

# Perceptible Inclusive Growth: Challenges of Sustainable Policies

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Inclusive growth refers to a process whereby broad based benefit emanates and ensures equality of opportunity for all indiscriminately. This is possible through percolation effects. The inclusive growth implies an equitable allocation of resources with benefits accruing to every section of society. Inclusive growth is announced with the pro-poor growth i.e. growth results in reduction of poverty, human development, health benefits and provides work opportunity.

Inclusive and sustainable growth involves four attributes. They are opportunity, capability, access and security. The opportunity attribute focuses a generating more and more opportunity to the people and increasing their income. The capability attribute concentrates on providing the means for people to create or enhance their capabilities in order to exploit available opportunities. The Access attributes focus on providing the mean to bring opportunities and capabilities together. The security attribute provides the means for people to protect themselves against a temporary or permanent loss of livelihood.

The research paper is descriptive and analytical in nature based on secondary sources like books and WebPages.

## Need for Inclusive and Sustainable Growth in India

National and per capita income of India is increasing at a high rate, year after year but their growth continue to include a large majority of Indians living in villages and they have been excluded from India's growth story. There is vast inequality of income and wealth in India. According to credit Suisse the top 1% of the population own 15.9% of India's wealth and top 10% have 52.9% of India's wealth. This mean 90% of Indian both urban and rural have very small share in National wealth. This vast inequalities in income and wealth should be removed and the benefits of growth should reach each and every section of the society, so that people deprived of even basic necessities can link themselves to the national march to development and do not take the path of crime.

Elements of inclusive growth Inclusive growth should include following elements

1. Reduction in poverty
2. Increase in quality and quantity of employment.
3. Agricultural development.
4. Increase in literacy among poor
5. Balanced regional development or reduction in regional disparities.

## Disparities in Some Socio Economic IndicatorS

	Average around 1990	Average Recent	Recent year (Best State)	Recent year (Worth State)
Per capita NNP	7321	11799	16679	3557
Consumption poverty	36.0	27.8	5.2	46.5
Literacy Male	64.1	75.3	94.2	59.7
Literacy Female	39.3	53.7	87.7	33.1

Attending Elementary school	55.3	71.1	103.1	55.8
Infant mortality Rate (2003)	80	6.0	11	83

### Problems or Difficulties Before inclusive Growth Strategies in India

For a developing country like India the need of inclusive growth is vital to achieve the over all progress of the country. The following are the major areas of concern for developing countries like India to achieve the inclusive growth

- i. Poverty
- ii. Unemployment
- iii. Backwardness of agriculture.
- iv. Problems in social development
- v. Regional disparities.

(i) **Poverty:** The world bank estimates that 456 million Indian (42% of the total Indian population) now live under the global poverty line of \$ 1.25 per day (PPP). This means that a third of global poor now reside in India. Although planning commission estimated that 27.5% of the population was living below the poverty line. Unless the menace of poverty in removed the dream of inclusive and sustainable growth would remain a dream for the country.

(ii) **Unemployment:** unemployment is a major hurdle for inclusive growth in India. The quality and quantity of employment in India is very low due to illiteracy and due to over dependency on agricultural employment.

Unorganized employed people in India are around 85% workers in this sector do not have social security. The generation of productive employment for labour force in the economy is the toughest task for the country. The country is also facing the problem of generating sufficient employment in all sectors, regions and for all socio economic groups.

(iii) **Agriculture:** India is agriculture based economy and majority of Indian are still dependent on agriculture sector for livelihood. This sector is facing many problems.

- a. Decline in per capita land availability and shrinking of farm size.
- b. Low productivity in agriculture sector.
- c. Problem of irrigation and power

d. Disparities in growth rate across regions and states.

All these problems are a hurdle for the development of agriculture sector and also for the objective of achieving inclusive and sustainable growth.

(iv) **Problem in Social Development :** Social development is also a grey area and a major concern for inclusive and sustainable growth. Some of the major problems of this sector are:

- i. Regional, social and gender disparities
- ii. Slow growth in medical and health.
- iii. Low rank on the Index of human development.
- iv. Malnutrition among children.

The vision of inclusiveness must go beyond the traditional objective of poverty alleviation to encompass equality of opportunity as well as economic and social mobility for all section of society, with affirmative action towards SC, ST and women.

(v) **Regional Disparities:** Due to the development in agriculture and industrial sector some regions in India developed fast and some other places still are facing the scarcity. Some of the glaring regional disparities are:

- i. Per capita income is highest at Rs. 16,679/- in Punjab and Lowest per capita income is at Bihar with Rs. 3557/-
- ii. Female infant mortality varies from 12 in Kerala to 88 in Madhya Pradesh.
- iii. Female literacy varies from 33.6 in Bihar to 88% in Kerala.
- iv. Richer states grew faster than the poorer states.

### Challenges of inclusive and sustainable growth in India

The main element of the inclusive growth strategy included a sharp increase in investment in rural areas, rural infrastructure and agriculture spurt in credit for farmers, increase in rural employment through a unique social safety net and sharp increase in public spending on education and health cell.

The challenges and opportunities before inclusive growth strategies in India are:-

- i. Poverty alleviation is one of the big challenges for India. Eradication of poverty in India is generally only considered to be a long term goal. Poverty alleviation is expected to make better progress in the next 50 years as a trickle down effect of the growing middle class. Increasing stress on education, reservation in govt. jobs and increasing empowerment of women and economically weaker section of society are expected to contribute to the alleviation of poverty.
- ii. For agricultural growth, the private players can participate to bridge the gap including providing micro finance contract farming setting up storage facilities for agro produce and purchasing them from farmers. The government should lower from credit rate for increase in agricultural growth.
- iii. Government schemes should target eradication of both poverty and unemployment and should attempt to solve the problem by providing financial assistance for setting up businesses, skill having setting up public sector enterprises, reservations in government etc.
- iv. Child labour is a complex problem that is basically rooted in poverty. The India government is implementing the world's largest child labor elimination programme. With primary education targeted for around 250 million numerous non-government and voluntary organizations are also involved. Special investigation cells have been set up in states to enforce existing law banning employment of children (under 14) in hazardous industries.
- v. Social development is possible through achieving women empowerment and eradicating the regional disparities. Though the government is giving the women empowerment by giving special reservation, the women's advancement in India is still not matched the expectations for inclusive growth.
- vi. To bring in inclusive growth, it is necessary to enhance growth, it is necessary to enhance the capabilities of women by providing education, so that they get the opportunity of getting employed.

#### XII Five year plan and inclusive growth:

Planning commission is focusing on installing "inclusive and sustainable growth". The XII five year

plan (2012-2017) is expected to be one that encourages the development of India's agriculture, education, health and social welfare through govt. spending. It is also expected to create employment through developing India's manufacturing sector and move the nation higher up the value chain. The commission is likely to strive to enough policies that will achieve somewhere around a 10 percent growth rate in factories and a 4 percent growth rate in farm produce.

The quantitative rates of the XII five year plan are

- i. A target of GDP growth in the a percent from 9% to 9.5 percent range.
- ii. An increase in literacy rates to 100 percent between the plan's period from 2012 to 2017.
- iii. An increase and expenditure on health for 1.3 to 20 percent of GDP.

The basic objective as stated in the planning commission presentation is "Faster more inclusive and sustainable growth". It was said that the priority areas in the 12 five year plan would be betterment of farmers, small industries, cottage industries etc. It is asserted by the planning commission that for growth to be more inclusive we need:

- i. Better performance in agriculture
- ii. Faster creation of jobs, especially in manufacturing sector.
- iii. Stronger efforts at health, education and skill development.
- iv. Improved effectiveness of programme direct at the poor.
- v. Special programme for socially vulnerable groups.
- vi. Special programme so for disadvantaged or backward regions.

#### Conclusion

India has the potential of becoming a leading economy and has the unique opportunity to make that growth inclusive and sustainable provided these is willingness on the part of all sections of society to put in hard and disciplined work together with serious just avoid and purposeful planning. Better governance more and better educational, institutional, higher agricultural productivity, controlled inflation and permanent in infrastructure are some of the major and more important steps required to achieve inclusive and sustainable growth.

Agriculture is extremely important for inclusive growth, since a large majority of the Indian population is dependent on this sector. Improved agricultural productivity would bring in its wake increased family incomes for this vast majority. This together with better infrastructures in irrigation would aid tremendously in tackling rural poverty and all this will increase overall prosperity of the national.

India has been endowed with some of the world's most essential minerals, beautiful places, diverse cultures and capable and talented people. It is time we stop squandering this advantage and make the most of what most countries can never ever dream of. There is much to be done but if done correctly then nothing can stop us from reaching the pinnacle of the world.

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