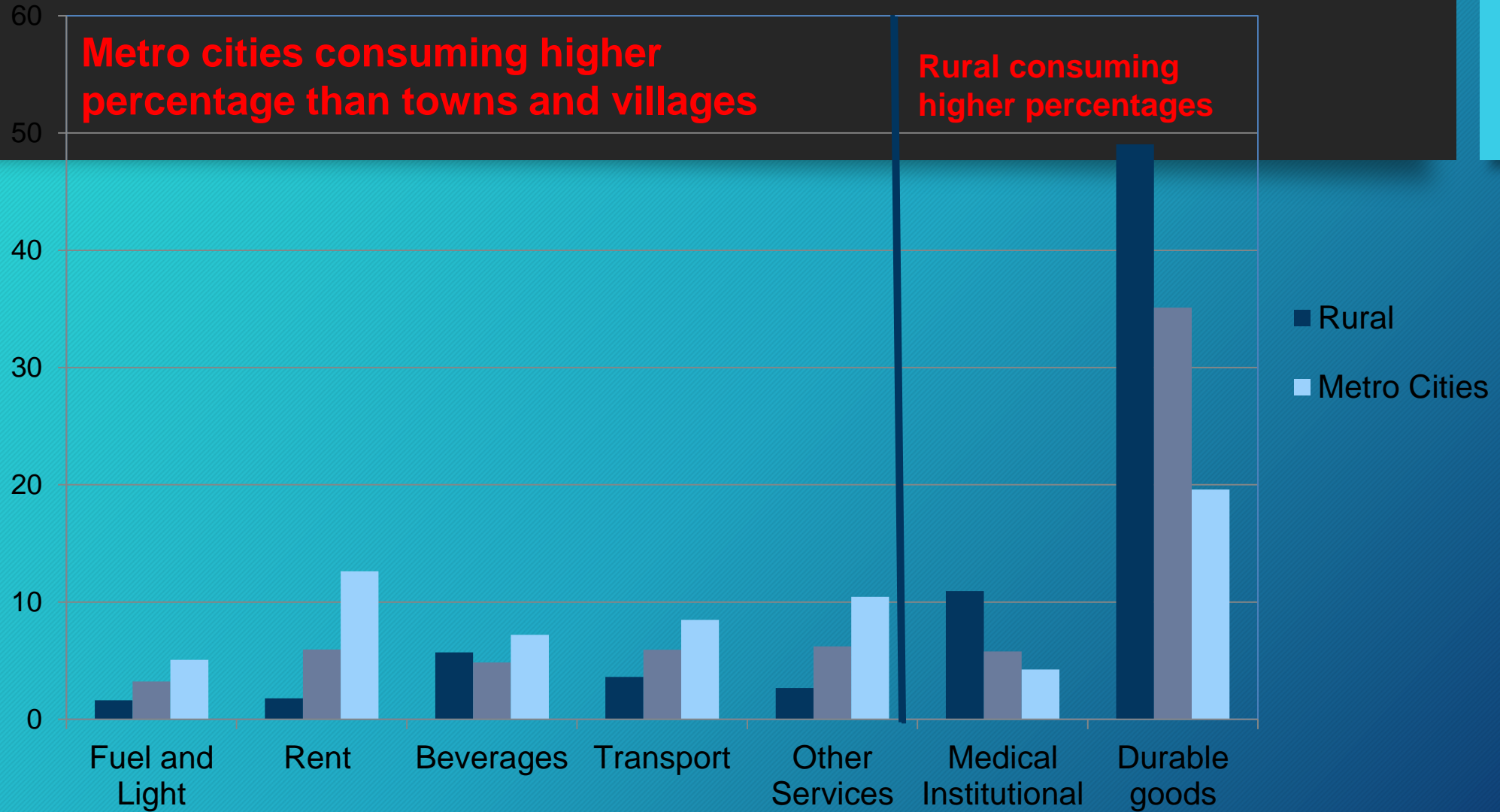
Consumption demand

- Middle income trap
- Savings rate
- Real growth rate 9%
- Investment to GDP ratio - 39%
- Monetary transmission?

Consumption Spending as % of GDP



Middle class consumption of different items as percent to total consumption













Growth and Challenges

SDG Goals

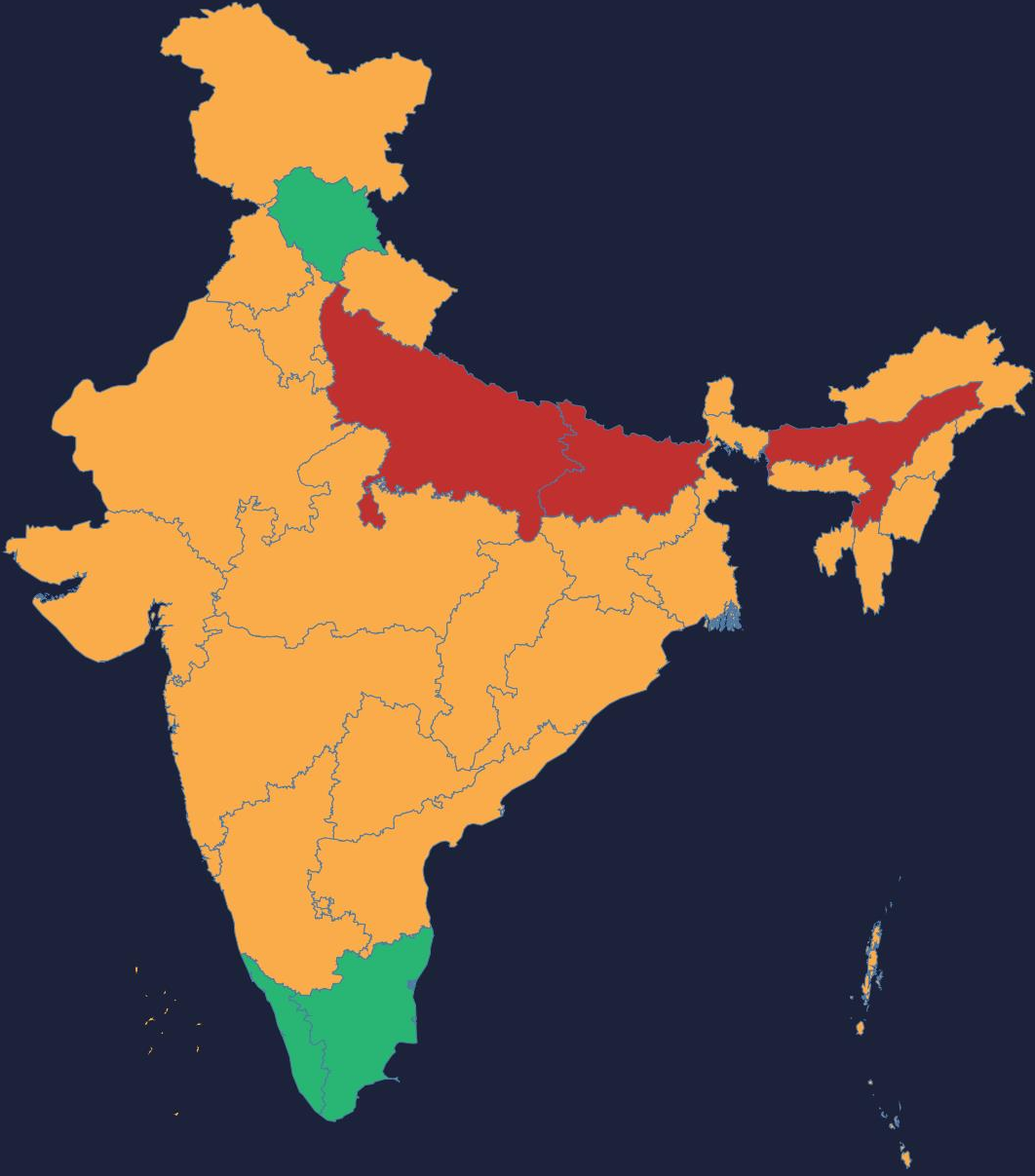
IN THE RACE

The 2017 Sustainable Development Goals Index

Rank	Country	Score	
1	Sweden	85.6	
2	Denmark	84.2	
3	Finland	84	
4	Norway	83.9	
5	Czech Republic	81.9	
6	Germany	81.7	
7	Austria	81.4	
8	Switzerland	81.2	
9	Slovenia	80.5	
116	India	58.1	

Source: SDG Index and Dashboards Report

Figure 2 - Performance of States and UTs on SDG India Index

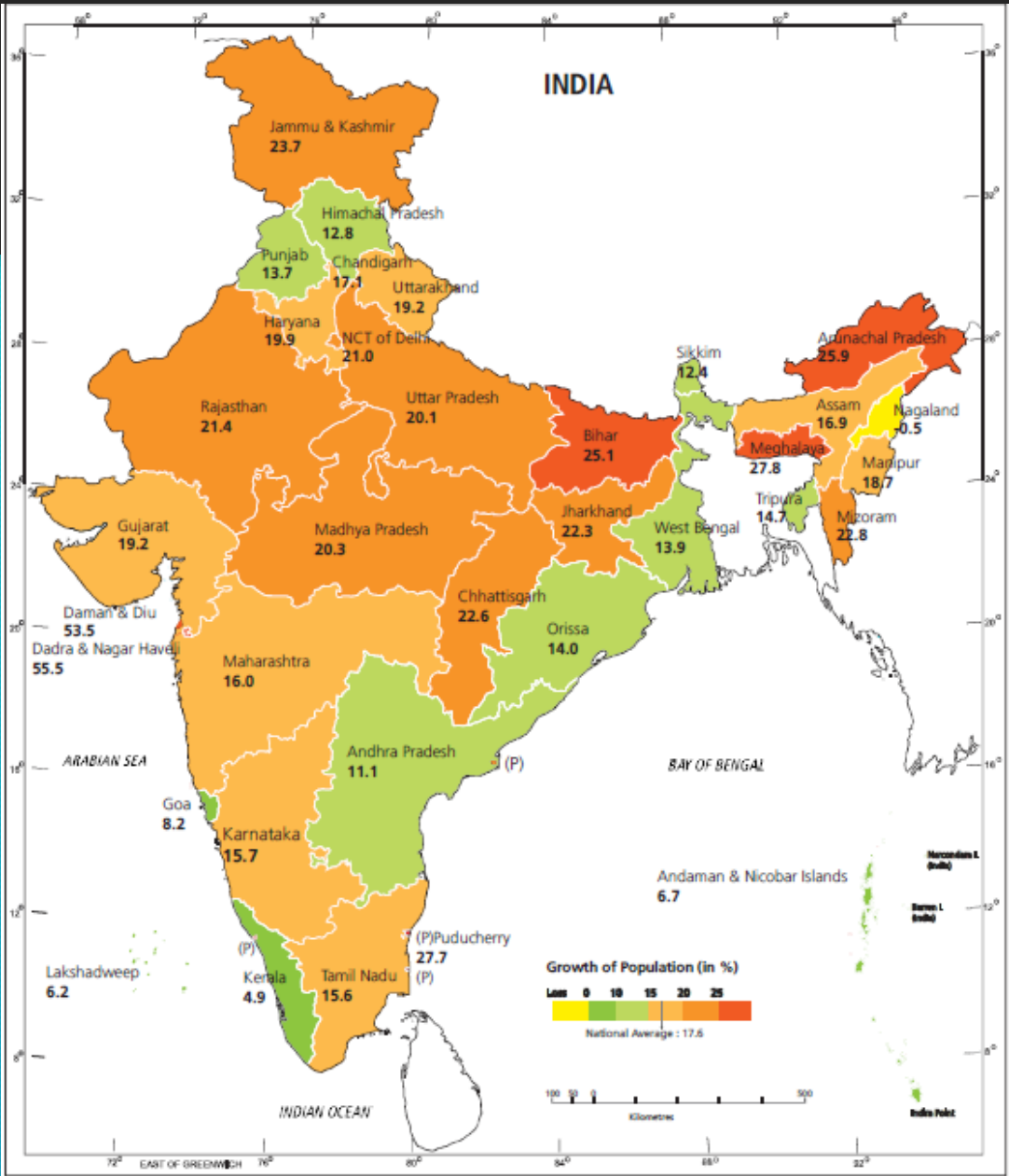


● Achiever (100) ● Front Runner (65-99) ● Performer (50-64) ● Aspirant (0-49)

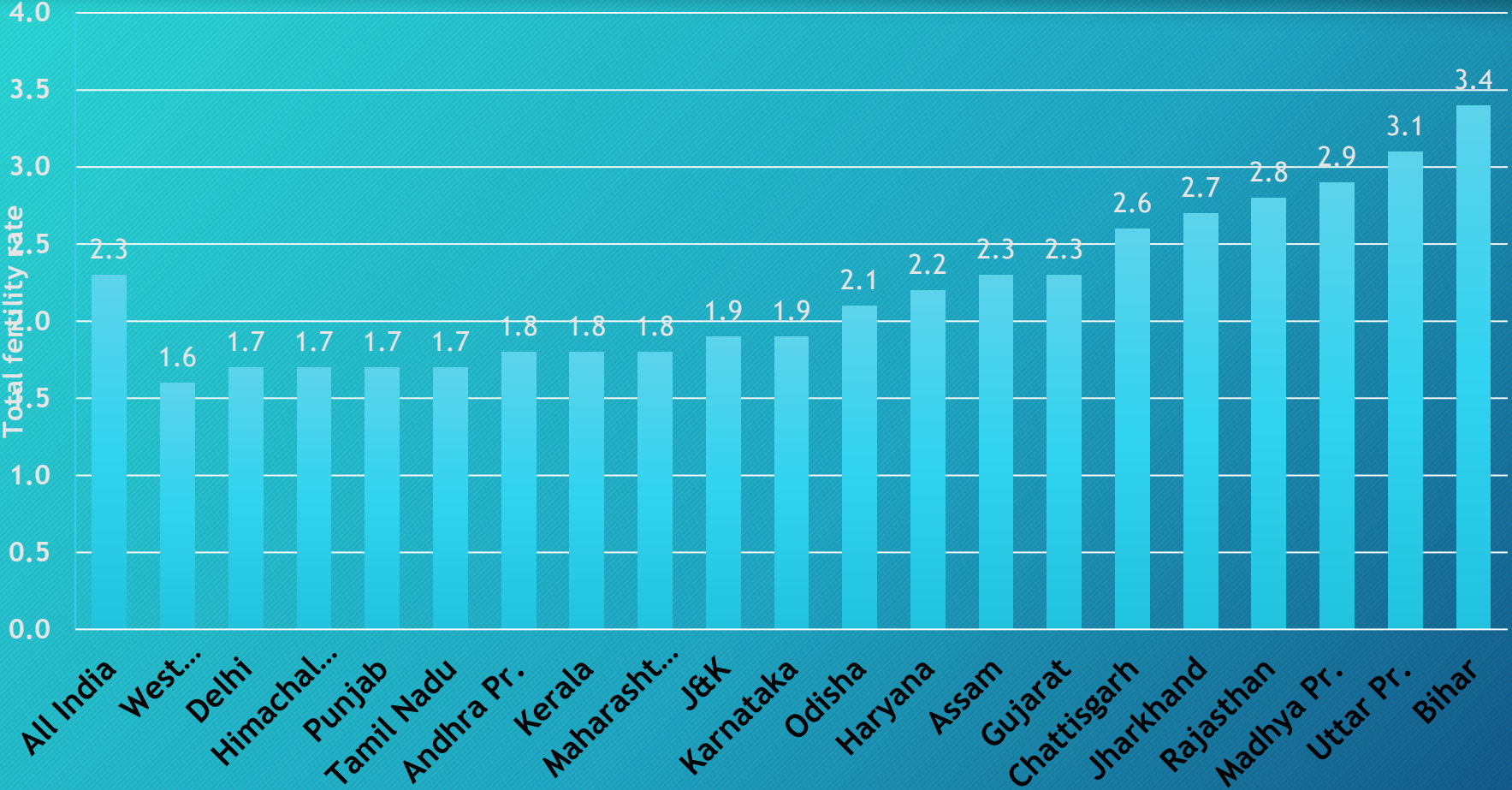
Growth and Challenges

Population growth

Growing India



Population - TFRs of Indian states



Source: Sample Registration System, ORGI, 2014

Highest and lowest TFRs

• Niger	7.63	• Hong-Kong	1.20
• Somalia	6.61	• Singapore	1.23
• Mali	6.35	• South Korea	1.26
• Chad	6.31	• Moldova	1.27
• Angola	6.20	• Bosnia	1.28
• DR Congo	6.15	• Portugal	1.28
• Burundi	6.08	• Spain	1.32
• Uganda	5.91	• Hungary	1.34
• Timor-Leste	5.91	• Greece	1.34
• Gambia	5.78		

Highest and lowest LE₀

- Swaziland: 49.2
- Lesotho: 49.5
- CAR: 49.54
- Sierra Leone: 50.2
- Chad: 51.1
- Angola: 51.7
- Nigeria: 52.3
- Mozambique: 54.6
- Zimbabwe: 54.8
- Hong Kong: 83.7
- Japan: 83.3
- Italy: 82.8
- Switzerland: 82.7
- Singapore: 82.6
- Spain: 82.3
- Australia: 82.1
- Sweden: 81.9

Life expectancy - The average number of years a person can expect to live given the current age-specific mortality rates

Highest and lowest LE_0 , India

- Chhattisgarh: M-56.0; F-60.0
- Assam: M-57.6; F-58.8
- Madhya Pradesh: M-58.0; F-60.0
- Orissa: M-58.3; F-59.8
- U P: M-59.5; F- 59.4
- INDIA: M-61.8; F-64.1
- Andhra : M-61.4; F- 65.9
- Rajasthan: M-62.1; F-65.2
- Bihar: M-63.6; F-62.7
- West Bengal: M-64.7; F-67.4
- Maharashtra: M-64.4; F-68.1
- Punjab: M-66.2; F-68.9
- Himachal: M-67.3; F -70.9
- Kerala: M-69.3; F-75.2

Growth and Challenges

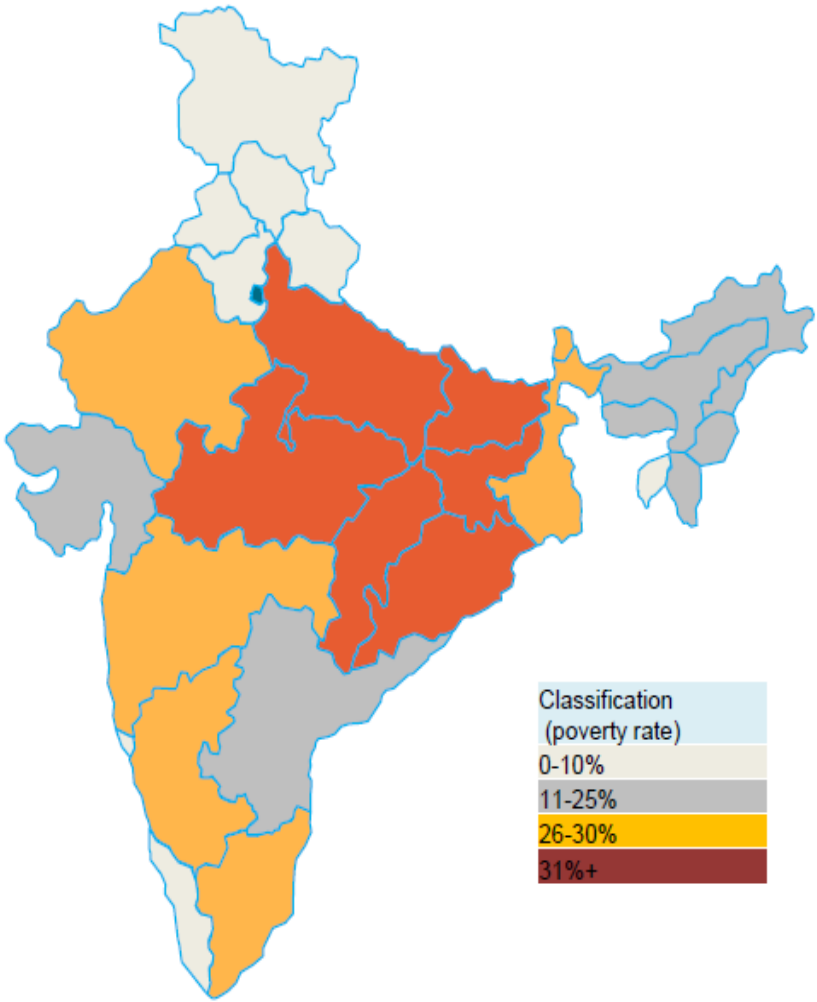
INEQUALITY

Consumption (Rs.) 1972-73 to 2011-12

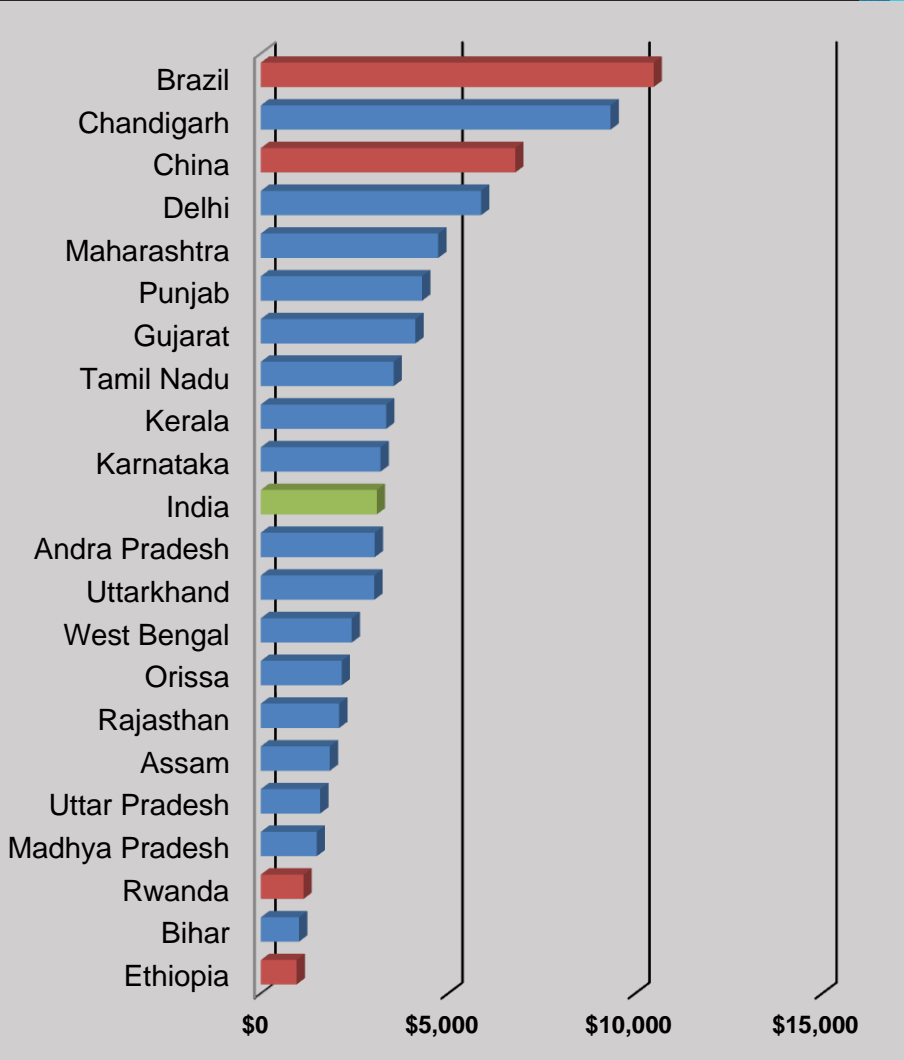


Poverty and inequality

Concentration of poverty in states



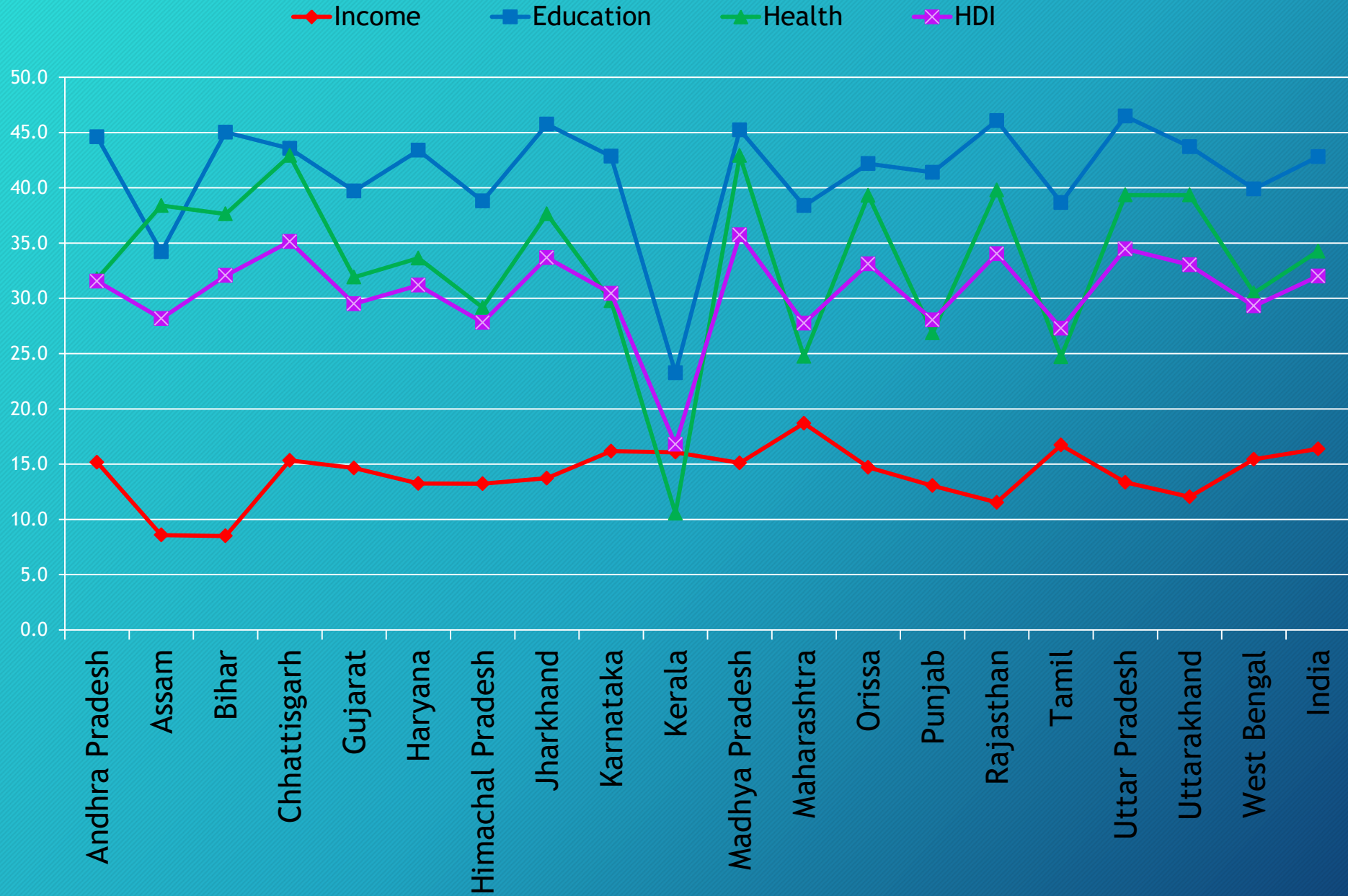
Per capita incomes – a comparative lens on 'pattern'



February 10, 2021

Source: Planning Commission, Data Tables; Economist Intelligence Unit; IMF, World Economic Outlook

Percentage loss in the three inequality adjusted indices



Healthcare

Public Health Indicators

	India (2006)	Bangladesh (2007)
Proportion of children who are fully immunized (%)	44	82
Proportion of children who started breastfeeding within 24 hours (%)	40	89
Proportion of children who receive Vitamin A supplements (%)	25	88
Proportion of diarrhoea-affected children treated with ORS (%)	43	85
Proportion of households practising open defecation (%)	50	7.5

Open Defecation, 2012

	Per-capita GDP (PPP)	% of hohos practicing OD
India	5,050	48
Sub-Saharan Africa	3,171	25
Low-income countries	1,575	21
Afghanistan	1,892	15
Bangladesh	2,364	3
Vietnam	4,912	2
China	10,771	1

Child Immunization Rates, 2012 (%)

	BCG	DPT	Measles
India	87	72	74
Sub-Saharan Africa	84	77	75
‘Least developed countries’	84	80	78
Bangladesh	94	95	94
Number of countries doing worse than India	26	16	25

“Poor health at high cost”

(Source: Wikipedia entry on Canada health system)

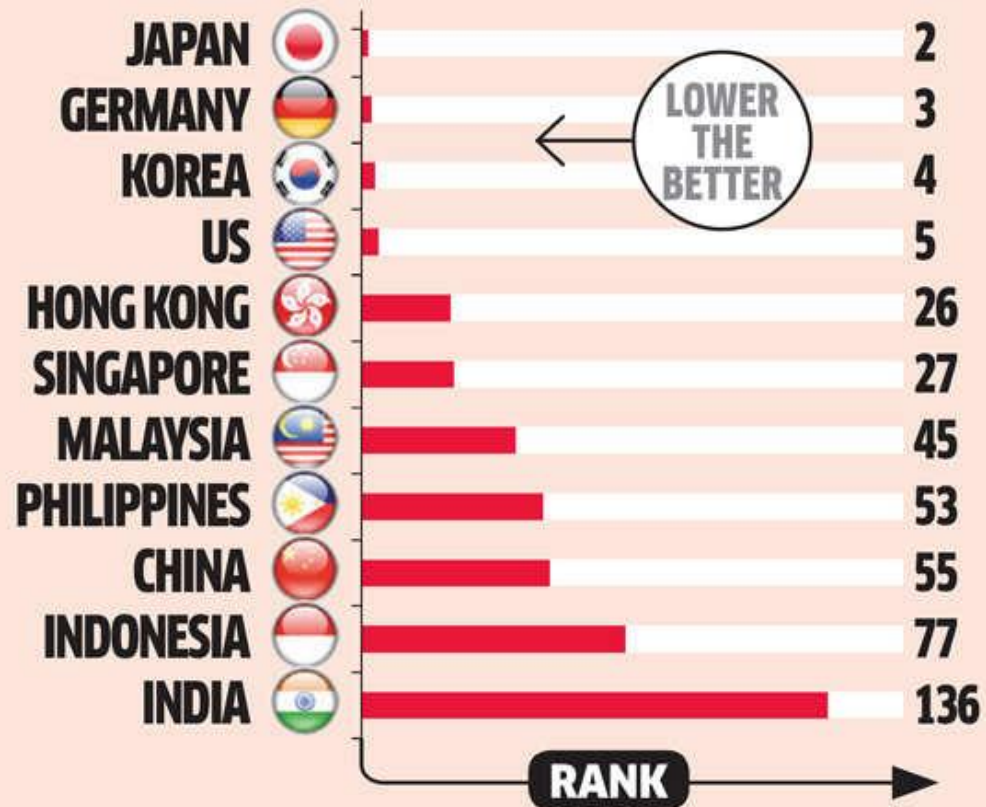
	US	UK	Canada
Life expectancy (years)	78	81	81
Infant mortality rate (per 1,000)	6.9	4.8	4.5
Physicians per 1,000 people	2.4	2.5	2.2
Per-cap exp on health (US\$)	7,290	2,992	3,895
Health exp as % of GDP	16	8	10
% of health costs paid by	45	82	70

Reforms and Initiatives

Insolvency and Bankruptcy Code

Resolving Insolvency

Global ranking



Ayushman Bharat

The Motor Vehicle Act

Foreign Contribution Regulation Act

Swachh Bharat

Make in India

Mudra

Ujjwala

What happened to

- Smart cities
- Bullet trains
- Black money
- 40 Rupees to a dollar
- Jobs
- Land acquisition
- Demon
- Soil cards
- Subsidies
- Tourism
- Start Up India
- Labour law reforms
- Skilling
- Rashtriya Gokul Yojana

Now....

- Fiscal deficit
- Trade deficit
- Private investment
- Foreign investment
- Indian investment abroad
- Manufacturing sector
- Jobs
- Exports
- MSMEs
- Share versus Debt market

The Final frontier

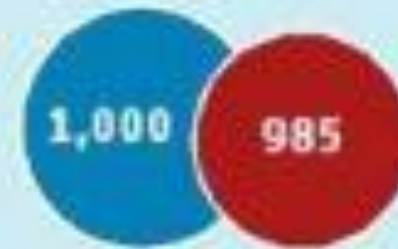
SEX RATIO – 1901 TO 2011



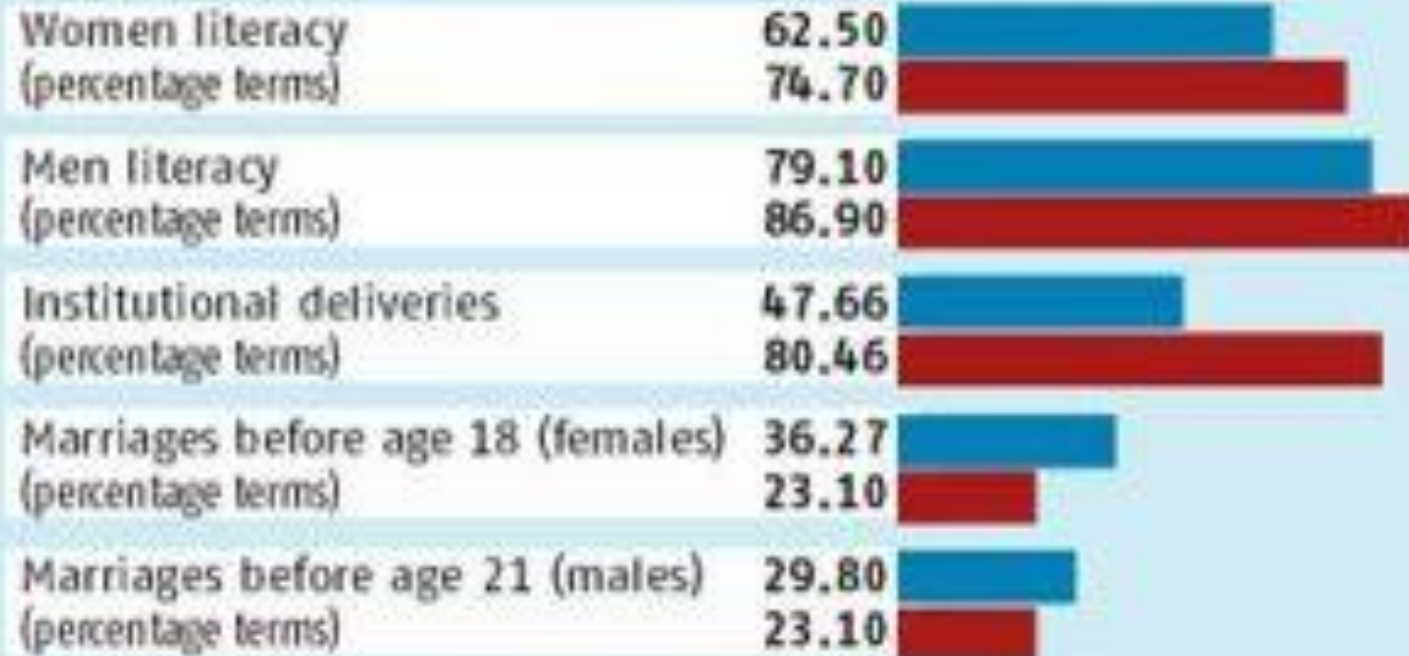
Gender

SOME GOOD AND SOME BAD NEWS

Sex ratio
(Females per thousand males)



■ (NFHS-3) 2005-06 ■ (NFHS-4) 2015-16



The data are for 11 states

Source: National Family Health Survey-4

Highest and lowest sex ratios at birth, 2015

- Rwanda: 102
- Sierra Leone: 102
- Togo: 102
- Zimbabwe: 102
- Madagascar: 103
- Kenya: 103
- Malawi: 102
- Burundi: 103
- Mozambique: 103
- China: 116
- Azerbaijan: 116
- Armenia: 114
- Vietnam: 112
- India: 111
- Maldives: 110
- Pakistan: 109
- Singapore: 107

- Sex Ratio - The number of male births per 100 female births
- Usually ranges from 103
- May be changed by sex selective abortions

Highest and lowest sex ratios at birth in India

- Punjab: 126
- Haryana: 125
- Gujarat: 118
- Uttar Pradesh: 115
- Delhi: 115
- Rajasthan: 114
- Himachal Pradesh: 111
- **INDIA: 111**
- Assam: 102
- Chhattisgarh: 103
- Andhra Pradesh: 104
- Jharkhand: 104
- West Bengal: 105
- Karnataka: 106
- Tamil Nadu: 107
- Kerala: 108

Highest and lowest LE_0 , India

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