Indian Economy · GS - IV

India is an emerging economic power of the world as it has recently secured the status of fourth largest economy of the world as per IMF projection. However, it has been observed that in some sectors, allocated funds remain either under-utilised or misutilised. What specific measures would you recommend for ensuring accountability in this regard to stop leakages and gaining the status of third largest economy of the world in near future?

EXAM YEAR	PAPER	SUBJECT
2025	GS - IV	Indian Economy

MARKS	WORD LIMIT
10	~150 words

Answer Hint

Fiscal accountability, outcome budgeting, PFMS, DBT, social audit, public procurement, internal audit, CAG, geo-tagging, utilisation certificates, expenditure quality, transparency

Model Answer

Introduction

Economic size must be accompanied by quality public expenditure. The IMF's projections emphasise India's strong growth trajectory, while sustainable development requires efficient and accountable use of public resources.

Measures for Accountability

1. Outcome budgeting: Link fund allocation with measurable outputs and outcomes rather than merely expenditure targets.
2. Real-time monitoring: Expand digital expenditure tracking through PFMS, dashboards, geo-tagging and milestone-based release of funds.
3. Stronger audits: Strengthen internal audit and ensure timely action on CAG observations.
4. Procurement reforms: Promote transparent e-procurement, competitive bidding and conflict-of-interest disclosures.
5. Social accountability: Institutionalise social audits, public disclosure and citizen feedback for welfare programmes.
6. DBT and technology: Minimise intermediaries and leakages through direct transfers and interoperable databases while maintaining grievance mechanisms.
7. Capacity building: Address weak utilisation caused by inadequate technical and administrative capacity.
8. Incentivise efficiency: Reward departments achieving outcomes without compromising quality or equity.

Conclusion

India's transition towards a larger economy should be matched by a culture of fiscal responsibility. The goal should not merely be higher expenditure, but transparent, efficient and outcome-oriented expenditure that converts every public rupee into measurable public value.

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