

LOK SABHA
UNSTARRED QUESTION NO. 2333
TO BE ANSWERED ON MARCH 9, 2018

ECONOMIC GROWTH

†2333. SHRI KAUSHALENDRA KUMAR:

Will the Minister of FINANCE be pleased to state:

- (a) whether there is a need for bringing economic growth to at least 12-14 per cent for creating employment opportunities and alleviating poverty in the country; and;
- (b) if so, the details of measures being taken to bring the present growth rate of approximately 7.5 per cent to 12.14 per cent in the next several years and the measures being taken to improve the same and particularly the agricultural growth rate?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PON. RADHAKRISHNAN)

(a) To precisely estimate the level of growth required to create employment opportunities and alleviating poverty may be difficult. Generally, other things remaining the same, higher growth rate tends to increase employment opportunities and results in poverty alleviation, although one to one correspondence may not be there.

(b) The agenda of promoting economic growth has been the utmost priority of the Government. The Government of India has taken various initiatives to boost the growth of the economy which, *inter-alia*, include; fillip to manufacturing, concrete measures for transport and power sectors as well as other urban and rural infrastructure, comprehensive reforms in the foreign direct investment policy and special package for textile industry. The Government has launched a phased programme for bank recapitalization. This entails infusion of capital to the public sector banks, which is expected to encourage banks to enhance lending. The Insolvency and Bankruptcy Code was enacted to achieve insolvency resolution in a time bound manner. To implement the Code, the National Company Law Tribunal was established. The introduction of the Goods and Services Tax (GST) has provided a significant opportunity to improve growth momentum by reducing barriers to trade, business and related economic activities. Government had announced various measures in the Budget 2017-18 to promote growth in the economy which, among others, includes push to infrastructure development by giving infrastructure status to affordable housing, higher allocation to highway construction, and focus on coastal connectivity. For highways development the Bharatmala Pariyojana has been launched.

The Budget 2018-19 particularly focused on rural economy via emphasis on rural housing, rural infrastructure and emphasis on job creation. The programmes/schemes such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Deendayal Antyodaya Yojana -National Rural Livelihoods Mission, National Urban Livelihoods Mission, Swachh Bharat Mission, National Social Assistance Programme, Pradhan Mantri Awas Yojana, Pradhan Mantri Jan-Dhan Yojana, Skill India, Make in India, MUDRA, etc. are being implemented to provide direct and indirect boost on GDP growth and create employment opportunities.

To accelerate agricultural growth rates Government has been steadily increasing the volume of institutional credit for agriculture sector, planning to create better market for agriculture produce, developing and upgrading rural haats into Gramin Agricultural Markets, etc. In addition, schemes such as Pradhan Mantri Fasal Bima Yojana, Pradhan Mantri Krishi Sinchai Yojana, Soil Health Card, etc. are being implemented to improve agricultural productivity and to reduce production risks in agriculture. The Budget 2018-19 has also focused on strengthening agriculture sector by keeping the Minimum Support Price (MSP) of unannounced kharif crops at least one and half times of their production cost.