

India Then and Now-A conceptual representation of the Past Present and the Probable future

Ms. Pallabi Mukherjee¹, Dr. Kanhaiya Ahuja²

¹(Asst Prof. IBMR, IPS Academy, Indore, India)

²(Dean School of Social Science, Prof. School Of Economics, Devi Ahilya University, Indore)

Abstract: Being a part of the oldest civilization of the world India has a matter of fact portrayed a huge landscape of fundamental permanent and structural changes since ages. Taking acquaintance of the long run economic political and social planning era, the epic reforms have brought about significant changes of comprehensive capitalism and sustainable development in the economy. The article reconnoiters the past history and background of the Indian economy in brief and gives a picture of the present ongoing Economic affairs. The significant achievement of the economy especially during the last five years time period and the striking policy implication in order to eradicate black money and corruption has also been mentioned in the paper. The paper further aims to describe the past present and the probable future of the most preferred focus of the mass now, India.

Keywords: Demonetization, Development, Gross Domestic Product, India, Liberalization

Since Independence

After the colonial abduction by the British Raj, India won her independence in 1947. Planning for the growth started thereafter, with an official startup of the five year plan in 1951, a sheer influence of Russian planning. India happened to be emergent at 3.5% rate, popularly known as the 'Hindu growth rate' planned for her upliftment in agriculture and industry in the first two plans. During 1965 and 1966 India being struck by a larger-than-life drought, left her devoid of any resources and food. During that time the US helped India not to die out of extreme starvation (popularly known as the PL-480). The situation was 'Ship to Mouth' for India, a life-threatening and miserable scenario. Mentioning a special book written in 1967 by William and James Paddock, 'Famine 1975', in the US, claimed that the world was suffering from food crisis and hence support should only be provided to the viable and the unviable like India should be left for starvation. India survived the situation later and the sentinel angel was the Green Revolution.

The Not so Blooming 1980's and Further:

Coming to the 1980's, an escalation in rate of growth to 5.5% left the Indians buoyant. This illuminating situation soon was concealed into the hazes of obscurity in the end of the decade and left our colossal motherland into tears. Two of the purposes to be impugned for this situation was the unsustainable borrowing spree and creeping liberalization and India was into debt crisis.

A condition where the opposition thought the country was being momentarily sold out to the International Monetary Fund (IMF). The world on the contrary thought India to be a futile vagabond with the bottomless pit of foreign aid. India during that time had sodden upto 40% funds of the International Development fund (IDF), (The soft loan window of the World Bank). A turbulent political scenario escorted by an even more tempestuous economic ailment forced the nation to adopt economic reforms in July 1991.

A Rising India:

There are numerous kits that warrant a noteworthy allusion about the current economic condition of India and it is appropriate to the start by revealing her spot in the world. Hitherto positioned among the G-77 nations, India now is wooing everyone by being sited among the top G-20 countries in the world. The Indian Gross Domestic Product has increased from 3.6% in 1991 to 7.1% in the present, revealing many affirmative oscillations (miracle 8% rate in 2003). The per capita income was reported by the world bank during 1991 to be less than \$1.9 per day or on an average \$375 per year which has shown a radical amendment. The current per capita income of India is reported to be \$ 1800 per year, definitely less as compared to the world global scenario, but has moved India's position from a low income nation to a middle income one. The trade GDP ratio has augmented from 16.7% in 1991 to 49% in 2016, which is definitely praiseworthy. India now has embarked the third position in the world after USA and China when it comes to the purchasing power parity measurement of growth. The economic reforms in the country did not only benefit the rich, but has helped to pull out 138 million people below poverty line to the line above. Significant development statistics says India has 375

million less poor people than it had before. A famous quote by Franklin D Roosevelt enunciated the definite motto of the great Indian change. He said “ The test of our progress is not whether we add more to the abundance of those who have much, it is whether we provide enough for those who have too little”. India has sheerly engaged in the significant poverty alleviation which is rapid especially in the case of lower castes and minorities of the society.

Impact of Current Economic Event(Demonetization)

Our nation is going through great economic events with fundamental structural changes and the current event of demonetization has shaken the economy and has been deeply sensed by Indian citizens in terms of implementation impact and aftermath. Many industries have lost their momentum of Growth which has further impacted the growth impetus of the nation as a whole. The liquidity shock has generated a cash gap and more than 80% of the liquidity had been sucked in by the end of December 2016. Consumption has been hit but the impact on black money has been significant. The digital transaction culture further promoted by the government is very slowly spreading all over the country and people are trying to adopt the culture of transparent money which is visible and digital. The further on eradication of the invisible or the black money has already impacted and will impact the economy positively at a great deal.

Some Great News:

The World Health Organization reports reduction in fact mortality rate from 80 to 38 per 1000 and an increase in average life of every Indian. Now Indians live 10 years longer (68 years) than they did before.

The introduction of private seed production has duly amplified the productivity in agriculture. In comparison with what happened in 1965-66, apart from facing droughts in 2014-15, India still emerged as net exporter of agriculture in the world. In 2014, India has emerged as the largest rice exporting nation globally.

The Indian people have in many ways developed and embed advancement. The average mobile phone subscription accelerated from 62% to 79% in a matter of five years. The consumption of the ‘idiot box’ popularly known as television has increased enormously from 20% to being best friend of more than two-thirds of the population. The amenities of epic door darshan have evolved to current supply of more than 900 channels. India as projected in a picture in World Economic Outlook in the IMF is a pillar accompanied by USA, holding the much turbulent and chaotic world. The optimists also dream of putting behind China in the 21st century, already accomplished in terms of GDP growth rate and yet to fulfill in many more vast aspects. The common Indian tradition, to dream still continues and now is backed by the determination and potential to achieve the desirable in the future. India has donated \$ 10 billion to Africa and \$ 2 billion to Bangladesh as foreign aid. India has also welcomed foreign capital in terms of NRI Remittances (\$ 73 billion), Foreign Direct and Portfolio investments (\$ 60 billion) and even commercial loans (\$ 35 billion) in the recent past. Once a receiver of foreign aid has emerged as a donor world, and this transition is worth enormous appreciation.

Conclusion

The eye catching yet peace spreading word by the finance minister in the Union budget was the decrease in amount of donation to the political parties by exactly 90% that could be done in cash only. Namely the political parties getting donations of 20,000 maximum in cash will now receive no more than 2000. What a pity, yet a great move to eradicate Black money and corruption from the political structure of the core economy. India now has emerged as one of the decision making superpower economies of the world and ambitiously optimistic researchers point out our nation to stand at the top most position in the world in terms of every macro economic variable pretty soon. The Consumers Price Index is in control and price is very much stable right now at the same time the implementation bottlenecks of the Goods and Service tax (GST) is soon going to be recovered and coped up with by the Indian Government. The GST being a very optimistic measure of the government will soon turn around the economy with its interesting four tier concept.

References

Journal Papers:

- [1]. Pallabi Mukherjee and Dr. Kanhaiya Ahuja “**TRADE LIBERALIZATION AND GROWTH OF INDIAN EXPORTS**” “**JOURNAL OF MADHYA PRADESH ECONOMIC ASSOCIATION**”, ISSN 2277-1123 , Vol. XXVI, March 2016.

Books:

- [1] William and James Paddock, ‘Famine 1975’, 1967).

Newspaper:

- [1]. Economic times, Editorial March 2017
- [2]. The Hindu, Editorial March 2017