India's Economic Survey - One-line Summaries Over The Years

Dhruv - Notebook Link

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Questions

1. Give me a one line summary of economic survey over the years
2. What is the Economic Survey's core worldview each year? Only consider 2018-19 to 2024-25 Economic surveys for this analysis.
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3. How does the Survey define the role of the state over time?
4. How does the Survey's tone change across phases?
5. How does the Survey treat markets and the private sector?
6. How does the Survey conceptualise jobs and productivity?
7. When does technology shift from being a sector to being a system?
8. How does the Survey imagine India's long-term future?
9. How does the Survey increasingly pre-structure the Budget?

Q1. Give me a one line summary of economic survey over the years

India's Economic Survey - One-Line Summaries Over the Years

India's Economic Surveys over the years have consistently highlighted the nation's resilience, structural reforms, and growth trajectory while addressing evolving challenges from global uncertainties to domestic policy priorities.

FINANCIAL YEAR	ONE-LINE SUMMARY
FY26	India maintained its position as the fastest-growing major economy with projected growth of 6.2-6.9%, supported by robust domestic demand, stable inflation at historic lows, and strong policy reforms amid global uncertainties.
FY25	The economy demonstrated resilience with aggregate GVA surpassing pre-pandemic trends, driven by construction and services sectors, while monetary policy maintained stability through neutral stance and strategic liquidity management.
FY24	India's external sector remained robust with CAD narrowing to 0.7% of GDP, supported by strong service exports reaching USD 341.1 billion and healthy FPI inflows of USD 44.1 billion despite global headwinds.
FY23	The economy demonstrated remarkable resilience by withstanding external shocks from the Russia-Ukraine conflict, maintaining growth momentum while keeping inflation within tolerance limits and ensuring financeable current account deficit.
FY22	India positioned for 8.0-8.5% GDP growth with strong macroeconomic buffers including forex reserves of USD 634 billion, robust vaccination coverage of 157 crore doses, and well-capitalized banking system despite global uncertainties.
FY21	The Survey emphasized that economic growth has far greater impact on poverty alleviation than inequality, advocating continued focus on expanding the economic pie to lift the poor out of poverty given India's development stage.
FY20	The Survey introduced trust as a public good supporting wealth creation, demonstrating through Thalinomics that a nutritious plate of food became more affordable for common citizens, reflecting improved purchasing power and price stability.
FY19	India emerged as the sixth largest and fastest-growing major economy with average inflation less than half of previous five years, establishing macroeconomic stability through institutional framework of Monetary Policy Committee targeting 4% inflation.

Key Themes Across Economic Surveys

The Economic Surveys over the years have consistently emphasized several recurring themes that define India's economic policy direction and achievements:

Growth and Resilience

India has maintained its status as the fastest-growing major economy, with global agencies like IMF, Fitch, S&P Global, and OECD projecting growth rates between 6.2% to 6.9% for FY26. The economy has demonstrated remarkable resilience in recovering from the pandemic, with aggregate GVA surpassing pre-pandemic trends and sectors like construction operating approximately 15% above pre-pandemic levels.

Macroeconomic Stability

The Surveys have highlighted India's success in maintaining price stability with CPI inflation declining to an 8-year low of 1.6% in July 2025, and RBI lowering its inflation forecast to 2.6% for FY26. The external sector has remained robust with comfortable foreign exchange reserves and manageable current account deficits, providing adequate buffers against global uncertainties.

Structural Reforms

The government has undertaken comprehensive structural reforms including GST implementation, Insolvency and Bankruptcy Code, labour market reforms, and digitalization initiatives. The GST 2.0 reforms are expected to further boost consumer sentiment and simplify compliance, while infrastructure development continues to serve as a force multiplier for economic growth.

Employment and Skill Development

Recent Surveys have emphasized employment generation, with employment rising to 64.33 crore in 2023-24 compared to 47.5 crore in 2017-18. The focus on skilling the workforce, particularly through formal skill development programs, is projected to generate millions of jobs by 2030, with increasing the share of skilled workforce by 9-12 percentage points potentially creating 9.3-13 million additional jobs.

Inclusive Growth

The Surveys have consistently highlighted that economic growth has a far greater impact on poverty alleviation than redistribution alone. Social security measures, targeted welfare schemes, and improved rural welfare indicators demonstrate the government's commitment to inclusive development while expanding the overall economic pie.

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Economic Survey Core Worldview and Central Themes (FY19 to FY25)

India's Economic Surveys from 2018-19 to 2024-25 have evolved through distinct philosophical frameworks, each responding to the unique challenges and opportunities of their respective periods. Here's a comprehensive analysis of the core worldview and central themes for each year:

FINANCIAL YEAR	CORE WORLDVIEW & CENTRAL THEME
FY25	Deregulation as the underpinning theme - advocating for rolling back regulations significantly to accelerate economic growth and employment, with the philosophy of changing from 'guilty until proven innocent' to 'innocent until proven guilty' in regulatory approach, emphasizing trust-based society and facilitating strategic investments for competitiveness.
FY24	Sustainability and Climate Action - examining India's position at the crossroads of addressing economically what it has always believed philosophically, with the principle "Mata Bhumi Putroham Prithivyah" (Earth is my mother and I am her son) at its core, questioning global climate strategies while highlighting India's achievements in emission reduction and renewable energy.
FY23	Resilience Amidst Global Uncertainties - focusing on navigating through multiple global shocks (pandemic aftermath, Ukraine war, commodity price volatility) while maintaining robust domestic fundamentals, with emphasis on India's sound economic position entering its Amrit Kaal, the 25-year journey towards its centenary as a modern nation.
FY22	Agile Approach - implementing feedback loops, real-time monitoring of actual outcomes, flexible responses, and safety-net buffers, particularly relevant due to explosion of real-time data (GST collections, digital payments, satellite photographs) allowing constant monitoring and policy-making under conditions of extreme uncertainty.
FY21	Lives versus Livelihoods - addressing the policy dilemma during COVID-19 pandemic, implementing Nobel-prize winning research focused on minimizing losses in worst case scenario, with India's unique response of stringent initial lockdown for short-term pain leading to long-term gains in lives saved and V-shaped economic recovery.
FY20	Wealth Creation: The Invisible Hand Supported by the Hand of Trust - drawing from India's historical economic philosophy and Kautilya's Arthashastra, advocating that India's aspiration to become a $5 trillion economy depends on strengthening the invisible hand of market through pro-business policies while supporting it with trust as a public good enhanced through transparency and effective enforcement.

FINANCIAL YEAR	CORE WORLDVIEW & CENTRAL THEME
FY19	Navigating Uncertainty with Vision and Flexibility - emphasizing the importance of legal system reforms (Rule of Law to avert Matsya-nyaya), consistency in economic policymaking through clear vision, general strategy, and tactical flexibility, with focus on investment as key driver of virtuous cycle while significantly reducing economic policy uncertainty over the decade.

Evolution of Philosophical Approach

The Economic Surveys demonstrate a clear evolution in their philosophical approach over these seven years. The journey began in FY19 with emphasis on institutional reforms and navigating uncertainty through strategic flexibility, progressed through FY20's focus on wealth creation combining market forces with trust, and was tested during FY21's unprecedented pandemic crisis requiring bold policy choices.

The FY22 Survey crystallized the learning from the pandemic into the "Agile Approach," recognizing that real-time data and flexible policy responses are essential in an unpredictable world. This was followed by FY23's focus on maintaining resilience amid cascading global shocks, demonstrating India's ability to withstand external pressures while maintaining robust domestic fundamentals.

The FY24 Survey took a philosophical turn by examining India's traditional ethos of sustainability in the context of modern climate action, questioning global strategies while showcasing India's achievements. Most recently, the FY25 Survey advocates for a fundamental shift in governance philosophy through deregulation, arguing that getting out of the way and allowing businesses to focus on their core mission is a significant contribution governments can make to foster innovation and enhance competitiveness.

Common Threads Across Years

Despite the distinct themes, several common threads run through all these Surveys. There is a consistent emphasis on balancing short-term challenges with long-term vision, whether it's the pandemic response, climate action, or regulatory reforms. The Surveys consistently advocate for evidence-based policymaking, drawing from both historical wisdom (Kautilya's Arthashastra) and modern research (Nobel-prize winning economic theories).

Another recurring theme is India's unique positioning in the global economy - as a country that must chart its own path rather than simply following Western models. This is evident in the FY25 Survey's emphasis on India focusing on climate adaptation rather than emission mitigation, and the FY24 Survey's questioning of whether global climate strategies are in everyone's interest.

Policy Implications

The evolution of these worldviews has direct policy implications. The FY25 Survey's deregulation stimulus suggests that domestic growth levers will be relatively more important than external ones in coming years, requiring India to make an all-out effort to attract, promote and facilitate further domestic and foreign investments. The Survey also advocates for establishing Artificial Intelligence Centres for Excellence at top educational institutions with a Rs. 1 lakh crore financing corpus to catalyze private sector innovation.

The FY22 Survey's agile approach has become institutionalized through the use of real-time data for policy monitoring, including GST collections, digital payments, satellite photographs, and mobility indicators. This represents a fundamental shift from traditional five-year planning to continuous policy recalibration based on actual outcomes.

Q3. How does the Survey define the role of the state over time?

Evolution of the State's Role in Economic Development - Economic Survey Perspective (FY19 to FY25)

India's Economic Surveys from FY19 to FY25 reveal a significant evolution in how the state defines its role in economic development, governance, and market intervention. The journey reflects a philosophical shift from active intervention and regulation toward deregulation, trust-based governance, and enabling competitive markets while maintaining strategic oversight during crises.

The Evolving Role of the State Across Time Periods

FINANCIAL YEAR	STATE'S ROLE DEFINITION	KEY PHILOSOPHY
FY25	Deregulation-focused: The state's role is to reduce excessive regulatory burdens, help businesses become more efficient, reduce costs, and unlock new growth opportunities. The philosophy shifts from 'guilty until proven innocent' to 'innocent until proven guilty' in regulatory approach.	Getting out of the way - allowing businesses to focus on their core mission as a significant contribution governments can make to foster innovation and enhance competitiveness
FY24	Mission-mode coordinator: The state adopts a mission-mode approach through National Action Plan on Climate Change (NAPCC) with nine national missions, encouraging States and UTs to prepare State Action Plans consistent with national strategies.	Balancing economic development with meaningful climate action, emphasizing India's ethos of harmonious relationship with nature versus overconsumption prevalent in developed world
FY23	Fiscal stabilizer: The state's role as judicious fiscal policy responder - increasing food and fertiliser subsidies while reducing taxes on fuel and imported products, emphasizing capital expenditure despite higher revenue expenditure requirements.	Facing headwinds from a position of strength on the back of strong macroeconomic fundamentals and buffers, maintaining resilience in external sector
FY22	Agile policy-maker: The state implements feedback loops, real-time monitoring of actual outcomes, flexible responses, and safety-net buffers, leveraging explosion of real-time data (GST collections, digital payments, satellite photographs) for constant monitoring.	Barbell Strategy combining safety-nets to cushion vulnerable sections with flexible policy response based on Bayesian updating of information under extreme uncertainty

FINANCIAL YEAR	STATE'S ROLE DEFINITION	KEY PHILOSOPHY
FY21	Crisis manager: The state implements stringent early lockdown for short-term pain leading to long-term gains in lives saved and V-shaped economic recovery, with timely interventions at Centre and State levels.	Lives versus Livelihoods - addressing policy dilemma through Nobel-prize winning research focused on minimizing losses in worst case scenario
FY20	Market enabler: The state's role is to support the invisible hand of market with the hand of trust - promoting pro-business policies that provide equal opportunities for new entrants versus pro-crony policies that favor incumbents.	Pro-business policy unleashes power of competitive markets to generate wealth, fostering creative destruction, while pro-crony policies erode wealth and destroy value in economy
FY19	Uncertainty reducer: The state's role is to reduce economic policy uncertainty through predictable policy actions, forward guidance, consistency between guidance and actual policy, and reducing ambiguity/arbitrariness in implementation.	Investment as key driver of virtuous cycle - creating capacity, increasing labour productivity, introducing new technology, allowing creative destruction, and generating jobs

Three Distinct Phases of State Role Evolution

Phase 1: Foundation Building (FY19-FY20) - Institutional Reforms and Market Enablement

During FY19, the state focused on reducing economic policy uncertainty as a critical enabler of investment. The Survey emphasized that India had secularly decreased domestic economic policy uncertainty since 2012 and was exceptional in reducing this uncertainty since 2015 amidst a global environment of increases. The state's role was defined through legal system reforms, consistency in economic policymaking, and investment promotion as the key driver of a virtuous cycle.

By FY20, this evolved into the "Wealth Creation" paradigm where the state's role was to support the invisible hand of markets with the hand of trust. The Survey made a crucial distinction between pro-business policies that create level playing fields for competitive markets versus pro-crony policies that support incumbent firms. The state's responsibility was to unleash creative destruction while building trust as a public good through transparency and effective enforcement.

Phase 2: Crisis Response and Adaptive Governance (FY21-FY23) - Agility and Resilience

The pandemic fundamentally redefined the state's role. In FY21, the state became a crisis manager implementing the "Lives versus Livelihoods" framework. India's response involved stringent initial lockdown for short-term pain leading to long-term gains in lives saved and V-shaped economic recovery, demonstrating the state's capacity for bold decision-making under extreme uncertainty.

This crisis experience crystallized into the "Agile Approach" in FY22, where the state's role transformed into an adaptive policy-maker using feedback loops and real-time data. The Survey noted that the Agile framework is particularly relevant because of the explosion of real-time data including GST collections, digital payments, satellite photographs, electricity production, and cargo movements that allows for constant monitoring and flexible responses.

By FY23, the state's role evolved into a fiscal stabilizer navigating multiple global shocks. Despite additional fiscal pressures from geopolitical conflicts, the state maintained emphasis on capital expenditure while managing higher revenue expenditure requirements, with Capex steadily increasing from 1.7% of GDP (FY09-FY20 average) to 2.5% of GDP in FY22.

Phase 3: Strategic Withdrawal and Trust-Based Governance (FY24-FY25) - Deregulation Stimulus

In FY24, the state's role in climate action demonstrated mission-mode coordination. India adopted the National Action Plan on Climate Change with nine national missions, with 34 State Action Plans operational, showing the state's capacity to coordinate multi-level governance while balancing economic development with sustainability.

The most significant philosophical shift occurred in FY25, where deregulation became the underpinning theme. The Survey argues that by reducing excessive regulatory burdens, governments can help businesses become more efficient, reduce costs, and unlock new growth opportunities. The state's role is redefined as "getting out of the way" - a fundamental departure from traditional interventionist approaches.

The FY25 Survey notes that states have participated in deregulation by reducing compliance burdens and simplifying processes, with examples from Haryana, Tamil Nadu, Punjab, Andhra Pradesh, Karnataka, and Uttar Pradesh. The Survey advocates for trust-based regulation backed up by transparency and disclosure, with regulators developing their own assessment parameters and reporting on their effectiveness transparently.

Key Philosophical Transformations

From Command-and-Control to Trust-Based Regulation

The most striking evolution is the shift from a regulatory philosophy of "guilty until proven innocent" to "innocent until proven guilty". The FY25 Survey argues that regulations increase the cost of all operational decisions in firms, and that regulatory compliance burden holds back formalization, limits employment growth, chokes innovation, and depresses growth.

From Equilibrium Thinking to Dynamic Cycles

The FY19 Survey departed from traditional Anglo-Saxon thinking by viewing the economy as being in constant disequilibrium - either in a virtuous or vicious cycle - rather than seeking equilibrium. This perspective recognizes that investment, productivity growth, job creation, demand, and exports feed into each other in dynamic ways.

From Waterfall to Agile Policy-Making

The FY22 Survey distinguished between the traditional "Waterfall" approach (detailed upfront planning and rigid implementation) and the "Agile" approach (feedback loops, real-time monitoring, and flexible responses). This represents a fundamental shift in how the state conceptualizes its policy-making role.

From Pro-Crony to Pro-Business

The FY20 Survey made a critical distinction: pro-business policies create level playing fields and unleash creative destruction, while pro-crony policies favor incumbents and erode wealth. The state's role shifted toward enabling competitive markets rather than protecting established players.

State Capacity and Multi-Level Governance

Throughout this evolution, the Surveys emphasize the importance of state capacity at multiple levels. The FY25 Survey notes that states have participated in deregulation through various initiatives, and the assessment under the Business Reform Action Plan (BRAP) shows a positive correlation between ease of doing business and industrial activity levels.

The FY24 Survey demonstrates this through climate action, where 34 State Action Plans on Climate Change are operational, laying out sector-specific and cross-sectoral, time-bound priority actions - showing effective coordination between central and state governments.

Market Intervention: From Active to Strategic

The state's approach to market intervention has evolved from active regulation to strategic enablement. In FY19, the focus was on reducing policy uncertainty and providing forward guidance. By FY20, the emphasis shifted to supporting market mechanisms with trust-based frameworks.

During the crisis years (FY21-FY22), the state demonstrated its capacity for targeted intervention through safety nets (food security, emergency liquidity for MSMEs) while maintaining flexibility in policy responses. By FY25, the philosophy had evolved to advocate for the state to "get out of the way" and allow businesses to focus on their core mission.

Contemporary Challenges and Future Direction

The FY25 Survey recognizes that in an era where rapid world trade growth has passed, domestic growth levers will be relatively more important than external ones. The state's role is to facilitate strategic investments, with the Survey suggesting that India needs to make an all-out effort to attract, promote and facilitate further domestic and foreign investments to become a competitive and innovative economy.

The Survey also advocates for establishing Artificial Intelligence Centres for Excellence at top educational institutions with a Rs. 1 lakh crore financing corpus to catalyze private sector innovation, demonstrating the state's evolving role as a strategic facilitator rather than direct operator.

Q4. How does the Survey’s tone change across phases?

Evolution of Economic Survey's Tone and Communication Style Across Phases

India's Economic Surveys from FY19 to FY25 demonstrate a remarkable evolution in tone and communication style, reflecting shifts in economic philosophy, policy priorities, and the government's approach to engaging with stakeholders. The communication strategy has transformed from academic and cautionary to confident and reform-oriented, with distinct tonal shifts across different phases.

Three Distinct Communication Phases

PHASE	TIME PERIOD	DOMINANT TONE	COMMUNICATION STYLE	KEY CHARACTERISTICS
Phase 1	FY19-FY20	Analytical & Prescriptive	Academic, data-driven, cautiously optimistic	Heavy use of economic theory, research citations, emphasis on structural reforms and policy certainty
Phase 2	FY21-FY23	Pragmatic & Adaptive	Crisis-responsive, flexible, solution-oriented	Real-time data emphasis, agile frameworks, acknowledgment of uncertainty, focus on resilience
Phase 3	FY24-FY25	Confident & Reformist	Bold, deregulation-focused, trust-based	Philosophical shift toward minimal intervention, emphasis on getting "out of the way," pro-business rhetoric

Phase 1: Analytical and Prescriptive (FY19-FY20)

FY19: The Uncertainty Reducer

The FY19 Survey adopted a highly analytical tone, grounded in economic research and empirical evidence. The communication style was characterized by:

- **Academic rigor:** Extensive use of economic models, research papers, and data analysis to support policy recommendations
- **Cautious optimism:** While highlighting India's achievements in reducing economic policy uncertainty, the tone remained measured and evidence-based
- **Prescriptive approach:** Clear policy recommendations with detailed rationale, emphasizing the need for
predictable policy actions, forward guidance, and consistency between guidance and actual policy

- **Investment-centric narrative:** The Survey positioned investment as the key driver of a virtuous cycle, using technical economic language to explain complex relationships

FY20: The Wealth Creation Advocate

The FY20 Survey marked a tonal shift toward more assertive and philosophically grounded communication:

- **Conceptual clarity:** Introduction of clear dichotomies like "pro-business vs. pro-crony" policies, making complex economic concepts accessible
- **Trust-focused rhetoric:** Emphasis on supporting the invisible hand of market with the hand of trust, blending economic theory with ethical considerations
- **Value-laden language:** Use of terms like "wealth creation," "creative destruction," and distinguishing between policies that "unleash" versus "erode" economic value
- **Normative positioning:** The Survey took clearer stances on what constitutes good policy, moving beyond pure description to advocacy

Phase 2: Pragmatic and Adaptive (FY21-FY23)

FY21: The Crisis Communicator

The pandemic fundamentally altered the Survey's tone, making it more empathetic, urgent, and solution-focused:

- **Humanized language:** The "Lives versus Livelihoods" framing demonstrated a shift toward more accessible, human-centered communication
- **Acknowledgment of trade-offs:** Transparent discussion of difficult policy choices, including the short-term pain for long-term gains approach
- **Validation-seeking tone:** Use of Nobel Prize-winning research to justify policy decisions, lending credibility to crisis responses
- **Optimistic resilience:** Despite the crisis, the tone emphasized India's V-shaped recovery and effective policy interventions

FY22: The Agile Innovator

The FY22 Survey introduced a distinctly modern, tech-influenced communication style:

- **Framework-based communication:** Introduction of the "Agile Approach" borrowed from software development, making policy-making relatable to contemporary business practices
- **Data-driven confidence:** Emphasis on real-time data explosion (GST collections, digital payments, satellite photographs) conveyed technological sophistication
- **Adaptive language:** Terms like "feedback loops," "Bayesian updating," and "flexible responses" reflected a more dynamic, iterative approach to policy communication
- **Balanced tone:** The Barbell Strategy metaphor demonstrated sophisticated risk communication, balancing safety nets with flexibility

FY23: The Resilient Stabilizer

The FY23 Survey adopted a tone of measured confidence amid global turbulence:

- **Strength-from-adversity narrative:** Communication emphasized facing headwinds from a position of strength, projecting resilience
- **Comparative positioning:** Implicit and explicit comparisons with global peers to highlight India's relative stability
- **Fiscal responsibility messaging:** Balanced tone acknowledging increased expenditure pressures while emphasizing continued capital investment focus
- **Macro-stability emphasis:** Technical but accessible language around external sector buffers and macroeconomic fundamentals

Phase 3: Confident and Reformist (FY24-FY25)

FY24: The Mission-Mode Coordinator

The FY24 Survey demonstrated a more coordinated, strategic communication approach:

- **Mission-oriented language:** Use of terms like "National Action Plan" and "mission-mode approach" conveyed purposeful, organized action
- **Multi-level governance emphasis:** Communication highlighted coordination between Centre and States, with specific examples from 34 State Action Plans
- **Values-based positioning:** Emphasis on India's ethos of harmonious relationship with nature versus overconsumption added moral dimension
- **Balanced development narrative:** Communication integrated economic growth with climate action, demonstrating sophisticated policy integration

FY25: The Bold Deregulator

The FY25 Survey represents the most significant tonal shift, adopting an assertively reformist stance:

- **Philosophical boldness:** The shift from "guilty until proven innocent" to "innocent until proven guilty" represents a fundamental reframing of state-business relations
- **Liberation rhetoric:** Language of "getting out of the way" and "unlocking growth opportunities" conveys a pro-market, deregulatory agenda
- **Business-friendly tone:** Direct acknowledgment that regulations increase costs and hold back formalization, aligning with business perspectives
- **Trust-based governance:** Emphasis on trust-based regulation backed by transparency rather than command-and-control
- **Competitive positioning:** Recognition that rapid world trade growth has passed, requiring domestic focus, demonstrates strategic realism
- **Innovation advocacy:** Proposals like AI Centres for Excellence with Rs. 1 lakh crore corpus show forward-looking, ambitious communication

Key Tonal Transformations

From Caution to Confidence

The journey from FY19's cautious, evidence-based approach to FY25's bold deregulation advocacy represents a significant confidence shift. Early Surveys hedged recommendations with extensive research citations, while recent ones make assertive philosophical statements about the state's role.

From Technical to Accessible

While maintaining analytical rigor, the communication style has become more accessible. The use of frameworks like "Agile Approach," metaphors like "Barbell Strategy," and clear dichotomies like "pro-business vs. pro-crony" make complex concepts more digestible.

From Reactive to Proactive

Early Surveys responded to existing conditions with prescriptive solutions. Recent Surveys proactively advocate for fundamental shifts in governance philosophy, positioning India for future challenges rather than just addressing current ones.

From Government-Centric to Business-Centric

The most striking tonal shift is the move from viewing policy through a government lens (what should the state do?) to a business lens (how can the state enable business?). The FY25 Survey's emphasis on reducing regulatory burdens and "getting out of the way" represents a fundamental reorientation.

From Equilibrium to Dynamic

The communication style has evolved from static, equilibrium-based economic thinking to dynamic, cycle-based narratives. The FY19 concept of "virtuous and vicious cycles" and FY22's "Agile Approach" reflect this shift toward viewing the economy as constantly evolving.

Communication Techniques Across Phases

Use of Metaphors and Frameworks

- **FY19:** "Virtuous cycle" of investment
- **FY20:** "Invisible hand" supported by "hand of trust"
- **FY21:** "Lives versus Livelihoods" dilemma
- **FY22:** "Barbell Strategy" and "Agile vs. Waterfall"
- **FY25:** "Getting out of the way"

Evidence and Validation

- **Early phase:** Heavy reliance on academic research, international comparisons, and historical data
- **Middle phase:** Real-time data, crisis outcomes, and adaptive learning

- **Recent phase:** State-level examples, international best practices, and philosophical arguments

Stakeholder Engagement

- **FY19-FY20:** Primarily addressed policy-makers and economists
- **FY21-FY23:** Broader audience including citizens affected by pandemic policies
- **FY24-FY25:** Direct engagement with business community, emphasizing their concerns and needs

Consistency and Continuity

Despite these tonal shifts, certain elements remain consistent across all phases:

- **Data-driven approach:** All Surveys maintain strong empirical foundations
- **Reform orientation:** Consistent emphasis on structural reforms, though the nature of reforms has evolved
- **Long-term perspective:** Focus on sustainable growth rather than short-term gains
- **Multi-dimensional thinking:** Integration of economic, social, and environmental considerations

Implications of Tonal Evolution

The changing tone reflects broader shifts in India's economic policy philosophy:

1. **Maturity of reforms:** The confident, deregulatory tone of recent Surveys suggests that foundational reforms are in place, allowing for more ambitious next-generation reforms
2. **Learning from crisis:** The pandemic experience influenced communication style, making it more adaptive and pragmatic
3. **Global context:** Recognition of changing global trade dynamics has made the tone more inward-looking and self-reliant
4. **Political economy:** The evolution from cautious to bold may reflect growing political capital for reforms and changing stakeholder expectations

Q5. How does the Survey treat markets and the private sector?

Economic Survey's Treatment of Markets and Private Sector - FY25

The Economic Survey FY25 represents a fundamental philosophical shift in how India's government views markets and the private sector. Moving from a regulatory-heavy, control-oriented approach to a trust-based, deregulation-focused framework, the Survey positions the private sector as a critical partner in achieving Viksit Bharat@2047 rather than an entity requiring constant oversight.

Core Philosophy: From "Guilty Until Proven Innocent" to Trust-Based Regulation

The Survey's most striking departure from previous approaches is its advocacy for trust-based regulation backed up by transparency and disclosure on the part of the regulated. This represents a fundamental reorientation of the state-business relationship, moving away from presumptive suspicion toward collaborative partnership.

The Survey explicitly states that regulators must develop their assessment parameters and report on their own effectiveness transparently, emphasizing that "there is no better way to demand right behaviour than to set an example." This reciprocal accountability framework marks a significant evolution in regulatory philosophy.

Analysis Approach: Markets as Growth Enablers

Private Sector as Essential Partner

The Survey analyzes the private sector not as a subordinate actor but as an essential agent of economic transformation. It explicitly acknowledges that public capital alone cannot meet the demands of upgrading the country's infrastructure commensurate with the requirements of Viksit Bharat@2047.

The analysis emphasizes that achieving India's growth aspirations requires a tripartite compact between the government, private sector and academia to ensure that gains from productivity (particularly AI-driven) are widely distributed, taking the country toward inclusive growth.

Capital Markets and Investment

The Survey provides detailed analysis of private capital formation, noting that during April to December FY25, IPO fundraising almost tripled from ₹53,023 crore to ₹1,53,987 crore, with the number of IPOs increasing by 32.1% to 259. This amounts to 25.6% of gross fixed capital formation of private and public corporations during FY24.

The Survey also tracks private capital expenditure intentions through a Forward-Looking Survey on Private Corporate Sector CAPEX Investment Intentions, measuring capital investment intentions covering non-financial and financial corporations to assess expected investment for FY25 and FY26.

Perspective on Private Sector Role

Critical for Infrastructure Development

The Survey's perspective is unambiguous: increasing private participation in infrastructure is essential by improving capacity to conceptualize projects and confidence in risk and revenue-sharing mechanisms, contract management, conflict resolution and project closure.

It emphasizes that the strategy to step up private participation needs coordinated action of all stakeholders - governments at different tiers, financial market players, project management experts and planners, and the private sector. The Survey notes that financial market regulators have introduced reforms to encourage private participation, though uptake remains limited in many core sectors.

MSMEs as Growth Engines

The Survey recognizes the critical role of micro, small, and medium enterprises (MSMEs) in driving economic growth, employment generation, and innovation. However, it candidly acknowledges that regulatory compliance burden holds back formalization and labour productivity, limits employment growth, chokes innovation and depresses growth.

Policy Recommendations: Aggressive Deregulation Agenda

Reducing Regulatory Burden

The Survey's most forceful policy recommendation is comprehensive deregulation. It states that by reducing excessive regulatory burdens, governments can help businesses become more efficient, reduce costs, and unlock new growth opportunities.

The Survey provides concrete evidence of regulatory costs, noting that factory regulations make it cheaper for a business to run two 150-worker factories than one 300-worker factory, discouraging economies of scale. It also points out that Indian workers cannot formally work overtime because the law requires employers to pay at least twice the regular wage.

Three-Step Deregulation Process for States

The Survey outlines a three-step process for states to systematically review regulations for their cost-effectiveness:

1. Identifying areas for deregulation
2. Thoughtfully comparing regulations with other states and countries
3. Estimating the cost of each regulation on individual enterprises

Ease of Doing Business 2.0

The Survey recommends that Ease of Doing Business (EoDB) 2.0 should be a state government-led initiative focused on fixing the root causes behind the unease of doing business. In the next phase, states must break new ground on liberalizing standards and controls, setting legal safeguards for enforcement, reducing tariffs and fees, and applying risk-based regulation.

Evidence of State-Level Progress

The Survey documents state-level deregulation efforts, noting that Haryana and Tamil Nadu amended their building regulations 12 times in the past decade to make it easier to build. Similarly, Punjab conducted grievance redressal sessions with industries and liberalized several building, labour, and fire regulations.

The assessment shows a positive correlation between the ease of doing business in states and the level of industrial activity, suggesting the need for deregulation and enterprise-friendly reforms in aspiring and emerging states.

Institutional Framework: Independent Regulatory Bodies

The Survey analyzes the role of independent regulatory bodies (IRBs) designed to safeguard market interventions from the interference of political and private interests. The financial sector is primarily governed through IRBs – RBI, SEBI, IRDAI, PFRDA and IBBI, with FSDC having a broader financial stability mandate.

The Survey emphasizes that these bodies can set up and benefit from a specialized workforce with relevant technical knowledge, and that the efficiency and effectiveness of regulatory action are directly dependent on the quality of regulations.

Urgency and Strategic Context

The Survey frames deregulation as an urgent imperative, stating: "The need to find growth avenues in an export-challenged, environment challenged, energy-challenged, and emissions-challenged world means we need to act on deregulation with a greater sense of urgency. Without deregulation, other policy initiatives will not deliver on their desired goals."

It concludes that by empowering small businesses, enhancing economic freedom, and ensuring a level playing field, governments can help create an environment where growth and innovation are not only possible but inevitable, adding that "India's growth aspirations require nothing less."

Key Distinctions from Previous Approaches

ASPECT	TRADITIONAL APPROACH	FY25 SURVEY APPROACH
Regulatory Philosophy	Command-and-control, presumptive oversight	Trust-based regulation with transparency
Private Sector Role	Supplementary to public sector	Essential partner for Viksit Bharat@2047
Policy Focus	Compliance and control	Deregulation and cost reduction
State-Business Relationship	Regulator-regulated	Tripartite compact (government-private sector-academia)
Infrastructure Development	Public sector-led	Public-private partnerships essential

Synthesis: A Pro-Market, Pro-Business Framework

The Economic Survey FY25 treats markets and the private sector with a fundamentally different lens than previous policy documents. Its analysis is grounded in the recognition that regulatory overreach has become a binding constraint on growth, its perspective positions the private sector as an indispensable partner rather than a potential threat, and its policy recommendations center on aggressive deregulation and trust-based frameworks.

This represents not merely incremental reform but a philosophical reorientation - from viewing the state's role as controlling markets to enabling them, from presuming businesses need constant oversight to trusting them with transparency-backed accountability, and from treating the private sector as subordinate to recognizing it as essential for achieving national development goals.

The Survey's treatment reflects a mature understanding that in a globally competitive, resource-constrained environment, India's growth aspirations can only be realized by unleashing private enterprise through systematic removal of regulatory barriers while maintaining appropriate safeguards through transparency and disclosure rather than prescriptive control.

Q6. How does the Survey conceptualise jobs and productivity?

Economic Survey FY25: Conceptualization of Jobs and Productivity

The Economic Survey FY25 presents a comprehensive framework for understanding jobs and productivity through distinct yet interconnected lenses—definitions, analytical approaches, and policy recommendations. This conceptualization reflects a sophisticated understanding of how employment and productivity interact to drive inclusive economic growth.

Definitional Framework: Measuring Employment and Productivity

Jobs and Employment Definitions

The Survey adopts a multi-dimensional measurement framework for employment through the Periodic Labour Force Survey (PLFS), which tracks three core indicators:

- **Unemployment Rate (UR):** Defined as the percentage of unemployed persons in the labour force
- **Labour Force Participation Rate (LFPR):** The percentage of working-age population engaged in work or making tangible efforts to seek work
- **Worker Population Ratio (WPR):** The percentage of employed persons in the total population

The Survey employs two distinct measurement criteria: usual status (ps+ss), where a person must have pursued economic activity for at least 30 days during the 365 days preceding the survey, and current weekly status (CWS), determined based on the last 7 days preceding the survey.

Importantly, the Survey's definition of 'work' includes self-employment (subsistence agriculture, collection of firewood, poultry farming for self-consumption), regular wage/salaried employment, and casual labour, reflecting India's diverse employment landscape.

Productivity Conceptualization

The Survey conceptualizes productivity across multiple dimensions. In agriculture, productivity is closely linked to on-farm and post-harvest inputs such as improved access to quality seeds, better irrigation facilities, efficient water management practices, effective extension services, soil health improvements, modern post-harvest infrastructure, and accessible markets.

For industrial sectors, the Survey emphasizes that sustained improvements in productivity and growth in one or more service or industrial sectors is inescapable for overall development of states, recognizing productivity as a driver of structural transformation.

In the context of emerging technologies, the Survey introduces the concept of AI-driven productivity, emphasizing the need for a tripartite compact to ensure gains are widely distributed.

Analytical Framework: Understanding Employment and Productivity Dynamics

Employment Analysis Approach

The Survey's analytical framework focuses on sectoral and gender distribution of the workforce and state-wise trends, providing a multi-dimensional view of employment patterns.

A key analytical insight is the identification of structural shifts in employment composition. The Survey documents that the proportion of self-employed workers rose from 52.2% in 2017-18 to 58.4% in 2023-24, reflecting growing entrepreneurial activity and preference for flexible work arrangements. Simultaneously, casual workers declined from 24.9% to 19.8%, indicating a shift toward more structured forms of self-employment.

The Survey provides nuanced gender-disaggregated analysis, noting that among rural women, the share of "own account workers/employers" surged from 19% in 2017-18 to 31.2% in 2023-24, while "helpers in household enterprises" grew from 38.7% to 42.3%.

Productivity Analysis Framework

The Survey analyzes productivity through the lens of regulatory constraints and firm behavior. It identifies that regulatory compliance burden holds back formalisation and labour productivity, limits employment growth, chokes innovation and depresses growth.

A critical analytical finding is that firms remaining small lose access to institutional capital, skilled talent, and technology infusion, creating a parallel informal economy and contributing to low labour productivity.

The Survey also examines the relationship between occupational safety and productivity, noting that the role of OSH (Occupational Safety and Health) in improving worker productivity is significant, with a positive correlation underscoring the importance of effective implementation of OSH laws.

Jobs-Productivity Linkage

The Survey establishes that dynamic industrial and service sectors can help move and productively employ surplus manpower in agriculture, apart from generating additional intermediate and final demand for farm output, demonstrating how productivity improvements in one sector create employment opportunities across the economy.

In the context of automation and AI, the Survey presents a sophisticated analysis: technological change is only labour displacing and brings about mass unemployment if the demand for the product/service is saturated. If the market has large, unmet needs, then labour augmented by machines increases productivity and employment.

Policy Framework: Recommendations for Jobs and Productivity Enhancement

Employment Generation Policies

The Survey's policy framework emphasizes labour law reforms, identification of potential sectors for job creation, and the role of skill development as core pillars of employment policy.

A central policy recommendation is regulatory reform. The Survey advocates for digitisation, decriminalisation and divestment of functions, citing initiatives like the PAN 2.0 project and the Jan Vishwas Act 2023, which decriminalised 183 provisions in 42 central Acts.

Productivity Enhancement Policies

For agricultural productivity, the Survey recommends price support mechanisms, noting that the Minimum Support Price (MSP) acts as a safety net for farmers and serves as a guiding signal for planning future crop compositions. For FY25, MSP for arhar and bajra increased by 59% and 77% over weighted average cost of production respectively.

For industrial productivity, the Survey documents that cluster development schemes have improved efficiency of value chains, resulting in overall productivity growth of around 10-15% and turnover growth of 20-30%.

Skills Development as Productivity Driver

The Survey presents comprehensive skill development initiatives, noting that over 1.57 crore persons have been trained and over 1.21 crore certified under PMKVY, while over 1.24 crore persons enrolled for long-term training at ITIs.

The Survey documents significant progress, with the share of workers receiving vocational/technical training increasing from 11.3% in 2018-19 to 15.7% in 2023-24.

Addressing the Wage-Productivity Disconnect

The Survey identifies a critical policy challenge: while corporate profitability soared to a 15-year peak in FY24, with profits climbing 22.3%, employment grew by a mere 1.5%. This analysis reveals that employee expenses rose only 13% compared to 17% in FY23, highlighting the need for policies ensuring productivity gains translate into employment and wage growth.

AI-Era Labour Policy Framework

Looking forward, the Survey proposes that a tripartite compact between government, private sector and academia can ensure that gains from AI-driven productivity are widely distributed, representing a forward-looking policy framework for managing technological disruption.

Synthesis: An Integrated Conceptual Framework

The Economic Survey FY25 conceptualizes jobs and productivity not as separate domains but as interconnected elements of inclusive growth. Its definitional framework provides rigorous measurement tools, its analytical approach identifies structural shifts and constraints, and its policy recommendations address both immediate challenges and long-term transformations.

The Survey's conceptualization recognizes that employment quality matters as much as quantity, that productivity gains must be inclusive rather than extractive, and that regulatory reform, skill development, and technological adaptation must proceed in tandem. This integrated framework positions jobs and productivity as complementary objectives rather than competing priorities, essential for achieving India's development aspirations.

Q7. When does technology shift from being a sector to being a system?

Technology as Sector vs. System: A Conceptual Framework

The question of when technology transitions from being a sector to becoming a system represents a fundamental shift in how we understand technology's role in economic and social organization. This transformation is not merely semantic—it reflects a profound change in technology's integration into the fabric of society and economy.

The Sector-to-System Transition Framework

Technology operates as a **sector** when it functions as a distinct industry with defined boundaries, specialized firms, and measurable economic outputs. It becomes a **system** when it transcends sectoral boundaries to become infrastructure that enables and transforms all other sectors.

Technology as a Sector: Characteristics

When technology functions as a sector, it exhibits several defining characteristics:

- **Discrete Industry Classification:** Technology companies are categorized separately in industrial classifications, with distinct revenue streams, employment patterns, and market dynamics
- **Specialized Workforce:** Employment is concentrated in technology-specific roles requiring specialized skills
- **Measurable Economic Contribution:** The sector's contribution to GDP, employment, and trade can be isolated and quantified
- **Competitive Dynamics:** Competition occurs primarily within the technology sector itself

The data from India's employment landscape illustrates this sectoral view. IT/Software job listings have shown distinct patterns, ranging from approximately 232,000 to 300,000 positions over recent periods, representing a clearly demarcated employment sector with its own dynamics.

Technology as a System: Transformation Indicators

The transition to a system occurs when technology exhibits these characteristics:

- **Infrastructural Integration:** Technology becomes embedded infrastructure across all sectors rather than a standalone industry
- **Universal Dependency:** All economic activities become dependent on technological systems for basic operations
- **Cross-Sectoral Enablement:** Technology's primary value lies in enabling productivity and innovation in other sectors
- **Measurement Challenges:** Technology's contribution becomes difficult to isolate because it's woven into all economic activities

The Tipping Point: When Does the Shift Occur?

The sector-to-system transition occurs when several conditions converge:

1. Penetration Threshold

When technology adoption reaches critical mass across the economy, it ceases to be optional and becomes foundational. This is evident in India's digital payment infrastructure, where RTGS transactions have become systemic—with private sector banks processing over ₹1,082 trillion, public sector banks ₹532 trillion, and other institutions ₹529 trillion in flows over the last 12 months. At this scale, digital payment technology is no longer a sector but a system enabling all economic transactions.

2. Productivity Multiplication Effect

Technology becomes systemic when its primary impact is multiplying productivity across other sectors rather than generating standalone value. The Index of Industrial Production (IIP) growth patterns—ranging from 0.5% to 6.7% across recent months—increasingly reflect technology-enabled productivity rather than traditional industrial capacity expansion.

3. Regulatory Recognition

When regulatory frameworks shift from governing technology as an industry to regulating technology as infrastructure (like utilities or transportation), the systemic transition is formalized. This includes treating digital infrastructure as essential services requiring universal access and reliability standards.

4. Employment Diffusion

The transition is marked when technology skills become requirements across all job categories rather than defining a separate employment sector. Labour force participation patterns show this diffusion—with participation rates stabilizing around 50-51% across recent quarters, technology skills are increasingly embedded in all employment categories rather than concentrated in a "tech sector."

The AI Inflection Point

Artificial Intelligence represents a potential accelerant of the sector-to-system transition. As referenced in the Economic Survey's framework on AI-driven productivity, AI shifts technology from being a tool used by specialists to being an ambient capability embedded in all work processes. This represents the ultimate systemic integration—when technology becomes inseparable from the work itself.

The Survey's observation that "technological change is only labour displacing and brings about mass unemployment if the demand for the product/service is saturated" provides crucial insight: technology becomes truly systemic when it expands productive capacity across the economy rather than merely automating existing processes within a sector.

Implications of the Sector-to-System Shift

Economic Measurement Challenges

Once technology becomes systemic, traditional sectoral accounting becomes inadequate. The "technology sector's" contribution to GDP becomes meaningless because technology's value is embedded in every sector's output. This requires new frameworks for measuring technology's economic impact—focusing on productivity multipliers rather than direct output.

Policy Framework Evolution

Systemic technology requires fundamentally different policy approaches:

- **From Industrial Policy to Infrastructure Policy:** Technology policy must shift from promoting a competitive technology industry to ensuring universal access to technological infrastructure
- **From Sector-Specific Regulation to Cross-Cutting Standards:** Regulation must address technology's systemic risks (cybersecurity, data governance, algorithmic accountability) rather than just industry competition
- **From Skills Training to Universal Digital Literacy:** Education policy must treat technological competence as foundational literacy rather than specialized training

Investment and Capital Allocation

When technology is systemic, investment patterns change fundamentally. Capital flows shift from investing in "technology companies" to investing in technology-enabled transformation across all sectors. This is visible in how equity derivatives markets have evolved, with institutional participation patterns reflecting technology's cross-sectoral integration rather than sector-specific bets.

India's Current Position on the Continuum

India currently occupies a transitional position—technology retains sectoral characteristics while simultaneously exhibiting systemic properties:

- **Sectoral Indicators:** Distinct IT/software employment sector, measurable technology exports, identifiable technology companies
- **Systemic Indicators:** Universal digital payment infrastructure, technology-enabled governance (Digital India), cross-sectoral digital transformation

The data suggests India is in the midst of this transition. The Eight Core Industries Index—covering coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity—shows how even traditional industrial sectors are becoming technology-dependent systems. Power generation averaging around 4,500-5,400 MU daily increasingly relies on smart grid technology, making it impossible to separate "power sector" performance from "technology sector" enablement.

Conclusion: A Dynamic Rather Than Binary Transition

The shift from sector to system is not a binary transition but a continuous process of deepening integration. Technology becomes systemic not at a single moment but through accumulating dependencies, expanding infrastructure, and evolving organizational practices.

The critical insight is that this transition is irreversible—once technology becomes systemic infrastructure, it cannot revert to being merely a sector. This has profound implications for economic policy, business strategy, and social organization. Understanding where an economy sits on this continuum is essential for crafting appropriate policies and strategies.

For India, the challenge is managing this transition to ensure that technology's systemic integration promotes inclusive growth rather than creating new divides—ensuring that as technology becomes infrastructure, it becomes universal infrastructure accessible to all.

Q8. How does the Survey imagine India's long-term future?

India's Long-Term Economic Vision: Growth, Demographics, Reforms & Infrastructure

India's long-term economic vision, as articulated through various government initiatives and policy frameworks, centers on achieving Viksit Bharat 2047—a developed India by 2047. This comprehensive vision encompasses sustained economic growth, harnessing demographic advantages, implementing structural reforms, and building world-class infrastructure.

Economic Growth Trajectory

India has positioned itself as the fastest-growing major economy globally, with the International Monetary Fund (IMF) projecting growth of 6.2% in 2025 and 6.3% in 2026. This represents a significant outperformance compared to global growth projections of 2.8% in 2025 and 3.0% in 2026.

The government's medium-term growth strategy is rooted in a decade of robust economic performance, with India averaging over 7% GDP growth between 2014 and 2025 (excluding COVID years). Multiple global agencies have reaffirmed India's strong growth prospects, with projections ranging from 6.3% to 6.9% for FY26, highlighting broad confidence in India's ability to sustain high growth amidst global challenges.

The growth strategy emphasizes domestic drivers including deregulation, infrastructure investment, MSME development, enhanced female labor force participation, workforce skilling to harness the demographic dividend, and accelerated digitalization to boost financial inclusion and formalization.

Demographic Dividend: India's Strategic Advantage

India's demographic profile presents a crucial opportunity for sustained economic expansion. As noted in government communications, India's demographic dividend, driven by a growing working-age population, presents a crucial opportunity to boost GDP growth.

According to the World Economic Forum's Future of Jobs Report 2025, India is among countries that will supply nearly two-thirds of new workforce entrants in the coming years. This demographic advantage is already manifesting in employment growth, with employment rising to 64.33 crore in 2023-24 compared to 47.5 crore in 2017-18—a net addition of 16.83 crore jobs over six years.

The Labour Force Participation Rate (LFPR) has shown consistent improvement, rising from 49.8% in 2017-18 to 60.1% in 2023-24, while the Worker Population Ratio (WPR) increased from 46.8% to 58.2% over the same period. Recent monthly data shows continued positive momentum, with LFPR rising from 54.2% in June 2025 to 55% in August 2025.

The government recognizes that for development to be meaningful, economic expansion must translate into the creation of productive, well-paying jobs that enhance livelihoods and social stability. This focus on employment-driven growth ensures that the demographic dividend translates into tangible economic benefits.

Structural Reforms: Building Economic Resilience

India's long-term vision is underpinned by comprehensive structural reforms designed to enhance ease of living, ease of doing business, and inclusive growth. As emphasized in government communications, economic reforms in 2025 reflect a maturing phase of India's governance, where the emphasis shifted decisively from "expanding regulatory frameworks" to "delivering measurable outcomes".

Tax and GST Reforms

The Union Budget 2025-26 introduced substantial direct taxation reforms, ensuring that annual incomes up to ₹12 lakh are exempt from income tax under the new regime, with effective exemption rising to ₹12.75 lakh for salaried taxpayers. The comprehensive overhaul of the Income-tax Act, 1961 leading to the New Income Tax Act, 2025 represents a landmark development to simplify language, remove obsolete provisions, and consolidate provisions.

The GST rate rationalization implemented from September 22, 2025, has simplified taxes and lowered consumer prices, directly impacting around 11.4% of the CPI basket across product groups. As noted by the Prime Minister's Office, the structural reforms in GST are set to give new wings to India's growth story.

Labour Market Reforms

The implementation of the four Labour Codes represents a significant modernization of India's labor regulatory framework, designed to improve flexibility while protecting worker rights. These reforms, combined with focused employment generation initiatives, have provided momentum to productivity and inclusive prosperity.

Trade and Export Promotion

The Foreign Trade Policy effective from April 01, 2023 is designed to integrate India more effectively into the global market, improve trade competitiveness, and establish the country as a reliable and trusted trade partner. Key initiatives include:

- The Remission of Duties and Taxes on Exported Products (RoDTEP) Scheme, covering 10,642 tariff lines with a budget allocation of ₹18,232.50 crore for FY 2025-26
- The Rebate of State and Central Levies and Taxes (RoSCTL) Scheme promoting labor-oriented textile sector exports
- A Common Digital Platform for Certificate of Origin to facilitate trade and increase FTA utilization
- Districts as Export Hubs initiative identifying products with export potential

Infrastructure Development: Foundation for Growth

Infrastructure development forms a critical pillar of India's long-term economic vision, with massive investments across multiple sectors designed to enhance connectivity, productivity, and quality of life.

Energy Infrastructure

India, as the world's third-largest energy consumer with demand of around 5.4 million barrels per day, is pursuing an ambitious energy infrastructure agenda. The Minister of Petroleum & Natural Gas outlined a vision to increase refining capacity to 310 MMTPA by 2028 and expand petrochemical capacity to become a US$300 billion industry by 2030.

Key policy reforms supporting this vision include shifting from a Production Sharing Contract regime to a Revenue Sharing Model under HELP, amendments to the ORD Act 1948, and reducing 'No-Go' areas by 99%, which has freed over 1 million sq km for exploration. The government aims to achieve energy independence by 2047 and Net Zero emissions by 2070.

Physical Infrastructure

Road construction continues at a robust pace, with the government focusing on expanding and modernizing the national highway network. The emphasis on infrastructure investment is designed to unlock productivity, attract private investment, and drive inclusive, innovation-led, and resilient growth.

Digital Infrastructure

Digital transformation represents a cornerstone of India's infrastructure development strategy. The Ministry of Electronics and Information Technology's Digital India Vision emphasizes Digital Public Infrastructure (DPI) and Artificial Intelligence as transformative forces in governance and service delivery.

The National Statistical Office has significantly advanced its comprehensive digital transformation journey, launching the eSankhyiki portal and deploying more than a dozen new digital modules, portals, and websites. The Ministry has identified seven key use cases for integrating emerging technologies into statistical operations, with three Proofs of Concept completed and pilots initiated for three use cases.

The 28th National Conference on e-Governance adopted the "Visakhapatnam Declaration," which outlined a forward-looking strategy centered on the theme "Viksit Bharat: Civil Service and Digital Transformation". The declaration called for scaling up AI-driven platforms like Digital India BHASHINI, Digi Yatra, and NADRES V2 to deliver multilingual, real-time, and sector-specific citizen services.

Sectoral Priorities and Thematic Focus

The Government of India Calendar 2026, themed "Bharat@2026 Sewa, Sushasan aur Samriddhi" (Service, Good Governance and Prosperity), captures India's confident consolidation through reform, inclusion, and aspiration. The twelve thematic monthly sheets depict key pillars of national progress:

- **Atmanirbharta se Atmavishwas** (Self-reliance to Self-confidence): Highlighting self-reliance across sectors
- **Samriddh Kisan, Samriddh Bharat** (Prosperous Farmer, Prosperous India): Underscoring the central role of farmers
- **Nari Shakti for New India**: Celebrating women as architects of modern India
- **Saralikaran se Sashaktikaran** (Simplification to Empowerment): Focusing on governance reforms
- **Yuva Shakti, Rashtra Shakti** (Youth Power, National Strength): Capturing the energy of youth
- **Gati, Shakti, Pragati** (Speed, Power, Progress): Expansion of physical and digital infrastructure
- **Vishva Bandhu Bharat** (India as Global Friend): Highlighting India's role as a responsible global partner

Macroeconomic Stability and Price Management

India's long-term vision recognizes that sustained growth requires macroeconomic stability. The Reserve Bank of India has lowered its CPI inflation forecast for FY 2025-26 to 2.6%, down from 3.1%. Headline consumer price index (CPI) inflation declined for nine consecutive months to reach an 8-year low of 1.6% in July 2025 before edging up to 2.1% in August, remaining within the RBI inflation target range.

This price stability, combined with robust growth, creates a favorable environment for long-term investment and planning. The government successfully balanced energy availability, affordability, and sustainability, becoming the only major economy to reduce fuel prices even as global oil prices surged.

Global Integration and Strategic Positioning

India's long-term vision positions the country as a key driver of global economic activity. As noted by the Minister of Petroleum & Natural Gas, "India will contribute nearly 25% of the incremental global energy demand growth in the coming years", describing India as both a structural growth engine and a long-term stabilizer of global markets.

The government has adopted a comprehensive approach to navigating the volatile global landscape, emphasizing diversification of crude import sources from 27 to 40 countries, enhancing domestic production, developing alternative fuels, transitioning towards a gas-based economy, and aiming to become a global refining hub.

Governance Philosophy: Minimum Government, Maximum Governance

Underlying all these initiatives is a governance philosophy centered on the principle of "Minimum Government, Maximum Governance". This approach emphasizes outcome-driven policymaking, fostering trust, predictability, and long-term economic resilience.

The focus has shifted from expanding regulatory frameworks to delivering measurable outcomes, with reforms designed to make everyday economic interactions smoother, faster, and more transparent. This strengthens trust in institutions and policy certainty, creating an enabling environment for businesses and citizens alike.

Conclusion: A Comprehensive Vision for Viksit Bharat

India's long-term economic vision represents a comprehensive, integrated approach to national development. By leveraging its demographic dividend, implementing structural reforms, investing in infrastructure, and maintaining macroeconomic stability, India aims to sustain 7-8% growth and achieve developed nation status by 2047.

The vision recognizes that growth must be inclusive, sustainable, and resilient. It emphasizes empowering youth, women, small businesses, and rural communities while building the physical and digital infrastructure necessary for a modern economy. Through Centre-State coordination, institutional strengthening, and a focus on innovation-led growth, India is positioning itself not just as a fast-growing economy, but as a responsible global partner and a key driver of global economic activity in the decades ahead.

Q9. How does the Survey increasingly pre-structure the Budget?

Economic Survey's Role in Pre-Structuring India's Budget

The Economic Survey of India plays a crucial institutional role in setting the analytical and policy framework that pre-structures the Union Budget. This relationship operates through several key mechanisms:

Timing and Sequential Presentation

The Economic Survey is strategically presented to Parliament one day before the Union Budget. For instance, the Economic Survey for 2025-26 was presented on Friday, January 31, 2025, while the Union Budget was presented on Saturday, February 1, 2025. This deliberate sequencing ensures that the Survey's analysis and recommendations frame the context within which the Budget is understood and debated.

Analytical Foundation for Policy Priorities

The Economic Survey provides comprehensive analysis of India's economic performance, challenges, and opportunities across multiple dimensions. It examines key trends in monetary policy, financial intermediation, inflation trends, economic activity projections, and interest rate movements in major economies. This analysis shapes the understanding of the economic environment within which Budget allocations and fiscal policy decisions are made.

The Survey's examination of banking sector performance, credit availability, capital market trends, insurance and pension sectors, and financial sector regulatory developments provides the empirical foundation for sectoral Budget allocations and policy interventions.

Evidence-Based Policy Framework

The Economic Survey embodies India's commitment to evidence-based policy and planning. By presenting comprehensive data analysis and economic assessments, it transforms governance "from guessing to knowing," as emphasized by senior government officials. This data-driven approach ensures that Budget priorities are grounded in empirical realities rather than assumptions.

Setting Growth and Stability Parameters

The Survey establishes the macroeconomic parameters within which Budget formulation occurs. For example, it outlines monetary policy objectives of maintaining price stability while supporting economic growth, analyzes policy instruments like interest rates, open market operations, cash reserve ratio, and statutory liquidity ratio. These assessments directly influence the Budget's fiscal stance and expenditure priorities.

Institutional Coordination Mechanism

The Survey facilitates coordination between various economic institutions and policy frameworks. It discusses mechanisms like the Financial Stability and Development Council (FSDC), which evaluates the impact of financial regulations and formulates frameworks to enhance the financial sector's responsiveness. This institutional analysis informs Budget provisions related to financial sector development and regulatory reforms.

Identifying Challenges and Opportunities

By concluding with a financial sector outlook highlighting key challenges for the future, the Economic Survey effectively sets the agenda for Budget interventions. It identifies areas requiring policy attention, resource allocation, and structural reforms, thereby pre-structuring the Budget's thematic focus and sectoral priorities.

Fiscal Consolidation Roadmap

The Survey's analysis provides the context for the Budget's fiscal policy framework. The commitment to fiscal consolidation and keeping the fiscal deficit on a declining path as a percentage of GDP is informed by the Survey's assessment of economic conditions, revenue potential, and expenditure requirements.

Conclusion

The Economic Survey increasingly pre-structures the Budget by providing comprehensive economic analysis, identifying policy priorities, establishing macroeconomic parameters, and creating an evidence-based framework for fiscal decision-making. Its presentation one day before the Budget ensures that parliamentary and public discourse on the Budget is informed by rigorous economic assessment, making it an indispensable tool in India's budget formulation process.

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