



Why Should We Care about Development Finance? ... because it's our money!

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## An External War, An Internal Strain

The recent remarks by Narendra Modi comparing the West Asia conflict to the COVID-19 may be intended to reassure, but they risk understating the seriousness of the current economic stress. Unlike the pandemic, which was a public health crisis with a clear domestic policy response, this is an external geopolitical shock with deep economic linkages, especially through oil, trade, and migration. The government's messaging of "all is well" appears increasingly disconnected from the lived realities of workers, small businesses, and households facing rising costs and job losses.

The most immediate concern is the cascading impact of the oil and gas shock. India's heavy dependence on West Asia, accounting for a majority of crude and LPG imports, has exposed structural vulnerabilities. Disruptions in supply chains have already translated into factory shutdowns, especially in energy-intensive sectors like textiles. The reported halt of nearly half the units in Surat and the loss of lakhs of jobs are not isolated incidents but early warning signs of a broader industrial slowdown. This is compounded by shortages of LPG affecting both production and daily life, forcing households and institutions to fall back on costlier or polluting alternatives.

Macroeconomic indicators further underline the fragility. A weakening rupee, falling forex reserves, and rising crude prices are creating a perfect storm. Reports from Moody's Ratings and other agencies point to slowing GDP growth and rising inflation, driven by higher input costs and subdued consumption. The pressure is not just external; it exposes domestic weaknesses such as stagnant wages, high household debt, and uneven private investment. The reliance on indirect taxes like GST also makes government revenues more volatile in times of economic stress, limiting fiscal flexibility just when it is most needed.

Equally worrying is the emerging human dimension. The early signs of a migrant worker exodus, triggered by job losses and rising living costs, echo the distress witnessed during the pandemic. If not addressed proactively, this could disrupt key urban industries while deepening rural distress. At the same time, any slowdown in Gulf economies threatens remittance flows, a critical lifeline for millions of Indian families and a stabilising factor for the external account.

Taken together, the crisis is not merely a temporary disruption but a stress test of India's economic resilience and policy preparedness. While the government has taken some short-term measures, such as cutting fuel taxes and rerouting supplies, these appear reactive rather than strategic. What is needed is transparent communication, targeted relief for vulnerable sectors and workers, and a medium-term plan to reduce dependence on volatile external inputs. Without this, the risk is not just slower growth, but a widening gap between official optimism and economic reality.

- Team CFA

We refuse to give up trying to demystify finance. We will continue to hold the government and financial institutions accountable for their economic policies and investments. [Support us.](#)



### How banks continue to ignore climate disaster-induced debt

As India is convulsed with industrial development-induced climate emergencies — heatwaves, pollution, heavy rains, floods, and more — not a day passes without a climate disaster. The country witnessed 99% of the disaster days in 2023, according to a study by the Centre for Science and Environment (CSE). As people lose lives — 4,419 in 2023 as per the CSE study — livelihoods, property, and health, each episode of disaster inevitably turns into a financial catastrophe.

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### Reconsideration of Deposit Insurance Policy and Governance Issues in the Banking Sector



### बुटका के परमाणु रीटि टक: निजी निवेश, महंगी बिजली और अक्षरित खराब



### Campaign: Stand Against Inequality | बराबरी का बसंत

From 23 March (Martyrdom Day of Bhagat Singh) to 14 April (Samata Diwas / birth anniversary of B. R. Ambedkar), the #StandAgainstInequality campaign calls for nationwide action against economic and social inequality.

#### Key Announcements

- Revamped Campaign Website Launch – 7 March at TaxTheTop (TaxTheTop.org)
- Joint Action Day – 23 March (common placards & banners across India)
- Competitions – Poster, Real & Poetry contests
- Nationwide Actions – Street meetings, discussions, public-gatherings & online events
- Launch of WealthTracker – A new resource highlighting the potential of taxing the ultra-rich
- Paint Against Inequality – Giant public canvas action on 14 April

To participate or receive campaign resources: [standagainstinquality2024@gmail.com](mailto:standagainstinquality2024@gmail.com) | Missed Call: 89599 50308  
#StandAgainstInequality #TaxTheTop



### Report: WEALTH TRACKER INDIA | TAX THE TOP. CLOSE THE GAP.

Today India is witnessing inequality at levels that are comparable to colonial times. The country's richest 1% control over 40% of the national wealth. The top 10% capture nearly 60% of national income while the bottom 50% of the population survives on just 15%. The number of dollar billionaires in India rose from only 1 in 1991 to over 258 by 2023. Today just 1,688 individuals in India hold a net worth of ₹1,000 crore or more with their total cumulative wealth surpassing ₹168 lakh crore, representing nearly 50% of India's GDP!

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### Workshop: Beyond Burning Waste

April 07, 2024 | 9:30 AM  
Venue: National Foundation for India, India Habitat Centre, Core 4A, Upper Ground Floor, Lodhi Road, New Delhi

This workshop creates space through a short film screening, followed by participatory discussions bringing stakeholders. It explores opportunities for longer-term collaboration, especially in research and action-oriented studies involving CSOs, waste pickers, and the political economy of MLPs and SUPs.

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### Inequality Alert Dispatched from a World Growing Apart

Vol. 1 Issue 8 | 30 March 2024

Inequality Alert is a fortnightly newsletter released on the 10th and 20th of every month. It brings together key campaign actions, important news, and insightful opinion pieces on issues related to inequality

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### Podcast: Pocket Money

Vol III Issue 42  
27th March 2024

Brief on what they kept from you about your money this week

A weekly In-Digest from the Centre for Financial Accountability

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### Message from Harsh Mander, a Civil Rights Activist

Harsh Mander supported the "Barabari ka Basant" campaign and said that India needs a government that ensures work for every hand, fair wages for that work, and guarantees all basic rights.

