

Sansad TV Perspective: Competitiveness Roadmap for India@100

In the series Sansad TV Perspective, we bring you an analysis of the discussion featured on the insightful programme 'Perspective' on Sansad TV, on various important topics affecting India and also the world. This analysis will help you immensely for the [IAS exam](#), especially the mains exam, where a well-rounded understanding of topics is a prerequisite for writing answers that fetch good marks.

In this article, we feature the discussion on the topic: Competitiveness Roadmap for India@100

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Guests:

1. Prof. Charan Singh, CEO, EGROW Foundation
2. Rajani Sinha, Chief Economist, Care Edge Group
3. Amit Kapoor, Chairman, Institute for Competitiveness

Context: Economic Advisory Council to PM released the Competitiveness Roadmap for India@100.

Highlights of the discussion:

- Introduction
- Challenges that India faces in becoming a developed country
- Key drivers for India to become a developed nation
- Major areas to focus on
- Challenges in implementation of the roadmap
- Way ahead

Introduction:

- The chairman of the council on the release of 'The Competitiveness Roadmap for India@100' asserted that India can become an upper-middle-income country by 2047 if it manages to achieve a sustained growth rate of 7 to 7.5 percent for the next 25 years.
- Moreover, at this growth rate, India can become a 20 trillion dollar economy by 2047.
- With a GDP of 2.7 trillion dollars, India is currently the world's sixth largest economy and is classified as a developing nation.
- The Prime Minister of India has set an ambitious target of making India a developed nation by 2047.
- A developed country is characterized by a relatively high level of economic growth, a general standard of living, and higher per capita income as well as performing well on the Human Development Index (HDI), which includes education and health.

For more on the report, click here: [30 Aug 2022: PIB Summary for UPSC](#)

Challenges that India faces in becoming a developed nation:

- Having equitable growth
- Creation of jobs
- Implementation deficit at various levels
- The global challenges that affect the Indian economy. For example, the Indian economy faced the domino effect of the COVID-19 pandemic and of the [Russia-Ukraine crisis](#).

The principles that India should follow:

The *4-S principle* that India should follow are stated below-

1. Shared Prosperity - The economic opportunity should be shared across the society.
2. Social Development - Economic growth should match social progress. Ease of living is the most important factor to look for in this endeavour.
3. Solid - This is related to the resilience of the Indian economy from external shocks.
4. Sustainability - This principle focuses on creating economic activities which are sustainable in the long run.

Key drivers for India to become a developed nation:

- The urge of the political leadership is the main driver for the country to catapult to middle-income status and high-income country from there.
- The country should set up an Indian competitive observatory and should have executive training for the leadership.
- India should follow an evidence-based approach.
- There should be a clear strategy and framework, as India is now well integrated into the global economy.

Major areas that should be worked upon:

- Child Poverty: It is very important to focus on childhood poverty as it can have serious repercussions on both the social and economic prospects of the country.
- Education: India should have a robust education system because of its huge multiplier effect on the per capita income as well as the overall economic development.
- Healthcare: The country needs to create a value-based healthcare system.
- Public Safety and Child Care: These are the important social parameters that also have a considerable impact on the economy of a country.

Challenges in implementation of the roadmap:

- The biggest challenge in implementation is the prevalence of high inequality in Indian society. This is the most critical parameter highlighted in the report also.
- The challenges also exist because of the frictions in the federal structure at various levels including local, state, and central government.
- There is a lack of quality research and development (R&D) in the country. Even big corporate firms are apprehensive about investing in R&D.
- Moreover, R&D is completely missing from the MSME sector which covers six thousand products and employs twelve crore people.
- Labour productivity in India is very low in comparison to that of other countries. It is just 56 percent of China, which was nearly 90 percent in the 1990s.
- Similarly, the investments are extremely low, standing just at 55 percent of China.
- Moreover, India has a large unskilled labour force that lacks the basic skills to match the employment needs of present times.

Way Ahead:

- Both labour productivity and [MSME](#) need to be focused on as nearly two crore people will be added annually for the next ten years.
- Dialogue has to start at various levels. In India, there are 52 ministries and 57 departments and thus proper coordination is the need of the hour.
- It is very important to encourage the whole culture of competitiveness and innovation both in the private as well as public sectors.
- India is sitting at the demographic sweet spot till 2055, thus investment in education, skilling, and healthcare are most important. The government thus needs to invest in human capital.
- Three key areas that should be initially focused on and that can have an immediate multiplier effect are Healthcare, Tourism, and Electronics.

Conclusion:

There is going to be a large-scale rebalancing of the global value chain and if India is able to grasp this opportunity, then it would significantly benefit India's economic needs. It is also observed that opportunities in India far outweigh the challenges. This will be the most important factor to write a growth story and propel India towards the status of a developed nation.
