1. Explain the concept of gender budgeting? Why is it significant? Explain with the help of suitable examples.

Approach:

It is straightforward question. It expects student to write - in first part about gender budgeting - in second part write its significance with suitable example

Introduction:

Gender budgeting means preparing budgets from a gender perspective. It aims at dealing with budgetary gender inequality issues, including gender hierarchies and the gender pay gap. Gender budgeting allows governments to promote equality through fiscal policies by setting goals or targets for equality and allocating funds to support those goals.

Body:

Concept of gender budgeting:

- Gender Budget Statement (GBS) was first introduced in the Indian Budget in 2005-06. This GB Statement comprises two parts–
  - Part A reflects Women Specific Schemes, i.e. those which have 100% allocation for women.
  - Part B reflects Pro Women Schemes, i.e. those where at least 30% of the allocation is for women.
- India's gender budgeting efforts stand out globally because they have not only influenced expenditure but also revenue policies (like differential rates for men and women in property tax rates and reconsideration of income tax structure) and have extended to state government levels.
- Gender budgeting efforts in India have encompassed four sequential phases: (i) knowledge building and networking, (ii) institutionalizing the process, (iii) capacity building, and (iv) enhancing accountability.
- Gender budgeting in India is not confined to an accounting exercise. The gender budgeting framework has helped the gender-neutral ministries to design new programs for women.
- Gender Budgeting Cells (GBC) as an institutional mechanism have been mandated to be set up in all Ministries/Departments.
- GBCs conduct gender based impact analysis, beneficiary needs assessment and beneficiary incidence analysis to identify scope for re-prioritization of public expenditure and improve implementation etc.

Significance of gender budgeting:

- It acts as a powerful tool for achieving gender mainstreaming so as to ensure that benefits of development reach women as much as men.
- It recognise the need of an affirmative action to address specific needs of women.

- It sensitise government and society towards discrimination and gaps among women and men in a given sector.
- Gender responsive budgets policies can contribute to achieve the objectives of gender equality, human development and economic efficiency.
- Gender budgeting at department/ministry lead to more focus on issues of women's inequality and empowerment and thereby led to more specific allocation on such schemes.
- It put pressure and focus on gender sensitive programme formulation and implementation. Therefore, it mainstream gender concerns in public expenditure and policy.
- It leads to women empowerment by increasing and improving the social, economic, and political situation of the women, and ensure equal rights to women. It helps women to control and benefit from resources, assets and income, as well as the enable them to manage risks and take decisions good for them.
- It ensures that benefits of development reach each women as much as it benefit men. E.g. Schemes like Sukanya Samridhi Yojana enhance economic status of girls.
- It leads to increased focus on education, health, and safety of women. E.g. Beti bachao, beti padhao has resulted in increased child sex ratio in vulnerable areas.
- It ensures women's health through policies and schemes. E.g Janani suraksha yojana, Maternity Benefit Act 2016 ensure good health of women.
- Poor socio-economic indicator of women –
    - Literacy – female ~ 65%; male ~ 80% (2011 census)
    - Males get more medical care compared to girls
    - Son meta preference (less opportunity to come to the world)
    - Child marriage ~ 27% (UNICEF)
    - Female labour force participation rate ~ 26% (Niti Aayog)
    - Gender pay gap ~ 34% (ILO)
    - Glass ceiling
    - Feminization of informal sector and de-feminization of formal sector.
    - female representation in Parliament ~ 99th in the world
    - Lok Sabha ~ 12%; Rajya Sabha ~ 11%.
- Global Gender Gap report 2020 ranked India 112 in terms of inequality in economy, education, health and political representation.

Conclusion:

Women warrant special attention due to their vulnerability and lack of access to resources. The way Government budgets allocate resources has the potential to transform gender inequalities. In view of this, Gender Budgeting, as a tool for achieving gender mainstreaming can be extremely useful. Gender-targeted spending creates a virtuous cycle and has a multiplier effort on women's living standards, and overall growth and development.

2. The goal of sustainable and inclusive economic growth can't be achieved without empowering women entrepreneurs. Do you agree? Substantiate your views

Approach:
As the directive in the question is to substantiate, we need to provide relative facts, figures, and examples for our arguments. In introduction, one can start by defining what is sustainable and inclusive economic growth. In the first half of main body part, candidate may elaborate more on what is sustainable and inclusive economic growth and then explain what are the tools through which sustainable and inclusive growth can be achieved. As a bridging paragraph one can show, how empowering women entrepreneurs is one of the core pillars of the sustainable and inclusive economic growth. In the second half candidate can show, how empowering women entrepreneurs will support sustainable and inclusive economic growth. In conclusion, candidate can show how it will boost overall development of economy and conclude accordingly. To fetch more marks value addition is necessary, candidate can show Government initiatives, examples, facts and figures regarding women entrepreneurship which have helped sustainable and inclusive economic growth.

Introduction:
Goal 8 of Sustainable Development Goals specifically aims to promote Sustainable and inclusive economic growth. Sustainable and Inclusive economic growth is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society and creates opportunities for all, especially the most disadvantaged, and distributes the gains from prosperity more equally over a sustaining period of time which ensures availability of resources for upcoming generations too.

Body:

Importance of Goal of sustainable and inclusive economic growth:

- According to the Tendulkar committee report, poverty in India is at 22%. Low agriculture growth, low-quality employment growth, low human development, rural-urban divides, gender and social inequalities, and regional disparities etc. are the problems for the nation.
- Access to education and health is not the same for all sections of the population. Females are treated to be subordinate to males and are dependent on their families in all spheres. Inclusive growth is hence the key to women empowerment.
- Natural ecosystems are under stress and decline across most of the country; some 10 per cent of the country's wildlife is threatened with extinction; agricultural biodiversity has declined by over 90 per cent in many regions.
- India with its population of 139 crores is the second most populous Nation in the world. Meanwhile, it is going to overtake China by 2027 to be the most populous country in the world.
- The multitude effect of these problems can be seen as a big problem for the larger section of vulnerable and marginalised section of population and for

upcoming generations of India. The reason is fast pace of population growth and industrial development and their explosive negative effects and parallel slow pace of natural growth and development of Natural resources.

The sheer scale and impact of these things on the vulnerable and marginalised sections of population is noteworthy. However, the scale of effect on women is relatively more as their vulnerability is affected my many factors. Hence, it becomes of critical importance that for sustainable and inclusive economic growth empowerment of women entrepreneurs should takes place.

Need of empowerment of women entrepreneurs to achieve inclusive and sustainable economic growth:

- Three core elements of sustainable development are economic growth, social inclusion and environmental protection. When it comes to social inclusion women's inclusion in development and growth amounts to a larger and critical extent as they constitute nearly 50% of population.
- The end of poverty can only be achieved with the end of gender-based discrimination. Women make significant contributions every day from bringing an income to her household as an employed wage earner, to creating jobs as an entrepreneur.
- Women can start a new business that caters to a different market or niche than their male counterparts. Enabling women benefits future generations because women tend to spend more time on their children’s education and family member’s health, which in turn boosts productivity of not just their work but also the productivity of other family members also.
- Women entrepreneurs inspire other women to start business leading to job creation for women, which ultimately helps in bridging the gender pay gap in the workforce. Narrowing the gender pay gap in employment will increase global income.
- Once the gender pay gap is narrowed down, it helps to spend more money for the education, health etc. i.e. all-inclusive development of family members.
- Creating and preserving a strong positive company culture is a pre-requisite for the growth and long term success of any company. Studies show that a women-led company tend to have a better company culture, high values and transparency. For instance, Ameera Shah is an Indian entrepreneur and the Managing Director of Metropolis Healthcare, a multinational chain of pathology centers based in Mumbai, with presence in seven countries. The success of Metropolis health care is synonymous with her name.
- Only about 16 percent of Indian women own or run businesses, according to the Economic Census conducted by IMF. More than 90 percent of companies run by women are microenterprises, and about 79 percent are self-financed.
- At present, women’s entrepreneurial role is limited in the large-scale industries and technology-based businesses. But even in small scale industries, the women’s participation is very low. As per the third all India census of Small-Scale Industries, only 10.11% of the micro and small enterprises were owned by women, and only 9.46% of them were managed by women

- The participation of women has increased in the past decade. Yet, women constitute only one third of the economic enterprises. The government has introduced schemes like Skill India Mission, Stand Up India, Mudra scheme etc., which have helped Indian women to start their own business.
- Despite these government initiative to promote women entrepreneurship, India was ranked 16th/17 countries only above Uganda. Countries like Turkey, Morocco and Egypt has outperformed India, in a survey conducted by Dell and Global Entrepreneurship and Development Institute (GEDI).
- Looking into the state level distribution of women-owned enterprises, we will find that there is a variation in the distribution of women-owned enterprises across India at state level, suggesting diversity in the enabling environments for women entrepreneurship. The largest share in the number of establishments under women entrepreneurs are clustered in the southern states of India. In terms of female owned proprietary establishments, out of the top ten states, six states are from North East India.
- The 6th economic census, we will find that 13.76 percent of MSME's are women owned i.e. approximately 8.05 million out of 58.5 million businesses. The World Bank Enterprise Survey Data, an internationally comparative data set, suggests that 10.7 percent of MSMEs have female participation in ownership.
- In India, there are also urban/rural differences in rates of women's entrepreneurship, with more women's enterprises based in rural areas (22.24 per cent of all rural enterprises), compared to urban areas (18.42 per cent of all urban enterprises) according to Ministry of MSME Annual Report as shown in Table 1 Percentage distribution of male and female owned enterprises in Rural and Urban areas. Women's enterprises are also mainly micro sized or proprietary and the majority are informal.

SECTOR/GENDER	Male	Female	All
Rural	77.76	22.24	100
Urban	81.52	18.42	100
All	79.63	20.37	100

Table 1: Percentage distribution of male and female owned enterprises in Rural and Urban areas

Economic development of the today's woman is crucial for economic development of any country specially a country like India. Government Initiatives have created many entrepreneurial opportunities for women entrepreneurs that they can utilize to enhance their social standing and reputation, however, their development and growth needs to be ensured for the broader objective of sustainable and inclusive development would not get hampered. It can be done in following ways:

- Increasing awareness among parents is shattering the patriarchal mindset and stereotyping within the families and hence women are seen as potential resources to do business.
- Increasing Urban population has shattered the patriarchal mindset about women which has increased opportunity for women. E.g. the incidents of dowry have come down and marriage of women is not a liability and hence

provide additional capital for ventures. Hence, there arises the need to increase minimum marriage age for women from 18 to 21.

- Government promotion to women entrepreneurship through various schemes by providing capital and infrastructural support. For instance, Mahila E-HAAT is a bilingual direct online marketing platform leveraging technology for supporting women entrepreneurs and Self-Help Groups for showcasing their products and services. It was adjudged as one of the top 100 projects in India during 2016.
- Also, Stand Up India was launched in 2016 for providing bank loans to woman
- borrowers for setting up a Greenfield enterprise.
- International recognition of women entrepreneurial potential and increasing international support. Recently NITI Aayog organized Women Entrepreneur Summit with Ivanka Trump as chief guest which saw numerous investment support.
- Increasing Literacy and skill levels of the present generation women which has provided an opportunity to involve in business activities. For instance, Mahila Shakti Kendra is an initiative that supports establishment of Women Empowerment Centres at the village-level. The Centres aim to converge action in several areas including skill development, employment, digital literacy, health and nutrition to provide a comprehensive package of services.
- Promotion to traditional crafts through various government schemes like Tribes India etc., has increased the self-help groups which are mainly driven by women. For instance, Women Transforming India is an online contest launched by NITI Aayog, in partnership with United Nations, India and MyGov for crowd sourcing stories of women who are making a difference in their respective fields. The best stories are awarded.

Conclusion:

When women move forward, the family moves, the village moves and then ultimately the Nation moves forward. The glass ceilings are shattered and women are found indulged in every line of entrepreneurship. There is a need for more Awareness programme, training Programmes, skill development, loans and subsidies, grievance forums etc., for promoting women entrepreneurship which will ensure a more sustainable inclusive economic growth thereby supporting 'Sabka Sath, Sabka Vikas' in turn making Indian economy and women entrepreneurs more self-reliant i.e. 'Aatm Nirbhar'.

3. Why is regional imbalance a grave threat in the Indian context? Examine. Can the creation of infrastructure alone ensure inclusive growth and reduce the feeling of alienation? Critically comment.

Approach – You need to examine the issue of regional imbalance in context of India and the threats arising out of it. Further in the 2nd part, you need to focus on critically commenting on creation of infrastructure as sole tool towards ensuring inclusive growth and reducing the feeling of alienation in people.

Introduction

Regional disparities are an alarming issue in India, and it has been widening in spite of various policy initiatives by the government to develop backward areas. The fruit of high growth have not been distributed fairly across India's different regions and have given rise to the threat of regional inequality.

Body

- Regional imbalance is the disparity in the economic and social development of two regions. Regional imbalances mean wide differences in per capita income, literacy rates, health and education services, levels of industrialization between different regions.
- Disparities in social and economic development, employment, and infrastructure amenities across the regions and within regions have been a major challenge to policy makers and economists. Consequently, regional imbalance is considered a grave threat in Indian context due to the following factors:

1. **Inter - States and Intra State Agitations** - Uneven regional development or regional imbalances lead to several agitations with in a State or between the States. The erstwhile combined State of Andhra Pradesh can be sited as the best example of the consequences of intra - state regional imbalance in terms of development.
2. **Migration** - Migration takes from backward areas to the developed areas in search livelihood. For example, migration from rural to urban. Because, urban areas will provide better quality of life and more job opportunities when compared to rural. This leads to tremendous pressure on urban areas in terms of planning and resources.
3. **Social Unrest** - Differences in prosperity and development leads to friction between different sections of the society causing social unrest. For example Naxalism. Naxalites in India function in areas which have been neglected for long time for want of development and economic prosperity.
4. **Housing, Water Problem** - Establishment of several industries at one place leads to shortage of houses as a result rental charges will increase abnormally. For example, Mumbai, New Delhi, Chennai and Hyderabad and over population leads to water crisis.

5. **Aggregation of the imbalance** - Once an area is prosperous, more investments pour-in neglecting the less developed regions. For examples, the rate of growth of the metropolitan cities like Mumbai, Delhi, etc. is higher compared to other metro cities of India.
6. **Under – Developed Infrastructure** - Rural and backward areas do not have 24 hours power, proper houses, safe drinking water, sanitation, hospitals, doctors, telephone and internet facilities

Here, the creation of infrastructure alone can ensure inclusive growth and reduce the feeling of alienation due to the following factors:

- Availability of adequate infrastructure especially the physical infrastructure facilities is the pre-condition for sustainable economic and social development. Non-availability or inadequate availability of infrastructure poses a serious threat to growth.
- The social infrastructure broadly includes health, education and sanitation. It is well recognised that the literacy of any region or area has a positive relation to the overall development. Regional disparity can also be observed from the gap in literacy level in different states in India.
- The physical infrastructure includes transport, communication, electricity etc. India suffers from inadequate availability of physical infrastructure, as measured by any accepted indicator. Not only is infrastructure inadequate and weak, it varies from interstate to intra state.

At the same time, for overcoming any problem, a balanced approach is necessary where tackling regional imbalance would require a host of other measures along with infrastructure development like:

- The most important factors driving growth come from the health, education, transport, agriculture, and energy sectors, which are used to construct composite infrastructure index.
- Efficient investment in all these sectors would provide the much-needed boost required for economic and human development, which would ultimately result in sustainable and satisfactory economic growth which is broad based.
- Investment in agriculture needs to be stepped up especially in the lagging regions. Since agricultural growth is found to be different in different regions, steps to equalise it will certainly reduce the regional imbalances.

Conclusion

Regional imbalance is a threat to the goal of inclusive growth and reduction of poverty. Ultimately, the key to balanced regional development lies not merely in increasing resource flows to backward regions but in creating an enabling environment to attract more resources, using them properly and assuring a fair deal to investors and also ensuring the ideal path of 'economic growth with integrity'.

4. Examine the factors that have led to India's lower tax to GDP ratio. What are its implications for the economy? Analyse.

Approach:

Students are expected to examine those factors, which led to India's lower tax to GDP ratio in first part, and analyse its implications on economy in second part.

Introduction:

Tax revenue is income collected by governments through taxation. The tax-to-GDP ratio is used to measure how much a government controls its economic resources. The low ratio represents that the government won't be able to finance its expenditure and hence increases government's dependence on borrowings. Although India has improved its tax-to-GDP ratio in the last six years, it is still far lower than the average OECD ratio, which is 34 per cent.

Body

India despite seeing higher growth rates, has struggled to widen the tax base.

Factors that have led to India's lower tax to GDP ratio:

- Low per capita income keeps tax collections low: Low average incomes and a high poverty rate result in a very small portion of the labour force being eligible to pay personal income taxes. As per OECD report, income taxes accounted for a lower proportion around 16% of the general government's revenue.
- A large proportion of economic activity generated by SME: Although SMEs have enjoyed strong profitability growth over the past decade, the government has not captured their earnings in tax revenues due to a variety of exemptions and compliance issues.
- Tax Exemptions to Start- ups: Start-ups with turnover up to Rs. 25 crores are allowed deduction of 100% of its profits for three consecutive assessment years. Indeed, it boost the economic activity and entrepreneurship, a large proportion of income government missed to capture here.
- Tax exemptions on agriculture related activity: The incomes of the small and marginal farmers are far below the minimum threshold limit of personal income taxation. Wealthy farmers are reportedly misusing this benefit to evade taxes. The proportion of agricultural households holding 4-10 hectares of land is just 3.7% and 0.4% over 10 hectares. Just by taxing the incomes of the top 4.1% of agricultural households, at an average of 30%, as much as Rs 25,000 crore could be collected as agricultural tax.
- Low service tax net: Although it has been progressively expanded to include a greater number of services each year, and service tax revenue has grown the fastest of all revenue sources. Yet, service taxes constitute merely 5 per cent

of total general government revenues, although they comprise about 60 per cent of GDP.

- Tax exemptions to SEZ: According to the sunset clause, there is 100 per cent income tax exemption on export income for SEZ units for the first five years, 50 per cent for next five years and 50 per cent of the ploughed back export profit for subsequent five years.
- Drop in corporate tax revenue: Surprise cut in corporate tax rate last year aimed at wooing manufacturers and boosting investment in Asia's third-biggest economy is another key reason behind the sluggish tax collections.

Lower tax-to-GDP ratio constrains the government to spend on infrastructure and puts pressure on the government to meet its fiscal deficit targets.

Implications of lower tax to GDP ratio on economy:

- It lowers the GDP: One of the reasons for lower tax to GDP is due to pervasive structure of exemptions, which indirectly affects the GDP growth, as it is a vicious cycle that means low tax produces less revenue resources with the state. It results in less public investment and lower job opportunities, thus lower economic progress.
- Lesser spending on health and education also disturbs Socio-Economical structure: Lower revenue means lesser spending on Important social sectors such as Health and Education, which are key sectors for developing country. As it diminishes the welfare measures provided by the state, ultimately it affects the social structure and develop further inequality.
- Affects government policy: It creates political incentives for successive governments to ignore some eligible sections of society for vote-bank politics, rather than building an effective tax system that will spur economic growth.
- High Government Borrowing: It also increases government borrowing. To stimulate the economic activity in the country government is forced to borrow from, within and outside the country and thus it becomes difficult to manage fiscal deficits.
- Low spending on national security: Even though the actual amount of defence expenditure is seen to be increased in each budget, the defence expenditure percentage to GDP is reduced almost every year since last decade.
- Burden on few sectors: Some economists argue that as high productive sectors are taxed it is incentivizing the low productivity sectors not to come into formal tax system.
- Parallel economy: Low taxation means most of the money in economy goes unaccounted and hence will encourage parallel economy.

Although there are numerous implications of Low ratio, India's number does not look that bad given the significant difference in per capita income of the developed country. Therefore, it does have some positive implications.

Positive implications of low tax to GDP ratio:

- Tax cuts increases demand: Tax cut also stimulate the economic activity by increasing workers' take-home pay. Tax cuts can also boost business demand by increasing firms' after-tax cash flow, which can be used to pay dividends and expand activity, and by making hiring and investing more attractive.
- Low tax Attracts Investment: The government always hopes that, lower tax rates will attract more investments into the country and help revive the domestic manufacturing sector, which has seen lacklustre growth. So there is constant pressure on governments across the world to offer the lowest tax rates in order to attract investors.
- OECD, group of developed nations: Out of 36 member countries of OECD, most of them from the developed world. Such high average tax-GDP ratio in OECD could be attributed to some of the European countries like France, Denmark etc. hence its generalised numbers are not exactly relevant to Indian economy.

Conclusion:

Continues efforts government putting in the form of various schemes to generate more tax and to increase revenue collection. To avoid tax disputes government announced various schemes like "vivad se vishwas" scheme and "sabaka vishwas" scheme. The Central Government also introduced the "Faceless Assessment Scheme" to provide greater transparency, efficiency and accountability in Income Tax assessments. Rationalisation of GST and moving towards a two-rate structure can also help in increasing compliance and putting an end to tax evasion. While measures to improve tax compliance and widen the tax base will yield higher tax revenue, the importance of higher economic growth cannot be ignored.

5. What do you understand by public debt? What are its components? Discuss. Also, comment on India's current public debt scenario.

Approach:

It is straightforward question, where it expects student to write - in first part about public debt - in second part write about components of public debt - in third part write about India's current public debt scenario .

Introduction:

The public debt is how much a country owes to lenders outside of itself. These can include individuals, businesses, and even other governments. The term "public debt" is often used interchangeably with the term sovereign debt. Public debt usually only refers to national debt.

Body:

Public debt:

- In the Indian context, public debt includes the total liabilities of the Union government that have to be paid from the Consolidated Fund of India. Sometimes, the term is also used to refer to the overall liabilities of the central and state governments.
- However, the Union government clearly distinguishes its debt liabilities from those of the states. It calls overall liabilities of both the Union government and states as General Government Debt (GGD) or Consolidated General Government Debt.
- Since the Union government relies heavily on market borrowing to meet its operational and developmental expenditure, the study of public debt becomes key to understand the financial health of the government.
- The study of public debt involves the study of various factors such as debt-to-GDP ratio, and sustainability and sources of government debt. The fact that almost a fourth of the government expenditure goes into interest payment explains the magnitude of the liabilities of the Union government.
- The Union government broadly classifies its liabilities into two broad categories. The debt contracted against the Consolidated Fund of India is defined as public debt and includes all other funds received outside Consolidated Fund of India under Article 266 (2) of the Constitution, where the government merely acts as a banker or custodian. The second type of liabilities is called public account.

Components of public debt:

- These are listed as follows:
  - Dated government securities or G-secs.
  - Treasury Bills or T-bills
  - External Assistance
  - Short term borrowings
  - Public Debt definition by Union Government

- The Union government describes those of its liabilities as public debt, which are contracted against the Consolidated Fund of India. This is as per Article 292 of the Constitution.

India's current public debt scenario:

- As per the International Monetary Fund (IMF), India's public debt ratio is projected to jump by 17 percentage points to almost 90% because of an increase in public spending due to Covid-19.
- Increase in Public Debt Ratio:
    - The increase in public spending, in response to Covid-19, and the fall in tax revenue and economic activity, will make the public debt ratio jump by 17 percentage points. The ratio is projected to stabilise in 2021, before slowly declining up to the end of the projection period, in 2025.
    - The pattern of public debt in India is close to the norm around the world. This debt-to-GDP ratio is the metric comparing a country's public debt to its Gross Domestic Product (GDP). It is often expressed as a percentage.
    - By comparing what a country owes (debt) with what it produces (GDP), the debt-to-GDP ratio reliably indicates a particular country's ability to pay back its debts. A country with a high debt-to-GDP ratio typically has trouble paying off public debts.
- Assessment of Fiscal situation (relating to taxation, public spending, or public debt):
    - India has been an important source of growth in the world since the 1991 economic liberalisation reforms. Real GDP growth averaged 6.5% between 1991 to 2019, and real GDP per capita was multiplied by four over that period.
    - Real GDP is calculated in a way such that the goods and services are evaluated at some constant set of prices. Nominal GDP, on the other hand, is simply the value of GDP at the current prevailing prices. This impressive growth performance helped lift millions of people out of extreme poverty.
    - The extreme poverty rate, measured as the proportion of people whose income is less than $1.90 a day at purchasing power parity (the international poverty line), fell from 45% in 1993 to 13% by 2015. India achieved the millennium development goal of halving poverty by 2015 (from its 1990 level).
    - India has made astonishing progress in other areas. Education enrolment is nearly universal for primary school. Infant mortality rates have been halved since 2000. Access to water and sanitation, electricity, and roads has been greatly improved.

Conclusion:

In the near-term, additional fiscal action should be deployed as needed to support the poor and the vulnerable. This should be accompanied by a credible medium-term fiscal consolidation plan that can reinforce market confidence and structural reforms that boost India's growth potential. The effects of Covid-19 on health, education, poverty and nutrition render progress towards the Sustainable Development Goals even more urgent. Macroeconomic and financial stability are important necessary conditions for sustainable development.