

‘Workplace safety key to get more women in labour force’

IMF's Gopinath wants govt to conduct cost-benefit analysis of PLI scheme

RUCHIKA CHITRAVANSHI & INDIVJAL DHASMANA

New Delhi, 18 August

International Monetary Fund (IMF) Deputy Managing Director (MD) Gita Gopinath has condemned the “terrible and disturbing” incident of rape and murder of a trainee doctor in Kolkata. “Personally, it is terrible to have any event of this kind. It is disturbing,” she told *Business Standard* here.

“Leaving aside the impact of these incidents on the economy, it is absolutely critical and non-negotiable that Indian women should feel safe. Full stop,” she asserted.

From an economic point of view, she said it was important to ensure women’s safety at the workplace to raise India’s female labour force participation rate (LFPR), which is currently very low. “One cannot raise that (female LFPR) without ensuring safety at the workplace and safety of women in getting to the workplace. That is absolutely

“ LEAVING ASIDE THE IMPACT OF THESE INCIDENTS (SUCH AS KOLKATA RAPE-MURDER) ON THE ECONOMY, IT IS ABSOLUTELY CRITICAL AND NON-NEGOTIABLE THAT INDIAN WOMEN SHOULD FEEL SAFE. FULL STOP”

GITA GOPINATH

Deputy Managing Director,
International Monetary Fund



EDIT CRIMES AGAINST WOMEN

P9

STATSGURU

Violence hits women

17

▶ AS WOMEN TAKE TO STREETS TO 'RECLAIM THE NIGHT' ...

7

critical,” the India-born economist said.

Female LFPR stood at just 37 per cent for the age group of 15 years and above during 2022-23, though this was higher

than 32.5 per cent in the previous year. Male LFPR, on the other hand, stood at 78.5 per cent in FY23 against 77.2 per cent in FY22. Turn to Page 6 ▶

Slowing US economy may not have major impact on India: Gopinath

Gopinath was here on Saturday to participate in the Diamond Jubilee Conference of her alma mater, the Delhi School of Economics.

Production-linked incentive (PLI) scheme

The IMF first deputy MD suggested conducting a cost-benefit analysis of the PLI scheme to ensure that it remains a temporary measure, and said it was still a bit early to assess how the scheme was working. "Providing these kinds of incentives is something many countries are doing. Our advice to all these governments is that it's important to do a cost-benefit analysis to make sure that in terms of fiscal costs, these are making a difference and are not too fiscally costly," she said.

"It's also important to ensure that these schemes are temporary and don't continue on an ongoing basis," Gopinath said, sounding a word of caution.

The Centre announced the PLI scheme in three phases in 2020 and 2021 to provide financial incentives for 14 sectors, such as pharmaceuticals, electronic and technology products, telecom and networking products, air conditioners, automobiles and auto components, and textile products.

Gopinath said her recommendations for general structural reforms, such as improving the ease of doing business, judicial efficiency, and tax systems, would be crucial.

Earlier, at a fireside chat with 15th Finance Commission Chairman N K Singh at the Delhi School of Economics on Saturday, she emphasised that India should invest in creating a skilled workforce and undertake land, labour, and taxation reforms to meet its aspiration of becoming a developed country by 2047. She also highlighted the



International Monetary Fund (IMF) First Deputy MD Gita Gopinath said the global financial organisation does not foresee a recession in the US under its baseline projections

PHOTO: X/GITA GOPINATH

need to strengthen institutions to improve the ease of doing business, ensure efficient judicial systems, and establish better regulatory environments.

US recession

Gopinath said the IMF does not foresee a recession in the US under its baseline projections.

"We expect the economy to slow. We have projected 2.6 per cent (economic growth in the US) for the current year, and then it will come down to 1.9 per cent for the next year. That's what we should expect," she said.

She said this slowdown would have implications for some of its trading partners, especially

those closely linked to the US economy. Gopinath did not anticipate any major impact of the slowing US economy on the Indian economy. "We see the US economy slowing, but I don't think that will have very negative implications for India," she said. She said the slowdown of the US economy was part of the process of bringing down inflation.

"We see signs of the labour market softening, so we should expect to see slower growth," the IMF deputy MD said. Gopinath said it was more important for the US economy to cool down so that the Federal Reserve can start the process of normalising rates.