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**2014 has been the year of challenges and reforms for India: Arun Jaitley**

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Government led by PM Narendra Modi promised to be decisive and firm. The popular expectation was that the Government would usher in an era of reforms and growth.

**By Arun Jaitley**  
  
2014 was one of the most challenging years for India. For two consecutive years our GDP [growth](http://economictimes.indiatimes.com/topic/growth) was sub 5%. Employment generation had declined, the revenue buoyancy was low and the country had become investment starved.  
  
The 2014 general election results brought in an air of freshness. After thirty years, the Indian electorate gave a majority to a single party in the Lok Sabha. The Government led by Prime Minister Shri Narendra Modi promised to be decisive and firm. The popular expectation was that the Government would usher in an era of [reforms](http://economictimes.indiatimes.com/topic/reforms) and growth.  
  
In the past seven months, the Government has undertaken more reform oriented measures than any Government in recent memory. Some of the steps are as under:  
  
Outlining the vision of cooperative federalism through the creation of successor to the Planning Commission. The new structure would provide an alternative to the command and control economy.  
  
Building a national consensus and introducing a bill to amend the constitution to implement the Goods and Services Tax (GST). Opening the gates of investment by raising FDI limits in the insurance, defence and the railways. The FDI conditions in real estate have been liberalised.  
  
Issuing an ordinance to amend the complicated procedures of the land acquisition law. The new law facilitates development but balances it with higher compensation, relief and rehabilitation measures for the farmers. Compensation and RNR package has been made entirely applicable to the thirteen exempted laws.  
  
Clearing up the mess in the coal and power sector, a law has been introduced to facilitate a transparent and non-discretionary method of allocation of coal blocks, enabling commercial mining to enhance the potential of the sector. This will cut down power cost and increase generation.  
  
Deregulation of diesel prices and facilitating the opening up of petrol and diesel sector to private investment.  
  
Raising the gas prices while maintaining a balance between cost to the consumers and the need of gas exploration in the country.  
  
Moderating inflation and particularly inflation in agricultural items. Replacing the model of cooking gas subsidy to direct transfer so deserving consumers get benefit and leakages in subsidy are plugged to the benefit of the exchequer.  
  
Unleashing an era of financial inclusion, providing Pradhan Mantri Jan Dhan Yojana where over 10 crore accounts of the weaker sections have been opened. The DBT cash benefits will be transferred to this account. Account holders have an accidental, LIC policy and overdraft facility.  
  
Launching flagship programmes such as [Swachch Bharat Abhiyan](http://economictimes.indiatimes.com/topic/Swachch-Bharat-Abhiyan), [Digital India](http://economictimes.indiatimes.com/topic/Digital-India) and [Skilled India](http://economictimes.indiatimes.com/topic/Skilled-India) so that the real image and potential of India is explored. Facilitating States like Rajasthan to usher in an era of labour law reforms.  
  
Major tax rebates given to tax payers by raising the income tax limit, and providing incentives on both savings and housing investments. Rationalizing tax management to end the image of India having an ultraaggressive tax policy.  
  
Resolving of pending disputes through appropriate mechanisms so that our tax structures do not become a disincentive against investments. Giving major tax rebates to the manufacturing sectors which is facing a slowdown.  
  
Undertaking various banking sectors reforms such as recapitalisation of banks, professionalizing managements, bringing Government equity to 52% and allowing greater autonomy to banks and financial institutions.  
  
Undertaking major steps to unearth black money, both domestically and that lying in foreign bank accounts. Assessment of assesses with illegal foreign accounts available with the government in India to be completed by 31st March, 2015 and prosecutions launched against those against whom evidence is available.  
  
Amending provisions of the Companies Act to add to ease of doing business in India.  
  
Giving major boost to tourism by introduction of e-visa. Various measures for trade facilitation by allowing 24 X 7 custom clearance on 17 airports and 18 seaports. Despite major reforms steps taken, there are still challenges which economy faces.  
  
Investment needs to be enhanced and encouraged. Infrastructural spending has to be stepped up. Manufacturing sector has to be given a major push. This has to be done through encouraging public and private investment. This is our resolve for the upcoming year.  
  
*(Arun Jaitley's Facebook post)*