ABSTRACT
India is developing into an open-market economy, yet traces of its past autarkic policies remain. Economic liberalization, including industrial deregulation, privatization of state-owned enterprises, and reduced controls on foreign trade and investment, began in the early 1990s and has served to accelerate the country's growth, which has averaged more than 7% per year since 1997.

The worst affected countries are one developing economics where a sharp fall in the export earnings and further pressure on current account and balance of payments were recorded, besides decline in workers' remittances, liquidity crunch and loss of confidence of consumers and investors. The most worrying offshoots of the crisis were the lower investment and growth rates and significant loss of employment.

Indian economic and production growth was suffering an artificial boom that reached the height in 2008 and it caused a situation of bust. Indian middle class and poor citizens were sacrificed twice. Firstly, the economic stimulus and bailout money was provided to industrialist by borrowing and that money is to be paid back by the common Indian citizen.

Given the increasing integration of Indian economy with rest of the world, the slowdown of Indian economy is expected to be reversed only with the recovery of global markets. Until then, the only policy option before the Government of India and RBI is to stimulate the domestic demand through fiscal and monetary measures.

Keywords: Financial Crisis; Developing Economies; GDP; Recession; Government Stimulus; Fiscal Measures

INTRODUCTION
It took some time for policymakers and analysts in India to recognize both the speed and the intensity of the effects of the global crisis on India. Indeed, there were arguments that India, along with China, is “decoupled” from the global system and capable of becoming an autonomous growth pole, based on its recent high growth from a low per capita income base, and a young population leading to falling dependency ratios. In addition, the “strong” domestic financial sector was also seen to be immune to shocks from the international financial system. In addition, it has sharply affected food insecurity which was already a problem in the country.

A recession is when your neighbor loses his job.

A depression is when you lose your job.
The difference between the two terms is not very well understood for one simple reason: There is not a universally agreed upon definition. If you ask 100 different economists to define the terms recession and depression, you would get at least 100 different answers. I will try to summarize both terms and explain the differences between them in a way that almost all economists could agree with.

On Jan. 21, 2008, stock prices tumbled around the world. Most analysts pointed to fears surrounding the United States economy and a possible recession as the reason for the drop. Ironically, economic conditions in the United States were affecting the world economy on a day when its own markets weren’t even in session -- they were closed for the Martin Luther King Jr. Day holiday. Three days later, news outlets were already reporting a new economic stimulus package, designed in part to try to prevent a recession.

This isn’t the first recession news in recent memory. On Nov. 26, 2001, the news media announced the United States was officially in a recession and had been since March of that year. To most Americans, this wasn’t all that surprising: Rising unemployment and a weak stock market had been in the news for months.

Recent high economic growth in India was fundamentally dependent upon greater global integration and related to the deregulation of finance combined with fiscal concessions that spurred a consumption boom among the top two deciles of the population, especially in urban areas, even as deflationary fiscal policies, poor employment generation and agrarian crisis kept mass consumption demand low. The impact of the crisis on agriculture is much more severe than has been recognized. Exposure to global price volatility was associated with a growing reliance on private debt, because of the lack of extension of institutional credit, coupled with growing inability to meet debt service payments because of the combined volatility of crops and prices. Official sources suggest that there has already been a sharp fall in employment in the export-oriented sectors. Many newly unemployed are migrant workers, often short-term migrants with casual contracts whose very existence tends to be ignored by official statistics. As opportunities for paid employment have dwindled, even during the boom, home-based subcontracting activities to women workers, or work in very small units that do not even constitute manufactories, and often on piece rate basis and usually very poorly paid and without any known non-wage benefits, substituted to some extent.

The drop in inflation which is seen across primary articles, fuel and manufactured products, is likely to be because of the high base value in 2009/10 and a good kharif (summer) crop production in 2010, it said.

India’s economy will grow at over 7 per cent this fiscal despite being hit by the global slowdown and would clock a decent 8 per cent in the next fiscal, Planning Commission Deputy Chairman Montek Singh Ahluwalia said.

Noting that India is looking good, Ahluwalia said "the economic growth will be above 7 per cent this year against 6.7 per cent in 2008-09."

Speaking on 'The Indian Economy: The Outlook 2010 Business Interaction' organised by the Confederation of Indian Industry and the Confederation of British Industries at Crown Plaza here, he said, "We hope to get 8 per cent in 2010-11 and 9 per cent in 2011-2012."

He said but for the global decline, India would have grown at 9 per cent.
Referring to the country's emphasis on developing its infrastructure, including airports, telecommunications, power, railways, road and ports, Ahluwalia said, "We are on the right track but we need to do it much faster. The pace of approval of projects have improved considerably and it should be possible to pursue foreign investors to invest in India as India is a good place to invest."

On raising the FDI investment ceiling in the medical insurance sector from 26 per cent to 49 per cent, Ahluwalia said, "The government is very clear that it should go up to 49 per cent and the issue is before a select committee of Parliament."

**OBJECTIVES**

- To study about depression is when you lose your job.
- To study recession is why your neighbor loses his job.
- To summarize both terms and explain the differences between them in a way that almost all economist could agree with.

**Cultivators**

The impact of the crisis on agriculture is much more severe than has been recognized. Cultivators in India have already been through more than a decade of agrarian crisis, which persisted even through the period of rising international crop prices. The problems of farming in India are both deep and varied. They include weather problems such as less reliable monsoons, more frequent droughts or floods, soil degeneration, lack of institutional credit and insurance leading to excessive reliance on private moneylenders, problems in accessing reliable and reasonably priced input, difficulties in marketing and high volatility of crop prices.

**Migrant Workers**

Official sources suggest that there has already been a sharp fall in employment in the export-oriented sectors like textiles and garments and gems and jewellery, and even in industries catering more to the domestic market like metal products, automobiles and construction. Many newly unemployed are migrant workers, often short-term migrants with casual contracts whose very existence tends to be ignored by our official statistics. The economic boom of the past decade relied heavily on such workers: Not just in the sectors mentioned above but in labour-intensive services, such as cleaning, maintenance, private security, driving and related services. These were not simply informal activities, many of them catered to the requirements of the expanding corporate sector, and in effect subsidized it by providing a cheap and flexible external labour force.

**Home-based Workers**

As opportunities for paid employment have dwindled, even during the boom, home-based subcontracting activities, or work in very small units that do not even constitute manufactories, often on piece-rate-basis and usually very poorly paid and without any known non-wage benefits, substituted to some extent. There are estimated to be more than 15 million women workers in the unorganised sector, and more than half of them are women involved in hombased work for different types of industry, dominantly on a piece-rate basis. This includes zari, charkha or other handloom work; bindi, labels, stitching; food processing; and also potentially hazardous work involving acids and chemicals.
Food security and the price of essentials

Much has been made of the slowdown in inflation rates to almost zero, and there are those who have pointed out that this reflects the declining rate of economic growth and could even lead to a deflation that is damaging for growth. But what is often not noted is that even within this overall stagnation in prices, food prices have continued to increase. Foodgrain prices have gone up the most, by more than 10 percent in the year April 2008 to March 2009. This cannot be blamed on higher procurement prices alone, since the prices of pulses, which are not covered by public procurement, have also gone up just as much.

What is immediately required is significantly increased public expenditure, directed towards particular areas—expansion of the employment guarantee scheme within rural areas and extension to urban areas, creative use of NREGS, especially in urban areas, to enable productive use of the tremendous wealth of labour resources available, especially women workers; more resources provided to state governments to enable them to meet basic development and social expenditures; and a package for agriculturalists to protect them from volatile crop prices and to deal with the burden of debt. In the medium term, the government needs to encourage moves towards more sustainable patterns of consumption and production, both through newer technologies and by re-orienting demands. If this can be done, the current crisis might even be worth the pain that it is now delivering to so many millions.

CONCLUSION

Economic indicators are Gross Domestic Product, Consumer Price Index, the Producer Price Index, Employment Indicators, the Retail Sales Index, the National Association of Purchasing Management Index, the Consumer Confidence Index, and more.

Now it is shown every where there is improvement. The rates of interest increasing for housing, good opportunities are there. People are getting good jobs.

REFERENCES