



IAS PARLIAMENT

Information is Empowering
A Shankar IAS Academy Initiative

Concerns with GDP Numbers

Why in news?

\n\n

The National Statistics Commission (NSC) is working on various alternative measures for back-casting GDP series.

\n\n

What is the GDP status of India?

\n\n

\n

- The International Monetary Fund (IMF) recently reported that India continues to be the fastest growing economy.

\n

- India has expected growth rate of 7.3 per cent for the current year and 7.5 per cent for the next.

\n

- Indian agriculture contributes about 16 per cent to India's GDP by employing nearly half of the working population.

\n

\n\n

What are the shortfalls with understating GDP?

\n\n

\n

- An increased share of agriculture to GDP does not necessarily mean that farmers will have a better tomorrow.

\n

- For instance - There might be two paddy growing farmers, who help each other in their sowing activity by lending free labour, which is outside the purview of GDP calculation.

\n

- Increasing GDP of agriculture can happen with absolutely no increase in the farmer's income or their well-being.
- \n

\n\n

What areas needs to be taken care?

\n\n

- \n
- The agriculture sector is largely underemployed and inefficient, with the right practices, the same amount of food can probably be grown with half the people working.
- \n
- But, by consciously developing rural enterprises, nurturing them and celebrating their success, India can possibly gainfully employ more of the population in agri-value-chain activities.
- \n
- It is imperative that small farmers get end-to-end support in farming and post-harvest management with the right people and physical infrastructure backing them.
- \n

\n\n

\n\n

Source: Business Line

\n



IAS PARLIAMENT
Information is Empowering
A Shankar IAS Academy Initiative