

Reforming subsidy regime is required to create a fiscal space for government for better economic recovery in country. Elaborate (200 words)

India's growth is forecasted

1-2% lower than calculated owing to second wave.

Vaccine shortage post ~~lock~~ lockdown is expected, the upcoming waves slow down the recovery of economy. Fiscal ability of government needs a breathing space.

This breathing space for fiscal ability could be brought through RBI Surplus transfers, reforming subsidy regime. Reforming subsidy regime is the most suitable and long term fruit bearing solution. Some reforms could be :-

- Government instead of depending on doles could increase employment opportunity through MGNREGA model in verbal also
- Government could concentrate more on investment and asset creation (infrastructure) rather giving immediate needs at free cost for long time
- The Minimum Support Price given to farmers can be reviewed in lines of WTO recommendation

