

INDIA'S ECONOMIC RISE AND ITS FUTURE PROSPECTS

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Paper Received: 31.01.2019 / Paper Accepted: 27.02.2019 / Paper Published: 01.03.2019

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Abstract

In-depth analysis of the causes, obstacles, and potential outcomes of India's economic progress. Liberalisation changes in 1991 represented a watershed moment in India's economic history, which had previously been characterised by colonisation and a patchwork of economic policies. Increased foreign investment, a booming service sector, and a young population all contributed to brisk economic expansion. However, problems like as poverty, income disparity, and environmental degradation still exist. Reforming policies, investing in people, expanding physical infrastructure, developing cutting-edge technologies, integrating economies around the world, and prioritising long-term sustainability are all crucial for the future. India's economic growth has also boosted the country's international stature. This research examines India's economic history and its potential future, stressing the need of ongoing reforms and broad-based growth.

Keywords: Liberalisation, Economic, Growth.

Introduction

There has been a lot of discussion and research into India's economic growth in recent decades. The purpose of this extensive research is to present a synopsis of India's economic expansion, its causes, and its obstacles, as well as a discussion of its potential outcomes.

Historical Perspective: India's economy has flourished and stalled at various points throughout its past. India had one of the world's greatest economies before colonial domination by the British. However, economic growth slowed as a result of colonisation. India became a free nation in 1947, and the decades that followed saw the country adopt a diversified economy. In 1991, India began a period of significant economic changes that liberalised the country's economy. Trade liberalisation, deregulation, and privatisation were among the most important reforms. Recent economic growth in India can be directly attributed to these policies. Since the early 1990s, India's economy has grown at a rapid pace. Multiple forces have contributed to this expansion, including a young and expanding population, a swelling middle class, a booming technological industry, and an uptick in FDI.

Demographic Dividend: India's young population is considered as an asset. However, significant investment in education, healthcare, and job development is necessary to fully realise this dividend. Problems with population growth may arise if this is not done. The expansion of India's economy can be attributed in large part to the services industry, especially information

technology and business process outsourcing. It's had a major impact on export profits and new jobs created. While the service sector has expanded rapidly, manufacturing and agriculture have fallen behind. Balanced growth and lessening of income inequality require structural adjustments in these areas. Investing in new infrastructure is essential if we want to keep the economy expanding. While India has made strides in improving its transport infrastructure, more money is still needed to finish what has been started.

Foreign Direct Investment (FDI): India has attracted FDI across a wide range of sectors, although investors may be put off by regulatory and bureaucratic barriers. Sustaining inflows of foreign direct investment (FDI) requires streamlined investment processes. Income disparity, poverty, unemployment, graft, and environmental devastation are just a few of India's difficulties. In order to achieve inclusive and long-term growth, these obstacles must be overcome.

India's economic future is bright, but only if the country overcomes the obstacles we've already discussed. The economic future of India is heavily influenced by variables such as:

- Maintaining economic liberalisation and policy reforms is essential.
- Human Capital Formation: Spending on Healthcare and Education Is Crucial.
- Development of essential infrastructure in order to sustain economic activity is ongoing.
- Making the most of opportunities presented by technological advancements.

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- Integration into international trade and supply networks.
- Keeping economic development in check with environmental protection is a key component of sustainability.

India's rising economy has given the country a greater voice on the international stage. It plays an important role in multilateral bodies and forums, and the weight of its economy gives it more clout in diplomatic negotiations, the development of India's economy is intricate and multifaceted. Despite the country's impressive progress in recent decades, it still must overcome considerable obstacles to achieve sustained and inclusive growth. With sustained reforms, investments in human resources and infrastructure, and a dedication to sustainable development, the Indian economy has bright long-term prospects. The study's context is established and the stage is set by the background section. The historical, economic, and social environment that drove and influenced a study on India's economic progress and future prospects would all be covered in the introduction. A quick history is as follows.

India's economy has seen both booming and crashing times throughout its history. India was a leading economic power before the British colonial era. However, economic exploitation and stagnation were the results of colonisation. India became an independent nation in 1947, but its economic progress was stunted in the following decades by a socialist government's attempts to coexist with a market economy. India changed drastically after implementing new economic policies in 1991. The goal of these changes was to free the economy up to international trade and minimise the role of the government. Since then, India's economy has expanded at an extraordinary rate, making it one of the fastest-growing major economies worldwide. Initiated in 1991, India's economic reforms were a set of new regulations designed to open up and modernise the country's economy. Liberalisation of trade, deregulation, and privatisation of state-run businesses were all part of these changes. The reforms encouraged more economic competition, lowered trade barriers, and opened India to global investment. They accelerated India's integration into the global economy and spurred growth across all sectors, but especially the service industry. Despite the many positive effects of these changes, several difficulties emerged as a result, such as economic disparity and development gaps. India's growth story over the past three decades has been heavily influenced by the country's economic reforms.

This context sheds light on the differences between India's colonial economic dominance and its current economic trajectory, which has been determined by fundamental economic reforms. It highlights the significance of knowing India's economic history, its growth drivers, and the obstacles it faces on its path to becoming an economic superpower. The goal of the research is to offer a thorough examination of these processes and their bearing on India's economic prospects in the future.

Review of Literature

Prema (2015) Economic growth is the increase in a country's output of goods and services over a given time period. Real economic growth occurs when inflation is contained and managed, and is hence distinct from the realized growth. Technological advancement and beneficial external influences are the usual catalysts for economic expansion. Therefore, economic growth is defined as a non-decreasing rise in both the aggregate physical production per worker and the aggregate output per capita over time. Structural shifts, such as away from agriculture and towards manufacturing and services; into cities; away from students and towards workers; upping the importance of formal education; upping the importance of foreign trade; downplaying the importance of natural resources; and upping the importance of government are all hallmarks of a thriving economy. The study's findings demonstrate that across industries during the current planning horizon, To fulfil the needs of the growing population, the government must continue to prioritise the health sector, which plays a crucial role in economic growth and makes a substantial contribution to society. The publication is supported by data from a number of government surveys and reports, and primary data on vaccine safety and efficacy was collected specifically for this study.

Chandra (2015) This study sets out to assess how much of an effect commercial liberalisation has had on the Indian economy. India is now one of the world's fastest-growing major economies thanks to economic reforms that began with business liberalisation in the early 1990s. This research examines the impact of liberalisation on India's economic development from multiple angles, including policy shifts, FDI, and trade liberalisation. We also examine the opportunities and threats that liberalisation has introduced to many economic sectors, providing a clearer picture of India's economy as a whole.

Rahul (2009) Unlike many East & Southeast Asian states, the Indian state has been more permeable by social actors. India, in contrast to China, was

unable to do away with private enterprise or adopt globalisation at the same breakneck pace. A state, with far more control over interest groups like industrialists, farmers, and trade unions, would be required for both comprehensive state-driven nationalisation and state-driven globalisation. Building social consensus on measures that would promote economic growth and development in India required time. The state's influence, even at its most dominant, was tempered by the power of social actors in this model of development, which emphasises cooperation between the two. Ideas for the state's future development were hotly contested. Building on the historical route of slow shifts in thought and policy, accompanied by economic crises, would be necessary for any significant shift in economic policy. This paper shows how this dynamic is essential for making sense of India's continued globalisation after 1991 and for comprehending the politics behind the green revolution and its resultant food grain self-sufficiency. It's a tale of forging a policy agreement among different groups of people, and then slowly but surely making your way to higher rates of economic growth.

Analysis

The analysis demonstrates that India's economy has been on an impressive upward trend ever since the liberalisation measures of 1991. Compared to other major countries, annual GDP growth rates have been generally above average. A big and young population, a booming services industry, and more foreign direct investment have all contributed to this continuous growth. The results indicate that India's economic growth may keep accelerating for the foreseeable future.

Opportunities and problems stem from India's demographic dividend, which includes a large and growing youth population. The report stresses the importance of investing heavily in healthcare, education, and vocational programmes in order to properly capitalise on this dividend. The results indicate that if India does not invest sufficiently in its human capital, the country's economic growth could be hampered by high rates of youth unemployment and underemployment.

The expansion of India's economy may be traced in large part to the services industry, which has been particularly important in information technology and business process outsourcing. According to the research, this industry has aided in India's GDP growth and worldwide economic integration. It does, however, underline the need of economic diversification in mitigating exposure to external economic shocks.

Problems in Industrial Production and Farming

The research shows that both of these industries require fundamental changes. The research shows that this industry's failure to keep up with the services sector has contributed to income disparity and made it harder to create jobs in rural areas. Achieving a more equitable and inclusive growth pattern requires addressing these concerns.

The need of ongoing investment in infrastructure development as a driver of economic growth is highlighted in the report, which also emphasises the importance of foreign direct investment. It also highlights the importance of streamlining regulations and lowering bureaucratic bottlenecks in order to attract and keep FDI. According to the results, making it easier for companies to operate in India would be beneficial to the country's economy.

Several obstacles are highlighted in the study, including income inequality, poverty, unemployment, corruption, and environmental degradation, all of which have an impact on sustainable development. These difficulties threaten India's economic development and social peace. The results highlight the need for sustainable development practises and comprehensive legislative measures to successfully address these problems.

The report finds that sustained policy reforms, investments in human capital and infrastructure, technological innovation, global trade integration, and sustainability measures are crucial to India's economic future and its global role. It also emphasises the possible diplomatic and geopolitical prospects afforded by India's expanded global influence as a result of its economic progress.

This study shows that India's economy has grown considerably, strengthening its position as a worldwide power. However, persistent work and deliberate policy decisions will be required to overcome problems and keep this growth going. There is still a long way to go on India's path to becoming an economic superpower, and much will depend on the country's ability to handle intricate economic, social, and environmental factors.

Conclusion

India has had a spectacular economic journey over the past few decades, going from a restricted and mixed economy to a thriving and liberalised one. The following are the most important conclusions to be drawn from this research of India's economic development and outlook:

- India's post-independence economic growth may be traced back to its

prosperous past and subsequent colonial rule.

- The major economic changes of 1991 ushered in a period of economic liberalisation, deregulation, and privatisation, and are credited with spurring a wave of economic prosperity.
- India's economy has grown rapidly in recent years because to a number of causes including the country's young population, expanding middle class, booming service industry, and greater inflow of foreign investment.
- Investments in education, healthcare, technology and job creation are necessary for India to effectively capitalise on the opportunities presented by its demographic dividend.
- Indian economic growth and international competitiveness owe much to the country's thriving service industry, which includes industries like information technology and business process outsourcing.
- The expansion of both the manufacturing and agriculture sectors must be balanced if income disparity is to be reduced and a more equitable society is to be developed.
- Investment in infrastructure development is essential for maintaining economic growth and enhancing people's standard of living.
- While India has been successful in attracting FDI, the country must continue to remove bureaucratic and regulatory barriers if it wants to keep investors confident.
- India has several problems that need to be fixed all at once, such as income disparity, poverty, unemployment, corruption, and environmental issues.
- Positive economic growth is expected for India in the future; however, this growth will depend on the country maintaining its current strategy of reform, investing in human capital and infrastructure, embracing new technologies, engaging in international trade, and prioritising environmental protection.
- New diplomatic and strategic openings have presented themselves to India as a result of the country's rising economic status on the world stage.

India's economic growth proves the country is resilient and has great potential. While progress has been made, there is still a long way to go. India will not reach its full potential unless its problems are solved, its culture is open to new ideas, and its government implements policies that foster inclusive and long-term economic growth. How well India handles these challenges will have far-reaching effects on the global economy and not just for India itself.

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