Modi government has carried out unprecedented reforms to drive prosperity and usher in a New India

Two years ago, Prime Minister Narendra Modi had challenged the bureaucracy to transform the lives of common citizens in the 115 most backward districts of India. In the last two years, these districts have seen transformative changes across health and nutrition, education, financial inclusion, and basic infrastructure. This was the result of the convergence of all government programmes and real-time monitoring and ranking of the districts on 49 different indicators.

This technological leapfrogging of governance is driving efficiency and effectiveness and will yield rich dividends in productivity on a sustained basis. Today, you can walk into any bank branch and open an account simply by using your biometric in a minute flat. According to the Global Index Report released by World Bank, a whopping 55% of all bank accounts created across the world during 2014-17 were opened in India. Of the 280 million PMJDY bank accounts opened to date, around 53% are in the names of women. The government has put its energy into getting the JAM trinity going. This forms the basic data infrastructure for India's stack consisting of eKYC, eSign, instantaneous payments (UPI) and digitlockers. This has been the single biggest factor for expansion of financial inclusion in India and has presented a unique model for the world.

For people to get subsidies or social benefits they needed a bank account. Hence under PMJDY, no-frills bank accounts for all Indian adults were opened, all of them linked with Aadhaar. When I was a young officer, our then PM had said that out of every rupee transferred to the poor there is a leakage of 15 paisa. In sharp contrast, today India undertakes a cumulative DBT of Rs 11 lakh crore, without a single paisa of leakage.

Take digital payments. Thanks to BHIM/ UPI, consumer bill payments have become extremely simple and easy. We have seen the emergence of UPI-based transaction platforms such as Google Pay, Samsung Pay, PhonePe, Paytm. We are now doing over 3 billion transactions a month and targeting a billion a day.

A great example of this is the government e-marketplace, the national public procurement portal, all online end-to-end for open, efficient, and transparent procurement of goods and services by government. Similarly, the National Agriculture Market is an electronic trading portal that networks the existing mandis to create a unified national market.

In 2014, India was ranked 142 in World Bank’s EODB Index. Since then, India has jumped up 79 positions in the global rankings. Accompanying this was reforming the entire FDI regime. We liberalised sector after sector and abolished FIPB. Consequently, FDI inflows in India expanded from $36 billion in 2013-14 to $74 billion in 2019-20. In a very short while since the government launched the Startup India movement, we have been able to develop the second-largest ecosystem for startups in the world with over 21 unicorns.

Two of the biggest reforms are GST and Bankruptcy Code. The GST Council—a new federal arrangement where the states account for 66% of the vote—has been path breaking. The Bankruptcy Code has led to faster recovery of stressed assets and quicker resolution. Another tough bullet to bite has been the Real Estate Regulation Act, bringing discipline to the construction sector. The government has also sent out a clear message to investors by restructuring its direct tax regime. It slashed the corporate tax structure to 15% for new manufacturing companies and 22% for all companies, bringing India on a par with most OECD countries.

The government has also used the opportunity offered by the Covid-19 crisis to usher in radical reforms. It has given freedom to Indian farmers to sell to anyone and freed them from the APMC monopoly. It has amended the much-dreaded Essential Commodities Act to enable farmers to get better prices. Foodstuffs, including cereals, edible oils, oil seeds, pulses, onion and potato, have been deregulated. Contract farming has been introduced to enable farmers to engage with processors, aggregators, and exporters. Similarly, redefinition of the MSME sector based on turnover, commercial mining of coal, liberalisation of the mineral sector and announcement that the public sector will remain only in a few strategic sectors, clearly demonstrate determination of the government to make structural reforms. These are all unprecedented measures. Together, the last few years represent a watershed reform moment that will drive India’s growth and prosperity.

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