

## The Economic Survey: an overview

The response to last year's Economic Survey was overwhelming, humbling, and of course, burdening. According to behavioural economics, humans place greater welfare weights on avoiding loss than experiencing equivalent gain. If true, the response to last year's survey has created a heightened performance anxiety of falling short relative to higher expectations.

The other challenge doing this year's survey—the fourth of the current team and the last in the term of this government—is avoiding the risk of jadedness. How can the survey consistently maintain a freshness of approach, rigour of analysis, relevance of material, and novelty of ideas?

Luckily, to the rescue comes the Indian economy with its infinite richness and complexity, throwing up limitless opportunities for investigation. Luckily too, economic policy over the past four years has been a crucible for many policy experiments that cry out for understanding and analysis. Thankfully too, colleagues across government have been so generous with sharing data, which has allowed ideas to be pursued so that new facts, evidence, and ideas can find utterance.

In response to popular demand, we have reverted this year to the tradition of bringing out volumes 1 and 2 at the same time. Volume 1 contains the analytical overview and more research-cum-analytical material. Volume 2 provides the more descriptive review of the current fiscal year, encompassing all the major sectors of the economy.

Without consciously pursuing an over-arching theme, a large part of volume 1 focuses on what are perhaps more long-term challenges. So, in addition to the overview and chapters of contemporary relevance such as the goods and services tax (GST), the investment-saving slowdown, and fiscal federalism and accountability, there are five chapters devoted to the challenges of long-term economic convergence, gender inequality, climate change and agriculture, delays in the appeals and judicial process, and science and technology.

As in last year's survey, Big Data has been mined to shed light on the economy, and, for the survey's authors, there have been some truly "wow" moments of epiphanic understanding. For example, the implementation of the GST combined with the availability of detailed new data from the Employees' Provident Fund Organization (EPFO) and the Employees' State Insurance Corporation (ESIC) has allowed a whole new perspective to be gained into the Indian economy—its external and internal trade in the aggregate and state-wise, the size and distribution of the tax net, and levels of formality and informality. Similarly, spatially granular data on temperature and climate have been used to analyse the potential impact of climate change. Household-level data from the various demographic and health surveys (DHS) and India's national family health survey (NFHS) have underpinned the analysis of gender issues.

The colour of this year's survey cover was chosen as a symbol of support for the growing movement to end violence against women, which spans continents. Addressing the deep societal meta-preference in favour of sons, and empowering women with education, and reproductive and economic agency are critical challenges for the Indian economy addressed in chapter 7.

Increasingly, a number of universities are adopting the survey as a pedagogical tool for courses on the Indian economy. Inspired by that, my team and I conducted a full-fledged massive open online course (MOOC) for students and teachers all across India with the help of the ministry of human resources development (MHRD). Hopefully, those traditions can be built upon going forward even after these volumes.

As always, deep gratitude is owed to the staff of the economic division, whose heroic efforts have

produced this survey. Their research, however, has only been possible because so many government colleagues provided their time, support, and data. An indicative but far from exhaustive list would include colleagues from the goods and services tax network (GSTN); the departments of revenue, bio-sciences, biotechnology, science and technology, agriculture, health and sanitation, and women's and child development; the India meteorological department (IMD); the EPFO; the ESIC; the various economic appellate tribunals; the central board of excise and customs (CBEC); the central board of direct taxes (CBDT); the State Bank of India (SBI); and national sample survey office (NSSO).

The survey strives to combine rigour with readability, a challenge that increases in the same proportion as attention spans shrink (from absorbing op-eds to scrolling down tweets). The survey's aim is always to build a portfolio of contributions, combining description, new data creation, deep-dive research, and provocative policy ideation.

In addition to the entirely new perspective on the economy that the GST has provided, some of the many questions this survey discusses are: Can we expect the current investment slowdown to reverse quickly based on an understanding other countries' experience? Do second and third tiers of government collect the direct taxes that they are empowered to, and if not, what does that signify? On gender, why should we focus on the sex ratio of the last child? Under what conditions, to what extent, and where will the agricultural impact of climate change be most felt? Will there be a stall in India's four decades long, dynamic process of economic convergence? Should the government and judiciary agree to a cooperative separation of powers like the Centre and states do in the form of cooperative federalism to improve the conditions of doing business? Should there be a number of science and technology missions to propel India to the ranks of the world's top knowledge producers?

In addition to the many challenges involved in such an effort, all writers of the survey must guard against the dangers of staleness expressed by T.S. Eliot: "For last year's words belong to last year's language. And next year's words await another voice."

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