

India, when it got independence, was in economic turmoil. Britishers had destructed our manufacturing sector and flooded the markets with England mass-produced goods. In order to protect and develop our indigenous industries, Government of India decided to follow close-market economic policies. This worked for a short period of time but like any other economy which followed this model, Indian economy plummeted. Manufacturing & Productivity was low, little to no foreign investment, etc.

In 1991, the government decided to Liberalise, Privatised and Globalise(LPG) the Indian economy. This led to increased entrepreneurial activity in India. Private Players started seeing India as a viable option for business. Open markets boosted the economy for the better. Multi-National Corporations boomed in the fresh environment after the LPG. Infosys, Tata Conglomerate, Samsung, etc. are some examples of them.

Fast forwarding to the past 5 years of Modi government. MNCs have boomed due to measures taken by the government. Digitization of the bureaucratic processes is one of the reasons that this has happened. Previously, the Indian economy was stuck in the mire of paperwork, slow bureaucracy and permit delays. With the advent of technology a certain amount of transparency been achieved in the processes.

The government has also taken steps to encourage entrepreneurial activity in the country. Incubation centers have been set up across the country to help start-ups get the right amount of financial and practical help. The Initiative Start-up India is a good example of this. Also, tax exemptions have been given to companies with less than Rs250 cr as their annual turnover. The reformed Insolvency and Bankruptcy Code has played a vital role in bringing about the change. Land reforms have made land acquisition easier and fluidic than before.

All of this has led to improve the Ease of Doing Business Ratings of India. India has jumped 23 places to rank at 77th in 2018.

Your Turn...

What is your take on this topic? Express your thoughts through the comment section below. And subscribe to our blog to read answers to trending GD topics.