

Need focus on equitable growth, jobs: Policy body

'Growth in prosperity must be solid and resilient in the face of external shocks'

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India's policymakers need to ensure that its growth is reflected equally among all its sectors and citizens, and that policies should be geared towards creating more jobs, if Asia's third largest economy is to be a middle income country by 2047, said a report by the Institute for Competitiveness and endorsed by the Economic Advisory Council to the Prime Minister (EAC-PM).

"India is a country that has shown its potential to deliver high and sustained economic growth. But it still classifies as a lower middle-income country. And while India will continue to grow based on its demographic profile and inherent growth dynamics, this current trend growth will not be sufficient to reach its goals and potential. There is a long path ahead to realise its ambition to reach middle income and eventually high-income status," Said the report titled 'Competitive Roadmap for India@100'.

The report said there are three specific challenges that India will have to address on its way to be a middle-income country from the current lower-middle income slot. First is the shared prosperity challenge, in that while India's headline GDP growth has been strong and even accelerating, weak social progress, rising inequality, and a lack of convergence across regions suggest that this growth has failed to translate into the expected improve-



ments in quality of life for many Indians.

There is also the jobs challenge. With a young and growing working-age population and millions more joining the workforce every year, "India has increasingly struggled to create jobs for a large part of its labour force, especially women and the less skilled," the report stated.

Third is the policy implementation challenge, wherein policymakers have pursued an ambitious agenda of economic reforms, largely focused on the relevant issues and based on mostly sound conceptual principles, but the impact in terms of job creation and growth of firms has fallen

short of ambitions.

"In addition, India is facing a shifting external environment with rising geopolitical tensions and changing patterns of globalisation, climate change and policies to achieve the transition to net zero, digital transformation and other technological changes all embedded in a complex macroeconomic context," the report stated.

The report also said prosperity as measured as average GDP per capita is insufficient and Indian leaders have set goals on "Ease of Living", regional development, rapidly increasing renewable energy production, and more.

THE THREE BIG CHALLENGES

Prosperity

- Weak social progress, rising inequality, and a lack of convergence across regions
- Growth has failed to translate into the expected improvements in quality of life for many Indians

Jobs

- Millions more joining the workforce every year
- Lack of jobs for a large part of its labour force, especially women and the less skilled

Policy implementation

- Impact of policy interventions in terms of job creation and growth of firms has fallen short of ambitions