

# 'GDP growth below 6% will hit the common man significantly'

KR Srivats  
New Delhi

DK Srivastava, Chief Policy Advisor — EY India, reflects on the macro and microeconomic policy shifts of 2024 and their impact on the common man.

*Edited excerpts:*

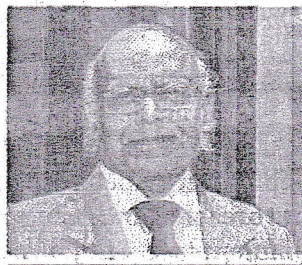
## What is your overall assessment of how 2024 has been for the common man?

I would assess that the common man has not been in a terrible condition but had to navigate through challenging and subdued economic conditions. The common man looks for an economy that would be able to offer him a productive employment opportunity so that he can earn for himself and his family. Employment situation has been compromised because of lower growth.

In spite of the government being able to offer minimum wage, the welfare-improving dimension of the common man is the opportunity to participate in productive employment in the economy. That I think the policies of the government have not met to a satisfactory situation. There was a set of Budget proposals for augmentation of employment. Those schemes have not actually taken off in full bloom. It is surprising that the heart of the Budget in terms of employment promoting schemes and infrastructure languished even though we are passing the calendar year now and only three months are left for the fiscal year to end.

## How do you see the Q2 GDP growth slowdown at 5.4 per cent impacting the life of the common man?

Well, the Q2 GDP growth at 5.4 per cent came as a surprise to most observers of the Indian economy. The market expectation was 6.5 per cent. We ourselves thought it would be 6.9 per cent or so. It was lower by more than one percentage point. The immediate reason is the government falling short of its capex growth target by a



## STATE OF THE ECONOMY

We need a universal employment scheme to ensure jobs in all areas, while strengthening education, technology, and skills to address labour-saving tech and a growing workforce, says **DK Srivastava**, Chief Policy Advisor, EY India

<https://shorturl.at/KDWJA>



Also available on Spotify, Apple Podcasts and YouTube Music

massive margin. If the GDP growth rate is allowed to come down below 6 per cent, it would affect the common man quite significantly.

## Given the recent economic slowdown, do you think the common man is worse off in 2024 than in 2023?

In 2024, everybody has lowered their annual growth forecast to less than 7 per cent. Our own forecast is at 6.5 per cent. What it means for the common man is that we will have to settle at a growth rate of less than 7 per cent. It might signal that maintaining growth at 7 per cent year after year maybe difficult if that growth were to depend on domestic growth drivers.

We have to wait for global conditions to improve before we aim for 7 per cent growth again. Unless we reach 6.5-7 per cent, we may not be able to create conditions for significant improvement in employment. That would affect the common man profusely, impact disposable incomes and even pinch their wallets.