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Factors behind the unprecedented decline in household savings

- Household savings rate - The lowest in 50 years

Concept on family savings

- Survived the 2008 global financial crisis
- It plays an important role in the overall economy of the country
- It also contributed to huge industrial investments and political investments
- It plays a major role in individuals' consumption, retirement savings, retail spending
- One third of the country's total savings
- 5% decline in GDP by 2023

Phenomenon that causes a fall in household savings

- 1991 - Liberalisation, Privatisation, Globalization
- 2008 - Financial crisis
- 2016 - Demonetization

Family Savings vs Family Annual Financial Responsibility

- The consumption demand of households has increased. Loaded with debt
- Family financial responsibility
 - 2022 - 3.8%
 - 2023 - 5.8%
- Debt
 - 2022 - 37.6%
- Savings
 - 2011 - 2021 - 10.7%
 - 2020 - 2022 - 7.2%
 - 2023 - 5.1%

Growth of household savings vs government private savings

- 1950-51 - 6.2% (Private savings)
- 1990-91 - 23.6% (A fourfold increase)
- Currently 2023 - 36.7%

Cause of Govt private savings growth

- Increase in income of middle and upper middle class - Government pays
- Provident fund ratio, retirement fund increase and increase in government savings

Reason for decline in household savings

- A change in the three main components of household savings
 - Savings as cash
 - Savings as gold and silver
 - Financial savings

- As a result of the liberalisation, savings in cash and gold have decreased and savings in financial assets have increased.

Value of cash savings in household savings

- 2000 - 67.3%
- 2010-11 - 53.2%

Savings as Gold and silver

- 2000 - 2%
- 2010-11 - 1%

Financial savings

- 2010-11 - 17%
- 2018-19 - 62.4%

Continued decline

- There has been no increase in real wages in India
- Inflation continues
- The GST tax regime will also increase prices and reduce savings
- A two-fold increase in medical expenses
- Medical inflation has risen to 12 percent
- This is the highest medical inflation in Asian countries
- Education inflation has increased by 11 percent to 12 percent
- Revenue growth is low

Current situation

- Increase in gross national product value. But the factors of production are not shared
- Interest rates on savings in banks are decreasing. Money is transferred to private financial institutions that have reduced bank savings habits
- Irrevocable Credit Extent, Financial Resolution, Deposit Insurance Act - Instills fear in bank savings

Impersonation

- Post-2014 economic policies
- Consumer culture and imitation activities have increased. These reduce savings
- Consequence
- Less investment in gross national product
- 2009-10 - 39.8%
- 2021-22 - 31.4%

Climate change

- Report of the Intergovernmental Panel on Climate Change - Infectious Diseases – Climate sensitive
- Increase in temperature – affects the genetic makeup of pathogens
- This can alter the nature and severity of the infection
- Variation in rainfall and humidity – can influence the disease transmission cycle
- Altering the cycle of producing microorganisms and vectors

Relationship between climate and disease

- Human-animal contact increases risk and pathogens
- Can be transmitted from wild animals to humans
- Diseases can spread from accessible sources through new routes
- Sudden changes in the environment can cause severe forecasting confusion
- Climate changes lead to an increase in seasonal diseases
- Survival, Growth and Reproduction of Pathogens

Approach

- Re-examining the policy
- Programs such as the Integrated Health Information Platform should be updated and reexamined
- Increasing surveillance through a single healthcare approach
- Central and State should establish a unified health and disease control program with various special camps

Conclusion

- Climate change does not stop today with infectious diseases
- Extreme weather causes injuries, deaths, respiratory, cardiovascular and mental illnesses
- Protect the ecosystem, foster cooperation and adopt a sanitary paradigm.