

From the Editor

These are extraordinary times and we witness extraordinary phenomena. Three weeks before the Union Budget, when finance ministers customarily crawl under their carapaces, the honourable Member of Parliament from Sivaganga delivered a rousing speech on national security. What he said, with feeling and not a little frustration, was that we Indians seem to disdain economic growth. "Some think that the value of growth is overstated and we would be better off if we pursued not the goal of growth but other goals such as cultural nationalism or debt-driven egalitarianism."

Building his argument that only sustained growth can guarantee security, P. Chidambaram went on: "As a nation, we seem to oscillate between embracing growth as the highest goal and deriding growth as no panacea for the ills that afflict the country. If we do not have sustained high growth over a long period of time, we will be, forever, an undernourished, undereducated, underprovided and underperforming nation." He said we have a choice. "We have a choice between becoming the third largest economy of the world and a middle income country or becoming one of the largest economies of the world that muddles along with the bulk of its people trapped in a life of low income, poor quality, high morbidity and great inequality."

So there you have it. As we note in the cover story starting on page 50, the UPA – to be accurate, the Congress party – has the dubious honour of frittering away the healthy economy it inherited in 2004 with the wrong types of expenditure and an obstinate failure to boost revenue, capital formation and infrastructure. Chidambaram may speak with passion about the dire need to create the "fiscal space" needed to invest in health, education, research and development and capital expenditure, but he and Pranab Mukherjee, when not dismantling each other's decisions, have both laid the ground for the mess we find ourselves in.



The same day that Chidambaram spoke, the International Monetary Fund, in a report, stressed that "Building on recent progress is crucial, especially to address supply constraints in energy and move the pricing of various natural resources toward a market basis. Progress on taxation, land acquisition, and labour market reform, along with 12th Plan goals on infrastructure, skills mismatches, and social outcomes, are necessary to return to a rapid rate of growth and poverty reduction." Whether Chidambaram possesses that silver bullet, and will fire it, is something we will find out on February 28. As Senior Editor Sanjiv Shankaran,

who wrote the cover story notes, the omens are not propitious. It did not help that the Finance Ministry felt compelled to publicly pooh-pooh the Central Statistics Office's shocking estimate on February 7 that Gross Domestic Product growth would slow to a 5.0 per cent crawl in 2012/13, the lowest in a decade. GDP growth was "turning" and would very likely be close to the government's own estimate of 5.5 per cent, the right hand said, disparaging the left hand.

Such sangfroid was lacking when *Business Today's* panel of five experts met on February 2 to debate Chidambaram's options. Former Finance Minister Yashwant Sinha, who also chairs Parliament's Standing Committee on Finance, led the discussion for the third year running and was at once knowledgeable, pragmatic and sardonic. You will enjoy the spirited conversation starting on page 56. Hovering over the talk of the daunting economic challenge India faces is the spectre of the 2014 elections. Whoever wins power will sip from a poisoned chalice.

Budgets exert a disproportionate influence on the national mood, so it is refreshing to read about the kind of entrepreneurial élan that is powering India's mobile revolution. Hundreds of millions of young people will be carrying out transactions, entertaining themselves, and communicating through their smartphones. Special Correspondent Taslima Khan gathered six examples of developers bringing mobile-based value added services into our lives. Read those tales from page 84.

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Vol. 22, No. 5, for the fortnight February 18 to March 3, 2013. Released on February 18, 2013.

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