

Government of India
Ministry of Finance
Department of Economic Affairs

LOK SABHA
UNSTARRED QUESTION NO. 2810
TO BE ANSWERED ON MONDAY, AUGUST 7, 2023/SRAVANA 16, 1945 (SAKA)

REPORT OF UNITED NATIONS DEVELOPMENT PROGRAMME

2810. SHRI KALYAN BANERJEE:

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government has received the report of United Nations Development program (UNDP) which indicates India as still below the pre-pandemic economic debt burden level country in 2023, if so, the details thereof and the reaction of the Government thereto;
- (b) whether it is a fact that over the past three years, poverty rates in India has surged about 17 per cent in comparison to 2018-19 with population of 142.86 crore people with high levels of debt and insufficient social spending, if so, the details thereof; and
- (c) the action taken or proposed to be taken by the Government to overcome the multidimensional debt burden crisis by 2030?

ANSWER

MINISTER OF STATE FOR FINANCE (PANKAJ CHAUDHARY)

- (a) Government of India has not received such a report from UNDP.
- (b) NITI Aayog, in its report titled “*National Multidimensional Poverty Index (MPI): A Progress Review 2023*” has reported that India has registered a significant decline of 9.89 percentage points in number of India’s multidimensionally poor from 24.85% in 2015-16 to 14.96% in 2019-21. As per the report, 13.5 crore people in India have moved out of the Multidimensional Poverty between 2015-16 and 2019-21.

The Central Government debt was INR 105.1 lakh crore (52.4% of GDP) at the end of FY 2019-20. In FY 2020-21, it increased to INR 121.9 lakh crore (61.5% of GDP) mainly on account of COVID-19 global pandemic, which disrupted projections of Government’s public finances. The Central Government debt was reduced to about 57.1% of GDP at the end of FY 2022-23. The risk profile of Central Government’s debt stands out as safe and prudent in terms of accepted parameters of indicator-based approach for debt sustainability. Rise in Government debt during COVID-19 pandemic period had no negative impact on the economy and rather the Government’s expenditure profile improved on account of targeted support to the needy people/ sectors. A significant increase in capital expenditure allocations has helped speedy, robust and sustained economic recovery.

As per the IMF Working Paper of April 2022, implementation of Pradhan Mantri Garib Kalyan Yojana (PMGKY) by Government of India during the COVID-19 pandemic absorbed a major part of the pandemic shock and prevented an increase in prevalence of extreme poverty in India. As per the finding of the working paper, in 2020, PMGKY helped maintain extreme poverty at the low 0.8 percent level. Without this intervention by way of increased food subsidies, extreme poverty in the pandemic year would have increased by 1.05%, i.e., from 1.43 % to 2.48 %.

- (c) The Government has taken various measures including delicately balancing the need for broad-based and sustained economic revival and fiscal consolidation. The Government has announced its commitment to reduce fiscal deficit to the level below 4.5% of GDP by FY 2025-26. Increasing the buoyancy of tax revenue through improved compliance, improving efficiency and effectiveness of public expenditure, augmenting productive efficiency of the economy, etc. are the important measures taken by the Government to bring down the debt and strengthen the economy.
