OPEN ACCESS JOURNALS
Indiana Journal of Humanities and Social Sciences
Abbriviate Tittle- Ind J Human Soc Sci
ISSN *(Online)*- 2582-8630
Journal Homepage Link- https://indianapublications.com/journal/IJHSS
DOI: https://doi.org/10.5281/zenodo.16792097

INDIANA PUBLICATIONS
PRODUCTIVE AND QUALITY RESEARCH

Research Article Volume-06|Issue-08|2025

Governance of Dr. Man Mohan Singh (UPA) Vs Narenda Modi (NDA) Period in India

Dr. K. Murugan[1], Mrs. K. Surya [2], Mr. S. Vishalan[2]

[1]Assistant Professor, Department of Economics, Guru Nanak College (Autonomous), Velachery, Chennai, Tamil Nadu
[2]Ph. D Research Scholar, Department of Economics, Guru Nanak College (Autonomous), Velachery, Chennai, Tamil Nadu

Article History
Received: 10.07.2025
Accepted: 01.08.2025
Published: 11.08.2025

Citation
Murugan, K., Surya, K., Vishalan, S. (2025). Governance of Dr. Man Mohan Singh (UPA) Vs Narenda Modi (NDA) Period in India. *Indiana Journal of Humanities and Social Sciences*, *6*(8), 1-11

Abstract: The objective of the paper is to find the comparative study between Manmohan Singh government and Modi government governance in India. The UPA government (2004–2014) focused on inclusive growth and launched major welfare schemes like MGNREGA and the Right to Education, but its early economic momentum slowed due to global crises and policy paralysis. In contrast, the NDA government (2014–present) emphasized structural reforms such as GST and Digital India, though measures like demonetization had mixed short-term impacts. While UPA pursued a low-profile foreign policy and strengthened ties with the U.S., NDA adopted a more assertive global and regional diplomatic approach. Leadership under Manmohan Singh was technocratic and understated, often seen as guided by party leadership, whereas Narendra Modi's tenure has been marked by strong, centralized decision-making. The UPA era was marred by high-profile corruption scandals, while the NDA has largely avoided such scams but has faced criticism over civil liberties and societal polarization.
Keywords: Governance of Dr. Man Mohan Singh, Governance of Narenda Modi (NDA), UPA Vs NDA, Dr. Man Mohan Singh Vs Narenda Modi, Governance of Dr. Man Mohan Singh Vs Narenda Modi.

INTRODUCTION

The economic reforms in India have been pivotal in shaping the country's development. Since Independence, Nehru laid the foundation for economic growth by emphasizing state enterprises and public sector companies within a mixed economic system. As the founder of the Planning Commission, he played a key role in resource allocation and the implementation of five-year plans, introducing the Industrial Policy of 1956.

Prime Minister Shastri continued the momentum with institutional reforms such as the Green Revolution in 1965, focusing on the dairy sector, co-operative movement, and the White Revolution. However, challenges arose, including food shortages and a sharp increase in inflation. During Indira Gandhi's tenure, 14 private banks were nationalized to boost bank lending to the agriculture sector. The devaluation of the Indian rupee was also a strategic move to address the balance of payment crisis.

In the 1980s, India faced demands from the International Monetary Fund (IMF) for high reforms, leading to a loan of US $5 billion to navigate the crisis. Rajiv Gandhi's era saw a push for economic reforms, including the telecommunication revolution, IT advancements, and the implementation of the Panchayati Raj system.

The turning point came in 1991 when India grappled with an external debt crisis. The IMF provided a loan of $670 million, contingent on significant structural reforms. Prime Minister Narasimha Rao announced industrial licensing in July 1991, paving the way for liberalization, privatization, and globalization. Collaborating with Manmohan Singh, they introduced reforms in banking, insurance, industry, and agriculture sectors. These initiatives marked a departure from protectionist policies and propelled India into economic growth and globalization.

Narasimha Rao's leadership was crucial in liberalizing the Indian economy, dismantling trade barriers, abolishing the licensee raj system, and opening key sectors to foreign investments. These reforms not only kick-started economic growth but also brought about progress in social welfare and enhanced infrastructure during his tenure.
II Objectives of the Study.

The objective of the paper is to find the comparative study between Manmohan Singh government and Modi government governance in India.

The first section deals with introduction. The second section presents a brief review of the survey of literature related to government governance of the country. The third section examines the growth trends of governance of the government during Manmohan Singh government and Modi government. The fourth section gives the summary findings, conclusions.

***Corresponding Author:** Dr. K. Murugan

RESULTS AND DISCUSSION

Rao and Manmohan Singh are often hailed as visionaries and are widely credited with restructuring the Indian Economy from 1990 to 2014. During this period, India's economy witnessed significant growth, particularly in the high-technology and technical-services sector. The UPA government, led by Singh, adopted a pro-farmer policy and introduced rural programs reminiscent of the agrarian economy, focusing on increased access to credit for agriculture and the improvement of rural infrastructure. Employment generation and social equity schemes were also given priority during the UPA government's tenure. Additionally, combating terrorism, both domestically and internationally, was a key focus of the Singh administration.

Singh's second term as prime minister marked a remarkable achievement in economic development. Despite facing challenges such as the global financial crisis in 2008-09, the Indian economy weathered the storm, recording substantial growth in various sectors. However, Modi's tenure brought a different approach to economic and social policy. Emphasizing serious economic initiatives, Modi gave importance to rejuvenating Hindu nationalism, promoting inclusive aspects of Hindu culture, and mobilizing lower castes.

Modi's government also implemented sweeping economic reforms, including demonetization in 2016, aimed at formalizing the economy and curbing black money. The move faced challenges but had the broader effect of broadening the income tax base, increasing bank activity, and promoting digital transactions. In 2017, the Goods and Services Tax (GST) was introduced, replacing multiple taxes and unifying the tax system.

The COVID-19 pandemic in 2020 prompted a national lockdown, impacting various sectors of the economy. While farming activities continued, industrial production, manufacturing units, and the service sector faced shutdowns. The Modi government responded by abolishing outdated colonial-era laws, focusing on improving the ease of doing business. To address the twin balance sheet crisis, the government implemented the Insolvency and Bankruptcy Code (IBC), gradually improving banks' balance sheets.

Modi's overarching goal is to strengthen the manufacturing sector with initiatives like 'Make in India.' While FDI doubled during Singh's government, Modi aimed to attract investment by reducing the corporate tax rate and introducing an effective corporate tax rate of 17 percent for new manufacturing units in September 2019. However, these changes also led to an increase in the tax deficit in India.

Table 1: UPA Government vs NDA Government Economy

. No.	Particulars	UPA Government 2004-2014 or as on 2014	NDA Government 2014-2023 or as on 2023
1.	Morgan Stanly Comment World Leading Financial Analyst	India fragile economy 2014	India fasting growing economy 2023
2.	GDP-Absolute Terms (Rs.)	98 lakh cr 2014	159.7 lakh cr 2023
3.	Capital Expenditure Rs.	3.92 lakh cr 2014	10.9 lakh cr 2023
4.	Agricultural Budget Allocation	21900 cr 2014	1.25 lakh cr 2023
5.	Forex Reserve (Dollar)	313 billion May 2014	600 billion June 2023
6.	FDI (Dollar)	45 billion dollar 2014	85 billion dollar 2022
7.	Per Capita Income Rs.	86454 -2014	1.50 lakh 2022
8.	Poverty Rate Percent	22 percent-2104	10 percent-2023
9.	Income Tax Payers Nos	3.8 cr -2014	6.77 cr-2023
10.	Below Poverty Line BPL		0.8 percent-2023
11.	Defence Expenditure (Rs.)	1941 cr-2014	16,000 cr-2022
12.	Credit to Farmers (Rs.)	8.5 lakh cr-2014	21.67 lakh cr-
13.	Indian Economy Ranked in World	10 by 2014	5 by 2023

During Manmohan Singh's tenure, from 2004 to 2014, India's GDP saw substantial growth, mounting from 58 lakh crores to Rs. 98 lakh crore, a staggering 299 percent increase. Despite facing the lingering effects of the 2008 global economic crisis, the country secured the 10th spot in the global economy ranking by 2014, with an annual growth rate of 8 percent.

Contrastingly, the Modi government's period witnessed a remarkable boost in GDP, reaching 159.7 lakh crore by 2023 and elevating India to the 5th global rank. This represents a notable increase of Rs. 62 lakh crore, with a growth rate of 56.83 percent from 2014 to 2023. The economy maintained an impressive average growth of 6.8 percent from 2014 to 2020, as per Morgan Stanley's 2023 report, signifying a robust and fast-growing Indian economy.

Analyzing per capita income, the Manmohan Singh era saw an increase from Rs. 51,074 in 2004 to Rs. 1,27,686 in 2014, a growth rate at 6.7 percent per annum. In contrast, under the Modi government, average per capita income surged to Rs. 1.50 lakh in 2023, marking a growth rate of 34.52 percent. The expansion of

***Corresponding Author:** Dr. K. Murugan

economic activities, coupled with advancements in skills and technology, played a pivotal role in doubling the earning capacity of the people.

However, it's noteworthy that the growth in per capita income for the top 10 percent during the NDA rule outpaced that of the bottom 90 percent. Additionally, the rupee experienced a 40 percent depreciation during the NDA regime, impacting the purchasing power of the common people.

Turning to tax statistics, the UPA government had 3.8 crore income tax payers in 2014, while the Modi government saw a significant increase to 6.77 crore by 2023. The implementation of the seventh pay commission in 2017 further contributed to the growth in the number of government employees and their salaries.

In terms of poverty alleviation, the UPA era witnessed a decline from 37.2 percent in 2004-05 to 22 percent in 2014. Conversely, the NDA government, led by Modi, achieved a remarkable reduction in poverty levels, bringing it down to 10 percent by 2023. According to a United Nations report, 415 million people emerged from poverty between 2005-06 and 2019-21.

Lastly, the UPA government's total debt in 2014 was Rs. 58.67 lakh crores, while the Modi government significantly increased the debt burden, reaching 155.6 lakh crores by 2023. This translated to a per capita debt increase from Rs. 43,124 in 2014 to Rs. 1,09,373 in 2023.

Table 2: Trends of GDP Growth Rate in India during 2004-05 to 2023-24 (in Percent)

Year	GDP Growth Rate	Annual Changes in GDP	Year	GDP Growth Rate	Annual Changes in GDP
2004-05	7.5	0.05	2014-15	7.4	1.0
2005-06	9.3	1.8	2015-16	8.00	0.6
2006-07	9.3	0	2016-17	8.26	0.26
2007-08	9.8	0.5	2017-18	7.2	-1.06
2008-09	3.9	-5.9	2018-19	6.8	-0.4
2009-10	8.5	4.6	2019-20	4.2	-2.6
2010-11	10.3	1.8	2020-21	6.6	2.4
2011-12	10.0	-0.3	2021-22	-5.80	-6.6
2012-13	5.5	-4.5	2022-23	7.2	-5.8
2013-14	6.4	0.9	2023-24	6.3	-0.9
Average Growth Rate	8.1		Average Growth Rate	5.6	

Under Manmohan Singh's leadership from 2004 to 2014, the GDP growth rate averaged an impressive 8.1 percent. In contrast, the Modi government, from 2014 to 2023, saw a less robust average growth rate of 5.6 percent. This 2.5 percent difference reflects more favorably on the UPA government's economic performance.

Examining the UPA era, GDP growth rose from 7.5 percent in 2004-05 to a peak of 9.8 percent in 2007-08, impacted by the global Great Recession. Subsequently, it rebounded to 8.5 percent in 2009-10, reached 10.3 percent in 2011-12, and declined to 6.4 percent in 2013-14. Overall, UPA's governance achieved an average GDP growth of around 8.1 percent, with UPA-1 (2004-09) at 8.1 percent and UPA-2 (2009-14) at 7.5 percent.

In the Modi period, growth fluctuated from 7.4 percent in 2014-15 to a peak of 8.26 percent in 2016-17, dropping to 6.6 percent in 2020-21. The second term of Modi's leadership saw growth rise from 4.2 percent in 2018-19 to 6.8 percent in 2020-21, but a negative dip to -5.80 percent in 2021-22. However, there's a recovery with a growth rate of 7.2 percent in 2022-23 and 6.3 percent in 2023-24. The overall annual growth rate under Modi's government is 5.6 percent.

Two significant factors impacting this performance were demonetization in 2016, disrupting the economy with the abrupt ban on Rs 500 and Rs 1,000 notes, especially affecting the informal sector. Additionally, the COVID-19 lockdown in 2020 further contracted India's growth, halting manufacturing and industrial sectors, except for farming activities.

It's crucial to recognize that GDP alone doesn't paint a perfect picture. This indicator doesn't necessarily address economic inequality or benefit the poor. While higher GDP growth indicates better economic performance and increased economic activity, it's not a comprehensive solution to addressing broader economic challenges. In this comparison, the Manmohan Singh government's average annual GDP growth of 8.1 percent outshines the Modi government's 5.6 percent.

***Corresponding Author:** Dr. K. Murugan

Table 3: Central Government Receipts - Major Components (Rs. in Crores)

Year	Tax revenue	Direct tax (net)	Personal income tax	Corporation tax	Indirect tax	Excise duties	Customs duties	Non-tax revenue	Revenue receipts (2+9)	Capital receipts
1	2	3	4	5	6	7	8	9	11	12
2004-05	224798	95944	35443	60289	128854	77241	41811	81193	305991	200391
2009-10	456536	271623	94532	176797	184913	84383		116275	572811	453063
2014-15	903615	500531	188336	311453	403085	153709	127994	197766	1101381	484448
2015-16	943765	449296	172748	275917	494469	220473	128829	251260	1195025	582579
2019-20	1356902	638365	298204	340143	718537	212988	71472	327157	1684059	997301
2023-24	2330631	1178268	582516	595744	1152363	325429	200698	301650	2632281	1882603

Source: Budget Documents of the Government of India

Notes: 1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates

The evolution of central government receipts over the years is quite fascinating. From 2004 to 2023, we've seen a significant surge in both revenue and capital receipts. During the UPA period, the revenue receipts experienced a remarkable fourfold increase, reaching Rs. 11.01 lakh crore in 2014-15. And the momentum didn't stop there under NDA-I, it soared to Rs. 26.32 lakh crore in 2023-24. That's some serious financial strength.

Now, Income tax, the unrecognised hero of government revenue, went from Rs. 35,443 crore in 2004-05 to a gigantic Rs. 5.82 lakh crore in 2023-24. During the UPA era, it skyrocketed fivefold, and under Modi's watch, it continued its ascent at a growth rate of 16.85 percent per year.

Corporation tax also had its time in the spotlight. From Rs. 60,289 crore in 2004-05 to Rs. 5.95 crore in 2023-24, it's been a journey of fivefold growth during the UPA period and a doubling under Modi's leadership. Companies are certainly contributing their fair share to the national resources.

Capital receipts had their own transformation. During the UPA period, they grew 1.5 times, reaching Rs. 4.84 lakh crore in 2014-15. But under NDA, they skyrocketed to Rs. 18.82 lakh crore in 2023-24, a jaw-dropping threefold increase. That's the kind of growth decades. In essence, the financial landscape has seen some serious reshaping over the past two decades. The numbers don't just tell a story of revenue and capital, it's a narrative of economic ability and fiscal dexterity.

Table 4: Selected Fiscal Indicators of the Central Government (As Percentage to GDP)

Year	Tax Revenue	Non Tax Revenue	Revenue Receipts	Capital Receipts
2004-05	6.9	2.5	9.4	6.2
2009-10	7.1	1.8	8.9	7.0
2014-15	7.2	1.6	8.8	3.9
2015-16	6.9	1.8	8.7	4.2
2019-20	6.7	1.6	8.4	5.0
2023-24	7.7	1.0	8.7	6.2

Source: Budget Documents of the Government of India

Notes: 1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates

The selected fiscal indicators of the Central Government as a percentage of GDP from 2004 to 2023 are laid out in Table 4. In the initial UPA period, the share of revenue receipts to GDP declined from 9.4 percent in 2004-05 to 8.9 percent in 2009-10. This downward trend continued to 8.8 percent in 2014-15. In the first NDA period, it further dropped from 8.7 percent in 2015-16 to 8.4 percent in 2019-20. There's a slight uptick to 8.7 percent in 2023-24 during the second NDA period.

Moving to UPA-I, the percentage share of capital receipts to GDP rose from 6.2 percent in 2004-05 to 7.0 percent in 2009-10. In the second UPA period, it dipped to 3.9 percent in 2014-15. During the first NDA period, it picked up to 4.2 percent in 2015-16, further increasing to 5.0 percent in 2019-20. The upward trajectory continues to 6.2 percent in 2023-24 during the second NDA period.

Within revenue receipts, the percentage share of tax revenue and non-tax revenue to GDP presents a conflicting picture. Tax revenue to GDP increased from 6.9 percent in 2004-05 to 7.2 percent in 2014-15, with slight changes during the UPA government. However, during the NDA government, it declined to 6.9 percent in 2015-16 and further to 6.7 percent in 2019-20, showing improvement to 7.7 percent in 2023-24. Non-tax revenue during the UPA government decreased from 2.5 percent in 2004-05 to 1.6 percent in 2014-15. In the NDA government period, it slightly increased to 1.8 percent in 2015-16, then declined to 1.0 percent in 2023-24.

Table 5 highlights the major heads of Capital Receipts of the Central Government. Market borrowing surged from Rs. 50,939 crore in 2004-05 to Rs. 3.93 lakh crore in 2009-10, reaching Rs. 4.57 lakh crore in 2014-15 during the UPA period. In the NDA period, it declined to Rs. 4.15 lakh crore in 2015-16, but rose again to Rs. 4.73 lakh crore in 2019-20, peaking at Rs. 11.80 lakh crore in 2023-24 during the second NDA period, a 22 times increase. Small savings increased from Rs. 13,256 crore in 2009-10 to Rs. 32,226 crore in 2014-15 during the second UPA period. In the first NDA period, it rose to Rs. 52,465 crore in 2015-16, reaching Rs. 2.40 lakh crore in 2019-20. It doubled in size to Rs. 4.71 lakh crore in 2023-24. Small savings during the NDA period saw a collection increase from the public, reaching an amount 10 times more than the previous UPA government.

Table 5: Major Heads of Capital Receipts of the Central Government (Rs. in Crore)

Year	Market borrowings (net)	Small savings	Provident funds	Recovery of loans	Disinvestment receipts	External loans (net)	Total capital receipts
2004-05	50939	-	5310	62043	4424	14753	200391
2009-10	394371	13256	16056	8613	24581	11038	453063
2014-15	457617	32226	11920	13738	37737	12933	484448
2015-16	414931	52465	11858	20835	42132	12748	582579
2019-20	473968	240000	11635	18316	50304	8682	997301
2023-24	1180911	471317	20000	23000	51000	22118	1882603

Source: Budget Documents of the Government of India

Notes:
1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates.
2. 2017-18 onwards Market Borrowings include dated securities only. Prior to that market borrowing comprise dated securities, 364-day
1. treasury bills and net impact of switching off of securities.
2. Since 1998-99, Provident Funds data represent only state provident fund as public provident fund is included under small savings.
3. Data are net of repayments. Also excludes amount raised under Market Stabilisation Scheme (MSS) and variation in cash balances.
4. Disinvestment receipts and total capital receipts of 2007-08 include an amount of Rs.34309 Crore under miscellaneous capital receipts
5. which represents the RBI's surplus transferred to the Central Government on account of transfer of its stake in SBI to the Central Government.
6. Recovery of loans for 2002-03, 2003-04 and 2004-05 includes receipts from states under Debt Swap Scheme amounting to Rs 3766 Crore,

Rs 46211 Crore and Rs 43675 Crore respectively. 7. Total Capital Receipts excludes Draw-Down of Cash balances.

Table 6: Revenue and Capital Spending of the Central Government- 2004-23 (Rs. in Crores)

Year	Revenue Expenditure	Interest payments	Subsidies	Capital expenditure (7+8)	Loans and advances	Capital outlay	Defence expenditure	Total expenditure (2+6)
1	2	4	5	6	7	8	9	10
2004-05	384329	126934	45957	113331	28910	52338	31994	498252
2009-10	911809	213093	141351	112678	15647	97031	51112	1024487
2014-15	1466992	402444	258258	196681	29218	167463	81887	1663673
2015-16	1537761	441659	264106	253022	26337	226685	79958	1790783
2019-20	2350604	612070	262304	335726	24414	311312	111092	2686330
2023-24	3502136	1079971	403084	1000961	163834	837127	162600	4503097

Source: Budget documents of the Government of India.

Notes:
1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates.
2. Capital Expenditure for 2002-03 , 2003-04 and 2004-05 include repayments to National Small Saving Fund (NSSF) amounting to Rs.13766 Crore, Rs.46212 Crore and Rs.36275 Crore respectively, apart from loans and advances and capital outlay.
3. Total Expenditure, Capital Outlay and Capital Expenditure for 2007-08 include an amount of Rs.35531 Crore, on account of transactions relating to transfer of RBI's stake in SBI to the Central Government.

The financial journey of the Central Government from 2004-05 to 2023-24 is presented in Table.6. In the UPA period, the spending doubled, reaching Rs. 16.63 lakh crore in 2014-15, and then tripled over the next 10 years. The NDA period witnessed even more staggering numbers, with spending rise steeply to Rs. 45.03 lakh crore in 2023-24, a nine-fold increase. The UPA government saw a 231 percent increase over a decade, while under Modi's leadership, it was a 189 percent surge.

Revenue spending took the lead, climbing from Rs. 3.84 lakh crore in 2004-05 to Rs. 9.11 lakh crore in 2009-10 during the UPA era. In the second UPA period,

***Corresponding Author:** Dr. K. Murugan

it peaked at Rs. 14.66 lakh crore in 2014-15. The NDA period continued the upward trend, hitting Rs. 35.02 lakh crore in 2023-24. Interestingly, revenue spending in the NDA period exceeded Rs. 20.34 lakh crore over 10 years, compared to Rs. 10.82 lakh crore in capital spending.

Capital spending, however, had its own narrative. During the UPA period, it increased by Rs. 86,000 crore in 10 years, a 72 percent rise. In the NDA era, it surged to Rs. 10.0 lakh crore in 2023-24, an 8.04 lakh crore increase over a decade. This was attributed to infrastructure development projects spanning highways, bridges, railways, airports, sea ports, schools, colleges, and hospitals.

Interest payments also experienced an uphill climb, from Rs. 1.26 lakh crore in 2004-05 to a whopping Rs. 10.79 lakh crore in 2023-24 under the Modi government. The subsidies saga unfolded as well, jumping from Rs. 45,957 crore in 2004-05 to Rs. 4.03 lakh crore in 2023-24, with a significant increase during the NDA period. Modi's approach involved a 58 percent increase in spending over 10 years, coupled with reductions in subsidies to farmers, gas users, and the abolition of petrol subsidies.

Table 7: Selected Fiscal Indicators of the Central Government as Percent to GDP

Year	Revenue Expenditure	Interest Payments	Subsidies	Defence (Rev+ Capital)	Capital Expenditure	Capital Outlay	Total Spending
2004-05	11.9	3.9	1.4	2.3	3.5	1.6	15.4
2009-10	14.1	3.3	2.2	2.2	1.7	1.5	15.8
2014-15	11.8	3.2	2.1	1.8	1.6	1.3	13.3
2015-16	11.2	3.2	1.9	1.6	1.8	1.6	13.0
2019-20	11.7	3.0	1.3	1.6	1.7	1.5	13.4
2023-24	11.6	3.6	1.3	1.4	3.3	2.8	14.9

Source: Budget Document of the GOI.

Notes:
1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates.
2. Net tax revenues are netted for States' share and amount assigned to NCCF.

Table 7 illustrates the selected fiscal indicators of the Central Government as a percentage of GDP. The central government's total spending as a share of GDP showed an increase from 15.4 percent in 2004-05 to 15.8 percent in 2009-10, followed by a decline to 13.3 percent in 2014-15. During the first UPA period, there was a slight increase, but in the second period, it experienced a negative decline. In the NDA period, there was a gradual increase, reaching 13.4 percent in 2019-20, and further rising to 14.9 percent in the second term of the Modi government.

The percentage share of defense spending (both revenue and capital) witnessed a decrease from 2.3 percent in 2004-05 to 2.1 percent in 2014-15 and 2019-20. In the NDA period, these expenditures declined from 1.6 percent in 2015-16 to 1.4 percent in 2023-24.

Table 8: Selected Fiscal Indicators of the Central Government (As Percentage to GDP)

Year	Gross Fiscal Deficit	Gross Primary Deficit	Revenue Deficit	Primary Revenue Deficit	Gross-Tax		
					Direct	Indirect	Total
2004-05	3.9	0.0	2.4	-1.5	4.1	5.3	9.4
2009-10	6.5	3.2	5.2	1.9	5.8	3.8	9.6
2014-15	4.1	0.9	2.9	-0.3	5.6	4.4	10.0
2015-16	3.9	0.7	2.5	-0.7	5.4	5.2	10.6
2019-20	4.6	1.6	3.3	0.3	5.2	4.8	10.0
2023-24	5.9	2.3	2.9	-0.7	6.0	5.1	11.1

Source: Budget Documents of the Government of India

Notes:
1. Data for 2022-23 are Revised Estimates and data for 2023-24 are Budget Estimates.
2. Net tax revenues are netted for States' share and amount assigned to NCCF.
3. Negative (-) sign indicates surplus

The fiscal deficit of the Central Government, expressed as a percentage of GDP in Table 8. Over the years, we've seen fluctuations in the gross fiscal deficit of the union government. In the first UPA period, it rose from 3.9 percent in 2004-05 to 6.5 percent in 2009-10, only to decline to 4.1 percent in 2014-15 during the second UPA period. According to the Fiscal Responsibility and Budget Management Act, the regulated deficit allowance is 3 percent.

The percentage share of revenue deficit followed a similar pattern, increasing from 2.4 percent in 2004-05 to 5.2 percent in 2009-10, then declining to 2.9

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percent in 2014-15. Interestingly, during the UPA period, revenue deficit exhibited a fluctuating trend. The first Manmohan Singh government maintained an average fiscal deficit of 4 percent, even amid the 2008 global financial crisis. In the second Manmohan Singh period, the deficit reached 5.2 percent due to a lenient stimulus policy.

Transitioning to the NDA period, we observed an increase from 2.5 percent in 2015-16 to 3.3 percent in 2019-20, followed by a decline to 2.9 percent in 2023-24. The Fiscal Responsibility & Budget Management (FRBM) 2018 Act amendment stipulated a fiscal deficit limit of 3 percent of GDP. However, in 2019-20, the fiscal deficit exceeded expectations at 4.7 percent of GDP. Subsequent years, 2021-22 and 2022-23, witnessed further increases to 6.7 percent and 6.4 percent of GDP, respectively. The proposed rate for 2023-24 is 5.9 percent, reflecting developments in revenue and GDP. The union government's objective of boosting spending on transport, infrastructure, and construction projects contributes to the elevated fiscal deficit, reaching 6.9 percent and 6.4 percent during 2021-22 and 2022-23, respectively.

Table 9: Selected Debt Indicators of the Central Government (As percentage to GDP)

Year (end-March)	Domestic liabilities	External liabilities	Total liabilities (2+3)
2004-05	59.6	5.9	65.5
2009-10	52.4	3.9	56.3
2014-15	48.5	2.9	51.4
2015-16	48.6	3.0	51.5
2019-20	50.0	2.7	52.7
2022-23	57.7	3.3	61.0

Source: Budget Documents of the Government of India

Notes: 1. Data for 2021-22 are Revised Estimates and data for 2022-23 are Budget Estimates

The Central Government's debt indicators and their relationship with GDP are outlined in Table 9. Initially, the percentage share of total liabilities to GDP experienced a decline, dropping from 65.5 percent in 2004-05 to 56.3 percent in 2009-10, and further to 51.4 percent in 2014-15. The UPA period saw a substantial reduction of total liabilities by 14.1 percent over a decade. However, during the NDA period, there was an upward trend, rising from 51.5 percent in 2015-16 to 52.7 percent in 2019-20, and a subsequent increase to 61.0 percent in 2023-24, marking a burden increase of 9.6 percent.

Notably, the first UPA period kept government borrowing below 72 percent of GDP, a figure that significantly decreased during the second term. Unfortunately, post-demonetization in 2016, government debt began to rise again, coinciding with an increase in fiscal deficit attributed to the union government's failure to meet direct and indirect tax revenue and disinvestment targets, leading to heightened domestic borrowing levels by the Reserve Bank of India.

Focusing on domestic liabilities, the percentage share witnessed a decline from 59.6 percent in 2004-05 to 52.4 percent in 2009-10, further dropping to 48.5 percent in 2014-15. The UPA era recorded a substantial reduction in the percentage share of domestic liabilities to GDP burden, reaching 11.1 percent. However, during the NDA period, this trend reversed, increasing from 48.6 percent in 2015-16 to 50.0 percent in 2019-20, and further escalating to 57.7 percent in 2023-24, with a 9.2 percent increase over the decade.

Table 10: Balance of Payments Indicators (Percent)

Year	Trade		Invisibles			Current account			Capital account		Import cover of Reserves (in months)
	Exports/ GDP	Import/ GDP	Receipt/ GDP	Payments/ GDP	Net/ GDP	Current Receipts/ GDP	Current Receipts/ Current Payments	CAD/ GDP	Foreign Investment/ Exports	Foreign Investment/ GDP	
2004-05	12.02	16.77	9.81	5.40	4.40	21.82	98.43	-0.35	15.26	1.83	14.28
2009-10	13.60	22.40	12.18	6.22	5.96	25.77	90.06	-2.85	27.60	3.75	11.14
2014-15	15.52	22.63	11.85	6.06	5.79	27.37	95.42	-1.31	23.21	3.60	8.88
2019-20	11.30	16.85	11.35	6.66	4.69	22.65	96.32	-0.87	13.86	1.57	12.00
2022-23	13.45	21.28	13.74	7.89	5.85	27.20	93.23	-1.98	5.01	0.67	9.62

Note: Current receipts is defined as current account receipts minus official transfer receipts.

The Balance of Payments scenario in India from 2004 to 2023 is presented in Table 10. During the UPA government's tenure, the growth of exports to GDP witnessed an impressive climb from 12.02 percent in 2004-05 to 15.52 percent in 2014-15, showcasing a steady upward trajectory over the years. Conversely, under the NDA government, there was a dip in the percentage share of exports to GDP, slipping from 15.52 percent in 2014-15 to 11.30 percent in 2019-20. However, a recovery was observed, with an increase to 13.45 percent in 2022-23.

Shifting the focus to the Modi regime, significant strides were made in opening up various industries such as retail, air transport, military, insurance, construction, and more. This move led to India becoming an attractive hub for foreign direct investment (FDI) globally, reaching an unprecedented high of $83.57 billion in 2021-22, even amidst the global economic challenges posed by COVID-19. Notably, Modi's government achieved an average FDI double that of Manmohan Singh's regime.

Interestingly, Modi's commitment to boosting FDI was evident in the goal to surpass UPA-II's foreign investment figures within just four years. While FDI inflow experienced a strong start in the initial years, it plateaued in the second and third years, with a downward trend by the fourth year. The FDI numbers for the fifth year were yet to be released at the time of the statement. Meanwhile, foreign portfolio investment (FPI) in the Indian economy increased by 40 percent during Singh's second term, and the upward trend since Modi's second year suggests a compelling narrative to watch unfold, potentially rivaling the levels during Manmohan Singh's government.

Table 11: Wholesale Price Index: Annual Variation (Percentage variation)

Year	AC	PA	FA	NF	F&P	MP	WPI All Commodities Annual Average (Base: 2004-05 = 100)
2004-05	-	-	-	-	-	-	100
2005-06	4.50	4.30	5.40	-3.30	13.60	2.40	104.47
2009-10	3.80	12.70	15.30	5.50	-2.10	2.20	130.82
2014-15	1.20	2.16	5.62	-2.82	-6.12	2.50	(Base: 2011-12 = 100)
2015-16	-3.65	-0.38	2.57	2.70	-19.65	-1.78	
2019-20	1.68	6.76	8.42	4.50	-1.78	0.29	
2022-23	9.41	10.04	7.27	8.85	28.08	5.61	

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, Government of India.

Notes: 1. AC: All Commodities, 2. PA: Primary Articles. 3. FA: Food Articles. 4. NF: Non-food Articles. 5. F&P: Fuel and Power.6. MP: Manufactured Products 7. FA and NF are part of PA.

Table 12: Consumer Price Index (Average of Months) - Annual Variation

Year	CPI All India General Index (Base: 2012 = 100 for CPI)			CPI All India Combined: Food and beverages
	Rural	Urban	Combined	
2012-13	10.60	9.10	9.90	11.20
2013-14	9.60	9.20	9.40	11.90
2014-15	6.20	5.70	5.90	6.50
2015-16	5.60	4.10	4.90	5.10
2016-17	5.00	4.00	4.50	4.40
2017-18	3.60	3.60	3.60	2.20
2018-19	3.00	3.90	3.40	0.70
2019-20	4.30	5.40	4.80	6.00
2020-21	5.90	6.50	6.20	7.30
2021-22	5.43	5.59	5.50	4.23
2022-23	6.80	6.38	6.65	6.70

Sources: 1. Labour Bureau, Ministry of Labour and Employment, Government of India.
2. National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India.

Notes:
1. IW: Industrial Workers, AL: Agricultural Labourers
2. IW and IW - Food data since January 2006 are based on New Series (Base: 2001=100).
3. Inflation as per the New CPI is available from January 2012.
4. CPI AL inflation for 1995-86 has been derived by linking the 1986-87 series with the 1960-61 series by using the linking factor 5.89.
5. CPI - IW series for 2005-06 has been derived by linking the 2001 series with the 1982 series by using the linking factor 4.63.
6. 63 for the 'General Index' and 4.58 for the 'Food Group'.
7. Prior to base 2016, CPI - IW Food and Beverages

***Corresponding Author:** Dr. K. Murugan

was termed as CPI - IW Food.

8. CPI - IW data with base 2016=100 were reported from September 2020; the linking factor with base 2001 series is 2.88
9. CPI (Rural, Urban and Combined) was introduced from January 2011. Data for this series are available for Base: 2012=100.

In Manmohan Singh's second term from 2009 to 2014, CPI inflation averaged at 10.1 percent annually. However, under Modi's leadership from 2014 to 2023, the inflation rate has seen a significant improvement, averaging at 5 percent annually. The initiative to set an inflation target of 6 percent by RBI governor Raghuram Rajan in 2016 aimed to bring down inflation, and this goal is still being pursued, with the current target set at 4 percent.

Despite facing challenges like the Covid pandemic and the Ukraine war, the RBI, under Modi's government, has consistently taken effective measures to curb inflation. This is evident in the successful reduction of inflation to 5.1 percent, compared to the higher rate of 8.1 percent during the Manmohan Singh period. The significance of maintaining lower inflation rates is crucial, especially for the well-being of the economically disadvantaged, as high inflation can act as a hidden tax on their incomes.

Additionally, the Modi government has demonstrated commendable performance in terms of forex reserves, showcasing financial stability and resilience. The forex reserves have surged from $313 billion in 2014 to an impressive $589 billion in 2023. This substantial increase reflects positively on the economy, providing a solid foundation for currency stability and overall economic robustness.

Table 13: Consumer Price Index (Average of Months) - Annual Variation

Year	CPI – IW (Base: 2001 = 100 for CPI - IW)	CPI – IW (Food and Beverages)
2005-06	4.40	4.10
2009-10	12.40	15.23
2014-15	6.30	6.46
2015-16	5.60	6.15
2019-20	7.53	7.41
2020-21	5.00 (Base: 2016 = 100 for CPI - IW)	5.80
2022-23	6.10	6.10

Sources:1. Labour Bureau, Ministry of Labour and Employment, Government of India.
2. National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India.

Notes:

1. IW: Industrial Workers, AL: Agricultural Labourers
2. IW and IW - Food data since January 2006 are based on New Series (Base: 2001=100).
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5. CPI - IW series for 2005-06 has been derived by linking the 2001 series with the 1982 series by using the linking factor 4.63.
6. 63 for the 'General Index' and 4.58 for the 'Food Group'.
7. Prior to base 2016, CPI - IW Food and Beverages was termed as CPI - IW Food.
8. CPI - IW data with base 2016=100 were reported from September 2020; the linking factor with base 2001 series is 2.88
9. CPI (Rural, Urban and Combined) was introduced from January 2011. Data for this series are available for Base: 2012=100.

Table 14: Consumer Price Index (Average of Months) - Annual Variation

Year	CPI-AL (Base: 1986-87 = 100 for AL)
2004-05	2.59
2009-10	13.91
2014-15	6.64
2015-16	4.43
2019-20	7.96
2022-23	6.80

Sources:1. Labour Bureau, Ministry of Labour and Employment, Government of India.
2. National Statistical Office (NSO), Ministry of Statistics and Programme Implementation, Government of India.

Notes:

1. IW: Industrial Workers, AL: Agricultural Labourers
2. IW and IW - Food data since January 2006 are based on New Series (Base: 2001=100).
3. Inflation as per the New CPI is available from January 2012.
4. CPI AL inflation for 1995-86 has been derived by

linking the 1986-87 series with the 1960-61 series by using the linking factor 5.89.
5. CPI - IW series for 2005-06 has been derived by linking the 2001 series with the 1982 series by using the linking factor 4.63.
6. 63 for the 'General Index' and 4.58 for the 'Food Group'.
7. Prior to base 2016, CPI - IW Food and Beverages was termed as CPI - IW Food.
8. CPI - IW data with base 2016=100 were reported from September 2020; the linking factor with base 2001 series is 2.88
9. CPI (Rural, Urban and Combined) was introduced from January 2011. Data for this series are available for Base: 2012=100.

During Manmohan Singh's tenure, the Consumer Price Index (CPI) witnessed a significant rise, soaring from 2.59 percent in 2004-05 to 13.91 percent in 2009-10. In the subsequent UPA government, it saw a decline to 6.64 percent in 2014-15, a feat attributed to strategic measures implemented by the RBI. Contrastingly, under Narendra Modi's leadership, the CPI fluctuated. Initially dropping from 6.64 percent in 2014-15 to 4.43 percent in 2015-16, it then rose to 7.96 percent in 2019-20 before settling at 6.80 percent in 2022-23. Notably, inflationary pressures, especially in food prices at 9.21 percent, played a role.

Comparatively, Modi's first term showcased a better CPI record than Manmohan Singh's second term. The period of 2009-13 under Singh saw double-digit inflation, largely influenced by imported inflation due to rising oil prices, a factor now clouded by uncertainty following the Russian invasion of Ukraine. Modi's government, however, managed a more favorable CPI inflation of 5.1 percent.

In 2014, when Modi assumed office, India faced an inflation rate of 8.33 percent, surpassing the RBI's tolerance band of 2-6 percent. Subsequently, Modi's administration worked to stabilize inflation, maintaining it within the acceptable range for the majority of their rule. Despite a temporary spike to 6.80 percent in 2022-23 due to geopolitical events, inflation has now eased to 4.7 percent in April 2023.

On the flip side, unemployment has been a persistent challenge. Starting at 5.4 percent in 2014, it peaked at 8.72 percent in January 2016. Recent data, indicates a positive trend with the jobless rate dropping to 6.8 percent in urban areas during January-March 2023. The complex interplay between economic indicators reflects the multifaceted nature of policy outcomes and their impact on the lives of the people.

Table 15: Selected Macro-Economic Aggregates - Growth Rates, Saving Rates and Investment Rates (At Current Prices) Annual Growth Rate as Percent of GDP (Base Year: 2011-12)

Year	GVA at Basic Prices	Gross Domestic Product	Gross National Income	Net National Income	Per Capita NNI	Gross saving	Gross Capital Formation	Net Capital Formation
2004-05	13.2	14.1	14.1	13.8	12	34.8	35.2	24.7
2009-10	15.5	15.5	15.5	15.4	13.8	36.0	38.9	28
2014-15	11.0	11.0	11.1	10.9	9.5	32.2	33.5	22.8
2015-16	9.3	10.5	10.5	10.8	9.4	31.1	32.1	21.6
2019-20	7.0	6.4	6.5	6.2	5.1	29.6	30.4	19.6
2020-21	-1.0	-1.4	-1.7	-3.0	-4.0	28.8	27.9	16.1
2021-22	17.9	18.4	17.6	18	16.9	30.2	31.4	20.0
2022-23	15.4	16.1	16.1	17.2	16	-	-	-

Source: National Statistical Office (NSO).

Notes:
1. Data for 2019-20 are Third Revised Estimates for 2020-21 are Second Revised Estimates and for 2021-22 are First Revised Estimates.
2. Data for 2022-23 are Provisional Estimates. Also see Notes on Tables.

The macro-economic landscape tells a story of fluctuating fortunes. The growth trajectory, as witnessed through the lens of gross capital formation, has been a rollercoaster. From a peak of 38.9 percent in 2009-10, it took a nosedive to 33.5 percent in 2014-15. The private sector with volatility under Manmohan Singh's regime contrasted sharply with Modi's era, marked by a drop from 32.1 percent in 2015-16 to 27.9 percent in 2020-21, followed by a modest rise to 31.4 percent in 2021-22.

The employment landscape is a canvas painted with contrasting hues. The unemployment rate and employment-to-population ratio between 2004-22 act as the brushes that stroke the picture. The economic pitfalls reveal themselves, the slow growth, pandemic-induced derailment, stagnant merchandise exports, and a dwindling investment climate. It's a domino effect, with employment bearing the brunt. Manufacturing and services took a hit, pushing people back into agriculture.

The economic chessboard also sees players positioned strategically, companies and banks in a better financial stance to expand, but fiscal challenges loom large. Public debt casts a long shadow, and the benefits of economic shifts are not evenly distributed among corporate sectors. The GST and demonetization left scars, and the Goods and Services Tax system appears defective. The growing inequality finds a reflection in macro-economic trends, and the currency sees a dip against the Dollar.

The farmer's Minimum Support Price (MSP) approval remains elusive, and institutional weakening adds another layer of concern. Unemployment persists as a prominent problem, shaping the economic narrative.

SUMMARY AND CONCLUSIONS

During Manmohan Singh's tenure, per capita income soared from Rs. 51,074 in 2004 to Rs. 1,27,686 in 2014, a growth rate of 250 percent. Modi's government, in contrast, witnesses a per capita income increase to Rs. 1.50 lakh in 2023, with a growth rate of 34.52 percent from 2014.

The GDP growth rate reflects a story of its own. Manmohan Singh's era boasts an average growth rate of 8.1 percent from 2004-2014, trumping Modi's 5.6 percent from 2014-2023 by 2.5 percent. Revenue receipts witness a fourfold increase during UPA's term and a subsequent rise from Rs. 16.84 lakh crore in 2019-20 to Rs. 26.32 lakh crore in 2023-24 under NDA. Market borrowing and total spending display exponential growth during both periods, but the NDA government outpaces UPA in terms of percentage increase.

The gross fiscal deficit journeyed from 3.9 percent in 2004-05 to 4.1 percent in 2014-15 under UPA, while NDA's reign saw an increase from 2.5 percent in 2015-16 to 2.9 percent in 2023-24. The CPI inflation averaged 10.1 percent p.a during Manmohan Singh's second term and settled at 5 percent p.a during Modi's tenure. The prudent fiscal policies and effective management of food subsidies under Modi's government contribute to this achievement.

In this economic saga, the protagonists change, and so do the challenges. It's a narrative of highs and lows, successes and failures, leaving the economy in a state of constant evolution.

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***Corresponding Author:** Dr. K. Murugan