

BUDGET 2019: TO BOOST GROWTH, FOCUS ON QUALITY EDUCATION, ACCESS TO PUBLIC HEALTH, AGRI REFORMS

Relevant for: Indian Economy | Topic: Issues Related to Poverty, Inclusion, Employment & Sustainable Development

To begin with, there has to be social and political cohesion permitting institutions to function and people to interact in a predictable, secure environment. This rules out violent identity politics, lynch mobs with political backing as well as political patronage of values and conduct that vitiate the spirit of liberty and democracy upheld by the Constitution.

Political empowerment is the first step, to unleash the creativity immanent in every one of 1.3 billion Indians. Governance, social and physical infrastructure are needed for that creativity to be deployed.

Political funding must become transparent. Parliament must become more active.

Macroeconomic stability is vital. This means fiscal restraint that prevents the government from cornering a greater share of the non-government sector's savings than it has to spare after meeting its own investment plans. This is key, not an arbitrary fiscal deficit target of 3% of GDP. If private investment is weak, the government can and should step up borrowing to channel savings to investment. Monetary policy must supplement fiscal restraint to keep inflation in check.

Better models of PPP must be employed in physical infrastructure.

Quantity in school education has been achieved. Quality is the next hurdle. Research shows that a child's early years, up to age 3, determine a lot of what will follow. Investing in mother and child, to ensure they get nutrition and mental stimulation, yields the biggest return on a rupee of development expenditure.

Growth Barrier

India has found it difficult to reach and sustain 8%-plus growth, seen as its medium term potential.

Salman Khan, founder of Khan Academy, advocates mastery, as opposed to promotion based on a minimum test score. Mastery not just ensures that the basics are learnt, without which higher level learning is not possible, but also cultivates the right attitude: if you spend enough time and effort on anything, you can master it. New tech tools can track individual performance, to enable mastery-based learning.

Higher education must focus on creating new knowledge, not just pre-existing knowledge. Tuition fees must go up sharply to pay teachers well. There must be a liberal scheme of scholarships, freeships and government-guaranteed education loans for students. Knowledge, not skills, must be the focus of education.

[Public health](#) is another goal. Universal healthcare, through a mix of public provision, private insurance and managed care, is essential.

Investment must replace subsidy in agriculture. Farmers must have marketing freedom and capture, via producer companies, a share of the value added to crops. Rural folk must move to towns and urban activity. If 25 crore Indians migrate thus, India has to build many new towns. These must be planned—to minimise commutes, conserve energy and raise productivity and social inclusion. Research must focus on indigenous capability in micro-electronics, defence tech and artificial intelligence, besides carbon capture and clean coal. We also need an integrated energy policy that melds sources and uses – construction and transport to lighting and cooking – and builds in efficiency pricing.

Competition would be a key driver of efficiency. So would corporate governance. The debt market must grow, complete with the bond-currency-derivative nexus, for safe, profitable mediation of savings to investment.

To begin with, there has to be social and political cohesion permitting institutions to function and people to interact in a predictable, secure environment. This rules out violent identity politics, lynch mobs with political backing as well as political patronage of values and conduct that vitiate the spirit of liberty and democracy upheld by the Constitution.

Political empowerment is the first step, to unleash the creativity immanent in every one of 1.3 billion Indians. Governance, social and physical infrastructure are needed for that creativity to be deployed.

Political funding must become transparent. Parliament must become more active.

Macroeconomic stability is vital. This means fiscal restraint that prevents the government from cornering a greater share of the non-government sector's savings than it has to spare after meeting its own investment plans. This is key, not an arbitrary fiscal deficit target of 3% of GDP. If private investment is weak, the government can and should step up borrowing to channel savings to investment. Monetary policy must supplement fiscal restraint to keep inflation in check.

Better models of PPP must be employed in physical infrastructure.

Quantity in school education has been achieved. Quality is the next hurdle. Research shows that a child's early years, up to age 3, determine a lot of what will follow. Investing in mother and child, to ensure they get nutrition and mental stimulation, yields the biggest return on a rupee of development expenditure.

Growth Barrier

India has found it difficult to reach and sustain 8%-plus growth, seen as its medium term potential.

Salman Khan, founder of Khan Academy, advocates mastery, as opposed to promotion based on a minimum test score. Mastery not just ensures that the basics are learnt, without which higher level learning is not possible, but also cultivates the right attitude: if you spend enough time and effort on anything, you can master it. New tech tools can track individual performance, to enable mastery-based learning.

Higher education must focus on creating new knowledge, not just pre-existing knowledge. Tuition fees must go up sharply to pay teachers well. There must be a liberal scheme of scholarships, freeships and government-guaranteed education loans for students. Knowledge, not skills, must be the focus of education.

[Public health](#) is another goal. Universal healthcare, through a mix of public provision, private insurance and managed care, is essential.

Investment must replace subsidy in agriculture. Farmers must have marketing freedom and capture, via producer companies, a share of the value added to crops. Rural folk must move to towns and urban activity. If 25 crore Indians migrate thus, India has to build many new towns. These must be planned—to minimise commutes, conserve energy and raise productivity and social inclusion. Research must focus on indigenous capability in micro-electronics, defence tech and artificial intelligence, besides carbon capture and clean coal. We also need an integrated energy policy that melds sources and uses – construction and transport to lighting and cooking – and builds in efficiency pricing.

Competition would be a key driver of efficiency. So would corporate governance. The debt market must grow, complete with the bond-currency-derivative nexus, for safe, profitable mediation of savings to investment.

END

Downloaded from crackIAS.com

© **Zuccess App** by crackIAS.com

CrackIAS